

Telephone : 256 41 4341305/230487
Fax : 256 41 4233524
Email : treasury@finance.go.ug
Website : www.finance.go.ug
Plot No. 2-10 Apollo Kaggwa Road
In any correspondence on
This subject please quote No. AGO/156/09/22



Ministry of Finance, Planning &
Economic Development,
P.O Box 8147
Kampala, Uganda

27th April, 2022

All Accounting Officers

CIRCULAR ON E-CASH USAGE

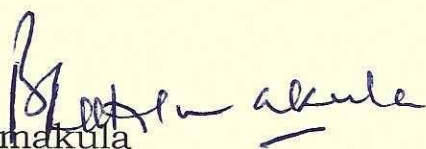
Reference is made to the above subject and earlier E-Cash guidelines issued on 28th May 2019.

E-cash platform has been in use since FY 2017/2018 and has registered significant growth in the number of users and volume of transactions. The platform has undergone reviews and upgrades to address user's feedback and identified operational challenges for more efficiency.

The E-cash platform shall be used for those transactions that are largely one off, abrupt or urgent and therefore the set up on Integrated Financial Management Services (IFMS) may lead to delay in implementation or may present challenges.

Votes not yet set up on the E-cash platform are required to write to the Accountant General's Office and submit user details to facilitate set up.

This is therefore to issue updated guideline to Accounting Officers on the E-cash for ease of reference.


L. Semakula

ACCOUNTANT GENERAL

Copy to: The Permanent Secretary/ Secretary to the Treasury
The Auditor General, Office of the Auditor General
The Internal Auditor General, MoFPED



**MINISTRY OF FINANCE, PLANNING
AND ECONOMIC DEVELOPMENT**

ACCOUNTANT GENERAL'S OFFICE

GUIDELINES FOR E-CASH

April 2022

CONTENTS

1.0	BACKGROUND.....	2
2.0	OBJECTIVES.....	2
3.0	THE E-CASH SOLUTION FUNCTIONALITY.....	3
4.0	PROCESS OF HANDLING E-CASH.....	3
	a) Setting up of users on e-cash platform.....	3
	b) Processing of transactions through E-cash platform.....	4
	c) On the payout day, beneficiaries will provide the following information;.....	4
5.0	ROLES AND RESPONSIBILITIES OF KEY STAKEHOLDERS.....	5
	a) Stanbic Bank Uganda (SBU).....	5
	b) Accountant General’s Office (AGO).....	6
	c) Vote /entity.....	6
6.0	TRANSACTIONS TO BE PROCESSED USING THE E-CASH PLATFORM.....	6
7.0	Appendices.....	8
	Appendix 1.....	8

1.0 BACKGROUND

Government of Uganda (GoU) has implemented wide-ranging Public Financial Management (PFM) reforms geared towards ensuring efficient, effective, transparent and accountable use of public resources as a basis for improved service delivery. Some of the key reforms include: enactment of a new PFM law; the Public Financial Management Act of 2015, rollout of the Oracle based Integrated Financial Management System (IFMS) to Ministries, Agencies and Local Governments (MALGs), introduction of Electronic Funds Transfer (EFT), decentralization of salary and pension payment processing and implementation of Treasury Single Account (TSA).

While the above reforms provided the foundation for improved transparency and accountability in public financial management processes, a number of challenges still remain. One of the challenges is the management of cash transactions in Government entities. In order to address the above challenge, the Government in conjunction with Stanbic bank developed the E-cash solution to help address the risks associated with cash payments such as lack of accountability, misuse of funds and theft. The platform was developed to aid MALGs to undertake programs and operations that require cash form of payments.

The e-cash platform solution enables MALGs to efficiently and securely manage cash transactions. The platform is being actively used by 138 entities including 40 government projects registering a total volume of **UGX 122,590,204,036** in the **FY2019-20** and **UGX 151,820,910,328** in the **FY2020-21**. All the remaining votes/entities should submit users to be able to access the E-cash platform.

2.0 OBJECTIVES

The overall objective of using the e-cash platform is to ensure cash transactions are authorized, properly accounted for, documented and identifiable to specific Government activities undertaken by MALGs. The specific objectives of the e-cash platform include;

- I. To foster efficiency and convenience in execution of cash payments.
- II. To ensure security and transparency in the entire payment process.
- III. To facilitate timely delivery of funds to the intended beneficiaries.
- IV. To enable tracking of funds disbursed to entities for cash payouts on a real time basis by the Ministry of Finance, Planning and Economic Development (MoFPED).
- V. To ensure that the right beneficiaries are paid the correct amount and-in timely manner.

3.0 THE E-CASH SOLUTION FUNCTIONALITY

The E-Cash platform is designed with the following functionality;

- i A web portal (online application forms) accessible to any authorized user over the internet who has designated access credentials. The portal allows direct upload of single entry and bulk import of recipients' payment information.
- ii Secure Operating system that is configured with multi-level authentication and a maker-checker-approver arrangement based on the agreed approval hierarchy.
- iii Inbuilt controls to enable secure initiation, review, and approval of cash payment transactions.
- iv Ability to schedule payments to be affected at a later time or date using a payment scheduling service.
- v Three (3) tier approval hierarchy (Initiator- Cashier or designated officer, Checker – Head of Accounts/Finance and Approver- Accounting Officer) to achieve a complete and successful cash transaction cycle.
- vi Generates payment activity reports by vote, date range, beneficiary and/or any other relevant attributes.

4.0 PROCESS OF HANDLING E-CASH

a) Setting up of users on e-cash platform

- i An Accounting Officer will write to Accountant General submitting users and their respective roles on the system e.g. Filer, verifier, authorizer and administrator.
- ii Accountant General submits users through the workflow tool to Stanbic bank to be set up accordingly.
- iii Stanbic bank sets up users and communicates to the users through email indicating user name, one-time password and web link that shows how to access the E-cash portal.
- iv The vote confirms receipt of credentials and the support team follows up to train users.
- v Any other updates such as setting up of new users, amending user details e.g. change of email address, telephone number, role assignment and deactivation of already existing vote on the E-Cash platform will be initiated by the verifier and approved by the Accounting Officer. This is to be done through the workflow tool that has been updated to incorporate

this responsibility. The request is then received by Accountant General's Office (AGO) and forwarded to Stanbic Bank for action.

b) Processing of transactions through E-cash platform

- i Accounting officer shall initiate the transaction onto the IFMS like any other payments and notify Treasury by sending payment notification. The accounting officer should ensure that the right items/budget lines have been charged. This applies to only votes under Treasury Single Account (TSA)
- ii Treasury formats the payment and forwards file to BOU.
- iii Entities which are not using IFMS such as projects, subventions and branched will process cash payments directly through BoU banking system (BBS) platform to the E-cash account in Stanbic Bank.
- iv Stanbic bank will credit the designated E-cash account and work with treasury support team to update the e-cash platform with the e-value of the credited amount, upon which the vote will be ready to process the payments.

c) On the payout day, beneficiaries will provide the following information;

- i Name (recognized ID e.g. national ID, driver's license, employee ID is required for proof of name).
- ii Registered Mobile money phone number (MTN and Airtel).
- iii Beneficiaries with mobile numbers that are not registered for mobile money, should sign an undertaking authorizing the paying Agent to remit their payment(s) to another agreed registered third party using a form illustrated in appendix 11.
- iv Beneficiaries can opt to provide bank account and be paid directly to the account. This option however takes at least 24 hours for accounts held in Stanbic bank and 48 hours for accounts held in other commercial banks.
- v The information provided and amount in Uganda shillings to be received will be captured on the E-Cash platform and processed through an Oapproval hierarchy by the responsible officers.

The platform has an inbuilt Know Your Customer (KYC) which automatically displays the recipients' names when phone numbers are entered. The responsibility of ensuring that only bona-fide beneficiaries are paid and reconciling all the relevant records lies with the respective Accounting Officer.

- vi E-cash payment transactions to beneficiaries will be initiated on the platform either by capturing individual transactions or through bulk upload.
- vii The Accounting Officer will validate/approve the E-Cash transaction on the platform and send an electronic payment instruction to the E-cash Service provider to effect payment.
- viii The beneficiaries will immediately receive a notification on receipt of the payment.
- ix A report will be generated with all the details of beneficiaries and respective amounts paid.
- x Any unpaid Balance on the designated E-Cash bank account will be swept back to the MALG's and Projects Sub TSA (Source Account) within ten (10) working days from the date the requested amount was initially credited to the designated E-cash account.
- xi The MALG's, Projects will reconcile and pass accounting entries on the system (IFMS) to adjust the cash book and expenditure line item(s) for the amounts returned/unspent.
- xii The MALG's and Projects will prepare and keep accountability in form of activity reports in addition to reports generated on the e- cash Platform.

5.0 ROLES AND RESPONSIBILITIES OF KEY STAKEHOLDERS

a) Stanbic Bank Uganda (SBU)

- i The Platform was developed by Stanbic bank in collaboration with Ministry of finance Planning and Economic Development.
- ii The bank is responsible for setting up new votes/entities, users and subsequent amendments on the system upon authorization from votes/entities and AGO.
- iii SBU is responsible for communications between the bank and telecom services (MTN and Airtel).
- iv SBU approves credits submitted by AGO as a final step in crediting an entity's e-cash wallet.
- v Responsible for notifying AGO of payments submitted via BBS/ for upload unto the Platform.
- vi The bank is responsible for ensuring system security, upgrading the platform in consultation with AGO.
- vii The bank is responsible for ensuring system availability up 99% and also resolving system related errors encountered by users.
- viii The bank is also responsible sweeping of utilized funds as per AGO instructions.

b) Accountant General's Office (AGO)

- i AGO is responsible for coordinating communication between the bank and votes/entities on E-cash transactions and the E-cash platform.
- ii AGO also responsible initiating the crediting of entity e-wallets after votes have transferred funds to the e-Cash holding account.
- iii AGO also responsible for reviewing and approving work flow tool requests from votes for onward submission to the bank.
- iv AGO is responsible for training users and user support.
- v AGO initiates requests and forwards to the bank for vote setup after receiving setup documentation from the vote/entity.
- vi The AGO is responsible for approving all recalls initiated by Stanbic bank.
- vii AGO defines and approves key business processes that should be implemented on the system and communicated to SBU.

Note: AGO does not take responsibility for wrong Payee, wrong amounts paid, double payments and mischarges.

c) Vote /entity

- i) The vote is responsible for initiating requests for set up of users, user updates and all transactions processed through the E-cash platform.
- ii) The AO approves workflow tool all requests initiated by the vote on the system e.g. set-up requests, amendment, and deactivation users.
- iii) The AO approves beneficiaries and payments submitted initiated by the vote.
- iv) AO is responsible for initiating all communications between the vote and AGO regarding e-Cash.

Note: It's the responsibility of the Accounting officer to ensure that there are no budget mischarges and only rightful beneficiaries are paid to undertake approved activities that qualify for cash payments.

6.0 TRANSACTIONS TO BE PROCESSED USING THE E-CASH PLATFORM

The e-cash platform is for purposes of facilitating cash payouts in Uganda Shillings. Access to the platform will be restricted to only those transactions where it is cumbersome to pay directly to the beneficiary bank accounts

through an electronic funds transfer instruction generated off the Government of Uganda Integrated Financial Management System (IFMS). In principle, e-cash will be used to process the following cash payments;

- i Facilitation allowances to participants attending workshops, seminars, trainings, casual laborers and student leaving out allowance.
- ii Facilitation allowances to employees who are predominantly field /delivery staff
- iii One-off cash payments where it's not possible to get account details for set up on the IFMS and the amount is equal or below the threshold.

Specifically, the E-cash platform will not be used where;

- i) The amount to be paid out to an individual payee exceeds UGX 5m (Uganda Shillings Five million)
- ii) Expenditure is on wrong items for the intended activity i.e charge items in the budget do not relate to workshops and seminars, compensation and training.

7.0 APPENDICES

Appendix 1

INSTRUCTION TO PAY ALLOWANCE ON THIRD PARTY REGISTERED MOBILE MONEY PHONE NUMBER.

I..... of.....on
this date.....authorise that my allowance for
..... be paid to
mobile number.....in the names of
.....

Signature:

Names:

Mobile Number.....

In presence of:

Names:

Signature: