

BANGLADESH RURAL ELECTRIFICATION BOARD
DHAKA, BANGLADESH
PBS INSTRUCTION 200-29

SUBJECT: MANAGEMENT OF PBS FUNDS

I. PURPOSE:

The purpose of the Instruction is to set forth BREB policy and recommendation with respect to the management of PBSs' Fund which includes banking arrangements, cash receipts, cash disbursements, investments, imprest fund and cash-flow forecasting. Cash flow must be planned to ensure that cash is available when needed and invested when idle.

II. ESSENTIALITIES OF PROPER FUND MANAGEMENT

It is the responsibility of the PBSs to ensure appropriate and effective utilization of its Funds and to make deposits and investment in a manner that earns a maximum possible return to the PBSs. BREB is also concerned that the deposits and investment made by the PBSs do not impair BREB's security, the ability of the PBSs to repay its loans as scheduled for accomplishment of the objectives of the Bangladesh Rural Electrification Board Act-2013.

In order to manage cash properly and to ensure appropriate and effective utilization of funds, the following principles should be followed:

- Cash transactions should be accounted for as soon as the Transactions incur and daily deposits of cash to bank(s) should be ensured.
- Bank accounts should be established with the scheduled banks only and operated as per PBS Instruction 200-24.

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- Each PBS must manage its fund to have sufficient working fund available to meet current operating costs including the fund required to repay its debt service liability as scheduled. Idle cash not generating any income must be kept at a minimum.
- Balances of all accounts as per bank statement and that as Per PBS record will be reconciled monthly by Accounts Section using BREB Form no.285 and AGM(Finance-Accounts) is responsible for this reconciliation.

III. RECEIPTS:

All cash collected by the cashier must be deposited into the bank on the same day or positively on the following working day. Collected cash deposit to the bank other than cashier, Depositor will be nominated by GM for Head Quarter, DGM for Zonal office, AGM(In-Charge) for Sub-Zonal Office. DGM For the Zonal Office, AGM (FR/FA) for Head Quarter & AGM(In-Charge) for Sub-Zonal Office will keep the day to day performances of the Cashier under the close supervision and ensure the following issues:

- Cash in hand with him/her must be kept at a minimum to avoid the risk or mismanagement of funds. There should have an explanation for 'cash in hand' in Collection Report.


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ii) The Daily Collection Report must be prepared by him/her on a daily basis and these reports must be verified and checked by the Accountant/Accountant(Revenue) in HQ, Plant Accountant in Zonal Office, Billing Supervisor in Sub-Zonal Office and approved by the Assistant General Manager (Finance-Revenue)/Accounts in HQ, Deputy General Manager in Zonal Office and AGM (In- Charge) for Sub-Zonal Office on a regular basis. The General Manager and AGM- (FR/FA) shall carry out sudden / surprise checking of the Daily Collection Report.

The daily Cash Collections and Deposits to Bank(s) shall be verified by the PBS Finance personnel daily and for verification, the following 'Table' can be used:

ক্রমিক নং	নগদ আদায়ের তারিখ	DCR অনুযায়ী আদায়কৃত টাকা	রেজিস্টারে হিসাবভুক্ত টাকার পরিমাণ	ব্যাংকে জমাকৃত টাকার পরিমাণ	হাতে নগদ টাকার পরিমাণ	ব্যাংকে জমার রশিদ (স্লীপ) নম্বর ও তারিখ	বাস্তবে ব্যাংক বিবরণীতে প্রদর্শিত টাকার পরিমাণ ও তারিখ

iii) Bank Collection Report:

Bank Collection Report will be prepared properly as per the guidelines set forth in PBS Instruction 200-06 (PBS Accounts Procedure Manual) (Ref: Section -III Receipt, H-I, Collection Report-2).

Assistant Cashier shall prepare this report preferably twice a week. Cashier will supervise this. Accountant/ Assistant Accountant will check and reconcile the Collection Reports so prepared with the bank statement, duplicate copy of the electric bill and bank deposit slips.

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They also check the amounts charged by the collecting banks for 'Revenue stamps' affixed on the electric bills of the consumers.

IV. PAYMENTS

All payments, except payroll and petty cash expenses from Imprest Fund, must be made with the approval of the General Manager by Accounts Payee cheque through Disbursement Voucher Journal. Payment against payroll should be made by bank advice and PBS may also issue Bank advice against external TA/DA.

V. BANKING ARRANGEMENT AND INVESTMENT POLICY

a) Cash General Fund

The PBS will establish a Cash General Fund for the purpose of depositing current cash receipts and meeting required operating expenses. Current cash receipts include operating loan from BREB, revenue collected from sales of electricity, subsidy from the government, if any and miscellaneous receipts by the PBS.

For this fund, the PBS will maintain one Current Account and one SND Account in the same bank. All cash receipts will be deposited to the SND Account but the expenses will be met from the Current Account. The PBS will make an arrangement with the Bank for automatic transfer of Funds from the SND Account to the Current Account when the balance of the Current Account comes under a certain limit pre-determined by the PBS subject to the maximum limit of Tk 5,00,000.

The PBSs shall maintain the bank account of Cash General Fund (Main Operating bank account) with the branches of the Government scheduled banks.

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The PBS which has Zonal Office(s), Salary of the employees of Zonal Office (s) may be disbursed from any nearest collection bank through a separate bank advice. This bank should be assigned by the PBS.

The PBSs must manage its Cash General Fund to have sufficient working fund available to meet current operating costs. Cash-flow forecasting must be done in line with the approved budget, revenue trend and projected costs. The surplus funds, as much as Cash General Fund permits, will be invested into FDRs (temporary investment).

Bill Collection Bank Accounts

The PBS may open more than one SND Bank Accounts for receiving electric bills. Agreement has to be made between BREB and the concerned Banks for opening collection bank accounts which will be operated as per the terms and conditions of the Agreement. The balance of these Bank accounts will be transferred to the Cash General Fund SND account at least once in a month.

Under the purview of the agreement executed between BREB and Agent Banks/UDC/Mobile Operators, the PBS shall arrange for receiving electric bills from the consumers. For this, the PBS shall open collection bank accounts with the Link Branches of the respective Bank that should be located at the PBSs' geographical area. In such cases, the PBS will ensure timely transfer of remittance to the Cash General Fund from the Collection Bank Accounts maintained with Link Branch Bank as per the agreement and also ensure proper accounting thereof.

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