

Single Treasury Account

Introduction:-

The Ministry of Finance strategic plan of the fiscal management reform included applying the single treasury account in the ministries, departments and government institutions, in order to provide treasury with financial liquidity, reduce the borrowing process and mark out the treasury cash position on a regular basis.

Definition:-

1. The single treasury account is defined as an account that all ministries and government departments' accounts balances are collected at the central bank whereas there is an intermediate account for every ministry and department that shows the total of all debit and credit transactions. Thus, the total amount will be reflected eventually on the single treasury account at the end of the day. (Whether the type of transaction is collected or disbursed).

Purpose:-

The purpose of the single treasury account is to collect the government incoming cash in one account through transferring the open account balances that hold the names of the ministries and government departments existed in the central bank and the commercial banks into one consolidated account (The single treasury) and implement the collection transactions of revenues, expenditures and trusts through this account.

Objectives:

1. Manage cash effectively.
2. Enhance the treasury cash.
3. Reduce the borrowing process.

4. The optimum use of resources.

Mutual Relationship

In coordination with the central bank, commercial banks and the concerned government departments, the ministry of Finance held several meetings to reach to a mechanism for applying the single treasury account.

Achievements:

First Phase:

- The government open accounts at the central bank have been narrowed down. The purpose of this procedure has been defined, while the unnecessary accounts have been closed and the other remaining accounts have been merged.
- In 2003 the zero balance was used in transferring the balances of the ministries and open departments in JOD at the central bank within the general budget law in the single treasury account at the end of each working day and return these balances back in the next day.
- In 2004 the same mechanism, the use of the zero balance, was applied on the military forces, whereas the financial ceilings were accredited in order to issue the military forces allocations. Such mechanism has been a great alternative instead of using checks as it was before.

Second Phase:

- In 2005 the second phase was implemented. The implementation was represented by not restoring the balance to the ministry or department where the bank account balance is fed/ transferred from/to the single treasury account.
- In 2005 the zero balance mechanism was applied on the governorates relevant financial centers accounts and on the government accounts in the commercial banks, and for this purpose, a bank tender was awarded on the commercial banks in order to apply the single treasury account where this tender was awarded on the housing bank for trade and finance.
- In 2009, the zero balance mechanism was applied on the government financial centers and on the government accounts in the commercial banks and for the purpose of submitting a banking tender to the commercial banks in order to

implement the single treasury account, whereas the tender was awarded to the Housing bank for trade and finance.

- In 2010, a meeting was held with the central bank and the commercial banks for the purpose of providing with the GFMIS requirements that are represented by formulating the bank statement form and the bank transfers.
- In 2011 the accounts of the independent units were included in the central bank within the single treasury account.
- From a perspective of transparency and competency, in 2012 the Ministry of Finance submitted a new bank tender to all commercial banks where this tender was awarded to Amman Cairo Bank. All procedures required for opening bank accounts and for all governorates instead of their bank accounts at the housing bank for trade and finance.

In coordination with the concerned authorities, the Ministry of Finance is working on how to include the government accounts in foreign currency at the central bank within the single treasury account.

<http://www.jordan.embassy.gov.au/aman/DriverVacancy2014.html>