



Republic of Nauru

Financial Instruction 4

Receipts

November 2020

Financial Instruction 4: Receipts

Version Control

Version	Comment	Authorised	Date
0.1	First draft	Michael Wyatt	19 Feb 2020
0.2	Comments from stakeholders	KW	5 March 2020
0.3	Update to reflect detail on invoices	MW	9 November 2020
0.4	Draft circulated for comment and updated	KW	9 November 2020
1.0	FARC approved - Final for approval	Novena Itsimaera Secretary for Finance	26 November 2020

Financial Instruction 4: Receipts

ABBREVIATIONS

AOP	Annual Operating Plans
APP	Annual Procurement Plans
BOs	Budget Officers
BoP	Balance of Payments
CA	Chief Accountant
COFOG	Classification of Functions of Government
CPI	Consumer Price Index
CSD	Chief Secretary Department
DoBD	Director of Budget and Debt
DoF	Department of Finance
DoP	Director of Processing (Payments)
DoRR	Director of Reconciliation and Reporting
FMIS	Financial Management Information System (Tech1)
FMM	Fiscal Management Model
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GoN	Government of Nauru
HoD	Head of Department
ISHT	Inter Sub-Head budget transfer
MSA	Management Systems Accountant
NSDS	National Sustainable Development Strategy
PAD	Planning and Aid Division (DoF)
PO	FMIS-based Purchase Order
PR	FMIS-based Purchase Requisition
PV	Paper-based GoN Purchase Order/Payment Voucher
ROs	Reconciliation Officers
SOE	State-owned enterprise

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1. Introduction

This Financial Instruction provides the guidelines on the methodology for recording funds received (receipts) by the Government of Nauru.

The recording of receipts is required for accurate financial reporting and ensures that all funds received are reflected within the Financial Management Information System (FMIS).

This Instruction is applicable to all officers that undertake the raising of invoices and processing of receipts on behalf of government including: Heads of Departments, Nauru Revenue Office (Cashier and Taxation Divisions), Planning and Aid Division, as well as, the Treasury Reconciliation and Reporting team.

2. Overview

- 2.1 The outcome for receipting is to record all funds received by the Government of Nauru within the FMIS general ledger.
- 2.2 Receipting of funds received should be undertaken in a timely way and accurately.
- 2.3 The Nauru Revenue Office (NRO – Department of Finance) is responsible for receipting all funds received as the Cashier (Over the Counter) or deposited within the Treasury Operating Bank Account.
- 2.4 The Planning and Aid Division (PAD – Department of Finance) is responsible for receipting all project funds received from Donors and deposited within the respective Development Partner Bank Account.

3. Context

- 3.1 Section 58 of the Constitution of the Republic of Nauru provides that all revenues and other moneys raised or received by Nauru, not being revenues or other moneys payable by law into another fund established for a specific purpose, shall be paid into and form a Treasury Fund.
- 3.2 The Government of Nauru receives funds for providing goods and services both on-island and overseas, as well as, for regulatory matters such as taxation, duties, licenses, fees, etc.
- 3.3 The Government of Nauru operates a Treasury Single Account (TSA) for all funds received and expended through the Treasury Fund which is the Treasury Operating Account. It is preferred to only operate a single account for administrative efficiency and ease of reconciliation.
- 3.4 The Government of Nauru maintains the following bank accounts for funds received:

Treasury Funds

Treasury Operating Account – 633-000 154763767

Donor Funds

DFAT Account – 633-000 154786370

NZAID Account – 633-000 154786412

Development Fund Account – 633-000 154786446

4. Receipting Processes and Instructions

Outcome

- 4.1 The receipting outcome is to reflect all funds received within the FMIS general ledger. Receipting should be timely and accurate.

Receipting within the FMIS

- 4.2 All funds received are to be recorded within the FMIS at the time of receipting.
- 4.3 If the FMIS is non-functional at that time and the funds are being received at the Cashier (Over the Counter), an official manual receipt will be issued to the payer upon receiving the funds, and the manual receipt created will be input into the FMIS at the earliest opportunity. Otherwise, all other receipting of the funds will occur once the FMIS functionality is restored.

Receipting against Fee Schedule

- 4.4 All receipting of funds received is to be undertaken in accordance with the authorized Fee Schedule for goods and services provided by the Government of Nauru or based upon another amount mutually agreed with the Payer if not a Scheduled Fee (e.g. taxation). The fee schedule, including natural account codes is at [Attachment 1](#).

Receipting of Invoices Raised

- 4.5 Receipting of funds received for invoices generated from within the FMIS should be posted against the respective invoice within the FMIS.
- 4.6 Receipting of funds received for invoices generated outside of the FMIS should specify the pertinent invoice details such as Invoice Number, Payer Name and Amount. To facilitate this information for direct deposits, the Invoice Payment Reference specified at the bottom of each invoice/notification should consist (as a minimum) of:
 - Head & Natural Account Number (or MULT if more than one);
 - Invoice Number / Tax Identification Number;
 - Payer Name.

The structure of the Invoice Payment Reference is at [Attachment 2](#).

Receipting by the Cashier (Over the Counter)

- 4.7 Funds received by the Cashier (Over the Counter) at NRO should be receipted into the FMIS on the day in which the funds are received, and deposited into the Treasury Operating Account held by the Bendigo Bank on the same or next working day.

Receipting of Direct Deposits

- 4.8 Direct deposits into the bank account should be receipted within the General Ledger on the day in which they appear within the Bank Statement (or the next working day). The receipting of the direct deposit within the bank account ledger requires the following information to be included in the FMIS narration:
 - a. Narration 1 – Details recorded within the Bank Statement pertaining to the deposit
 - b. Narration 2 – Relevant Details pertaining to the transaction
 - c. Narration 3 - Payee Name
- 4.9 Any unknown deposits that appear within the Treasury Operating Account Bank Statement are to be receipted into Treasury against Miscellaneous Revenue (16-0000-00000-1475) with the subsequent

identification of these deposits requiring a general journal to reallocate these funds from 16-0000-00000-1475 to the correct department (Head) and natural (income) ledger account, once identified.

- 4.10 The Treasury Miscellaneous Revenue ledger account should be reviewed regularly and the transactions followed up for correct posting by NRO.

Refund of Expenditure

- 4.11 Funds received as a refund of expenditure paid by the Government of Nauru are to be posted as a negative amount against the respective general ledger expenditure account from which payment was originally paid.

Correction of Inaccurate Receipting of Funds Received

- 4.12 Any inaccurate receipt raised should be cancelled and reissued immediately. If a receipt cannot be cancelled, the anomaly should be notified to the Reconciliation Section within Treasury for correction.
- 4.13 If the funds received are recorded within the FMIS via a journal (i.e. Donor funds), the correction is to be undertaken as a complete (not a partial) reversal of the original incorrect journal transaction entry and reposted as the correct journal transaction entry.

5. Penalties

- 5.1 Compliance with these instructions is required by all employees of the Government. Non-compliance with the following instructions will be regarded as misconduct under the Public Service (Disciplinary Procedures) Regulations 2016.

6. Review

- 6.1 These instructions will be reviewed periodically.

ATTACHMENT 1

Government of Nauru – Fee Schedule

Head	Natural Account	Natural Account Description	AUD - \$
Various	1000	Project Revenue	N/A
95	1015	Income from Investments	Variable
31	1055	Support Vessel	Variable
31	1071	PSR – Licences	Variable
31	1072	PSR - Fish Days	Variable
43	1121	Curator fees	Variable
17	1140	Duty – Tobacco	Variable
17	1145	Duty – Alcohol	Variable
17	1150	Duty – Sugar	Variable
17	1155	Machinery/Vehicle/Equipment	Variable
17	1160	Duty – Other	Variable
17	1165	Duty – Petrol Sales	Variable
17	1170	Duty – Diesel Sales	Variable
17	1175	Duty - JetA1	Variable
15	1190	Telecom Tax	Variable
15	1215	Licenses – Driver	15.00*
43	1220	Corporation Fees and Licenses	Various
43	1225	Licenses-Trading	Various
03	1230	Liquor Licensing	Various
15	1235	Gaming / Bingo Licenses	Various
43	1240	Licenses – Dogs	20.00*
17	1245	Drone Licenses	Various
03	1260	Birth Certificate	10.00
03	1265	Death Certificate	10.00
03	1270	Marriage Certificate	10.00
91	1290	Motor Vehicle Inspection Fees	Various
91	1295	Motor Cycle Inspection Fees	Various
91	1300	Motor Vehicle Registration Fees	Various
91	1305	Motor Cycle Registration Fees	Various
91	1310	Vehicle Insurance Fees	Various
45	1325	Passport Fees	Various
61	1330	Visa Check up	Various
42	1335	Visa Fees – Refugee Processing Centre (RPC)	Various
41	1340	Police Clearance	50.00 / 25.00
91	1360	Department of Civil Aviation (DCA) - Pax Levy	Variable
91	1365	Department of Civil Aviation (DCA) - Departure Taxes	Variable
91	1370	Department of Civil Aviation (DCA) - Air Navigation Fees	Variable
91	1375	Department of Civil Aviation (DCA) – Landing Fees	Variable
91	1380	Department of Civil Aviation (DCA) – Rental Fees	Variable
93	1400	Port Fees	Variable
Various	1475	Miscellaneous Revenue	Variable
91	1480	Bus Services	Variable
45	1485	Quarantine Fees	Variable
44	1490	Court Fines and Fees	Variable
18 / 85	1495	Service Fees	Various/Variable
84	1500	Sale of Maps	Various

Head	Natural Account	Natural Account Description	AUD - \$
61	1520	Food Handler Check Up	Various
04	1525	PO Box Rentals	Various
04	1530	Philatelic Bureau Sales	Variable
83	1540	Advertising Revenue	Variable
61	1555	Spectacles, Drugs, etc	Variable
61	1565	Medical Services	Variable
45	1575	Visa Fees - Other Business	Variable
42	1577	Department of Justice and Border Control (DJBC) – Operations	Variable
42	1578	Department of Justice and Border Control (DJBC) – Reimbursable Costs	Variable
42	1580	Visa Fees – Refugee Processing Centre (RPC) Resettlement	Variable
15	1590	Employment/Non-resident Withholding Tax	Variable
15	1591	Business Profit Tax	Variable
42	1598	Hosting Fee	Variable
16	1660	General Budget Support	Variable
09	1700	National/District Registration	Various
09	1705	Electoral Various	Various

* Per Year

Invoice Payment Reference Structure

In order to better identify the nature of funds deposited within the Treasury Operating Account and to ensure that revenue is allocated to the correct department, all departmental invoices or payment advices should specify a succinct reference to be included on the bank statement for the Narration and Depositor Name.

The available characters in the Narration and Depositor Name fields within the banking environment vary dependent upon the type of transaction and/or financial institution, hence, the following structure has been adopted:

- **Deposit Narration** - 17 Characters (including single space between) to accommodate at a minimum the Head-Natural Account and Tax Identification Number (TIN), plus **up to** an additional 11 Characters for a Short Description - so long as the Depositor Name does NOT need to be incorporated within this field; and
- **Depositor Name** - 13 Characters (or more) including spaces.

# of Service Categories (Natural Accounts) being paid	Deposit Narration					Depositor Name
	Head-Natural Account	Space	TIN / Invoice #	Space	Short Description	Customer / Depositor Name
	<i>(7 characters)</i>	<i>(1 character)</i>	<i>(9 characters)</i>	<i>(1 character)</i>	<i>(11 characters)</i>	<i>(20 characters max)</i>
Single	01-1000	_	123456789	_	XXXXXXXXXXXX	John Smith
Multiple	01-MULT	_	123456789	_	XXXXXXXXXXXX	John Smith

As the Head is the first item to be specified within the Deposit Narration, the government departments shall maintain a unique sequential numeric identifier for each Invoice / Payment Advice. If the sequence is to restart at the commencement of each year (financial or calendar), the unique identifier can include two digits to signify the respective year (e.g. 21) with a space or hyphen between the year and the unique identifier.

Where there are multiple Service Categories (relating to multiple natural accounts) being paid (identified as MULT within the bank statement Deposit Narration), the Nauru Revenue Office (NRO) will consult with the respective government department to determine the breakdown of the Service Categories specified within the relevant Invoice / Payment Advice.

To enable this, each Department (Head) is to retain a copy of the Invoice / Payment Advice (which are identifiable by the number unique to each Invoice / Payment Advice) for consultation with NRO. This information must be retained for audit purposes for a period of at least seven (7) years.