

REVISED
CONSTITUENCY DEVELOPMENT FUND
(CDF)
OPERATIONAL
PROCEDURES

OFFICE OF THE PRIME MINISTER

Prepared by
Ministry of Finance and Planning
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1. INTRODUCTION

1.1. The Constituency Development Fund (CDF) is a fund established to provide members of Parliament with financial resources to execute approved social and economic programs within their constituency. The Fund replaces the following programs: -

- ☐ The Social and Economic Support Program (SESP)
- ☐ The Local Development Program (LDP)
- ☐ Lift Up Jamaica Program

1.2. The Fund became operational with effect from financial year (F/Y) 2008-2009 and is established for the following purposes:-

- ☐ Welfare activities/projects
- ☐ Economic enablement activities/projects
- ☐ Small infrastructure activities/projects

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1.3. The main objective of the Fund is to promote human and infrastructure development at the community and constituency levels by:

- ☐ Catalysing economic activities at the constituency level;
- ☐ Fostering local governance including good environmental stewardship;
- ☐ Improving service delivery and bring government and the people closer together, and;
- ☐ Increasing the effectiveness of the elected representatives welfare activities/projects

1.4. The Fund shall be divided equally for each constituency and shall be provided for under Recurrent Head - Office of the Prime Minister (OPM).

1.5. The OPM shall be responsible for the management and disbursement of the Fund and to ensure that it operates with the highest level of transparency, probity, propriety and accountability with the ultimate goal of being to ensure that the funds are efficiently and effectively spent within the constituencies.

1.6. Projects shall be implemented by approved GOJ Ministries, Departments and Agencies (MDAs).

1a. Purpose of the Procedures

All committees, units and implementing agencies established for the purpose of approving, implementing and monitoring CDF initiatives should acquaint themselves with CDF Procedures to ensure that the Fund operates with the highest level of transparency, probity, propriety and accountability.

1b. Constituency Development Fund (CDF) Project Initiation & Development

- i. Constituency/community consultation shall be held in each constituency at least once every two years to ensure that constituents have a forum to articulate development needs and to participate in the identification and prioritization of plans and projects.
- ii. Procedures for Community Consultations are as follows:
 - Meetings shall be planned jointly by the respective Member of Parliament and the Constituency Development Fund Programme Management Unit (CDF – PMU)
 - The meeting shall comprise the following representatives:
 - CDF- PMU – Chair
 - Member of Parliament
 - Constituency Caretakers from the major political parties
 - Counsellors
 - Religious leaders from the constituency
 - Business community leaders
 - Citizens Association representatives
 - Representatives from any other agency that may be co-opted to provide technical advice and inform themselves on matters that will affect future interventions related to the project
 - Non-Government Organisations
 - Local governance structure
 - Community Based Organizations (CBOs); Parish Development Committees (PDCs), Development Area Councils (DACs), etc.
 - Other community leaders
- iii. Constituency representatives attending the meeting shall identify projects to be undertaken, areas of pressing constituency needs to be addressed and individuals in need of special assistance.

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- iv. Minutes of the meeting shall be recorded and retained by CDF- PMU for audit purposes.

2. CDF ELIGIBILITY CRITERIA

- 2.1. CDF projects and plans shall be developed as a result of needs identified in constituency/community consultation meetings, which are mandatory and held in each constituency at least once every two (2) years.
- 2.2. Failure to comply with the procedural requirement identified in (2.1) above shall result in the non-approval of project submissions and/or the withholding of funds for project implementation.
- 2.3. Projects and plans shall be community based in order to ensure that prospective benefits accrue to a wide cross section of individuals residing in the constituency.

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3. TYPES OF PROJECTS

- 3.1. The types of projects submitted for funding by the CDF should fall into one of the following categories:
- ☐ Physical Infrastructure – Small scale projects such as farm road repairs, minor road repairs, renovation or refurbishing of buildings that serve the community.
 - ☐ Human and Social Development – Educational development, skill training, award of bursary and scholarship.
 - ☐ Economic Enablement projects – Projects that will result in constituents being self sufficient.
 - ☐ Welfare and Emergency projects- (e.g. funerals, medical emergencies, indigent assistance, assistance with food items,)
 - ☐ Social (Indigent) Housing Projects. – Minor improvement to housing stock.
 - ☐ Disaster mitigation - Quick response to natural or man-made disasters such as fire, hurricane, earthquake or flood.
- 3.2. Projects which do not fall into any of the categories at (3.1) shall not be considered eligible for CDF funding.

4. SPECIAL GUIDELINES FOR THE USE OF FUNDS FROM THE CDF

- 4.1.** Projects submitted must fall within the allowable limit of CDF funding for each Constituency.
- 4.2.** Where the amount allocated to projects for a constituency is below the ceiling set per constituency for a fiscal year, the shortfall shall be treated as “unallocated” and shall not be carried forward into the ensuing financial year.
- 4.3.** CDF funds can be matched with other funds provided to the CDF project by ministries, department’s agencies and non-governmental organisations.
- 4.4.** The number of CDF projects for a constituency per financial year shall be a minimum of five (5) and a maximum of twenty (20) projects unless special approval is granted by the Constituency Development Fund Parliamentary Committee (CDF-PC).
- 4.5.** Members of Parliament must indicate the measures or mechanisms to be implemented to ensure the sustainability of proposed projects.
- 4.6.** Proposed projects that do not have adequate measures or mechanisms to ensure its sustainability shall not be considered for approval.
- 4.7.** The CDF-PMU should do tests to determine the feasibility of the project.
- 4.8.** No more than 50% of the total annual CDF allocation shall be dedicated to any one project
- 4.9.** Funds from the CDF shall not be used for the payment of salaries except in the case of the MP’s Administration Assistant/Consultant assigned by the MP to manage CDF projects.
- 4.10.** Allowances for coaches, referees and umpires shall be a part of the project cost and shall not exceed \$50,000.00 per month.
- 4.11.** MPs shall be entitled to employ no more than two (2) Administrative Assistants concurrently.
- 4.12.** The purchase of capital goods, with the exception of computers for constituents, shall not be eligible for CDF funding.

- 4.13. Recurring costs such as rental of property and/or equipment, payment of utility expenses (e.g. water, electricity and telephone bills) and other related costs shall under no circumstances, be considered for funding from an MP's CDF allocation.
- 4.14. CDF funding may be used for an entire project or for a defined phase, unit or element of a project.
- 4.15. Where CDF funding is used for a defined component of a project or for a defined phase of a project, the MP must submit the names(s) of the project co-sponsor(s)/donor(s) and provide the CDF-PMU with documentary evidence of commitment to the project
- 4.16. Where a proposed project involves the use of land/property, ownership shall be clearly established and the Member of Parliament shall be responsible for providing to the PMU documentary evidence of such ownership or rights to the use of the land/property. **OFFICE OF THE PRIME MINISTER**
- 4.17. CDF allocation shall under no circumstances be used to fund political organisations or political activities or for supporting religious bodies or religious activities. Notwithstanding the foregoing a religious body or organization may, at the discretion of the CDF-PMU, be identified as an appropriate specialized agency for the purposes of community support e.g. basic schools and shelter in time of need.
- 4.18. No project approved for CDF funding shall be publicly endorsed by a Members of Parliament, bear the name of a Member of Parliament or a Political Party, political party insignias or colours.
- 4.19. All materials produced from a CDF funded project should bear the name of the Constituency Development Fund (CDF).
- 4.20. Paraphernalia related to a CDF funded project shall not bear the following inscription
- 'UNDER THE PATRONAGE OF (NAME OF MP)...'**
- 4.21. All requests for changes to approved projects must be submitted to the CDF- PMU for presentation to the Parliamentary Committee.
- 4.22. Requests for changes to project scope after funds have been disbursed requires the withdrawal of the existing project and a new project scope is submitted reflecting the changes.
- 4.23. Approved request for changes to the project scope must be obtained from the CDF Parliamentary Committee before funds are disbursed to the relevant implementing agency.

5. CONSTITUENCY DEVELOPMENT FUND PARLIAMENTARY COMMITTEE (CDF-PC)

- 5.1. The CDF-PC shall be a sub-committee of the House of Representatives, responsible for the final approval of all CDF projects and constituency plans.

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6. CONSTITUENCY DEVELOPMENT FUND PROGRAM MANAGEMENT UNIT (CDF-PMU)

- 6.1. The CDF-PMU shall be an office established in the Office of the Prime Minister for coordinating the operations of the Fund. The CDF-PMU shall perform the following functions: -

- ☐ Receive and review activities/projects from the member of parliament ensuring that they satisfy all conditions for approval/funding and that the overall Fund's annual budget for constituencies is not exceeded;
- ☐ Provide technical assistance to the Member of Parliament in the development of project proposals;
- ☐ Liaise with the relevant agencies of Government to ensure that proposed projects are in accordance with Government's policies, guidelines and established standards;
- ☐ Submit vetted projects to the CDF-PC for its approval;
- ☐ Approve the disbursement of funds to the implementing MDA for the execution of approved activities/projects;
- ☐ Ensuring that all CDF implementing agencies sign a Memorandum of Understanding (MOU) which outlines their role, responsibility and accountability for the funds entrusted to them to execute projects and activities of the CDF;
- ☐ Monitor the implementation of all CDF projects and activities to ensure their proper management and the achievement of objectives and targets within time and budgets;

- ☐ Receive and review reports from implementing agencies on the performance of all CDF's projects/activities;
- ☐ Provide periodic reports on the performance of the CDF both at the macro and constituency level.
- ☐ Assign accountable officer(s) to be responsible for post implementation monitoring of enablement projects and/or assigning this responsibility to an existing or to a new committee established for this purpose.

7. OPM'S FINANCE AND ACCOUNTS BRANCH (FAB)

7.1. The Finance and Accounts Branch (FAB) of OPM shall be responsible for:-

- ☐ Submitting monthly cash flow requests to the Ministry of Finance and Planning for the funding of the CDF, The request shall be based on the cash needs of all approved CDF projects and activities for the month;
- ☐ To disburse funds directly to the implementing agencies based on the advice of the CDF-PMU;
- ☐ Monitoring the implementing agencies to ensure that all funds disbursed to them are properly managed and applied to the approved projects according to plan;
- ☐ Ensure the proper financial management of the CDF operations and its adherence to the Financial Administration and Audit Act, its Regulations and Instructions.

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8. IMPLEMENTING AGENCY

8.1. Implementing Agencies shall be responsible for:

- ☐ Implementing the projects and activities of the CDF assigned to it by the CDF-PMU;
- ☐ To undertake technical, administrative and supervisory functions of CDF project/activities assigned;

- ☐ To undertake procurement in accordance with the procedures and guidelines outlined in the GOJ Procurement Handbook for the purchases of goods, services and works undertaken by the Fund;
- ☐ To properly maintain separate accounting records, books and files of all financial transactions and activities of the CDF;
- ☐ To maintain accounting records in the manner prescribed by the FAA Act, its Regulations, Instructions and other guidelines issued by the Ministry of Finance and Planning;
- ☐ To ensure that funds received are utilised only for the specified project/activities in respect of the constituency for which they were received and are not borrowed or utilised for any other purpose;
- ☐ To submit monthly financial statements and reports to OPM;
- ☐ To submit monthly progress reports on the performance of all projects/activities being implemented;
- ☐ Provide quarterly report on the performance of the Fund at constituency level.

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9. PROCUREMENT GUIDELINES

- 9.1. The implementing MDA must ensure that the Procurement Policy, Guidelines, the FAA Act, Regulations and Instructions are strictly adhered to.
- 9.2. Where any doubt exists in relation to the procurement procedures, clarification and/or advice must be sought from the Ministry of Finance and Planning before proceeding.

10. CDF MAIN BANK ACCOUNT

- 10.1. The OPM shall maintain a central or main bank account for the operation of the CDF. The purpose of this bank account shall be: -

- ☐ To receive funds for the CDF operation. These funds shall be paid to the CDF bank account from the OPM Capital A Expenditure Clearing Account based on warrant releases. (NB. All funds received for CDF through the warrant must be immediately transferred to the CDF account.); and

- ☐ To disburse funds to CDF projects and activities.

- 10.2. The balance of funds in the CDF bank account at the end of the financial year shall not be surrendered to the Consolidated Fund but shall be kept for the continuation and completion of projects.
- 10.3. The OPM shall ensure that separate and proper books of accounts, vouchers and files are maintained in respect of all financial activities of the CDF bank account
- 10.4. The OPM shall ensure that the CDF bank account is promptly and properly reconciled at least once per month.

11. CDF IMPLEMENTING AGENCY'S BANK ACCOUNT

- 11.1. Designated implementation agencies such as:-

- ☐ Social Development Commission; **OFFICE OF THE PRIME MINISTER**
- ☐ KSAC and the Parish Councils;
- ☐ National Works Agency;
- ☐ Etc.

shall be authorised by the Ministry of Finance and Planning to operate a separate bank account for holding, expending and disbursing sums received from the OPM for administering CDF projects.

- 11.2. The bank accounts shall be named "*agency name CDF Bank Account*". Attached is a policy document on the establishment of the CDF Implementing Agency's Bank Account.
- 11.3. The implementing agency's CDF bank account shall have two groups of signatories viz;

Group A and Group B. The account must require one person from each group to authorise any transaction on the account.

- 11.4. The Permanent Secretary of the Office of the Prime Minister shall be a signatory in Group A of all CDF Implementing agency bank accounts and the Principal Finance Officer of the Office of the Prime Minister shall be a signatory on Group B.
- 11.5. The funds held in all CDF Implementing agency's bank accounts shall be the property of the Fund for which the Permanent Secretary of the Office of the Prime Minister is the Accounting Officer.
- 11.6. Implementing agencies shall ensure that separate and proper books of accounts, vouchers and files are maintained in respect of all financial activities of the CDF bank account.
- 11.7. Implementing agencies shall ensure that the CDF bank account is promptly and properly reconciled at least once per month and a copy of the reconciliation statement submitted to the OPM by the fourteenth day of the following month.

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12. ROLE OF THE ADMINISTRATIVE ASSISTANT

12.1. The Administration Assistance shall perform the following tasks:

- ☐ Assisting in preparation of five-year development plan (including research, data collection etc) and ensuring that guidelines are adhered to;
- ☐ Assisting with preparing project proposals after priorities have been identified through community consultations;
- ☐ Liaising with the CDF-PMU Project Officers and Managers;
- ☐ Following-up with suppliers and government MDAs and ensuring those pro-forma invoices, estimates, bills of quantities and all other supporting documentation are in place;
- ☐ .Assisting the MP in on-the-ground monitoring of projects.

12.2. The sum to be paid for MP's project management shall:-

☐ Not exceed the sum approved by the CDF Parliamentary Committee;

☐ Be paid from the MPs overall allocation for the year, which will therefore reduce their allocation for projects and other activities.

12.3. MP's project management done by an individual shall require a contract of employment. The contract may be terminated by one month notice on either side. Attached is specimen copy of both contracts.

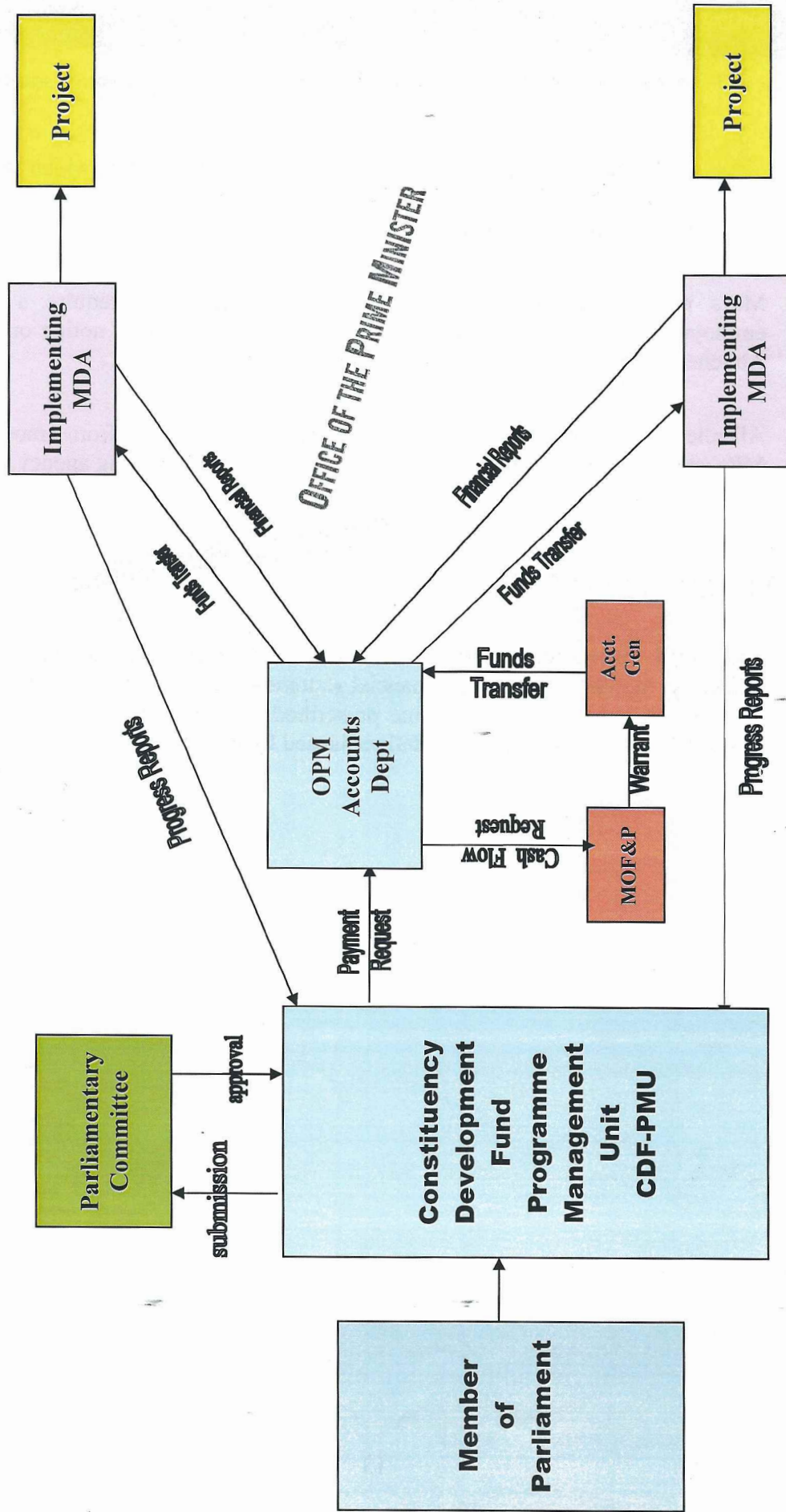
12.4. All relevant statutory deductions shall be deducted at source from amounts paid for MPs' project management services by the relevant implementing agency.

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13. ACCOUNTING & REPORTING

13.1. The OPM shall prepare and submit to the Auditor General and the Financial Secretary, monthly and annual financial statements in respect of the CDF accounts in the manner and within the timeline prescribed by the FAA Act, its regulations and Instructions and according to guidelines issued by the MOF.

CONSTITUENCY DEVELOPMENT FUND OPERATION



POLICY
FOR
THE ESTABLISHMENT OF CONSTITUENCY DEVELOPMENT FUND
BANK ACCOUNTS
IN IMPLEMENTING AGENCIES
OFFICE OF THE PRIME MINISTER

1. All requests for the establishment of a CDF bank account to be operated by an implementing agency must be submitted for approval to the Ministry of Finance and Planning through the Permanent Secretary, Office of the Prime Minister.
2. Only public sector entities shall be allowed to have a CDF Bank Account. Community Based Organisation (CBO), Non-government Organisation (NGO), Civic group etc. are therefore excluded. Where these organizations are actually implementing CDF Projects, payments in respect of the project shall be made directly by OPM upon submission of certified invoices or by any designated Government CDF implementing agency.
3. An implementing agency shall not normally be allowed to have more than one (1) CDF bank account. A special case for having more than one account may be made to MoF&P for review and determination.
4. The signatories to CDF bank accounts in implementing agencies must be placed in two groups viz. Group A and Group B. Group A shall be for policy officials and senior administrators while Group B shall be for accounting personnel.
5. The **Permanent Secretary of Office of the Prime Minister** must be a signatory in Group A and the **Principal Finance Officer, Office of the Prime Minister** a signatory in Group B.
6. All transactions on the bank account must require one signatory from Group A and another from Group B.
7. CDF Bank accounts must be used only for the purposes of CDF transactions. Implementing agencies must ensure that no non-CDF transactions are debited or credited to the account.

8. Implementing agencies shall not borrow funds from the CDF bank account or make any unauthorized advances/transfers from it. **Unauthorised advances/transfers include the use of funds approved for one CDF project to satisfy the needs of another CDF Project.**
9. Implementing agencies must ensure that banking errors affecting the balance in the account are corrected by the bank within ten (10) working days.
- 10. Under no circumstances whatsoever must a CDF bank account be in overdraft.**
11. Implementing agencies must maintain a separate Cash Book for the CDF Bank Account and must do bank reconciliation at least once per month forwarding a copy of the bank reconciliation statement to the Office of the Prime Minister no later than ten (10) calendar days of the following month.
12. Funds held in the CDF Bank account at the end of the financial year shall not be surrenderable to the Consolidated Fund but shall be used in the following financial year for the continuation and completion of the designated and approved projects.
13. In the rare circumstances where funds are idle in any CDF bank account due to a slow down, late start of project or for any other reason, such funds may be invested with the prior and written approval of this ministry. Interest earned on such investments must be paid over to the Accountant General within 48 hours of its receipt.
14. Implementing agencies shall maintain separate ledgers for each Member of Parliament and for each project.

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North East Kingston
John Jones - Member of Parliament
40 Hanover Street, Kingston.

Ref. ????

Date

Mr. Courtland Jones
11 Water Lane,
Kingston

Dear Mr. Jones

You are hereby offered a contract of employment as Administrative Assistant for projects financed by the Constituency Development Fund in my constituency.

The following are the terms and conditions of your employment:

- 1) You shall be an employee of me and not the Government of Jamaica or any ministry, department and agency.
- 2) Your contract of employment takes effect (**Effective Date**) for a period of one [1] year and may be terminated by one (1) month's notice on either side. However, no notice will be required should you breach any regulation that warrants instant dismissal.
- 3) Your job shall consist of the following functions:-

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 - a. Assisting in the preparation of the constituency's five-year development plan including conducting research, data collection etc.
 - b. Assisting with preparing project proposals after priorities have been identified through community consultations;
 - c. Liaising with Project Officers, Managers and other officials of the:-
 - i. Constituency Development Fund Programme Monitoring Unit '(CDF-PMU), and
 - ii. The implementing agencies

- d. To see to the smooth and effective implementation of all CDF projects and ensuring that the plan and guidelines are adhered to.
 - e. Following-up with suppliers and government MDAs and ensuring that pro-forma invoices, estimates, bills of quantities and all other supporting documentation are in place.
 - f. Assisting in on-the-ground monitoring of projects.
 - g. Submitting monitoring reports to the Member of Parliament and the CDFPMU
- 4) The terms of your engagement shall be deemed to be completed on the last day of service, unless by mutual agreement the period of engagement is extended.
 - 5) Renewal of this Contract is **not** automatic, and will be subject to your satisfactory performance.

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- 6) You will receive the following –

| | |
|---------------|---|
| Salary | <p>\$ [redacted] per annum inclusive of</p> <ul style="list-style-type: none"> • the relevant statutory employer's contributions • reimbursable travel expenses (motor vehicle upkeep and mileage) • amount payable for vacation, sick and departmental leave. |
| | Travel allowance and mileage will be paid from the above sum in accordance with the Government Upkeep rates |

- 7) Income Tax, Education Tax and contributions to the National Housing Trust and the National Insurance Scheme will be deducted from the remuneration payable to you in accordance with the regulations and rates in force from time to time.
- 8) You will be eligible for 10 [working] days Sick Leave, 10 [working] days Departmental Leave and 14 [calendar] days Vacation Leave per each year of contract.
- 9) Please note that in the event you take Vacation Leave during your Contract period, your Contract will be extended by the number of days taken.
- 10) You will be on six [6] months' probation after which your performance will be assessed. Please note that in the event this Contract is terminated by either party within the first three [3] months of the probationary period, no notice is required on either side.

- 11) You will be required to comply with all instructions and orders issued to you by me from time to time and to discharge your duties diligently, effectively, and efficiently in the interest the constituency.
- 12) You will report to me at least once per week and upon request.
- 13) You shall make no decision on any project or on any constituency matters without my knowledge and prior approval unless it is a matter for which I have delegated to you the authority to make decision.
- 14) You shall conduct the business of the constituency in a professional, impartial and lawful manner.

Your salary shall be paid monthly out of the Constituency Development Fund by the Social Development Commission to whom you must submit all the necessary particulars regarding your bank account number, P54, personal deductions etc.

Your travelling shall be paid monthly upon the preparation of the Government travel claim form (P6) to be certified by me each month and submitted to the Social Development Commission for payment.

If you accept this Contract on the terms and conditions stated, kindly sign the attached copy and return it to this office within five (5) days of receipt.

Sincerely

OFFICE OF THE PRIME MINISTER

Mr. John Jones
Member of Parliament
North East Kingston Constituency

I accept this Contract on the terms and conditions stated.

NAME

DATE

Signature

