



MINISTRY OF FINANCE

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Business hours: 9am – 5:00pm Monday to Friday, except public holidays

Contract Payment Processing in Jigawa State

The Jigawa State Ministry of Finance is a service organization with main responsibilities of allocating and disbursing funds to various government Ministries, Departments, and Agencies for routine operations and execution of government programs, projects and policies. It is also saddled with the responsibility of collecting revenue and harnessing such optimum dispensation.

The Ministry plays a vital role in enabling businesses to thrive in the state by ensuring seamless disbursement process for business tractions that include procurement process with government MDAs such as investments on public private partnership, supplies, contracts and others. These services are designed to create an enabling environment for businesses to succeed, making Jigawa State an attractive destination for investors and entrepreneurs.

Responsibilities

1. Processing Capital payment Vouchers
2. Releasing original copy of advanced payment Guarantee (APG) to Contractors
3. Conducting Board of survey to inspect total Receipts and payment of MDAs
4. End-of-year Financial Reports Submitted to the state Auditor- General
5. Crediting Salary Accounts of all individual employees
6. Paying overhead allocations to MDAs
7. Monitoring & Mobilization of Revenue due to state
8. Releasing Vehicle loans facility to civil servant
9. paying utilities (e.g. Electricity, water and rent) Bills
- 10 Undertaking periodic consultation with stakeholder service improvement.

Process

The Jigawa State Ministry of Finance has a treasury department under the office Accountant General dedicated to contract payment processing, capital (contract and supplies) and recurrent Expenditure (salary and overhead) through the following processes.

1. Capital payment: The MDAs submit their payment Vouchers to the ministry for verification and screening before payment.
2. Recurrent payment
 - i. The IPPS prepare payment vouchers before the end of the month



- ii. The treasury department prepare schedule for the payment of overhead and standing order.
3. Verification and Approval: The treasury operations team verifies the authenticity of the vouchers and ensures that all necessary documentation is in place before approving payments.
4. Payment Disbursement: Once approved, payments are disbursed to contractors and suppliers through the state's financial management system. The Jigawa State government is implementing measures to promote transparency and accountability in contract payment processing, including the use of electronic payment systems and regular audits
5. Record Keeping: The department maintains accurate records of all contract payments made, including payment vouchers, receipts, and other relevant documentation.

Procedures

The following are the outline of the contract payment processing procedures in Jigawa State Ministry of Finance with timelines (12 working days (approximately 2.5 weeks). It is worthy to note that these are administrative processes at no cost for the contractor or payee apart for statutory taxes applicable:

Step 1: Contract Payment Voucher Submission (Day 1-2)

- MDAs submit contract payment vouchers to the Treasury Operations department.
- Vouchers must include:
 - Contract agreement
 - Invoice
 - Payment request letter
 - Supporting documents (e.g., delivery notes, receipts, SRV, other registration documents)

Step 2: Verification and Approval (Day 3-5)

- Treasury Operations team verifies voucher authenticity and documentation.
- Obtain approvals from:
 - Head of MDA/ Accounting officer (Day 3)
 - Director of Finance and Supply, Ministry of Finance (Day 4)
 - Permanent Secretary, Ministry of Finance (Day 5)

Step 3: Payment Processing (Day 6-10)

- Treasury Operations team processes payment through the state's financial management system.
- Payment disbursement through:
 - Electronic Fund Transfer (EFT)



- Cheque

Step 4: Payment Confirmation (Day 11-12)

- Contractor/supplier confirms payment and issue receipt.
- Treasury Operations team updates payment records.

Documentation

The documentation required for contract payment process in Jigawa State Ministry of Finance are:

1. Contract agreement/Award letter
2. Invoice
3. Payment request letter
4. Supporting documents (e.g., delivery notes, receipts, SRV)
5. Valid Tax clearance certificate
6. VAT registration certificate
7. Certificate of registration with Due Process and Project Monitoring Bureau
8. Certificate of Business Premises Registration with Ministry of Commerce, Industry, Cooperatives and Tourism
9. Certificate of incorporation
10. Tender and contract signing fees payment receipt
11. Original Due process Certificate
12. Advance payment guaranty (APG) for mobilization
13. Local purchase order (LPO) for supplies only
14. Confirmation of Budgetary Provision
15. 1% documentation payment receipt from ministry of justice
16. Power of attorney duly signed by magistrate where applicable

Payment

The following payments will be made

1. Withholding Tax (WHT): 5% of contract value on renovation and others (deducted at source)
2. Withholding Tax (WHT) 2.5% on contract value for both Roads and building construction
3. Value Added Tax (VAT): 7.5% of contract value (charged separately)
4. Social responsibility: 5% of contract value (deducted at source)
5. 1% Stamp Duties on contract sum

Monitoring and Inspection

The Ministry of Finance has an Inspection and Training department that conducts periodic inspections of financial records maintained by MDAs to ensure compliance with financial regulations and guidelines. The department also provides training to accounting staff on best practices in financial management.



Internal Audit department

Internal audit department ensures adherence to internal control and all other forms of controls for the successful operation in the ministry.

Sign

A handwritten signature in blue ink, appearing to read 'Jimmie O. Fagbemi'.

The Honourable Commissioner
Ministry of Finance
November 20, 2023