

TOWN COUNCILS ACT  
(CHAPTER 329A, SECTION 42)

TOWN COUNCILS FINANCIAL RULES

ARRANGEMENT OF RULES

PART I

GENERAL

Rule

1. Citation
2. Definitions

PART II

ANNUAL ESTIMATES

3. Town Council Fund
4. Sinking funds
- 4A. Transfer of surpluses to sinking funds
5. Submission of annual estimates
6. Justification for annual estimates
7. Miscellaneous expenses
8. Works extending over one year
9. Approval of annual estimates
10. Supplementary estimates and schedules of transfers
11. Applications for supplementary estimates to show cost breakdowns

PART III

INCOME AND RECEIPTS

12. Methods of payment to Town Council
13. Security to be furnished
14. Responsibility for custody and disposal
15. Remittances received in departments
16. Prompt issue of receipt
17. Alteration or spoilt forms
18. Custody of receipt books overnight
19. Register of stock of receipts, coupons, etc.
20. Defective book to be noted

## Rule

21. Custody, disposal and responsibility for negligence
22. Moneys to be banked
23. Keys of safe and money delivery box
24. Keys of strong room
25. Spare keys to be deposited with bankers
26. Lost keys
27. Billing for goods and services
28. Fees and charges
29. Selling prices of fixed assets
30. [*Deleted*]

## PART IV

## EXPENDITURE AND PAYMENTS

31. Expenditure to be according to budget
32. Bank accounts
33. Bank instructions and authorised cheque signatories
34. Authority to incur expenditure
35. Expenditure under emergency circumstances
36. Secretary to advise appointment
37. Secretary to advise resignation
38. Last advice date for pay particulars
39. Payment to employee upon resignation
40. Preparation of wage sheets and payment to daily-rated employees
41. Payment of monthly-rated staff salaries
42. No advances or loans except approved loan schemes
43. Loan repayments
44. Town Council to formulate details of loan schemes
45. Terms and conditions of loans
46. Authority to approve loans
47. Loan recovery through salary deduction
48. Loan release
49. Maximum deductions allowed
50. Individual loan account kept
51. Proper accounts and reconciliation
52. Recovery of all debts
53. Expenditure to be met from sinking fund
54. Responsibility for accuracy of statements
55. Use of official order forms
56. Unauthorised disbursements

## Rule

57. Bills to be dealt with promptly
58. Vouchers to contain full details
59. Payee's name required on voucher
60. Payment to payees
61. Vouchers for items under contracts
62. Floats may be held
63. Private use of funds under imprest prohibited
64. Change floats
65. Cash vouchers
66. Floats to be kept low
67. Record of payments to be kept
68. Reimbursing the float
69. Final balances
70. Cheque books
71. Payment by cash or uncrossed cheque
72. Undistributed drawings to be rebanked
73. Procedure for quotations
74. Procedure for tenders
75. Waiver of competition
76. Managing agents
77. Registration
78. Opening of tenders and quotations
79. Tender box
80. Late tenders
81. Acceptance of tenders
82. Forfeiture of tender deposits
83. Guarantor may be required
84. Financial provision not to be exceeded
85. Right to remove or demolish
86. Execution of contracts and agreements
- 86A. Contractors debarred by Government
87. Contingency sums and variation works
88. Vote not to be exceeded
89. Investment of funds

## PART V

## ACCOUNTS, AUDIT AND CASH

90. Alterations and erasures
91. Cash balance discrepancy

Rule

- 92. Cancellation of debit notes of Town Council
  - 93. Authority to write-off irrecoverable revenue, debt and overpayment
  - 94. Liquidated damages and administrative charges
  - 95. Vouchers needed to support entries
  - 96. Preservation and disposal of certain records
  - 97. Authority to sell, dispose, write-off assets
  - 98. Departmental office inventories
  - 99. Inventory of goods
  - 100. Disposal of written-off assets
  - 101. Survey Committee
  - 102. Authority for write-off or deletion of assets where no negligence or fraud is involved
  - 103. Loss of property and equipment, etc.
  - 104. Surcharge may be applied
  - 105. Treatment of losses
  - 106. List of debtors and creditors
  - 106A. Submission of financial statements and records
  - 107. Facilities for auditor
  - 108. Interim audit
  - 109. Access to secretary and chairman by auditor
  - 110. Auditor's queries must be answered
  - 111. Books and vouchers to be produced to auditor
  - 112. Destruction of obsolete serially numbered receipts in any form
  - 113. Loss of serially numbered receipts in any form
  - 114. Physical internal check
  - 115. Exemption
- The Schedules
- 

[23rd December 1988]

PART I  
GENERAL

**Citation**

- 1. These Rules may be cited as the Town Councils Financial Rules.

## **Definitions**

2. In these Rules, unless the context otherwise requires —

“auditor” means the Auditor-General or such other auditor as may be appointed under section 38(1) of the Act;

*[S 637/2007 wef 01/12/2007]*

“Head of Department” means any person appointed by a Town Council to have overall responsibility for a department of the Town Council;

“managing agent” means any person appointed by a Town Council under section 19(1)(d) of the Act to carry out its functions under the Act or any other Act;

“services” means any service required by a Town Council for carrying out its functions under the Act or any other Act, and includes —

- (a) the maintenance and repair of any office building or part thereof;
- (b) the testing and maintenance of any electrical or mechanical plant or equipment;
- (c) the maintenance and repair of furniture and office machines;
- (d) the provision of telephone communications;
- (e) the routine servicing, repair and overhaul of vehicles;
- (f) consultancy or managing agent services;
- (g) pest control services or conservancy or cleaning services; or
- (h) the printing of documents, forms, newsletters and other printed materials;

“stores” means all goods, equipment or materials used or required to be used by a Town Council for or in connection with the carrying out of any works, and includes any litter or refuse bin, tool, spare parts or other articles of equipment, whether or not for immediate fitting;

“works” means any of the following works carried out by a Town Council in the exercise or performance of its powers or functions under the Act or any other Act:

- (a) the construction, structural alteration, renovation, repair or demolition of any building or part thereof;
- (b) the installation, repair and maintenance of electrical or mechanical facilities in buildings;
- (c) the installation of system furniture;
- (d) the fabrication of signboards, bulk containers and frames; or
- (e) the carrying out of projects primarily concerned with the installation, fabrication, construction or design of any facility, system or item according to the specifications laid down by a Town Council.

## PART II

### ANNUAL ESTIMATES

#### **Town Council Fund**

3.—(1) A Town Council shall establish and maintain separate funds for the management and maintenance of the common property of —

- (a) residential property;
- (b) *[Deleted by S 179/99 wef 08/02/1999]*
- (c) commercial property; and

*[S 179/99 wef 08/02/1999]*

- (d) such other categories of property as may be determined by the Town Council.

(2) All such funds shall together constitute the Town Council Fund.

### **Sinking funds**

**4.—(1)** A Town Council shall establish and maintain, as part of the Town Council Fund, separate sinking funds for the management and maintenance of residential property and of commercial property.

*[S 179/99 wef 08/02/1999]*

(2) A Town Council shall stipulate the amount, which shall not be less than the amount prescribed under section 33(5) of the Act, of the conservancy and service charges payable, and of any grants-in-aid made, to the Town Council under sections 39 and 42 of the Act, to be paid into the respective sinking funds.

*[S 179/99 wef 15/04/1999]*

*[S 637/2007 wef 01/12/2007]*

(2A) A Town Council shall maintain separate bank accounts for the funds established for —

- (a) the management and maintenance of residential property and commercial property within the Town; and
- (b) the sinking fund established for residential property and commercial property within the Town.

*[S 179/99 wef 15/04/1999]*

(2B) Within one month from the end of each quarter of each financial year, a Town Council shall —

- (a) transfer to the bank account of the sinking funds established for the residential and commercial property within the Town, the amount of conservancy and service charges, grants-in-aid and interest that are payable to the sinking funds and that were received by the Town Council; and
- (b) reflect the outstanding conservancy and service charges and interest that are payable to the sinking funds established for the residential and commercial property within the Town as a debt owing to the sinking fund on the books of accounts.

*[S 179/99 wef 15/04/1999]*

(3) A Town Council shall establish and maintain, as part of the Town Council Fund, separate revolving loan funds, from the surplus of revenue over expenditure or grants-in-aid made to the Town Council

under section 42 of the Act, for the purpose of meeting expenditure under the loan schemes approved by the Town Council under rule 42.

*[S 637/2007 wef 01/12/2007]*

### **Transfer of surpluses to sinking funds**

**4A.—(1)** For the purposes of section 34(1) of the Act, the surpluses in —

- (a) any fund established for the management and maintenance of residential property, and commercial property, within the Town shall be transferred to the sinking fund established for that residential property and commercial property, respectively; and
- (b) any fund established for the management and maintenance of parking places within the Town shall be transferred to the sinking fund established for the residential property in the Town,

within 90 days from the date the Statement of Transferable Surpluses is audited under paragraph (2), or not later than 180 days from the date of issue of a writ of election.

*[S 179/99 wef 08/02/1999]*

*[S 637/2007 wef 01/12/2007]*

(2) Where a writ of election is issued in respect of any constituency —

- (a) the area of which forms wholly or partly the area of a Town;  
or
- (b) part of which forms the area of a Town,

the Town Council for the Town shall, within 90 days after the issue of the writ, prepare and cause to be audited a full and particular Statement of Transferable Surpluses showing the excess of revenue over expenditure in any fund (other than a sinking fund) of the Town Council relating to that area less —

- (i) the fixed assets owned by the Town Council on the day immediately before the writ is issued; and

- (ii) the amounts necessary to meet any capital commitments made or entered into by the Town Council on or before that same day in relation to that area.

(3) In paragraph (2), “capital commitment”, in relation to any area of a Town, means the aggregate value or (as the case may be) estimated cost of any capital expenditure for improvement works within that area which, at the material time —

- (a) is contracted by the Town Council for that Town; or
- (b) is approved for that Town by the Community Improvement Projects Committee of the Ministry of National Development, and invitations to tender for the execution of those works have been issued,

whether or not such capital expenditure is recognised as paid or provided for at that material time.

*[S 21/2002 wef 08/01/2002]*

### **Submission of annual estimates**

5. Each Head of Department shall furnish draft annual estimates to the secretary in accordance with the Budget Calendar as issued by the secretary from time to time in respect of the following:

- (a) the proposed establishment list for the following year which shall be examined by the Town Council; and
- (b) the expected and proposed income and expenditure under the heads enumerated hereunder by individual activity:
  - (i) revenue income;
  - (ii) other income;
  - (iii) capital expenditure;
  - (iv) revenue expenditure;
  - (v) expenditure to be met from sinking fund; and
  - (vi) expenditure to be met from revolving loan fund.

### **Justification for annual estimates**

6. The annual estimates shall be accompanied by explanations in respect of —

- (a) each new sub-head proposed;
- (b) the appreciable differences under each sub-head of income or expenditure between the estimate or revised estimate of the preceding year as well as actual expenditure of previous financial years and the proposed provision; and
- (c) the sinking fund to be expended, that is, the date on which any cyclical work is expected to commence and be completed, estimated total cost and amount to be expended during the next financial year.

### **Miscellaneous expenses**

7. No provision is to be made for “unforeseen expenditure”, “contingencies” or “sundries”; and small items not of a distinctive character should be grouped under a sub-head “miscellaneous expenses”.

### **Works extending over one year**

8. In the case of non-routine or special works not annually recurrent which will extend over more than one year, there shall be shown not only the estimated charge for the following year, but also the original estimated expenditure and revised estimate (if any) for the whole works, the total amount actually expended and committed so far as known, and the total amount likely to be expended on the works up to the end of the current financial year.

### **Approval of annual estimates**

9.—(1) The annual estimates approved by a Town Council shall include the following:

- (a) the establishment list showing the posts approved;
- (b) the approved income and expenditure under the heads enumerated by individual activity; and

(c) the approved list of works proposed to be undertaken to be charged to sinking funds.

(2) The annual estimates for a financial year approved by a Town Council shall be published in the *Gazette* not later than 3 months after the commencement of the financial year.

### **Supplementary estimates and schedules of transfers**

**10.**—(1) Where provision is required as an addition to existing sub-heads, the appropriate application for supplementary funds shall be submitted early by the secretary, wherever possible, before the additional expenditure is committed, so as to give the Town Council sufficient time for consideration and approval.

(2) Supplementary estimates approved by a Town Council shall be published in the *Gazette*.

(3) An application may be made for provision of one or more of the following:

- (a) transfer from a sub-head to another sub-head within the same head;
- (b) transfer from a sub-head of one head to a sub-head of another head;
- (c) creation of a new head or sub-head either by transfer or new supplemental provisions; and
- (d) supplemental provision to an existing head or sub-head.

(4) The following and other relevant information, where applicable, shall be furnished to enable a Town Council to reach a decision without further reference to the department concerned:

- (a) the existing head or sub-head to which it is desired to transfer or supplement the sum originally budgeted and any supplement added since the first creation of the head or sub-head;
- (b) the actual expenditure and outstanding liabilities against the head or sub-head on the date when the application is made;

- (c) the reasons why the approved provision is insufficient and why the additional expenditure cannot be deferred until the following financial year;
- (d) the reasons why a new head or sub-head is necessary and why the need for it was not foreseen when the estimates were drafted and why the service cannot be postponed and included in the following year's estimates;
- (e) the basis on which the required amount is calculated;
- (f) whether savings are available under another head or sub-head and, if so, to state the head or sub-head and the amount to be transferred and the reasons for availability of the savings; and
- (g) the reasons why a supplemental provision is necessary.

### **Applications for supplementary estimates to show cost breakdowns**

11.—(1) When an application for provision of funds is submitted, the total cost of the scheme, proposal or project should be indicated by such breakdown as is appropriate.

(2) Where the full cost of any scheme, proposal or project includes works, materials and services provided partly by any outside contractor, or partly or wholly from a Town Council's own resources, the full cost of the scheme shall be broken down to show the cost of each part.

(3) The part referring to the cost of a Town Council's own contribution to the works shall state the source or the contributing department.

## PART III

### INCOME AND RECEIPTS

#### **Methods of payment to Town Council**

12.—(1) Payment to a Town Council may be made, in order of preference, through the following means:

- (a) non-counter and cashless;
- (b) non-counter but in cash;
- (c) counter but cashless; or
- (d) counter with receipting machine.

(2) Cashless payments should be encouraged and may be made by electronic fund transfers, cheques, money orders, postal orders or cashier's orders.

(3) The secretary should, wherever possible, encourage payments by means of electronic fund transfers over other forms of cashless payment.

(4) Where a fee or charge is payable to the collection agent for electronic fund transfer services, the prior approval of the chairman or an officer authorised by the chairman shall be obtained.

(5) Apart from cheques, money orders, postal orders or cashier's orders, electronic transfer services provided by banks such as the following should be used to collect payments to a Town Council:

- (a) Giro;
- (b) telephone banking;
- (c) inter-bank Giro;
- (d) television banking;
- (e) automated teller machine;
- (f) credit card facility;

*[S 637/2007 wef 01/12/2007]*

- (g) cash card; and

*[S 637/2007 wef 01/12/2007]*

- (h) internet banking.

*[S 637/2007 wef 01/12/2007]*

(6) Where there is no necessity to provide counter service to the public at the point of collection and cash payment is unavoidable, automated collection machines such as note-recognition machines may be used to accept cash.

(7) Where there is a need to provide counter service to the public, payments should, wherever possible, be made through electronic fund transfer at point-of-sale terminals.

(8) Where none of the methods mentioned in this rule can be used, the counter used to collect payments should be mechanised or computerised to expedite the collection as well as to improve service to the public.

(9) For the purposes of paragraph (8), receipting machines, intelligent financial terminals or computerised terminals may be used.

(10) Machines to be purchased should, where possible, be of the type which are able to accept electronic fund transfer at point-of-sale transactions.

### **Security to be furnished**

**13.—**(1) Officers entrusted with the receipt, custody, disbursements or charge of a Town Council's moneys or property may be required to provide security for the faithful discharge of their duty.

(2) Where the security referred to in paragraph (1) is by means of fidelity insurance, the Town Council shall pay the necessary premiums.

(3) In every case of default, the liability of the sureties must be enforced.

### **Responsibility for custody and disposal**

**14.** Officers authorised by a Town Council to receive and collect moneys on behalf of the Town Council are responsible for the safe keeping and proper disposal of the moneys and the safe custody and proper use of all receipts, licences and other documents for which payments are received.

### **Remittances received in departments**

**15.—**(1) Payments received by hand or through the post —

- (a) shall be promptly registered in the proper remittance register;
- and

(b) shall reach the cashier within the operating hours of the payment counter and promptly receipted.

[S 637/2007 wef 01/12/2007]

(2) No officer who is not authorised to receive cash shall accept moneys presented by the public for payment to a Town Council.

(3) Where cash payments or postal remittances are received by a Town Council after the closing of the payment counter, such payments shall be sent to the cashier before the end of the same working day whenever possible, and in any case not later than the morning of the next working day.

[S 637/2007 wef 01/12/2007]

### **Prompt issue of receipt**

**16.** A machine printed receipt or one duly signed by the authorised receiving officer, dated with the day of issue, must be issued forthwith for all cash received, to the payer or to his representative.

### **Alteration or spoilt forms**

**17.—(1)** No alteration of a material nature or of the amount or date may be made to a receipt or, in the case of machine-issued receipts, subsequent to machine receipting and issue.

(2) Alterations made shall be in the following manner:

#### *Manuscript Receipt*

#### *Machine-Issued Receipt*

(a) To be made on the original, duplicate and triplicate of the receipt

To be made on the original and duplicate of the receipt.

(b) To be initialled by the cashier or collector concerned, and to be checked by the supervisor of the cashier or collector and initialled by him on the duplicate and triplicate

To be initialled by the counter cashier and his supervisor.

(3) Any alteration to a receipt must not be made by erasure and must comply with the requirements of rule 90.

(4) If for any reason a receipt form is spoilt and cannot be issued, it must not be destroyed but must be —

- (a) cancelled;
- (b) initialled by the officer empowered to issue the receipt;
- (c) attached to the relative counterfoil; and
- (d) produced for inspection when required.

### **Custody of receipt books overnight**

18.—(1) In the collection of revenue, when it is necessary to entrust receipt books to junior officers, they should be strictly forbidden from keeping these receipt books in their private premises overnight.

(2) All receipt and licence books actually in use shall be locked up at the close of each day by the officers in charge of them.

### **Register of stock of receipts, coupons, etc.**

19.—(1) The stock of unissued manuscript receipt books and serially numbered paper receipts shall be kept by the secretary or any person appointed by him and all such stocks shall be recorded in a stock register and shall be locked up.

(2) The stock of parking coupons and similar documents of value shall be kept by the secretary or any person appointed by him and all such stocks shall be recorded in a stock register and shall be locked up.

### **Defective book to be noted**

20.—(1) Where any book is found defective, a notice to that effect shall immediately be recorded by the officer in charge of the register.

(2) The book may thereafter, if the defect is not serious in the opinion of the secretary or any person appointed by him for the respective documents mentioned in rule 19, be used subject to such further conditions as may be noted in the register.

### **Custody, disposal and responsibility for negligence**

21.—(1) All collections received by authorised officers must be deposited as soon as possible in the safe or vault provided for the

purpose, or paid into a bank account of the Town Council; and negligence in this respect will place the entire responsibility for any loss upon the officer concerned.

(2) Whenever any cash collection exceeding \$5,000 is physically conveyed by a cashier of a Town Council, there shall be an armed escort or a second officer accompanying the cashier.

*[S 637/2007 wef 01/12/2007]*

### **Moneys to be banked**

**22.** Moneys to be banked shall be lodged not later than the business day following the day of receiving the moneys.

### **Keys of safe and money delivery box**

**23.—**(1) All moneys received each day shall be placed at closing time in a money delivery box, cash deposit bag or such other container as the Town Council considers appropriate.

*[S 179/99 wef 15/04/1999]*

(1A) The money delivery box, cash deposit bag or other container referred to in paragraph (1) shall —

- (a) be secured with a lock or any other suitable means of securing; and
- (b) be kept in a strong room or safe until delivered into the hands of one of the Town Council's bankers or their representatives on the following business day.

*[S 179/99 wef 15/04/1999]*

(2) Only articles authorised by the chairman may be kept in the safe.

(3) The key to the lock on the money delivery box, cash deposit bag or other container and the key to the strong room or safe referred to in paragraph (1A) shall be kept by separate officers authorised by the chairman.

*[S 179/99 wef 15/04/1999]*

### **Keys of strong room**

**24.—**(1) Where a strong room has been installed, it should be fitted with at least 2 locks.

(2) The key to one lock shall be held by the secretary or an officer appointed by him.

(3) The key to the other lock shall be held by an officer appointed by the chairman.

### **Spare keys to be deposited with bankers**

**25.**—(1) The spare keys to strong rooms and safes shall be sealed in a packet and deposited with one of the bankers of the Town Council or any bank, security company or finance company providing safe deposit services.

*[S 637/2007 wef 01/12/2007]*

(2) Whenever considered necessary, the sealed packets shall be withdrawn after production of the deposit receipt, the spare keys put into use and the original keys deposited in the manner provided by this rule.

(3) Officers taking over charge of a strong room or safe are to satisfy themselves that the spare keys are deposited in the manner provided by this rule.

(4) Covering letters to bankers for deposit or withdrawal of spare keys shall be signed by any 2 of the following officers, namely, the secretary, the chairman and the vice-chairman.

(5) The key to the deposit box with the bankers shall be kept by the secretary or an officer authorised by the chairman, and the duplicate key shall be kept by the chairman.

### **Lost keys**

**26.**—(1) In the event of loss of the key to a strong room or safe, the fact shall immediately be reported to the secretary, who shall arrange for the contents in the strong room or safe to be checked and for their safe custody until the lock is changed.

(2) An officer responsible for the loss of a key of a strong room or safe may be called upon to pay for the cost of new lock and keys, including the cost of fitting the lock.

**Billing for goods and services**

27. Heads of Departments shall ensure that all goods sold or services performed are correctly billed and all billings are forwarded to the Finance Department promptly after they have been checked and certified.

**Fees and charges**

28. Fees or charges which are levied or imposed by a Town Council shall be of the following categories:

<i>Category</i>	<i>Approved by</i>
(a) those that apply to the Board's tenants or lessees in general	Town Council
(b) those that apply only to a selected group of people:	
(i) any fee or charge of monthly or longer term nature	Town Council
(ii) any single item where the amount exceeds \$30,000	Town Council
(iii) any single item where the amount does not exceed \$30,000	Chairman
(iv) any single item where the amount does not exceed \$10,000	Officer or Committee authorised by the chairman.

*[S 179/99 wef 15/04/1999]*

**Selling prices of fixed assets**

29. The authority to approve the selling prices of fixed assets shall be as follows:

(a) not exceeding \$1,000 per item	— Officer or Committee authorised by the chairman
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- (b) not exceeding \$3,000 per item — Chairman
- (c) exceeding \$3,000 per item — Town Council.

**30.** [*Deleted by S 179/99 wef 15/04/1999*]

## PART IV

### EXPENDITURE AND PAYMENTS

#### **Expenditure to be according to budget**

**31.**—(1) No expenditure shall be incurred unless the expenditure is covered by a sub-head in a budget and a sufficient balance is available under the sub-head.

(2) Notwithstanding the absence of such provisions, a Town Council may pay —

- (a) sums deposited by contractors or deposited by or deducted from other persons whenever by the conditions of the deposit or deduction such sum has become repayable or payable;
- (b) sums collected and credited to the funds of the Town Council in error;
- (c) sums payable by the Town Council under any award of the Collector of Revenue, or under any of the provisions of the Act, or under any judgment or order of any court; and
- (d) any expenditure incurred to secure the proper execution of the functions and duties of the Town Council under the Act which in the opinion of the chairman cannot be postponed except that the chairman shall report such payment forthwith to the Town Council.

(3) Provisions shall be made in a supplementary budget for any payment made under paragraph (2)(c) or (d).

#### **Bank accounts**

**32.**—(1) Bank accounts shall be maintained for the funds of a Town Council and preference shall be given to banks incorporated in Singapore.

(2) Bank transactions shall be recorded in a cash book and a bank reconciliation statement shall be prepared for each account at least once a month.

**Bank instructions and authorised cheque signatories**

**33.**—(1) Instructions to banks relating to changes of authorised cheque signatories and variation of any other authority shall be signed by the secretary and countersigned by the chairman.

(2) Authorised cheque signatories are as follows:

- (a) cheques not exceeding \$50,000 — Secretary and an officer or such lesser amount as authorised by the Town Council from time to time      Council
- (b) all other cheques — Chairman or vice-chairman and secretary or an officer authorised by the Town Council.

(3) A Town Council may use any mode of payment other than cheques to effect payments, and instructions pertaining to such mode shall be authorised by the stipulated cheque signatories.

**Authority to incur expenditure**

**34.**—(1) Authority to incur expenditure for any one item shall be as follows:

- (a) not exceeding \$10,000 — Officer or Committee authorised by the chairman
- (b) not exceeding \$100,000 — Chairman
- (c) exceeding \$100,000 — Town Council

(2) To determine the authority to approve the expenditure, the financial limits are to be applied to —

- (a) the value of any single item of stores, services or works to be awarded; and

(b) the total value, inclusive of variation orders, of the stores, services or works to be awarded to any one contractor.

(3) Where necessary for the efficient operation of a Town Council's functions, delegation of authority by the Town Council may be effected and notified in writing to the secretary and the auditor.

(4) A list of delegated officers, the scope of their authorities and their specimen signatures shall be maintained by a Town Council.

(5) Paragraph (1) shall not apply to refunds and payments made under rule 31(2)(a) and (b) or continuing expenditure to which the Town Council is already committed, such as workmen's compensation, hospital and medical charges, loan charges, property tax, hire of police guards, escorts and security measures, postages, public utility charges, telegrams and telephones, publications in the *Gazette*, and purchase under approved term contracts (other than maintenance term contracts) at specified unit rates.

(6) Where appropriate in the cases mentioned in paragraph (5) and subject to funds being available within the approved budget, the secretary or any authorised Committee or officer shall authorise the expenditure and certify the bills for payment.

(7) Notwithstanding the financial authority to incur expenditure under paragraph (1), policies and guidelines issued by the Town Council from time to time on restricted expenditure items, such as entertainment, office furniture and equipment and overseas travel, shall be observed.

(8) For the purpose of delegating financial authority pursuant to paragraph (3), the secretary is required to observe the following guidelines in submitting proposals to the Town Council for approval:

(a) the maximum limit of delegation for any one item shall be \$5,000;

(b) only a minimum number of delegated officers or Committees may be appointed so as to ensure proper control over expenditure;

- (c) delegation must be clearly defined to indicate the expenditure accounts applicable to each delegated officer or Committee; and
- (d) where exceptional circumstances warrant it, deviations from the above guidelines may be permitted with the approval of the Town Council.

### **Expenditure under emergency circumstances**

**35.**—(1) Notwithstanding rule 34(1) but subject to rule 31(2)(d), the chairman and an officer authorised by him may, in circumstances of emergency as defined in paragraph (2), sanction the commitment of any one item of expenditure not exceeding \$200,000 and \$50,000, respectively, subject to a report being made as soon as possible to the Town Council or chairman, as the case may be, for covering approval.

(2) Circumstances of emergency are defined as those that are likely to cause —

- (a) injury to human life;
- (b) serious damage to property; or
- (c) serious jeopardy to the operations of the Town Council.

(3) Wherever possible, verbal approval of the chairman shall be obtained before the commitment is made.

(4) In seeking the written covering approval of the chairman or Town Council, the report should include full details of the circumstances.

(5) The approval referred to in paragraph (4) shall be obtained before any payment is effected.

### **Secretary to advise appointment**

**36.** On the appointment of any employee, the secretary shall send all necessary information concerning the terms and conditions of the appointment to —

- (a) the Central Provident Fund Board;
- (b) the Comptroller of Income Tax (where applicable); and

(c) any other parties that may be interested.

### **Secretary to advise resignation**

37. On the resignation of any employee, the secretary shall send the appropriate information to the parties listed in rule 36 and any other interested parties.

### **Last advice date for pay particulars**

38. Normally all advices to the secretary affecting pay sheets for the month should reach him not later than the dates and times indicated in the pay programmes circulated each half year.

### **Payment to employee upon resignation**

39.—(1) The secretary shall discharge as soon as possible all moneys due to any employee who has resigned.

(2) The secretary shall retain any amounts due or which may be due subject to any clarification in connection with any provident fund, income tax, moneys due to the Town Council, or any other matter.

(3) The secretary may make such temporary adjustments as may be necessary pending final clearance.

### **Preparation of wage sheets and payment to daily-rated employees**

40.—(1) Detailed wage sheets for daily-rated employees wages shall be drawn up from the daily-rated employees attendance records maintained in the department requisitioning the payment.

(2) The wage sheets shall be on the proper form and the officer delegated under rule 34(3) shall certify the correctness of the wage sheets of his department in accordance with rule 34(6).

(3) The certified wage sheets must reach the secretary by the dates and times indicated in the programme issued in advance to Departments.

**Payment of monthly-rated staff salaries**

**41.**—(1) Salaries of monthly-rated staff shall be paid on the dates and times as shown in the schedule issued by the secretary.

(2) The secretary or the officer delegated under rule 34(3) shall confirm that the officers listed on the salary sheets are in the service of the Town Council for the pay period.

(3) The secretary may agree to pay any officer who, due to special circumstances, applies for his salary to be paid earlier than the scheduled date or time, except that it shall not be earlier than the pay day of the immediately preceding pay period.

(4) All salaries shall be paid direct to the bank account of the officer concerned.

**No advances or loans except approved loan schemes**

**42.** A Town Council shall not make an advance or loan to any member, officer or employee of the Town Council other than for loans or advances given under any employees' loans schemes approved by the Town Council.

**Loan repayments**

**43.** Repayments on the loans shall be credited into the respective revolving loan funds, and interest and other income shall be credited to revenue income.

**Town Council to formulate details of loan schemes**

**44.** A Town Council shall set out the terms and conditions under which a loan may be granted, the procedure for applying for and approving a loan and the procedure for paying and recovering a loan under each of the loan scheme which may be changed from time to time.

**Terms and conditions of loans**

**45.** The terms and conditions for any loan scheme shall include the following:

- (a) the persons eligible to apply;

- (b) the amount of loan an officer is eligible for based on his gross salary subject to a maximum amount;
- (c) the frequency an officer can apply for the same type of loan;
- (d) the maximum repayment period allowed and the minimum instalment repayment amount;
- (e) whether interest is payable and the rate of interest;
- (f) whether sureties are required and, if so, the qualifications of sureties; and
- (g) the loan agreement to be entered into.

### **Authority to approve loans**

**46.** The authority to approve loans shall be the same as the authority to incur expenditure under rule 34 except that a loan can be approved only if there are funds.

### **Loan recovery through salary deduction**

**47.** The repayment of the loan shall commence in the month following the disbursement of the loan and shall be by monthly instalments which shall be recovered from the officer's salary.

### **Loan release**

**48.** Before releasing the loan, the secretary shall ensure that the loan will be used for the purpose for which the loan has been approved.

### **Maximum deductions allowed**

**49.** In considering the loan application, the loan shall not be approved if an officer's instalment payment to redeem his loan commitments or debts, including the proposed loan, is more than 50% of his monthly gross pay unless the Town Council is satisfied that the officer is able to afford these deductions.

### **Individual loan account kept**

**50.** A loan account has to be maintained for each loan given showing, for each month —

- (a) the amount of loan (principal) outstanding at the beginning of the month;
- (b) the interest due for the month;
- (c) the total amount recovered for the month; and
- (d) the amount of loan (principal) outstanding at the end of the month.

### **Proper accounts and reconciliation**

**51.**—(1) The secretary shall ensure that proper accounts are kept of all loans given, showing the total amount of loans approved, the total loans outstanding and the balance in the provision for each of the revolving loan funds.

(2) The secretary shall ensure that such control accounts are reconciled each month with the individual loan account kept under rule 50.

### **Recovery of all debts**

**52.** The secretary shall take steps to recover all outstanding loans from employees who are leaving the Town Council.

### **Expenditure to be met from sinking fund**

**53.**—(1) A Town Council shall not disburse any moneys from any sinking fund otherwise than for the purposes of meeting actual expenses or liabilities properly attributable to that sinking fund.

(2) Notwithstanding the provision of such expenditure in the approved list of works, the secretary shall submit his proposal to the Town Council for approval before any commitment to be met from a sinking fund can be authorised or entered into.

### **Responsibility for accuracy of statements**

**54.** Heads of Departments shall be responsible for the accuracy of accounts, vouchers and statements rendered by them or under their authority.

### **Use of official order forms**

**55.**—(1) Except in the case of individual minor purchases not exceeding \$500 each or such amounts as authorised by the Town Council, all goods or services required shall be ordered through official order forms, and bills or vouchers passed for payment must be supported by a copy of the relevant order.

(2) Urgent orders placed verbally shall be confirmed on the official order form immediately after the verbal instructions have been given.

### **Unauthorised disbursements**

**56.**—(1) Any officer allowing or directing any disbursement without proper authority shall be responsible for the amount.

(2) In the event of any wrongful payment being made in consequence of an incorrect certification on a voucher, the certifying officer shall be responsible for the wrongful payment.

(3) The Head of Department or his authorised representative shall certify as to the accuracy of every detail on the voucher.

(4) It is the responsibility of the Head of Department to satisfy himself that —

- (a) the services specified have been duly performed;
- (b) the goods purchased have been properly held or applied for the purpose intended;
- (c) the prices charged are either according to contracts or approved scales, or fair and reasonable according to current local rates;
- (d) authority has been obtained as quoted, and the computations and castings have been verified and are arithmetically correct; and
- (e) the persons named in the vouchers are those entitled to receive payment.

(5) In approving a refund or payment under rule 31(2)(a) or (b), the Head of Department or his authorised representative shall satisfy

himself that the amount had been received by the Town Council and is still due and payable to the payee.

**Bills to be dealt with promptly**

57.—(1) The secretary shall ensure that all bills are received not later than the month following that in which the articles are purchased or service performed and that they are promptly checked and, if in order, processed for payment.

(2) All officers' claims for transport and other reimbursements must be submitted in the month following that in which the expenditure was incurred.

**Vouchers to contain full details**

58.—(1) Each voucher shall contain full particulars of each purchase or service, including dates, numbers, quantities, distances and rates, so as to be comprehensive without reference to any document other than those attached thereto.

(2) The total of all vouchers shall be written in words as well as in figures.

(3) Where the voucher relates to the purchase of an item required to be recorded in inventory, the asset number is to be entered on the payment voucher before it is forwarded to the Finance Department for payment.

(4) Where an item of expenditure normally chargeable to a certain vote is for some reason to be charged to another, an explanatory note shall be added.

**Payee's name required on voucher**

59.—(1) The name of the payee shall be stated in the voucher.

(2) Vouchers shall not be made in favour of more than one person or firm except where more than one person or firm are parties to a contract or to one transaction.

(3) In all cases of goods purchased through a tradesman or services rendered by an individual, his name must appear on the voucher as the

person who actually performed the service or to whom payment is due.

(4) Where the payee is an individual, the identity card number shall be shown on the voucher.

(5) Where the identity card number is not available, the address shall be stated.

### **Payment to payees**

**60.**—(1) When payments are to be made to persons other than those named in the voucher, or to the agents of officers absent on leave, the authorities under which the payments are to be made (excluding powers of attorney or letters of administration) must be in writing or on a standard form drawn up by the secretary for uniform practice in this matter and duly noted in the Finance Department.

(2) The appointment of the new payee shall be noted on each voucher concerned, and this shall be signed by the secretary or his authorised representative.

### **Vouchers for items under contracts**

**61.**—(1) When supplies are furnished or when work is done under an agreement, there shall be a certification on the voucher that the payments are in accordance with the terms of the agreement, and that, as regards supplies not for immediate use, the articles have been received and duly recorded in the proper inventory and, in the case of work, that it has been properly done.

(2) In the case of a payment on account, no more shall be paid than the cost of the work certified to have been performed or the amount claimed by the contractor, whichever is the lesser.

(3) When a deduction is made from the amount payable on a contract in respect of a penalty or fine, or other retained item, the net sum only shall be paid.

### **Floats may be held**

**62.**—(1) Imprest cash floats of fixed amounts may be held by the cashier in a Town Council office or by any other officer with the approval of the chairman or an officer authorised by him.

(2) Advances for such floats shall be drawn by cheque whenever required.

### **Private use of funds under imprest prohibited**

**63.** Funds held under the imprest are not to be used for private purposes, or for any purpose other than that for which the imprest is intended.

### **Change floats**

**64.**—(1) Change floats of fixed amounts may be held by the banking cashier with the approval of the chairman or an officer authorised by him.

(2) The banking cashier shall provide a book to record each day the amounts issued to other cashiers and amounts returned to the floats.

(3) The cashier shall sign for amounts received from the floats and the banking cashier shall sign for amounts returned to the floats.

### **Cash vouchers**

**65.**—(1) Vouchers duly passed for payment by the secretary or his authorised representative are to be obtained for all payments made by the cashier whether from the imprest money, or money drawn for any other proper payments in cash, and upon payment an acknowledgment by the payee shall be obtained.

(2) Where cash is advanced on the authority of the chairman or an officer authorised by him for expenditure to be supported by receipted bills submitted later, the voucher shall indicate the nature of the proposed expenditure.

(3) Where possible properly receipted bills must support petty cash payments.

### **Floats to be kept low**

66. Imprests shall be kept down to minimum requirements and recoupmets applied for on an average of once fortnightly.

### **Record of payments to be kept**

67.—(1) Every cashier who receives an imprest must keep an imprest cash book showing all amounts received and paid.

(2) All vouchers must be consecutively numbered and entered on the day on which they are paid, and the proper vote reference entered against them.

### **Reimbursing the float**

68. When replenishment of an imprest is necessary, vouchers for all payments, supported by an imprest cash reimbursement form which should be serially numbered, shall be submitted to the Finance Department.

### **Final balances**

69.—(1) All expenditure out of imprest accounts shall be submitted for reimbursement with a statement of year-end cash-on-hand balance on the first working day of the new financial year.

(2) The cash-on-hand balance is to be verified by the secretary or his designated representative.

### **Cheque books**

70. All cheque books shall be locked up at the close of business each day by the officer appointed by the secretary.

### **Payment by cash or uncrossed cheque**

71.—(1) Subject to this rule, all cheques shall be crossed.

(2) Where the payee requests for payment in cash or by uncrossed cheque, the cashier responsible for payment shall, by reference to the payee's identity card, the number of which he shall note on the voucher, satisfy himself as to the identity of the payee.

(3) In all cases of payment by cash or uncrossed cheque, a responsible officer appointed by the secretary shall witness the payment and, at the same time, verify by actual sighting of the identity card the particulars of the payee's identity card with that on the payment voucher.

(4) The responsible officer under paragraph (3) shall endorse the payment voucher to the effect that he had made such verification.

### **Undistributed drawings to be rebanked**

**72.** If it is not possible to distribute within 14 days the whole of any money drawn for the purpose of meeting cash payments, the amount remaining undistributed shall be repaid into the bank.

### **Procedure for quotations**

**73.—**(1) Quotations in writing shall be invited for any single item of stores, services or works estimated to cost not more than \$70,000.

*[S 179/1999 wef 15/04/1999]*

*[S 637/2007 wef 01/12/2007]*

(1A) A tender need not be invited if quotations are invited for any single item of stores, services or works estimated to cost not more than \$70,000, and the quotations obtained exceed \$70,000 but do not exceed \$80,000.

*[S 637/2007 wef 01/12/2007]*

*[S 179/1999 wef 15/04/1999]*

(2) Notwithstanding paragraph (1) and subject to rule 74(4), quotations may be obtained by telephone or orally where —

(a) the stores, services or works are estimated to cost not more than \$3,000; and

*[S 637/2007 wef 01/12/2007]*

(b) a written note of the particulars of the suppliers and the date of each of the quotations is made and certified by the officer authorised to accept the quotations.

(3) Where quotations are called, at least 3 firms shall be invited to quote.

(3A) Such quotations may be accepted on a Town Council's behalf by officers authorised by the Town Council to incur expenditure or any committee appointed by the Town Council for such purpose but only within the limits of their financial authority under rule 34(1).

(4) Subject to paragraph (5), the lowest priced quotation for the item of acceptable quality from a firm that fully or very substantially meets the specifications and requirements shall be accepted to the exclusion of the other quotations.

(5) The Town Council or the chairman may, within the limits of their financial authority under rule 34(1), accept a quotation which is not the lowest quotation that fully or very substantially meets the specifications and requirements, except that the circumstances or reasons for not accepting the lowest quotation must be fully justified and shall be recorded and open to scrutiny by the auditor.

(6) All quotations accepted by such a committee or authorised officers shall be circulated to the Town Council for information.

(7) Where the amount of the quotation is not expected to exceed \$5,000, the firms invited to quote may be asked to send their quotations direct to the Department concerned.

(8) All other quotations shall be placed in the quotation box.

(9) Quotations shall be opened by an officer other than the officer authorised to approve the expenditure involved in the presence of a witnessing officer appointed by the secretary.

*[S 179/99 wef 15/04/1999]*

(10) In seeking such quotations, Heads of Departments shall send a carbon copy of their invitation, or a list of the firms verbally invited to quote, to the secretary so that he may arrange for the opening of the quotations on the due date and time.

(11) Notwithstanding paragraph (1), stores, services or works estimated to cost not more than \$3,000 in any one case may be incurred by the chairman or an officer authorised by him without inviting quotations in the first instance if and only if —

(a) the goods or services are urgently required; or

- (b) the cost of inviting quotations exceeds the saving which may be derived from having competing quotations.

*[S 637/2007 wef 01/12/2007]*

(12) Quotations may be waived by the chairman where —

- (a) the supply of goods or services is known to be only within the capacity of a sole agent or a specialist contractor;
- (b) the urgency of the requirement makes it necessary; or
- (c) it is manifestly necessary in the public interest to do so.

(13) Waiver of quotations under paragraph (12)(b) or (c) shall only be used under very special circumstances and must be fully justified.

(14) The submission to the chairman for waiver under paragraph (12), and the circumstances and justification for granting any such waiver, shall be recorded and made available to the auditor for inspection and audit.

*[S 637/2007 wef 01/12/2007]*

(15) No person making any submission to the chairman for waiver under paragraph (12) shall have any interest in the supplier of the stores, services or works in respect of which the waiver is sought.

*[S 637/2007 wef 01/12/2007]*

### **Procedure for tenders**

**74.—**(1) Unless waived under paragraph (17), tenders shall be invited for the execution of works or for any single item of stores or services estimated to cost more than \$70,000.

*[S 637/2007 wef 01/12/2007]*

*[S 179/99 wef 15/04/1999]*

(2) *[Deleted by S 179/99 wef 15/04/1999]*

(3) The invitation to tender shall be advertised in the local or international trade press, or by electronic means.

*[S 637/2007 wef 01/12/2007]*

*[S 179/99 wef 15/04/1999]*

(4) Tenders shall be called for all stores, services or works to be supplied or carried out over a period except that quotations in writing

shall be invited if the value of the stores, services or works is estimated to be less than \$70,000.

*[S 637/2007 wef 01/12/2007]*

*[S 179/99 wef 15/04/1999]*

(5) The advertisement required under paragraph (3) should be brief, giving the minimum information necessary for the tenderers to know what stores, services or works are required, the period of the contract and whether the issue of tender is restricted to tenderers registered with the Building and Construction Authority or the Expenditure and Procurement Policies Unit of the Ministry of Finance.

*[S 637/2007 wef 01/12/2007]*

(6) Subject to paragraph (7), the minimum period of tender notice shall not be less than —

- (a) in the case of contracts which are advertised locally — 3 weeks for conventional contracts and 8 weeks for design and build contracts; or
- (b) in the case of contracts which are advertised both locally and overseas — 12 weeks.

(7) Notwithstanding paragraph (6), the chairman or his authorised officer may approve a shorter period of tender notice and the reasons for the shorter period shall be recorded and disclosed to the Town Council.

*[S 637/2007 wef 01/12/2007]*

(8) The chairman or his authorised officer may approve an extension of the period of tender notice if, before the close of the tender, 2 or more requests for extension are received by the Town Council.

*[S 637/2007 wef 01/12/2007]*

(9) An alternative offer may be allowed if —

- (a) it is specifically provided for in the tender documents;
- (b) the price quoted shall be as at the time of tender; and
- (c) the tenderer also submits a main offer which will be evaluated before the alternative offer.

(10) The alternative offer submitted under paragraph (9) may be accepted only if it fulfils all functional requirements and the cost is lower than the main offer.

(11) When it is necessary to prequalify the contractors, an open tender shall be called for prequalification exercise.

(12) No preselection of firms shall be allowed, unless prior approval of the Town Council has been obtained on a case-by-case basis.

(13) Tenders received shall be placed before the Town Council, the chairman, or any committee appointed by the Town Council for the purpose, who shall, except as provided under paragraph (15), accept the lowest tender meeting specifications within their respective financial authority under rule 34(1).

(14) All tenders accepted by a committee shall be circulated to the Town Council for information.

(15) The Town Council or the chairman, within the financial limit authorised by the Town Council, may for reasons to be disclosed with the acceptance, accept a tender which is not the lowest tender.

(16) The circumstances and reasons for not accepting the lowest tender which meets the specifications fully or very substantially must be fully justified and shall be recorded and open to scrutiny by the auditor.

(17) Tenders may be waived by the Town Council or the chairman as authorised within the limits of his financial authority to incur expenditure where —

- (a) the supply of goods or services is known to be only within the capacity of a sole agent or a specialist contractor;
- (b) the urgency of the requirement makes it necessary; or
- (c) it is manifestly necessary in the public interest to do so.

(18) Waiver of tenders under paragraph (17)(b) or (c) shall only be used under very special circumstances and must be fully justified.

(19) The submission to the Town Council or the chairman for accepting a tender which is not the lowest tender under paragraph (15) or for waiver under paragraph (17), and the circumstances and

justification for accepting any such tender or granting any such waiver, shall be recorded and made available to the auditor for inspection and audit.

*[S 637/2007 wef 01/12/2007]*

(19A) No person making any submission for accepting a tender which is not the lowest tender under paragraph (15) or for waiver under paragraph (17) shall have any interest in the supplier of the stores, services or works in respect of which the acceptance of such tender or the waiver is sought.

*[S 637/2007 wef 01/12/2007]*

(20) The successful tenderer for the execution of work or the supply of goods or services shall be required to comply with such conditions as the approving authority may from time to time stipulate with regard to security deposits, bankers' guarantees, insurance and guarantors before entering into a contract with the Town Council.

(21) The amount of any security deposit or banker's guarantee which the approving authority may require under paragraph (20) shall not exceed 10% of the total estimated cost of the works, goods or services sought to be procured under the tender.

*[S 637/2007 wef 01/12/2007]*

### **Waiver of competition**

**75.—**(1) Rules 73 and 74 shall not apply to the following:

- (a) subscriptions for local or overseas journals, magazines and periodicals;
- (b) supply of utility services by the Public Utilities Board or any other utility service provider licensed or otherwise regulated by the Public Utilities Board or the Energy Market Authority of Singapore;

*[S 637/2007 wef 01/12/2007]*

- (ba) supply of telecommunications services by any telecommunication service provider licensed by the Info-communications Development Authority of Singapore; and

*[S 637/2007 wef 01/12/2007]*

- (c) repeat orders on approved tenders and quotations which are less than 3 months old provided the officer approving the order is satisfied that no financial advantage will be gained by calling fresh quotations or tenders and the value of the repeat order is not more than 30% of the original contract sum.

*[S 637/2007 wef 01/12/2007]*

*[S 179/99 wef 15/04/1999]*

(2) For the purposes of paragraph (1)(c), the period of 3 months specified therein shall run from the date the first purchase order was raised or, in the case of period contracts, the date the contract expired.

*[S 179/99 wef 15/04/1999]*

### **Managing agents**

**76.—**(1) Tender specifications prepared by a managing agent of a Town Council shall —

- (a) as far as practicable, be drafted so as not to give preference to any tenderer and bear a declaration by the managing agent that the specifications do not give preference to any particular tenderer; and
- (b) be approved by a Tender Committee comprising members of the Town Council.

(2) Where tender specifications prepared by a managing agent unavoidably specify the use of services of, or acquisition of stores from, any particular supplier, the tender specifications shall state that equivalent alternatives may also be offered by tenderers.

(3) A managing agent of a Town Council shall not be disqualified from submitting a tender in response to an invitation to tender for the execution of works or the supply of stores or services to the Town Council if —

- (a) before the close of the tender, the managing agent declares its interest to the Town Council, chairman or committee having the authority under rule 74(13) to accept the tender;

*[S 637/2007 wef 01/12/2007]*

- (b) the Tender Opening Committee in respect of the tender exercise does not comprise any officer or employee of the managing agent;
- (c) the witnessing officer of the Tender Opening Committee is a member of the Town Council; and
- (d) the managing agent does not participate in the evaluation of the tenders received in response to the invitation.

(4) Where a Town Council or chairman intends to waive quotations or tenders pursuant to rule 73(14) or 74(17) and as a result the managing agent of the Town Council will be the sole supplier of the stores, services or works to the Town Council, such waiver shall not be permissible unless —

- (a) the specifications of the stores, services or works have been approved by a committee comprising members of the Town Council; and
- (b) the managing agent does not participate in the evaluation and recommendation for such waiver.

### **Registration**

77. The following details of tenders and quotations shall be recorded in a register before they are deposited into the tender or quotation box:

- (a) name of tenderer or supplier quoting;
- (b) address;
- (c) job or supplies tendered or quoted for; and
- (d) when received and when placed into the box.

### **Opening of tenders and quotations**

78.—(1) Tenders shall be opened by a Tender Opening Committee only.

(2) The Tender Opening Committee shall consist of an officer authorised by the secretary and a witnessing officer.

(3) [*Deleted by S 179/99 wef 15/04/1999*]

(4) The secretary shall appoint a witnessing officer whose normal duties are not directly concerned with the stores, works or services in the tender.

*[S 179/99 wef 15/04/1999]*

(5) The officer authorised to open tenders shall prepare a schedule of tenders showing —

- (a) the tenderer's name;
- (b) the item number as given in the invitation to tender;
- (c) the price and where appropriate the tenderer's terms of delivery; and
- (d) the total number of tenders received.

(6) The officers required to be present at tender opening shall initial the tender documents entered on the schedule of tenders, as well as the schedule itself.

(7) All tender prices shall be posted on the notice board immediately after opening of tenders (except for confidential projects or on security grounds).

(8) The notice shall contain the names of all the tenderers and their offers.

(9) After the tenders are evaluated, award or rejections of tenders shall be posted.

(10) In the case of awards, only the name of the successful tenderer and the tender price need be given.

(11) *[Deleted by S 637/2007 wef 1/12/2007]*

### **Tender box**

**79.**—(1) Each tender box shall be fitted with 2 locks.

(2) The key to one lock shall be held by the secretary or an officer authorised by him while the key to the other lock shall be held by the witnessing officer of the Tender Opening Committee.

**Late tenders**

**80.** Tenders received after the appointed closing time and date shall be dealt with in the following manner:

- (a) if received through the post — after details regarding sender, job or supplies tendered for and time received have been noted both on the tender and in the tenders register, the late tender shall be returned by registered post;
- (b) if received by hand — after details regarding sender, job or supplies tendered for and time received have been noted both on the tender and in the tenders register, the late tender shall be handed back to the messenger, who shall sign the register in acknowledgment.

**Acceptance of tenders**

**81.—(1)** The tenders received together with the schedule shall be forwarded under sealed confidential cover to the appropriate officer whose recommendations in respect of the tenders are required.

(2) The officer is expected to satisfy himself that the recommended tenderer is competent and able to perform the work concerned.

(3) Except as provided for in rule 74(15), the lowest offer that fully or very substantially meets the specifications and requirements shall be accepted.

*[S 179/99 wef 15/04/1999]*

(4) Tenders shall be awarded without undue delay, but in any case within a specified period not exceeding 6 months.

(5) Negotiations with tenderers should not normally be resorted to except with the approval of the chairman and under the following conditions:

- (a) negotiation shall be permitted only with the recommended tenderer and only on financial terms and special contract conditions;
- (b) the negotiation team shall consist of not less than 3 members authorised by the chairman; and

- (c) records of the actual negotiations, meetings and discussions are maintained and such records shall be subject to inspection and audit.
- (5A) For the purposes of paragraph (5)(a) —
- (a) financial terms refer to such terms as payment arrangements and the amount of security deposit, but does not include the tender price; and
  - (b) special contract conditions refer to requirements governing delivery, installation, maintenance, warranties and other related matters.

*[S 637/2007 wef 01/12/2007]*

(6) For works, period quotations and contracts, there shall be a written agreement before the works or supply of services begin.

### **Forfeiture of tender deposits**

**82.** Where deposits are required from tenderer and such deposits are forfeitable in the event of the tender being withdrawn after opening but before award, or failure to comply with a condition of the contract, the secretary on such an event taking place, may declare the deposit to be forfeited and shall so report to the chairman.

### **Guarantor may be required**

**83.** Contractors may be required to furnish guarantors for specific contracts or generally.

### **Financial provision not to be exceeded**

**84.** Except where the prior approval has been obtained for supplementary provisions, no tender may be accepted for an amount which, together with expenditure already incurred and liabilities foreseen, will cause the financial provision voted to be exceeded.

### **Right to remove or demolish**

**85.** Bids for rights offered by a Town Council in respect of goods to be sold, or in respect of demolition of premises and removal of salvage or otherwise where the bidder must pay the Town Council for the

award of such rights, shall be treated for procedural purposes (invitation, receipt, opening and award) in the same manner as for tenders or quotations.

### **Execution of contracts and agreements**

**86.**—(1) The execution of contracts, agreements and instruments of any description shall be signed by the chairman or an officer authorised by the Town Council on their behalf, and such signing shall be sufficient evidence that the documents have been duly executed by the Town Council.

(2) For documents required to be executed under seal, section 6 of the Act must be complied with.

### **Contractors debarred by Government**

**86A.**—(1) A Town Council shall not, in the absence of special reason approved by the chairman of the Town Council, award any contract to a person who has been debarred by the Government from participating in the same or all types of contracts.

(2) The special reasons referred to in paragraph (1) shall be recorded in writing and shall be made available to the auditors.

(3) An invitation for quotations or for tenders by a Town Council shall contain a statement that no contract shall, in the absence of special reason, be awarded to a contractor if the contractor or any of its directors or employees has been debarred by the Government from participating in the same or all types of contracts.

*[S 179/99 wef 15/04/1999]*

*[S 637/2007 wef 01/12/2007]*

### **Contingency sums and variation works**

**87.**—(1) Provisions for variation works in contracts may be provided in the form of a contingency sum.

(2) A contingency sum shall form part of the maximum approved sum of expenditure on the project or procurement, but shall not be included in the contract.

(3) A contingency sum shall not exceed —

- (a) 20% for civil engineering works;
- (b) 10% for building works; and
- (c) 5% for large complex equipment contracts.

(4) The authority to approve each request for variation works shall be the same as the authority to incur expenditure under rule 34(1) read with rule 34(2).

*[S 637/2007 wef 01/12/2007]*

### **Vote not to be exceeded**

**88.**—(1) The Head of Department is expected to control the expenditure under his charge in respect of any sub-head provided in the estimates so that the approved provisions will not be exceeded.

(2) The Head of Department shall be responsible for any excess expenditure incurred without proper authority.

(3) The secretary shall maintain accounts for each sub-head and vote, showing actual spending and budget balance of each expense item for all activities.

(4) Monthly statements of these accounts are to be rendered to the Heads of Departments responsible for the respective accounts, who shall upon receipt reconcile these with their own records and notify the secretary of any discrepancy immediately.

### **Investment of funds**

**89.**—(1) Authority to invest funds which are not required by a Town Council for immediate use shall be as follows:

- (a) placement of fixed deposits in Singapore currency with approved banks:
  - (i) not exceeding \$1 million — Officer or Committee  
per deposit for duration of authorised by a Town  
not more than 6 months Council

- (ii) not exceeding \$5 million — Chairman  
per deposit for duration of  
not more than one year
- (iii) any other amounts for any — Town Council; and  
duration

*[S 637/2007 wef 01/12/2007]*

(b) any other form of investment as specified in the  
First Schedule:

- (i) not exceeding \$500,000 — Officer or Committee  
per investment authorised by a Town  
Council
- (ii) not exceeding an amount — Chairman  
equal to 50% of the  
available funds  
comprising accumulated  
surpluses and the sinking  
fund (based on the latest  
audited accounts) or \$5  
million, whichever is the  
lower, per investment
- (iii) any other amount — Town Council.

*[S 31/2001 wef 01/02/2001]*

*[S 637/2007 wef 01/12/2007]*

(2) Interest and investment income received shall be credited back to the respective funds from which the principal or capital amounts originated.

(3) Officers with the authority to invest shall also have the same level of authority to divest.

(4) Proper records should be kept of all investment decisions and transactions.

(5) An investment register shall be kept of all investments showing, for each of the investments, details of all the transactions, such as the

placement, renewals, transfer and withdrawal for deposits or the purchase, acquisition, sale or disposition for other investments, involving that investment.

(6) The secretary shall table at each Town Council meeting a schedule of all investments and divestments made since the date of the last meeting.

(6A) The type of investments placed by a fund manager appointed by a Town Council to invest its funds, and the market value of such investments, shall be disclosed in the annual accounts of the Town Council.

*[S 179/99 wef 15/04/1999]*

(7) For the purposes of this rule, “approved bank” means any bank holding a banking licence issued by the Monetary Authority of Singapore.

## PART V

### ACCOUNTS, AUDIT AND CASH

#### **Alterations and erasures**

**90.**—(1) No alterations or erasures, except as in the manner provided in this rule, shall be made on vouchers or other documents or accounts.

(2) Payment under any document bearing an irregular alteration or erasure may be refused.

(3) Where corrections are necessary, the original figure should be crossed through by a line only, so as to show clearly what the figures originally entered were, and the correct figures placed close to the original ones, the correction being initialled by the secretary or his authorised representative.

(4) Under no circumstances are alterations or erasures to be made to audited figures.

### **Cash balance discrepancy**

**91.**—(1) Any cash balance shortfall discovered shall be reported to the secretary who shall carry out an investigation to ascertain the cause of the shortfall.

(2) The officer or officers found to be responsible for the shortfall may be required to make good the loss.

### **Cancellation of debit notes of Town Council**

**92.** Any set of debit notes or bills prepared by a department but cancelled before dispatch to the debtor concerned shall be forwarded intact and marked “cancelled” to the Finance Department for record purposes, and on no account should cancelled bills be destroyed.

### **Authority to write-off irrecoverable revenue, debt and overpayment**

**93.**—(1) Where no negligence or fraud is involved, the authority to write-off any claim in any one case in respect of arrears of revenue, debt due to the Town Council, overpayment reported as irrecoverable, etc., shall be as follows:

- |                           |                                      |
|---------------------------|--------------------------------------|
| (a) not exceeding \$3,000 | — Officer authorised by the chairman |
| (b) not exceeding \$5,000 | — Chairman                           |
| (c) exceeding \$5,000     | — Town Council.                      |

(2) At each financial year-end, the details of the amounts so written-off during the preceding 12 months shall be reported to the Town Council by the secretary with copies to the auditor.

### **Liquidated damages and administrative charges**

**94.**—(1) Liquidated damages and administrative charges imposed under contracts may be waived or reduced as follows:

- |  |                                      |
|--|--------------------------------------|
| (a) not exceeding \$3,000 for any one case | — Officer authorised by the chairman |
|--|--------------------------------------|

(b) not exceeding \$5,000 for any — Chairman  
one case

(c) exceeding \$5,000 for any one — Town Council.  
case

(2) Administrative charges imposed, other than those under contracts, may be waived or reduced as follows:

(a) not exceeding \$1,000 for any one — Officer authorised by  
case the chairman

(b) not exceeding \$3,000 for any one — Chairman  
case

(c) exceeding \$3,000 for any one — Town Council.  
case

(3) At each financial year-end, the details of the cases of waiver or reduction of liquidated damages and administrative charges shall be reported to the Town Council by the secretary with copies to the auditor.

### **Vouchers needed to support entries**

**95.** Every entry in the accounts shall be supported by a voucher containing full particulars of the item or items to which it relates, and so far as is practicable, the voucher should be capable of verification, without reference to any other document.

### **Preservation and disposal of certain records**

**96.—(1)** All account books and records shall be carefully preserved and may only be disposed of in accordance with the Second Schedule.

*[S 637/2007 wef 01/12/2007]*

(2) The disposal of records shall not be inconsistent with any directive issued by the Director of National Archives of Singapore, who shall be consulted in cases of doubt.

### **Authority to sell, dispose, write-off assets**

**97.**—(1) Subject to rule 102, the authority of a Town Council is required for the deletion of items of stock from inventories of plant, machinery, fixtures, etc., in the event of their ceasing to be in stock.

(2) Where such items were disposed of by sale duly authorised by the Town Council, they shall be deleted without obtaining such special authority.

### **Departmental office inventories**

**98.**—(1) The Town Council shall keep an inventory of furniture, equipment, etc., comprising —

- (a) an asset register for assets which are required to be capitalised; and
- (b) an asset register for assets which are not required to be capitalised.

(2) The asset number shall be entered on the voucher which is raised for the item purchased before the voucher is forwarded to the Finance Department for payment.

(3) All non-consumable, movable office furniture and equipment (excluding office articles of a rapidly wasting nature, such as paper basket, erasers, rulers and pencils) shall be recorded and tagged with the allotted asset number.

(4) The inventories shall be completely checked at least annually by the departmental officers in charge, who shall certify accordingly in the records which shall at all times be kept up-to-date for inspection by the auditor.

### **Inventory of goods**

**99.** Every officer having in his charge or custody any stores or other articles which are the property of the Town Council shall keep or cause to be kept a proper stock book or inventory recording such property, and on their ceasing to be in stock, shall see to their proper deletion from the inventory.

**Disposal of written-off assets**

**100.**—(1) All written-off assets, if to be sold, shall be disposed of by public auction or by tender after public advertisement.

(2) If such assets are unsuitable for sale, they shall be disposed of as directed by the chairman.

(3) Where written-off assets are to be destroyed, a certificate of destruction is to be completed and copies forwarded to the auditor.

(4) An officer appointed by the secretary shall witness the destruction.

(5) The officer appointed under paragraph (4) shall not be the same officer recommending the write-off or the user of the assets.

**Survey Committee**

**101.**—(1) A Survey Committee, which shall include a representative of the Finance Department, shall be appointed by the secretary for the purpose of reporting on unserviceable stores, equipment and vehicles, etc., on the application of a Head of Department.

(2) The Survey Committee shall report to the chairman, who may take such action and give such directions as he sees fit.

(3) A copy of the survey report shall be sent to the auditor.

**Authority for write-off or deletion of assets where no negligence or fraud is involved**

**102.**—(1) Where no negligence or fraud is involved, the following officers may dispense with the proceedings of a Survey Committee and give directions for write-off:

- |                           |   |
|---------------------------|---|
| (a) not exceeding \$1,000 | — Officer or Committee authorised by the chairman |
| (b) not exceeding \$3,000 | — Chairman  |
| (c) exceeding \$3,000     | — Town Council.                                   |

(2) Such authority for write-off shall apply when the assets are recommended for the write-off because of one of the following reasons:

- (a) unserviceable;
- (b) obsolete;
- (c) uneconomical to repair; or
- (d) redundant.

(3) In the case of assets written-off in accordance with this rule, a report shall be submitted to the auditor showing the action taken in each case.

### **Loss of property and equipment, etc.**

**103.**—(1) On the discovery of loss of any money or stores, arising either from defalcation on the part of an officer or from any other cause, the Head of Department shall report immediately the loss to the secretary and the auditor.

(2) As soon as possible thereafter, recommendations shall be made to the chairman and the Town Council by the secretary on measures to take to prevent recurrence.

### **Surcharge may be applied**

**104.**—(1) If any loss is due to the negligence or fault of any officer or Committee authorised by the Town Council, that officer or Committee may be liable, upon such negligence or fault being reported, to be surcharged with all or any part of the loss.

(2) Where surcharge is to be imposed, the amount shall not exceed the actual cash or replacement value of the loss.

(3) The authority to approve the amount to be surcharged shall be as follows:

- (a) not exceeding \$1,000 — Officer or Committee authorised by the chairman
- (b) not exceeding \$3,000 — Chairman



the financial transactions of the Town Council and with details of the investments made by the Town Council.

*[S 179/99 wef 15/04/1999]*

### **Facilities for auditor**

**107.** Every officer of a Town Council shall provide the auditor every reasonable facility in the carrying out of his duties.

### **Interim audit**

**108.** A Town Council may request the auditor to perform an interim audit of the accounts and financial position of the Town Council at any point in time as the Town Council considers necessary.

### **Access to secretary and chairman by auditor**

**109.** In the discharge of his official duties, the auditor shall have direct access to the secretary and the chairman.

### **Auditor's queries must be answered**

**110.**—(1) It is the duty of all officers to reply within 10 days to any communication addressed to them by the auditor giving the information requested, or the reason for the delay.

(2) If the reply is delayed, the information required shall be forwarded as soon as possible.

(3) Queries by and replies to the auditor concerning any matter in any department shall be brought to the attention of the Head of Department concerned, and the Head of Department shall endorse or sign all such communications.

### **Books and vouchers to be produced to auditor**

**111.** Every Head of Department or officer appointed by a Town Council to collect revenue shall be responsible for ensuring that all books, accounts and vouchers relating to the financial transaction of his office are afforded safe custody at all times and are produced to the auditor whenever required.

**Destruction of obsolete serially numbered receipts in any form**

**112.**—(1) The approval of the chairman shall be obtained before unused or obsolete serially numbered receipts in any form are destroyed.

(2) The secretary shall forward to the auditor a detailed list of all unserviceable or obsolete serially numbered licences (if any) and receipts in any form in stock, stating the reasons why they are no longer required.

(3) When approval of the chairman has been obtained, the secretary shall appoint a Committee of at least 2 officers to destroy them.

(4) The Committee shall, after destruction of the documents concerned, prepare a certificate of destruction and forward copies to the auditor and the department concerned.

**Loss of serially numbered receipts in any form**

**113.**—(1) Where any serially numbered receipts in any form is lost, the fact shall be reported immediately with full particular to the secretary who shall bring the matter to the notice of the Town Council.

(2) The loss of such serially numbered receipts in any form as well as the loss of works orders shall forthwith be published in the *Gazette*, giving the serial numbers involved.

**Physical internal check**

**114.**—(1) The secretary or his representative shall carry out surprise examinations of every safe, cash-box, drawer or other receptacle for money in the charge of officers entrusted with the custody of money, stamp, or other valuables of any kind, as well as stocks of unused receipt books.

(2) Such surprise examinations should be held at uncertain intervals of time, and the date, nature and result thereof shall be recorded in a book which shall be initialled by the secretary or his representative on the occasion of each examination.

(3) This rule shall not affect other surprise surveys which may be considered necessary by the auditor.

## Exemption

**115.** The Minister may exempt any Town Council or any officer thereof from any provision of these Rules.

### FIRST SCHEDULE

Rule 89(1)(b)

#### INVESTMENTS BY TOWN COUNCILS

1. Investments in foreign currencies, for hedging purposes only.
2. Investments denominated in Singapore dollar in stocks, funds or securities on the advice of a qualified person (for example, an investment adviser holding a licence under the Securities and Futures Act (Cap. 289), an approved bank or a merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Cap. 186)), subject to the following limits:
  - (a) in the case of securities issued by the Singapore Government or any statutory body or securities guaranteed by the Singapore Government — unlimited; or
  - (b) in the case of any other type of securities, stocks or funds (including structured deposits) — the aggregate thereof shall not exceed 35% of the funds available for investment (comprising accumulated surpluses and the sinking fund, based on the latest audited accounts).
3. Any form of investment, other than an investment specified in rule 89(1)(a) and paragraphs 1 and 2, subject to the prior written approval of the Minister.

[S 637/2007 wef 01/12/2007]

### SECOND SCHEDULE

Rule 96

#### Retention Schedule for Completed Forms and Records.

<i>Type of Form or Record.</i>	<i>Retention Period.</i>
(a) Subsidiary books of accounts and records pertaining to receipts, payments, assets, investments, debtors and creditors, including estimates proposals	3 years after close of the financial year.

SECOND SCHEDULE — *continued*

- |   |   |
|---|---|
| (b) General ledger, tender documents, cash books, asset registers, bank statements and audited accounts | 7 years or as directed by the Director of National Archives of Singapore. |
| (c) Personnel records, including leave and medical records.   | 3 years after the officer leaves service.                                 |

*[S 637/2007 wef 01/12/2007]*

*[G.N. Nos. S 412/88; S 484/91; S 437/95; S 517/96]*

LEGISLATIVE HISTORY  
TOWN COUNCILS FINANCIAL RULES  
(CHAPTER 329A, R 1)

This Legislative History is provided for the convenience of users of the Town Councils Financial Rules. It is not part of these Rules.

- 1. G. N. No. S 412/1988 — Town Councils Financial Rules 1988**  
Date of commencement : 23 December 1988
- 2. G. N. No. S 484/1991 — Town Councils Financial (Amendment) Rules 1991**  
Date of commencement : 1 November 1991
- 3. 1990 Revised Edition — Town Councils Financial Rules**  
Date of operation : 25 March 1992
- 4. G. N. No. S 437/1995 — Town Councils Financial (Amendment) Rules 1995**  
Date of commencement : 22 September 1995
- 5. 1996 Revised Edition — Town Councils Financial Rules**  
Date of operation : 15 May 1996
- 6. G. N. No. S 517/1996 — Town Councils Financial (Amendment) Rules 1996**  
Date of commencement : 1 December 1996
- 7. 1998 Revised Edition — Town Councils Financial Rules**  
Date of operation : 15 June 1998
- 8. G. N. No. S 179/1999 — Town Councils Financial (Amendment) Rules 1999**  
Date of commencement : 8 February 1999
- 9. G. N. No. S 179/1999 — Town Councils Financial (Amendment) Rules 1999**  
Date of commencement : 15 April 1999
- 10. G. N. No. S 31/2001 — Town Councils Financial (Amendment) Rules 2001**  
Date of commencement : 1 February 2001
- 11. G. N. No. S 21/2002 — Town Councils Financial (Amendment) Rules 2002**  
Date of commencement : 8 January 2002

**12. G. N. No. S 637/2007 — Town Councils Financial (Amendment)  
Rules 2007**

Date of commencement : 1 December 2007