Financial Rule[xxx]: Staff Loans and Advances Revolving Fund

1. **Establishment and Purpose**
2. The Council hereby establishes a fund to be known as Staff Loans and Advances Revolving Fund, which shall be administered by the Secretary General.
3. The Fund shall be utilized for the purpose of assisting staff meet their financial obligations, as defined in the COMESA Staff Rules and Regulations[[1]](#footnote-1), which reflects the requirements of the Treaty as follows: -
4. COMESA staff, who are required not to receive instructions in the performance of their duties should be availed an instrument to obtain financial assistance, in the form of loans and advances;
5. The instrument should be established within COMESA Financial Regulations to ensure that COMESA staff are not in any way, unduly influenced in the performance of their duties.
6. The Council of Ministers may dissolve the Fund, if it determines that the Fund is no longer required. Any outstanding amounts shall be recovered and any balance of the Mini Reserve Fund shall be credited into the Reserve Fund.
7. Loan shall be defined as financial assistance availed to a staff, with a recovery period exceeding six (months) and within the remaining period of the running contract.
8. Advance shall be defined as financial assistance availed to a staff, with a recovery period within three (months) and within the remaining period of the running contract.
9. **Accounting**
10. The Fund shall be represented by the following: -
11. Staff Loans and Advances Revolving general ledger bank account
12. Staff Loans and Advances Revolving general ledger fund account
13. Custody of the funds shall be entrusted into a commercial bank, designated by the Secretary General.
14. The following reports shall be prepared and will form part of the COMESA Secretariat year-end financial statements: -
15. Fund Accountability Statement;
16. Bank Reconciliation; and
17. Fund Reconciliation.
18. **Receipts into the Fund**
19. The Fund shall comprise: -
20. an amount appropriated from the Reserve Fund, upon the determination of the Council of Ministers, based on submission of Secretary General taking into account, the level of basic salaries, number of staff qualifying for staff loans and advances, staff welfare requirements,[[2]](#footnote-2) and financial capacity of COMESA Secretariat to sustain this initial investment.
21. loan and advance deductions from staff emoluments;

b) interest earned; and

c) amounts from other sources, as determined by the Council of Ministers.

1. Secretary General shall on a three (3) year basis review the adequacy of the Staff Loans and Advances Fund taking into account: -
2. Level of basic salaries;
3. Number of staff qualifying for staff loans and advances;
4. Staff welfare requirements;
5. financial capacity of COMESA Secretariat to sustain this initial investment.
6. The loan to a qualifying staff shall be repaid in full within the contract period of any employee.
7. In the event of separation before a loan is fully repaid, the outstanding principal and interest shall be recovered in full, from gratuity and any amounts, due to the staff.
8. The resources for the Fund shall be invested judiciously to maximise interest earned on idle funds, while ensuring that funds are available to meet approved loan and advance applications.
9. **Interest on staff loans**

Interest shall be charged on staff loans whose repayment period exceeds six months (6) at the rate of 3% per annum.

1. **Use of the Staff Loans and advances Revolving Fund**

1. The Staff Loans and Advances Fund shall be used for the payment of qualifying loans and advances to eligible staff, as defined under terms and conditions of an individual’ employment contract.
2. The Council of Ministers shall approve any other use of the Staff Loans and Advances Fund.

1. An overview of staff qualifying for loans and advances is *separately provided*, including the eligible purposes and measures to ensure that staff are treated fairly and equitably, as regards their application for financial assistance from the revolving Fund. [↑](#footnote-ref-1)
2. *A separate paper outlines the computation of the proposed amount to be deposited into the Fund upon its creation; establishment; and opening. The proposed amount shall reflect level of basic salaries; Number of staff qualifying for staff loans and advances; Staff welfare requirements; and financial capacity of COMESA Secretariat to sustain this initial investment.*  [↑](#footnote-ref-2)