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DEVELOPMENT TRUST FUND) REGULATIONS, 2007**

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Government Financial Management Act

The Government Financial Management (Community Development Trust Fund) Regulations, 2007

Legal Notice 172 of 2007

Legislation as at 12 October 2007

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The Government Financial Management (Community Development Trust Fund) Regulations, 2007
(Legal Notice 172 of 2007)

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GOVERNMENT FINANCIAL MANAGEMENT ACT

THE GOVERNMENT FINANCIAL MANAGEMENT (COMMUNITY DEVELOPMENT TRUST FUND) REGULATIONS, 2007 LEGAL NOTICE 172 OF 2007

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1. Citation

These Regulations may be cited as the Government Financial Management (Community Development Trust Fund) Regulations, 2007.

2. Interpretation

In these Regulations, unless the context otherwise requires—

“**financial agreement**” means the final document and its annexures on the management of the Fund, signed between the Government of Kenya and the Commission of the European Union or between the Government of Kenya and any other person;

“**final document**” means a legally binding document drawn in accordance with the Lome Convention and the enhancements provided under a memorandum of understanding between the Government of Kenya and the Commission of the European Union, on the National Indicative Program of Kenya or between the Government of Kenya and any other person;

“**financial year**” means the period of twelve months ending on the 30th June in each year;

“**Founders**” means the Government of Kenya and the Commission of the European Union;

“**Fund**” means the Community Development Trust Fund established under regulation 3;

“**Lome Convention**” means the Trade and Aid Agreement between the European Union and the African, Caribbean and Pacific Countries, first signed in February 1975 in Lome, Togo and any annexes and protocols thereto;

“**officer administrating the Fund**” means the accounting officer of the Ministry of the time being responsible for matters relating to the Fund;

“**Project Management Unit**” means the team responsible for the day-to-day operations of the Fund, recruited by the Trustees;

“**rules and regulations**” means the rules and regulations governing the operations of the Fund;

“**Trustee**” means a person entrusted and jointly appointed by the Founders to operate the Fund.

3. Establishment of the Fund

- (1) There shall be a Fund known as the Community Development Trust Fund.
- (2) The Fund shall be the successor to the Community Development Trust Fund established under the Exchequer and Audit (Community Trust Fund) Regulations, 1996 (L.N. 303/1996).
- (3) Subject to these Regulations, all rights, duties and obligations of the Community Development Trust Fund existing at the commencement of these Regulations shall be transferred to the Fund and

any reference to the Community Development Trust Fund in a contract or document shall, for all purposes be deemed to be a reference to the Fund established under subsection (1).

- (4) The Fund shall consist of—
- (a) monies appropriated by Parliament for that purpose;
 - (b) grants or donations made to the Fund; or
 - (c) any monies from any other source provided for, lent or donated to the Fund.

4. Object and purpose of the Fund

The object and purpose of the Fund is to provide funds for development projects addressing basic needs of communities and individuals in Kenya.

5. Surplus and deficient funds

- (1) Any surplus funds realized in a financial year from the operations of the Fund shall be retained in a reserve account of the Fund and shall be used by the Trustees for the purpose of the Fund.
- (2) Any deficiency realized in a financial year shall, subject to the prior approval of the Treasury, be offset against the realized surplus held in the reserve account of the Fund.

6. Annual approval of the budget

- (1) The expenditure on development projects shall be paid from the Fund and shall be on the basis of, and limited to, the annual work programs and cost estimates.
- (2) The Project Management Unit shall submit to the Trustees, the annual work program and cost estimates relate.
- (3) Any revision of the approved annual work program and cost estimates shall be referred to the Trustees for fresh approval.

7. Procurement of goods and services

The Lome Convention in force and any other financial agreement shall govern the procurement of goods and services and the regulations and procedures on procurement of goods and services shall be adhered to.

8. Retention of receipts and earnings

All receipts, earnings and accruals of the Fund and the Balance of the Fund at the close of each financial year shall not be paid into the Consolidated Fund but shall be retained in a reserve account for the purposes of the Fund.

9. Administration of Fund

The officer administering the Fund shall—

- (a) supervise and control the administration of the Fund;
- (b) consult with the Trustees on matters relating to the administration of the Fund;
- (c) impose conditions on the use of any expenditure authorized by him on his own behalf, and may impose any reasonable restriction or other requirement concerning use of expenditure;
- (d) cause to be kept proper books of account and other books and records relating to the Fund; and
- (e) prepare, sign and transmit to the Controller and Auditor-General within three months after the end of each financial year, a statement of accounts relating to the Fund for that year, in such form as the Treasury may direct.

10. Revocation of L.N. 303/1996

The Exchequer and Audit (Community Development Trust Fund) Regulations, 1996 is revoked.