19th August, 2019

All Local Government Accounting Officers

**ADDITIONAL LOCAL REVENUES FOR FY 2019/20**

Reference is made to my circular of 12th July 2019, ref BPD 55/103/03 communicating changes in the appropriated budget for Local Governments for FY 2019/20.

As earlier communicated, the Budget for FY 2019/20 was approved with a number of adjustments arising out of Corrigenda to the Budget estimates and adjustments on account of re allocations by Parliament.

In order to balance with the appropriated budget, this Ministry finalized the Indicative Planning Figures (IPFs) by harmonizing the grants within recurrent expenditure category with local revenue projections and were subsequently uploaded onto the Programme Budgeting System and communicated to all Local Governments.

Therefore in order to facilitate smooth implementation of the Budget for FY 2019/20, this is to inform you as above and request the Local Governments that had drastic cuts in Local Revenue to request for supplementary funding in line with Section 25 (6) of the Public Finance Management Act, 2015, clearly specifying the budget category (whether recurrent or development).

The following should accompany your requests;

i) A trend of Local Revenue performance for the last 5 years as the case may be with evidence of bank statements or copies of remittances to BOU or Bank Statements in the Revenue Collection Accounts in Commercial Banks, whichever is applicable;

ii) Declaration of how much Local Revenue has been remitted to the Central Bank from the past financial year and how much has been collected from 1st July, 2019 to the time of submission (attach a certified copy from the Bank);

iii) A signed copy of Council resolution approving the above supplementary;

iv) Detailed charge items specifying the Fund, Funding Source, vote cost centres, the MTEF and items; and,

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"To formulate sound economic policies, maximize revenue utilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"
v) Specific purpose of the supplementary funding, that is, an outline of the anticipated activities to be funded with the supplementary.

Please note this Ministry will not consider any request if any of the above highlighted requirements is left out.

Keith Muhakanizi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Cc: The Hon. Minister, Ministry of Local Government
The Hon. Minister of State for Local Government