9th July 2019

All Accounting Officers (Central Government and Local Governments)

FIRST QUARTER EXPENDITURE LIMITS FOR GOVERNMENT OF UGANDA (GOU) WAGE, NON-WAGE RECURRENT AND DEVELOPMENT, EXTERNAL FINANCING EXPENDITURE FOR JULY TO SEPTEMBER 2019 FOR FY 2019/20

1. In line with the Budget Execution Circular for FY 2019/20, this is to communicate the Expenditure Limits for GoU Wage, Non-Wage Recurrent, Development, External Financing (Central Government & Local Governments) and Local Revenue for the period July to September 2019 as attached in Annexes 1 to 4.

2. The Expenditure Limits are based on the Government Annual Cash Plan adjusted to take into account releases made towards the end of FY 2018/19 and projected revenue performance during the first quarter of FY 2019/20. You should ensure that all your priority expenditures are addressed within the resources advised to you in this circular.

3. The First Quarter Expenditure Limits have accorded protection to Salaries, Pension and Gratuity and these have been fully provided for based on quarterly projections and submissions received from Accounting Officers. The arrears for utilities, rent, retirement benefits and classified for ISO, ESO and contributions to International Organisations have been prioritized. The salaries, pension and gratuity arrears for Local Governments have been fully catered for in this release. The balance of the arrears on other items will be released in the Second Quarter. You are requested to ensure that payment of arrears is in line with the verification done by Ernest and Young.

4. In addition, the First Quarter Expenditure Limits have catered for the semester requirements for Universities and half of the Missions’ budgetary provisions to minimize loss on poundage over the year and to provide for the rental obligations.
5. With respect to External Financing, the First Quarter allocations are based on
the projected disbursements by the Development Partners. Appropriation-in-
Aid (AIA), was included and appropriated as part of the domestic revenue.
The AIA for Ministry of Tourism, Wildlife & Antiquities (UWA) and that
for UNEB have been excluded from this release as indicated in my earlier
.circular on the treatment of AIA for these Institutions this financial year.

6. It is the responsibility of the Accounting Officers to ensure timely payments
are made accordingly. You are requested to submit your warrants in line
with the Budget Execution Circular for Financial Year 2019/20.

7. With effect from Financial Year 2016/17, releases to Central Government,
Local Governments, Missions and Universities are effected on the Integrated
Financial Management System (IFMS). Training on the use of the system for
the new Votes coming on board in FY 2019/20 has been undertaken and
further support will be provided during execution while refresher training
will be conducted based on need. Warranting for Missions will continue to
be done at the Ministry of Finance level.

8. You should avoid any delays in making payments. In particular, payment of
salaries, pension and gratuity should be effected by the 28th day of every
month based on the verification you have undertaken.

9. In spite of the reforms we have undertaken, a number of Votes continued to
experience shortfalls on wage expenditure last financial year and had to be
addressed through supplementary. This is unacceptable and will continue to
attract sanctions to the responsible Accounting Officers.

10. Rent and utilities payment should have a first call on the First Quarter
allocations for non-wage recurrent of your Votes. Accounting Officers are
urged to ensure the offices are connected to the prepayment systems to avoid
accumulation of arrears.

11. To avoid diversion of funds for subventions, a separate source code has been
created. The limits will be accessed on item 999989. Accounting Officers
hosting the subventions are requested to process the funds timely in order to
enable them meet their expenditure needs.

12. Release of funds to schools follows the school calendar as advised by
Ministry of Education and Sports. The relevant institutions are advised to
ensure that release projections are harmonized and advice submitted in time
and releases effected according to the timeframe in the guidelines.
13. The Ministries of Education and Sports, that of Health as well as Local Government Finance Commission are reminded to ensure that the information on the schools, health facilities and Town Council accounts respectively is updated and accurate to avoid bouncing of funds due to incorrect bank accounts and account details.

14. Please be reminded that submission of Performance Contracts for my countersignature and acceptance letters for appointment as Accounting Officers are preconditions for release of funds. No release will be made to any Institution where the Accounting Officer has not fulfilled these requirements.

15. To facilitate approval, you should submit a request for a single warrant by category for each of the categories; Wage, Pension, Gratuity, Non-Wage Recurrent, Development and External Financing as well as Subventions (where this applies). Your submissions should reach this Ministry by Monday 15th July 2019. Approval of warrants will strictly follow the breakdown submitted and endorsed by the Accounting Officers.

16. Lastly, Accounting Officers should prioritise allocation of the expenditure limits to the critical activities that contribute significantly to the attainment of Vote Outcomes without accumulating arrears. Any warrants that are inconsistent with this principle will be rejected.

17. By copy of this letter, the Accountant General is requested to issue Accounting Warrants up to the levels indicated in the Expenditure Limits schedule attached in Annexes 1-4.

Keith Muhakanizi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Cc: The Rt. Hon Speaker of Parliament
Cc: The Rt. Hon Deputy Speaker of Parliament
Cc: The Rt. Hon Prime Minister
Cc: The Hon Minister of Finance, Planning and Economic Development
Cc: All Hon Ministers and Ministers of State
Cc: Head of Public Service and Secretary to cabinet
Cc: Auditor General
Cc: Inspector General of Government
Cc: All Resident District Commissioners
Cc: All LCV Chairpersons and Mayors
Cc: Accountant General
Cc: Managing Director, National Water and Sewerage Corporation
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<th>Action</th>
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**Summary:**
- Initial Review completed by the team.
- Final Review completed by the manager.
- Approval granted by the executive.

**Notes:**
- Additional comments or suggestions can be added as needed.
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Note: Vote description: Quarter One Expenditure limits for votes with external financing FY 2019/20