5th April 2017

All Accounting Officers

FOURTH QUARTER EXPENDITURE LIMITS FOR WAGE, NON-WAGE RECURRENT AND DEVELOPMENT EXPENDITURE FOR APRIL TO JUNE 2017 FOR FY 2016/17

1. In line with the Budget Execution Circular for FY 2016/17, this is to communicate the Expenditure Limits for Wage, Non-Wage Recurrent and Development Expenditure for the period April – June 2017 as attached in Annex 1.

2. The Expenditure Limits are based on the Government Annual Cash Plan issued at the beginning of the Financial Year. However these have been adjusted to take into account the economic performance over the last three quarters of FY 2016/17, the response to the humanitarian needs arising out of the drought conditions experienced in many parts of the country and the revenue outlook for the remaining part of the Financial Year.

3. Consequently this has constrained the expenditure for the Fourth Quarter. You should therefore ensure that all your priority expenditures are addressed within the resources advised to you in this circular.

4. The Fourth Quarter Expenditure Limits for Salaries, Pension and Gratuity have been fully provided based on quarterly projections and submissions received from Accounting Officers.

5. It is the responsibility of the Accounting Officers to ensure that timely payments are made accordingly. In respect to arrears, I wish to draw your attention to my letter Ref. BPD 86/298/02 dated 10th June 2016 Para.3 (Sections I, ii & iii). All outstanding bills should be settled before the end of the financial year. The Director Budget and Accountant General should ensure this directive is complied with.

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"
6. I wish to reiterate that effective 1st July 2016, all releases to Local Governments, Missions and Universities are now being made on the Integrated Financial Management System (IFMS). Additional training and support will be provided especially to Local Governments in the processing of the Fourth Quarter warrants and invoices to ensure timely service delivery.

7. You are advised to effect payment of salaries, pension and gratuity without any delays and in any case by 28th of every month based on the verification you have undertaken.

8. A number of Votes experienced shortfalls on wage expenditure in the last three quarters of this financial year due to unplanned recruitment, and poor estimation of wage requirements. Where shortfalls were brought to our attention supplementaries have been issued. I therefore do not expect any arrears at the end of this financial year.

9. Rent and utilities payment should have a first call on the Fourth Quarter allocations of your Votes.

10. Ministries hosting subventions must ensure that the allocations to the beneficiary Institutions are passed on to them intact and timely in order to enable them meet their expenditure needs.

11. The release of Capitation Grants to schools for Term II has been included in this circular. In line with the new warranting system, the Local Government Accounting Officers must ensure that funds reach the schools before the opening of Term II of the School Calendar.

12. Any unapplied EFTs should be addressed by the Ministries of Education and Sports, that of Health as well as Local Government Finance Commission for the schools, health facilities, Town Councils & Sub-county accounts respectively.

13. To facilitate approval, you should submit single warrants by category for each of the categories: Wage, Pension, Gratuity, Non-wage Recurrent and Development Expenditure Limits, which should reach this Ministry by 10th April 2017.

14. Accounting Officers with donor funded projects should submit a single warrant covering all such projects which are operating on the IFMS. Individual submissions from Project Coordinators will be rejected.

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"
15. The expenditure limits for AIA will be issued in due course after the Accountant General’s Office has verified the remittances to the Consolidated Fund.

16. Lastly, Accounting Officers should exercise high levels of prudence when allocating the expenditure limits to the competing needs under their Votes to ensure that priority is given to critical activities that contribute significantly to the attainment of Vote Outputs without accumulating arrears. Warrants not in conformity 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 Annex I.

Keith Muhakanizi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Cc: The Rt. Hon 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
Cc: Managing Director, Uganda Telecommunications Limited
Cc: Managing Director, Uganda Electricity Distribution Company

Mission
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