02\textsuperscript{nd} October, 2018

All Accounting Officers (Central and Local Governments)

SECOND QUARTER EXPENDITURE LIMITS FOR GOVERNMENT OF UGANDA (GOU) WAGE, NON-WAGE RECURRENT AND DEVELOPMENT, EXTERNAL FINANCING AND APPROPRIATION IN AID EXPENDITURE FOR OCTOBER TO DECEMBER FY 2018/19.

1. This is to communicate the Expenditure Limits for GoU Wage, Non-Wage Recurrent and Development as well as Appropriation in Aid and External Financing for the period of October-December 2018 for Financial Year 2018/19.

2. The Expenditure Limits are based on the Government Annual Cashflow Plan and Revised Workplans taking into account revenue performance and absorption capacity exhibited in the First Quarter FY 2018/19. You are requested to ensure that all priority expenditures are met within the resources as advised in this circular.

3. The Second Quarter Expenditure Limits have been prepared taking into account Quarter Two Workplans and key government obligations which cannot be postponed. In addition, protection has been accorded to Salaries, Pension and Gratuity and these have been fully provided. In addition, the Salary, Pension and Gratuity Arrears have been fully provided for in the Second Quarter. Accounting Officers are requested to make payments to only the verified amounts and persons.

4. In addition, the Missions Abroad and Universities received 50\% of their budgetary requirements in Quarter One, and the subsequent releases will be in January, 2019.

5. With respect to Appropriation in Aid (AIA), releases have been made based on the remittances to the Consolidated Fund (CF) in comparison to the Quarter One expenditure limits and over expenditure on AIA that occurred in FY
2017/18. Votes which have not remitted up to 50% of the expenditure limits issued in Quarter One have not been provided with expenditure limits, whereas Votes which have remitted more than 50% of expenditure limits issued in Quarter One have been issued with expenditure limits equivalent to Quarter Two workplans adjusted for funds not remitted to the UCF.

6. For Expenditure limits under External Financing, the release has been based on the projected disbursements profile provided at the onset of the Financial Year.

7. It is the responsibility of the Accounting Officers to ensure timely payments. Accordingly, you are requested to submit your warrants in line with the Budget Execution Circular FY 2018/19.

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

9. Rent and utilities payments should have first call on the Second Quarter allocations to Non-Wage Recurrent of your Votes. Accounting Officers should liaise with the Utility companies to ensure connection to the pre-payment systems to avoid accumulation of Arrears.

10. To facilitate warrant approval, you should submit a request of a single warrant by category for each of the categories; Wage, Pension, Gratuity, Non-Wage Recurrent and Development. Expenditure Limits for Appropriation in Aid and External Financing of Externally Funded Projects are also included in this Circular. Your submissions should reach this Ministry by Monday, 15th October, 2018. Approval of Warrants will strictly follow the breakdown submitted and endorsed by Accounting Officers.

11. In conclusion, Accounting Officers should exercise high levels of prudence when allocating the expenditure limits to the competing needs under their Votes to ensure priority is given to critical activities that contribute significantly to the attainment of Vote Outcomes without accumulating arrears. Any warrants that will be found inconsistent with the principle will be rejected.

12. By copy of this letter, Accountant General is requested to issue Accounting Warrants up to the levels indicated in the Expenditure Limit Schedules attached in Annex 1-4.

Keith Muharuzi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY
C.c: The Rt. Hon. Speaker of Parliament
    The Rt. Hon. Deputy Speaker of Parliament
    The Rt. Hon. Prime Minister
    Hon. Minister of Finance, Planning and Economic Development
    All Hon Ministers and Ministers of State
    Head of Public Service and Secretary and Secretary to Cabinet
    Auditor General
    Inspectorate General of Government
    All Resident District Commissioners
    All LCV Chairpersons and Mayors
    Accountant General
    Managing Director Water and Sewerage Corporation
    Managing Director, Uganda Telecommunications Limited
    Managing Director, Uganda Electricity Distribution Company.
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*Note: This table represents a sample of data. Actual data may vary.*