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Ministry of Finance,
Planning & Economic
Development,
P.O Box 8147
Kampala, Uganda

22nd December 2021

All Accounting Officers (Central Government and Local Governments)

THIRD QUARTER (JANUARY TO MARCH) EXPENDITURE LIMITS FOR WAGE, NON-WAGE RECURRENT, DEVELOPMENT, EXTERNAL FINANCING AND LOCAL REVENUE FOR FY 2021/22

1. In line with the Budget Execution Circular for FY 2021/22, this is to communicate the Expenditure Limits for Wage, Non-Wage Recurrent, Development, External Financing and Local Revenue for the period January to March 2022 as attached in **Annexes 1 to 2**. The schedule for Local Governments is being finalised and will be submitted in due course.
2. The Expenditure Limits are based on the adjusted Government Annual Cash Flow as approved by Cabinet to facilitate Government's response to the COVID-19 pandemic and the effects to the economy resulting in reduced collections by the Uganda Revenue Authority.
3. The limits have therefore taken into account the efficiency savings from the non-critical activities such as Workshops & Seminars, National Day Celebrations, Travel Abroad, to free resources for more critical activities in line with the Cabinet decision and the guidance provided in the Budget Execution Circular for FY 2021/22.
4. No allocations are expected on the above items while submitting your Third Quarter warrants except, in a few cases, where a waiver has been granted by Cabinet.
5. The Third Quarter Expenditure Limits have fully prioritized Salaries, Pension and Gratuity in line with the quarterly projections and submissions received from Accounting Officers. The supplementary expenditure requirements which were approved by Parliament are to be phased over the Third and Fourth Quarters of the Financial Year in line with the cash flow projections.
6. One-half (50%) of the Annual Budget for Missions Abroad has been released to minimize loss on poundage while one-third of the Local Government Development

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"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"

allocation has been programmed for release in this Third Quarter to avoid unspent balances at the end of the financial year.

7. With respect to External Financing, the Third Quarter allocations are based on the received and projected disbursements by the Development Partners.
8. You should ensure that all your priority expenditures are addressed within the resources advised to you in this circular. In particular, rent and utilities payment should have a first call on the Third Quarter allocations for the non-wage recurrent budget of your Votes. Accounting Officers should ensure that their Institutions are connected to the prepayment systems to avoid accumulation of arrears.
9. It is the responsibility of the Accounting Officers to make timely payments. Accordingly, salaries, pension and gratuity must be paid by the 28th day of every month based on the verification you have undertaken. Payment for supplies and other services by the private sector providers must be done within 14 days to avoid causing distress to the suppliers and service providers and to facilitate continued economic recovery.
10. Any unpaid bills/certificates arising out of the revenue shortfall and budget suppression experienced in the first half of this financial year must be given priority when allocating the limits.
11. Wage shortfalls continue to be reported despite the decentralization of payroll management to Votes. This is mainly on account of unauthorized recruitment and poor wage estimation, which is unacceptable. I will not hesitate to institute a forensic audit on the payroll of a Vote that reports persistent wage shortfalls, with possible sanctions for the responsible Accounting Officer.
12. In this circular, we have provided funds for capitation grants to cover the requirements for the opening of schools scheduled for 10th January 2022.
13. To facilitate approval, you should submit single warrants covering each expenditure category of: Wage, Pension, Gratuity, Non-Wage Recurrent, Development, External Financing and Subventions (where this applies). Your submissions should reach this Ministry **by Friday 7th January 2022**. Approval of warrants will strictly follow the breakdown submitted and endorsed by the Accounting Officers.
14. By copy of this letter, the Accountant General is requested to issue **Accounting Warrants up to the levels indicated in the Expenditure Limits schedules attached as Annexes 1-2.**



Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

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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: The Auditor General
Cc: The Head of Public Service and Secretary to Cabinet
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

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