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In any correspondence on
this subject please quote No MET.50/268/01

THE REPUBLIC OF UGANDA

1st July 2014

All Accounting Officers

FIRST QUARTER CASH LIMITS FOR WAGE, NON-WAGE RECURRENT AND DEVELOPMENT EXPENDITURE FOR JULY TO SEPTEMBER 2014 FOR FY 2014/15

1. This is to communicate the Cash-Limits for Wage, Non-Wage Recurrent and Development Expenditure for the period July -September 2014 as attached in **Annex 1**. The Cash requirements in your 1st Quarter Workplans have been considered to the extent possible, to ensure that fiscal policy remains supportive of the overall macroeconomic objectives. The cash limits have therefore been adjusted to fit within the revenue performance. Where requirements have not been fully met, you are requested to adjust your workplans to fit in the funds provided in this circular.
2. Consistent with the output budgeting reforms, warrant requests for the Centre Votes are based on outputs. To facilitate timely release, your projections should be submitted to this Ministry by Monday 7th July 2014 to facilitate releases to be made by 10th July 2014 at the latest.
3. Accounting Officers are required to submit detailed Project level allocations in both hard and soft copies before the release is made for Development Expenditure. For Non-Wage Recurrent Expenditure, detailed allocations by Programme should equally be provided, in both hard and soft copies.
4. In this circular, I have advised the aggregate levels of the different grants to be issued to Local Governments. Accounting Officers responsible for the relevant grants are requested to advise the allocations to be released to the Local Governments during this First Quarter by 7th July 2014 to facilitate the release of funds not later than 10th July 2014. To facilitate proper utilization of the grant releases, Sectors are reminded to urgently circulate the relevant grant guidelines to respective Local Governments. Accounting Officers of Votes with Local Government Grants are informed that they will not access their funds unless they have provided advice on the Local Government Releases.
5. Direct transfers to schools and health facilities
 - i. Funds for the various grants under the Education Sector including Universal Secondary Education and Universal Primary Education will be sent directly to school accounts. Ministry of Education and Sports is requested to submit verified schedules to the Accountant General's office to facilitate transfer of

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funds. Local Governments are reminded to submit correct bank details to facilitate the direct transfer of funds to their respective accounts.

- ii. Additionally, Funds for the various grants under the Health Sector including PHC Non wage for public health centers, PHC non wage for NGO Hospitals, District General Hospital grant, will be sent directly to health facility accounts. Ministry of Health is requested to submit verified schedules to the Accountant General's office to facilitate transfer of funds. Local Governments are reminded to submit correct bank details for health facilities to facilitate the direct transfer of funds to their respective accounts.

It should be noted that the direct release of funds will not alter the roles and responsibilities of the stakeholders involved. The head of the health facilities will be responsible for proper expenditure and accountability/reporting on the utilization of funds, the local government Accounting Officers will submit facility account details to Ministry of Health, monitor and report on the utilization of the grants. Ministry of Health will consolidate and submit the facility accounts to Accountant General's Office and also provide advise to MoFPED on grant allocation, release advise and also monitor utilization of the released funds. Ministry of Finance will be in charge of providing the grant allocation, releasing of funds to facility accounts, providing information on the grants released to the Accounting Officers, the sector Ministry and other stakeholders.

6. I wish to remind you to adhere to the reporting requirements as stipulated in Section E, paragraph 14-20 of the Budget Execution Circular dated 30th June 2014. Accordingly any Ministry, Department, Agency or Local Government that does not adhere to these Accountability requirements will have their release withheld until there is full compliance.
7. By copy of this letter, the Ag. Accountant General is requested to issue Accounting Warrants up to the levels indicated in the tables attached in **Annex 1**.



Keith Muhakanizi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

- Cc: The Rt. Hon Prime Minister
Cc: The Hon Minister of Finance, Planning and Economic Development
Cc: All Hon. Ministers
Cc: Auditor General
Cc: Inspector General of Government
Cc: All LCV Chairpersons and Mayors
Cc: Ag. 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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Noo: The Permanent Secretary/Secretary to the Treasury
Director Budget
Director Economic Affairs
The Commissioner/Financial Management Services
The Commissioner/Public Administration Department
The Commissioner/Infrastructure & Social Services Department
The Commissioner/Macroeconomic Policy Department
The Commissioner/Budget Policy & Evaluation Department
The Assistant Commissioner/Public Administration Department
The Assistant Commissioner/Social Services
The Secretary/Cash Flow Committee
Top Management file

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