



4th April 2022

All Accounting Officers (Central Government and Local Governments)

FOURTH QUARTER (APRIL-JUNE) EXPENDITURE LIMITS FOR WAGE, NON-WAGE RECURRENT, DEVELOPMENT AND EXTERNAL FINANCING FOR FY 2021/22

1. This is to communicate the Expenditure Limits for Wage, Non-Wage Recurrent, Development and External Financing for the period April to June 2022 as attached in **Annexes 1 to 4**.
2. The Expenditure Limits have taken into account the projected revenue collections to the end of the Financial Year 2021/22 and the absorption of resources released during the financial year. This circular also takes into account the supplementaries approved by Parliament but had not yet been released. In addition, some provision has been made to pay for certificates under infrastructure projects based on the proposal submitted to Cabinet to reinstate the 40% cut. These funds will be disbursed when Cabinet approval has been secured.
3. Salaries, Pension and Gratuity have been provided in line with the projections received from Accounting Officers.
4. Please note that the last general release to Missions Abroad and the Local Government Development Budget was made in the Third Quarter to minimize loss of poundage and to avoid unspent balances at the end of the financial year respectively.
5. With respect to External Financing, the Fourth Quarter allocations are based on the projected disbursements by the Development Partners.
6. 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 Fourth Quarter allocations for the non-wage recurrent budget of your


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Votes. Accounting Officers should ensure that their Institutions are connected to the pre-payment systems to avoid accumulation of arrears.

7. I wish to reiterate that it is the responsibility of the Accounting Officers to make timely payments. In particular, payment of salaries, pension and gratuity must be effected by the 28th day of every month based on the verification you have undertaken. Payment for goods and other services provided by the private sector must be made within 14 days of supply to avoid causing distress to these companies.
8. Payroll management remains a challenge as salary, pension and gratuity shortfalls, requiring supplementary expenditure, continue to be reported by the Accounting Officers of Votes. This is mainly on account of unauthorized recruitment as well as poor estimation of the wage, pension and gratuity requirements. Going forward, I intend to institute a forensic audit so as to deal with this matter holistically. Appropriate sanctions will be applied to those Accounting Officers found culpable for abetting and perpetuating this problem.
9. In this circular, we have provided funds for capitation grants to cover Term III of the school year, as communicated by the Ministry of Education and Sports.
10. The Rt. Hon Prime Minister directed that all Parish Development Model (PDM) activities shall be accommodated within the MDAs' budgets. This was reiterated in a meeting chaired by the Hon. Amos Lugolobi, Minister of State for Finance, Planning and Economic Development with the PDM pillar heads held on 18th March 2022. In line with the above directive and the guidance of the meeting, the Ministry of Agriculture Animal Industry and Fisheries has advised that part of the conditional grant for Agricultural Extension released in the Fourth Quarter, should be reoriented to cater for the critical rollout activities under Pillar One of the Parish Development Model. Each Local Government is allowed to spend **not** more than UShs 56 million on the following preparatory activities:
 - a) Mobilisation and formation of enterprise groups;
 - b) Enterprise Development (Ekibaro) and group dynamics;
 - c) Farmer education to re-orient subsistence farmers to commercial farmers; and
 - d) Finalisation of the enterprise selection guidelines/training.



11. The MDAs responsible for the other pillars of the PDM are implored to provide guidance to the Local Governments on how to implement the Rt. Hon Prime Minister's directive in their respective areas.
12. It should also be noted that the PDM budgets for administrative costs, gadgets and tools, the production and marketing grant as well as the revolving funds to Local Governments are not included in this release. You will be informed when the release has been made and clear guidelines provided on their application.
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 Monday 11th April 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 1-4.**



Ramathan Ggoobi

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: 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: The Managing Director, National Water and Sewerage Corporation
Cc: The Managing Director, Uganda Telecommunications Limited
Cc: The Managing Director, Uganda Electricity Distribution Company