

Telephone : 256 41 4707 000  
: 256 41 4232 095  
Fax : 256 41 4230 163  
: 256 41 4343 023  
: 256 41 4341 286  
Email : [finance@finance.go.ug](mailto:finance@finance.go.ug)  
Website : [www.finance.go.ug](http://www.finance.go.ug)



Ministry of Finance, Planning &  
Economic Development  
Plot 2-12, Apollo Kaggwa Road  
P.O. Box 8147  
Kampala  
Uganda

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

THE REPUBLIC OF UGANDA

9<sup>th</sup> July 2020

## All Accounting Officers (Central Government and Local Governments)

### FIRST QUARTER (JULY TO SEPTEMBER 2020) EXPENDITURE LIMITS FOR GOVERNMENT OF UGANDA (GOU) WAGE, NON-WAGE RECURRENT & DEVELOPMENT, EXTERNAL FINANCING AND LOCAL REVENUE, AND PUBLIC –PRIVATE PARTNERSHIP SCHOOLS FOR FY 2020/21

1. In line with the Budget Execution Circular for FY 2020/21, dated 9<sup>th</sup> July 2020, this is to communicate the Expenditure Limits for GoU Wage, Non-Wage Recurrent, Development, External Financing (Central Government & Local Governments) and Local Revenue for the period July to September 2020 as attached in **Annexes 1 to 5**.
2. The Expenditure Limits are based on the Government Annual Cash Plan adjusted to take into account projected revenue performance during the financial year 2020/21 due to the effect of COVID-19 on the overall economic growth and revenue generation. The limits have also taken into account some of the supplementaries approved by Parliament last financial year but not released.
3. As a consequence of the discussions with the Operation Wealth Creation, to refocus this year's budget priorities, in which Accounting Officers at Central Government have participated, consumptive expenditure items such as travel abroad, workshops & seminars, etc have been suppressed. **You are not expected to warrant any funds against these items during the First Quarter.**
4. The Expenditure Limits have accorded protection to Salaries, Pension and Gratuity and these have been fully provided for based on quarterly projections and submissions received from Accounting Officers. In addition, the verified arrears in the approved budget have been fully provided in line with the Government policy to stimulate the economy. You are requested to ensure that **only** the arrears verified and cleared by Ernst and Young are paid.

5. As was the case last financial year, the First Quarter Non-Wage Recurrent Expenditure Limits have **catered for the semester requirements of the Universities. These funds will be released when the Universities resume their normal operations.** For Missions Abroad, we have provided one-half of their annual budgetary provisions to minimize loss on poundage over the year and to provide for the rental obligations.
6. With respect to External Financing, the First Quarter allocations are based on the projected disbursements by the Development Partners. Non-Tax Revenue was included and appropriated as part of the domestic revenue. As was the case last financial year, **the AIA for the Uganda Wildlife Authority, under Ministry of Tourism, Wildlife & Antiquities and that for UNEB have been excluded from this release.**
7. It is the responsibility of the Accounting Officers to ensure timely payments are made accordingly. You should avoid any delays in making payments. In particular, payment of salaries, pension and gratuity should be effected by the 28<sup>th</sup> day of every month based on the verification you have undertaken. You are requested to submit your warrants in line with the Budget Execution Circular for Financial Year 2020/21.
8. A number of Votes continued to experience shortfalls on wage, pension and gratuity expenditure last financial year thus requiring issuance of supplementaries. Inability to accurately estimate for these expenditures is unacceptable and will continue to attract sanctions to the responsible Accounting Officers.
9. Rent and utilities payment should have a first call on the First Quarter allocations for non-wage recurrent of your Votes. Accounting Officers are urged to ensure the offices are connected to the prepayment systems to avoid accumulation of arrears.
10. **To avoid diversion of funds for subventions, separate source codes were created. The limits are accordingly provided on item 999989 for Subventions (Non-Wage Recurrent) and 999988 for Subventions (Development). Accounting Officers hosting the subventions are requested to process the funds timely in order to enable them meet their expenditure needs.**
11. The Ministries of Education and Sports, that of Health as well as the Local Government Finance Commission are reminded to ensure that the information on the schools, health facilities and Town Council accounts respectively is updated and accurate to avoid bouncing of funds due to incorrect bank accounts and account details.

12. Please be reminded that funds will only be released to Votes where the Accounting Officers I have appointed have submitted their acceptance letters and I have countersigned their Performance Contracts.
13. To facilitate approval, you should submit a request for a single warrant by category for each of the categories; Wage, Pension, Gratuity, Non-Wage Recurrent, Development and External Financing as well as Subventions (where this applies). Your submissions should reach this Ministry **by Wednesday 15<sup>th</sup> July 2020.** Approval of warrants will strictly follow the breakdown submitted and endorsed by the Accounting Officers.
14. Lastly, Accounting Officers should prioritise allocation of the expenditure limits to the critical activities that contribute significantly to the attainment of Vote Outcomes without accumulating arrears. Any warrants that are inconsistent with this principle will be rejected.
15. 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 Annexes 1-5.**

  
Keith Muhakanizi

**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: Auditor General  
Cc: 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