



THE REPUBLIC OF UGANDA

Treasury Instructions

2017

Issued by the Authority of the Secretary to the Treasury
(Section 11(3)(a) of the Public Finance management Act, 2015)

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List of Abbreviations and Acronyms

ADJ	Adjustment
AGO	Accountant General's Office
AMC	Aid Management Cycle
AO	Accounting Officer
BFP	Budget Framework Paper
BoS	Board of Survey
BoU	Bank of Uganda
BPAF	Bank Payment Advice Form
CEMAS	Computerized Education Management and Accounting
CIMA	System Chartered Institute of Management Accountants
CLI	Commercial Lending Institution
CMC	Cash Management Committee
CoA	Chart of Accounts
DB	Directorate responsible for Budget
DC	Documentary Credit
DDCP	Directorate responsible for Debt and Cash Policy
DEA	Directorate responsible for Economic Affairs
DMFAS	Debt Management and Financial Analysis System
DP	Development Partner
DRC	Depreciated Replacement Cost
EFT	Electronic Funds Transfer
EFPs	Externally Financed Projects
EOC	Equal Opportunities Commission
FMS	Financial Management System
FRTs	Financial Reporting Templates
GBEs	Government Business Enterprises
GDP	Gross Domestic Product
GFMS	Government Financial Management Information System (Computerized)
GFS	Government Financial Statistics
GL	General Ledger
GoU	Government of Uganda
HP	Hire Purchase
IAS	International Accounting Standards
ICPAU	Institute of Certified Public Accountants of Uganda
ICT	Information and Communication Technology
IFMS	Integrated Financial Management System
IFRS	International Financial Reporting Standards
IPPS	Integrated Personnel and Payroll System
IPSAS	International Public Sector Accounting Standards
L/C	Letter of Credit
LG	Local Government
LST	Local Service Tax
MALGs	Ministries, Agencies and Local Governments
MDAs	Ministries, Departments and Agencies

MoFPED	Ministry of Finance, Planning and Economic Development
MoPS	Ministry of Public Service
MTEF	Medium Term Expenditure Framework
NBI	National Backbone Infrastructure
NDP	National Development Plan
NGOs	Non-Government Organisations
NPA	National Planning Authority
NSSF	National Social Security Fund
NWSC	National Water and Sewerage Corporation
PAYE	Pay As You Earn
PBB	Programme Based Budgeting
PFM	Public Financial Management
PFMA	Public Finance Management Act
PFMR	Public Finance Management Regulations
PIP	Public Investment Plan
PIU	Project Implementation Unit
PPDA	Public Procurement and Disposal of Public Assets
PPEs	Property, Plant and Equipment
PPG	Public and Publicly Guaranteed
PPPs	Public Private Partnerships
SIP	Strategic Issue Paper
SWG/SWGs	Sector Working Group(s)
TAIs	Treasury Accounting Instructions
TEC/TECs	Total Estimated Cost(s)
TF	Treasury Form
TSA	Treasury Single Account
TSSA	Treasury Single Sub-Accounts
UBoS	Uganda Bureau of Statistics
UCF	Uganda Consolidated Fund
UGX	Uganda Shilling
UPDF	Uganda People's Defence Force
UPHL	Uganda Property Holdings Ltd
URA	Uganda Revenue Authority
WA	Withdrawal Application
WHT	Withholding Tax

Amendments to the Treasury Instructions

Amendment No.	Circular Date	Amendments Noted in this Copy by	
		Signature	Date

Statement of the Permanent Secretary/Secretary to the Treasury

These Treasury Instructions are the property of the Government of Uganda (GoU). They provide directions on financial matters consistent with provisions of the Constitution of the Republic of Uganda, 1995 as amended, the Public Finance Management Act (PFMA), 2015 as amended, Public Finance Management Regulations (PFMR), 2016 and other relevant Public Financial Management (PFM) legislation. The Instructions shall be used in conjunction with new circulars issued from time to time in respect of new developments and changes in financial management policies.

The Treasury Instructions shall apply to all votes that include Ministries, Agencies and Local Governments (MALGs). They shall also apply to Public Corporations and State Enterprises where mentioned. The Instructions are issued in accordance with the powers and provisions of Section 11(3)(a) of the PFMA, 2015. They are intended to facilitate the efficient and effective management of public resources.

The Secretary to the Treasury shall be responsible for any change and revision to these Instructions, and any such change shall be communicated to the Accounting Officers. Circulars on good practices shall be issued from time to time to supplement and/or modify these Instructions. Such circulars shall form part of these Instructions. Where the Secretary to the Treasury considers it necessary to issue separate and specific Instructions on new reforms and any other areas in financial management, such Instructions shall form part of these Instructions.

It is the duty of the Accounting Officer to submit to the Secretary to the Treasury any proposals for the amendment of, or addition to, these Instructions, as affecting their vote, or any approved supplementary Instructions which, in their view, may be necessary or desirable in the interests of the GoU. They should also bring to notice any Instructions which may have become obsolete.

The Secretary to the Treasury shall publish any new Instructions or amendments to the existing Instructions. It shall be the duty of an Accounting Officer to ensure that amendments are distributed to all officers under his or her vote to whom the original Instructions were issued.

All officers possessing copies of the Instructions are required to insert all amendments therein and should any amendment not be received, to call attention thereto. It is the duty of all officers to make themselves conversant with these Instructions.

Ignorance of them shall not be accepted as an excuse for non-compliance, or for any loss, which may be incurred through the provisions of these Instructions not being carried out.

Where circumstances in a particular vote are such that certain officers are unable to comply with any of the provisions in these Instructions, the

Accounting Officer concerned may, with the concurrence of the Secretary to the Treasury, issue directions modifying these Instructions in so far as they apply to those officers.

The following hierarchy of the Government legal and regulatory framework for financial management, shall be considered in the application of these Instructions:

- (a) The Constitution of the Republic of Uganda, 1995, as amended.
- (b) The Public Finance Management Act (PFMA), 2015, as amended.
- (c) The Public Finance Management Regulations (PFMR), 2016.
- (d) These Treasury Instructions, 2017.
- (e) Any other circulars issued under the PFM legal and regulatory framework.

Failure to comply with these Treasury Instructions or circulars issued in terms of the PFM legal and regulatory framework shall constitute an offence as prescribed in Section 79 of the PFMA, 2015.



Keith Muhakanizi

Permanent Secretary/Secretary to the Treasury

15th August 2017

Statement of the Accountant General

A number of Public Financial Management (PFM) reforms are currently ongoing throughout Government aimed at strengthening the financial management function in Government. The primary objective of the ongoing PFM reforms is to improve the efficiency and effectiveness of public financial management, with the goal of enhancing the quantity and quality of public service delivery for the wellbeing of the people of Uganda.

Included in the reforms has been the need by Government to review and update its legal and regulatory framework for financial management leading to the enactment of the PFMA, 2015 and consequently the issuance of the associated PFMR in 2016.

To support effective implementation of the new PFMA and PFMR, the current Treasury Accounting Instructions (TAIs) that have been in use since 2003 have been reviewed and included in these Instructions to the extent that they are in line with the PFMA and PFMR.

Accordingly, the new Treasury Instructions have been prepared after a highly stakeholder consultative process, which is important in building consensus and ensuring the relevance, efficiency and effectiveness of the Instructions prescribed therein.

The process of preparing the Treasury Instructions has been spearheaded by the Accountant General's Office in close consultation with key stakeholders including all Directorates of the Ministry of Finance, Planning and Economic Development (MoFPED), the Office of the Auditor General, representatives from various votes and the Development Partners.

The scope of application of the Treasury Instructions is the General Government Sector, which comprises of all votes and constitutional institutions. The Instructions also apply to public corporations and state-owned enterprises where this has been expressly stated.

The Treasury Instructions set out the general policies, procedures and rules to be followed by all votes in the efficient and effective management of public resources and funds. The Instructions cover the entire public financial management cycle comprising twenty-four (24) chapters and permitting better integration of all the PFM functions in one document.

In addition to the mandate that empowers the Secretary of the Treasury to issue directives to the Accounting Officers for the better management of public resources, the Accountant General is authorized to issue Instructions consistent with the PFMA and PFMR in respect of his or her functions under Section 46(2) of the PFMA. Accordingly, procedures and guidelines have been issued for the following as part of the Treasury Instructions;

- (a) The books of accounts to be maintained (in electronic or manual form) and the relevant accounting source documents have been specified with a requirement that all financial transactions of a vote must be recorded in the books of account of the vote and duly supported by adequate documentation. On behalf of the Accounting Officer and as a delegated authority, the Head of Finance and Accounts Unit of a vote is required to ensure a proper filing system is maintained for the safe custody of all financial documents of a vote.

- (b) The basis of accounting to be followed by every vote in recording of the financial transactions of Government.
- (c) Detailed internal control processes, procedures and guidelines have been prescribed to be followed by all votes in the efficient and effective management of revenues, expenditures, assets and liabilities. In addition, to ensure that such controls are operating as intended so as to provide reasonable assurance that:
 - (i) The goals of a vote are met with economical and efficient use of resources.
 - (ii) Financial and operational information is reliable and useful.
 - (iii) Assets are fully accounted for and protected from losses.
 - (iv) Liabilities are properly incurred with the relevant authorization.
- (d) The Treasury Instructions also emphasize the need to prepare a variety of periodical and annual financial reports. They provide, detailed procedures to ensure that high quality financial reports are produced and submitted accordingly. The financial reports include the quarterly budget performance/expenditure commitment status aimed at assisting the Accounting Officers in discharging their mandate and responsibilities. Accounting Officers are expected to compare performance against budget and take remedial action as may be required.

Consequently, and in accordance with Section 46(2) of the PFMA, the Accountant General may from time to time issue such instructions, guidelines and procedures as he or she may deem necessary in discharging his or her legal and operational mandate and such instructions, guidelines or procedures shall form part of these Treasury Instructions.



Lawrence Semakula
Accountant General

15th August 2017

1 Introduction	
<p>1.1 Background</p>	<p>1.1.1 The Treasury Instructions are issued pursuant to Section 11 (3)(a) and 46(2) of the Public Finance Management Act 2015 as amended, hereinafter referred to as the “PFMA”.</p> <p>The Secretary to the Treasury is authorised to issue directives and instructions to Accounting Officers in respect to his or her functions prescribed under Section 11(2) of the PFMA.</p> <p>In addition, the Accountant General is mandated to issue instructions to the Accounting Officers setting out guidelines and procedures consistent with the Act and Public Finance Management Regulations (PFMR) 2016 in respect of his or her functions under Section 46 of the PFMA.</p> <p>All officers in the Public Service are required to carry out their duties strictly in accordance with these Treasury Instructions. Failure to do so shall be regarded as a material breach and shall constitute an offence as prescribed under Section 79 of the PFMA. The public officer responsible for the offence shall be liable to disciplinary action and surcharged in accordance with Section 80 of the PFMA. All queries on the interpretation of these Treasury Instructions shall be addressed to the Secretary to the Treasury.</p> <p>1.1.2 These Instructions shall be known as Treasury Instructions, and they shall be read in conjunction with the relevant provisions of the Constitution, the PFMA and the PFMR.</p> <p>The Secretary to the Treasury and Accountant General may issue circulars and guidelines from time to time to supplement these Instructions.</p>
<p>1.2 Purpose and Objective</p>	<p>1.2.1 The Treasury Instructions contain public financial management functions and procedures to be followed in administering the financial control mechanism of the Government of Uganda. The Instructions contain policies and systems, procedures and forms for conducting PFM in the Government of Uganda and shall guide and regulate Government officials especially those responsible for financial management while performing their day-to-day work.</p>

	<p>1.2.2 The Instructions explain functional relationships and responsibilities of all public officers involved in the handling of public financial management matters of the Government of Uganda.</p> <p>1.2.3 The Instructions shall serve as a training guide for new staff as well as a reference material for all staff.</p> <p>1.2.4 The Accounting Officer of a vote is responsible for the implementation of these Instructions and ensuring adherence to all the requirements.</p> <p>1.2.5 The responsibility for interpreting and making revisions to these Instructions shall rest with the Secretary to the Treasury.</p> <p>1.2.6 The main outcome of these Instructions is to create a financial management system that delivers value for money and supports the Treasury and Accounting Officers in the proper management of public resources with utmost economy, efficiency and effectiveness in the delivery of outputs required to achieve desired objectives.</p>
<p>1.3 Application of the Treasury Instructions</p>	<p>1.3.1 These Instructions apply to all votes that include Ministries, Agencies and Local Governments (MALGs). They shall also apply to Public Corporations and State Enterprises where expressly stated so.</p>
<p>1.4 Departures and Revisions of Treasury Instructions</p>	<p>1.4.1 A public officer may suggest revisions to the Instructions. Such suggestions shall be submitted to the Secretary to the Treasury for a review and approval. A revised edition of the Treasury Instructions incorporating all the new amendments shall be produced by the Secretary to the Treasury at least once every five years.</p> <p>1.4.2 Any Accounting Officer that may wish to depart from any part or section of these Instructions shall seek the authority of the Secretary to the Treasury in writing providing adequate justification for such a departure.</p> <p>1.4.3 The Secretary to the Treasury shall provide a written reply accepting or rejecting the request within 30 days on receipt of the request.</p> <p>1.4.4 Where a request is rejected, the Secretary to the Treasury shall provide reasons for the rejection with appropriate guidance given to the Accounting Officer to ensure that any issues raised by him or her in the request are adequately addressed.</p>

1.5 Date of Commencement	1.5.1 These Instructions may be cited as the Treasury Instructions, 2017 and shall come into force upon the signature of the Secretary to the Treasury or as the Secretary to the Treasury may determine in a circular addressed to all Accounting Officers.
1.6 Transitional Provisions	1.6.1 To allow for the smooth implementation of the Treasury Instructions, the Secretary to the Treasury may, through the issue of circulars, defer or stagger the implementation of any part(s) of these Instructions.
1.7 General Definitions/ Interpretation	<p>1.7.1 In these Instructions, unless the context otherwise requires;</p> <p>“Act” means the Public Finance Management Act, 2015.</p> <p>“Accounts payable” means the amount of an entity’s short-term obligation to pay for goods and services which the entity procured on credit. It includes payroll liabilities, third party liabilities and other payables.</p> <p>“Accrual basis of accounting” means a basis of accounting under which transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate. The elements recognized under accrual accounting are assets, liabilities, net assets/reserves, revenue and expenses.</p> <p>“Aid Management” refers to the process by which GoU programs and implements aid funded programmes, monitors and evaluates projects/programmes and provides accountability to stakeholders and Development Partners (DP). Aid management is a collaborative and participatory process involving many stakeholders with operations taking place at many levels and operatives performing distinct but closely related functions tied to the aid cycle. These functions cover aid programming, aid sourcing, implementation management, aid accountability, and monitoring and evaluation.</p> <p>“Annual estimates” means estimates of revenues and expenditures which:</p> <ul style="list-style-type: none"> (a) are submitted under Article 155(1) of the Constitution. (b) provide Parliament with additional information on voted amounts included in an Appropriation Act. (c) are to be approved by Parliament as part of the National budget under Section 13 of the Act. <p>“Appropriation-in-aid” means any revenue which is received by a vote and is approved by Parliament under an Appropriation Act for application at source by the vote to finance its activities;</p> <p>“Authorised agency” means any ministry, department, agency or</p>

	<p>programme authorised by Parliament to incur and manage classified expenditure;</p> <p>“Bank” means the Bank of Uganda;</p> <p>“Borrowings” relate to a liability acquired by Government or directly by a vote with the authority of the Minister. Such borrowings include loans contracted by local government councils.</p> <p>“Budget documents” include the National Budget and other reports and information submitted to Parliament together with the National Budget under Section 13 of the Act.</p> <p>“Cash” means the cash on hand, cash at bank, demand deposits and cash equivalents where cash equivalents are defined as short term, highly liquid investments (with maturities of less than three months from the date of purchase) that are readily convertible to known amounts of cash and which are not subject to a significant risk of change in value.</p> <p>“Cash basis of accounting” means a basis of accounting where revenues are recognized and recorded when cash is received and expenditure is recognized and recorded when cash is paid.</p> <p>“Closing rate” is the spot exchange rate at the reporting date.</p> <p>“Commitment” in reference to a vote, means entering into a contract or other binding arrangement which creates a future expense or liability.</p> <p>“Contingent Asset” means a possible asset that arises from past events and whose existence shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.</p> <p>“Contingent liability” means:</p> <ul style="list-style-type: none"> (a) a possible obligation that arises from past events and whose existence shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (b) a present obligation that arises from past events but is not recognized because: <ul style="list-style-type: none"> (i) it is not probable that an outflow of resources embodying economic benefits or service potential shall be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability. <p>“Domestic debt” means that part of the total public debt that is owed to domestic creditors. It is raised by issuance of treasury instruments on the domestic market.</p> <p>“Entity” includes a vote, fund, body corporate, and other</p>
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	<p>organization and group of persons.</p> <p>“Excess expenditure” means a payment or an unpaid bill which has been incurred in excess of the amount of the item of expenditure under the annual or supplementary estimates or otherwise without authority for the payment under the National Budget, the Constitution or an Act of Parliament.</p> <p>“Exchange difference” is the difference resulting from translating a given number of units of one currency into another currency at different exchange rates.</p> <p>“Exchange rate” is the ratio of exchange for two currencies.</p> <p>“Expenditure” means a non repayable and a non repaying payment by Government, whether required or unrequired and whether for current or capital purposes.</p> <p>“Expenditure arrears” means the total stock of accounts payables arising from contractual or other binding arrangement that remains unpaid at the end of a financial year.</p> <p>“Expenditure limit” means an amount of a provision under the annual or supplementary estimates which has been allocated to a quarter by a quarterly or special expenditure limits issued.</p> <p>“External debt” means that portion of the total public debt that was incurred from foreign creditors including commercial banks, governments or multinational organisations.</p> <p>“Financial liabilities” means any liability that is a contractual obligation:</p> <ul style="list-style-type: none"> (a) to deliver cash or another financial asset to another entity; or (b) to exchange financial instruments with another entity under conditions that are potentially unfavorable. <p>“Financial assets” means any asset that is:</p> <ul style="list-style-type: none"> (a) cash (b) a contractual right to receive cash or another financial asset from another entity (c) a contractual right to exchange financial instruments with another entity under conditions that are potentially favorable; or (d) an equity instrument of another entity. <p>“Foreign currency” is a currency other than the functional currency of the vote. For the avoidance of doubt, this shall be any currency that is not the Ugandan shilling.</p> <p>“Funds held-in-trust” relates to funds received by an entity for safe custody until a certain event where the funds are remitted</p>
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	<p>to the beneficiary. This includes refundable deposits.</p> <p>“Funds-in-transit” relates to funds received by an entity (agent) for the purpose of onward transfer to a public entity of government (principal) for a specified purpose.</p> <p>“Infrastructure and development project” means a project which:</p> <ul style="list-style-type: none"> (a) is included in a Public Investment Plan; and (b) has objectives for infrastructure or economic development prioritized under the National Development Plan. <p>“Letter of credit” is a written undertaking by the bank (the issuing bank) given to the supplier (the beneficiary) upon a request from the purchaser (the applicant) and according to his or her instructions to pay a specified amount of money on an agreed fixed date or on the delivery of certain documents.</p> <p>“Minister” means the Minister responsible for finance.</p> <p>“Monetary items” are those assets and liabilities appearing on the balance sheet/statement of financial position as cash or readily convertible into cash.</p> <p>“Payment Voucher” means GFMS approved invoice or a treasury form, electronic or otherwise, that gives a detailed description of a payment transaction.</p> <p>“Public Financial Management” refers to the set of laws, rules, systems and processes used by central and local governments to mobilize revenue, allocate public funds, undertake public spending, account for funds and audit results</p> <p>“Reallocation” is the transfer of budget funds from one vote to another especially in circumstances where the functions of a vote are transferred to another and the funds have to follow the functions.</p> <p>“Reporting/Presentation currency” is the currency in which the financial statements are presented.</p> <p>“Responsible Minister” means, in respect of a sub-vented entity, extra budgetary entity, or public corporations and state enterprise, a Minister who is responsible under the law for supervising the operation of the entity or enterprise: and</p> <p>“Responsible ministry” shall be construed accordingly.</p> <p>“Secretary to the Treasury” means a person appointed as such under Section 11 of the PFMA.</p> <p>“Self-accounting department, commission, or</p>
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	<p>organisation” means an entity:</p> <ul style="list-style-type: none">a) which is set up under the Constitution.b) to which Article 155(3) of the Constitution applies. <p>“Spot exchange rate” is the exchange rate for immediate delivery or the price quoted for immediate settlement.</p> <p>“Supplementary expenditure” means amounts incurred for goods or services pursuant to a supplementary budget appropriated in the supplementary Appropriation Act as provided for in the PFM Act (2015).</p> <p>“Surcharge” means a monetary penalty that may be imposed for causing loss to the Government.</p> <p>“Unpaid bill” means an account payable of a vote by the end of the financial year.</p> <p>“Value date of a foreign currency transaction” is the date when revenue is earned or expenditure incurred rather than when the payment is received or made in foreign currency.</p> <p>“Value date of loan disbursements” is the date of the payment advice on which the lender has disbursed the loan to the receiving entity. It differs from the actual date when the funds are received to the credit of the bank account of the entity.</p> <p>“Virement” means the reallocation of funds within the budget of a vote, from a budget line to another budget line.</p>
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2 Legal, Regulatory and Institutional Framework for Public Financial Management	
2.1 Introduction to the PFM Legal Framework	<p>2.1.1 PFM comprises diverse functions including fiscal planning, budgeting, budget execution, revenue management, procurement, cash and commitment management, expenditure management, asset management, liability management, accounting, reporting, auditing, and fiscal oversight.</p> <p>2.1.2 In practicing PFM, the public officers shall adhere and comply with the various legal and regulatory provisions as provided for in:</p> <ul style="list-style-type: none"> (a) The Constitution of the Republic of Uganda (1995), as amended (b) The Public Finance Management Act, 2015 as amended (c) The Public Finance Management Regulations, 2016 (d) The National Audit Act, 2008 (e) The Public Procurement and Disposal of Public Assets (PPDA) Act 2003 as amended and related regulations (f) Local Government Act, 1997 as amended and related regulations (g) Public Private Partnerships Act, 2015 (h) The Uganda Public Service Standing Order, 2010 (i) Other relevant laws and regulations. <p>2.1.3 Accounting Officers shall be responsible for ensuring that the key PFM legal documents are availed to their members of staff to guide them in the day-to-day conduct of PFM tasks.</p> <p>2.1.4 In addition to legal provisions, Government officials shall comply with the generally accepted principles in line with International Public Sector Standards to the extent that they are adopted by Government.</p>
2.2 Key Objectives of PFM	<p>2.2.1 The key objective of the PFM is to ensure that public resources are subject to:</p> <ul style="list-style-type: none"> (a) Sound fiscal policy and sustainable macroeconomic management.

	<ul style="list-style-type: none"> (b) Allocative efficiency and transparent, credible, predictable annual budget. (c) Aggregate fiscal discipline in ensuring funds are used for the intended purposes. (d) Achievement of Value for money. (e) Sufficient risk management, control and governance framework. (f) Transparent, reliable and accountable systems.
<p>2.3 PFM Institutional Arrangements</p>	<p>2.3.1 In accordance with the Constitution of Uganda and the PFMA, the PFM institutional framework of the Government of Uganda comprises of three arms namely:</p> <ul style="list-style-type: none"> (a) Legislature/Parliament - the Constitution establishes a Parliament to carry out legislative oversight and representation function. Specifically, and in the context of PFM, the Parliament is responsible for: <ul style="list-style-type: none"> (i) Enacting the PFM legislation. (ii) Scrutiny and appropriation of annual budget estimates. (iii) Approving borrowings by the Government; and (iv) Oversight through the oversight committees of Parliament, examining the Auditor General’s reports and recommending appropriate action. (b) The Executive - The Constitution vests all executive authority in the President. The Cabinet is accountable to both the President and Parliament in accordance with the Constitution. The Cabinet, through the Minister retains the overall financial accountability. (c) The Judiciary - The Constitution establishes the Court of Judicature. The Supreme Court is the highest appellate court in the land. The Constitution guarantees the independence of the Judiciary. <p>2.3.2 Other key oversight institutions within the PFM sphere include:</p> <ul style="list-style-type: none"> (a) Office of the Auditor General- derives the mandate from the Constitution and National Audit Act 2008. To complete the accountability cycle, the Auditor General is required to submit an annual audited financial report to Parliament. The audit report indicates the manner in which the budget was utilized, and whether there was misappropriation or general misuse of public funds.

	<p>(b) Inspector General of Government – derives the mandate from the Constitution and the Inspector General of Government Statute, 1988 to investigate cases of misuse of public offices across government which are reported and instigate appropriate disciplinary measures against the concerned public officers.</p>
<p>2.4 Establishment and Functions of the Treasury</p>	<p>2.4.1 For the avoidance of doubt, Treasury means the Treasury established by Section 10 of the PFMA consisting of:</p> <ul style="list-style-type: none"> (a) The Minister. (b) The Secretary to the Treasury. (c) The Accountant General, and (d) The other directorates responsible for economic and finance matters in the Ministry. <p>2.4.2 The Treasury shall be responsible for:</p> <ul style="list-style-type: none"> (a) Development and implementation of the macroeconomic and fiscal policies of the Government. (b) Keeping the Parliament fully informed on: <ul style="list-style-type: none"> (i) The current and projected state of the economy of Uganda; (ii) Finances of Uganda; and (iii) Fiscal policy of the Government. (c) Supervision, control and direction of all matters relating to the financial affairs of the Government. (d) Co-ordination of international and inter-governmental financial and fiscal relations. (e) Mobilization of resources to finance government expenditure. (f) Advising the Government on the total resources to be allocated to the public sector in light of the Government’s economic objectives and financial environment of Uganda. (g) Management of the Consolidated Fund and other public funds. (h) Ensuring the maintenance of systems at Treasury, Ministries, Departments, Agencies and Local Governments for resource planning, allocation, budgeting, utilization, reporting and control. (i) Ensuring that goods and services acquired and disposed by the Government are done in a fair, equitable and cost effective manner.

	<ul style="list-style-type: none"> (j) Supervising the use of resources by the government to ensure that they are used economically, efficiently and effectively and that value for money is achieved. (k) Preparation and presentation of annual estimates of revenue and expenditure to Parliament for approval; and (l) Overseeing national planning and strategic development initiatives for economic growth.
2.5 The Minister	2.5.1 The Minister is the Head of the Treasury and may issue regulations and directives for the better carrying into effect of the PFMA 2015 as amended.
2.6 The Secretary to the Treasury	<p>2.6.1 The Secretary to the Treasury is:</p> <ul style="list-style-type: none"> (a) Responsible to the Minister for the effective application of the provisions of the PFMA, the PFMR and these Instructions or any directives issued under the PFMA. (b) Responsible for ensuring that the needs of the Minister in the discharge of his or her responsibilities are responded to and in particular that prompt and effective advice is made available to the Minister. <p>2.6.2 For the purpose of discharging his or her duties under the PFMA, the PFMR and these Instructions and to ensure compliance with any instruction or directive issued under the PFMA, the Secretary to the Treasury or any person authorized by him or her may:</p> <ul style="list-style-type: none"> (a) Inspect any office of a vote and have access to all books, records and other information. (b) Require any Accounting Officer to provide any information, document or records relating to public money or public property he or she may require. (c) Require any Accounting Officer or head of any entity which manages any assets of the Government to supply information necessary to enable him or her meet obligations under the PFMA.

	<p>(d) Within the limitations imposed by the PFMA, the PFMR and these Instructions, give such directions and instructions as he or she may consider necessary for the advantage, economy and safety of public resources.</p> <p>2.6.3 The Secretary to the Treasury is particularly responsible for ensuring that:</p> <p>(a) An effective system is in place for the collection of information to ensure timely and effective preparation of the annual estimates of revenue and expenditure for consideration and approval by the Minister and submission to Parliament; and</p> <p>(b) The annual estimates are prepared in accordance with any general or specific direction of the Minister and that they reflect, as can best be ascertained at the material time, value for money in the use of Government's resources.</p> <p>2.6.4 Subject to Section 11(3) of the PFMA, the PFMR, these Instructions and any directives issued under the PFMA, the Secretary to the Treasury may give directives and instructions to Accounting Officers he or she considers necessary for effective and efficient discharge of the intent and purpose of the PFMA.</p>
<p>2.7 The Accountant General</p>	<p>2.7.1 Section 46 of the PFMA provides for the designation, mandate and duties of the Accountant General.</p> <p>2.7.2 The Accountant General is responsible for the compilation and management of the accounts of votes; custody and the safety of the public money; accountability for the resources of Government; custody of all government certificates of titles for investment; and the maintenance of a register of government investments. The Accountant General shall also advise the Secretary to the Treasury and the Minister on accounting matters.</p> <p>2.7.3 For the purposes of discharging his or her duties and responsibilities under paragraph 2.7.2 above, the Accountant General shall:</p> <p>(a) Define and approve the basis of accounting and the system of accounts to be established in votes, public corporation and state enterprises, issue written instructions and provide guidance</p>

	<p>necessary to ensure proper application of the basis of accounts and the maintenance of those systems of accounts.</p> <p>(b) Ensure that a classification system, compatible with internationally recognized system of national accounts and these Instructions, is established and maintained and ensure that all funds paid or received by votes are fully, promptly and properly brought to account.</p> <p>(c) Supervise the expenditure and other disbursements of votes to ensure compliance with the provisions of any law, regulation or instruction in respect of that expenditure and for this purpose he or she shall:</p> <p>(i) Ensure that effective accounting systems are established in votes which record all commitments and transactions entered into by Accounting Officers.</p> <p>(ii) Ensure that effective accounting systems are established which facilitate the prompt settlement of any commitment properly incurred by Accounting Officers.</p> <p>(iii) Ensure that the system of internal control in every vote required to produce accounts under Section 51 of the PFMA, is appropriate to the needs of the vote or reporting entity concerned and conforms to internationally recognized standards.</p> <p>(iv) Disallow any payment which he or she considers wrong or deficient in content, or that contravenes the provisions of the Constitution, the Act, Regulations, these Instructions or any directives or instructions properly made or given under the Act, or that is in any way unacceptable in support of a charge on public funds.</p> <p>(v) Report to the Secretary to the Treasury in writing, any apparent defect in the management of revenue, expenditure, cash or assets and any breach or non-observance of this law which after due enquiry appears to be excessive, extravagant or unauthorized.</p>
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	<ul style="list-style-type: none"> (d) Ensure, as far as practicable, that adequate systems and facilities exist for the safe custody of public funds, assets, certificate of title, securities, valuable documents and information. (e) Exercise supervision over the collection of public revenue by Accounting Officers to ensure that it is promptly collected, remitted and accounted for; and in the performance of this duty the Accountant General shall prescribe frequency and format for submission of regular revenue collection returns from Accounting Officers. (f) Carry out sufficient checks, including routine and surprise inspections in votes, to ensure that all regulations, orders, directions and instructions relating to the receipt, disbursement, safety, custody and control of public funds, stamps, securities, stores and other public property are being complied with, and to ensure that the accounts and controls provide full and effective protection against losses or irregularities. (g) Inspect an office of a vote and for every three months prepare and submit a report of the inspection, to the Secretary to the Treasury, within thirty days after the end of the three months. (h) Institute measures and take precaution against fraud, embezzlement and mismanagement of public funds. (i) Report to the Secretary to the Treasury in writing any defects in the custody, control or collection of public funds, securities, stores and other public property. (j) Ensure timely and accurate consolidation of financial statements of votes which he or she is responsible for. (k) Ensure timely and accurate consolidation of summary statements on the financial performance of public corporations and state enterprises. (l) In every financial year, make a report to the Secretary to the Treasury on the discharge of his or her duties under the Act as prescribed by the Secretary to the Treasury.
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	<ul style="list-style-type: none"> (m) Issue guidelines on the accounting standards to be used in the preparation of the financial statements of the votes. (n) Give to Accounting Officers, general instructions, guidelines and procedures, which are consistent with the PFMA, PFMR and these Instructions. (o) Authorize any Accounting Officer, by warrant signed by him or her, to incur expenditure up to the limits specified in the warrant and for the purpose and subject to the conditions specified therein. (p) Maintain electronic or otherwise, a register of government assets and investments. (q) Prepare the Treasury Memorandum on behalf of the Secretary to the Treasury. (r) Provide capacity building for the accounting cadre staff throughout Government including development of curriculum, training materials and undertake training of all staff involved in the accounting and financial reporting process. (s) Be the Accounting Officer for; <ul style="list-style-type: none"> (i) The direct charges on the UCF pursuant to Section 43(2) of the PFMA; (ii) The Contingencies Fund in accordance with Section 26(15) of the PFMA; and (iii) The Petroleum Fund in pursuance of Section 60 of the PFMA.
<p>2.8 Other Directorates of the Ministry</p>	<p>2.8.1 For purposes of paragraph 2.4.1(d) of these Instructions, the other directorates of the Ministry are responsible for:-</p> <ul style="list-style-type: none"> (a) Budget (b) Economic Affairs (c) Debt and Cash Policy (d) Internal Audit

	<p>2.8.2 The Directorate responsible for Budget is mandated to coordinate budget preparations for the votes and has the following key functions:</p> <ul style="list-style-type: none"> (a) Advise the Secretary to the Treasury on matters that enhance effective budget management to meet national priorities. (b) Develop budget policies, guidelines, and procedures for effective budget preparation and management by votes for the consideration of the Secretary to the Treasury. (c) Coordinate preparation of Budget Framework Papers, budget call circulars, and any other documents to guide votes in preparing budgets. (d) Develop budget guidelines, promote compliance, and coordinate the budget processes. (e) Develop Medium Term Expenditure Framework and ensure that the budget process is consistent with it. (f) Monitor and review budget submissions by votes and compile national budget estimates and the appropriation bill. (g) Coordinate budget re-allocations and virements to ensure full compliance with the provisions of the Act. (h) Monitor submission of budget performance reports by votes and review them for compliance to the law. (i) Compile consolidated budget performance reports as required by the Act for their submission to the Secretary to the Treasury. (j) Develop and implement capacity building plans for all public officers involved in the budget process. (k) Monitor the implementation of the fiscal decentralization strategy in order to strengthen fiscal decentralization. (l) Provide periodic technical advice to the votes on budget and expenditure issues. (m) Analyze, appraise, monitor and evaluate all the development projects and facilitate the implementation of Public Private Partnership (PPP) initiatives to ensure sustainable economic growth and development.
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	<p>2.8.3 The Directorate responsible for Economic Affairs is tasked with the responsibility of formulating and making recommendations to the Secretary to the Treasury on implementing economic and financial policies for sustainable growth and development. Key functions include;</p> <ul style="list-style-type: none"> (a) Maintain economic stability through designing and implementing prudent macroeconomic policies. (b) Mobilize domestic revenue by designing appropriate tax and non-tax revenue policies. (c) Design and coordinate economic and financial policies for regional and international cooperation. (d) Generate evidence-based analyses to guide the formulation of economic development policy. (e) Develop policies and strategies to promote private sector competitiveness and growth. (f) Design policies and strategies to ensure and promote financial sector development. (g) Design policies and strategies for Natural Resource Revenue Management. <p>2.8.4 The Directorate responsible for Debt and Cash Policy provides an advisory role on the debt issuance and development of debt and cash policies in accordance with the economic policies of the Government. The main functions are:</p> <ul style="list-style-type: none"> (a) Advise the government on cash flow planning, coordination and investment of government funds, which includes developing policies and guidelines for cash management. (b) Formulate and supervise policies and procedures for all debt issuance. (c) Create prudent investment policies and guidelines for management of all government funds in consultation with the Accountant General and the Bank of Uganda (BoU). (d) Formulate policy initiatives to foster the development of the primary and secondary government markets. (e) Prepare risk analysis regarding all contingent liabilities, which include guarantees and all other
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	<p>types of obligations which may arise in financing arrangements, such as in PPPs.</p> <ul style="list-style-type: none"> (f) Coordinate with other directorates of the Ministry responsible for finance to carry out the goal of developing cash policies and issuance of domestic debt so as to ensure effective and efficient management of government assets. (g) Lead the issuance of all debt, which includes external and domestic debt. (h) Advise the Secretary to the Treasury on the consideration of requests from individual votes and entities in contracting debt. <p>2.8.5 The Directorate responsible of Internal Audit is headed by the Internal Auditor General</p>
<p>2.9 The Internal Auditor General</p>	<p>2.9.1 Section 47 of the PFMA creates a statutory position of the Internal Auditor General as the Government Chief Internal Auditor with the responsibility of managing the internal audit function throughout Government.</p> <p>2.9.2 The Internal Auditor General is responsible for providing strategic direction and policy formulation for the internal audit function, overseeing the audit process, coordinating Audit Committees and advising on the adoption of Auditing Standards in all Government entities in accordance with Section 47 of the PFMA.</p> <p>2.9.3 The Internal Auditor General shall:</p> <ul style="list-style-type: none"> (a) In accordance with paragraph 2.9.2 above, issue internal audit policies, rules, standards, manuals, circulars and guidelines. (b) Ensure that the internal audit function in each vote or public corporation conforms to policies, guidelines and internationally accepted standards. (c) Provide an independent objective assurance and advisory services to Government designed to add value and improve on the overall governance, risk management and control processes and (d) Be the chief advisor to the Secretary to the Treasury on internal audit matters. <p>2.9.4 For the purpose of discharging his or her duties and responsibilities under paragraph 2.9.3 above, the Internal Auditor General shall: -</p>

	<ul style="list-style-type: none"> (a) Review and consolidate Risk Based Audit Plans as specified under Section 48(4-5) of the PFMA. (b) In accordance with Section 11(2)(e) of the PFMA, advise the Secretary to the Treasury on the appropriateness of the internal audit function of each vote or public corporation and conformity to audit policy and internationally recognized auditing standards. (c) Oversee and advise on the appropriateness, sufficiency and effectiveness in the deployment of internal audit resources using innovative approaches. (d) Conduct financial, performance, information technology, procurement and disposal, environmental, risk management and other special audits. (e) Provide advisory services on governance, risk management and control processes to the Secretary to the Treasury, Accountant General and other directorates of the Ministry responsible for economic and financial matters. (f) In accordance with Section 48 (8) of the PFMA, prepare and submit an annual consolidated internal audit report to the Secretary to the Treasury within three months after the end of the financial year. (g) Ensure the development and maintenance of a quality assurance and improvement program that covers all aspects of the internal audit activity. (h) Provide capacity building for both levels of Government including development of curriculum, training materials and undertake training for audit committees. (i) Have unlimited access to information, property and human resource to carry out audits and shall be provided with all the required explanations. <p>2.9.5 Under the leadership of the Internal Auditor General, the main responsibilities of the Directorate of Internal Audit shall include:</p> <ul style="list-style-type: none"> (a) Provide an independent objective assurance and advisory services on governance, risk management and control processes through disciplined
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	<p>approach by reviewing and evaluating internal controls.</p> <ul style="list-style-type: none"> (b) Review and report on proper control over receipt, custody and utilization of all financial resources. (c) Carry out compliance audits in respect of financial and operational procedures as defined by the PFMA, PFMR, these Treasury Instructions and Accountant General for incurring obligations and authorizing payments and ensuring effective control over expenditure. (d) Verify correct classification and allocation of revenue and expenditure accounts. (e) Review the reliability and integrity of financial and operating data so that information provided allows for the preparation of accurate financial statements and other reports as required by legislation. (f) Review that systems are in place to safeguard assets and as may be appropriate, verify the existence of such assets. (g) Review the operations or programs to ascertain whether results are consistent with established objectives and goals. (h) Review the adequacy of action by management in response to internal audit reports and assist management in the implementation of recommendations made and also, where appropriate, recommendations made by the Auditor General. (i) Review the adequacy of controls built into computerized systems. (j) Carry out performance, quality assurance and information technology audits to ensure all round provision of internal audit services and value for money.
<p>2.10 Accounting Officers</p>	<p>2.10.1 Pursuant to Section 11(g) of the PFMA, the Secretary to the Treasury shall appoint an Accounting Officer in writing, to be responsible and personally accountable to Parliament for the activities of a vote.</p> <p>2.10.2 In accordance with Sections 45(1) and (2) of the PFMA, an Accounting Officer of a vote shall:</p>

	<ul style="list-style-type: none"> (a) Ensure that the financial procedures established by the PFMA, the PFMR and these Instructions or any other directives or instructions issued under the Act, the PFMR and these Instructions are followed and that accounting records are maintained in a form prescribed by the Accountant General. (b) Ensure that the public resources for which he or she is responsible as Accounting Officer are properly managed and safeguarded. (c) Authorize any expenditure from the budget of a vote. (d) Establish and maintain effective system of risk management over the operations and activities of a vote. (e) Establish and maintain an effective system of internal control over the financial and related operations for which he or she is responsible and facilitate an effective internal audit function. (f) Ensure that, in the consideration of policy proposals relating to the income, expenditure, asset or liability for which he or she is Accounting Officer, all relevant financial considerations are taken into account, and where necessary brought to the attention of his or her Minister. (g) Prepare and submit half-year financial statements to the Accountant General by 15th February of each financial year. (h) Prior to submission, ensure that the half-year financial statements are subject to review by the Internal Audit function of the respective vote. (i) Within two months after the end of each financial year, prepare, sign and submit the following accounts of a vote to the Auditor General and the Accountant General: - <ul style="list-style-type: none"> (i) An appropriation account, signed by the Accounting Officer, showing the services for which the money expended were voted, the sums actually expended on each service, and the state of each vote compared with the amount appropriated for that vote by Parliament. (ii) A statement signed by the Accounting Officer and in the form the Accountant General may direct containing the amount of
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	<p>commitments outstanding for the supply of goods, works and services at the end of the financial year and any other information the Minister may require.</p> <p>(iii) A statement of revenues received, signed by the Accounting Officer, and in the form the Accountant General may direct, showing the amount contained in the estimates of revenue for each source of revenue, the amount actually collected and containing an explanation for any variation between the revenues actually collected and the amount estimated.</p> <p>(iv) A statement of arrears of revenue, signed by the Accounting Officer, showing the amount outstanding at the end of the financial year for each source of revenue and containing information in the form the Accountant General may direct and which shall be submitted as a nil return where appropriate.</p> <p>(v) A statement of assets, signed by the Accounting Officer, containing details and values of the unallocated stores under the control of the Accounting Officer at the end of the financial year, together with the details and values of any other classes of assets under the control of the Accounting Officer as the Accountant General may determine.</p> <p>(vi) A statement of performance, signed by the Accounting Officer, indicating each class of outputs provided during the year, which shall:</p> <ol style="list-style-type: none"> (1) Compare the performance with the forecast contained in the estimates laid before Parliament under Section 13(15) (b) of the PFMA; and (2) Give the particulars of the extent to which the performance criteria specified in that estimate in relation to the provision of those outputs was satisfied; and <p>(vii) Any other statements in the form and frequency the Accountant General may require.</p>
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	<p>(viii) Notwithstanding Sections 50(2) and 51(3)(b) and (c) of the PFMA and these Instructions, any departure from generally accepted accounting practices, standards, instructions and guidance issued by the Accountant General shall be done in consultation with the Accountant General.</p> <p>(j) Report to the Secretary to the Treasury with a copy to the Accountant General, and the Internal Auditor General, any cases of apparent waste or extravagant administration or failure to achieve value for money in addition to any weakness in financial procedures.</p> <p>(k) Produce when required by the Secretary to the Treasury, the Auditor General, Accountant General, Internal Auditor General or by such public officers as may be authorized by them, all cash, books, records, vouchers or information in his or her charge.</p> <p>(l) Take action and reply substantively to any queries addressed to him or her by the Auditor General, Internal Auditor General, Accountant General and other Oversight Institutions within the time period prescribed or specified in the PFMA.</p> <p>(m) Ensure that there are efficient and effective arrangements for revenue and expenditure management.</p> <p>(n) Keep the Secretary to the Treasury, the Internal Auditor General and the Accountant General suitably informed of any novel financial procedures, or other aspects of the administration of his or her vote, that may assist him or her in carrying out his or her statutory duties.</p> <p>(o) Institute investigation of and initiate the disciplinary process against loss of public funds or assets, illegal payments, or non-compliance with the PFMA, PFMR, or instructions or directives issued under them.</p> <p>(p) Subject to section 51(2) of the Act, the Accounting Officer of a public corporation, state enterprise and companies where Government has a controlling interest shall, within two months after the end of</p>
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	<p>each financial year, using the format and guidelines issued by the Accountant General, prepare a summary statement of financial performance of the entity and submit it to the Auditor General and Accountant General, with a copy to the Secretary to the Treasury.</p> <p>(q) An Accounting Officer may authorize in writing other public officers under his or her control to exercise or perform such part of his or her powers and duties as he or she may think fit; and the limits of any such delegation shall be set out sufficiently clearly and unequivocally to avoid dispute or misunderstanding.</p> <p>(r) A delegation or authorization under sub-paragraph 2.10.2(q) above, shall not relieve the Accounting Officer of any of his or her responsibility under the PFMA, the PFMR and these Instructions.</p> <p>(s) An Accounting Officer shall consult the Secretary to the Treasury on any matter concerning the application of the PFMA, PFMR and these Instructions, and bring to the immediate attention of the Secretary to the Treasury any defect in the Act, the PFMR or these Instructions which may result in a diminution of control over the assets and finances of the Government.</p>
<p>2.11 Appointment or Designation of Accounting Officers</p>	<p>2.11.1 In accordance with Section 11(2)(g) of the PFMA, the Secretary to the Treasury shall not appoint or designate a person as an Accounting Officer who has not accounted for the public resources or assets of the vote for a financial year.</p> <p>2.11.2 Accounting Officers shall endeavour to remedy instances of financial misconduct which include:</p> <ul style="list-style-type: none"> (a) non-submission of financial statements to Auditor General as required by Section 51 of the PFMA, (b) qualification of financial statements, (c) non-implementation of board of survey recommendations, (d) unauthorised and fruitless expenditures. <p>2.11.3 For the purpose of paragraph 2.11.2, the Accounting Officer shall attend to recommendations of oversight organs of Government including: Audit Committees,</p>

	<p>Internal Audit, Auditor General, Inspector General of Government (IGG), PPDA, Parliament and District Public Accounts Committee (DPAC) and provide regular update to the Secretary to the Treasury, at least quarterly, regarding the actions taken.</p> <p>2.11.4 Pursuant to Section 11(g) of the PFMA, an Accounting Officer may be deemed to have failed to account for public resources or assets if he or she fails to comply with the duties and functions of the Accounting Officer as provided under Section 45 of the PFMA and these Instructions.</p> <p>2.11.5 Without limiting the generality of paragraph 2.11.4 above, an Accounting Officer may be deemed to have failed to account for public resources or assets if and without a reasonable explanation, he or she:</p> <ul style="list-style-type: none"> (a) Fails to exercise control over the receipt, custody and utilization of financial resources of that vote causing a significant deviation from the budget objectives of a vote. (b) Does not conform or comply with financial and operational procedures laid down in any legislation, regulation or instruction issued under such legislation which is meant to ensure effective control over the resources or assets of a vote. (c) Authorizes commitment of public funds beyond what is appropriated by Parliament subject to the accounting warrants issued by the Accountant General. (d) Fails to maintain and account for assets and inventories of a vote. (e) Fails to put in place effective systems of risk management, internal control and internal audit as per Section 45(2) of the PFMA. (f) Does not keep proper records, conceals or wrongfully destroys information that is required to be recorded under this Act. (g) Fails to submit financial reports by the due dates as required under Section 50 and 51 of the PFMA. (h) Opens or causes to be opened a bank account for public or official use without the permission of the Accountant General.
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	<p>(i) Fails to report to the Secretary to the Treasury any cases of apparent waste or extravagant administration or failure to achieve value for money.</p>
<p>3 Macroeconomic and Fiscal Policy Framework</p>	
<p>3.1 Introduction</p>	<p>3.1.1 This Part of the Treasury Instructions covers the preparation and presentation of macro-economic and fiscal policy by the Minister assisted by relevant staff at the Ministry responsible for finance. It includes the procedural guidance and rules towards the preparation and implementation of the macroeconomic and fiscal policy framework.</p> <p>3.1.2 Government has elected to base resource allocation on sound economic and fiscal policies within a multi-year budgeting framework aligned with the National Development Plan. Economic and fiscal policy informs proper formulation and execution of the national budget.</p> <p>3.1.3 The various reports and policy statements in this chapter form the basis upon which the budget shall be developed and executed by Accounting Officers.</p>
<p>3.2 Fiscal Policy Objectives</p>	<p>3.2.1 The fiscal policy objectives under the Charter for Fiscal Responsibility shall:</p> <p>(a) Be consistent with the fiscal principles set out in Section 4(2) of the PFMA; and</p> <p>(b) Support the achievement of any commitments made under any international or regional protocol.</p> <p>3.2.2 For the purposes of Section 4(3) of the PFMA, the Charter for Fiscal Responsibility shall include measurable fiscal policy objectives showing targets with respect to:</p> <p>(a) Revenue to finance Government programmes.</p> <p>(b) Public debt ratios.</p> <p>(c) Proportion of recurrent spending in the total budget.</p> <p>(d) The fiscal balance (including and excluding petroleum revenues) as a percentage of gross domestic product.</p> <p>(e) Petroleum revenues as a percentage of total revenues over the medium term; and</p>

	<p>(f) Proportion of Government funding contributed to externally funded projects.</p> <p>3.2.3 The numerical fiscal rules adopted include:</p> <p>(a) The ratio of planned Government budget balance shall not exceed a deficit of 3% of GDP, except where exceeding reference value is exceptional and temporary and the ratio remains close to the reference value.</p> <p>(b) The ratio of public debt to the GDP in present value terms shall not exceed 50% of the GDP unless the ratio shall decrease sufficiently and shall approach reference value at a satisfactory pace.</p> <p>(c) The debt servicing costs shall not exceed 40% of the re-current revenue during the medium term.</p> <p>(d) Local Government debt and guarantee loans shall not be more than 60% of the own generated revenues and shall be considered in determining the debt servicing costs of 40% of recurrent revenue.</p> <p>(e) Annual inflation, as measured by headline consumer price index shall be managed in the target range of 5 to 8 per cent.</p> <p>(f) Compensation of employees' costs shall not be more than 65% of the recurrent expenditure.</p> <p>3.2.4 For the purpose of Section 5(1) (a) of the PFMA, the Charter for Fiscal Responsibility may include other targets as deemed appropriate by the Minister, to support the delivery of Government's fiscal principles and objectives as well as the efficient management of public finances.</p> <p>3.2.5 The targets mentioned in paragraph 3.2.4 are indicative, and any deviation there-of do not require Parliamentary approval or the preparation of a plan to correct the deviation.</p>
<p>3.3 Updates to Fiscal Objectives</p>	<p>3.3.1 For purposes of Section 5(3) of the PFMA, the updated fiscal objectives shall be consistent with the principles of Fiscal Responsibility.</p> <p>3.3.2 The Minister shall prepare an updated Charter for Fiscal Responsibility to be presented to Cabinet and Parliament within one month following the revision.</p>

	<p>3.3.3 When the Minister submits to Parliament, for its approval, updates to the measurable fiscal objectives under 3.4.1, the revised Charter for Fiscal Responsibility shall be accompanied by:</p> <ul style="list-style-type: none"> (a) An explanation of the reasons for the updates to any of the fiscal objectives. (b) A demonstration of how the updated fiscal objectives are consistent with the fiscal principles set out in Section 4(2) of the PFMA. (c) An updated medium term fiscal framework for the remaining period of the Charter. (d) Statement of the effect of the updates in service delivery.
<p>3.4 Modes of Publishing Planning and Budget Information</p>	<p>3.4.1 Reports, policies and plans prepared and presented to Parliament under the PFMA shall be published.</p> <p>3.4.2 The mode of publication shall depend on the nature of planning and budgeting information stipulated in the relevant reporting template.</p> <p>3.4.3 For purposes of Section 5(2) of the PFMA, the Charter for Fiscal Responsibility and economic and fiscal updates shall be published by the Minister on the website of the Ministry responsible for finance not later than one month after approval by Parliament or such a time as may be determined by Parliament.</p>
<p>3.5 Monitoring and Correction of Deviations from the Fiscal Objectives</p>	<p>3.5.1 The Directorate responsible for Economic Affairs shall on behalf of the Secretary to the Treasury monitor compliance with the measurable fiscal objectives and report on performance in the annual Budget Framework Paper and bi-annual Fiscal Performance Reports under Section 18 of the PFMA.</p> <p>3.5.2 The content of the monitoring reports shall give updates on the following:</p> <ul style="list-style-type: none"> (a) The average and year-end gross domestic product. (b) The rate of inflation (average and year-end). (c) The rate of employment and unemployment. (d) The average and year end exchange rate. (e) The interest rates. (f) The money supply.

	<ul style="list-style-type: none"> (g) A statement on the extent to which fiscal targets (see paragraph 3.2.3) in relation to fiscal objectives have been achieved. (h) Indicate achievement in respect of the following fiscal variables: <ul style="list-style-type: none"> (i) The non-petroleum revenue of Government. (ii) External grants towards the annual budget and development projects. (iii) Other grants. (iv) The petroleum revenue. (v) The expenditure and net lending of Government. (vi) The overall balance of Government (including and excluding petroleum revenues). (vii) Financing of Government including external financing, domestic financing and petroleum fund financing. <p>3.5.3 All Accounting Officers and relevant institutions shall provide all the necessary information to the Secretary to the Treasury for purposes of paragraph 3.5.2.</p> <p>3.5.4 Where a deviation from the measurable objectives occurs, the Minister shall publish a statement within 30 days, which shall be submitted to Cabinet and subsequently Parliament, providing:</p> <ul style="list-style-type: none"> (a) Clear reasons for the deviation(s). (b) Reasons why the Contingencies Fund, other funding mechanisms or a fiscal adjustment cannot be used to deal with the basis for the deviation. (c) Duration Government expects to deviate from the measurable fiscal objective(s). (d) A transitional plan to address the deviation(s) over a period of no longer than the next three financial years, including how Government intends to return to compliance with the measurable fiscal objectives and any new policy measures it intends to enact. (e) An updated Medium-Term Expenditure Framework to be approved by Parliament. <p>3.5.5 The transitional plan under paragraph 3.5.4 (d) shall take into account comments and recommendations of Cabinet and Parliament.</p>
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<p>3.6 Pre- and Post-General Election Economic and Fiscal Updates</p>	<p>3.6.1 In line with Section 19 of the PFMA, the Secretary to the Treasury shall arrange to be published:</p> <ul style="list-style-type: none"> (a) A pre-election economic and fiscal update not earlier than four months before the polling day for any general election; and (b) A post-election economic and fiscal update not later than four months after the polling day of any general election. <p>3.6.2 The pre-election and post-election economic and fiscal update shall:</p> <ul style="list-style-type: none"> (a) Detail all election related spending including: <ul style="list-style-type: none"> (i) Direct election expenses such as those for the Independent Electoral Commission for costs of elections and election materials. (ii) Indirect election expenses such as allocations to Police and Security Forces for the election year; and (iii) Any other expenses related to the election specified in the PFMR or these Instructions. (b) Be accompanied by a statement signed by the Secretary to the Treasury stating that the economic and fiscal updates include: <ul style="list-style-type: none"> (i) All policy decisions with material economic or fiscal implications that the Government made before the day on which the contents of the economic and fiscal updates were finalised. (ii) All other circumstances with material economic or fiscal implications of which the Government was aware before the election period.
<p>3.7 Macroeconomic Forecasts as the Basis for Annual Budget</p>	<p>3.7.1 For purposes of Sections 13(8) and 13(11) of the PFMA, the annual budget shall be based on reliable and prudent macro and fiscal forecasts consistent with those of the National Budget Framework Paper (NBFP).</p> <p>3.7.2 A statement of budget shall be signed by the Minister responsible for Finance and the Secretary to the Treasury attesting to the reliability and completeness of the</p>

	<p>information presented under the annual budget, including all forecasts.</p> <p>3.7.3 The statement of budget shall include confirmation that:</p> <ul style="list-style-type: none"> (a) The forecasts are as reasonable as is possible, based on all Government decisions that may have a material impact on the medium term fiscal outlook. (b) The impact shall be included in the published projections where the fiscal impact of Government decisions can be quantified with reasonable accuracy. (c) These impacts shall be noted as specific fiscal risks where the fiscal impact of the decisions cannot be quantified with reasonable accuracy. (d) Macroeconomic, revenue and expenditure forecasts are prudent and realistic. <p>3.7.4 To ensure the prudence and realism of macro fiscal forecasting, Government shall:</p> <ul style="list-style-type: none"> (a) Identify the key assumptions that form the basis of the macro and fiscal forecasts. (b) Compare macro and fiscal forecasts to those of reliable independent external bodies to which Uganda is a member. (c) Ensure that revenue forecasts are based on the key assumptions for tax base growth, tax policy measures, and assumed revenue collection efficiency gains. <p>3.7.5 Coverage of fiscal forecasts underlying the National Budget Framework Paper or the National Budget documents shall be based on best international practices for fiscal reporting. As the frequency and reliability of data for Extra-Budgetary Units and Local Government improves, coverage shall be extended from Budgetary Central Government to General Government.</p>
<p>3.8 Preparation of Macro Economic Forecasts</p>	<p>3.8.1 The activities in Table 3.1 shall be undertaken by the Secretary to the Treasury to enable the Minister to publish macro - economic forecasts for the annual budget, with specific dates expected to be set for each financial year.</p> <p>3.8.2 The Director responsible for Economic Affairs shall provide a detailed calendar for the consultations on the formulation of the macro economic and fiscal policy strategy.</p>

Table 3.1 - Macroeconomic Forecasts Preparation Activities.

#	Period	Activity
1	November	Consultations with Bank of Uganda (BoU), Uganda Revenue Authority (URA), National Planning Authority (NPA), Uganda Bureau of Statistics (UBoS). Undertake data collection and analysis for the preparation of the Macro Economic Forecasts.
2	December	Finalization of the preparation of the Macro Economic Forecasts.

3.9 Sector Strategic Plan and Estimates of National Expenditure

- 3.9.1 Every Accounting Officer shall, in consultation with the relevant stakeholders, prepare a strategic plan in order to;
- (a) Ensure achievement of the vision, mission and goals of a vote.
 - (b) Identify appropriate programs together with their goals, objectives and target for implementation.
 - (c) Provide an objective basis for their budget estimates and a basis for the budget program structure; and
 - (d) Provide a basis to measure performance according to predetermined targets.
- 3.9.2 The Accounting Officer shall revise the strategic plan in light of changes in the medium term macroeconomic framework or for any other reasonable circumstance.
- 3.9.3 The sector strategic plan shall be based on the strategic plans of the respective votes prepared by the respective Accounting Officers.
- 3.9.4 The lead Ministry or Institution in each sector shall facilitate the joint sector reviews and set the priorities in the preparation of the consolidated sector strategic plan.
- 3.9.5 The budget estimates and Budget Framework Papers shall be based on the pre-determined objectives and outputs as provided in the strategic plans of the sector.

3.10 Analysis of Policy Issues by Parliament	3.10.1 For the purpose of Section 12(1) of the PFMA, Parliament shall analyse policies and programmes that affect the economy and the annual budget and where necessary make recommendations on alternative approaches to the policy or programmes.
4 Structures and Processes for the Budget Preparation	
4.1 Introduction	<p>4.1.1 This part of the Treasury Instructions provides for collaborative mechanisms and structures in the budget process.</p> <p>4.1.2 The budget process aims to ensure that resources are allocated to meet national socio-economic priorities and to improve the quality and effectiveness of spending within sustainable fiscal limits.</p> <p>4.1.3 Key budget process objectives shall include:</p> <ul style="list-style-type: none"> (a) Alignment of the budget process with the strategic planning processes within Government. (b) Attainment of value for money and institutional performance. (c) Political and technical interface in relation to budget and policy decision-making. (d) Streamlining of Intergovernmental processes to improve the budgeting for service delivery objectives. <p>4.1.4 Through the budget process, votes plan, collaborate, negotiate and decide together on a comprehensive plan for spending public resources.</p>
4.2 National Budget Framework Paper and the First Budget Call Circular	<p>4.2.1 For the purpose of Section 9(3) of the PFMA, the Minister shall determine the Medium Term Fiscal Framework, which is consistent with the National Development Plan (NDP) and Charter for Fiscal Responsibility. This forms the basis for the Medium Term Budgetary Framework (MTBF) and Medium-Term Expenditure Framework (MTEF).</p> <p>4.2.2 The MTBF and MTEF shall:</p> <ul style="list-style-type: none"> (a) Be based on reliable macroeconomic and fiscal forecasts for a medium term. (b) Be consistent with: <ul style="list-style-type: none"> (i) National Development Plan.

	<ul style="list-style-type: none"> (ii) The fiscal responsibilities principles in Section 5(2) of the PFMA and fiscal policy objectives prescribed in the Charter for Fiscal Responsibility; and (iii) Ceilings on expenditures prescribed in the BFP. <p>(c) Take into account the fiscal impact of the policy measures and their prioritization described under the NDP.</p> <p>4.2.3 The Secretary to the Treasury shall support the achievement of the goal stated in paragraph 4.2.1 above, through:</p> <ul style="list-style-type: none"> (a) Determining public expenditure plans which are consistent with the sector policy objectives, prioritized growth opportunities and supporting fundamentals identified in the NDP (b) Preparing the National Budget Framework Paper which is the means by which the Government makes known its priorities to the Parliament through the Minister. The National Budget Framework Paper (NBFP) for the proceeding financial year shall be presented to Parliament by 31stDecember and shall comprise the estimates of revenue and expenditure so as to cover Government operations relating to changes in the net worth of Government, net acquisition of non-financial assets, and debt financing. <p>4.2.4 The Directorate responsible for Economic Affairs shall be responsible for:</p> <ul style="list-style-type: none"> (a) Determining a specific path for the fiscal balance consistent with the fiscal objectives, set out in the Charter for Fiscal Responsibility, and numerical fiscal rules. (b) Forecasting revenues on a transparent, prudent and realistic basis. (c) Setting the annual expenditure ceilings which are compatible with the projected path of revenue and the fiscal balance. <p>4.2.5 The Minister shall issue instructions or guidelines to prescribe any matters necessary for implementation of paragraphs 4.2.3 and 4.2.4.</p>
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	<p>4.2.6 For purposes of operationalization of paragraph 4.2.5 and in line with Regulation 7 of the PFMR, the Secretary to the Treasury shall issue the first Budget Call circular for the proceeding year by 15th September, which shall include:</p> <ul style="list-style-type: none">(a) The Indicative Resource Envelope and Sector Expenditure Ceilings for the proceeding financial year and the Medium Term.(b) The Budget Strategy and Priorities for the proceeding financial year.(c) Key Policy and Administrative Guidelines for preparation of the Sector Budget Framework Papers and Budget Estimates for the following financial year and the medium term.(d) A request all Chairpersons of the Sector Working Groups to convene sector meetings to prepare and submit the Sector Budget Framework Papers for the proceeding financial year as required under Section 9 (1& 2) of the PFMA.(e) A budget calendar which sets out the time frame in respect of preparation and submission of the BFP containing:<ul style="list-style-type: none">(i) Instructions to each sector on preparation of a Budget Framework Paper for submission to the Ministry not later than the 15th November; and(ii) Any other matters as deemed appropriate by the Secretary to the Treasury.(f) Indicative MTEF period allocations. <p>4.2.7 The Secretary to the Treasury shall determine the format of the first budget call circular, which shall provide for three sections so as to address the matters in paragraph 4.2.6:</p> <ul style="list-style-type: none">(a) Section I - including budget preparation forms, instructions and procedure for preparation of the detailed budget.(b) Section II - including forms and instructions for the allocation of indicative ceilings to programmes and sub-programmes in a vote; and
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	<p>(c) Section III with special instructions and budget calendar as appendices to the call circular.</p> <p>4.2.8 For the Local Government BFP, Local Governments shall:</p> <p>(a) On an annual basis, be consulted for purposes of obtaining their input into the budget for the proceeding financial year. The consultations shall be conducted on a regional basis. The issues arising out of these consultations shall be submitted to the Sector Working Groups for incorporation into the Sector Budget Framework Papers.</p> <p>(b) Prepare Budget Framework Papers to be approved by their respective Councils and submitted to the Ministry responsible for finance by 15th November.</p> <p>4.2.9 The NBFP shall be based on the Sector Budget Framework Papers submitted by the lead ministry of the respective sectors.</p>
<p>4.3 Application of Medium Term Expenditure Framework (MTEF)</p>	<p>4.3.1 The MTEF shall be designed so as to promote strategic medium-term budgeting, and bring together policy-making, planning and budgeting roles of the government into a rolling three-year period.</p> <p>4.3.2 Budgetary submissions shall be prepared and presented based on the Medium Term Expenditure Framework.</p> <p>4.3.3 The MTEF guiding principles shall include budget integration, an iterative three-year work plan and budget, a detailed implementation annual work plan and budget, the use of development strategies of government with emphasis on an output-based approach, institutional structure and capacity levels and activity estimates comprising recurrent and development expenditure.</p> <p>4.3.4 The fiscal and budget related policies and strategies adopted shall be consistent with and be guided by the Government's Medium-Term Expenditure Framework (MTEF) and economic and fiscal policy objectives.</p> <p>4.3.5 Where it is deemed necessary to modify any fiscal or budget policies, this shall be done in association with modification of the MTEF and the changes reported and highlighted.</p> <p>4.3.6 All program managers and staff involved in any policy, planning or budgeting work shall be familiar with the content of the MTEF.</p>

	<p>4.3.7 Statutory expenditure shall be included in the estimates to provide the Parliament with a comprehensive analysis of the Government's financial requirements.</p>
4.4 Sector Working Groups	<p>4.4.1 There shall be established Sector Working Groups (SWGs) for purposes of ensuring synergy in the outcomes of votes and institutions with common sector objectives.</p> <p>4.4.2 A SWG shall be chaired by either the Permanent Secretary (or his or her designate) of the lead Ministry or Head of an Institution in the sector, as the sector shall find befitting.</p> <p>4.4.3 The key roles of a SWG shall be to:</p> <ul style="list-style-type: none"> (a) Determine priorities and allocation of resources consistent with the NDP, approve projects for submission to the Development Committee (b) Propose, for the approval of the Secretary to the Treasury, a programme budget structure for the respective votes; and (c) Prepare budgets, review performance and monitor implementation of programmes and projects in the sector. <p>4.4.4 Following the issuance of the first Budget Call Circular, SWGs shall prepare and submit their sector BFPs which shall be submitted to the Secretary to the Treasury by 15th November.</p>
4.5 The Development Committee	<p>4.5.1 For purposes of ensuring that the government projects are consistent with the NDP, the Charter for Fiscal Responsibility and BFP as required under Section 13 (6) of the PFMA, and the management of petroleum revenues as required under Section 59(3) of the PFMA, the Secretary to the Treasury shall establish a Development Committee responsible for reviewing all projects submitted by the Chairpersons of the SWGs.</p> <p>4.5.2 The specific responsibilities of the Development Committee shall be to:</p> <ul style="list-style-type: none"> (a) Approve guidelines for the identification, preparation appraisal, implementation, monitoring and evaluation of public investment projects. (b) Review sector submissions of project concept notes, profiles, pre-feasibility studies, feasibility studies and proposals to ensure that:

	<ul style="list-style-type: none"> (i) The submissions are consistent with the NDP policy objectives. (ii) Each project idea has clear set of measurable objectives and targets defined to include the project goal, outcomes, outputs and activities. (iii) All possible alternatives for the attainment of project objectives have been evaluated. (iv) A detailed feasibility assessment has been undertaken for the proposed project. <p>(c) Provide guidance on areas for adjustment to project concept notes, profiles, pre-feasibility studies, feasibility studies and proposals before approval.</p> <p>(d) Approve projects for financing considerations and incorporation into the Public Investment Plan.</p> <p>(e) Review and make recommendations on existing projects in the PIP in regard to performance and status of multi-year commitments.</p> <p>(f) Ensure that the consideration and approval of projects is in line with the budget calendar.</p> <p>(g) Undertake monitoring and evaluation of public investments. Such evaluation shall cover both ex-ante and ex-post evaluation as per the stage of project execution.</p> <p>4.5.3 The Secretary to the Treasury shall issue operational guidelines for the proper functioning of the Development Committee.</p> <p>4.5.4 The Development Committee shall comprise of the Office of the President, Office of the Prime Minister, the Ministry, NPA, PPDA, Solicitor General and any other institution as may be deemed necessary. The representation of the Ministry shall at a minimum, constitute members from the Office of the Accountant General and the Directorate responsible for Budget.</p>
4.6 Sector Budget Framework Paper	4.6.1 Each Accounting Officer shall, in consultation with the relevant stakeholders, prepare a BFP for the vote taking into consideration balanced development, gender and equity responsiveness and shall submit the Budget

	<p>Framework Paper to the Secretary to the Treasury and to the Chairperson of the respective sector.</p> <p>4.6.2 The BFP of a vote shall in general, include:</p> <ul style="list-style-type: none"> (a) Vote Overview. (b) Vote function, performance and expenditure plans in line with the Programme Budget Structure described under Instruction 4.18 of these Instructions. <p>4.6.3 Based on the submissions of each Accounting Officer, a Sector BFP shall be prepared under the leadership of the Chairperson of the working group (See also paragraph 4.4.2).</p> <p>4.6.4 The Chairperson of the SWG shall brief the Minister responsible for the sector about the contents of the sector BFP.</p> <p>4.6.5 For the purposes of paragraph 4.6.1, each Accounting Officer shall prepare and submit a BFP not later than 31st October to allow the preparation and submission of the Sector BFP by 15th November of the financial year preceding the financial year to which the BFP relates.</p> <p>4.6.6 Accounting Officers and Programme Managers of a vote shall prepare a briefing and consultative session with the relevant Sector Committee of Parliament. This shall assist the consideration of the sector priorities by Parliament.</p>
<p>4.7 Contents of a Sector Budget Framework Paper</p>	<p>4.7.1 A SBFP shall highlight financial, statistical, output performance, other information, and recommendations as the Secretary to the Treasury shall determine to be in the public interest and consistent with the principles of fiscal responsibility.</p> <p>4.7.2 The Sector Budget Framework Paper shall include:</p> <ul style="list-style-type: none"> (a) Forecasts, providing out-turn performance for the previous two years, a projection of expenditures for each programme for the financial year and the two years following that financial year. (b) The details of the estimated Non-Tax Revenue of the Government.

	<ul style="list-style-type: none"> (c) The details of the estimated expenditures of the sector. (d) The sector's outstanding obligations and, details of a financial plan to meet those obligations. (e) Cross cutting issues.
4.8 National Budget Framework Paper	<p>4.8.1 The Secretary to the Treasury shall consolidate SBFPs into the National Budget Framework Paper (consolidated national estimates with narratives) required under Section 9 of the PFMA.</p> <p>4.8.2 The Minister shall, with the approval of Cabinet, submit the NBFP to Parliament by 31st December of the financial year preceding the financial year to which the Budget Framework Paper relates.</p> <p>4.8.3 Parliament shall use the information in the BFP to guide its approval of sector priorities.</p>
4.9 Fiscal Risk Statement	<p>4.9.1 A fiscal risks statement mentioned in Schedule 3, paragraph 8 of the PFMA, shall be contained in the NBFP and be prepared in accordance with such common forms and methodologies as may be specified by an authoritative organ in respect of best practice.</p> <p>4.9.2 Without prejudice to paragraph 4.9.1, a fiscal risks statement shall identify and analyse at least the following:</p> <ul style="list-style-type: none"> (a) Macroeconomic risks, including an alternate fiscal framework based on more realistic assumptions of key macroeconomic variables. (b) Risks in public debt management, including the results of the annual Debt Sustainability Analysis. (c) Specific fiscal risks such as loans and guarantees, Public Private Partnerships, natural disasters and any other contingent liabilities. (d) Institutional risks, such as data quality and capacity constraints. (e) Risks from narrow and/or volatile revenue sources including natural resources and DP grants. (f) A strategy for managing the fiscal risks including government's decisions on bearing, mitigating and absorbing the risks identified.

	<p>4.9.3 The fiscal risks statement shall, where possible, estimate the quantitative impact of identified risks on the macroeconomic framework and annual budget.</p>
<p>4.10 Nature of Budget and Budget Categories</p>	<p>4.10.1 A budget means a government plan quantified in monetary terms, prepared and submitted to the Parliament for approval usually showing planned revenue, grants and expenditure to be received or incurred, respectively, in the financial year. It can also be described as:</p> <ul style="list-style-type: none"> (a) A statement of resources and expenditure anticipated during the budget period. (b) A plan, programme or activity to be carried out within a period of one year or more. (c) A control document that sets out the limits and purpose within which expenditure can be compared. <p>4.10.2 Planning and budgeting shall be closely linked and the budget shall reflect the Government policies over the period covered and represent a statement of intent against which performance shall be compared.</p> <p>4.10.3 A budget shall provide:</p> <ul style="list-style-type: none"> (a) A framework for responsibility accounting. (b) A basis for coordination, planning and control. (c) A tool for decision making. (d) A tool for monitoring and evaluation of objectives. <p>4.10.4 Budget categories shall include:</p> <ul style="list-style-type: none"> (a) Initial approved budget – Estimates of revenue and expenditure passed by Parliament at beginning of the financial year. (b) Revised budget - This is the initial approved budget taking into account any supplementary budget, virements, reallocations and revision to the appropriated budget. (c) Supplementary budget- This is an approved revised budget for the additional funds provided by the Parliament over and above those amounts provided for in the original estimates.

	<p>(d) Expenditure budget - Besides the broad budget categories sub – paragraphs a- b above, budgets are also classified according to the type of expenditure as follows:</p> <p>(i) Recurrent budget - Consists of personal emoluments and recurrent transactions. Items in the recurrent budget do not directly contribute to capital formation.</p> <p>(ii) Development budget - A type of budget where expenditure is financed either by Government or DPs specifically contributing to capital formation.</p> <p>(iii) Statutory budget - A budget that covers expenditure required by statute and is not subject to vote.</p>
<p>4.11 Linkage of the Annual Budgets to the National Development Plan</p>	<p>4.11.1 In ensuring compliance with Section 13(6) of the PFMA and Regulation 13 of the PFMR, the BFP and the annual budget shall be prepared based on the approved National Development Plan.</p> <p>4.11.2 The budget and programmes in a vote prepared under Section 13 of the PFMA shall focus on the implementation of the NDP and legislative mandate of the vote.</p> <p>4.11.3 In preparing the budget, an Accounting Officer shall not include in the budget estimates any project which is not listed in the Public Investment Plan (PIP) that is linked to the NDP or which cannot be financed by private sector or PIP in a manner satisfactory to the Government.</p> <p>4.11.4 An Accounting Officer shall ensure that:</p> <p>(a) Only approved integrated development plans are implemented.</p> <p>(b) Financial resources required by NDP are consistent with ceilings indicated in the MTEF</p> <p>(c) Development projects are implemented in the order of priority.</p> <p>(d) A mechanism for implementation of development and recurrent budgets is established.</p> <p>(e) Mechanism of reviewing any new development projects before implementation is established.</p>

	<ul style="list-style-type: none"> (f) Development projects are reviewed and approved by the Development Committee as part of the PIP before being included in the budget. (g) The involvement of the private sector in the financing and implementation of big development projects through public private partnerships is to the extent that it promotes efficiency and has minimum financial risk to the Government.
<p>4.12 Budget Documentation Benchmarks</p>	<p>4.12.1 In pursuance of Section 13(10) of the PFMA and to ensure the comprehensiveness of the information provided in the annual budget documentation, the following benchmarks shall be adhered to for the elements to be covered and included as part of the budget documentation:</p> <ul style="list-style-type: none"> (a) Forecast of the fiscal deficit or surplus or accrual operating results. (b) Previous year’s budget outturn, presented in the same format as budget proposal. (c) Current fiscal year’s budget presented in the same format as the budget proposal. This can be either the revised budget or the estimated outturn. (d) Aggregated budget data for both revenue and expenditure according to the main heads of the classifications used, including data for the current and previous year with a detailed breakdown of revenue and expenditure estimates. (e) Deficit financing, describing its anticipated composition. (f) Macro-economic assumptions, including at least estimates of GDP growth, inflation, interest rates, and the exchange rate. (g) Debt stock, including details at least for the beginning of the current year presented in accordance with GFS or other comparable standard. (h) Financial assets, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard. (i) Summary information of fiscal risks, including contingent liabilities such as guarantees, and contingent obligations embedded in structure

	<p>financing instruments such as public-private partnership (PPP) contracts, and so on.</p> <p>(j) Explanation of budget implications of new policy initiatives and major new public investments, with estimates of the budgetary impact of all major revenue policy changes and/or major changes to expenditure programs.</p> <p>(k) Documentation on the medium-term fiscal forecasts.</p> <p>(l) Quantification of tax expenditures.</p>
4.13 Functions and Policy Based Budgeting	<p>4.13.1 Medium term budgeting shall require categorising expenditure based on the policy objectives which the expenditure is intended to achieve.</p> <p>4.13.2 Functions contributing to a policy objective shall be required to provide a framework within which the budget process is organized to permit planning, collaborating, negotiating and ensure that the resource allocation is aligned within a function group categorisation of expenditure.</p>
4.14 Assessment of Infrastructure and Development Projects with Transfers from the Petroleum Fund	<p>4.14.1 For the purpose of Section 59(3) of the PFMA, the public investment management guidelines shall prescribe the procedures, criteria, methodologies, and information requirements for assessment of economic and social impacts of projects to be financed by transfers from the Petroleum Fund.</p> <p>4.14.2 The results of the assessment under paragraph 4.14.1 shall accordingly be included in a Public Investment Plan.</p>
4.15 Obligations in the Budget Process	<p>4.15.1 The Secretary to the Treasury shall be responsible for managing the process of preparation of each annual budget and related documents.</p> <p>4.15.2 An Accounting Officer shall meet his or her budget related obligations under the PFMA and is required to complete documents, make submissions, and provide supporting data in the most accurate way and within the agreed timetable.</p> <p>4.15.3 The Secretary to the Treasury has overall responsibility for the budget process initiated by the first budget call circular in line with Regulation 7 of the PFMR and followed up with the second budget call circular as required by Regulation 10 of the PFMR. The Secretary to the Treasury may also issue supporting circulars in regard to the appraisal of projects for inclusion in the Public Investment</p>

	<p>Plan (PIP) and ensure that the submissions for the Development Budget are within the framework of the National Development Plan (NDP).</p> <p>4.15.4 Each Accounting Officer shall submit an accurate and complete budget prepared in the form prescribed for each financial year taking into account all relevant information available at the time they are prepared and subjected to appropriate internal and external quality assurance with respect to methodology, timeliness, completeness, accuracy and format.</p> <p>4.15.5 Budget submissions shall contain all known financial requirements and be restricted to Government priorities and shall, therefore, not require supplementary or additional requests unless such items arise as per Section 25(7) of the PFMA.</p> <p>4.15.6 The National Planning Authority (NPA) shall guarantee that the planning and budgeting frameworks are aligned to achieving Vision 2040 through the National Development Plans (NDPs) by ensuring that the National Budget Framework Paper, Charter of Fiscal Responsibility and the Annual Budget are all aligned to the NDPs as required by Section 13(6) of the PFMA. Accordingly and in line with Section 13(7), the NPA shall issue a Certificate of Compliance (CoC) for the Annual Budget of the previous financial year to accompany the Annual Budget of the next financial year. The structure and format of the CoC shall be determined by the NPA in consultation with the Ministry.</p>
<p>4.16 Preparation of Budget Estimates</p>	<p>4.16.1 The Estimates are the means by which the Government makes known its financial requirements to the Parliament through the Minister. The Estimates shall comprise the estimates of revenue and expenditure on recurrent and development budgets.</p> <p>4.16.2 The revenue estimates shall detail all receipts including appropriation-in-aid, and revenue raised for development purposes.</p> <p>4.16.3 The estimates of expenditure shall distinguish between expenditure that has already been appropriated and charged on the Consolidated Fund as provided for by the Constitution or any other written law (Statutory Expenditure) and expenditure for which appropriations of funds are being sought (voted expenditure).</p>

	<p>4.16.4 Parliamentary approval to incur statutory expenditure and the appropriation of the necessary funds shall be given at the time the relevant Appropriation Act is passed and no further parliamentary authority shall be required. Statutory expenditure shall be included in the estimates to provide the Parliament with a comprehensive analysis of the Government’s financial requirements.</p>
<p>4.17 Budget Estimates to Include a Plan for Divestment of Government Assets</p>	<p>4.17.1 Section 13(10)(a)(vii) of the PFMA requires the preparation of a plan for the divestment of Government assets as part of the budget documentation.</p> <p>4.17.2 Subject to the provisions of the PPDA Act and the disposal regulations, the preparation of the plan for the divestment or disposal of Government assets shall be carried out within the planning and budgeting process of the vote. The first budget call circular shall ensure that the plan is part of the detailed budget submissions to be made by every vote.</p> <p>4.17.3 The divestment or disposal plan shall contain the following information at a minimum:</p> <ul style="list-style-type: none"> (a) Name of the Asset/Infrastructure. (b) Original asset value. (c) Date of acquisition. (d) Condition of Asset. (e) Recommended approach for divestment/disposal (Shall be consistent with the PPDA Act and Regulations). (f) Estimated proceeds from disposal/divestment. (g) Justification for the divestment/disposal. <p>4.17.4 The format of the divestment plan shall be issued as part of the budget call circular.</p> <p>4.17.5 The following procedure shall apply in the preparation of the plan for the divestment/disposal of Government assets under the control of a vote.</p> <ul style="list-style-type: none"> (a) Following a comprehensive physical verification and based on the details from the asset register, a board of survey appointed by the Accounting Officer, shall prepare a list of assets that require disposal or divestment. The details of each asset

shall be drawn from the asset register. The list with details specified in paragraph 4.17.3 above, shall be submitted to the Head of Finance and Accounts for review and approval.

- (b) The Head of Finance and Accounts shall assess the condition of each asset and determine if the disposal or divestment is justified. If the disposal/divestment is not justified, it shall be rejected and the Logistics and Maintenance Officer notified (or a designated public officer). If justified, the Head of Finance and Accounts shall forward the list to the Accounting Officer.
- (c) The Accounting Officer shall undertake a final review and authorisation before being included in the plan of the vote for the disposal/divestment of Government assets under its control.
- (d) Upon the authorisation by Accounting Officer, the Accountant General shall be notified and in line with Instruction 15.11 of these Instructions,
- (e) The Accountant General, shall designate a Board of Survey at the end of the financial year to verify and report on the items identified for disposal/divestment
- (f) Based on the Board of survey report, the Accountant General shall provide the necessary guidance to the Accounting Officer on the appropriateness of the divestment/disposal plan to be included in the budget documents.
- (g) The Accounting Officer shall ensure that the plan for divesture or disposal of government assets is included in the Sector Budget Framework Paper and vote Budget estimates for the next financial year.

4.17.6 An Accounting Officer shall ensure that no disposal or divestment of a Government asset takes place if it is not included in the disposal plan approved as part of the annual budget documentation.

<p>4.18 Programme Budget Structure Requirements</p>	<p>4.18.1 The Secretary to the Treasury shall provide guidelines annually to votes on how to prepare programme - based budgets.</p> <p>4.18.2 Proposed programmes shall be justified on the basis of their relevance to Government priorities and legislated mandate.</p> <p>4.18.3 The terms in the table below shall apply in setting out outputs in a programme-based budget by a vote:</p> <table border="1" data-bbox="472 589 1361 1234"> <thead> <tr> <th>Item</th> <th>Term</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Outcome</td> <td>The impact on the community from the outputs provided by a vote (e.g. a better educated society).</td> </tr> <tr> <td>2.</td> <td>Output</td> <td>The goods and services provided by a vote to the public (e.g. provision of primary schooling, percentage of rural population accessing law enforcement services).</td> </tr> <tr> <td>3.</td> <td>Input</td> <td>The resources used to produce the output or good or service (e.g. salaries or telephone costs).</td> </tr> <tr> <td>4.</td> <td>Activity /Tasks</td> <td>The immediate projects or actions planned to achieve the program objectives or goals (e.g. teacher upgrading, curriculum development).</td> </tr> <tr> <td>5.</td> <td>Performance Measure</td> <td>Indicators to show the planned quantity, quality, timeliness, and other similar standards to be achieved in delivering an output and an outcome</td> </tr> </tbody> </table>	Item	Term	Description	1.	Outcome	The impact on the community from the outputs provided by a vote (e.g. a better educated society).	2.	Output	The goods and services provided by a vote to the public (e.g. provision of primary schooling, percentage of rural population accessing law enforcement services).	3.	Input	The resources used to produce the output or good or service (e.g. salaries or telephone costs).	4.	Activity /Tasks	The immediate projects or actions planned to achieve the program objectives or goals (e.g. teacher upgrading, curriculum development).	5.	Performance Measure	Indicators to show the planned quantity, quality, timeliness, and other similar standards to be achieved in delivering an output and an outcome
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<p>4.19 Budget Forecasts</p>	<p>4.19.1 A budget forecast shall provide a breakdown of expected revenue and expenditure for the year in question and for the medium term in respect of each proposed item of appropriation.</p> <p>4.19.2 A budget forecast shall include descriptions of planned programs, or outputs in a format outlined in the second budget call circular as prescribed by the Secretary to the Treasury.</p> <p>4.19.3 An Accounting Officer shall provide to the Secretary to the Treasury a forecast of the annual cash flow plan for all expenditure and revenue items included in their budget (see Instruction 8.7 of these Instructions).</p> <p>4.19.4 The Secretary to the Treasury shall set the deadline for presentation of budget submissions after consultation,</p>																		

	<p>and this information shall be provided in the second budget call circular.</p> <p>4.19.5 The Secretary to the Treasury shall ensure that the national budget includes economic forecasts, gross domestic product broken down by major components/sectors, consumer prices, employment levels, balance of payments, and a statement of all significant assumptions used in formulating the forecasts.</p>
<p>4.20 Budgets of Constitutional Institutions and Subventions to State-owned Corporations</p>	<p>4.20.1 The budgets of self-accounting departments, commissions, and organisations mentioned in Section 13 (10)(e) of the PFMA shall be submitted and included as part of the national budget.</p> <p>4.20.2 The Secretary to the Treasury shall ensure that the budget instructions and call circulars apply to self-accounting departments, commissions, and organizations without prejudice to Article 155(3) of the Constitution.</p> <p>4.20.3 For avoidance of doubt, the line ministry exercising oversight over a state-owned corporation shall annex the detailed budget of the relevant corporation to the ministry's budget estimate documentation for the subvention(s) to be made to the corporation. The budget estimates for the subvention shall be presented in a manner/format as prescribed by the Secretary to the Treasury.</p>
<p>4.21 Consultation with Equal Opportunities Commission on the Gender and Equity Certificate</p>	<p>4.21.1 The Directorate responsible for Budget shall submit BFPs (estimates of national expenditures and narratives) for the year received from each sector to the Equal Opportunities Commission for assessment on compliance to concerns of gender and equity not later than 15th December of every calendar year.</p> <p>4.21.2 The Directorate responsible for Budget shall submit MPS for the year received from each vote to the Equal Opportunities Commission for assessment on compliance to concerns of gender and equity not later than 16th February of every calendar year.</p> <p>4.21.3 The Directorate responsible for Budget shall submit the National Budget for the year to the Equal Opportunities Commission for assessment on compliance to concerns of gender and equity prior to the final approval.</p>

4.21.4 The Equal Opportunities Commission shall assess the Sector Budget Framework Papers, the Ministerial Policy Statements and the National Budget to determine whether they are gender and equity responsive.

4.21.5 The Equal Opportunities Commission shall submit comprehensive assessment reports on responsiveness of;

- (a) Budget Framework Papers,
- (b) Ministerial Policy Statements and
- (c) the National Budget to the Minister with recommendations.

Each of the above reports shall be submitted within the respective gazetted dates of the budget cycle.

4.21.6 Upon receipt of the;

- (a) Budget Framework Papers Assessment Report,
- (b) Ministerial Policy Statement Assessment Report and
- (c) the National Budget Assessment Report; the Minister shall convene a meeting with the Equal Opportunities Commission and the assessed sectors/votes to discuss the recommendations before issuance of the Gender and Equity Certificate (see **Appendix II** for format).

4.21.7 The Secretary to the Treasury and the Equal Opportunities Commission, in consultation with the Ministry responsible for Gender, shall jointly develop guidelines for the assessment of the Budget Framework Papers, Ministerial Policy Statements and the National Budget.

4.21.8 The Ministry and the Equal Opportunities Commission shall issue guidelines for implementing the requirements for Gender and Equity responsiveness within sectors and the respective votes.

4.21.9 The Ministry in consultation with the Equal Opportunities Commission and the Ministry responsible for Gender shall conduct training for all sectors and votes on assessment requirements and guidelines.

	<p>4.21.10 Each sector shall appoint a Desk Officer to handle and coordinate the requirements for gender and equity responsiveness.</p> <p>4.21.11 The Equal Opportunities Commission shall monitor and evaluate sectors and votes on their compliance with gender and equity requirements and make appropriate recommendations to ensure compliance.</p>
<p>4.22 Multi-Year Expenditure Commitments</p>	<p>4.22.1 As a general rule, an Accounting Officer cannot commit a vote to expenditure for which no appropriation has been made.</p> <p>4.22.2 In the case of projects funded by DPs, appropriation is made at the time the appropriate signatories sign relevant funding agreements for development assistance.</p> <p>4.22.3 Multi-year commitments shall consist of expenditure requirements on projects or undertakings whose implementation spans more than one year.</p> <p>4.22.4 Such projects or undertakings shall have expenditure allocated in the MTEF baseline allocations reviewed annually for incorporation of implementation realities during the annual budget process.</p> <p>4.22.5 The Accounting Officer shall demonstrate the multi-year financial commitments are within the MTEF and shall take first call on the Annual Budget resources.</p> <p>4.22.6 New projects or policy options approved by Cabinet can only be accommodated within the MTEF to the extent that existing financial commitments have been fully catered for.</p>
<p>4.23 Budget Reallocation Between Votes</p>	<p>4.23.1 Pursuant to Section 20 of the PFMA, reallocation of funds from a vote to another shall only take place with the full approval of the Parliament upon a request by the Minister.</p> <p>4.23.2 Reallocation of funds shall be necessary whenever there is a transfer of functions of a vote to another vote and shall be done to comply with the principle of “funds must follow the functions.”</p> <p>4.23.3 Secretary to the Treasury shall inform the respective Accounting Officers of the transfer of the functions of the vote and the budgetary amounts involved.</p> <p>4.23.4 The affected Accounting Officers shall:</p>

	<p>(a) agree on the amounts to be reallocated on transfer of functions.</p> <p>(b) adjust the respective vote's work plans and corresponding outputs to reflect the reallocation.</p> <p>(c) report on the budget performance based on the revised work plan as required under paragraph of 8.12.1 of these Instructions.</p> <p>4.23.5 The Secretary to the Treasury shall accordingly prepare and submit to the Minister, revised budget estimates showing budget reallocation and location of accountability.</p> <p>4.23.6 Inter - vote payables and receivables may arise when one vote spends funds on behalf of another vote following a shift of functions.</p>
<p>4.24 Capital Spending and Funding</p>	<p>4.24.1 The Secretary to the Treasury shall establish and earmark capital spending for the current financial year. For accounting purposes, each resource shall be credited to an appropriate programme and economic item.</p> <p>4.24.2 The amounts shown in the estimates against each resource item correspond to the expenditure as estimated to be spent against that resource in the given financial year. The creation of new resource items, or amendments to existing resource items, during financial year, shall be authorised by the Secretary to the Treasury.</p> <p>4.24.3 When funds are made available to the Government in advance of expenditure being incurred, the funds shall be credited to the appropriate project account. As expenditure is incurred, an appropriate expenditure item shall be debited and an appropriate resource item credited.</p> <p>4.24.4 The maximum amount that shall be spent on a project during its life shall be its Total Estimated Cost (TEC). However, the TEC shall be revised if there are events requiring an adjustment.</p> <p>4.24.5 Where, during the course of a financial year, it has become necessary that expenditure shall be incurred for which no provision was made in the Development Estimates as approved by Parliament, or that TEC shall be revised, the Secretary to the Treasury shall direct that an additional</p>

	<p>item be created to provide for such purposes; or that the TEC be varied accordingly; provided that the TECs of all projects provided for in the Development Estimates as approved by the Parliament shall not be increased by an amount exceeding that specified for this purpose in the Act without the approval of the Parliament in the form of a Supplementary Estimate.</p> <p>4.24.6 Virement on development programme shall apply only to re-allocation of funds between programme/items within the same vote.</p> <p>4.24.7 Every Accounting Officer shall obtain prior approval from the Minister upon the recommendation of the Secretary to the Treasury.</p>
<p>4.25 Budget Adoption and Delayed Budget Approval</p>	<p>4.25.1 The Appropriation Bill shall show the following information for each vote:</p> <ul style="list-style-type: none"> (a) Name of the responsible cabinet member and Accounting Officer. (b) Summary of expenditures in vote classified under programmes and economic items in respect of the spending year and indicative amounts for the subsequent 2 years. <p>4.25.2 Where the President has exercised his or her powers in terms of Article 154 of the Constitution, the funds withdrawn from the authority of the presidential warrant to carry out any service of government shall not exceed the amount shown as required on account in respect of that service in the vote on account approved by Parliament by resolution.</p> <p>4.25.3 For the vote on account, Accounting Officers shall be required to apply allocated funds so as to cover not more than four months from the beginning of that financial year.</p>
<p>4.26 Ambit of a Vote and Vote Creation Requirements</p>	<p>4.26.1 The ambit of a vote shall set out a formal description of the services, and programs to be financed from the vote and the wording of the ambit shall be incorporated in the annual appropriation legislation.</p> <p>4.26.2 The ambit of a vote shall also provide the statutory description of those Acts the purpose for which the funds sought in the estimates are granted.</p>

	<p>4.26.3 There shall be no expenditure charged to a programme in a vote which does not fall within the ambit of the vote and programs offered.</p> <p>4.26.4 Programmes with spending items classified on economic basis, shall constitute the main division of the vote.</p> <p>4.26.5 The Appropriation Act shall not be used to extend the legislative mandate of a vote and expenditure on a new service, which is outside the ambit of a Vote.</p> <p>4.26.6 The Secretary to the Treasury shall be responsible for creation of a vote on recommendation by the Accountant General.</p> <p>4.26.7 Any newly created vote shall have no more than 7 programmes, including administration programme, with each programme having a unique outcome and not more than 3 outcome indicators.</p> <p>4.26.8 Except for administration programme, each programme shall have an officer designated as a Programme Manager.</p> <p>4.26.9 The following procedures shall apply in application for vote status.</p> <ul style="list-style-type: none"> (a) The responsible Permanent Secretary of the entity requiring vote status shall apply in writing to the Secretary to the Treasury. (b) The application shall include but not limited to the following; <ul style="list-style-type: none"> (i) Name of the entity (ii) Physical address (iii) Legal Status (iv) Organisational Structure (v) Programmes, outcome and outcome indicators (vi) Justification for requiring vote status. (c) The Accountant General on behalf of the Secretary to the Treasury shall conduct an assessment of the suitability of the entity and make a report to the Secretary to the Treasury with recommendations. (d) The Accountant General shall constitute a committee of a minimum of 3 members to verify the
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	<p>application and assess the suitability of the entity to be granted vote status.</p> <p>(a) The Secretary to the Treasury shall grant the vote status or advise the entity basing on the recommendation of the Accountant General.</p> <p>4.26.10 Pursuant to paragraph 4.26.9 above, the verification shall be carried out by the team constituted by the Accountant General and the criteria for assessing whether an entity qualifies to be granted the vote status shall include the following:</p> <p>(a) Legal Framework - The entity should have been established by an enabling law and where its law is inconsistent with PFMA on matters of financial management, the PFMA shall apply.</p> <p>(b) Financial Year - The Financial year shall run from 1st July to 30th June.</p> <p>(c) Budget Allocation - At least 50% of the expenditure budget of the entity should be funded from the Uganda Consolidated Fund (UCF) within the MTEF.</p> <p>(d) Non-Tax Revenue Collection- The entity should demonstrate the ability to remit all its collections to the Consolidated Fund and its budget shall be funded through Parliamentary appropriation.</p> <p>(e) Financial Reports - The entity should demonstrate ability to prepare and submit financial statements in the prescribed Government of Uganda formats issued by the Accountant General.</p> <p>(f) Payment Processing - The entity shall process its payments in accordance with Instructions issued by the Accountant General.</p> <p>(g) Duration of the Activities of the Entity - The activities of the entity requiring a vote status shall run for at least 5 years.</p> <p>(h) Manpower Strength - The entity should have sufficient manpower responsible for Finance & Accounts, Audit and Procurement to handle the PFM function and funds from UCF and</p> <p>(i) Any other conditions that the Accountant General may deem necessary.</p>
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	<p>4.26.11 The vote status of an entity shall cease where:</p> <ul style="list-style-type: none"> (a) The entity ceases to operate or; (b) Where one or more of the requirements under paragraph 4.26.10 are breached, the Secretary to the Treasury shall review the status of the entity and appropriate action taken.
<p>4.27 Programmes and Sub-Programmes</p>	<p>4.27.1 Within the context of budget preparation, programmes under PBB shall be the main divisions of a vote and therefore basis for the appropriation structure.</p> <p>4.27.2 Programmes may be divided into sub-programmes with clear achievable outputs achieved through designated projects.</p> <p>4.27.3 The Secretary to the Treasury, on the advice of the Directorate responsible for Budget and upon a request from the Accounting Officer, shall approve changes to programmes in a vote.</p> <p>4.27.4 A programme shall have outcomes contributed to by sub-programme and project outputs.</p> <p>4.27.5 In approving programmes, the Secretary to the Treasury shall ensure that an official reporting to the Accounting Officer is assigned to the management of a programme.</p> <p>4.27.6 Changes to programmes shall not be undertaken during the first five years of its creation in order to permit informed trend analysis.</p>
<p>4.28 Project Identification and Preparation</p>	<p>4.28.1 For purposes of facilitating the project identification, preparation and appraisal process in Government, project preparation committees shall be established at a vote and Sector Working Group level.</p> <p>4.28.2 The entry point of a project idea into the Public Investment Management System shall be by way of preparation of a concept note that must be submitted to the Accounting Officer responsible for the relevant vote or agency.</p> <p>4.28.3 The concept note shall be subject to approvals by:</p> <ul style="list-style-type: none"> (a) the relevant committee within the sponsoring vote, (b) the Sector Working Group and (c) the Development Committee.

	<p>4.28.4 The main objective of the concept note shall be to ensure that the project idea is consistent with the national strategic priorities as specified in the NDP, Sector Investment Plans, and the Vote/Agency Strategic Plans.</p> <p>4.28.5 In justifying the project idea, basic content of the concept note shall include Problem Statement, demonstrate linkage to NDP and SIPs, justify proposed interventions, and show that there is fiscal space to accommodate the proposed project idea.</p> <p>4.28.6 The vote shall be required to prepare a detailed project profile for each concept note positively rated and registered by the Development Committee.</p> <p>4.28.7 The objective of a project profile study shall be to set a firm foundation for the monitoring and evaluation frameworks which are necessary at the later stages of the project through:</p> <ul style="list-style-type: none"> (a) The presentation of the project in a logical manner with a detailed description of the results chain or objectives including the project goal, outcomes, outputs and activities. (b) The identification of measurable indicators for each level of objectives in the results chain, establish baselines and set targets. (c) The identification of means of verifying performance against the indicators. (d) Disclose assumptions underlying the project objectives.
4.29 Project Appraisal	<p>4.29.1 A vote shall be required to undertake a pre-feasibility study for each proposed project whose profile or framework is approved by the Development Committee.</p> <p>4.29.2 The objective of the pre-feasibility study shall be to identify and appraise the options or alternatives of available interventions that can be undertaken to achieve the project objectives.</p> <p>4.29.3 Appraising options shall be at two levels; (i) The first part, shall be to decide on whether the project objectives are best achieved through the traditional public sector or the Public Private Partnership;</p>

	<p>(ii) At the second level of option appraisal, options shall be generated on the basis of good practice and may arise out of variations in locations, technical specifications, environmental considerations, among other things.</p> <p>4.29.4 A vote shall be required to undertake a detailed feasibility study for each proposed project whose pre-feasibility study is approved by the Ministry responsible for finance.</p> <p>4.29.5 The pre-feasibility and feasibility studies undertaken by project sponsoring agencies shall, in line with international best practice, be presented in nine modules which include:</p> <ul style="list-style-type: none"> (a) Demand module. (b) Technical or engineering module. (c) Environmental module. (d) Human resources and administrative support module. (e) Institutional and legal module. (f) Financial or private evaluation module. (g) Economic or social evaluation module. (h) Distributional module. (i) Risk (uncertainty) analysis module. <p>4.29.6 Sectors shall be required to provide resources for studies under paragraph 4.29.5.</p>
<p>4.30 Project Selection and Budgeting</p>	<p>4.30.1 A vote shall be required to prepare a project proposal for each proposed project whose feasibility study is approved by the Development Committee.</p> <p>4.30.2 The project proposal shall form part of the inventory of bankable projects stored in the integrated bank of projects or any other database created by Government.</p> <p>4.30.3 The inventory of bankable projects shall form a pool from which the Public Investment Plan and the development budget shall be developed.</p> <p>4.30.4 Selecting public investment projects shall be linked to the budget cycle and consistent with the medium term fiscal and budget framework.</p>

	<p>4.30.5 The forward costs of investment projects including recurrent funding to operate and maintain existing assets, and their funding, shall be reviewed systematically by the respective sectors and appraised by the Development Committee during budget preparation.</p> <p>4.30.6 Project design shall include a clear institutional framework and a realistic implementation plan in line with the capacity to implement and sustain the project.</p>
4.31 Project Monitoring	<p>4.31.1 Projects shall be monitored to assess progress relative to the implementation plan. Implementing agencies shall on a monthly and quarterly basis submit progress reports to identified monitoring agencies that shall assess financial and physical implementation.</p> <p>4.31.2 During implementation, the disbursement profile shall take account of changes in project circumstances. Where the Development Committee determines that it is no longer incrementally beneficial, the project shall be reviewed, or disbursements to it halted.</p>
4.32 Facility Operation	4.32.1 In accordance with Section 34 of the PFMA, an Accounting Officer shall be responsible for the assets arising out of the public investments.
4.33 Project Evaluation	4.33.1 An evaluation shall be conducted ex- ante, concurrent and ex- post and shall focus on the comparison of the project's outputs, outcomes and impacts in line with the established objectives in the project design.
4.34 Public Private Partnership Projects	4.34.1 The inception, appraisal, implementation and monitoring of PPP Projects shall be in accordance with the PPP policy, the Public Debt Management Policy and related law.
4.35 Project Inception for PPPs	<p>4.35.1 Where a contracting authority identifies a project for implementation as a public private partnership, the contracting authority shall conduct a preliminary economic cost-benefit analysis of the project.</p> <p>4.35.2 The preliminary economic cost-benefit analysis conducted under paragraph 4.35.1 shall outline:</p> <ul style="list-style-type: none"> (a) The strategic objectives of implementing the project as a Public Private Partnership. (b) The projected cost of the project.

	<ul style="list-style-type: none"> (c) The benefit of the project to the contracting authority. (d) The rationale for the project. (e) The projected policy outcomes of the project; and (f) How the project is to be managed by the contracting authority. <p>4.35.3 Where a contracting authority confirms from the preliminary economic cost-benefit analysis that the project is suitable for implementation as a Public Private Partnership, the Accounting Officer shall:</p> <ul style="list-style-type: none"> (a) Register the project with the Unit, specifying the type of the project, the value or size of the project and any other information that is relevant to the project. (b) Inform the Unit of the expertise available within the contracting authority to execute the project and where the contracting authority does not have the expertise, appoint competent persons from outside the contracting authority; and (c) Where necessary, appoint a transaction advisor, to undertake the feasibility study, contract negotiations and the preparation of the contract. <p>4.35.4 A contracting authority shall, before registering a project under paragraph 4.35.3, appoint a Project Officer and establish a project team for the project.</p>
<p>4.36 Feasibility Study for the PPPs</p>	<p>4.36.1 Where a project is registered with the Unit as a Public Private Partnership, the Accounting Officer shall undertake or cause to be undertaken a feasibility study, to assess whether the project is feasible as a Public Private Partnership.</p> <p>4.36.2 The feasibility study shall:</p> <ul style="list-style-type: none"> (a) Identify and define the function which the private party is to perform on behalf of the contracting authority. (b) Project the impact of performing the function by the private party, on the staff, assets, liabilities and revenues of the contracting authority.

	<ul style="list-style-type: none"> (c) Assess the need of the contracting authority in relation to its function including the options available to the contracting authority to satisfy the need, and the advantages and disadvantages of each of the options identified. (d) Identify the comparative advantage of implementing the project as a Public Private Partnership and explain the strategic and operational benefits of the project for the contracting authority, using the strategic objectives of the contracting authority: (e) Describe in specific terms: <ul style="list-style-type: none"> (i) Any envisaged future contingent liability. (ii) The nature of the functions of the contracting authority, the specific functions to be performed by the private party under the project, and the expected inputs and outputs of the project. (iii) Where the project involves the transfer of the performance of a function of the contracting authority to the private party, the nature of the function to be transferred. (iv) The extent to which the function in paragraph (e) (ii) may be legally and effectively performed by a private party. (v) The most appropriate type of Public Private Partnership which the contracting authority shall use to implement the project; and (vi) Where the project involves the use of property of the contracting authority or of Government, a description of the property, the current use, if any, of the property and a description of the type of use that the private party may legally subject the property. (f) Demonstrate that the project shall: <ul style="list-style-type: none"> (i) Be affordable to the contracting authority. (ii) Appropriately transfer the financial, technical and operational risks involved, to the private party; and (iii) Provide value for money for the contracting authority.
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	<p>(g) Indicate the capacity of the contracting authority to procure, manage and monitor the project.</p> <p>(h) Assess the capacity of the private party to implement the project; and</p> <p>(i) Indicate any envisaged future contingent liability.</p> <p>4.36.3 The assessment under paragraph 4.36.2(c) shall indicate the comparative projections of:</p> <p>(a) The full cost of the project, to the contracting authority, if the project is not carried out as a Public Private Partnership; and</p> <p>(b) The full cost of the project, to the contracting authority, if the project is carried out as a Public Private Partnership.</p> <p>4.36.4 The contracting authority shall submit a report of the feasibility study to the committee for approval together with the documents to be used to procure the project, the evaluation criteria to be used and the draft agreement.</p> <p>4.36.5 A contracting authority shall not procure a private party without the prior written approval of the feasibility study, by the committee.</p> <p>4.36.6 Where the approved feasibility study is revised, the contracting authority shall submit to the committee, for approval, the revised feasibility study which shall state the justification for the revision, and the impact of the revision on the affordability of the project and have an evaluation of value for money and risk transfer elements in the revised feasibility study.</p>
<p>4.37 Procurement of PPPs</p>	<p>4.37.1 The procurement of a private party of a Public Private Partnership shall be by an invitation to tender issued by a contracting authority in accordance with the procurement methods and procedures prescribed in the PPDA Act, Procurement Regulations and these Instructions.</p> <p>4.37.2 Where a project is to be financed by a contracting authority, the contracting authority shall, prior to procuring a private party, obtain written confirmation from the Minister that the financing required shall be available for the implementation of the project.</p>

<p>4.38 Monitoring of PPPs</p>	<p>4.38.1 A contracting authority shall monitor a project to determine whether or not:</p> <ul style="list-style-type: none"> (a) The project complies with the conditions of the agreement. (b) Remedial measures shall be taken to correct any defaults. (c) Any penalties are imposed, where there are defaults. (d) The tariffs and levies, if any are charged, are as prescribed; and (e) The private party complies with the Instructions of the contracting authority. <p>4.38.2 The contracting authority shall prepare periodic reports and submit them to the Minister, and the Minister of the contracting authority with a copy to the Accountant General for the disclosure of the PPPs in the Government Consolidated Accounts.</p> <p>4.38.3 The Accountant General shall monitor and maintain a register for the PPP guarantees in the format prescribed under paragraph 12.12.3.</p>
<p>4.39 Accounting Treatment for Public Private Partnerships (Service Concession Arrangements)</p>	<p>4.39.1 The Government may enter into service concession arrangements as a grantor under a public-private partnership. Service concession arrangements are arrangements in which:</p> <ul style="list-style-type: none"> (a) The operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and (b) The operator is compensated for its services over the period of the service concession arrangement. A grantor (the government) is the entity that grants the right to use the service concession asset to the operator. An operator (the company) is the entity that uses the service concession asset to provide public services subject to the government's control of the asset <p>4.39.2 The typical features of service concession arrangements shall include.</p> <ul style="list-style-type: none"> (a) The grantor is a government entity;

	<p>(b) The operator is responsible for at least some of the management of the service concession asset and related services and does not merely act as an agent on behalf of the Government;</p> <p>(c) The arrangement sets the initial prices to be levied by the operator and regulates price revisions over the period of the service concession arrangement;</p> <p>(d) The operator is obliged to hand over the service concession asset to the government in a specified condition at the end of the period of the arrangement, for little or no incremental consideration, irrespective of which party initially financed it; and</p> <p>(e) The arrangement is governed by a binding arrangement that sets out performance standards, mechanisms for adjusting prices, and arrangements for arbitrating disputes.</p> <p>4.39.3 The different types of service concession arrangement shall include;</p> <p>(a) “build-operate-transfer” arrangement. Under this type of arrangement, an operator constructs the infrastructure to be used to provide a public service, and it operates and maintains that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement. A contract sets out performance standards, pricing mechanisms, and arrangements for arbitrating disputes.</p> <p>(b) “rehabilitate-operate-transfer” arrangement. In this case, the operator may upgrade the existing infrastructure and maintain and operate the upgraded infrastructure.</p> <p>4.39.4 Service concession arrangements may apply to a broad range of concession arrangements; such as contracts for the:</p> <p>(a) Road and water treatment concession arrangements</p> <p>(b) Provision of transport services;</p> <p>(c) Construction and operation of waste</p>
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	<p>treatment plants;</p> <p>(d) Provision of public airport services;</p> <p>(e) Construction and maintenance of hospitals;</p> <p>(f) Generation of renewable energy;</p> <p>(g) Production of electricity; and</p> <p>(h) Construction and operation of public transport systems, schools, prisons etc.</p> <p>4.39.5 Outsourcing the operation of an entity’s internal services (e.g., employee restaurant, building maintenance, accounting, or IT functions) shall not constitute a service concession arrangement.</p> <p>4.39.6 A Government entity shall recognize an asset as a service concession asset, and therefore included in the statement of financial position with the related liability if the following conditions are met:</p> <p>(a) The entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price; and</p> <p>(b) The entity controls—through ownership, beneficial entitlement or otherwise— any significant residual interest in the asset at the end of the term of the arrangement. For a “whole-of-life” asset, only the conditions under Paragraph 4.39.6(a) above need to be met. Only assets provided by the operator (existing asset of the operator, constructed or developed, purchased or an upgrade to an existing asset of the Government) are recognized. Existing assets of the government (other than upgrades thereto) used in a service concession arrangement are reclassified as service concession assets—no additional asset and related liability are recognised in such cases.</p> <p>(c) If the conditions for asset recognition of the PPEs and intangible assets are also met.</p> <p>4.39.7 The type of liability a Government entity shall recognize in respect of service concession</p>
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	<p>arrangements shall depend on how the entity compensates the operator.</p> <p>(a) The entity may compensate the operator for the construction, development, acquisition, or upgrade of a service concession asset and service provision by making a predetermined series of payments to the operator. In this case, the liability shall be treated as a financial liability.</p> <p>(b) It may also be possible for the entity to compensate the operator for the construction, development, acquisition, or upgrade of a service concession asset by granting the operator the right to earn revenue from third-party users of the service concession asset or another revenue-generating asset. This shall constitute an exchange transaction that involves dissimilar assets (a service concession asset for the government and an intangible asset for the operator) that gives rise to revenue for the entity. However, as the service concession arrangement covers a period of time, the entity shall not recognize the revenue immediately.</p> <p>The entity shall recognize a liability for any portion of the revenue that is not yet earned.</p> <p>4.39.8 Service concession assets shall be recorded in the fixed asset register and the related liability shall be captured in the Debt Management and Financial Analysis Information System (DMFAS) of the Government maintained by the Accountant General.</p> <p>4.39.9 The accounting for the service concession assets and related liabilities shall be done by debiting the asset and crediting the liability until such a time when the government implements the full accrual IPSAS framework, in which case the applicable IPSAS on Service concession arrangements - Grantor shall apply.</p>
4.40 Appraisal of Externally	4.40.1 For the purpose of Section 43(3) of the PFMA, the Minister shall not make a provision for an externally financed project of a vote in the estimates, unless the Accounting

<p>Financed and Other Projects</p>	<p>Officer of the vote submits to the Minister a report on the result of costing and appraisal of the project and evidence of approval by the Development Committee.</p> <p>(a) The Minister may make guidelines to prescribe the procedures, criteria, methodologies, and information requirements in respect of appraisal, selection, and implementation of externally financed and other projects of a vote.</p> <p>(b) The guidelines of the Minister shall be consistent with the Public-Private Partnership Act 2014, in respect of appraisal, selection, and implementation of PPP projects of a vote.</p>
<p>4.41 Projects Implemented by Non-Government Organizations</p>	<p>4.41.1 A project of a vote, extra budgetary fund, other local government, or public enterprise shall not be implemented by a Non-Governmental Organization, unless the Non-Governmental Organisation:</p> <p>(a) Is registered under the Non-Governmental Organizations Registration Act 1989 or by a Foreign Government Authority.</p> <p>(b) Has an effective governance structure.</p> <p>(c) Is financially viable; and</p> <p>(d) Has expertise and resources sufficient to implement the project.</p> <p>4.41.2 A Non-Governmental Organization implementing a project of a vote, extra budgetary fund, other local Government, or social security fund shall submit to the Accounting Officer responsible for the project:</p> <p>(a) The audited annual financial statements.</p> <p>(b) The articles of association or other constituent document and any revision thereof; and</p> <p>(c) Any other information relating to its financial performance and governance as may be required by the Accounting Officer.</p>
<p>5 Accounting Policies and Practices</p>	
<p>5.1 Introduction</p>	<p>5.1.1 In general, there are two alternative bases of accounting:</p> <p>(a) Cash basis of accounting; and</p> <p>(b) Accrual basis of accounting</p>

- 5.1.2 Under **cash basis of accounting**, revenues are recognised and recorded when cash is received and expenditure recorded when cash is paid. Consequently, the revenues not received at the end of the financial year, which constitute arrears of revenue in the following financial year, are not recognised in the accounts. Likewise, the outstanding bills at the end of the financial year, which constitute arrears of expenditure, are not recognised in the accounts. The fixed assets purchased during the financial year are expensed and written off in the year of purchase.
- 5.1.3 **The accrual basis of accounting** recognizes revenue and costs accrued, that is as they are earned or incurred (and not as money is received or paid) and recorded in the financial statements of the periods to which they relate. In accrual basis of accounting, fixed assets are depreciated over their useful lives applying depreciation rates in accordance with generally accepted accounting practices.
- 5.1.4 In between the bases of accounting described in paragraphs 5.1.2 and 5.1.3 above, are the following modified bases of accounting:
- (a) Modified Cash basis of accounting; and
 - (b) Modified Accrual basis of accounting.
- 5.1.5 Under the **“modified cash basis”**, the main basis of accounting is cash i.e. for all intents and purposes economic transactions of a reporting entity are measured, recorded, and reported on the basis of cash, with a few exceptions to the general rule, where certain economic events are identified, measured, recorded and reported on, not strictly on receipt or payment of cash, but are *“accrued”*.
- 5.1.6 Conversely, where the main basis of recognizing, measuring, recording and reporting on economic events and transactions is the *“accrual basis”* but the reporting entity has allowed a few exceptions to the general rule, for example certain events of its expenses and or income are only recognized on cash payment (cash outflow) or receipt of cash (cash inflow), then the basis of accounting is referred to as **“modified accrual basis”**.

<p>5.2 Basis of Accounting and Specific Accounting Policies for all Votes</p>	<p>5.2.1 As a transitional arrangement towards the adoption of the full accrual basis of accounting, all votes (Central Government, district and urban municipalities) shall maintain their books of account on the modified accrual basis of accounting (see paragraph 5.1.6) for the recording of government transactions. This means that with a few exceptions, the Government shall generally apply the accrual basis of accounting in the recording of its financial transactions.</p> <p>5.2.2 Pursuant to paragraph 5.2.1 above, the following specific accounting policies shall be adopted in the treatment of Government transactions:</p> <p>(a) Classifications of Government transactions</p> <p>All Government transactions shall be recorded in the books of account applying the Government of Uganda Chart of Accounts as prescribed and issued by the Accountant General. (See Instruction 7.10 on the GOU Classification system)</p> <p>(b) Going concern considerations</p> <p>The financial statements of each vote shall be prepared on a going concern basis.</p> <p>(c) Presentation currency</p> <p>The reporting and presentation currency shall be the Uganda Shilling (UGX), which is the functional currency of the Republic of Uganda. Items included in the financial statements shall be measured in the currency of the primary economic environment in which the entity operates. However, when there is need to process financial transactions denominated in foreign currency, such shall be translated according to the provisions of Chapter 13 of these Treasury Instructions.</p> <p>(d) Financial Year and Reporting Period</p> <p>The reporting period for the financial statements of each entity shall be for the financial year of the Government of Uganda, which runs from 1st July to the 30th June.</p> <p>Prior period comparative information shall be presented in the current year's financial statements. Where necessary figures included in the prior period financial statements may be reclassified to ensure that the format in which the information is presented is consistent with the format in the current year's financial statements.</p>
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(e) Appropriation

The financial statements shall include appropriate budget performance reports clearly making a distinction between the initial approved budget and the revised budget.

(f) Revenue

The various types of Government revenue transactions can be classified into exchange and non-exchange as follows:

(i) Non-Exchange Transaction

- Tax Revenue - Taxes are levied with the authority of Parliament subject to Article 152 of the Constitution of the Republic of Uganda. Payment of tax shall not necessarily result into an entitlement to the taxpayer to receive equivalent value of services or benefits.
- Grants and Transfers - Transfers received include; transfers received from the Consolidated Fund, transfers received from the Contingencies Fund and transfers received from other government units, without expecting services or goods of equal value. The development partners also provide funds and assets without expecting a service in exchange. Grants may be received either as cash or in-kind.
- Other Revenue - An entity may levy, and collect licensing fees, fines and penalties or any other revenue without an expectation to provide a service or a good of equal value.

(ii) Exchange Transaction

- Disposal of Property - an entity may charge the market value for sale of property.
- Other Revenue - An entity may charge fees in exchange for a service such as school fees charged by higher learning institutions or selling goods or offering services at a fee.

Except for penalties levied under Section 57(3) of the PFMA when a person does not make payment of the assessed petroleum revenue by the due date, revenue from non-exchange transactions shall be recognized on a cash basis. A surcharge for the petroleum revenue not

paid on time shall be accounted for on an accrual basis (see Paragraph 20.2.4).

On the other hand, all revenues from exchange transactions shall be realized and recognised on an accrual basis when a transaction or event occurs (and not when cash or its equivalents are received).

(g) Expenses

Generally, expenditure shall be recognized when a transaction or event occurs (and not when cash or its cash equivalents are paid out). It shall be recorded in the accounting records and reported in the financial statements of the period to which it relates.

(h) Non – Produced Assets

Non-produced assets are natural resource assets such as land and forests that may be owned by a Government entity. Non-produced assets shall not be fully charged to revenue in the period of acquisition but shall be carried in the books of accounts over their useful economic lives.

(i) Property, Plant and Equipment (Physical Assets or Fixed Assets)

Property, Plant and Equipment (PPE) principally comprises of land, buildings, dams, roads and highways, hydropower stations, plant, vehicles, equipment, and any other infrastructure assets but does not include regenerative natural resources such as forests and mineral resources.

PPEs shall be treated on an accrual basis of accounting and their acquisition shall be recognized as an asset in the balance sheet when the asset is purchased with the consumption of the asset (depreciation) being recognized in the statement of financial performance. A depreciation charge shall be computed annually over the asset's useful life and offset against the revenue of that period in line with the **depreciation rates provided under Appendix E of these Instructions.**

A fixed assets register shall be maintained as required by these Instructions.

The gain or loss realized from disposal of property, plant and equipment shall be recognized in the statement of financial performance when the disposal is made.

(j) Translation of Transactions in Foreign Currency

Foreign currency transactions shall be translated into Uganda Shillings using the exchange rates prevailing at the dates of the transactions (spot rates) or exchange rates as may be agreed in a financing agreement or memorandum with Government as may be authorized by the Secretary to the Treasury. These may result into realized gains/losses, which shall be recognized in the Statement of Financial Performance. Foreign currency assets and liabilities held by the entity at year-end shall be translated into Uganda Shillings using the period closing rate for reporting purposes resulting into unrealized gains/losses. The unrealized gains/losses shall be recognized in the statement of financial performance.

(k) Revaluation Gains/Losses

Unrealized gains or losses arising from changes in the value of investments, marketable securities held for investment purposes, and from changes in the values of property, plant and equipment shall be recognized in the statement of financial performance.

(l) Cash and Cash Equivalents

Cash and cash equivalents shall be carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprises of cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. In the statement of financial position bank overdrafts shall be included in borrowings.

(m) Unspent Cash Balances

In accordance with the requirement of the PFMA, unspent cash balances by Government entities at the end of the financial year are returned to the Consolidated Fund.

Escrow Account balances are to be recognized in the statement of financial position of the responsible entity and reflect in the Statement of Financial Performance in the period when funds are utilized. The utilization of such funds in the subsequent financial year(s) must have an adequate budget provision through an appropriation, budget revision or a supplementary appropriation. In

other words, any funds retained under the Escrow Accounts and rolled over to the following financial year shall not be spent without sufficient budgetary provisions.

(n) Receivables

(i) Advances and Other Receivables

Receivables shall be carried at historical cost and are written down by recovered receipts or write – off of unrecoverable amounts.

(ii) Letters of Credit

Procurement of goods and services through Letters of Credit which are cash covered shall be recognized in the statement of appropriation when the Letter of Credit is opened. Outstanding Letters of Credit shall be treated as receivables and expensed through the Statement of Financial Performance when the goods and services are delivered.

(o) Inventories

Inventories comprise of consumable supplies expensed in the period when acquired. Inventories that qualify for recognition must be initially reflected at cost. Where they are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

Petroleum reserves with the National Oil Company shall be recorded on an accrual basis.

(p) Investment Properties

Investment property principally shall comprise of land, office, commercial and residential buildings, and other physical assets, which are held for long-term rental income and are not owner occupied. Investment property shall be treated as a long-term investment and carried at cost.

(q) Investments

Investments are classified into three groupings, namely: **investments held for trading, investments held-to-maturity, and investments available-for-sale.**

Investments held for trading are investments that are acquired principally for the purposes of generating profit from short-term fluctuations in price. Therefore, they are classified as current assets and shall be treated as monetary assets.

Investments held to maturity are investments that have a fixed maturity with an intention and ability to be held to maturity. Therefore, they are classified as non-current assets and shall be treated as non-monetary assets.

Investments available-for-sale are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates. Therefore they are classified as non-current assets and regarded as non-monetary assets. However, if there is an expressed intention to sell these within 12 months, then these shall be classified as current assets and therefore treated as monetary assets.

Appropriate classification of investments at the time of purchase and re-evaluation of such designation shall be carried out on a regular basis. Any resulting reclassifications are rare and shall not be made from "trading investments" to "investments held to maturity"

All investments in the statement of financial position shall be carried at historical cost. Non-financial assets are measured at net worth. For investments quoted in foreign currency, the historical cost shall be translated at the closing rate.

(r) Project Expenditure

Government projects are a series of undertakings of a reporting entity with specific objectives and a defined time frame and could be either:

- (i) fully funded by a Government;
- (ii) jointly funded by Government and a development partner;
- (iii) fully funded by a Development Partner through either budget support or project support; and
- (iv) fully funded by development partner through provision of physical items rather than funds.

Fully or partly Government funded project expenditure shall be recognised in the statement of financial performance of the reporting entity to the extent of funding received from Government.

(s) Borrowings

Borrowings shall initially be recorded in the Statement of Financial Position at cost net of any transaction costs paid.

Interest expense and any other expense on borrowings shall be recognized in the Statement of Financial Performance when they fall due.

(t) Employee Benefits

Employee benefits include salaries, pensions and other related-employment costs. Employee benefits shall be recognized when incurred. No provision shall be made for accrued leave or reimbursable duty allowances.

(u) Contingent Liabilities

Contingent liabilities are to be disclosed in a Statement of Outstanding Commitments (Memorandum Statement) of the entity when it's probable that an outflow of economic benefits or service potential shall flow from the entity or when an outflow of economic benefits or service potential is probable but cannot be measured reliably. Contingent liabilities comprise Government guarantees issued, court awards that have been appealed by the Attorney General, those arising from PPPs among others. Contingent assets are not to be recognized nor disclosed.

(v) Commitments

Commitments include operating and capital commitments arising from non-cancelable contractual or statutory obligations. Interest commitments on loans and commitments relating to employment contracts are not included in the Statement of Outstanding Commitments. Outstanding commitments relating to non-cancelled contractual or statutory obligation where goods have been delivered or service provided are included in the statement of financial position as payables and in the Statement of Outstanding Commitments.

(w) Public Private Partnerships

Any investment by Government in a Public Private Partnership may be through a joint venture or as an associate or as a major shareholder. Except for the latter, these shall be accounted for as investments whether held for trading purposes or otherwise. The financial statements in that case shall be consolidated as if the other entity is a controlled entity in accordance with the applicable IPSAS.

In other instances where Government provides certain guarantees which could crystallize and result into an outflow of resources, the guarantees shall be quantified and disclosed in the memorandum Statement of Contingent Liabilities. The amounts disclosed as part of contingent liabilities shall represent the most likely outflow of resources should certain events crystallize which are assessed annually. If the events crystallize, the amounts shall become

	<p>payables through the Statement of Financial Performance and Statement of Financial Position on an accrual basis.</p> <p>Where the following conditions are met, service concession assets shall be recognized by an entity and included in the statement of financial position with the related liability:</p> <ul style="list-style-type: none"> (i) The Government controls or regulates what services an operator must provide with the asset, to whom it must provide them, and at what price; and (ii) The Government controls, through ownership, beneficial entitlement or otherwise, any significant interest in the asset at the end of the term of the arrangement. <p>For a “whole-of-life” asset, only the conditions in the (w)(i) above need to be met.</p> <p>The recognition criteria for PPEs shall also apply to the service concession assets.</p> <p>(x) Inter- Entity Transfers</p> <p>Where the receiving entity receives the funds in a different fiscal year, this would normally cause a timing difference. To enable Government carry out inter-entity reconciliations while preparing consolidated financial statements, all inter-entity transfers must be accounted for during the same financial period when the remittances were made and not received. To achieve this, the receiving entity shall accrue (anticipate) the revenue.</p>
<p>5.3 Basis of Accounting for State Enterprises and Public Corporations</p>	<p>5.3.1 Public Corporations and State enterprises, shall maintain their books of account on an accrual basis of accounting.</p> <p>5.3.2 Public Corporations and State Enterprises shall apply the International Financial Reporting Standards (IFRS) for the purpose of Section 51(3) (a) of the PFMA.</p> <p>5.3.3 In preparing the Summary Statement of Financial Performance required under Section 51(2) of the PFMA, the report must include:</p> <ul style="list-style-type: none"> (a) Information about the institution’s efficiency, economy and effectiveness in delivering programmes and achieving its objectives and outcomes against the measures and indicators set out in any strategic plan for the year under consideration.

	<ul style="list-style-type: none"> (b) Information on revenue and expenditure performance. (c) Information on assets and liabilities of the entity. (d) Information on contingent liabilities and contingent assets. (e) Information on governance of the entities. (f) A report on the use of foreign aid assistance, detailing the source and intended use of the assistance (including the value of any aid-in-kind in UGX), performance information on the institution's use of the assistance, and any pending applications for assistance. (g) A report from the audit committee to show the extent to which audit committee fulfilled its mandate; and (h) Information on the management of PPP agreements.
<p>5.4 Accounting Principles</p>	<p>5.4.1 Subject to Section 46(6) and 51(3) (a) of the PFMA, a vote is required to apply Generally Accepted Accounting Principles in addition to applying accounting standards. This is to ensure that the process of preparing accounts is coherent with recognition, measurement, presentation and disclosure principles.</p> <p>5.4.2 A vote must reliably classify, recognise, measure and report transactions or events in respect of its assets, liabilities, revenues, expenses or reserves to be included in its financial statements.</p> <p>5.4.3 The measurement base to be applied in the preparation of financial statements shall be the modified historical cost unless otherwise stated. The historical cost is the amount of cash or cash equivalent paid or received or fair value of any other consideration given or received in relation to an asset, liability, revenue, expenditure or reserves. Modified historical cost shall show fair value adjustment required in terms of the applicable IPSAS and IAS.</p> <p>5.4.4 Financial statements shall be prepared on a going concern basis, stated in Uganda shillings and presented in a manner that shall ensure:</p>

	<p>(a) <i>Consistency of presentation</i> - The presentation and classification of items in the financial statements shall be consistent from one period to another unless required otherwise by a significant change in the nature of the entity's operations or a change in one or more. Such significant changes shall require the prior approval of the Accountant General.</p> <p>(b) <i>Materiality and aggregation</i> - Each material category of items in the financial statements must be presented separately in accordance with Instructions issued by the Accountant General. Aggregating items of a different nature or function is permitted only if immaterial and with the concurrence of the Accountant General.</p> <p>(c) <i>Offsetting</i> - Assets and liabilities, and revenue and expenses, shall not be offset.</p> <p>(d) <i>Comparative information</i> - Comparative prior period information must be presented for all amounts shown in the financial statements and notes to the extent relevant for understanding of the current period's financial statements.</p> <p>5.4.5 All votes shall disclose additional information to the financial statements which are not presented on the face of the financial statement but is necessary for a fair presentation of the entity assets, liabilities, revenues, expenditure and reserves (accumulated funds). Such information shall include the basis of the preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and other events as well as explanatory notes to the financial statements.</p>
5.5 Accounting Standards	<p>5.5.1 Subject to Section 46(6) and 51(3)(a) of the PFMA, the annual financial statements of the votes shall be prepared in accordance with generally accepted accounting practice approved by the Accountant General.</p> <p>5.5.2 The generally accepted accounting practice to be approved by the Accountant General under Section 3 of the PFMA shall be practices and procedures recognised by the Institute of Certified Public Accountants of Uganda for recording and reporting of financial information of a vote.</p>

	5.5.3 Without the generality of Paragraph 5.5.2 above, all votes shall apply the accounting principles prescribed in Instruction 5.4 of these Instructions in the preparation of their financial statements.
6 Risk Management and Internal Controls	
6.1 Introduction	<p>6.1.1 The Accounting Officer is responsible for establishing and maintaining internal controls and a risk management framework in a vote.</p> <p>6.1.2 The Internal Auditor is responsible for evaluating the effectiveness of the internal controls and risk management processes in a vote.</p>
6.2 System of Internal Control	<p>6.2.1 Internal control is a process for assuring the achievement of an organization's objectives in regard to operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.</p> <p>6.2.2 It is the responsibility of management and staff to ensure that these control activities are monitored. Monitoring occurs during the course of normal operations and through separate evaluations and includes review of the entity's activities, systems, and transactions to determine whether controls are effective.</p> <p>6.2.3 The Internal Audit function within each vote plays a crucial role in evaluating the effectiveness and relevance of the internal controls. Staff of a vote shall therefore provide any documentation, reports and explanations required by the Internal Audit function in the performance of its role.</p>
6.3 Control Environment	<p>6.3.1 Control environment refers to management's explicit and implicit control consciousness and attitude. It is a set of standards, processes and structures that shall provide the basis for carrying out internal control across the vote. Control Environment includes:</p> <ul style="list-style-type: none"> (a) Integrity, ethical values and competence of the entity's personnel. (b) Management philosophy and operating style. (c) Assignment of authority and responsibility. (d) Organisation and development of the entity's personnel. (e) Attention and direction provided by the entity's top management. <p>6.3.2 The Accounting Officer is responsible for ensuring an effective control environment is in place for his or her</p>

entity. Accordingly, he or she shall ensure that the following operational aspects of the internal control environment are adhered to.

(a) Organizational controls are instituted to achieve the following;

- (i) Ensuring that individual work is organized to the most efficient use of resources to achieve the agreed objectives.
- (ii) Ensuring that resources are adequate to meet the level of required output.
- (iii) Establishment of control mechanisms on the use of assets.

(b) The Accounting Officer shall institute segregation of duties as a way of effecting internal control through:

- (i) The creation and distribution of work by establishing separate areas of work to reduce the risk of intentional errors, abuse, or opportunity for collusion and promote accountability.
- (ii) Establishment of independent validation and reconciliation of one work area by another.

(c) Authorization as an essential aspect of internal control geared to ensure that, all aspects of controls instituted are working through:

- (i) The establishment of clear lines of authority.
- (ii) Ensuring that only legitimate costs are paid for and improper payments are eliminated.

(d) Accounting Officer to ensure:

- (i) Proper books of accounts are maintained to facilitate data collection, recording, classification, summarization and reporting.
- (ii) Thorough reconciliation procedures are put in place to ensure that transactions are recorded correctly, data input, and data processing is complete and accurate.

(e) Supervisory Controls for purposes of:

- (i) Ensuring that internal checks are performed effectively.

	<ul style="list-style-type: none"> (ii) Detecting and correcting procedural errors through systematic checking. (iii) Identifying areas of control weakness and make recommendations and follow up with appropriate tests. <p>(f) Internal controls for manpower resources ensuring that:</p> <ul style="list-style-type: none"> (i) Educational and professional competence of staff employed is adequate to meet the needs of the work. (ii) There is a framework for developing competence of staff. (iii) Continuous training is available to enhance knowledge and expertise. <p>(g) Operation of computerized systems:</p> <p>Automated systems shall ensure that accurate data is available to enable effective control and decision making. The accurate data can be made available through the effective use of Application Controls namely: Input Control, Processing Control, Output Control and Database Control.</p> <ul style="list-style-type: none"> (i) Input Controls include all measures instituted to ensure completeness and accuracy of data input. They involve Batch control, Password Protection, Data conversion checks and Screen checks. (ii) Processing controls are those controls applied to confirm the accuracy of data processing by the computers. They include format checks, reasonableness or range checks, exception checks, compatibility checks, sequence checks, control totals and control over standing data. (iii) Output Controls are the controls designed to ensure accuracy of processed data and reports as well as distribution which shall be limited to intended users. These include control totals and exception reports. (iv) Database/Master File Controls are intended to ensure physical security, access control, authorization of amendments and periodic checks on accuracy by users. (v) Timely provision and communication of performance to management and staff to enable continuous monitoring and control.
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	<p>(vi) Assist management to monitor performance measures that are of financial and non-financial nature.</p> <p>(vii) Identification of deviations from targets /plans and budgets for prompt decision making.</p> <p>(viii) To enable management to anticipate changing circumstances and to be able to correct performance.</p> <p>(h) Security:</p> <p>Extensive security procedures shall be built into the automated systems so as to ensure confidentiality, integrity of information and availability of the systems. These Instructions shall be based on each user being setup on the system with a user-name and password in line with the relevant systems security policies issued from time to time.</p>
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<p>6.4 Internal Audit</p>	<p>6.4.1 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the operations of an entity. It helps an entity to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Accordingly, the role of an Internal Auditor is to evaluate the effectiveness of the risk management procedures, controls and governance process within the entity and to advise its management on areas to improve and new risk management procedures to introduce.</p> <p>6.4.2 In accordance with Section 48 (1) of the PFMA, every vote shall have an Internal Auditor and the scope of internal audit in a vote shall include:</p> <ul style="list-style-type: none"> (a) Assessment of the economy, efficiency and effectiveness with which the operations of the vote are conducted. (b) Assessment and providing reasonable assurance about the reliability of financial reporting. (c) Providing assurance on procedures in place to deter fraud as well as to investigate fraud. (d) Assessment of and providing assurance about the procedures in place for safeguarding assets. (e) Evaluating and providing assurance about compliance with the laws and regulations. <p>6.4.3 The responsibility for establishing internal controls belongs to management. The Internal Auditor evaluates the controls as established by management and provides reasonable assurance regarding their reliability and provides advice on how to improve them.</p> <p>6.4.4 As advisors to management, Internal Auditors shall not get involved and are not responsible for implementation or execution of the activities of the vote.</p> <p>6.4.5 Consistent with the provisions of Section 34(2) of the Accountants Act 2013, the Head of the Internal Audit function in a vote shall be a member of the Institute of Certified Public Accountants of Uganda (ICPAU).</p> <p>6.4.6 The purpose, authority and responsibility of the internal audit function is defined in an audit charter.</p>
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	<p>6.4.7 Internal audit must be conducted in accordance with internationally recognised internal audit standards.</p> <p>6.4.8 In consultation with and approval by the audit committee, an internal audit function shall prepare:</p> <ul style="list-style-type: none"> (a) A three-year rolling internal audit plan based on the assessment of key areas of risk of the vote, having regard to its current operations, those proposed in its strategic plan and its risk management strategy. (b) An annual internal audit plan (as provided under Section 48(4) of the PFMA) for the first year of the rolling three-year strategic internal audit plan. <p>6.4.9 The internal audit engagements and activities shall follow the processes prescribed in the internal audit manual issued by the Internal Auditor General in accordance with Section 47(2)(b) of the PFMA.</p> <p>6.4.10 In accordance with Section 48(6) of the PFMA, the Internal Auditor shall for every three months, prepare and submit a report to the Accounting Officer for every audit engagement undertaken and completed. The following procedure shall generally apply in the preparation and submission of internal audit reports for each audit engagement;</p> <ul style="list-style-type: none"> (a) Within ten (10) working days upon the completion of audit tests, the internal auditor shall initially issue the audit report in a draft form to the Accounting Officer of the audited entity. (b) The Accounting Officer shall organize a debriefing meeting with the Audit Team within 5 calendar days from the reception of the draft report to discuss the findings and agree on recommendations and actions. The Accounting Officer shall then make written comments on audit findings and recommendations and submit them to the auditor within five (5) working days following the debriefing meeting. (c) The Internal Auditor shall consider the comments of the Accounting Officer and issue the report in final form within five (5) working days.
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	<p>(d) Any failure or delay by the Accounting Officer to organize the debriefing meeting or to submit the comments required under this paragraph shall not prevent the Internal Auditor from issuing the audit report in final form. In such a case, the Accounting Officer shall be deemed to fully agree with the content of the internal audit report.</p> <p>(e) The requirements of this paragraph shall not apply to a forensic audit report which shall be reviewed by the Internal Auditor General prior to being issued.</p> <p>(f) The content of the Internal Audit reports shall depend on the type of audit assignment and shall conform to the content and format prescribed by the Internal Audit Manuals published by the Internal Auditor General.</p> <p>6.4.11 At the end of every three months the Internal Auditor shall prepare and submit a quarterly consolidated report on all engagements and activities undertaken on the execution of the work plan to the Accounting Officer and Audit Committee and give a copy to the Internal Auditor General. The report shall be issued within 30 days after the end of the quarter and after discussion with the Accounting Officer. The quarterly consolidated report shall be in a summary form indicating audit assignments carried out during the period and a table showing key audit findings, recommendations and the status of the implementation of agreed actions.</p> <p>6.4.12 The Internal Auditor General shall prepare and submit to the Secretary to the Treasury a consolidated annual internal audit report of all the votes within three (3) months after the end of the financial year. Such a report shall focus mainly on key issues that need special attention and/or monitoring.</p>
6.5 Risk Management	6.5.1 A <i>risk</i> is defined as any event which is likely to adversely affect the ability of a vote to achieve its set objectives. Risk management involves implementing an effective programme that continuously and systematically identifies, tracks and mitigates risks that could adversely impact the vote in achieving its objectives.

	<p>6.5.2 An Accounting Officer is required to put in place effective risk management systems comprising the following:</p> <ul style="list-style-type: none"> (a) Risk identification - Risks are identified within the entity and classified in appropriate risk categories. (b) Assessment of risk probability and impact analysis. (c) Risk response planning - Appropriate mitigation actions and strategies are planned for each of the risks. (d) Risk monitoring and control - Conducting risk review, monitoring and control as an intrinsic part of the internal control mechanism of the vote. (e) Maintaining a risk register (TF 01) indicating: <ul style="list-style-type: none"> (i) source of the risk (ii) type of risk (iii) mitigating strategy and (iv) the responsible officer for the mitigating strategy. <p>6.5.3 The Secretary to the Treasury shall ensure that appropriate internal controls and risk management procedures for budgeting, managing and accounting for public finances and property in all votes are established.</p> <p>6.5.4 The Secretary to the Treasury shall issue guidelines to votes on risk management policies and procedures to enable the votes develop their own risk management strategies.</p> <p>6.5.5 The Internal Auditor General shall advise the Secretary to the Treasury on risk management, governance and internal control procedures to assist votes in the development and implementation of risk management policies and processes.</p> <p>6.5.6 An Audit Committee shall provide oversight over the risk management process of the vote.</p> <p>6.5.7 It shall be the responsibility of the Accounting Officer to put in place effective risk management systems as required by Section 45(2) of the PFMA.</p>
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	<p>6.5.8 The Accounting Officer shall develop and implement a risk management strategy, which shall include identified risks, mitigation measures, and a fraud prevention plan among others.</p> <p>6.5.9 The Accounting Officer shall ensure that risk assessments are conducted periodically, at least annually, to identify emerging risks facing the entity. For this purpose, the Accounting Officer shall assign or designate an appropriate staff to coordinate the implementation of the vote's risk management plan.</p> <p>6.5.10 The Internal Auditor General shall monitor and coordinate internal audit activities in providing assurance and advisory services on risk management and internal controls by Accounting Officers.</p>
<p>6.6 Precautions Against Fraud, Embezzlement and Mismanagement of Public Funds</p>	<p>6.6.1 Section 46 (3) (g) of the PFMA requires the Accountant General to take precautions against fraud, embezzlement and mismanagement of public funds by carrying out the inspection of votes.</p> <p>6.6.2 Subject to Section 46(3) (g) of the PFMA and as prescribed in Section 45(2) of the Act, an Accounting Officer has a primary responsibility to put in place effective systems of risk management, internal control and internal audit.</p> <p>6.6.3 In accordance with paragraph 6.6.2 above, an Accounting Officer shall have the following responsibilities:</p> <ul style="list-style-type: none"> (a) Preventing and detecting fraud, embezzlement and similar illegal acts. Accordingly, an Accounting Officer shall emphasize an ethical and positive work environment, which promotes honesty, integrity, respect, service excellence and accountability for the resources under his or her control. (b) Undertake reasonable steps, through training and other communication methods, to ensure that employees are aware of and understand the policies that affect them. This includes internal policies and government-wide policies on financial, human resources, and information technology, legal and purchasing matters. Particular emphasis shall be placed on fraud awareness training and the policy

	<p>requirement for employees to report suspicions of fraud or similar illegal acts.</p> <p>(c) Establish an effective system of internal controls. The system shall consider the principal risks, the costs to implement controls and existing government policies and directives, particularly these Treasury Instructions.</p> <p>(d) Satisfy himself or herself that the measures taken for the protection of public funds and resources are adequate. Specific controls that are important to the prevention and detection of fraud are described under paragraph 6.3.2.</p> <p>(e) Ensure that the anti-fraud controls and processes are in place and operating as intended. Controls shall be monitored through such means as internal audits, review of variance and exception reports by management and general oversight by senior officials. Deficiencies detected shall be fixed, and controls and processes modified as required. Any deficiencies identified shall be brought to the attention of the Secretary to the Treasury and Accountant General, as may be appropriate.</p> <p>(f) Ensure compliance with the GoU anti-fraud policies or guidelines as may be established from time to time.</p> <p>6.6.4 When incidents of suspected fraud or similar illegal acts are identified, the Accounting Officer shall be responsible for investigating all incidents and he or she shall be expected to:</p> <p>(a) Take disciplinary action against employees, which may include termination and legal action.</p> <p>(b) Proceed with legal action against other parties as recommended by legal advisors.</p> <p>(c) Pursue recovery of losses; and</p> <p>(d) Implement corrective action to reduce the likelihood of similar future incidents.</p> <p>6.6.5 The Accounting Officer shall comply with all applicable laws, policies, directives, standing orders and other authorities when investigating, reporting and following up incidents.</p>
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<p>6.7 Audit Committees</p>	<p>6.7.1 The scope, purpose, powers and constitution of an Audit Committee is established in the Charter for Audit Committees issued by the Minister.</p> <p>6.7.2 The Audit Committee shall consist of no more than 5 members who are not public officers and at no time shall the Audit Committee operate with less than 3 members.</p> <p>6.7.3 The skills and experience requirements for the audit committee shall be such that members are selected from different areas of expertise to enhance the Audit Committee’s knowledge and proficiency. The appointed members shall collectively possess the following:</p> <ul style="list-style-type: none"> (a) Broad business, corporate governance and /or financial management experience; (b) Public sector experience; (c) An understanding of the business in which the entity operates; (d) An understanding of major accounting and internal controls practices; (e) An understanding of public financial management practices; (f) Familiarity with public finance management legal and regulatory requirements; (g) An understanding of the roles of internal and external audits; (h) At least one of the Audit Committee members shall have significant and recent experience in accounting and financial management. <p>6.7.4 In accordance with Section 49(4) of the PFMA, the appointment of Audit Committee members shall be done by the Minister on the recommendation of the Secretary to the Treasury.</p> <p>6.7.5 Audit Committee members shall not serve more than two consecutive terms of three years each.</p> <p>6.7.6 For purposes of Section 49(5) of the PFMA, the powers of the Audit Committee shall not be limited in any way which would prevent it from properly performing its role and shall have unrestricted access to records and</p>
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employees to obtain information needed to perform its duties and responsibilities.

6.7.7 In accordance with Section 49(5) of the PFMA, the audit committee shall carry out the following detailed tasks:

- (a) Approve annual and operational plans of the internal audit function.
- (b) Periodically review the overall quality of internal audit services.
- (c) Review adequacy of the internal audit function, its adherence to professional standards, particularly independence, standing, scope, resources and reporting arrangements.
- (d) Consider objectives and scope of any additional work undertaken by Internal Auditors to ensure there are no conflicts of interest and that independence is not compromised.
- (e) Discuss with Accounting Officers, internal audit findings and recommendations, review and monitor implementations of the recommendations.
- (f) Review arrangements established by Accounting Officer for compliance with regulatory and financial reporting requirements and ensuring that there are adequate internal control systems.
- (g) Through the Chairperson of the Audit Committee, represent concerns of the internal audit to the relevant Accounting Officer, Internal Auditor General, Accountant General, Secretary to the Treasury or the Minister.
- (h) Liaise with the Internal Auditor General and collaborate with the Office of the Auditor General and other organs of the state, in fulfilling its responsibilities.

6.7.8 For purposes of paragraph 6.7.7 above, the Audit Committee shall have the powers to:

- (a) Seek any information it requires from the vote.
- (b) Meet with the entity staff, external auditors or outside counsel, as necessary.

7 Financial Administration and Control	
7.1 Introduction	<p>7.1.1 This chapter covers the mandate for setting entity roles, systems and books of account, processes, procedures and controls in financial administration.</p> <p>7.1.2 MALGs, Public corporations and State-owned enterprises shall use electronic management information systems suitable for their operational environment, and as approved by the relevant governing bodies in consultation with the Secretary to the Treasury (Section 11(2)(d) of the PFMA).</p> <p>7.1.3 A uniform accounts classification system has been adopted by the government conforming to international standards and shall be applied by every vote.</p>
7.2 Setting Standards and Financial Controls for Financial Management Systems	<p>7.2.1 Section 11 (2) (d) of the PFMA requires the Secretary to the Treasury to set standards for the financial management systems of government and monitor the performance of those systems.</p> <p>7.2.2 The standards set shall aim at ensuring that Accounting Officers are accountable for the prudent stewardship of public funds, the safeguarding of public assets, and the effective, efficient and economical use of public resources.</p> <p>7.2.3 Pursuant to Section 46 (3) (b) and (c) of the PFMA, the Accountant General is responsible for ensuring that appropriate systems of accounting and internal control are designed in order to meet the financial management needs of every vote. He or she is mandated to put in place arrangements that shall require reliable and transparent reporting on how government spends public funds.</p>
7.3 Overview of the Organization Structure of a Finance and Accounts Unit	<p>7.3.1 Every vote shall have a Head of Finance and Accounts function. The Head of Finance and Accounts is directly accountable to the Accounting Officer on financial and accounting matters.</p> <p>7.3.2 The Accounting Officer is responsible for maintaining a functional finance and accounts function within the vote.</p> <p>7.3.3 Without limiting the right of the Accounting Officer to assign specific responsibilities, the general responsibility of the Head of Finance and Accounts function of a vote, is to assist the Accounting Officer in discharging the duties prescribed under the PFMA.</p>

	<p>7.3.4 The duties referred to in paragraph 7.3.3 above shall relate to:</p> <ul style="list-style-type: none"> (a) the effective financial management of the vote including; (b) the exercising of sound budgeting and budgetary control practices; (c) the operation of internal controls and (d) the timely production of financial reports. <p>7.3.5 In accordance with the provisions of Section 34(2) of the Accountants Act, 2013, an Accounting Officer shall ensure that the Head of the Finance and Accounts function in a vote is a member of the Institute of Certified Public Accountants of Uganda (ICPAU).</p>
<p>7.4 Specific Roles of the Head of Finance and Accounts Function of a Vote</p>	<p>7.4.1 Without prejudice to the job description for every public officer in the public service, the roles and responsibilities of the Head of Finance and Accounts function shall:</p> <ul style="list-style-type: none"> (a) Review and forward payments to the Accounting Officer for final approval. (b) Maintain proper books of accounts and the relevant supporting documents including the safe custody of such documents. (c) Timely prepare and submit financial statements and reports to the Accountant General and Auditor General. (d) Attend management meetings and advise management on financial matters. (e) Provide timely, accurate and reliable financial information to support management decision making process. (f) Follow up on audit queries and implementation of audit recommendations. (g) Monitor commitments, expenditures, appropriations, accounts receivables and revenues within their votes and take corrective action where necessary. (h) Provide guidance on the organization and training of staff with financial responsibilities within their functions.

	<ul style="list-style-type: none"> (i) Ensure compliance with financial manuals, policies, GFMIS operational manuals, Instructions and circulars. (j) Ensure the safekeeping of cash and other assets. (k) Ensure compliance with internal controls in regard to financial and accounting matters. (l) Ensure preparation of bank reconciliations. (m) Management and supervision of the finance staff. (n) Support and coordinate the internal and external audit. (o) Prepare and submit an annual report on performance of duties to the Accountant General and (p) Perform other financial management duties assigned by the Accounting Officer and/or Accountant General. <p>7.4.2 The Head of Finance and Accounts function shall administratively be responsible to the relevant Accounting Officer.</p>
<p>7.5 The Computerized Government Financial Management Information Systems (GFMIS)</p>	<p>7.5.1 The Government has adopted computerised Financial Management Information Systems (GFMIS) and except with the approval of the Secretary to the Treasury, all votes and their subsidiary entities shall be required to use the GFMIS to manage, process, account and report on all their financial transactions that shall include:</p> <ul style="list-style-type: none"> (a) Revenues, including tax revenue, receipts for goods and services, transfer payments from other jurisdictions, grants received by the government or gifts. (b) Expenses and related expenditure commitments, including purchases of goods and services, grants, taxes and tax credits, or transfers to other parties. (c) Assets, including fixed assets, inventories of goods for consumption or sale, investments, land, accounts receivable, assets held in trust by the government for other parties. (d) Liabilities, including accounts payable, amounts borrowed and pension fund liabilities; and (e) Reserves relating to the accumulated funds of the entity.

	<p>7.5.2 In the context of these Treasury Instructions, the term “GFMIS” shall be used to refer to all computerised financial management systems adopted by the Government to handle the PFM functions.</p> <p>7.5.3 As part of the GFMIS, the Government has also automated the Personnel and Payroll System to manage the public service payroll and support implementation of results-based management regime for public service employees.</p> <p>7.5.4 MALGs including externally financed projects shall ensure that the acquisition of any new financial management system only proceeds after it is determined that the benefits to be derived justify the cost to be incurred, and that it has consulted and obtained the prior approval of the Secretary to the Treasury.</p> <p>7.5.5 Pursuant to paragraph 7.5.4 above, the Accountant General shall ensure that the acquisition of financial systems by Accounting Officers is carried out with the knowledge of and direction from the Secretary to the Treasury.</p>
<p>7.6 Controls to the Operation and Use of the Government Computerised Financial Management Systems (GFMIS)</p>	<p>7.6.1 Activities relating to the use of the GFMIS shall be carried out in a manner that ensures proper segregation of duties based on the principle of need to do and need to know basis.</p> <p>7.6.2 The Accountant General shall have the responsibility to authorize the selection and use of accounting systems across the public sector. Any entity that is not covered by a GFMIS and wishes to procure accounting systems shall require the approval of the Secretary to the Treasury on the recommendation of the Accountant General.</p> <p>7.6.3 All computerised government systems shall use an approved chart of accounts, same reporting calendar and permit multiple currencies (See also Instruction 7.10).</p> <p>7.6.4 The Accountant General, Systems Administrators and Accounting Officer shall ensure that only authorized and valid users use GFMIS to process an entity’s transactions.</p>

	<p>7.6.5 The Accountant General and Accounting Officer shall take reasonable steps to ensure back up of financial data and security of accounting systems that are within the control of the entity.</p> <p>7.6.6 The Head of Human Resources of the vote/entity shall generate and update the monthly payroll on the automated Personnel and Payroll system. The Accounting Officer shall approve the payroll for payment and shall ensure staff movements and payroll changes are updated in the system in a timely manner.</p> <p>7.6.7 The automated Personnel and Payroll system shall be integrated with the GFMIS, as the case may be, so that the payroll is availed automatically to the relevant GFMIS for payment of staff salaries and wages.</p> <p>7.6.8 For details of the IT controls and security arrangements, reference shall be made to the IT security policies issued separately.</p>
<p>7.7 Key Accounting Control Objectives</p>	<p>7.7.1 The following key control objectives and their respective controls are essential to the system of accounting operated at all levels in government. Some controls shall meet a number of control objectives.</p> <p>7.7.2 Accuracy - The information in the accounts and the supporting subsidiary records shall be accurate, representing the actual substance of past events, without undue errors or omission. This shall include correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period. This objective shall be addressed by:</p> <ul style="list-style-type: none"> (a) Budgetary control procedures. (b) A proper approval, certification and authorization process for payments. (c) Review and authorization of payroll schedules by a delegated authority. (d) Reconciliation of cheque/transfer advice to claim prior to signing by authorized signatory. (e) Reconciliation of tax revenue receipts to tax authority records. (f) Regular, complete and up-to-date bank reconciliations.

	<ul style="list-style-type: none"> (g) Procedures and control for recording inter-entity transactions. (h) Maintenance of physical assets register. (i) Performance of regular stock takes. (j) Control over maintenance of permanent accounting records. (k) Procedures and control for making adjustments to accounting records. (l) Reconciliation of the general ledger to sub-ledgers, registers and source documents. (m) Detailed Chart of Accounts for classifying transactions. (n) A regular post-audit process, both internal and external. <p>7.7.3 Completeness - The information in the accounts and the supporting subsidiary records shall be a complete representation of all transactions that have occurred during the reporting period. This objective shall be addressed by:</p> <ul style="list-style-type: none"> (a) Budgetary control procedures in the Integrated Financial Management System. (b) Recognition of all commitments, using a commitment register in the GFMIS. (c) Regular checks for transactions not brought to account, using an outstanding claims register. (d) Reconciliation of tax revenue receipts to tax authority records. (e) Issue and review of sequentially numbered receipts for all revenue. (f) Regular, complete and up-to-date bank reconciliation. (g) Physical assets shall be recorded in a register disclosed in a memorandum account. (h) Regular and systematic, review and clearance of suspense accounts. (i) Reconciliation of general ledger to sub-ledgers, registers and source documents.
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	<ul style="list-style-type: none"> (j) A regular post-audit process, both internal and external. (k) A systematic and verifiable consolidation of accounts from subsidiary ledgers, registers and source transactions. <p>7.7.4 Existence/Validity - All transactions accounted for must be genuine transactions. This objective shall be addressed by:</p> <ul style="list-style-type: none"> (a) A proper approval, certification and authorization process for payments. (b) Certification of payments. (c) Proper and verifiable audit trail. (d) Review and authorization of payroll schedules. (e) Reconciliation of cheque/transfer advice to claim prior to signing by the delegated authority. (f) Regular, complete and up-to-date bank reconciliations. (g) Performance of regular stocktaking. (h) Maintenance of physical assets register, including procedure for disposal and existence checks of assets. (i) A regular audit process, both internal and external. <p>7.7.5 Economy - The financial management system shall include controls to ensure the prudent allocation of government resources. This objective shall be addressed by:</p> <ul style="list-style-type: none"> (a) Expenditure approval, certification and authorization procedures. (b) A competitive procurement process. (c) Central purchasing facilities, where may be appropriate. (d) Asset management policies and procedures. <p>7.7.6 Effectiveness - The financial management system shall include controls to ensure the effective performance of government responsibilities. This objective shall be addressed by:</p>
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	<ul style="list-style-type: none"> (a) Clearly defined responsibilities, scheme of delegation and reporting lines. (b) Comprehensive procedure notes. (c) Human resources program including recruitment, training and appraisal. <p>7.7.7 Efficiency - In practice there shall often be a trade-off between economy and effectiveness. The financial management system shall seek to operate as efficiently as possible by optimising the relationship between these two variables. This objective shall be addressed by:</p> <ul style="list-style-type: none"> (a) Due diligence of payments. (b) Issue of payment through direct bank transfer. (c) Use of imprest system for small payments. (d) Hierarchical organizational structure in which there is a clear scheme of authority delegation to perform the tasks. (e) Responsibility accounting, using responsibility centres. (f) Production of monthly and annual financial reports. (g) Limited duplication of roles. (h) Consolidation of accounts and reports. <p>7.7.8 Minimise risk of fraud and corruption - The financial management system shall include controls to minimise the risk of fraud and corruption. This objective shall be addressed by:</p> <ul style="list-style-type: none"> (a) Segregation of duties, so that certain accounting functions shall be performed by different officers, including: <ul style="list-style-type: none"> (i) Accounts and audit. (ii) Recording of receipts and collection of money. (iii) Approval/authorization and issue of payment. (iv) Recording of expenditures and issue of payment.
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	<ul style="list-style-type: none"> (b) Budgetary control procedures on the Integrated Financial Management System. (c) Due diligence of payments, based on payee lists and approved supplier claims for payment. (d) Maintenance of an authorized signatories list by the bank. (e) Requirement of a double signatory for issue of payment. (f) Issue of payment through direct bank transfer and cheques to validated supplier banks. (g) Maintenance of a physical assets register. (h) Performance of regular stocktaking. (i) Control over maintenance of permanent accounting records. (j) Procedures and control for making adjustments to accounting records. (k) Reconciliation of the general ledger to sub-ledgers, registers and source documents. (l) Responsibility accounting, using responsibility centres. (m) Clearly defined responsibilities, scheme of delegation and reporting lines. (n) A regular post-audit process, both internal and external.
<p>7.8 Financial Management and Internal Controls</p>	<p>7.8.1 The Accounting Officer is responsible for maintaining an effective Finance and Accounts function within the entity.</p> <p>7.8.2 The Finance and Accounts function is responsible for:</p> <ul style="list-style-type: none"> (a) Assisting in the preparation of entity budgets. (b) The collection and safe custody of revenue. (c) Revenue mobilization. (d) Management and coordination of the commitment control system (e) Payments Management. (f) Managing commitments against approved commitment ceilings and available cash. (g) Cash flow Management.

	<ul style="list-style-type: none"> (h) Budget implementation and control. (i) Bookkeeping. (j) Follow up accounts receivables. (k) Monthly financial reporting. (l) Advising the entity on financial matters. (m) Recording, Accounting and Reporting of Assets and Liabilities of the entity. (n) Safe custody of financial documents, stationery and accounting records. (o) Producing Financial Statements and undertaking regulatory financial reporting. (p) Facilitating Internal and statutory external audit. (q) Putting in place financial and accounting internal controls; and (r) Keeping suppliers informed on progress of payments.
<p>7.9 Quarterly Inspections of Votes by the Accountant General</p>	<p>7.9.1 The PFMA designates the Accountant General to ensure that there are effective systems of internal control; reviewing accounts submitted by the votes; and performing other specific duties assigned by law or regulation in the administration of public finances.</p> <p>7.9.2 The Accountant General shall inspect cash, stamps and counterfoils and all books, records or returns relating to accounts and shall have access to the office of the vote and any information that may be necessary.</p> <p>7.9.3 It is the duty of all Accounting Officers and other officers concerned with Accounts and Finance to promptly reply to any queries addressed to them by the Secretary to the Treasury, the Accountant General, the Auditor General, the Internal Auditor General or the Inspector General of Government giving fully the particulars or information required.</p> <p>7.9.4 As prescribed in paragraph 7.9.2, the Accountant General shall undertake quarterly inspection of use of voted funds. The Accountant General shall prepare and submit an inspectorate report to the Secretary to the Treasury within 30 days following the end of the quarter.</p>

<p>7.10 The Government Chart of Accounts</p>	<p>7.10.1 As per Section 46(3)(a) of the PFMA, the Accountant General shall develop, publish, issue and maintain the Government Chart of Accounts which shall be uniformly applied for recording financial transactions of the following entities:</p> <ul style="list-style-type: none"> (a) Central Government (Ministries, Agencies, Missions Abroad, development projects and Departments); and (b) Local Governments (Districts, Municipal Councils, Town Councils and Sub counties). <p>7.10.2 The classification of revenues, expenditures, and other financial transactions under the National Budget or Appropriation Act and the estimates of revenues and expenditures of the entities listed above shall be the same as that under the Chart of Accounts.</p> <p>7.10.3 The Chart of Accounts shall provide a basis for a uniform budget classification and execution. It is mandatory for all votes to use the coding structure of the CoA to budget and execute the budget.</p> <p>7.10.4 The coding structure of the GoU Chart of Accounts comprises ten segments. When recording a transaction, a selection must be made from each of the ten segments, meaning that all segments must be used for recording a single transaction as prescribed by the CoA structure below:</p> <table border="1" data-bbox="512 1182 1422 1814"> <thead> <tr> <th data-bbox="512 1182 783 1279">Segment Name</th> <th data-bbox="783 1182 959 1279">Digits</th> <th data-bbox="959 1182 1422 1279">Comments</th> </tr> </thead> <tbody> <tr> <td data-bbox="512 1279 783 1480">Fund</td> <td data-bbox="783 1279 959 1480">2</td> <td data-bbox="959 1279 1422 1480">A pool of financial resources established in accordance with the law.</td> </tr> <tr> <td data-bbox="512 1480 783 1715">Funding Source</td> <td data-bbox="783 1480 959 1715">3</td> <td data-bbox="959 1480 1422 1715">Funding Source identifies the origin of inflow into the Fund. These can be from External (Multilateral and Bilateral) and Domestic Sources.</td> </tr> <tr> <td data-bbox="512 1715 783 1814">Vote</td> <td data-bbox="783 1715 959 1814">3</td> <td data-bbox="959 1715 1422 1814">This is a MALG with an Accounting Officer appointed by the</td> </tr> </tbody> </table>	Segment Name	Digits	Comments	Fund	2	A pool of financial resources established in accordance with the law.	Funding Source	3	Funding Source identifies the origin of inflow into the Fund. These can be from External (Multilateral and Bilateral) and Domestic Sources.	Vote	3	This is a MALG with an Accounting Officer appointed by the
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			Secretary to the Treasury and reports to Parliament.
	Cost Centre	6	<p>It is the lowest MALG budgeting point where costs are incurred or accumulated.</p> <p>The lowest budgeting point may be a Directorate, Department, Division, Section and Unit of a vote.</p>
	Function of Government (GFS)	4	This is a Government Finance Statistics classification which aims to provide information on the government functions or sector based on which resources were allocated e.g. health, education,
	Objective	1	Each MALG has a number of defined objectives coded sequentially. The details of these objectives are developed through the MTEF process.
	Project	4	Each MALG or specific Cost Centre has projects that they implement in order to achieve their objectives. These projects are coded using this segment and are linked to Cost Centres, Functions of Government and MTEF Objectives.
	Output	2	This refers to the end product as a result of carrying out an activity or

			a number of activities to fulfill a defined objective.
	Account (GFS)	6	This segment facilitates the coding of account transactions into account class, item, sub-item, and sub-sub-item, sub-sub-sub-items. This is based on the GFS classification system for accounts (see Appendix G).
	Class (1)		This refers to the broad classification of account transactions. The following are the designated codes for the various account classes. <ul style="list-style-type: none"> .Revenue – 1 .Expenses – 2 .Assets – 3 .Liabilities – 4 .Reserves and Fund Balance – 5
	<p>7.10.5 Details of the Chart of Accounts shall be provided in a separate manual to be issued by the Accountant General and maintained in accordance with Instruction 7.11 of these Instructions. The economic classification of the CoA is provided as Appendix G of these Instructions.</p> <p>7.10.6 The Chart of Accounts manual shall be published and shall electronically be accessible on the website of the Ministry responsible for finance.</p>		
7.11 Updating the Government Chart of Accounts	<p>7.11.1 The Accountant-General may on his or her own or, on the proposal of an Accounting Officer of a vote modify the Chart of Accounts.</p> <p>7.11.2 The final authority for updating the Chart of Accounts rests with the Accountant General.</p> <p>7.11.3 The following procedures shall be followed in updating the Chart of Accounts:</p> <p>(a) Where an Accounting Officer has identified the need for new account codes, he or she shall apply to the Accountant General for the new codes. In</p>		

	<p>case of new budget lines, the request shall be submitted through the Secretary to the Treasury.</p> <p>(b) The Accountant General shall review the request submitted and determine whether it is justified after making any consultations that he or she may consider necessary. Where the request is not justified and the existing Chart of Accounts can be used to track the transactions, the Accountant General shall advise the Accounting Officers on which codes to use and how to report on their transactions.</p> <p>7.11.4 The Accountant General shall publish on the MoFPED website the updated CoA whenever an update is made.</p>
<p>7.12 Books of Accounts in the Government Financial Management Systems</p>	<p>7.12.1 The finance and accounts function of a vote shall maintain the necessary books of accounts in the GFMIS to ensure that the entity's financial information is comprehensive. In keeping the books of accounts, the double entry concept shall be applied. This entails financial transactions giving rise to equal and opposite entries; debit and credit entries.</p> <p>7.12.2 An account is a record in an electronic ledger in the GFMIS summarizing all the transactions that have taken place to a particular event or activity to which that ledger record relates. These can be classified as Personal and Impersonal Accounts.</p> <p>(a) Personal Accounts are those that relate to capital, debtors and creditors</p> <p>(b) Impersonal Accounts can be divided between 'real' accounts and 'nominal' accounts. Real Accounts are those in which possessions are recorded such as buildings, machinery, fixtures and stock while Nominal Accounts are those in which expenses and income are recorded.</p> <p>7.12.3 Accordingly, all votes shall at a minimum maintain the following books of accounts in the GFMIS:</p> <p>(a) Cash book - This is a book of primary entry which is used to record all transactions (receipts and payments) related to the public entity bank account. A cash book shall be maintained for each bank account. It is fundamental that the bank</p>

	<p>accounts in the cashbook are kept in their original currencies.</p> <p>(b) Petty cash book - A petty cash book is a book of primary entry which is used to record all transactions related to the petty cash fund. This shall apply where a vote or any underlying unit is allowed to maintain a petty cash fund to cover expenditure of nominal nature with value not exceeding the set limits in any single transaction.</p> <p>(c) General ledger and trial balance- The general ledger is a central repository of all financial transactions of an entity comprising a list of all transactions grouped per ledger and is the basis of preparing an entity's trial balance. The trial balance is a list of all the general ledger accounts and their balances with the debit and credit balances matching.</p> <p>(d) Accounts payable ledger - Upon the delivery of goods/services, the supplier invoice is recorded in the accounts payable module of the GFMIS and matched with the relevant purchase order/delivery record. The relevant account payable is thus updated with the liability. The accounts payable is automatically linked with the general ledger and therefore the associated control account in the general ledger is simultaneously updated.</p> <p>(e) Accounts receivable ledger - This records individual ledger accounts of receivables such as salary advances to government employees.</p> <p>(f) Fixed assets register - A record of fixed assets acquired by the vote and accounted for in the GFMIS.</p> <p>(g) The Journal - A journal is one of the books of primary entry. The journal keeps a record of movement between accounts which does not entail cash movements. Entities shall use journal entries to record the following:</p> <ul style="list-style-type: none"> (i) Opening of the accounts at the beginning of the financial year; (ii) Passing adjustments; (iii) Correction of errors; and
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	<p>(iv) Any double entries made which do not arise from other books of prime entry</p> <p>Any journals raised in the GFMIS and approved shall automatically update the General Ledger.</p> <p>7.12.4 Where an entity or reporting unit of Government has no online access to a computerized accounting information system, the books of accounts specified under paragraph 7.12.3 may be in a manual form approved by the Accountant General and in the case of manual journals, TF 02 shall apply.</p>
<p>7.13 Records of Accounts and Documents</p>	<p>7.13.1 The following accounting documents shall be maintained by electronic means or in manual form, as the case may be:</p> <ul style="list-style-type: none"> (a) Revenue and accounts receivable documents - receipt books, revenue registers and revenue assessment forms, revenue collection cashbooks, invoices, withholding tax certificates. (b) Expenditure and accounts payable documents – Payment vouchers, payroll, Goods Received notes, petty cash voucher, Supplier Invoices, Purchase Orders, Local Service Orders, payroll change documents, contracts. (c) Asset and Inventory documents – ownership documents such as log books, title deeds, valuations reports, sale agreements; and (d) Any other accounting documents prescribed by law. <p>7.13.2 A vote shall maintain in electronic or manual form, the following registers as memorandum records of accounts to facilitate maintenance of comprehensive and relevant financial information:</p> <ul style="list-style-type: none"> (a) Fixed assets – where these have been expensed directly on acquisition. (b) Contracts. (c) Books of original entry. (d) Supplier invoices. (e) Destroyed records. (f) Bank accounts. (g) Bank account signatories.

	<p>(h) Inventories; and</p> <p>(i) Any other register that may be necessary.</p>
<p>7.14 Safe Custody of Accounting Documents and Records</p>	<p>7.14.1 To ensure proper custody of accounting records, the Accountant General or Accounting Officer (as the case may be) shall ensure that for all accounting documents and financial records, responsibility for custody is specified, access restricted, kept securely and in a manner that ensures easy retrieval when necessary.</p> <p>7.14.2 In line with Section 45(6) of the PFMA and in pursuance of Paragraph 7.14.1 above, the responsibility for the safe custody of all financial documents of a vote shall be that of the Head of Finance and Accounts function of the vote.</p> <p>7.14.3 After the expiry of the maintenance periods specified under these Instructions, entities may continue to maintain their financial records and documents by electronic means and where deemed necessary in manual form.</p> <p>7.14.4 Safe custody of accounting records - records and documents generated within or received from outside the vote regularly and in the process of financial transactions and control are kept and used for the following purposes:</p> <ul style="list-style-type: none"> (a) The process of preparing the financial statements and reports. (b) Internal audit process. (c) References in the confirmation of third party statements and payments. (d) Reconciliation of ledger accounts. (e) External audits. (f) Preparation of plans and budgets. <p>7.14.5 Filing system - the main purpose of a filing system is to ensure that accounting documents are filed in logical sequence, so as to facilitate retrieval, support financial reports and help to establish a clear audit trail.</p> <p>7.14.6 All accounting records shall be kept in secured rooms or fire proof locked cabinets when not in use. Fireproof safes</p>

	<p>shall be the means of storing important financial documents.</p> <p>7.14.7 No accounting records shall be removed from the room or safe storage facility where they are normally kept, except for audit or legal purposes. In such cases, an official receipt shall be obtained and duplicate files maintained.</p> <p>7.14.8 All records of paid vouchers, with supporting documents shall be appropriately retained and the files clearly labelled and arranged in an organized manner to ensure easy reference and retrieval of the contents. Registers, Daybooks etc. shall be kept at appropriate places until the period to which each relates has ended or when such books or registers have been exhausted and are then transferred to spaces provided.</p> <p>7.14.9 All documents in electronic form shall be subject to appropriate Information Technology General and Application Controls including:</p> <ul style="list-style-type: none"> (a) Logical access controls over infrastructure, applications, and data. (b) System development life cycle controls. (c) Program change management controls. (d) Data center physical security controls. (e) System and data backup and recovery controls. (f) Computer operation controls.
<p>7.15 Distribution of Accounting Documents and Financial Records</p>	<p>7.15.1 Accounting documents and financial records are sensitive and require careful handling and their distribution shall be restricted and controlled to prevent any misuse that may lead to losses or other serious consequences to a vote.</p> <p>7.15.2 A document movement register in a format prescribed under TF 03 shall be maintained by the Finance and Accounts Unit to record movements of any accounting documents and financial records.</p>
<p>7.16 Availability of Financial Information and Preservation of</p>	<p>7.16.1 Accounting Officers shall retain all financial information in its original form, as follows:</p>

<p>Accounting Documents and Financial Records</p>	<ul style="list-style-type: none"> (a) Information relating to one financial year – for one year after the audit report for the financial year in question has been tabled in Parliament; or (b) Information relating to more than one financial year – for one year after the date of the audit report for the last of the financial years to which the information relates. <p>7.16.2 After the expiry of the above retention periods, the information may, if required, be secured in an alternative form that ensures the integrity and reliability of the data and ensures that the information can be reproduced, if necessary, as permissible evidence in a court of law.</p> <p>7.16.3 Irrespective of paragraph 7.16.1 and subject to Section 11(e) of the National Records and Archives Act, 2001, all books of accounts and records shall be carefully preserved and may not be destroyed without the approval of the Accountant General. In general, books of accounts, documents and financial records shall be retained by electronic means or otherwise, for the following periods:</p> <ul style="list-style-type: none"> (a) Primary evidentiary records, including copies of forms issued for value, vouchers to support payments made, pay sheets, returned warrant vouchers or cheques, invoices and similar records associated with the receipt or payment of money, subsidiary ledgers, including inventory cards and records relating to assets no longer held or liabilities that have been discharged, counterfoils, abstracts, timesheets and subsidiary journals: when they are seven years old. (b) Imprest Holders and Collectors of Revenue cash books: seven years after the date of the last entry. (c) Cash books, Petty Cash Books, general (principal) journal and general ledgers or similar records (other than those in (b) above or (e) and (f) below): twenty years after the date of the last entry. (d) Ledgers and registers relating to deposits with or loans by or to the government or containing the accounts of special funds with which deposits were made or from or to which loans were made: twenty years after the closing of the last account relating to a loan or deposit.
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	<p>(e) The revenue registers and records: seven years after the date of the last entry.</p> <p>(f) Establishment and salary records which may be required for superannuation purposes and ledgers relating to pensions, or similar funds: when they are sixty years old.</p> <p>(g) Internal audit reports, audit committee minutes, system appraisals: when they are 10 years old.</p> <p>7.16.4 When financial information is required as evidence in proceedings before a court, Parliament, a local government council, an official inquiry or otherwise, or for purposes of an audit, it must be secured in its then current form until no longer required, even if the National Archivist has authorised its disposal.</p> <p>7.16.5 In regard to the retention and destruction of other records see Section P of the Uganda Public Service Standing Orders.</p>
<p>7.17 Use of Clearing and Suspense Accounts</p>	<p>7.17.1 All the transactions of a vote shall be supported by authentic and verifiable source documents, clearly indicating the approved accounting classification.</p> <p>7.17.2 Should it be necessary, in exceptional cases, to account for revenue and expenditure transactions in a clearing or suspense account because the classification has not been resolved, the Accounting Officer must ensure that:</p> <p>(a) The sources of the transactions are readily identifiable.</p> <p>(b) Amounts included in clearing or suspense accounts are cleared and correctly classified to the relevant cost centres on a monthly basis.</p> <p>(c) Monthly reconciliations are performed to confirm the balance of each account; and</p> <p>(d) Monthly reports are provided on the un-cleared items.</p>
<p>7.18 Destruction of Accounting Documents</p>	<p>7.18.1 In accordance with Section 11(g) of the National Records and Archives Act, 2001, financial records whose retention period is over may be destroyed.</p>

<p>and Financial Records</p>	<p>7.18.2 Destruction of accounting documents and financial records shall be the responsibility of the officer on whose charge they are held to take steps to have such documents and records destroyed. A detailed list of the documents and records, in the first instance, is submitted to the Accounting Officer with a request for authority to convene a Board. When this authority has been received, the prescribed documents and records shall be completely destroyed, by burning (or other means authorised by the Accountant General), in the presence of members of the Board, which shall consist of the officer in charge of the documents, Head of Internal Audit or his/her representative and other responsible officer (not an officer of the same department as the officer in charge of the documents and records). Full details of the accounting records and documents shall be embodied in a certificate, which shall then be signed by other officers to the effect that they have witnessed the destruction of the documents and records listed. The certificate of destruction containing a detailed list of what has been destroyed, shall be sent in quadruplicate to the Accounting Officer concerned, who shall file the original and send the remaining copies to the Accountant General, Head of the Board and the officer in charge of the documents and records.</p> <p>7.18.3 Subject to paragraph 7.18.2 above, Accounting Officers may authorise the destruction of copies of expenditure, revenue and journal vouchers, copies of licences and copies of abstracts of accounts or similar documents held by Imprest holders, Collectors of Revenue and others, provided that the originals or other copies are held by the Accounting Officer authorising destruction. Unless good reason is seen to the contrary, destruction of these documents shall normally take place when they are not more than three years old, in order to conserve storage space. Certificates of destruction need not be obtained. Prior approval of the Accountant General or the concurrence of both the Auditor General and Internal Auditor General shall also not be required.</p> <p>7.18.4 Permission for the destruction of records for which any actual use is foreseen and records which are or may be required to support outstanding claims by the government against another government, entity or</p>
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	<p>individual, which have not been authorised to be abandoned shall not be granted.</p> <p>7.18.5 No financial documents shall be destroyed if they are subject to litigation, outstanding audit queries, disputes or investigations.</p>
7.19 Books of Original Entry	<p>7.19.1 All books of original entry such as cheque books, official receipt books, invoice books which are in the custody of a vote shall be recorded in respective registers and kept under safe custody.</p> <p>7.19.2 Issuance of a book of original entry shall be properly authorized and signed for by both the requisitioning and issuing officers and recorded in the appropriate register. The format to be adopted for any category of accountable documents shall include:</p> <ul style="list-style-type: none"> (a) Name of book of original entry (b) Date issued (c) Name of Officer issued to (d) Name of issuing Officer (e) Range of Series (f) Head of Finance and Accounts signature
7.20 Custody and Movement of Cash	<p>An Accounting Officers shall satisfy themselves that adequate measures have been taken for the protection of the money.</p>
7.21 Handling and Management of Cash.	<p>7.21.1 Imprest Holders who are appointed by Accounting Officers shall operate an Imprest system based on actual amounts received and no other funds may be used to supplement the Imprest. An imprest ledger recording the amount advanced and corresponding accountabilities shall be maintained (TF 04).</p> <p>7.21.2 All Government Revenue Collectors shall bank their revenue collection intact on the same day of collection or the day following that of collection or the next banking day.</p> <p>7.21.3 In determining the amount of cash to be allowed to Imprest Holders, the Officer appointing them shall have regard to the facilities available to them for the safe</p>

	<p>custody of money, and shall not authorise the holding of sums larger than those for which suitable accommodation is available.</p> <p>7.21.4 All payments shall be made in accordance with the provisions of these Instructions (See chapter 10 of these Instructions). Where cheques are received for the payment of wages or allowances (if cannot be paid directly to the beneficiary accounts), these shall be cashed at banks and the payment to the beneficiaries made immediately and their signatures obtained against their names.</p> <p>7.21.5 The cash balances of Accounting Officers, Collectors of Revenue and Imprest Holders shall be checked as frequently as possible (at least once a week) to see if they agree with the cash book. The officer concerned shall make any deficit good, and any excess shall immediately be paid to the Accounting Officer concerned for credit to the Revenue Head – “Miscellaneous Receipts—to be paid into the Consolidated Fund Account”.</p>
7.22 Safes and Cash Boxes	<p>7.22.1 Where necessary and with the prior permission of the Accounting Officer, strong-rooms, safes and cash boxes may be used for the custody of public money.</p> <p>7.22.2 Records of all strong-rooms, safes and cashboxes used for the custody of public money shall be maintained by the Accounting Officer as part of the asset register.</p> <p>7.22.3 In no circumstances shall safes or cashboxes be repaired or new or copy keys be cut from them without the Accounting Officer’s prior authority.</p> <p>7.22.4 Duplicate keys may only be issued by an Accounting Officer for the purpose of extracting the contents of safes or cash boxes when the original keys have been lost, and in no circumstances may government money be kept in a safe or cash box a key of which has been lost.</p> <p>7.22.5 Officers must carefully guard keys. There is in general, however, no objection to the key of a cashbox being kept in a safe or strong-room, or to the key of a safe being kept in a strong-room, provided that the officer responsible for the custody of the key is also the sole holder to the safe or strong-room in which it is kept. Keys of strong-rooms</p>

must never be kept in safes or cashboxes, and keys of safes must never be kept in cashboxes.

7.22.6 In the event of a key of safe or cash box being lost, the officer responsible for the custody of the key shall immediately obtain the duplicate key from the Accounting Officer and extract the contents of the safe or strongbox. The safe or strongbox shall thereafter not be used without the sanction of the Accounting Officer. Pending the arrival of the duplicate key the safe or strongbox shall be sealed by the officer responsible for the lost key and shall also be placed under guard if it cannot be transferred bodily to a strong-room. The officer responsible for the lost key shall report to his or her Accounting Officer stating the full circumstances, giving his or her opinion as to whether the lost key might come into the hands of some unauthorised person, and his or her reasons for his or her opinion and stating whether the above paragraph was complied with. The Accounting Officer shall consider the circumstances of the loss and decide as to the action to be taken and if, in his or her opinion, the loss was due to negligence on the part of the public officer he or she shall require that officer to make good the cost of replacing the lock. The same procedure shall apply if a key of a strong- room is lost.

7.22.7 The cost of acquisition of strong rooms, safes or cash boxes or altering locks or supplying new ones, or of cutting keys, etc, shall be met from the vote of the responsible entity. Any other incidental expenditure involved in changing the locks shall also be charged to the appropriate items of expenditure for the vote responsible for the safe, strongbox or cash box.

7.22.8 If the Accounting Officer considers that an officer shall be surcharged with the cost of replacing the lock, he or she shall recover the amount of any surcharge imposed and shall be paid into the Consolidated Fund.

7.22.9 All cash received by officers shall be deposited as soon as possible in a safe or strong-room or paid into a bank account; strongboxes are not to be regarded as suitable permanent repositories for cash or stamps, and they or their contents shall invariably be transferred to a safe or strong-room during lunch intervals and at the close of each day. Cash holdings in cashboxes and safes shall be kept to a minimum and where cash or strongboxes containing cash can be deposited in a strong-room this

	<p>course must always be adopted in preference to the use of safes. Officers shall be held personally responsible for any loss arising from failure to comply with this instruction.</p> <p>7.22.10 No private money may be kept in government bank accounts or government strong-rooms, safes of cash boxes. Any such money found in government strong-room, safe or cashbox or found to have been credited to a government bank account shall be taken on charge as belonging to the government for credit by the Treasury to revenue as “Miscellaneous Revenue—wind fall gains”.</p>
<p>7.23 Handing-Over Arrangements</p>	<p>Duties of public officer handing over.</p> <p>7.23.1 Accounting Officers shall ensure that on every occasion on which cash, receipt books, keys, etc. are handed-over from one public officer to another, the hand-over shall be evidenced in writing, and shall be conducted in such a manner as to leave no doubt or ambiguity as to the items handed over and taken over.</p> <p>Shortages and discrepancies found during hand-over.</p> <p>7.23.2 Where, during a hand-over, shortages or discrepancies are noted between the balances or stocks of cash, receipt books. being handed over and those recorded in the relevant cash books and registers, the full facts relating to the shortage or discrepancies shall be recorded in detail in the handing-over statement, together with an explanation of the shortage or discrepancy given by the public officer who is handing-over.</p> <p>7.23.3 Where the shortage or discrepancy is other than of a very minor nature, the public officer taking over shall make an immediate report to the Accounting Officer who shall forthwith investigate the shortage or discrepancy and submit his or her report to the Accountant General.</p> <p>7.23.4 In the case of a hand-over between outgoing and incoming Accounting Officers, the report shall be made to the Accountant General who shall forthwith investigate the shortage or discrepancy and submit his or her report to the Secretary to the Treasury.</p> <p>Procedure in case of illness or absence of public officer.</p> <p>7.23.5 Where because of illness or for any other reason an outgoing public officer is unable to hand-over his or her</p>

	<p>duties and responsibilities in person, he or she shall forward the keys of the strong-rooms, safes, cash-boxes, etc. in his or her custody to his or her Accounting Officer under sealed personal cover.</p> <p>7.23.6 The Accounting Officer shall then appoint a Handing-over Board comprising at least two public officers who shall, on behalf of the outgoing public officer, jointly perform the hand-over duties and sign the handing-over statement in place of the outgoing public officer.</p> <p>7.23.7 A procedure similar to that prescribed in paragraphs 7.23.5 and 7.23.6 shall be followed if a key-holder is unexpectedly absent from a duty, which cannot be held in abeyance until his or her return.</p> <p>7.23.8 Where for any reason an incoming public officer considers that the state of the records, balances, security is such that he or she cannot conscientiously take them over, he or she must immediately seek Instructions from his or her Accounting Officer and promptly submit to the Accounting Officer, a full written report of the circumstances of the case. The Accounting Officer shall consider the report and take any action that he or she may deem appropriate.</p>
8 Budget Execution	
8.1 Introduction	<p>8.1.1 In accordance with Article 156 of the Constitution and Section 13 (12) of the PFMA and upon approval of the budget by Parliament, the Minister shall publish the budget information on the website of the Ministry responsible for finance so that it can be accessed by the votes and pave way for the budget execution.</p> <p>8.1.2 This chapter deals with processing of budget, budget revisions, budget virements, and exchequer releases.</p>
8.2 Overview of the Budget Execution Process for the Votes	8.2.1 Upon the approval of the national budget estimates by Parliament, the appropriation and finance bills are prepared and submitted to the President. The bills are assented to by the President to give final approval to implement the budget. The Clerk to Parliament communicates the Appropriation Act and the statutory schedule to <ul style="list-style-type: none"> (i) the Minister (ii) the Auditor General (iii) the Secretary to the Treasury and

(iv) the Accountant General to enable them initiate the budget execution process.

8.2.2 In general, the budget execution process shall be underpinned by the following steps to be followed by every vote.

Step No.	Process Step	Description of Activity	Frequency	Responsibility Centre
1.	Approval of national budget estimates	Parliament debates and approves the national budget and enacts the Appropriation & Finance bills.	Annually	Parliament
2.	Presidential assent to the Appropriation Bill	Appropriation and finance bills are assented to by the President to give final approval.	Annually	President
3.	Appropriation Act and statutory schedule communicated to the Ministry	Clerk to Parliament communicates the Appropriation Act and statutory schedule to the relevant stakeholders	Annually	Clerk to Parliament
4.	Approved budget estimates uploaded into the computerized GFMIS. Budget books are printed.	Approved budget estimates uploaded into the GFMIS and frozen. Votes have read only access to their budgets to guide implementation.	Annually	MoFPED (Budget Directorate)

			Hard copies of the approved budget estimates are printed and issued to all votes.	Annually	MoFPED (Budget Directorate)
	5.	Issuance of the Treasury Requisition	Minister issues a Treasury Requisition to the Auditor General	Annually As required	MoFPED (Accountant General)
	6.	Issuance of Grant of Credit	At the request of the Minister of Finance, the Auditor General issues a Grant of Credit for the entire approved budget and uploads it on the GFMIS	Annually	Auditor General
	7.	Issuance of Minister's Warrant	The Minister issues a Ministers Warrant (hardcopy) to the Accountant General for expenditure limit sufficient to cover the respective sum in the Grant of Credit. Accountant General's Office uploads the warrant into the GFMIS.	Annually	MoFPED (Minister & Accountant General's Office)
	8.	Issuance of Macro Cash Limits	Based on the appropriation, grant of credit	Quarterly	MoFPED (Directorate)

			and minister's warrant and annual cash flow projections, the Secretary to the Treasury through the DEA, issues the quarterly overall spending limits.		of Economic Affairs)
	9.	Sectoral Allocations	Based on the quarterly overall spending limits, the Secretary to the Treasury through the DB prepares the proposed allocation per MALG.	Quarterly	MoFPED (Budget Directorate)
	10.	Cash Flow Committee Approval	The committee considers and approves the proposed allocations per MALG.	By the 10 th day of the first month of the quarter.	MoFPED (Secretary to the Treasury)

	11.	Submission of Work/Cash Plans (annual and quarterly)	Votes prepare work plans, procurement plans and cash plans based on the activities set out in the MTEF and Budget Framework papers.	Annually (one off) and Quarterly)	Votes (Accounting Officers)
	12.	Review of work plans, Procurement Plans and Cash plans	MoFPED collates work plans and cash projection requirements from the votes. These are reviewed against the approved budget and available cash forecast to produce the quarterly expenditure limits for each vote.	Annual and Quarterly	MoFPED (Budget Directorate & Accountant General's Office)
	13.	Issuance of Expenditure Limits to the votes	MoFPED issues expenditure limits to each vote for Wage, Recurrent and Development budgets to enable the vote to spend within budgetary limits up to the Ministers Warrant.	Quarterly	MoFPED (Secretary to the Treasury)

	14.	Upload of expenditure limits into the GFMIS	MoFPED uploads the issued expenditure limits into the GFMIS.	Quarterly	MoFPED (Budget Directorate)
	15.	Process Accounting Warrant to access funds	Votes process and submit Accounting Warrant requests to MoFPED to enable them access funds to start spending	Quarterly	Votes (Accounting Officers), MoFPED (Budget Directorate & Accountant General's Office)
	16.	Payment processing	Based on the daily invoices submitted by the Accounting Officer and subject to cash availability, payments are processed	Daily	MoFPED (Accounta
8.3	Vote-on-Account and Appropriations	<p>8.3.1 On the enactment of the Appropriations Act, the GFMIS General Ledger shall be updated with the budget provisions for the year, which shall be "hard frozen". This shall pave way for the issuance of the Auditor General's grant of credit through the GFMIS.</p> <p>8.3.2 Where at the beginning of the financial year, it is found that a Vote-on-Account is required in accordance with Article 154 of the Constitution and Section 14(3) of the PFMA, budget estimates for each vote not exceeding the amount required to meet the expenditure necessary to carry on the services of the Government until the expiration of four months from the beginning of the</p>			

	<p>financial year, shall be transferred to the GFMIS General Ledger to commence the execution of the budget of that financial year.</p> <p>8.3.3 Until the Appropriations Act comes into operation, no issuance shall be made from the Consolidated Fund in excess of the amounts approved under the Vote-on-Account. Accordingly, any amount authorised under the Vote-on-Account shall be offset against the amount provided under the Appropriation Act for that financial year when the law comes into operation.</p> <p>8.3.4 The provision under paragraph 8.3.2 above notwithstanding and in line with Section 13 (5) of the PFMA, it is expected that an Appropriation Act shall be in place by the 1st day of July of the relevant financial year, thereby eliminating the need of a vote-on-account.</p>
8.4 Virements	<p>8.4.1 Any virement approved during the financial year shall be reflected in the GFMIS by appropriate adjustments to the budgets of the “source” and “destination” accounts of the Vote for the amount of the virement.</p> <p>8.4.2 Programmes, with clear outputs and outcomes as articulated in the Budget Framework Paper, are the main divisions of a budget vote.</p> <p>8.4.3 The adoption of programme budget structure is designed to make an Accounting Officer to take responsibility for programme outputs associated with annual spending while the relevant Minister remains responsible for policy outcomes addressed by each programme.</p> <p>8.4.4 In light of paragraph 8.4.3 above, an Accounting Officer may make virement of un-earmarked funds from one programme to another programme.</p> <p>8.4.5 The virement permissible in paragraph 8.4.4 above, shall be subject to the following:</p> <ul style="list-style-type: none"> (a) Amounts vired from a programme cannot exceed 10 per cent of the approved appropriation by Parliament and shall require the approval of the Minister. (b) The Secretary to the Treasury shall be notified of all virements, which must be captured and approved in the GFMIS.

	<p>8.4.6 Budget virements up to 10 per cent shall require approval of the Minister.</p> <p>8.4.7 Budget virements in excess of 10 per cent of original budget reflect badly on budget credibility and MTEF process and shall require parliamentary approval.</p> <p>8.4.8 The Minister may upon request by an Accounting Officer, vary within a vote, the amount of money allocated to the vote as long as such virement does not exceed 10 per cent of amounts appropriated to a programme by the Parliament.</p> <p>8.4.9 The Accountant General shall receive notifications of all funds virement in a vote. The notification shall:</p> <ul style="list-style-type: none"> (a) Show the amounts involved. (b) Identify the items where extra provision is required. (c) Identify, where appropriate, any delegated authority for the re-allocation. (d) Give appropriate explanation for the shortfall in the original provision. (e) Clearly identify the items with the anticipated savings; and (f) Giving appropriate explanations and the reasons for the savings being available. <p>8.4.10 A letter authorising a virement within a vote shall be issued to the Accounting Officer concerned and copied to the Accountant General. On receipt of his or her copy of the virement warrant, the Accountant General may, where necessary, issue an amended accounting warrant to the Accounting Officer reducing the amount authorized on the item and programme which has had its available funds reduced.</p> <p>8.4.11 Expenditure on the item which has had its available funds increased by the accounting warrant shall at all times remain within the limits of any Minister's warrant currently in force.</p> <p>8.4.12 During the financial year, further adjustments may be made as necessary to revise the Budgetary provisions of</p>
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	<p>expenditure with the amounts of any additional expenditure authorised (e.g. supplementary estimates), and in the event of the amount of authorized expenditure being reduced (i.e. if savings are required to be made) entries/adjustments may be made in the opposite sense and accordingly updated in the GFMIS.</p>
<p>8.5 Withdrawal of Funds from the Consolidated Fund</p>	<p>8.5.1 The authority for the expenditure of public funds is contained in an Appropriation Act, which vests authority in the Minister and Auditor General to issue out of the Consolidated Fund the total sum shown in the approved estimates.</p> <p>8.5.2 In accordance with Article 154 (3) of the Constitution and Section 31 of the PFMA, the Minister shall on advice of the Accountant General request the Auditor General to issue a grant of credit on the Consolidated Fund. Accordingly, a treasury requisition (TF 05) shall be made by the Minister responsible for finance and addressed to the Auditor General for the issue of a grant of credit through the GFMIS system for the funds that are payable for:</p> <ul style="list-style-type: none"> (a) Statutory expenditure, during a financial year; (b) Services to be rendered during a financial year where the funds are: <ul style="list-style-type: none"> (i) Authorized by an Appropriation Act or Supplementary Appropriation Act, or (ii) Required for investment. (c) For repaying money received in error by the Consolidated Fund; or (d) For paying sums required for an advance, refund, rebate or drawback where the payment of the advance, refund, rebate or drawback is provided for in this or any other Act. <p>8.5.3 Upon receipt of the Grant of Credit from the Auditor General, the Minister shall issue a General Warrant (TF 06) to the Accountant General as authority to make payments from the Consolidated Fund. The Minister's Warrant shall be captured in the GFMIS by the Accountant General.</p>

<p>8.6 Implementation of WorkPlans, Procurement Plans and Recruitment Plans</p>	<p>8.6.1 Based on the approved budget, the Secretary to the Treasury shall issue a budget execution circular giving detailed Instructions on budget implementation.</p> <p>8.6.2 Paragraph 8.6.1 notwithstanding and consistent with Section 13 (15) of the PFMA, the implementation of the budget shall strictly follow the work plans, procurement and recruitment plans approved by Parliament. These Work plans shall also form the basis for preparation of the Performance Contract (format provided as Appendix F) and the Annual Cash Flow Plan of Government.</p> <p>8.6.3 An appointment of a public officer as an Accounting Officer shall only become effective on signing of the Performance Contract and acceptance letter. An Accounting Officer who does not sign the Performance Contract shall not access any funds voted for expenditure.</p>
<p>8.7 Preparation and Issue of the Annual Cash Flow Plan by the Secretary to the Treasury</p>	<p>8.7.1 Section 15 of the PFMA and Regulation 14 of the PFMR require the Secretary to the Treasury to issue an annual cash flow plan upon the approval of the annual budget by Parliament. The cash flow plan issued shall provide the basis for the release of funds by the Accountant General.</p> <p>8.7.2 To enable the Secretary to the Treasury, prepare and issue a government-wide holistic annual cash flow plan referred to in paragraph 8.7.1 and in accordance with Section 13(15) of the PFMA, every vote shall prepare and submit to the Secretary to the Treasury its annual cash flow projections as part of its policy statement (Also see Instruction 17.2).</p> <p>8.7.3 The Accountant General as the Accounting Officer of the Treasury Operations vote shall prepare the annual cash flow plan and ministerial policy statement for the direct charges on the UCF.</p> <p>8.7.4 In preparing the annual cash flow projections, care shall be taken by the vote to link its cash out flows with the underlying annual work plans, procurement plans and recruitment plans.</p> <p>8.7.5 The cash flow projections prepared under paragraph 8.7.4 shall be detailed into monthly cash flows. Equating of the cash flow plan to the approved budget shall be</p>

	<p>avoided – that is; equating the monthly cash flow projections to the approved budget divided by 12 as this would be erroneous because it ignores the fact that cash flow projections are driven by the timing of programme activities and not simply the budget.</p> <p>8.7.6 It is the responsibility of the Accounting Officer to ensure that the cash flow projections prepared are accurate and reliable. The Head of Finance and Accounts of a vote shall prepare the draft projections and submit them to the Accounting Officer for review and approval before they are incorporated in the policy statement of the vote.</p> <p>8.7.7 The cash flow projections obtained from the votes as part of their policy statements shall be consolidated by the Ministry responsible for finance to generate the government-wide annual cash flow plan. Based on this plan, quarterly expenditure limits shall be determined and issued to the votes to initiate the release of funds by the Secretary to the Treasury (see Instruction 8.9 for the release of funds process).</p>
<p>8.8 Pre-requisites for the Execution of the Budget for the New Financial Year</p>	<p>8.8.1 To prepare for the budget execution process for the new financial year, the Accountant General shall ensure that the following tasks are completed on the GFMIS by the beginning of that financial year:</p> <ul style="list-style-type: none"> (a) The budget/Encumbrance year is opened for all Ledgers for the various types of budget: Initial budget, Supplementary budget, Approved Budget and Funding budget. (b) New dossier numbering is created for the new financial year. (c) The Chart of Accounts is updated with the new budget organizations, MTEF segment values and account items if any.
<p>8.9 Warranting and Release of Funds or Money Voted for Expenditure</p>	<p>8.9.1 Quarterly expenditure/cash limits and release of funds shall be based on the Annual Cash Flow Plan and the Government cash position or forecast.</p> <p>8.9.2 The Secretary to the Treasury shall ensure timely issuance of the quarterly expenditure limits that shall be captured in the GFMIS by the Directorate responsible for Budget, so as to enable the Accounting Officers to submit</p>

	<p>their quarterly release requests (requests for accounting warrants) on the GFMIS, based on the expenditure limits issued, not later than the 10th day of the first month of each quarter.</p> <p>8.9.3 To ensure transparency and systematic implementation of priority programmes within a vote, Accounting Officers on receipt of the quarterly expenditure limits must convene Finance Committee Meetings to discuss progress of implementation of the priority programmes in the previous quarters and to rationalize expenditure requirements for the ongoing programmes within the expenditure limit allocation for current quarter before warranting.</p> <p>8.9.4 To ease reconciliation and ensure the effective monitoring of the budget releases, an Accounting Officer shall be required to submit only one budget request on each of the Wage, Pension and Gratuity, Non-Wage, Development expenditure (GoU and External Financing where applicable) and Appropriation-in-Aid (AIA – where applicable) for the entire quarter, by Programme/Project.</p> <p>8.9.5 Based on the review and authorisation of the budget requests received from the votes, the Directorate responsible for Budget shall automatically generate quarterly release schedules through the GFMIS which are forwarded online for the final consideration and approval by the Accountant General.</p> <p>8.9.6 Determining the day-to-day cash requirements to settle invoices/payments shall be the responsibility of the Accountant General.</p> <p>8.9.7 Detailed procedures shall be issued by the Secretary to the Treasury for the release of funds to the different types of votes – Central Government, Local Governments, Public Universities and Tertiary Institutions and the Foreign Missions.</p> <p>8.9.8 Subject to the Minister’s Warrant issued under paragraph 8.5.3 and upon the receipt of the approved release schedules, the Accountant General shall validate the schedules before the issue of Accounting Warrants to the Accounting Officers as authority to commit or incur any expenditure against their budget allocations. In accordance with Regulation 14(2) of the PFMR, the Accounting Warrant shall be made on a quarterly basis</p>
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or any other period that may be determined by the Secretary to the Treasury in light of the national cash position or forecast.

8.9.9 No Accounting Officer shall commit or incur expenditure without the authority of the Accountant General provided under his or her warrant as prescribed in paragraph 8.9.8above.

8.9.10 For the avoidance of doubt, and as is with the Grant of credit and Minister's warrants, all Accounting warrants shall be issued through the GFMIS with electronic notifications to the respective Accounting Officers.

8.9.11 Pursuant to Regulation 14 (4) of the PFMR and paragraph 8.7.1 above and for the purpose of ensuring that the annual cash flow plans submitted by the votes at the commencement of the financial year remain current, the Accounting Officers shall review their cash plans for submission to the Secretary to the Treasury a month before the beginning of the third and fourth quarters of the financial year. Supporting documents shall include an expenditure commitment report as prescribed in Section 16(1) of the PFMA to enable the Secretary to the Treasury to review the submissions of the Accounting Officers so as to revise the annual cash flow plan of Government accordingly.

8.9.12 The quarterly expenditure limits and schedules for the release of funds for third and fourth quarters of the financial year shall be based on the revised annual cash flow plan of the government.

8.9.13 The Accountant General shall make the supply of funds under his or her Accounting Warrant from the TSA Holding Account to the credit of the Accounting Officers' expenditure bank accounts (TSA Sub-Accounts) upon the online submission of duly certified and approved invoices by the votes. The transfers shall be made through the GFMIS and recorded in the Treasury's books as follows:

Dr: Transfers to Votes (Name of Vote) (263107)

Cr: Treasury Single Account – Holding A/C (TSA) (321111)

	<p>Automatically the books of account of the vote shall be updated with the following entries, to ensure that there are no differences or discrepancies in the inter-entity transactions between the Treasury and the Votes:</p> <p>Dr: Expenditure Bank A/C – Vote A/C (321103)</p> <p>Cr: Transfers from the Treasury (Capital/Current-133XXX)</p> <p>(see also Instruction 10.4 on settlement of invoices submitted by the votes to the Treasury)</p> <p>8.9.14 For votes or entities without online access to a GFMIS, the release of funds to their expenditure bank accounts shall be notified under appropriate advice to enable them pass the necessary accounting entries as indicated in paragraph 8.9.13 above.</p>
<p>8.10 Timely Initiation of the Procurement Process</p>	<p>8.10.1 An Accounting Officer shall ensure timely initiation of the procurement processes as reflected in the approved work plans for the budget year.</p> <p>8.10.2 Contracts shall only be signed upon confirmation of the availability of funds. Multi-year contracts shall require the prior approval of Parliament.</p> <p>8.10.3 For the purpose of paragraph 8.10.1 above, an Accounting Officer shall ensure that the public procurement management process is in accordance with the PPDA Act.</p>
<p>8.11 Implementation of Programme Based Budgeting</p>	<p>8.11.1 Programme based budgeting system shall be implemented at both sector and individual vote level informed by the National Standard Indicator (NSI) framework.</p> <p>8.11.2 An Accounting Officer shall:</p> <ul style="list-style-type: none"> (a) Identify appropriate programmes together with their goals, objectives and targets for implementation. (b) Ensure that the draft budget estimates of the vote are submitted to the Ministry in accordance with the approved programme structure (see paragraph 4.18). (c) Ensure performance is measured according to the pre-determined targets consistent with the programme structure.

	<p>8.11.3 The budget shall be strictly executed according to programmes in the appropriated budget and Accounting Officers shall assign a manager to each programme in a vote.</p>
<p>8.12 Quarterly expenditure Commitments Report and Budget Execution Mid-Year Review</p>	<p>8.12.1 In order to facilitate proper monitoring of the budget and in fulfilment of Section 16 of the PFMA, an Accounting Officer shall submit quarterly expenditure commitments report in a format as prescribed in Appendix C which shall indicate:</p> <ul style="list-style-type: none"> (a) Expenditure commitments; (b) Releases; (c) Payments; (d) Outstanding commitments; (e) Cash balances and projections; <p>8.12.2 To facilitate the performance assessment, the performance contracts (Appendix F) shall clearly state the deliverable indicators with the performance assessments carried out at both Half Year and Annual Basis and the evaluation shall be based on the intermediary outcomes under the PBB arrangement so as to emphasize result reporting.</p> <p>8.12.3 Any failure by an Accounting Officer to adhere to the reporting requirements and timelines shall attract sanctions including non-appointment/immediate withdrawal of appointment as an Accounting Officer and halting financial transactions of the non-compliant votes as per Sections 15, 78, 79 and 80 of the PFMA.</p> <p>8.12.4 The Accounting Officer shall prepare reports for each quarter of the financial year in respect of the vote for which he or she is responsible.</p> <p>8.12.5 The quarterly reports shall contain information on the financial and non-financial performance of the vote and shall be in line with the work plans, procurement plans and recruitment plans approved as part of the budget preparation process.</p> <p>8.12.6 The reports shall be submitted to the Treasury not later than 15 days after the end of each quarter.</p> <p>8.12.7 The Secretary to the Treasury shall, within 30 days after the end of each quarter, consolidate the quarterly reports and submit them to the Minister.</p>

	<p>8.12.8 The Second quarter report shall be used to carry out a mid-year budget execution review and support request for a revised (supplementary) budget.</p>
<p>8.13 Monitoring of Budget Performance</p>	<p>8.13.1 To fast track implementation of the key policy commitments in the budget and as part of the quarterly budget performance/expenditure commitments reports referred to in paragraph 8.12.1 above, the relevant votes are required to submit quarterly progress reports on the key policy pronouncements in the budget.</p> <p>8.13.2 In pursuance of paragraph 8.13.1 above, the quarterly reports shall ensure that they cover progress of the votes against the policy budget pronouncements.</p>
<p>8.14 Reporting on Fiscal Performance</p>	<p>8.14.1 Pursuant to Section 18 of the PFMA, the Secretary to the Treasury shall prepare a half-year and an annual fiscal performance report for submission to the Minister.</p> <p>8.14.2 The annual fiscal performance report shall include:</p> <ul style="list-style-type: none"> (a) An assessment of the extent to which the budget is consistent with the Fiscal Policy objectives. (b) An explanation of the reasons for any significant differences between the approved budget and the outturn. <p>8.14.3 The Secretary to the Treasury shall not later than 31st October in each year publish a report updating the Economic and Fiscal performance report for the preceding financial year. Accurate and timely economic and fiscal data shall be maintained by all the government agencies that are required to keep such information, and other agencies where they are specifically required to do so by the Secretary to the Treasury for the purposes of meeting this requirement.</p>

8.15 Budget Execution Reports to be Published

8.15.1 Budget reports shall be published on dates as illustrated in the Table below. The Secretary to the Treasury shall decide on the actual dates for these reports to be finalised and published.

Item	Period	Reports
1.	4 months before beginning of the financial year	Economic and Fiscal Policy Statement
2.	Before start of fiscal year	Economic and fiscal policy package which includes: (a) Economic and Fiscal Policy Statement; and (b) Fiscal Performance Report
3.	Accompanying the Budget	Budget package which include: (a) estimates of revenue, grants and expenditure in the form of Budget Framework Paper (b) Appropriation Bill (c) Finance Bill (d) Economic and Fiscal Update (e) Current year fiscal performance update
4.	6 months into the financial year	Half year Economic and Fiscal Update;

				Accounting Officer's budget execution review (mid-year performance review)
8.16 Surrender of Unexpended Voted Funds and Determining the Unexpended Balances of a Vote	8.16.1 In accordance with Regulation 17(1) of the PFMR, any unexpended balances at the end of the financial year shall be repaid into the Consolidated Fund Bank Account except as provided for under paragraph 8.16.3 below.	8.16.2 Unexpended balances in accordance with Regulation 17(3) of the PFMR means unspent cash and bank balances of a vote at the end of the financial year regardless of the amount of outstanding commitments (evidenced by outstanding bills) existing at the end of the financial year.	8.16.3 Under no circumstances shall unspent funds be rolled over to the following financial year unless the funds relate to externally financed projects and revolving funds controlled by an Accounting Officer of a vote and have been provided for in the budget for the subsequent financial year. (See also paragraph 23.3.25)	
8.17 Lapse of Local Government Conditional, Unconditional and Equalization Grants	8.17.1 Local government conditional, unconditional and equalization grants given to LG as per Article 193 (7) of the Constitution form part of the Appropriation Act and therefore expire at the end of the financial year. Any unexpended balances shall also be repaid into the consolidated fund bank account.			
8.18 Key Controls to be exercised in the Budget Execution Process	8.18.1 The following controls shall be exercised while initiating the budget execution process:	(a) Review and sign off the grant of credit by the Auditor General to ensure that the amount issued is less or equal to the annual approved budget.	(b) Segregation of duties involving the approval of the budget by Parliament, processing of the Grant of Credit by the Auditor General and upload of the approved budget estimates into the GIFMS by Directorate responsible for the Budget under the Ministry.	

	<ul style="list-style-type: none"> (c) Review and sign off the report that compares the approved budget and the Grant of Credit that is printed off the GFMIS by the Auditor General. (d) Automated system controls within the GFMIS shall ensure that: <ul style="list-style-type: none"> (i) The Minister’s Warrant cannot exceed the Grant of Credit issued by the Auditor General. (ii) Vote Accounting Warrant request which is processed at the cost center/item level does not exceed the annual approved budget.
9 Revenue Management	
<p>9.1 Responsibility for Revenue Collection</p>	<p>9.1.1 To the extent possible, all revenue (including non-tax revenue) due to the Government shall be collected or received by the Uganda Revenue Authority and in this case the URA procedures for the management of Government revenue shall be referred to.</p> <p>9.1.2 Where an Accounting Officer is designated as a receiver of revenue, he or she shall be personally responsible for ensuring that:</p> <ul style="list-style-type: none"> (a) Revenue Collectors in their respective entities are designated in writing. (b) All revenue invoiced is paid. (c) Revenue collected is entered into the GFMIS and official receipts issued from the system as soon as the revenue is received. Entities without direct access to a GFMIS are to ensure official receipts (TF 07) are issued for all moneys paid. (d) Adequate safeguards exist and are applied for the prompt collection and deposit of, and the proper reporting and accounting for all Government revenue and other public moneys relating to MALGs. (e) Quarterly returns (TF 08) submitted to the Secretary to the Treasury and copy to the Accountant General, for the monitoring of the trend of revenue collected as compared with the approved estimates.

	<p>(f) All persons liable to pay revenue are informed by bills, demand notes or other appropriate notices of debts due, and that they are reminded promptly and frequently of revenue which is in arrears.</p> <p>(g) Adequate measures, including legal action where appropriate, are taken to obtain payment.</p> <p>9.1.3 An Accounting Officer who fails to collect moneys due to the Government must report the circumstances to the Accountant General without delay (in any case not later than 30 days from the date the amount is due) and copy such reports to the Secretary to the Treasury.</p> <p>9.1.4 The Accountant General shall report to the Secretary to the Treasury:</p> <p>(a) Any failure on the part of any Accounting Officer to receive and duly account for any sums receivable by him or her; and</p> <p>(b) Any case in relation to which he or she considers, after due enquiry, that the revenue is unduly falling into arrears.</p> <p>9.1.5 All regular collectors of revenue who receive any duties, taxes, fees, rents or other public moneys, whether of a revenue nature or otherwise, shall pay the whole amount of such moneys daily to a public officer designated by the Accounting Officer (Receiver of Revenue) as a banking officer and obtain a receipt for the funds so far paid in. The banking officer shall pay the whole amount received into a bank account authorized by the Accountant General.</p> <p>9.1.6 Except with the authority of the Secretary to the Treasury and on the recommendation of the Accountant General, no public officer may convert public funds received in local currency into foreign currency and vice versa.</p>
<p>9.2 Revenue Collections by MALGs</p>	<p>9.2.1 For non-tax revenue collected by the Uganda Revenue Authority (URA) on behalf of a MALG, customers shall generate a URA Bank Payment Advice Form (BPAF) from the e-tax system of URA and pay the amount of the BPAF into any of the URA designated commercial bank accounts.</p>

	<p>9.2.2 The customer shall proceed to the MALG with a copy of the bank deposit slip upon which the MALG shall confirm with the e-tax system the amount paid by the customer before the release of goods or services involved.</p> <p>9.2.3 Accounting entries shall be raised by the MALG to recognise the revenues collected by URA on its behalf after confirmation of the amount paid from the URA e-tax system.</p> <p>9.2.4 Where the MALG collects the revenue directly from the customer, a receipt shall be created and generated from the GFMIS when payment is received from the customer. It is important to note in this case that revenues collected by cashiers shall be batched on a daily basis on the GFMIS and paid into the bank account as a single deposit/remittance.</p> <p>9.2.5 For non-tax revenues collected by the MALG and transfers made to the Uganda Consolidated Fund (UCF) account, the commercial banks shall submit to the Head of Finance/Accounts monthly bank statements for the revenue collection account which shall be captured into the GFMIS by the Head of Finance/Accounts or his or her representative.</p> <p>9.2.6 Transfer of funds from a revenue collection account or URA account to the UCF account shall be advised by the Bank of Uganda (BoU) to the Accountant General through copies of daily bank statements. On the basis of the bank statements, the Accountant General shall cause a receipt to be captured in the GFMIS in the Treasury's books of accounts.</p> <p>9.2.7 Details of the tax revenue collections by URA shall be uploaded to the GFMIS through the "URA interface".</p> <p>9.2.8 Local Government revenue sharing shall be recognised immediately and receipts are generated by GFMIS. The revenue sharing calculation shall be done on total revenues collected during a particular period using an excel sheet and the appropriate revenue sharing general ledger shall be created on the GFMIS system in respect of the bank transfers made to complete the revenue sharing.</p> <p>9.2.9 At the end of the month, the Head of Finance and Accounts at each site shall run period end activities to</p>
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	<p>update the GFMS revenue records before closing of the period which shall be done by the Accountant General not later than 7 days after month-end.</p>
<p>9.3 Revenue Collectors</p>	<p>9.3.1 No public officer shall collect public funds unless he or she is specifically authorized to do so by the respective Accounting Officer.</p> <p>9.3.2 Except with the specific authority of the Accountant General, in no case shall a public officer whose duty involves the posting of assessment registers, rent rolls and similar documents be authorized to collect public funds or to record the collections into the GFMS or the cash book in case of manual systems.</p> <p>9.3.3 Any outsourcing of revenue collection by an Accounting Officer shall be done in accordance with PPDA Act.</p> <p>9.3.4 Collectors of Revenue shall be appointed by Accounting Officers in writing and shall account to the Accounting Officer, at intervals (which shall not exceed one month) specified in their letters of appointment.</p> <p>9.3.5 A collector of Revenue shall not, in this capacity as such, make payments. His or her duties shall be confined to the receipt of revenue and remitting it directly to the bank daily or as approved by the Accountant General (see paragraph 9.1.5 above) and make a report to the Accounting Officer to whom he or she accounts.</p> <p>9.3.6 It is the responsibility of the Revenue Collectors to collect revenue falling within their jurisdiction and account for it to the responsible Accounting Officer and therefore Revenue Collectors shall ensure that:</p> <ul style="list-style-type: none"> (a) Prescribed documents are kept to record revenue due and collected. (b) Revenue due is promptly collected, properly allocated and brought to account. (c) Proper arrangements exist for custody of cash and accounting documents. (d) Monthly returns of revenue collected and outstanding monthly revenue returns are submitted to Receivers of Revenue.

	<p>(e) Revenue collected does not fall below their budget provisions without reasonable explanation.</p> <p>(f) Each revenue collector is personally responsible for collection and accounting for revenue within his jurisdiction and is liable to be surcharged for any loss arising due to his or her negligence.</p> <p>9.3.7 Once the money is collected, it shall be accounted for and immediate arrangement for banking shall be made. The revenue collector shall prepare a bank deposit slip, which shall take place at the nearest Commercial Bank.</p> <p>9.3.8 Instructions for collection and accounting of revenue shall be as follows:</p> <p>(a) Where cash payments are accepted, the revenue collector shall not be responsible for depositing his/her collections to the bank. Notwithstanding paragraph 9.1.5, the Accounting Officer may, if he considers it necessary, authorize a revenue collector to deposit his or her revenue direct into a bank account authorized by the Accountant General.</p> <p>(b) Revenue collections shall be allocated in the accounts strictly in accordance with the classification in the annual estimates.</p> <p>(c) An official receipt generated from the GFMIS shall be issued to the payer when money is received or in case of manual receipts printed on form (TF 07) for revenue collectors without online access to the GFMIS. A notice advising the public to demand receipts shall be exhibited in each Revenue Collector's office.</p> <p>(d) Where manual receipt books are required, these shall be kept in safe custody and their receipt and issue controlled through a separate serially numbered Register of Receipt Books. Loss of receipt books shall be reported immediately in accordance with Instruction 21.7 of these Treasury Instructions.</p> <p>(e) Revenue collected shall be recorded immediately in a Cash Book</p> <p>(f) Where a revenue collector has no online access to a GFMIS, details of Revenue paid-in shall be</p>
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	<p>recorded in a Revenue Detail Sheet – Non-Tax Revenue collection return (TF 09)</p> <p>(g) Revenue Collectors shall submit a monthly return of revenue by the 5th of the following month to Accounting Officers.</p> <p>(h) Monthly computer reports of revenue collection shall be promptly reconciled with the Revenue Detail Sheets.</p> <p>(i) Accounting Officers shall submit a quarterly return of revenue collected to the Accountant General by the 15th of the first month of the follow quarter.</p> <p>(j) A Return of Arrears of Revenue (TF 10) at the close of the financial year shall be submitted to the Accountant General by 31st August of the following financial year.</p> <p>(k) Supervisors shall carry out surprise checks of cash, cashbooks and other accounting documents at frequent intervals.</p> <p>9.3.9 The approved budget estimate gives the total amount to be collected in the year in respect of each Revenue Vote/Item. At the beginning of the financial year, the Revenue Section at Cost Centres shall apportion the budget provision among Revenue Collectors based on the quarterly pattern of collections in the previous year and the draft revenue estimates submitted by the heads of departments. The revenue targets shall be advised to each Revenue Collector. It is the responsibility of Revenue Collectors to ensure that actual collection of revenue does not fall below the target fixed.</p>
<p>9.4 Assessment of Revenue Due</p>	<p>9.4.1 Officers responsible for assessment and collection of revenue shall be familiar with applicable laws and regulations.</p> <p>9.4.2 All departments responsible for collecting revenue shall prescribe suitable Registers or Forms to record the amount due for collection and the amounts collected for example, Invoice Register, Demand notices and Collection Registers for taxes. Such registers or forms may be maintained electronically.</p> <p>9.4.3 Revenues which are assessed at fixed rates for example rents, school fees, shall be recorded in separate registers designated for this purpose with approval of the Accountant General. Invoices (or demand notices) shall</p>

	<p>be issued in all cases and collections recorded against the relevant entry in the register.</p> <p>9.4.4 As far as possible, the work of maintaining records of revenue due and the actual collection of revenue shall be handled by different persons.</p>
<p>9.5 Classes of Revenue</p>	<p>9.5.1 Government revenue is broadly classified under the following main categories: tax revenue, development partner grants, treasury transfers, borrowings, sale of property and other revenues. These can be further explained below:</p> <p>(a) Taxes: Uganda Revenue Authority is the principal collector of government revenue mainly in form of taxes.</p> <p>Tax revenue is further subcategorized as follows:</p> <ul style="list-style-type: none"> (i) Taxes on Income, Profits or Capital Gains. (ii) Taxes on payroll and workforce. (iii) Taxes on Property Income. (iv) Taxes on goods and services; and (v) Taxes on international trade and transactions. (vi) Other taxes <p>(b) Grants and donations: An entity may access grants from Development Partners and budget transfers from Treasury. These grants and transfers are sub-categorized as follows:</p> <ul style="list-style-type: none"> (i) Grants received from Foreign Governments. (ii) Grants received from International Organizations; and (iii) Grants received from other general government units which are domestic government transfers which include Treasury Transfers, Inter-entity and intra-entity transfers. <p>(c) Other revenues (Non – Tax Revenue): An entity may levy, charge and collect fees, including licensing fees or any other revenue:</p> <ul style="list-style-type: none"> (i) Property Income. (ii) Sales of goods and services.

	<ul style="list-style-type: none"> (iii) Fines, penalties, and forfeits. (iv) Voluntary transfers other than grants (NGOs). (v) Miscellaneous and Unidentified Revenue.
<p>9.6 Revenue to be Accounted for in Gross Receipts Issued Immediately</p>	<p>9.6.1 Before accepting money, revenue collectors shall verify that the amounts tendered in payment of government dues agree with the amount indicated in the assessment.</p> <p>9.6.2 An official receipt shall invariably be issued from the GFMIS at the time money is received by the Revenue Collector. This shall automatically update the GFMIS cash books.</p> <p>9.6.3 The account classification shall be strictly in line with the classification shown in the budget estimates.</p> <p>9.6.4 All issued receipts shall bear the official stamp, date and signature of the Revenue Collector.</p> <p>9.6.5 In all cases, the gross amounts of funds received shall be accounted for; and any charges against revenue received shall require appropriate authority as expenditure incurred by the government and shall appear as a charge on public funds in the books of account, duly supported by proper vouchers.</p>
<p>9.7 Issue of Manual Receipts</p>	<p>9.7.1 General Receipt Form (TF 07) shall be used where a revenue collector has no online access to the GFMIS.</p> <p>9.7.2 The revenue collector shall ensure the following for any receipts issued on TF 07:</p>

	<ul style="list-style-type: none"> (a) The receipts are carefully completed in ballpoint or indelible pencil. (b) Self carbonised or double-sided carbon paper is used. (c) The receipts are written in triplicate and copies distributed as follows: <ul style="list-style-type: none"> (i) Original copy is the customer's copy. (ii) Duplicate copy is an accounts copy – to be used to update the GFMIS. (iii) Triplicate is office copy. (d) Receipts shall be issued in numerical sequence and shall show the name and address of the payer, amount in words and figures, account code, mode of payment (cash or cheque) and nature of the transaction. (e) There shall be no alterations or erasures. Incorrect receipts shall be cancelled and the next one issued. (f) If a receipt is to be cancelled, all copies with the same serial number shall be cancelled and signed. The official receipt and the accounts copy shall be attached to the station account. The third copy is retained in the book. (g) Requests received for replacement of a receipt lost by the payer shall be referred to the Accounting Officer for Instructions to issue a certified copy.
<p>9.8 Restriction on Method of Payment</p>	<p>9.8.1 Funds due to the Government may be paid by bank draft, cash, bank deposits, electronic funds transfer, debit/credit cards, mobile money platforms or any other method as may be approved by the Secretary to the Treasury.</p> <p>9.8.2 Cheques shall only be acceptable for payment of Government dues collected by missions abroad and in exceptional circumstances, as approved by the Secretary to the Treasury.</p> <p>9.8.3 Subject to paragraph 9.8.2 and before accepting a cheque, it shall be ensured that:</p>

	<ul style="list-style-type: none"> (a) The cheques are bank certified. In no circumstances shall personal cheques be accepted in payment of Government revenue. (b) The date is correct. (c) The amount in words and figures agree. (d) All cheques shall be deposited into the bank account of the receiver of revenue without delay. (e) If any loss is incurred through the delay in depositing cheques the officer responsible for the delay shall be required to make good the loss. (f) In cases where a cheque is dishonoured, recovery measures shall be instituted immediately by the Receiver of Revenue; and all instances of dishonoured cheques shall be brought to the immediate attention of the Accountant General. (g) It shall be the responsibility of the revenue collector to recover the amount of the dishonoured cheques.
<p>9.9 Responsibility for Control of Receipts</p>	<p>9.9.1 Accounting Officers (Receivers of Revenue) are responsible for ensuring that a proper system exists for the safe custody, recording and proper use of all receipts, licences and other documents issued for the receipt of public funds.</p> <p>9.9.2 Pursuant to Paragraph 9.9.1, Accounting Officers shall procure the main stock of receipt forms from the government printer.</p> <p>9.9.3 On receipt, the receiver of revenue or his or her representative shall check that:</p> <ul style="list-style-type: none"> (a) Number of Receipt Books received is correct. (b) There is no obvious mutilation; and (c) The first and last counterfoils of each book are intact and correctly numbered. <p>9.9.4 Revenue Collectors shall duly sign in a register maintained by the receiver of revenue, indicating the serial numbers of the books they have collected.</p> <p>9.9.5 On obtaining Receipt Books from the Receiver of Revenue, the Revenue Collector shall check each page in</p>

	<p>the books issued to him. If any discrepancy is found at that stage, the Receiver of Revenue shall immediately inform the Government Printer with a copy to the Accountant General.</p> <p>9.9.6 A Register of Receipt Books shall be kept by all officers entrusted with receipt and issue of Receipt Books. Separate folios shall be used for each type of receipt form and a separate line for each book.</p> <p>9.9.7 Receipt Books shall not be transferred from one officer to another without proper handing-over and taking-over procedure. See Instruction 7.23 of these Instructions.</p> <p>9.9.8 Receivers of Revenue in a vote shall check the stock of unused Receipt Books at least twice in the year or more frequently as the situation demands. The immediate supervisor of the custodian of the Register shall do the verification. The Verifying Officer shall sign the Verification Certificate (TF 11), which shall appear at the first page of the Register. Discrepancies if any shall be reported immediately to the Accounting Officer and the Accountant General.</p> <p>9.9.9 Receipt Books shall be kept securely under lock and key in the personal custody of the officer to whom these are issued.</p>
<p>9.10 Foreign Currency Receipts</p>	<p>9.10.1 Unless stipulated by law or with the prior approval of the Secretary to the Treasury, no foreign currency notes or coins or cheques drawn in foreign currency shall be accepted in payment of any funds due to the government.</p> <p>9.10.2 Paragraph 9.10.1 above shall not apply to acceptance of payments by embassies, missions abroad, border entry point and exports.</p> <p>9.10.3 Foreign notes or cheques received shall be banked with the Bank of Uganda and accounting procedures shall be the same as for local currency.</p> <p>9.10.4 Foreign currency received at embassies and missions abroad shall be deposited in a foreign currency account opened at the Embassy or Foreign Mission in line with the provisions of chapter 17 of these Instructions.</p>

<p>9.11 Refunds of Revenue and Drawbacks</p>	<p>9.11.1 Refunds of revenue may become necessary because of collections or over-collections made in error or because, although properly collected in accordance with an Act or regulation, provision exists under the Act or regulation for the revenue to be reclaimed under certain circumstances.</p> <p>9.11.2 Refunds of revenue which was in the first instance collected but has been reclaimed under approved conditions must be made from an appropriate item of revenue or expenditure. Refunds of tax or other receipts collected in error shall be debited to the item of revenue, which was originally credited where the refund is made during the same financial year in which the revenue was collected, provided the revenue collected has not been remitted to Treasury. On the other hand, the refund shall be debited to an expense account in respect of revenue refunds, which shall constitute a budget line in the budget estimates for the concerned vote, if:</p> <ul style="list-style-type: none"> (a) It was collected by the receiver of revenue and paid into the UCF in the same financial year in which the revenue was collected; or (b) Where the refund is made the following financial year regardless of whether it was remitted to the UCF or not. <p>For the avoidance of doubt, no refunds of revenue shall be made directly by the Treasury considering that any withdrawals from the consolidated fund for refunds to be made require a Minister’s Warrant in line with Section 32(3)(c) of the PFMA.</p> <p>9.11.3 Refunds of revenue shall only be made after sanction has been obtained from the appropriate Accounting Officer or an officer to whom he or she had delegated in writing the power to sanction refunds of the revenue in question.</p> <p>9.11.4 Relevant authority shall still be sought before a refund of revenue is made in compliance with a court order.</p> <p>9.11.5 Officers sanctioning the refund of revenue shall take particular care that refunds are properly due; that reference is given on the refund voucher to the voucher/receipt under which the revenue was originally credited; that in appropriate cases refunds made are noted in the registers of revenue kept as required. In the</p>
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	<p>case of refunds on account of the double payment of fees for licenses, etc., the license in respect of which the refund is being made shall be attached to the refund voucher.</p>
<p>9.12 Account Records to be maintained by Revenue Collectors Without Online Access to a GFMIS</p>	<p>9.12.1 Revenue collectors without direct access to a GFMIS shall maintain a daily cash summary sheets in duplicate.</p> <p>9.12.2 The receipts issued for the revenue collections are entered in the daily cash summary sheets indicating the date, receipt number, amount received in cash or by cheque and daily total in the relevant columns. The receipts shall be entered in numerical sequence.</p> <p>9.12.3 A Revenue/Paying-in-Voucher (TF 12) shall be compiled in duplicate summarising receipts issued according to revenue classification. Original Voucher supports the Cash Account submitted to the Accounting Officer; the second copy is retained in the office. The voucher is compiled as follows:</p> <ul style="list-style-type: none"> (a) Allot a voucher number and enter it in the space provided on the voucher. (b) Enter receipt numbers and amount in the columns for particulars and amount respectively. (c) Receipts the total amount according to account allocations and enter account number, station number, voucher number and amount under the respective columns on the allocation block. (d) Verify that the total amount entered in the credit column on the allocation block agrees with the total as per the daily cash summary sheets, and the total amount entered on the body of the vouchers. <p>9.12.4 Submit Paying-in-Vouchers to the Receiver of revenue (or a person designated by him or her) supported by:</p> <ul style="list-style-type: none"> (a) Original copy of the daily cash summary sheets. (b) Accounts copy of all General Receipts issued. (c) Bank deposit slips in case collections are deposited in a bank.

	<p>(d) All unused and partly used receipt books for check by the receiver of revenue.</p> <p>9.12.5 Obtain a general receipt (TF 07) from the Accounting Officer (Receiver of revenue) for the revenue paid in and file it with duplicate daily cash summary sheets folio.</p> <p>9.12.6 Enter columns of the daily cash summary sheets indicating a date, Receiver of revenue to whom account submitted, general receipts number and amount paid in.</p>
<p>9.13 Debtors and Arrears of Revenue Returns</p>	<p>9.13.1 Goods and services are generally supplied or rendered by Government on cash basis.</p> <p>9.13.2 Any Accounting Officer or receiver of revenue authorized by the Secretary to the Treasury to allow credit facilities shall ensure that written Instructions are issued for the issuance of invoices, collecting and reporting of outstanding revenue and maintaining debtor's records. Reference to the authority of the Secretary to the Treasury shall be indicated in an invoice Register and debtors' records maintained for the purpose.</p> <p>9.13.3 When a good or service is provided on credit, an invoice shall be raised immediately. An invoice shall be prepared in triplicate on serialised forms (TF 13) obtainable from the Government Printer and issued in serial order. The original and duplicate copy of the invoice shall be sent to the debtor who shall submit the duplicate copy to support the amount paid. The invoice may also be generated directly from a GFMIS where the accounts receivable and billing module has been introduced.</p> <p>9.13.4 Invoices shall be prepared with reference to records of documents showing goods or services supplied. Such records shall contain an acknowledgement by the person receiving the goods or services.</p> <p>9.13.5 Invoices shall be recorded in an electronic or manual Invoice Register, as the case may be, before they are issued.</p> <p>9.13.6 The invoice number and date, details of goods or services supplied, name and address of the debtor and invoice amount shall be entered in the relevant</p>

	<p>columns of the register. Care shall be taken to record the correct and complete name and address of the debtor, as this information is essential for pursuing recovery of amounts due from defaulting debtors.</p> <p>9.13.7 As and when payment is received, the receipt number, date and amount received shall be entered against the relevant invoice. The GFMS shall have an adequate drill- down to link the receipt and corresponding invoice.</p> <p>9.13.8 In order to facilitate preparation of the Annual Return of Arrears of Revenue (TF 10), the column “collected” in the invoice Register is subdivided into two sub columns to indicate the year in which payment is received. Enter the current financial year (that is the year in which invoices are raised) in the first sub column and the following financial year in the second sub column. Amounts received from debtors shall be noted under the sub column for the year in which they are received. The return of “arrears of revenue” report can also be generated directly from the GFMS where this has been developed.</p> <p>9.13.9 Reminders shall be issued at monthly intervals and noted in the remarks column of the Invoice Register, electronic or manual.</p> <p>9.13.10 Amounts outstanding for more than three months, unless otherwise specified, shall be reported for collection to the Headquarters (receiver of revenue) giving the full name and address of the debtor. Copies of relevant invoices shall be attached, in case of amounts due from government officials, full particulars of the vote, department and section to which the officer belongs shall be given to enable the Human Resource Officer to effect recovery.</p> <p>9.13.11 In case a debtor transferred for collection by headquarters, later pays the amount due at the station of the Revenue Collector, the Revenue Collector shall: -</p> <p>(a) Receipt the amount in the usual manner.</p> <p>(b) Enter the particulars in the Revenue Details Sheet (TF 09) and note in the Remarks</p>
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	<p>column that the payment relates to a debt transferred for collection by headquarters.</p> <p>(c) Inform headquarters by letter of particulars of amount collected and Invoice number(s).</p> <p>9.13.12 Revenue Collectors shall review invoices, invoice registers, records of goods and services supplied to ensure that invoices are promptly issued and entered in the Register in serial order. It shall also be ensured that regular reminders are being issued for collection of outstanding amounts. In evidence of his/her check, the Revenue Collector shall endorse 'checked' with his/her initials and date in the Register.</p> <p>9.13.13 At all times, the work of issuing invoices and receiving money shall be handled by different persons.</p> <p>9.13.14 In cases where invoicing of debtors is not practical, the Accountant General shall be consulted for further direction.</p> <p>9.13.15 Outstanding revenue is the amount which has been invoiced but has not been collected. At the end of each month, Revenue Collectors shall prepare a Statement of Outstanding Revenue (TF 10). The procedure is as follows:</p> <p>(a) Amount outstanding at the beginning of the month: This is the Revenue outstanding at the end of the previous month and is taken from previous month's statement.</p> <p>(b) Amount invoiced during the month: This is the total of the Amount Due column in the Invoice Register.</p> <p>(c) Amount collected during the month: This is compiled by extracting amounts collected during the month from the 'collected' column in the Invoice Register.</p> <p>(d) Amounts transferred for collection by headquarters: This is taken from the schedule of Debtors Transferred for collection by headquarters.</p>
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	<p>(e) Revenue outstanding at the end of the month: This is obtained by deducting (c) + (d) from (a) + (b).</p> <p>9.13.16 Where the GFMIS is used to issue and receive payments against customer invoices, the statement of outstanding revenue described in paragraph 9.13.15 above shall be generated automatically from the system.</p> <p>9.13.17 Reasons for large outstanding or slow progress in collection shall be analysed and explained in the space provided for 'Remarks'. This statement shall be submitted to the headquarters office (Receiver of Revenue) together with the Monthly Revenue Return.</p>
<p>9.14 Monthly Revenue Returns</p>	<p>9.14.1 Revenue collectors without online access to a GFMIS are required to submit a monthly return of revenue to their headquarters office by the 5th of the following month. The return shall include:</p> <ul style="list-style-type: none"> (a) Revenue Detail Sheet (TF 09) with copies of (TF 07). (b) Statement of outstanding Revenue (TF 10) together with Scheduled Debtors transferred for collection by headquarters. (c) Summary statement of Revenue collected (TF 14). <p>9.14.2 Reasons for shortfall in revenue collection as compared with prorated Revenue Estimates shall be explained in the space provided for remarks on the summary statement.</p> <p>9.14.3 For the avoidance of doubt, paragraph 9.14.1 shall not apply where revenue collections are processed through a GFMIS as the necessary revenue information may be obtained online by any authorised user.</p>
<p>9.15 Setting up a Cash Office</p>	<p>9.15.1 Where required, a Government Cash Office may be established by the Accounting Officer or designated receiver of revenue with the responsibility for issuing receipts for money received i.e. accounting for revenue received by revenue collectors. The Cash Office shall receive money from the public and</p>

	<p>various debtors, and deposit it in the bank accounts approved by the Accountant General.</p> <p>9.15.2 It is also the responsibility of the cash office to ensure that any authorised Credit Ceilings are not exceeded.</p> <p>9.15.3 The cash office also accounts for remittances and shall maintain the receipts cash books, prepare cash accounts for the office and send them to the headquarters for consolidation and inclusion in the accounts of the vote.</p> <p>9.15.4 The cash office shall ensure that internal controls in the ministry/departments/stations exist to promote efficiency and effectiveness in the management of revenue collections.</p> <p>9.15.5 The cashiers shall ensure that the amounts received tally with the invoices, demand notices or assessment forms before issuing a receipt and providing clearance for the release of goods and services to the customer.</p>
<p>9.16 Distinction Between Exchange and Non-Exchange Transactions</p>	<p>9.16.1 The various types of government revenue transactions can be classified into exchange and non-exchange: Exchange Transactions are those in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange. Examples of exchange transactions are the purchase or sales of goods or services or the lease of equipment at market rates. Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange. Two main types of transactions applicable to the government entities are: Transfers (e.g. grants, donations, gifts and pledges), taxes (including levies), fines and penalties.</p> <p>See Paragraph 5.2.2(f) for distinction between exchange and non-exchange revenue transactions.</p>
<p>9.17 Accounting Recognition for Non-</p>	<p>9.17.1 Except for penalties levied under Section 57(3) of the PFMA when a person does not make payment of the assessed petroleum revenue by the due date that</p>

Exchange Revenue Transactions

shall be accounted for on an accrual basis (**see also paragraph 20.2.4**), revenue from non-exchange transactions shall generally be recognized on a cash basis. Transactions shall be recorded in the books of accounts when cash and cash equivalent has been received.

9.17.2 Cash is considered as received when cash receipt is issued or deposit slip, cheque remittance advice and payment order remittance or Electronic Funds Transfer (EFT), Credit advice is received rather than when cash and cash equivalent has been credited in the bank statement.

9.17.3 Generally, the accounting treatment for non-exchange revenue transactions shall be as follows:

Upon receipt of cash and cash equivalent

Dr: Cash/Bank xxxxxxx

Cr: Specific revenue as per CoA (class 1) xxxxxxx

(Being recognition of non-exchange transaction – describe the nature of transaction)

The accounting treatment for the specific types of non-exchange revenue transactions shall be as follows:

9.17.4 **Tax Revenue**

Shall be recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. Under the URA statute, 1991 (as amended), the Uganda Revenue Authority is mandated to collect tax-revenue on behalf of the Government of Uganda. Such revenue collections shall be brought to account as follows:

In the books of URA

a) Upon receipt of assessed taxes in commercial banks

Debit: Appropriate tax collection bank accounts – commercial banks xxxxxx

Credit: Revenue Collection Payables A/C - Appropriate tax revenue item xxxxx

(Being recognition of tax collections by the Uganda Revenue Authority)

b) Revenue collected in commercial banks is then transferred to the URA tax collection accounts at Bank of Uganda (BOU) and the following accounting transactions passed:

Debit: Appropriate tax collection bank accounts – BOU xxxxx

Credit: Appropriate tax collection accounts – commercial banks xxxxx

(Being transfer of collections from commercial banks to BOU by the URA)

c) Upon remittance of tax collections from the URA tax collection accounts at BOU to the Treasury, the following accounting entries shall be passed on the basis of notification of the transfer:

Debit: Revenue Collection – Payables A/C xxxxx

Credit: Bank Accounts of URA - BOU xxxxx

(Accounting for remittances of tax collections by the Uganda Revenue Authority to the Treasury)

In the books of Treasury - (vote 099)

(a) Upon receipt of the daily banks statements from BOU for transfers made from the URA tax collection accounts at BOU to the Uganda Consolidated Fund Bank Account (UCF), the following entries are to be raised;

Debit: UCF Bank Account (A/C 321101) xxxxx

Credit: Cash in Transit (A/C 321107) xxxxx

(Accounting for remittances of tax collections to the UCF Bank Account)

(b) On a weekly basis or any other period that may be determined by the Accountant General, the URA shall submit returns (electronic or otherwise) to the

Treasury for the revenue collected. It is on the basis of this return that the Treasury shall import the revenue transactions from the URA tax collection system to update its revenue ledgers in the GFMS, with the following entries.

Dr: Cash in Transit (321107) (1XXXXX)
Cr: Appropriate Revenue Account (1XXXXX)

(c) Monthly reconciliations shall be carried out of the URA Revenue Collection – Cash in Trust Account to ensure that the revenue collected is properly accounted for. Any balance standing to the debit of the Cash in Trust Account at the end of the financial year shall represent “revenue collections yet to be transferred to the Uganda Consolidated Fund” and shall be reflected as a current asset in the Treasury Statement of financial position.

9.17.5 Grants and Transfers:

This category shall include grants and donations from foreign governments; international organizations and transfers between general government units which include Treasury transfers, Inter-entity and intra-entity transfers. Examples of intra-entity transfers may include transfers from districts to the respective service delivery units.

9.17.5.1 Transfers from Treasury: the transfers from the Treasury may be in any of the three forms:

- i. Direct cash transfers - relate to transfers paid by the Treasury to the credit of the TSA sub-accounts relating to the operational (Expenditure) bank accounts of the recipient vote.
- ii. Direct payments - relate to transfers by the Treasury made directly to the credit of the bank accounts of the beneficiary suppliers. In this case the vote shall have processed the payment and submitted the payment vouchers to the Treasury to effect the payment directly from

the Uganda Consolidated Fund Bank Account. An example is where the Treasury may effect releases to districts through direct transfers to the service delivery units.

- iii. Indirect cash transfers - relates to transfers received by a vote from another vote through the Treasury. This may be necessary in instances where one vote has to carry out work on behalf of another vote and the Treasury is requested to make direct transfers to the executing vote.

Accounting recognition for transfers from Treasury;

Transfers from Treasury shall be recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity. The following accounting entries shall be passed by the recipient entity to recognize transfers from Treasury:

In the books of the receiving entity

a) For direct cash transfer

Dr: Expenditure/Project Bank Accounts (TSA Sub-Accounts - 321103-4) xxxx

Cr: Transfers Received by Ministries and Agencies from Treasury - Direct cash transfer (13320X) - xxxx

(Being recognition of direct transfer from Treasury)

b) For direct payment

Dr: Trade/Sundry Creditors (Accounts Payable - 41500X) xxxx

Cr: Transfers Received by Ministries and Agencies from Treasury - Direct Payments(13320X) xxxx

(To extinguish the accounts payable generated when expenditure was incurred and recognize the direct payment made to the beneficiary by Treasury on behalf of the Vote)

The accounts payable was generated as follows:

Dr: Appropriate expenditure item xxxx

Cr: Trade/Sundry Creditors (Accounts Payable - 41500X) xxxx

c) For indirect cash transfers

Dr: Bank xxxxx

Cr: Transfers Received from Other Government Units (A/C 133206; Inter Entity-specify sending entity) xxxxx

(Being recognition of indirect cash transfer received from an entity through Treasury)

The transaction that was generated in the transferring entity's book of accounts is as follows:

Dr: Transfers to other Other Government Units - 263204 (Inter entity -specify the beneficiary entity) xxxxx

Cr: Transfers Received by Ministries and Agencies from Treasury - Indirect cash transfer (13320X) xxxxx

In the books of Treasury

The following accounting entries shall be passed by Treasury in respect of funds returned to Treasury at the end of the fiscal year as a result of zero balance accounts sweeping:

- (a) From the vote's TSSA to the TSA

Dr: TSA Holding Account (321111) - xxxxxx

Cr: Treasury transfers to Ministries/agencies - 26320X (Direct cash transfer – specify sending entity) - xxxxx

(Being recognition of unused funds returned from a vote's TSSA to the TSA)

- (b) From the TSA Holding Account to the UCF Account

Dr: UCF Bank Account (321101) xxxxx

Cr: TSA Holding Account (321111) xxxxx

(Being recognition of unused funds returned to the Consolidated Fund Bank A/C from the TSA)

9.17.5.2 **Transfers from other government entities** - This relates to inter-entity and intra-entity transfers. Inter-entity transaction results from a transaction between two reporting entities. Inter-entity revenue relates to a receipt by a government entity from another government entity classified as a reporting entity. As a guide, all central government votes including their projects are reporting entities in the preparation of the consolidated annual accounts of

the Government as required under Section 52(1)(a) of the PFMA. Similarly, and in accordance with Section 52(1)(b) of the PFMA, all local government votes are reporting entities for purposes of preparing the consolidated annual accounts of the local governments. Where the government elects to prepare nation-wide consolidated accounts, all votes (MALGs) including the projects are reporting entities. Public enterprises are not reporting entities, as they are not included in the preparation of the consolidated accounts of either the central government or the local governments.

Further, to qualify as an inter-entity transaction, transfers for the activity being financed must have been budgeted for by the beneficiary entity. The following guidelines shall apply in case of transfers between government entities.

- i. Intra-entity transfers refer to transfers between cost or revenue centers within an entity. For example, transfers between districts and their service delivery units constitute intra-entity transactions.
- ii. Transfers received from a government entity for onward payment to a third party shall not be treated as an inter-entity (revenue) rather; such transfers shall be recorded as transit funds (liability) in the books of the receiving entity.
- iii. Transfers from entities to Treasury which do not relate to the current fiscal year budget, shall be treated by Treasury as inter-entity transfers.
- iv. Funds returned to Treasury at the end of the fiscal year as a result of zero balance accounts sweeping shall not be recognized as inter-entity transfers. Instead, those funds shall reduce the Treasury transfer account balance for the same year. Where Treasury receives such transfers in the subsequent fiscal year (such as embassies and foreign missions) such transfers shall be recognized as inter-entity transfers (Revenues).
- v. Where the amounts are sent in a different currency such as is the case with embassies, any associated exchange or translation

differences shall be accommodated by the receiving entity such that the amount recorded by both parties shall equal the amount recorded by the sending entity in Uganda Shillings.

- vi. In all cases of inter-entity transfers, the sending entity shall carry out direct confirmations from the receiving entity to ensure that both parties have treated the amounts as inter entity transactions and that the amounts are equal.
- vii. Transfers from other government entities shall be recognized in the books of accounts when cash is received. Cash is considered as received when a transfer advice is received by the receiving entity rather than when cash is received in the bank account of the receiving entity. The following accounting entries shall be passed by the recipient entity to recognize transfers from other government entities:

In the books of the receiving entity

a) For inter-entity transfers

Dr: Bank Account	xxxx
Cr: Transfers Received from Other Government Units (Inter-entity transfer - specify sending entity)	xxxx

(Being recognition of inter-entity transfer from specified sending entity)

b) For intra-entity transfers

Dr: Bank Account	xxxx
Cr: Transfers Received from Other Government Units (Intra-entity transfer; unit within entity)	xxxx

(Being recognition of intra-entity transfer)

9.17.5.3 Grants and donations

Grants and donations are voluntary transfers of cash or other monetary assets that an entity may receive normally without conditions. Grants may be received in cash, direct payment by development partners or direct execution by development partners (in kind).

	<p>i. For direct payment, the entity contracts the supplier to supply goods or services and the invoice is sent to the development partner to effect payment directly to the supplier. For direct execution (in-kind), the development partner provides assistance through donation of equipment, books, vehicles etc. In both instances, no cash flows from the project's bank accounts are involved.</p> <p>ii. For direct execution (grant/donations in kind), donations must be valued to ascertain the value of the items. The receiving entity shall take all the necessary steps to ensure that adequate information is obtained from the development partner to confirm the value of the donation. Where information is not readily available, the value may be estimated by comparing the cost of similar item in the local market.</p> <p>iii. Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants shall be recorded upon receipt of the grant item and upon determination of the value. The date of the transaction shall be the value date indicated on the payment advice.</p> <p>iv. Where the grant/donation is denominated in foreign currency, the grant shall be translated using the rate ruling at the value date indicated on the payment advice.</p> <p>v. Pursuant to section 43(2) of the PFMA, the Accountant General shall be the Accounting Officer for the management and accounting for grants received by the Government.</p> <p>vi. The following accounting entries shall be made in the books of account of the receiving entity:</p> <p>a) Monetary or Cash Grants and donations</p> <p><i>Upon receiving a payment advice from the development partner, the entity shall use the value date to record the revenue as follows:</i></p>
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Debit: Bank accounts – 32111XX

Credit: Grant – 13XXXX (classify if current or capital and if local or foreign per COA)

b) Grants in form of direct execution (in kind) by development partner

Upon receipt of goods or service by the beneficiary entity, journal entries shall be captured in the GFMIS as follows;

Dr: Expenditure/Asset account xxxx

Cr: Grant – 13XXXX (classify if current or capital and if local or foreign per COA) xxxx

(Where the financing modality is direct execution by the development partner. It is important to note that some of the expenditure in respect of donations may not be “on-budget” requiring the GFMIS journals to be exempted from budgetary controls)

c) Grants in form of direct payment by the development partner

Upon receipt of advice from development partner that the remittance has been made to the supplier or service provider

Dr: Trade/Sundry Creditors (Accounts Payable - 41500X)
xxxx

Cr: Grant – 13XXXX (classify if current or capital and if local or foreign per COA) xxxx

(To extinguish the accounts payable generated where expenditure was incurred and recognized awaiting direct settlement by the development partner)

The accounts payable was generated as follows:

Dr: Appropriate expenditure item xxxx

Cr: Trade/Sundry Creditors (Accounts Payable - 41500X)
xxxx

(Where financing modality is direct payments that involves the use of country systems by the development partner)

Illustration of accounting treatment of grant through direct payment by the development partner:

On 20th May 2016, A Kampala Urbanization Project (KUP) submitted a USD 25,000 Withdrawal Application to World

Bank (International Development Association (IDA), to be settled directly to a contractor named PPPT Ltd consulting engineers for short-term consultancy services. The funds were transferred to the contractor on 25th May 2016. IDA advised the project management through a payment advice with a value date of 25th May 2016 accordingly.

In the books of KUP to recognize grant through direct payment by development partner to supplier

25th May 2016:

Dr: Trade Creditors (415001) - USD 25,000

Cr: Grant – Multilateral – IDA (132101): USD 25,000

(To extinguish the accounts payable upon payment by the development partner to the supplier)

The accounts payable was generated as follows:

20th May 2016:

Dr: Consultancy services – Short term (225001); USD 25,000

Cr: Trade Creditors (415001); USD 25,000

(To accrue expenditure for consultancy services to be paid for directly by the development partner)

Beneficiary Contribution

There are instances where the development partner may require the recipient entity to contribute towards the project being funded through provision of labour by the community. In most cases, the development partner agreement shall have provided for the method of valuing the labour contribution.

Where valuation method has not been specified in the funding agreement, judgment shall be exercised at the end of the financial year to assess the percentage of work carried out by the community and therefore the value of contribution to be accounted for. Where the project is a multiyear project, the community contribution shall be prorated over the duration of the project.

Illustration: Valuation of beneficiary contribution and accounting treatment

An agreement for a two-year project between SIDA (development partner) and Rural Community Project required the community to contribute 10% of the agreement value of UGX 200,000,000 for provision of rural water. This was to be provided in kind through communal labor in digging trenches. The project commenced on July 20x5 and ended after two years on May 20x7. The development partner disbursed the contribution of UGX 180,000,000 on 30 Aug 20x5. No criteria were provided for the valuation of community contribution in the course of the project implementation.

Recognition of the development partner contribution

*Upon receiving a payment advice from the development partner, the entity shall use the **value date** of 30th August 20x5 as follows:*

Dr: Bank account (321104) UGX 180million

Cr: Grant - Capital (132202) Shs 180million

Recognition of the beneficiary contribution in kind

Considering that the project had a duration of two years, the total contribution would be time apportioned over the two years. Since the financing agreement did not provide for a basis of prorating over the duration of the project, the contribution shall be time apportioned and entries raised at the end of each financial year as follows:

30th June 20x6;

Debit: Expenditure - labor cost Shs 10,000,000

Credit: Other revenue (local grants)¹ Shs10,000,000

(Being community contribution through labour)

9.17.6 Other Revenue from Non-Exchange Transactions

Included in the category of Other Revenue is: revenue from fines, penalties, and forfeits; voluntary transfers other than grants; and grants from other individuals and local institutions, which are non-exchange revenue transactions. Other revenue from non-exchange revenue transactions shall be recognized in the books of accounts when cash is received. Cash is considered as received when a receipt is issued or a credit advice received.

¹IMF GFSM 2014 classifies all local grants as other revenues

	<p>Transactions of Other Revenue category shall be accounted in the books of accounts as follows:</p> <p><u>In the books of receiving entity</u></p> <p><i>Upon receipt of cash or other consideration</i></p> <p>Dr: Bank account xxxx</p> <p>Cr: Revenue sub-item as per CoA xxxx</p> <p><i>(Being recognition of other revenue)</i></p> <p>Illustration: “Other Revenue” from non-exchange transactions</p> <p>On 20th May 20x6, the Kampala Urbanization Project (KUP) penalized a contractor Shs 20,000,000 for failure to fulfill certain conditions as provided for in the contractual terms for development of an urban master plan. The contractor named PPPT Ltd paid the penalty in full on 30th June 20x6.</p> <p><u>In the books of KUP to recognize penalty</u></p> <p>30th June 20x6:</p> <p>Dr: Bank (321104) Shs 20 M</p> <p>Cr: Other fines & Penalties - Private (143201) Shs 20 M</p> <p><i>(Being receipt of penalty from contractor)</i></p>
<p>9.18 Accounting Recognition for Exchange Revenue Transactions</p>	<p>9.18.1 Exchange transactions shall be recognised at the fair value of the asset given to settle the amount due.</p> <p>9.18.2 Exchange transactions and events shall include:</p> <ul style="list-style-type: none"> (a) The rendering of services. (b) The sale of goods; and (c) The use by others of entity assets yielding interest, royalties and dividends or similar distributions. <p>9.18.3 Government revenue from exchange transactions are identified in paragraph 5.2.2 of these Instructions and include: Property Income; Sales of goods and services; Miscellaneous and Unidentified Revenue; Sale of property: Disposal of tangible fixed assets; Sale of Inventories; Sale of Valuables; Sale of Non-Produced Assets; Sale of Financial Assets.</p> <p>9.18.4 Revenue from an exchange transaction is considered earned when the following conditions are met:</p>

- (a) The entity has transferred to the purchaser the significant risks and rewards of ownership of the goods.
- (b) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (c) The amount of revenue can be measured reliably.
- (d) It is probable that the economic benefits or service potential associated with the transaction shall flow to the entity.
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably; and
- (f) The stage of completion of the transaction at the reporting date can be measured reliably.

9.18.5 “Other Revenue” - from exchange revenue transactions shall be recognized in the books of accounts when the revenue is earned regardless of the time the consideration is received as follows:

When revenue is earned

Dr: Other Accounts Receivable (3216XX) – specific debtor
 Cr: Other Revenue (14XXXX)
(Being recognition of Other Revenue earned)

When consideration is received

Dr: Bank - xxxx
 Cr: Other Accounts Receivable (14XXXX) – specific debtor
 xxxx
(Being settlement of accounts receivable)

Illustration: “Other Revenue” from exchange transaction

Makerere University admitted a student named Okurut to undertake a course in accountancy. The fee was Shs 2,000,000 per semester payable at the commencement of the

course. The 1st semester of the course commenced on 1st March 20x6. Okurut paid the full fee on 20th April 20x6.

In the books of the University to recognize the fees for 1st semester

1st March 20x6:

Dr: Sundry Debtors (321603) - Samuel Okurut 2,000,000

Cr: Educational levies/fees (142209) - other revenue 2,000,000

(Being recognition of fee payable by Okurut for 1st semester)

In the books of the University to recognize receipt of the fees

20th April 20x6:

Dr: Bank 2,000,000

Cr: Sundry Debtors (321603) - Samuel Okurut 2,000,000

(Being recognition of fees paid by Okurut for 1st semester)

9.18.6 Disposal of Assets

9.18.6.1 Disposal of assets is considered as an exchange revenue transaction and shall be recognized in the books of accounts when the sale occurs regardless of the time the consideration is received. However, once Government implements the accrual basis IPSAS, the accounting for disposal of assets transactions shall comply with the relevant IPSAS on 'Property Plant and Equipment' in which case disposal of assets shall be treated as a reduction of asset balances and the associated gain or loss is recognized in the statement of financial performance.

9.18.6.2 The disposal of asset categories includes: Disposal of tangible fixed assets; Sale of Inventories; Sale of Valuables; Sale of Non-Produced Assets; and Sale of Financial Assets.

9.18.6.3 Disposal of assets shall be accounted for in an entity's books of account as follows:

When the sale occurs

Debit: Sundry Debtors (321603) – specific debtor
xxxxx

Credit: Other property income - Proceeds from disposal of assets (1416XX) xxxxx

	<p>Receipt Books and other security documents at least twice in a year to ensure that they are correctly maintained and books in stock agree with the balances shown in the Register. At the same time, it shall also be seen that stock of receipt books is adequate, obsolete books and books in excess of requirements are disposed accordingly.</p> <p>(d) Ensure that the Cash Control is prepared on the dates prescribed. Ascertain reasons for any errors or omissions.</p> <p>(e) Ensure that proper handing-over and taking-over procedures are followed when officers handling cash or security documents are transferred or proceed on leave.</p> <p>(f) Review the 'Cash Gains and Losses' Account monthly and ensure that action is taken to recover amounts due from the officials concerned.</p> <p>(g) Ensure that proper security arrangements exist for cash, valuables and books of original entries.</p>
10 Expenditure Management	
<p>10.1 Committing Government Expenditure and the Payment Process</p>	<p>10.1.1 The expenditure process starts when a vote enters into a legal obligation that requires it to pay for goods or services either immediately or sometime in future.</p> <p>10.1.2 All processes and controls related to the processing of Requisitions and Local Purchase Orders (LPOs) shall continue to apply as per Public Procurement and Disposals of Public Assets Regulations and other relevant laws and guidelines, before new commitments are created.</p> <p>10.1.3 For the avoidance of doubt and notwithstanding the provisions of paragraph 10.2.2 above, the key processes for the procurement of goods and services shall include:</p>

	<ul style="list-style-type: none"> (a) The timely approval, creation and maintenance of suppliers to enable votes to execute their mandate and deliver on set targets. (b) Raising purchase requisitions to capture the needs and requirements of the user departments within a vote so as to initiate the procurement process for goods, works and services. (c) Sourcing (Request for Quotations, Request for Proposal and Open Bidding) to seek suppliers to provide goods and/or services at agreed commercial terms and conditions. (d) Processing and approval of Purchase Orders (LPOs) /Contracts to source goods/services/works from external suppliers to meet procurement requirements for a vote. (e) Receiving, inspecting, accepting or rejecting goods and services after completion of a procurement process. (f) Period end processes and reporting to ensure that Purchase Requisitions and orders are closed without any delay. This involves completing all purchasing activities and ensuring that no purchase requisitions (PR) or Local Purchase Orders (LPOs) are carried forward to a new financial year. <p>10.1.4 A vote enters into financial commitments whenever it makes an agreement which involves future financial payments. A vote shall make such commitments within its appropriated budget estimate limits (subject to the accounting warrants issued) and on the GFMIS.</p>
10.2 Supplier Creation and Maintenance	<p>10.2.1 This involves the approval, creation and maintenance of suppliers or bidders and it shall be the responsibility of the Accounting Officer that only valid suppliers are approved and maintained in the supplier database of the GFMIS. The approval, creation and maintenance of suppliers shall follow the steps below:</p> <ul style="list-style-type: none"> (a) Suppliers shall initiate the registration process by submitting applications (new and

	<p>changes to existing information) on the Ministry's Supplier e-Registration Portal. TF 41 – IFMS input form for Foreign Suppliers or TF 43 for Supplier EFT payment details, as the case may be, shall also completed as manual supporting documents and submitted to the Head of the Procurement and Disposal Unit (PDU) of a vote for ease of reference.</p> <p>(b) The Head of the PDU of a vote shall verify the supplier applications on the e-Registration Portal after reviewing the manual supporting documents and then forward the applications to the Accounting Officer for approval. For bulk applications (mainly for compensations and newly recruited employees), a designated officer shall prepare manual applications (TF 42 for employee EFT payment details) with the relevant schedules for submission to the Accounting Officer for the necessary approval.</p> <p>(c) Upon receipt of the applications, the Accounting Officer shall carry out the review online and the manual documents (TF 41,42,43) concurrently. Applications that do not meet the set requirements shall be rejected and returned to the Head PDU. Applications that meet set requirements shall be approved and forwarded to the Accountant General for upload/creation into the GFMIS.</p> <p>(d) After the review and creation of the supplier in the GFMIS, the Accountant General or his or her representative shall notify the vote which in turn shall notify the suppliers that the approved new suppliers have been created in the system or approved changes to their supplier information have been effected.</p> <p>10.2.2 Requests for changes to supplier master data shall be in writing and must be authorised by the Accounting Officer.</p> <p>10.2.3 It shall be the responsibility of the Accounting Officer of a vote to ensure that only approved and active suppliers are maintained in the supplier database. The Accounting Officer shall also ensure that the list of suppliers is updated regularly.</p>
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	<p>10.2.4 A suppliers' blacklist shall be maintained by the Accountant General in the GFMIS upon the request of an Accounting Officer and with the concurrence of the PPDA. No vote shall enter into any agreement or obligation to procure goods or services from a blacklisted supplier.</p>
<p>10.3 Payment Process-Supplier Invoices and Payroll Related Payments</p>	<p>10.3.1 Once an Accounting Officer makes commitments for the purchase of goods and services, he or she shall initiate the payment process when the goods and services have been delivered or satisfactorily received; The payment process shall involve the following steps;</p> <p>Step 1: Receipt and Registration of all Payment Claims (Invoices)</p> <p>The reception control shall be the first step of control in the payment processing cycle. Payment claims including invoices shall be received and registered by a vote and date stamped to indicate when they were received before being forwarded to the Accounting Officer. The Accounting Officer shall forward the payment claim to the Head of Finance/Accounts who in turn shall send the claim to the Accountant for the initial payment claim verification.</p> <p>Step 2: Match invoices against LPO and other supporting documentation.</p> <p>The Accountant of a vote shall carry out an initial review of the invoice against the purchase order and other documents that are sent to the supplier as well as against the Inspection Notes and delivery documents from the inspection team and the stores. He or she shall ensure that the quantities match on all the documents as well as confirm that the cost on the invoice does not differ from that on the purchase order issued unless a discount was given. Once the Accountant is satisfied that all the payment documentation is in order, he or she shall commence the payment process in the GFMIS by creating a system invoice to record the payment details. For ease of referencing, the system generated invoice number shall be indicated on the supporting documentation before submission to the Head of Finance and Accounts for review and first level approval.</p>

Step 3: Review invoices (Payment Vouchers) against supporting documents

On receipt of the payment documentation, the Head of Finance and Accounts shall retrieve all information relating to the payment transaction from the system for validation against the supporting documents. Although the matching of the invoices with the supporting documents shall have been done on the system, the Head of Finance and Accounts shall still be required to check that it is correctly done before submission of the documents for the final review and approval by the Accounting Officer.

Step 4: Approval of invoice (Payment Voucher) by the Accounting Officer

Once the Accounting Officer is satisfied with the details of the transactions, the invoice (Payment voucher) is approved and automatically notified to the Treasury to effect payment. At this stage the invoice is automatically posted recognising the liability by updating both the suppliers' ledger and the general ledger.

In reviewing payment requests, an Accounting Officer shall have a primary responsibility of ensuring that there is no mischarge and diversion of funds through wrong coding of transactions. An Accounting Officer shall be held personally liable for any wrong charge accounts used for expenditure incurred by his or her vote.

Step 5: Review of invoices submitted by the Votes

In accordance with Section 46(3)(d) of the PFMA, the Treasury shall perform additional reviews to ensure that the details of the invoices submitted are correct and at the same time review the cash requirements to cover the payment of all the approved and reviewed invoices.

Step 6: Funding the vote's Treasury Single Sub-Account (TSSA)

Based on the approved and reviewed invoices, the Treasury shall assign EFT numbers and then

instruct the Bank of Uganda to transfer an equivalent amount from the TSA to the TSSA of the vote.

Step 7: Submission of payment requests to Bank of Uganda for payment of the invoices

This stage involves the submission of encrypted EFT Instructions to the BoU to settle the invoices approved by the vote and reviewed by the Treasury once funds are transferred to the vote's TSA sub-account. BoU shall in turn process payments and send EFT Instructions to commercial banks to credit the accounts of the beneficiaries. Accordingly, daily bank statements shall be generated and forwarded to the Accountant General for uploading into the GFMIS to facilitate automatic bank reconciliations. At the end of each day, BoU shall also sweep back any unutilized funds.

Step 8: Handling of unapplied EFTs

The Bank of Uganda or commercial bank may reject a payment instruction for a number of reasons and in this case appropriate action shall be taken as described in Instruction 10.26 of these Instructions.

Step 9: Filing documents

This is the final stage in the payment processing cycle and the Head of Finance and Accounts shall ensure that the vouchers are printed and signed and all the relevant supporting documentation for the invoices paid are filed in good order. He or she shall ensure that the documents are all stapled neatly and are filed according to the Payment Voucher Number.

10.3.2 All invoices and payment vouchers of a vote shall be approved by the Accounting Officer of the vote unless delegation of financial management authority provides for another person.

10.3.3 Notwithstanding the requirements of paragraph 10.4.2 above and in accordance with Section 45(6 & 8) of the PFMA and Regulation 29(2) of the PFMR, an Accounting Officer may designate in writing and by name, specific persons who may approve payments on his or her behalf and prescribe the financial limits and other conditions within which the authority may

	<p>be exercised. Accordingly, the Accountant General shall be:</p> <ul style="list-style-type: none"> (a) Advised of the names of the public officers designated and the financial limits within which they may exercise their authority. (b) Provided with the specimen signatures of those public officers; and (c) Advised when the authority of any public officer to approve payments is withdrawn. <p>10.3.4 For entities not on the GFMIS electronic platform, the payment processes shall be manually replicated and relevant books and records kept as required (vote books, cashbooks, various ledgers, etc). Specifically, and in accordance with Regulation 29 (1) of the PFMR, all payments shall be vouched on payment voucher (TF 15).</p> <p>10.3.5 The Head of Finance (Chief Finance Officer) shall ensure that the vote book (ledger) is updated electronically with the approved invoices to indicate expenses that are due and reduce the budget line.</p> <p>10.3.6 Payments made by Imprest Holders and others accounting to them shall also be made against properly completed payment vouchers described in paragraph 10.4.4.</p> <p>10.3.7 Payments shall not be made to persons not named in a payment instruction and whose bank account and identity are not clearly validated. Where payments are to be made to persons other than those named in a payment claim or order, the authorities under which such payments are made such as powers of attorney or letters of administration, shall be attached to the payment documents themselves.</p> <p>10.3.8 A payment register, electronic or otherwise, shall be maintained in which all payments made shall be recorded showing date of payment, name of payee, payment reference number and amount paid.</p> <p>10.3.9 Payroll related payments shall be processed through the automated Personnel and Payroll system and availed manually or automatically in the GFMIS for payment. The procedures set out under paragraph 10.4.1 are generally applicable for the payroll</p>
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	<p>related payments. The key difference is that the invoices in the GFMIS are generated automatically from the payroll information originating from the IPPS.</p> <p>10.3.10 For detailed procedures relating to the preparation of the payroll, see Instruction 10.23 and 10.24 of these Instructions.</p>
<p>10.4 Acquisition of Used Assets</p>	<p>10.4.1 Section 34(7) of the PFMA, requires an Accounting Officer to seek the authority of the Secretary to the Treasury prior to the acquisition of a used asset.</p> <p>10.4.2 The request to the Secretary to the Treasury shall be made in writing and shall provide justification for the acquisition of a used asset based on a criteria involving the following:</p> <ul style="list-style-type: none"> (a) Procurement process undertaken in accordance with the provisions of the PPDA Act, its regulations and guidelines. (b) Ability to meet the needs of the vote. (c) Value for money over the life cycle of the asset. (d) Sufficient technical, management, physical and financial capacity of the vote. (e) Previous record of performance of the asset. (f) Occupational health and safety management in place. (g) Risk assessment undertaken Impact assessment on the environment. (h) Customer service delivery including after sales service available. (i) Quality assurance arrangements in place and (j) Any other criteria as may be deemed necessary. <p>10.4.3 Where the Secretary to the Treasury is satisfied with the request of the Accounting Officer, he or she shall provide a written approval for the acquisition of the used asset.</p>

	<p>10.4.4 Where the Secretary to the Treasury is not satisfied with the circumstances relating to the acquisition of a used asset, the request shall be rejected and the concerned Accounting Officer notified accordingly.</p>
<p>10.5 Method of Payments</p>	<p>10.5.1 In general, all Government payments processed through the GFMIS shall be made by Electronic Funds Transfer (EFT) to the beneficiary bank accounts. (For further details on the EFT guidelines refer to Instruction 10.7 below – Preparation of EFT Instructions)</p> <p>10.5.2 Paragraph 10.6.1 notwithstanding, the Secretary to the Treasury, on the recommendation of the Accountant General and following consultations with individual Accounting Officers, may set limits for cash payments to be made by Accounting Officers. Such limits that shall be communicated in writing to the Accounting Officer with a copy to the Governor of the Central Bank may be reviewed from time to time as may be deemed necessary.</p> <p>10.5.3 An Accounting Officer may process payments by cheque only with the approval of the Accountant General.</p> <p>10.5.4 When goods and services are obtained from abroad whose payment is in foreign currency, the payment shall be effected through:</p> <ul style="list-style-type: none"> (a) EFT instruction to Bank of Uganda (BoU) and shall be effected in compliance with the foreign exchange regulations issued by the BoU. (b) Telegraphic Transfer allowing the transfer of funds from bank to bank, commonly used by externally funded projects. Telegraphic Transfer is effected upon presentation of Payment Instructions and is a faster means of payment than direct payment. (c) Irrevocable letter of credit where the Implementing Unit enters into a contractual agreement with a foreign supplier for the purchase of supplies and the supplier shall not ship the goods until certain payment conditions are fulfilled by the Implementing Agency. Similarly, the Implementing Agency shall not make any payment to the supplier

	<p>until the supplier has fulfilled the set conditions.</p> <p>(d) Direct payment method of disbursement is operative where the Implementing Agency requests the DP to make payments directly to suppliers for goods supplied or to contractors or consultants for work done or to be done.</p> <p>(e) Reimbursement that involves the recipient government advancing to the Project Implementation Unit (PIU) its own funds to meet project expenditures. Each month or as soon as expenditure has been incurred the PIU requests the Development Partner to refund eligible expenditures incurred by filling in TF 16. The Development partner may state a minimum amount eligible for processing as re-imburement claim. This minimum amount is stated in a disbursement letter. The DP may replenish the special account under the preceding advance on condition that it has been utilized and justified up to at least 50% of the funds. The 50% threshold for the replenishment of funds of the special account may be agreed upon or modified after negotiations or during project implementation. Where an irrevocable letter of credit has been opened, the DP may give its irrevocable undertaking to reimburse payments made to the supplier by the confirming bank, provided that the implementing agency on request for guarantee has;</p> <p>(i) Filled in the formal request (TF 16).</p> <p>(ii) Attached two copies of the draft Letter of Credit which the correspondent bank proposes to issue to the supplier.</p> <p>(iii) A copy of the purchase order (Refer to PPDA Act & Regulations) or invoice in respect of the payment to be made.</p> <p>10.5.5 The supporting documents to the Payment Instruction shall include:</p> <p>(a) Copy of original invoice, certificate or fee note.</p> <p>(b) Bank guarantee (if necessary).</p>
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	<ul style="list-style-type: none"> (c) Delivery note. (d) Contract agreement. (e) Bank’s own application form for bank draft. (f) Bill of lading. <p>10.5.6 With the prior approval of the Secretary to the Treasury, Embassies and Missions abroad may effect payments for goods and services using ATM/debit/credit cards under the following conditions in relation to the procedures and documents required to support the credit card transactions:</p> <ul style="list-style-type: none"> (a) The Accounting Officer shall designate an entity staff as a card holder who shall ensure that the conditions of the “ATM/Debit/Credit Card Agreement” with the bank are fully complied with. (b) All card purchases shall be approved by the Accounting Officer or Head of Finance/Accounts depending on the amount involved. (c) The card expenditure shall be signed by the cardholder and supported by the appropriate documentation which must be submitted for reconciliation with the account bank statement. (d) The cardholder shall ensure that a satisfactory description of the goods purchased is on the sale/tax invoice. (e) The ATM/debit/credit card shall not be used for: <ul style="list-style-type: none"> i. Cash withdrawals outside the approved limits. ii. Non-work related expenditure. iii. Purchase of items of property and equipment that must be recorded in the asset register (unless approved by the Accounting Officer) iv. Purchase of dangerous goods and hazardous substances.
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	<ul style="list-style-type: none"> (f) Personal expenditure charged by a cardholder shall be treated as a serious breach of government financial procedures and the officer responsible shall be surcharged accordingly. Disciplinary action may include, but not limited to: formal warning, administrative action in the form of cost recovery, Police report and/or criminal proceedings. (g) The cardholder shall not permit use of the card by another person except for work related expenses incurred with prior approval. (h) Where a card is lost or stolen, the cardholder must immediately report to the bank for cancellation. (i) The cardholder must return the card should he or she cease to be a staff of the entity. (j) Reconciliation of the card statements must be completed by the 7th day of each month.
<p>10.6 Preparation of EFT Instructions</p>	<p>10.6.1 In accordance with paragraph 10.6.1 of these Instructions, all votes on the GFMIS shall generate and transmit electronic payment Instructions to their respective banks to effect payments. EFT is a payment method and all procedures and controls related to the commitment and payment processing cycle of government shall continue to apply up to the point where a cheque would have been printed or written. Accordingly, the overall authority and responsibility for payments in a vote shall remain with the Accounting Officer.</p> <p>10.6.2 Commercial Banks shall effect payments only where there are sufficient funds on the account and send feedback on unpaid transactions to the concerned vote for corrective action. Once the transactions have been corrected by the respective votes, they can be re-submitted to the commercial bank afresh to process payments.</p> <p>10.6.3 Beneficiary accounts are expected to be credited by the commercial banks within 3 working days after submission of payment Instructions to the Clearing House.</p>

	<p>10.6.4 The unique reference numbers assigned to each of the payment transactions effected using EFT and narrative descriptions on the bank statement shall provide audit trail enhance the bank reconciliation process.</p> <p>10.6.5 To enable processing of payments using EFT, all suppliers including employees shall be created in the GFMIS with the following bank account information:</p> <ul style="list-style-type: none"> (a) Supplier/Employee Name and contact details (mobile phone number and e-mail). (b) Account Title. (c) Account Number. (d) Bank Name. (e) Bank Branch. <p><i>See Instruction 10.3 for supplier creation and maintenance procedures.</i></p>
<p>10.7 Use of the e-Cash Platform to Handle Cash Transactions</p>	<p>10.7.1 MALGs may use the e-cash solution introduced by government, to manage their transactions with the following objectives:</p> <ul style="list-style-type: none"> (a) To foster efficiency and convenience in execution of cash payments to beneficiaries. (b) To increase security and transparency of the entire payment processing that ensure funds are received by the intended beneficiaries. (c) To increase the ability to track funds disbursed to entities for cash payouts on a real time basis by the Ministry. (d) To avoid fraud or loss of money due to theft or incorrect recording. (e) To provide accountability for all disbursed funds through reports generated from the system. (f) To ensure that beneficiaries are paid the right amount and at the right time.

10.7.2 e-cash shall be used to pay:

- (a) Cash Imprest.
- (b) Facilitation to participants attending workshops and trainings.
- (c) One-off cash compensations and
- (d) Any other cash payout not handled in the normal payment process.

10.7.3 The process of handling e-cash transactions shall be as follows:

- (a) An Accounting Officer with a cash requirement shall write to Accountant General informing him of the need for cash to implement the activity with relevant supporting documents and full activity budget.
- (b) Accountant General shall review and authorize/reject the cash request.
- (c) The Accounting Officer, upon getting Accountant General's approval shall initiate a payment to the e-cash account through the GFMIS at least three days prior to the cash payout activity/event.
- (d) Once the e-cash account has been credited, Treasury shall update the e-cash platform with the e-value to be spent by the vote.
- (e) On the payout day, the details of the beneficiaries including beneficiary name, mobile phone number and amount to be received shall be captured on the e-Cash platform and sent through an approval hierarchy by the assigned officer. The platform has an inbuilt Know Your Customer, which automatically displays the recipients' names when phone numbers are entered. The responsibility of ensuring that only bona-fide participants are paid and reconciling the two records lies with the respective accounting officer.
- (f) E-cash payment shall be initiated on the platform to the various beneficiaries either by capturing transaction individually or through bulk upload.

	<ul style="list-style-type: none"> (g) The Accounting Officer or his/her delegated officer shall validate the transaction on the platform and forward to the e-cash Service provider for payment. (h) The beneficiaries shall immediately receive notification of receipt of the payment. (i) A report shall be generated with all the details of amounts paid and beneficiaries. (j) Any unpaid balance shall be swept back to the MALG Sub TSA (Source Account). (k) The MALG shall pass accounting entries to adjust the Cash book and expenditure line for the amounts returned/Unspent. (l) The MALG shall prepare accountability in form of activity reports in addition to reports generated on the e-cash Platform.
<p>10.8 Acknowledgement of Receipt of Payment by Payees</p>	<p>10.8.1 Cash and cheque payments shall be acknowledged by the payees who shall be required to sign in an appropriate space provided on the payment voucher or by issuing a receipt.</p> <p>10.8.2 For the avoidance of doubt, payments made directly into the beneficiaries' bank accounts, or by e-cash or credit cards, may not require the acknowledgement specified in paragraph 10.9.1.</p>
<p>10.9 Payment Vouchers or Electronic Documentation</p>	<p>10.9.1 All payments must be supported by vouchers which must be electronic or typewritten or made out in ink or ballpoint pen and must contain or have attached thereto full particulars of the service for which payment is made, such as dates, numbers, distances, rates etc. so as to enable them to be checked without reference to any other document. Amounts must be written in words as well as figures. Copies of vouchers must be clearly marked as such to distinguish them from the originals.</p> <p>10.9.2 The public officer who signs a voucher or approves an electronic payment instruction thereby certifies to the accuracy of every detail therein. He or she shall therefore be held personally responsible for ensuring:</p>

	<ul style="list-style-type: none"> (a) That the services specified have been duly and competently performed. (b) That the prices charged are either according to contracts or approved scales or are fair and reasonable according to appropriate rates. (c) That authority has been obtained as quoted. (d) That the calculations and castings have been verified and are arithmetically correct. (e) That the classification of the expenditure is correct.; (f) That there are sufficient funds uncommitted in the relevant vote to meet the expenditure. (g) That the persons named in the voucher are those entitled to receive payment; and (h) That any supplies purchased have been taken on charge. <p>10.9.3 The signature of public officers on payment vouchers and certificates must be in ink or ballpoint pen. Stamped facsimile signatures must not be used. Only the original payment voucher or certificate shall be signed, copies of the voucher being initialled only. Each certificate on or attached to a payment voucher and each sheet of a voucher comprising more than one sheet must be signed separately and signatures may not be written across one or more certificates. The designation of the public officer signing a voucher or certificate must be typed or written legibly below the signature.</p> <p>10.9.4 Payments must be made only to the persons named in the vouchers or their accredited agent and wherever possible must be made by means of direct bank transfer or crossed cheques. Where payments are made in cash, signed cash payment vouchers/receipts (duly stamped where necessary) must be taken at the time of payment. Except where an amount is receivable by a public officer for official purposes (e.g. by way of temporary imprest) or for his or her own account (e.g. in payment of subsistence allowance) payment must not be made to a public officer.</p> <p>10.9.5 Notwithstanding the provisions of paragraph 10.10.4 above and for the avoidance of doubt, all supplier payments processed through the GFMIS shall be made</p>
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	<p>by electronic funds transfer to the credit of the beneficiary bank accounts.</p> <p>10.9.6 Where the recipient of a payment in cash is unable to write, he or she must make his or her thumb print mark in acknowledgement of receipt, the act being witnessed by a public officer other than the paying public officer. The witness shall certify on the payment voucher that the payments were made to the persons entitled to receive them.</p> <p>10.9.7 Where the paying public officer is in doubt as to the identity of any person drawing payment in cash, he or she must require that person to produce proof of identity (e.g. The national identity card or a driving license) or to have his or her identity attested by a third person who can be identified, who shall sign the voucher as a witness to the payment.</p> <p>10.9.8 To avoid the possibility of a duplicate payment being made on a voucher, as soon as a voucher has been paid, the public officer making the payment shall stamp "Paid" across the face of the voucher and supporting documents. In the event of a duplicate or irregular payment being made because of a failure to comply with this instruction the paying public officer responsible for the omission may be liable to be surcharged with the amount of any loss.</p> <p>10.9.9 Accounting Officers shall retain at their own offices serially numbered and properly filed for audit purposes and references, vouchers supporting the entries in their books, as indicated above.</p> <p>10.9.10 Except as may be specifically authorized by the Accounting Officer, accountable for the payment to be made, no officer shall certify a voucher for payment to himself or herself. This paragraph does not apply to vouchers submitted by authorized imprest holders to enable them to draw the amounts of their standing imprests from Accounting Officer to whom they account.</p> <p>10.9.11 In the event of an authorized payment being made in consequence of an incorrect certificate on a voucher, the officer giving the certificate shall be held responsible and the amount may be surcharged</p>
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	<p>against him or her, and he or she may also be subject to disciplinary action.</p>
10.9.12	<p>Payment vouchers shall be prepared in such a way as to prevent fraudulent alteration of or addition to, the figures or details given on them. Any alterations on payment vouchers shall be initialled by the officer signing the voucher, or by the receiver or paying officer, according to the part of the voucher in which the alteration is made.</p>
10.9.13	<p>Separate payment vouchers shall, as far as possible, be used for separate items of expenditure or for the payment of different services, especially in cases in which each service has been separately authorized. One voucher however may be used for any number of separate items if it is deemed necessary e.g where the separate items or services have been delivered by one supplier or payee.</p>
10.9.14	<p>All vouchers shall contain full particulars of each service or goods and shall be accompanied by such supporting documents as may be required so as to enable them to be checked without reference to any other documents.</p>
10.9.15	<p>The officer certifying a voucher for payment shall see that every certificate printed on it, which is appropriate to the payment to be made, or which is required by these or any other Instructions to be endorsed on it, has been duly completed.</p>
10.9.16	<p>All payments shall be fully coded according to the chart of accounts codes to enhance expenditure classification and reporting.</p>
10.9.17	<p>An Accounting Officer shall ensure that no payments due in any financial year remain unpaid at the end of that year. Towards the close of each financial year, the Head of Finance and Accounts function shall take steps to obtain bills from any persons to whom money may be due and submit payment vouchers for them to the appropriate Accounting Officer for payment.</p>
10.9.18	<p>Unless the Accounting Officer has authorized to the contrary, all payment vouchers other than vouchers paid by Imprest holders must be sent to the</p>

	<p>appropriate Accounting Officer for checking and authorization.</p> <p>10.9.19 In order to prevent the possibility of double payments being made, Accounting Officers and Imprest Holders shall maintain invoice registers (TF 17) in which shall be recorded details of:</p> <p>(a) each invoice received, (b) the relevant local purchase order form and (c) the payment voucher on which payment was made.</p> <p>10.9.20 Payment vouchers numbered sequentially are to be used for all payments made from the bank account. To the payment voucher shall be attached original bills or original requests for payment and other documents. The original bills/invoices shall obtain the prior approval of the Accounting Officer before being processed for payment.</p> <p>10.9.21 All payment vouchers subsequently posted to the cash book shall be filed in numerical order (cheque no. sequence) after having been stamped with a “POSTED STAMP”.</p> <p>10.9.22 Receipts (or any form of acknowledgement of receipt) shall be obtained for all payments except when payment is made by EFT and directly to the beneficiary accounts. When the receipt is not in English, a translation shall be given.</p> <p>10.9.23 If payments are made by means of a schedule dispatched to a bank, authorizing the bank to make payments scheduled and to debit the amount of them to a Government Bank Account, the certificate of the bank that the payments have been made shall ordinarily be accepted as sufficient evidence that the payments have been made.</p>
10.10 Missing Vouchers and Source/Supporting Documents	10.10.1 Financial records include all source documents (budgets, invoices, vouchers, bank statements, credit advice, journals, cheques, receipts and any other documents which serve as evidence of financial transactions).

	<p>10.10.2 Vouchers and other source documents shall be sequentially numbered to enable detection of missing accounting documents.</p> <p>10.10.3 Pursuant to Regulation 33 of the PFMR, if any voucher or supporting documents on which payment has been made are lost, misplaced or inadvertently destroyed, the public officer concerned shall report (TF 18) to the Accounting Officer who shall notify the Accountant General immediately. The Accountant General shall in turn report the full circumstances to the Secretary to the Treasury.</p>
<p>10.11 Unauthorized, Irregular, Fruitless and Wasteful Expenditure</p>	<p>10.11.1 An Accounting Officer shall exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and must for this purpose implement effective, efficient and transparent processes of financial and risk management.</p> <p>10.11.2 Unauthorized or irregular expenditure relates to payments that are not authorized under an Appropriation Act or are a direct charge on the UCF by statute or court orders or tender procedures.</p> <p>10.11.3 Fruitless or nugatory payments occur as losses if a payment is avoidable and there is no benefit to Government.</p> <p>10.11.4 When a public officer discovers unauthorised, irregular or fruitless and wasteful expenditure, the officer must immediately report such expenditure to the Accounting Officer. The Accounting Officer shall ensure such expenditure is reported in accordance with Instruction 21.8 of these Instructions. In case of irregular expenditure incurred in contravention of procurement procedures, the contracts committee of the vote and PPDA shall be notified accordingly.</p> <p>10.11.5 The Accounting Officer shall be required to refer any unauthorized or irregular expenditure to a Board of Survey established by the Accountant General under Regulation 35 of the PFMR; any such referral shall however not affect the opinion of the Auditor General and his or her obligation to report that loss to Parliament.</p>

	<p>10.11.6 When the Board of Survey determines the appropriateness of the recommendations to be made in terms of Regulation 35(4) of the PFMR, the Board must take into account:</p> <ul style="list-style-type: none"> (a) The circumstances of the transgression. (b) The extent of the expenditure involved; and (c) The nature and seriousness of the transgression. <p>10.11.7 In general, the recovery of losses or damages resulting from unauthorised, irregular or fruitless and wasteful expenditure shall be dealt with in accordance with chapter 21 of these Instructions.</p> <p>10.11.8 The amount of the unauthorised, irregular, fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the institution.</p>				
<p>10.12 Acquisition of Capital Assets and Accounting treatment</p>	<p>10.12.1 Votes may procure capital assets that include assets such as vehicles, furniture, equipment, finance leases, plant and tools, service concession assets and investment property. Capital items shall be considered as non-current assets as indicated in Appendix E (Asset classes recognition and measurement)</p> <p>10.12.2 These shall be treated on an accrual basis of accounting and the acquisition of capital assets shall be recognized as an asset in the statement of financial position when the asset is purchased with the consumption of the asset (depreciation) being recognized in the statement of financial performance. The following accounting entries shall apply accordingly:</p> <p style="text-align: center;"><i>Upon receipt of invoice or cash purchase of capital assets</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Debit: Acquisition of assets (Balance sheet item)</td> <td style="text-align: right;">xxxx</td> </tr> <tr> <td>Credit: Accounts payable or bank account</td> <td style="text-align: right;">xxxx</td> </tr> </table> <p><i>(Being recognition of purchase of capital assets on credit or cash terms as applicable)</i></p>	Debit: Acquisition of assets (Balance sheet item)	xxxx	Credit: Accounts payable or bank account	xxxx
Debit: Acquisition of assets (Balance sheet item)	xxxx				
Credit: Accounts payable or bank account	xxxx				

	<p>10.12.3 For the avoidance of doubt, the rest of the non-current assets (e.g intangible assets) shall be treated on cash basis and directly expensed and charged to the statement of financial performance as capital expenditure at the year end of acquisition after depreciating them 100% and as revenue in the category of proceeds from asset disposal in the year of disposal.</p> <p>10.12.4 All fixed asset acquisitions shall be captured in the fixed asset module of the GFMIS.</p> <p>10.12.5 Depreciation/impairment of assets and revaluations of the PPEs shall be recognized in the financial statements. For the remaining non-current assets (see paragraph 10.13.3 above) and until the government adopts the full accrual basis of accounting, this may not be recognized in the financial statements but shall be recorded in the fixed asset register of the GFMIS.</p> <p>10.12.6 The measurement base for capital assets to be applied in the preparation of financial statements shall be historical cost unless otherwise stated. The historical cost is the amount of cash or cash equivalent paid or received or fair value of any other consideration given or received in relation to an asset.</p>
<p>10.13 Prepayments for Services or Goods</p>	<p>10.13.1 Where an Accounting Officer considers it necessary to make payments in advance of expenditure being incurred, such prepayments shall be charged to the appropriate budget line as a commitment and also accounted for and debited to “Prepayment to Suppliers’ A/C-321603 (Name of supplier)” until when the goods / services are delivered when the actual expenditure line is debited and the prepayment account cleared as follows;</p> <p>Dr: Appropriate expenditure item Cr: Prepayments to Suppliers’ A/C – 321603 (Name of Supplier) <i>(Being recognition of the delivery of goods or services against a pre-payment made to the supplier)</i></p>

	<p>10.13.2 In line with the modified accrual basis of accounting adopted by GoU, the prepayments must be recognized as an account receivable (financial asset) when cash is paid out and which is extinguished when services or goods are consumed or received.</p> <p>10.13.3 Where a bank guarantee is required under any contract, and the supplier has presented such a guarantee, the Accounting Officer shall make independent confirmation from the issuing bank before making any payment against that bank guarantee.</p>
<p>10.14 Payments In-advance and Deposits</p>	<p>10.14.1 In some circumstances a vote or cost centre may be required to make a deposit payment related to a commitment or expenditure to be incurred. For example, the missions abroad may be required to pay a “rent deposit” to secure office premises or some contracts may require a letter of credit to be opened.</p> <p>10.14.2 Payments in-advance and deposits shall be handled in a manner similar to that prescribed in Instruction 10.14 and shall be accounted for under the accrual basis of accounting. The deposit shall be accounted for as an account receivable and extinguished when the service is consumed. For the rent deposits made by the missions abroad, the receivable is extinguished at the end of the lease contract when the deposit is refunded back to the embassy.</p> <p>Illustration: Payment in advance and deposit</p> <p>On 1st July 2015, Embassy of New York paid UGX 12,000,000 equivalent in foreign currency for a security deposit for an operating lease of office space for the embassy. Monthly rent is UGX10,000,000 payable in arrears.</p> <p>Assume at the end of the lease contract, the landlord refunds UGX 10,000,000 as he has incurred an expenditure of UGX 2,000,000 to bring back the office premises to the state they were in at the time of contracting. This was in line with the lease agreement as had been agreed upon by both parties to the agreement.</p> <p>The payment in advance also known as rent /security deposit would be accounted for as follows:</p> <p><i>Upon payment of the deposit</i></p>

	<p>Dr: Sundry debtors (321603) – Name of Landlord- 12 M</p> <p>Cr: Bank account 12 M</p> <p><i>Upon expiry of the lease contract and refund of the deposit</i></p> <p>Dr: Bank account 10 M</p> <p>Dr: Rent- Produced assets (223003) 2 M</p> <p>Cr: Sundry debtors (321603) – Name of Landlord 12 M</p>
<p>10.15 Payment of Taxes, Rent, Utilities and Expenditure Arrears</p>	<p>10.15.1 All taxes shall be budgeted for and included as part of the cost of the relevant expenditure item.</p> <p>10.15.2 Accounting Officers shall ensure that all due taxes are paid in full.</p> <p>10.15.3 All votes shall include estimates for rent and utilities and ensure that rent, rates, utilities and taxes are cleared as and when they are due for payments.</p> <p>10.15.4 Expenditure arrears are bills that remain outstanding beyond the financial year in which they were incurred and pose a big risk against effective budget execution. For this reason, Accounting Officers are required to:</p> <ul style="list-style-type: none"> (a) Restrict the traditional expenditure arrears budget to court awards and which shall be strictly monitored. (b) Give priority to payment of all other arrears by giving them first call in the allocation of resources during the budgeting process of the responsible vote. (c) Make prepayments in respect of rent and utilities (ICT services, telephone, water and electricity, etc). (d) Settle fixed costs as a first call on the Budget. (e) Report interest charged on overdue supplier accounts as nugatory expenditure. (f) Perform age analysis of commitments and accounts payables and take necessary remedial measures where accounts payable are older than 30 days. (g) Rationalise subscriptions to international organisations in-order to scale back on the level of outlays on this expenditure item.

	<p>(h) Capture all supplier invoices in the GFMS immediately they are received even when they are “not-funded” (without an accounting warrant). In this regard, the GFMS shall be configured so as to allow “off-budget” transactions to be processed through the system so that complete and accurate information on the stock of arrears can be obtained directly from the system on a real time basis. The availability of complete and timely information on the trend and stock of arrears shall enable the Secretary to the Treasury to take appropriate action to prevent further accumulation of arrears.</p> <p>(i) Ensure that a reconciled and verified stock of expenditure arrears is included in the quarterly expenditure report submitted to the Secretary to The Treasury (Section 16 of the PFMA) and also as part of the half-year and annual financial statements submitted to the Accountant General.</p> <p>10.15.5 The Accountant General shall exercise oversight over the stock of expenditure arrears throughout government. For this purpose and from the quarterly expenditure reports submitted by the Accounting Officer under Section 16 of the PFMA, he or she shall prepare and submit quarterly monitoring reports on the stock of arrears to the Secretary to the Treasury for the necessary consideration and appropriate action.</p>
<p>10.16 Taxes Withheld on Supplier Payments</p>	<p>10.16.1 Accounting Officers in accordance with the tax statutes and obligations may make deductions of withholding tax from payments to suppliers. Any such deductions shall be accounted for in the books of the Accounting Officer as follows:</p> <p><u>Upon effecting the WHT deductions</u> Dr: Expenditure item (with total amount incurred) Cr: TSSA/Expenditure Bank A/C (With Net Amount paid to Supplier) Cr: Withholding Tax Payable A/C – 415005 (With WHT amount)</p> <p>10.16.2 The WHT deductions shall be credited initially to an account in the Accounting Officer’s books titled “Withholding Tax Payable A/C” as indicated in the paragraph 10.17.1 above. The monthly balance of this</p>

	<p>account shall then be paid over to the Uganda Revenue Authority by the 15th of the month following that in which the deductions were made. These payments shall be recorded by making the following entries.</p> <p><u>Upon payment of the WHT deductions</u> Dr: Withholding Tax Payable A/C – 415005 (With the monthly total deductions being remitted to URA); Cr: TSSA/Project Acc/Expenditure Bank A/C – 32110X</p> <p>10.16.3 Each payment shall be accompanied by one copy of a prepared WHT deductions list or URA monthly tax return. Such a list shall be shared electronically through an interface between the government GFMIS and the URA tax collecting system.</p> <p>10.16.4 An Accounting Officer shall issue tax credit certificates to the suppliers, electronic or otherwise, for the Withholding tax deductions made.</p> <p>10.16.5 Each contract with the supplier shall state the withholding tax rate.</p>
<p>10.17 Grant and Transfer Payments Between Government Entities</p>	<p>10.17.1 Inter-entity payments relates to a payment made by a government entity to another, both classified as reporting entities in accordance with the GoU accounting policy under chapter 5 of these Instructions (see sub - paragraph 9.17.5.2).</p> <p>10.17.2 The following guidelines shall apply in the treatment of inter-entity payments:</p> <ul style="list-style-type: none"> (a) All Central Government votes (including the independent projects) are reporting entities for purposes of preparing the consolidated accounts of Government. State enterprises and public corporations are not reporting entities for purposes of the Inter-entity transactions. (b) Local Governments are also reporting entities for purposes of preparing the consolidated accounts for local governments. (c) Where the payment amounts are remitted in a different currency such as is the case with the Uganda Missions Abroad, any associated exchange or translation differences shall be

accommodated by the receiving entity such that the amount recorded in Uganda shillings by both the sending and receiving entities shall be equal to each other.

- (d) Funds received by a vote or an entity for purposes of onward transfer to an agent of the sending entity (principal) are not treated as inter-entity transactions. In effect the funds are just transiting through the entity and are therefore not meant for executing the entity's budget. This arrangement is common with embassies where votes remit funds to the credit of embassy accounts for purposes of effecting transactions with the embassy host country.
- (e) Funds received by a vote or entity for safe custody until a certain event occurs when the funds are repaid to the beneficiaries are not inter-entity transactions. Such funds are categorised as funds held in-trust (refundable deposits) and dealt with in accordance with Instruction 12.14 of these Instructions.

10.17.3 The sending entity shall pass the following accounting entries in respect of inter-entity payments:

Upon sending of funds

Debit: current/capital transfers to other government units (263104/263204) – inter-entity payments (Name of receiving entity)

Credit: Expenditure Bank account/Project Bank Acc/TSSA

10.17.4 For all inter-entity payments, the Accounting Officer of the sending entity shall take the necessary steps including carrying out direct confirmations from the receiving entity to ensure that both parties have treated the amounts as inter entity transactions and that the amounts are equal.

10.17.5 Where the receiving entity receives the funds in a different financial year, this would normally cause a timing difference. To enable Government carry out inter-entity reconciliations while preparing consolidated financial statements, all inter-entity transfers must be accounted for during the same financial period when the remittances were made and not received. To achieve this, the receiving

	<p>entity shall accrue (anticipate) the revenue as illustrated below.</p> <p><u>Receiving entity accruing the revenue</u></p> <p>Dr: Sundry debtors (321603– Government entity (name of vote/entity)</p> <p>Cr: Current/Capital Transfers Received from Other Government Units (133106/133206 - Inter-entity transfers (name of vote/ entity)</p> <p><u>Upon receipt of cash in the following year</u></p> <p>Dr: Bank account</p> <p>Cr: Sundry debtors (321603– government entity (name of vote/entity)</p> <p>10.17.6 Payments can also be made as intra-entity transactions between departments, cost centres or units of a vote/reporting entity. For instance, the Ministry of Internal Affairs has several departments as its cost centres, whose financial results shall be consolidated with those of the head office to prepare the entity (Ministry responsible for Internal Affairs) financial statements. Any transfers between the head office and the various departments therefore constitute intra-entity transactions.</p> <p>10.17.7 Intra-entity transactions shall be eliminated while preparing the periodic financial statements of the reporting entity. The following accounting entries shall apply:</p> <p><u>Upon remittance of funds</u></p> <p>Debit: current/capital transfers to other government units (263104/263204) – inter-entity payments – Name of department/unit.</p> <p>Credit: Bank account</p>
10.18 Services Carried out by one Vote for Another	10.18.1 If works or services of one Accounting Officer are required to be carried out by another Accounting Officer, as a charge to the vote of account which the latter Accounting Officer is not accountable and the works or services are expected to take two months or more to complete, a memorandum of understanding shall be signed between

	<p>the two Accounting Officers, the basis of which payments shall be made to the executing Accounting Officer.</p> <p>10.18.2 If the works or services to be carried out are upcountry and if the executing Accounting Officer has a branch in that division, a payment shall be made in favour of the executing Accounting Officer who shall in turn, make payment in favour of that division. The paying Accounting Officer shall notify his or her branch and the executing division about the payment. With the concurrence of both the requesting and executing Accounting Officer, payment can be made directly to the executing division of the executing Accounting Officer.</p> <p>10.18.3 Memorandum Accounts and all relevant supporting documents shall be maintained in respect of the above to ensure full accountability.</p> <p>10.18.4 The Accounting Officer carrying out the works or services on behalf of another shall credit the payment amounts referred above to a “Deposits received Account (415007)” and debit a deposit bank Account or any other bank account as may be approved by the Accountant General. He or she shall accordingly debit expenditure for the works or services from the deposit account to the sundry creditors Account. Where all the works or services have been completed by 15th June a final certificate of completion shall be issued. Any balance on the Sundry creditors account shall be returned to the Accounting Officer who paid the deposit (of the vote which paid the deposit) when the works or services are completed. For the avoidance of doubt, deposits held by 30th June of a financial year by the executing Accounting Officer under this paragraph shall be repaid to the consolidated fund in line with Instruction 8.16 of these Instructions.</p> <p>10.18.5 The payment to the executing Accounting Officer shall be captured as commitments against appropriate expenditure accounts but accounted for by the paying Accounting Officer by debiting “appropriate Receivables A/C- (Name of Accounting Officer)” and crediting the expenditure Bank A/C - TSSA. Expenditure Accounts (from the commitments initially booked) for the works or services shall be debited by him or her with a corresponding credit entry to the Receivables Account upon receipt of progress certificates of work completed. Where all the works or services have been completed a final certificate of completion shall be obtained from the executing Accounting Officer and the Sundry Debtors account retired by the paying officer.</p>
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	<p>10.18.6 If at the end of the financial year, the work or services paid for in accordance with the above provisions, has not been completed but it is expected to continue in the following financial year with additional work that has not been paid for, the Accounting Officer requiring the work or service shall make fresh payment provided a provision for the additional work has again been included in the subsequent financial year's budget estimates.</p> <p>10.18.7 Statements of completion provided by the executing Accounting Officer to account for expenditure from the deposit accounts referred to above shall not be supported by expenditure vouchers. The Executing Accounting Officer, for audit purposes, shall retain all the originals of the expenditure vouchers and supporting documents.</p> <p>10.18.8 In the preparation of the Government wide consolidated financial statements, the balances on the receivables and sundry creditors accounts shall constitute inter-entity transactions and shall be dealt with in accordance with Instruction 10.18 above.</p>
<p>10.19 Expenditure Related to Donations in kind</p>	<p>10.19.1 A donation in kind involves a grant in the form of goods and services rather than in cash.</p> <p>10.19.2 An Accounting Officer shall ensure that all such donations are properly recorded and accounted for. Accordingly, the Accounting Officer shall take reasonable steps to obtain the fair value of the donations received by requesting the DP to provide in writing the estimated cost of the donated items or by comparing the price of the items with similar items in the market.</p> <p>10.19.3 To ensure that all donations in kind are budgeted for, the Accounting Officer shall report all such donations to the Secretary to the Treasury for presentation to Parliament as part of the supplementary appropriation in the Central Government votes. For the Local Government votes, the Accounting Officer shall report to the council so that the donations received are included in the supplementary estimates.</p> <p>10.19.4 Upon the establishment of their values, any donated assets or services shall be recorded and accounted for as follows:</p>

	<p><u>Upon ascertaining the value of donated item or service</u></p> <p>Debit: Appropriate expenditure (2XXXXXX)/asset item (312XXXX)</p> <p>Credit: Revenue – Domestic/Foreign Grants</p> <p><i>Note: Asset items to be accounted for on accrual basis relate to the PPEs.</i></p>
<p>10.20 Cash Withdrawal Limits and Imprest Advances</p>	<p>10.20.1 The Accountant General is authorized, under the advances warrant issued to him or her by the Minister under the authority of Regulation 35 of the PFMR, to issue imprests to public officers who require cash to be readily available to meet immediate payments for authorized expenditure.</p> <p>10.20.2 Imprests referred to in paragraph 10.21.1 above shall include standing imprests issued to Accounting Officers to meet payments during the financial year and temporary imprests or advances issued to public officers for specific purposes.</p> <p>10.20.3 Lists of standing imprests required by Accounting Officers in the next or forthcoming financial year shall be submitted to the Accountant General at least 14 days before the beginning of the financial year (TF 19).</p> <p>10.20.4 Requests for temporary imprests or advances shall be made as the need arises and shall be submitted to the Accountant General at least 7 days before the money is required.</p> <p>10.20.5 An imprest shall be restricted to the minimum amount required for the purpose for which it is issued.</p> <p>10.20.6 All imprests of whatever nature shall be issued in the names of the public officers who shall hold them, and they shall remain their personal responsibility until they are refunded or discharged by the submission of properly completed payment vouchers or properly handed over to another authorized public officer.</p> <p>10.20.7 An imprest holder shall not be relieved of any part of his or her responsibility by delegating the custody or operation of imprest to another public officer.</p> <p>10.20.8 In approving any advance to staff, the approving officer shall make sure that the concerned staff has settled any old advances.</p>

- 10.20.9 The applicant shall fill in **TF 20** with name in full, designation and cost centre/department. The Accounting Officer or an authorized officer must approve the form before it is forwarded for processing of payment.
- 10.20.10 The cashier/imprest holder shall pay out cash or issue a cheque as the case may be. Payments can also be made by e-cash as outlined in Instruction 10.8 of these Instructions.
- 10.20.11 All imprests shall be retired as soon as the necessity for their use ceases to exist and in any event, except as provided in paragraph 10.21.18 of these Instructions, within 60 days upon completion of the activity or by the close of business on the last working day of the financial year in which they were issued, whichever comes earlier.
- 10.20.12 Immediately after the expense has been incurred, the officer concerned shall fill in an accountability form (**TF 21**) with details of advances taken, amount spent, accompanied by supporting documents indicating the amount returned if any, or the amount to be refunded to him/her. The form shall then be submitted to the Accounting Officer (or any delegated authority) through the Head of Finance and Accounts for the necessary approval after checking the accuracy of the accountability and its supporting documents.
- 10.20.13 Upon approval, the form is presented to the cashier or any authorized officer, who makes out a payment voucher/ receipt for the replenishment of the advance in respect of the difference between the advance and the expense, if any (the over expenditure is refunded to staff while any unutilised cash is returned to the cashier and receipted).
- 10.20.14 The following accounting entries shall be considered in the retirement of imprest:
- (a) Where part of the advance is unutilised and repaid to the Cashier.
- | | |
|-----|-------------------|
| Dr: | Bank/Cash Account |
| Cr: | Advances Account |
- [With the total amount returned]
- (b) Where the expenditure is in excess of amount advanced:

Dr; Appropriate Expenditure item (with original amount)

Cr: Advances Account (with original amount advanced)

10.20.15 The excess amount must be processed through the normal channels of authorising claims.

10.20.16 At the end of every month, a statement of outstanding advances shall be prepared and handed over to the Accounting Officer. At the same time a statement of Account shall be sent to each debtor/imprest holder with a copy to his/her departmental or cost centre head.

10.20.17 Except as provided in paragraph 10.21.18 where a public officer to whom an imprest of whatever nature has been issued fails to retire it in full within thirty days after the close of the financial year, or otherwise on the demand of the Accounting Officer:

(a) The amount outstanding may forthwith be recovered from any salary or other emoluments or from any other amounts due to the public officer; and

(b) Where no such salary, emoluments or amounts are available from which to recover the imprest, the amount may be charged as a personal advance in the name of the imprest holder and may be recovered as a civil debt due to the government.

10.20.18 Notwithstanding the general rule that all imprests must be retired by the close of the financial year, a temporary imprest advance issued in one financial year in respect of a duty journey which has not been completed by the end of that financial year may be retained by the public officer; but it shall be accounted for as soon as the public officer returns to his or her normal place of work.

10.20.19 Where the duty may not have been completed, so far as is practicable, the public officer shall submit vouchers for the expenditure incurred by him or her against the imprest before the end of the financial year, so that the expenditure can be included in the accounts of that year.

	<p>10.20.20 No further imprest advances shall be issued to a public officer for the purposes of a duty journey if he or she is still in possession of an un-retired imprest previously issued to him or her for a similar purpose.</p> <p>10.20.21 Imprest holders are not relieved of their responsibilities under these Instructions until payment vouchers submitted have been examined and found to be correct.</p> <p>10.20.22 Votes including projects may be allowed cash withdrawals in line with such limits as shall be determined by the Secretary to the Treasury,</p> <p>10.20.23 The withdrawal of cash referred to in paragraph 10.21.2 shall be subject to the following procedures:</p> <p>(a) A request signed by the Accounting Officer with a detailed schedule of the items/activities duly verified and certified shall be forwarded to the Secretary to the Treasury with a certificate of accountability signed by the Accounting Officer and Head of internal Audit from the previous cash withdrawals.</p> <p>(b) The Secretary to the Treasury shall review the request for onward submission to the Accountant General.</p> <p>(c) The Accountant General shall issue or recommend authorisation.</p> <p>10.20.24 It shall be the responsibility of an Accounting Officer to ensure proper and full accountability of all the cash withdrawals made and accordingly provide the necessary accountability reports.</p>
10.21 Advances to Departments	<p>10.21.1 Intra-vote or inter-departmental transactions relate to payments or receipts made between departments or sub-units of a reporting entity.</p> <p>10.21.2 Inter-departmental advances shall be retired by the end of the financial year.</p>
10.22 Salary and other Emoluments	<p>10.22.1 Subject to the Public Service Regulations and standing orders, these Instructions shall apply to payment of salaries and wages.</p>

	<p>10.22.2 In the management of personal emoluments, an Accounting Officer shall ensure that there is segregation of duties, i.e. activities relating to the authorization of appointments, the authorization of payments and the recording of those payments shall not be performed by the same person.</p> <p>10.22.3 Accounting Officers shall be responsible for ensuring that personal emolument records maintained for all of the permanent / contract staff within their MALGs are correct, and that all changes and variations in applicable rates are duly notified to the Ministry responsible for Public Service.</p> <p>10.22.4 There shall be a public officer in charge of the Human Resource Management function in each vote responsible for the maintenance of personnel records of all staff employed by the vote.</p> <p>10.22.5 The public officer in-charge of the human resource function shall prepare on a monthly basis a payroll in accordance with the laws and regulations as advised by the Ministry responsible for Public Service. The payroll to be maintained on the IPPS or other system as determined by Ministry responsible for Public Service, shall show:</p> <ul style="list-style-type: none"> (a) The gross amounts charged each month to the salaries and wages under each vote. (b) The total amount of deductions made from salaries each month for each item of deduction. (c) The total amount of allowances paid each month for each item of allowances. (d) The total net amount of salary paid each month. <p>10.22.6 Payroll control records shall be maintained each month from the pay change reports (TF 22) and reconciled to ensure that the total amount charged to the vote each month as at: (a) above, less the sum of the totals appearing on all the deduction control records as at (b) above, plus the sum of the totals on all the allowances control records, as at (c) above equals the total net payments appearing in the net salary control, as at (d) above. Accounting Officers shall also ensure that the totals on each control record</p>
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	<p>are the same as the totals for the corresponding items appearing on the salary vouchers.</p> <p>10.22.7 Summary and detailed schedules for each type of payroll deductions shall be prepared by each vote to accompany its payroll. Such schedules shall include:</p> <ul style="list-style-type: none"> (a) Pay As You Earn tax (PAYE); (b) Local Service Tax; (c) Loan recoveries; (d) NSSF; (e) Social Security – employee contribution; (f) Social Security – employer contribution; (g) Health Insurance – employee contribution; (h) Health Insurance – employer contribution; and (i) Any other payroll deduction made. <p>10.22.8 Prior approval of the payroll shall be obtained from the Accounting Officer before any deductions and payments are made. The Accounting Officer shall examine the payroll changes as may be necessary and forward to the Ministry responsible for Public Service for processing. Officers examining payroll and preparing pay change reports shall not be paying officials.</p> <p>10.22.9 All staff shall be paid monthly salaries and other emoluments in arrears and as far as possible by direct bank transfer through the staff bank accounts;</p> <p>10.22.10 Taxes and other deductions shall be remitted to relevant authorities by the due date or within ten days where dues dates are not prescribed (see Instruction 10.24 below).</p> <p>10.22.11 The rates of salary and other personal emoluments for members of the established service shall be as authorized in the salary scales published in the estimates, except in the case of contract public officers where the scale shall be as stated in the relevant contract.</p>
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	<p>10.22.12 No employee shall be included on the payroll until a copy of the letter of appointment and a copy of the letter of acceptance of the appointment have been received by the Accounting Officer; and no action shall be taken which would result in changes of salary or allowance to any public officer until proper authority has been received from either public service commission or Ministry responsible for public service as applicable.</p> <p>10.22.13 Any balance of salary or allowance due to a public officer who has been convicted for misappropriation of public moneys or government funds, or theft of government property, or dismissed, or whose appointment has been terminated leaving sums due to the government, shall not be paid without the prior authority of the Ministry responsible for Public Service.</p> <p>10.22.14 An Accounting Officer is responsible for ensuring that an appropriate record e.g. pay sheets, is maintained in respect of persons employed on a daily wage basis and ensuring that payment is made only for days actually worked.</p> <p>10.22.15 Any unpaid wages shall be repaid to the consolidated fund.</p> <p>10.22.16 At the end of each month, the Officer in charge of Human Resource shall make a return to the Accounting Officer indicating the number of staff, salary grades and details of staff who have left the entity including those who have absconded from duty.</p> <p>10.22.17 Payments for terminal benefits and compensation shall be in accordance with rules and regulations issued by the Ministry responsible for Public Service.</p> <p>10.22.18 The recording and accounting of salaries and other emoluments paid shall be done as illustrated below:</p> <p>During the month of March 20x6, the gross salaries payable to the public officers under the Ministry of Health totalled UGX 99,495,450 made up of the following:</p>
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Net salary	UGX 73,680,450;
PAYE	UGX 15,300,000;
Employee Social Security contributions	UGX 3,015,000;
Employee Medical Insurance contributions	UGX 5,000,000;
Other employee contributions	UGX 5,000,000

As the employer, Government contribution towards social security and medical insurance was UGX 5,025,000 and UGX 2,500,000 respectively.

The salaries are settled through the Single Treasury sub-accounts. Assume the payrolls were forwarded and received in the Treasury on 25th of the month and that the relevant Payment Instructions were sent to BOU on 30th March.

The ledger entries for the above transactions are as follows:

In the books of Ministry of Health

25th March 20x5:

Dr: Wages and Salaries (2111XX)	99,495,450	
Dr: Employer Social contrib.	5,025,000	
Dr: Employer medical contrib.	2,500,000	
Credit: Payroll liability (net salary)	73,680,450	
Credit: Payroll liability (PAYE)	15,300,000	
Credit: Payroll liability (Social Security*)	8,040,000	
Credit: Payroll liability (Medical Insurance)	5,000,000	
Credit: Payroll liability (other)	5,000,000	

(Being recognition of March salary)

Upon payment by the vote

30th March 20x5:

Dr: Payroll liability (net salary)	73,680,450	
Dr: Payroll liability (PAYE)		15,300,000
Dr: Payroll liability (Social Security)	8,040,000	
Dr: Payroll Liabilities (Medical Ins.)		5,000,000
Dr: Payroll liability (other)	5,000,000	
Credit: Transfers received by Ministries and Agencies		107,020,450

(Being payment of March salary)

In the books of the Treasury

25th March 20x5:

No entry as the liability is for the entity.

30th March 20x5:

Dr: Treasury transfers to Min. of Health 107,020,450
Credit: Bank Account 107,020,450
(Being payment of March salary)

- 10.22.19 Every officer shall have his or her salary paid to a bank account by his or her Accounting Officer on.
- 10.22.20 An Accounting Officer shall be solely responsible and accountable for effecting salary payments to officers' bank accounts. Payment of salaries to staff shall be advised to them on salary advice slips (**TF 23**) or by any other form approved by the Accountant General.
- 10.22.21 Pay sheets shall be used for the payment of labour. They shall be summarised in the space provided in the pay sheets for the purpose.
- 10.22.22 Officers certifying the correctness of pay sheets shall ensure that each form has been properly ruled off so that no names can be added after certification.
- 10.22.23 Original pay sheets not summarised on a suitable Treasury Form shall be part of the vouchers to the account otherwise the original pay sheets shall be attached to the paid copies of the suitable Treasury Forms. The officer preparing them shall retain the duplicate pay sheets.
- 10.22.24 Last pay certificates on **TF 24** shall be prepared in respect of any staff transferred from payment by one officer to payment by another. The certificates shall be prepared by the officer who was responsible for the preparation of the salary or wages vouchers of the staff concerned and shall be countersigned by the Accounting Officer who passed them for payment. Where an officer is transferred from one vote to another, a certified copy of the relevant salary change report prepared by the transferring Ministry shall be attached to the last pay certificate.
- 10.22.25 The first salary or wages voucher for a newly appointed officer or employee shall be endorsed to the effect that he or she is newly appointed as appropriate.

<p>10.23 Management of Payroll Deductions</p>	<p>10.23.1 Statutory deductions from public officers, where applicable, shall be effected through the payroll and remitted promptly to the respective institutions. Such statutory deductions include PAY AS YOU EARN (PAYE), Local Service Tax (LST), NSSF contributions and contributions to the workers' unions.</p> <p>10.23.2 Non-statutory deductions from public officers and contributions for non-statutory obligations shall also be handled through the government payroll as follows;</p> <ul style="list-style-type: none"> (a) The Accounting Officers shall honor the verified deductions on the payroll as a means of facilitating the recovery of obligations from staff, until when fully recovered. (b) All new loans to staff shall require written letters of recommendations from Accounting Officers. The recommendation shall only be issued after the proper vetting of the loan applications using the pay-slips/payroll, bank statements and any other available documentation that may confirm that outstanding loan repayments are affordable within the prescribed thresholds. (c) The responsibility of the loan repayment lies with the employee /staff and not with the Accounting Officer. The Accounting Officer shall only commit to remitting the full monthly emoluments of the officer / employee to the source of obligation entity. (d) Where existing loan deductions are in dispute, the Accounting Officer shall seek clarification from both the concerned Commercial Lending Institution (CLI) and the respective staff and then take appropriate action to ensure an accurate computation and recovery of the loan is made.
<p>10.24 Unclaimed or Returned Salaries</p>	<p>10.24.1 Payrolls processed by the individual votes shall be paid from the single Treasury sub-accounts.</p> <p>10.24.2 Salaries may remain uncollected or returned for several reasons with a possibility that some of the concerned staff may eventually reclaim their salaries; an example is where salary payments may be returned due to a mismatch in the beneficiary bank account details.</p>

	<p>10.24.3 The treatment for unclaimed or returned salaries shall follow the Instructions outlined under Instruction 10.26 below; Handling of unapplied EFTs.</p> <p>10.24.4 Where a claim is made for the refund or payment of the unclaimed or returned salaries, the vote shall;</p> <ul style="list-style-type: none"> (a) ensure that the amount being refunded is matched to the amount that was returned and repaid into the bank account; (b) the beneficiary has requested for the refund in writing and the approval of the Accounting Officer obtained. (c) the cause of return of the salary has been identified and resolved;
<p>10.25 Handling Unapplied EFTs</p>	<p>10.25.1 Unapplied EFTs or payments result from bounced payment Instructions either at Bank of Uganda or at Commercial Banks where suppliers (including employees) hold accounts. Unapplied payments can be caused by several reasons but the most common is 'Invalid bank account details'. Possible errors include, Account titles are wrong, account is dormant, invalid account number etc.</p> <p>10.25.2 Unapplied payments can be easily identified by reviewing the bank statement. It shall show the unapplied payments as credits to the account and can be specifically matched to GFMIS using the EFT number. However, the bank statement does not indicate the reason for the unapplied payment.</p> <p>10.25.3 A separate file of unapplied transactions shall be sent to the Treasury by Bank of Uganda daily and shall provide a reason for each unapplied payment. The file shall also be notified to the concerned vote so that they are aware of the details why their payments were rejected by the bank and ensure that necessary follow up action is taken without delay. For all the unapplied payments, the Bank of Uganda or Commercial Bank shall notify the Treasury and the concerned vote providing the following details;</p> <ul style="list-style-type: none"> (a) Bank Transaction reference number. (b) Reference number (P/EFT Instruction Number.

	<p>(c) Description.</p> <p>(d) Amount.</p> <p>(e) Beneficiary name (Payee).</p> <p>(f) Bank Account of payee.</p> <p>(g) Currency.</p> <p>(h) Reason why payment instruction could not be effected and</p> <p>(i) Vote’s account.</p> <p>10.25.4 For Central Government votes and the MALGs set-up as hybrid IFMS sites, their votes’ unapplied payments are voided at the Treasury. Local Governments using GFMIS shall void their payments at their respective locations. Once the payment is voided, the vote shall promptly cancel the invoice to which the payment is related – otherwise the invoice may be re-validated and resubmitted before the account is corrected hence another bounced payment. The cancellation of the payment and invoice automatically reverses the original payment and invoice accounting entries respectively.</p> <p>10.25.5 Accordingly, the vote shall get in touch with the affected supplier/employee and have the correct information obtained. In case of need to change the bank account information, the supplier / employee shall use E-Registration to amend their details or a ‘Supplier EFT details form’ shall be completed and sent to the Treasury (Accountant General’s Office).</p> <p>10.25.6 When corrections have been made to the details that caused the original payment to bounce, the accounting officer shall validate the new invoice, which shall then be resubmitted for payment.</p> <p>10.25.7 Where the reason for rejection is insufficient funds, The Treasury shall cancel the payment instruction and re-issue a new EFT instruction once the account has adequate funds.</p>
<p>10.26 Certification of Payroll Reports and Payroll</p>	<p>10.26.1 Human resource costs shall be divided into the following groups for the payment of salaries –</p>

Disbursements	<p>(a) persons appointed on permanent and pensionable terms and those on fixed term contracts; or</p> <p>(b) Persons appointed on temporary, part time basis or, probation.</p> <p>10.26.2 Each employee must be linked to a program in the vote.</p> <p>10.26.3 A person in charge at the respective pay-points or cost centres shall certify before pay date that all persons listed on the payroll report are entitled to payment.</p> <p>10.26.4 Employees paid by cash or cheque must sign the payroll report when collecting their cash or cheque payments.</p>
10.27 Payment of Foreign Service Allowances to Officers outside Uganda	10.27.1 The payment of Foreign Service Allowances to officers serving in Uganda missions abroad shall remain equivalent to the amount due to the officer.
10.28 Salary Advances and Repayments	<p>10.28.1 Staff in the following categories may be paid their leave salary/wages in respect of the full period of leave granted to them in a lump sum immediately prior to their departure on leave, whether they are returning for further service or not, provided there are no debts due by them to Government: -</p> <p>(a) Temporary employees;</p> <p>(b) Non-pensionable staff;</p> <p>(c) Members of subordinate service;</p> <p>(d) Un-established employees in the grouping scheme.</p> <p>10.28.2 Other staff who proceed on leave may be paid the salary of the month in which they so proceed, provided they are not due to return from that leave on or before the last day of the same month, but this facility may only be granted once in any calendar year.</p> <p>10.28.3 Subject to the public service standing orders, Accounting Officers may authorize advances of salary or wages in cases of emergency or hardships if they are satisfied that such action is justified. Such advances</p>

	<p>shall not, as a general rule, exceed the amount of monthly pay earned at the time the advance is made. Accounting Officers may delegate the authority conveyed by this paragraph to any other responsible officer.</p> <p>10.28.4 No advance shall be made to staff of other Governments without the prior sanction of the Accounting Officer who shall indicate whether the advance is to be accounted for or whether it is to be recovered by the Accounting Officer.</p> <p>10.28.5 Officers who are authorised to sign vouchers on which advances of salary, or the early payment of leave salaries are paid, must at the time of signing such vouchers initial the salary change reports under which arrangements for the recovery of the advances are put in hand. If salary change reports are inappropriate, other suitable measures must be taken to ensure that advances of salary are recovered in accordance with these Instructions.</p>
<p>10.29 Receipts Appropriated -in-aid (Retention of Revenue by a Vote)</p>	<p>10.29.1 References in these Instructions to “revenue” apply equally to revenue appropriated in aid of expenditure and to other revenue where the context so admits. The definition of “Appropriations-In-Aid” is as given earlier and it should be noted that the decision as to whether revenue shall be applied as an appropriation in aid or not lies with the Parliament on the advice of the Minister.</p> <p>10.29.2 An Accounting Officer shall bring to account in the GFMIS Revenue Ledgers, revenue received and a separate ledger account shall be maintained for each item of revenue in accordance with the chart of accounts.</p> <p>10.29.3 Collections of revenue appropriated in aid of a vote shall be applied in aid of the vote up to the total amount of the appropriations-in-aid to the respective sub-programmes as may be varied by supplementary estimates, if any.</p> <p>10.29.4 Surplus appropriations-in-aid (Excess of collections of revenue over the total amounts of the appropriations-in-aid) shall be paid into the consolidated fund once the ceiling for the appropriations-in-aid has been</p>

	<p>reached or at the close of the financial year, whichever is earlier.</p> <p>10.29.5 Statements shall accompany revenue payments made to the consolidated fund to the Accountant General duly analysed by programmes (Cost centres) and items in accordance with the Revenue Estimates and amounts paid in.</p> <p>10.29.6 Except as provided for in these Instructions, an Accounting Officer shall not receive revenue or other money for which they are not accountable. In inevitable circumstances like avoiding loss of revenue or for purposes of providing a critical service, it shall temporarily be kept on Deposit Account as “funds held in trust” and shall immediately be paid there from to the appropriate Accounting Officer duly accompanied by relevant supporting documents. Bank balances in respect of any funds held in trust under this paragraph must be cleared and paid to the appropriate Accounting Officer by the end of the financial year.</p>
<p>10.30 Clearing of Payment Instructions at Year End</p>	<p>10.30.1 As part of the year-end procedures, it is important for the vote to ensure that no purchase orders remain open by the end of the financial year.</p> <p>10.30.2 Where the vote is using the GFMIS, the following steps shall be followed to ensure that all purchase orders issued are closed before the expiry of appropriations;</p> <p>(a) Ensure that all purchase orders are closed so that no commitments remain outstanding under open purchase orders. The following reports shall be run to confirm that this is achieved:</p> <ul style="list-style-type: none"> i. Budget Execution Report - confirm that amounts under commitments are nil; ii. Open Commitments report; and iii. Using the search functionality to ensure there are no open purchase orders. <p>(b) All approved purchase orders shall be fully delivered in time for the suppliers to submit their invoices for payment not beyond the new financial year. The suppliers must be notified by the votes that any purchase orders that are not delivered with the associated invoices in time, shall be cancelled.</p>

	<p>(c) All deliveries made shall accordingly be captured on the system in time for the payment documents to be processed by the close of the financial year.</p> <p>(d) Any purchase orders that remain open (i.e. not delivered) by the end of the financial year shall be cancelled.</p>
<p>10.31 Accounting Recognition by Votes for Returned/Un-used Funds</p>	<p>10.31.1 Where the returned funds relate to funds that had been released by Treasury as part of the budget for the vote, the repaid funds shall be offset against the Treasury transfers, with the following accounting entries;</p> <p><u>Upon repayment of un-expended balances back to the TSA Holding Account</u></p> <p>Dr: Current/Capital Transfers received from the Treasury (133XXX)</p> <p>Cr: TSSA/Expenditure Bank Account</p> <p>NB: This transaction shall be recorded on 30th June – or last working day of the financial year.</p> <p>Noting that there could be instances when the repayment of the unexpended balances is done much later than 30th June, the repayment of funds shall be accounted for as an inter-entity transaction with Treasury.</p> <p>10.31.2 Where the returned funds relate to other funds other than those released by Treasury as part of budget, the associated return to Treasury shall be accounted for as inter-entity transaction with Treasury.</p> <p><u>Upon repayment of refunds to the Treasury:</u></p> <p>Dr: Current/Capital Transfers to Treasury (263108/263208; Inter - entity)</p> <p>Cr: Appropriate Bank Account with BoU</p> <p>NB: This transaction shall be recorded on 30th June – or last working day of the financial year.</p>
<p>10.32 Other Key Internal</p>	<p>10.32.1 The following additional internal controls relating to payments shall be noted by each Accounting Officer;</p>

<p>Controls to Payments</p>	<ul style="list-style-type: none"> (a) All payment supporting documents must be stamped “PAID” upon completion of the payment process. (b) No Purchase Order, contract agreement, or other commitments shall be issued unless a proper commitment has been approved. (c) If a purchase order is subsequently duly cancelled, the “commitment” shall be cancelled, meaning that the amount is again available as part of the allocated budget and can be committed afresh. (d) All commitments shall be consistent with the approved annual budget and relate to activities in the annual work plan. (e) Commitments shall not be approved unless there is sufficient balance available under the quarter’s expenditure limit, for the relevant budget item. (f) The Head of Finance and Accounts shall maintain a contract/commitment register. (g) Votes shall seek legal advice from the Ministry responsible for Justice in the following cases: <ul style="list-style-type: none"> i. Disputed claims with the suppliers, if the settlement of the same may result in the relinquishment of the government dues, or the payment of amounts exceeding the agreed amounts for supplying the materials or performing the services or works. ii. Claims submitted by suppliers for obtaining compensations or claiming the settlement of penalties on the grounds that the government authority is in default in respect of its contractual obligations.
<p>11 Control and management of classified expenditure</p>	
<p>11.1 Introduction</p>	<p>11.1.1 In line with Section 24(4) of the PFMA, this chapter of the Instructions provides for:</p> <ul style="list-style-type: none"> (a) Systems for the control and management of classified expenditure; (b) Transparency in the system of classified expenditure, while limiting accessibility to the information and reporting in order to preserve the confidentiality requirements inherent in classified expenditure and

	(c) Handling and reporting on classified expenditure.
11.2 Confidentiality	<p>11.2.1 Any sensitive information relating to expenditure authorized under Section 24(1) of the PFMA shall be treated by the relevant Accounting Officer with a high level of confidentiality.</p> <p>11.2.2 Information shall be regarded as sensitive under paragraph 11.2.1 if—</p> <ul style="list-style-type: none"> (a) It might lead to the identification of, or provide details of sources of information, other assistance or operational methods available to the security service, intelligence service or any other organization handling security issues; (b) It is about particular operations which have been, are being or are proposed to be undertaken in pursuance of any of the functions for the defence or national security purposes; or (c) It is provided by, or by an agent of, the Government of a territory outside Uganda where that Government does not consent to the disclosure of the information.
11.3 Budgeting and Authorization of Classified Expenditure	<p>11.3.1 Classified expenditure shall be budgeted for and appropriated by Parliament in accordance with Section 24 (2) of the PFMA.</p> <p>11.3.2 A vote that receives funds for classified expenditure shall be required to prepare detailed plans and budgets to aid management in financial expenditure control and decision making; such detailed plans and budgets shall be kept by the authorised vote and shall be accessible only to authorized persons as designated by the relevant Accounting Officer.</p> <p>11.3.3 In accordance with Section 24(3) of the PFMA and in order to preserve confidentiality, the budget for classified expenditure shall be presented as a single line item and accordingly any release of funds by the Treasury shall be charged as a single line item of “Classified Expenditure”.</p> <p>11.3.4 An Accounting Officer of a vote to which classified expenditure applies shall ensure that appropriate budget control procedures are instituted to ensure budget discipline. He or she shall also ensure that the</p>

	<p>funds appropriated under classified expenditure are utilized for the proper purpose.</p> <p>11.3.5 The Accounting Officer shall, in accordance with the PPDA Act, ensure appropriate control over classified spending, and documentation to reflect the authority for the spending.</p> <p>11.3.6 The Accounting Officer shall ensure that all procurement records are kept in safe custody and access restricted to designated officers.</p>
<p>11.4 Responsibility of Accounting Officers in Handling Classified Expenditure</p>	<p>11.4.1 An Accounting Officer shall carry out his or her responsibilities relating to classified expenditure in accordance with the Constitution and the PFMA.</p> <p>11.4.2 An Accounting Officer is personally accountable for classified expenditure under his or her control. An Accounting Officer shall—</p> <ul style="list-style-type: none"> (a) State in writing the extent to which the powers conferred and duties imposed on him or her, in relation to classified expenditure, may be exercised or performed on his or her behalf by a public officer under his or her control; and (b) Give directives as may be necessary to ensure the proper exercise or performance of those powers and duties. <p>11.4.3 Where an Accounting Officer authorizes expenditure or commitment of funds in excess of the approved limit or commits or expends funds where there is no appropriation permitting such expenditure by the vote, the concerned Accounting Officer shall be surcharged and dealt with in accordance with Section 79(2) and 80 of the PFMA.</p>
<p>11.5 Accounting Records for Classified Expenditure</p>	<p>11.5.1 An Accounting Officer and any public officer authorized by an Accounting Officer under paragraph 11.4.2 (a) to exercise powers or perform functions relating to classified expenditure shall maintain appropriate records of all financial transactions involved.</p> <p>11.5.2 The appropriate records referred to in paragraph 11.5.1 shall be in electronic form generated from the GFMIS and shall include, at a minimum;</p> <ul style="list-style-type: none"> (a) a cashbook specifically maintained for classified expenditure;

	<p>(b) a general ledger and subsidiary ledgers;</p> <p>(c) a vote control register/Budget Execution Report); (TF 25).</p> <p>11.5.3 The following records shall also be maintained in electronic form or otherwise.</p> <p>(a) an assets and stores register (TF 26);</p> <p>(b) Procurement records</p> <p>(c) Invoices (Vouchers), with all supporting documents.</p>
<p>11.6 In-year Reports and Annual Financial Statements for Classified Expenditure</p>	<p>11.6.1 The in-year financial reports and annual financial statements for classified expenditure shall be prepared in the prescribed format and shall be submitted to the Minister, the Auditor General, and the Accountant General as required by Section 54(1) of the PFMA.</p> <p>11.6.2 Notwithstanding paragraph 11.6.1, copies of financial statements submitted to the Minister and Accountant General shall not include detailed statements.</p> <p>11.6.3 The Auditor General shall, in accordance with Section 54(3) of the PFMA, examine and audit the accounts submitted to him or her under paragraph 11.6.1 and shall forward them, together with the audit report, to the Speaker of Parliament.</p>
<p>12 Management of public debt and other liabilities</p>	
<p>12.1 Introduction</p>	<p>12.1.1 Pursuant to Section 36 of the PFMA, the Minister is the sole authority:</p> <p>(a) to raise money by loans; and</p> <p>(b) to issue guarantees and securities for and on behalf of Government</p> <p>12.1.2 In accordance with Section 43(2) of the PFMA, the Accountant General shall be the Accounting Officer for the management of public debt.</p> <p>12.1.3 In accordance with Section 36(1) of the PFMA, Public Corporations, State Enterprises or Local Government Councils may borrow or issue guarantees only with the prior approval of the Minister.</p>

	<p>12.1.4 This chapter deals with Treasury Instructions pertaining to;</p> <ul style="list-style-type: none"> (a) the Public and Publicly Guaranteed Debt (PPG). This includes external debt (debt denominated in foreign currency), and domestic debt; (b) implicit debt that includes accrued rights under the Pension Schemes, and contingent liabilities such as loan guarantees by Government, court awards, and those arising from PPPs. <p>12.1.5 For further details on the management of public debt refer to the Public Debt Management Framework, Annual Debt Management Strategy and the Debt Management Manual.</p>
<p>12.2 Public Debt Management Policy, Strategic Objectives and Principles</p>	<p>12.2.1 The GoU debt management strategic objectives shall be;</p> <ul style="list-style-type: none"> (a) to meet Government’s financing requirements at the minimum cost, subject to a prudent degree of risk; (b) to ensure that the level of public debt remains sustainable, over the medium- and long-term horizon; and (c) to promote the development of the domestic financial markets. <p>12.2.2 In order to support the achievement of Public Debt Strategy Objectives while also addressing the risk and cost constraints of alternative financing options, the following principles shall guide the contracting and use of public debt:</p> <ul style="list-style-type: none"> (a) The contracting of debt shall be part of GoU’s broader strategy for financing the budget deficit. (b) As a priority, borrowing shall be for highly productive fixed capital investments with positive financial, social and economic returns. (c) Debt management operations shall meet the principles of openness, transparency and predictability.

	(d) In line with Section 4 (c) of the Public Finance Management Amendment Act, 2015, GoU shall fully fund its borrowing requirement each year – by ensuring any advances from the Bank of Uganda are settled by the end of the financial year in which they are received.
12.3 Debt Management Policy Guidelines and Benchmarks	12.3.1 For the effective management of public debt, the Secretary to the Treasury shall issue the necessary policy guidelines and benchmarks as part of the debt strategy and Charter for Fiscal Responsibility.
12.4 Reporting Instruments	<p>12.4.1 In pursuance of Regulation 23 of the PFMR, the Ministry shall be required to prepare a consolidated report for public debt, guarantees, grants and other liabilities that shall include the following:</p> <ul style="list-style-type: none"> (a) The outstanding loans and guarantees of Government prepared by the Accountant General; (b) An analysis of how loans are to be sustained prepared by the Directorate responsible for Debt and Cash Policy; (c) The contingent liabilities associated with the loans prepared by the Accountant General; (d) The amount of financing received as grants prepared by the Accountant General; (e) The financial and physical performance of the grants prepared by the Directorate responsible for Budget; and (f) Details on the guarantees that are called and unrecovered including the amounts of the guarantees prepared by the Accountant General. <p>12.4.2 The Secretary to the Treasury shall be responsible for coordinating the preparation of the consolidated report referred to in paragraph 12.4.1 above.</p> <p>12.4.3 The ministerial policy statement and statutory financial statements for vote 130; Treasury Operations, shall be prepared by the Accountant</p>

	<p>General as the Accounting Officer of the vote. For this purpose, the Accountant General shall prepare proper books of account and ensure there is an adequate system of risk management, internal control and internal audit for the efficient and effective management of public debt. The provisions of chapter 19 of these Instructions shall apply in the preparation of the financials statements for the Treasury Operations vote.</p> <p>12.4.4 MALGs and state-owned enterprises shall provide quarterly debt reports to the Secretary to the Treasury, information that shall facilitate the preparation of the reports specified in paragraph 12.4.1 above.</p> <p>12.4.5 The Accounting Officers initiating PPP arrangements shall be required to adopt the following practices when managing PPP liabilities:</p> <ul style="list-style-type: none"> (a) The costs and risks of contingent liabilities shall be quantified and disclosed. (b) The Secretary to the Treasury shall review the direct and contingent liabilities implications of all proposed PPPs, and his or her clearance shall be necessary for all PPP projects. (c) The participating MALG shall bear only those risks that it can best manage, which generally are those that the MALG can control or at least influence. (d) PPP contracts shall be published on the Ministry’s website by the Directorate responsible for PPP procurement, along with other information on the costs and risks of the financial obligations they impose on the Government.
<p>12.5 Roles and Responsibilities in Public Debt Management</p>	<p>12.5.1 The roles of the respective stakeholders in contracting new loans and management of the external debt portfolio shall be as follows;</p>

- (a) The tasks and responsibilities in the revision to public debt policy formation and performance evaluation shall be carried out as follows.

Task	Responsibilities
Identify overall financing needs	DEA/MoFPED
Undertake Debt Sustainability Analysis (DSA)	DEA/MoFPED & BOU
Advise on overall external & domestic debt contracting policy	DDCP/MoFPED

- (b) The tasks in contracting new capital project loans shall be carried out as follows:

Task	Responsibility of:
Identify priority projects	SWGs
Submit project proposals to the Development Committee	SWGs
Scrutinize and approve new projects (include in the PIP)	Development Committee
Identify development partner and negotiate financing details – NB.	DDCP/MoFPED
Analyse terms of proposed new borrowing	DDCP/MoFPED
Present Cabinet Memorandum to Cabinet, followed by Cabinet Brief to Parliament, for each	Hon. Minister of MoFPED
Agree on loans to be submitted to Parliament	Cabinet
Seek Parliamentary Approval	MoFPED / Relevant Ministry

	<table border="1" data-bbox="743 226 1481 506"> <tr> <td data-bbox="743 226 1131 304">Approve new loans</td> <td data-bbox="1131 226 1481 304">Parliament</td> </tr> <tr> <td data-bbox="743 304 1131 416">Provide opinion on the legality of each external loan</td> <td data-bbox="1131 304 1481 416">Minister for Justice/ Attorney General</td> </tr> <tr> <td data-bbox="743 416 1131 506">Inventory of loan agreements</td> <td data-bbox="1131 416 1481 506">Accountant General /MoFPED</td> </tr> </table> <p data-bbox="692 539 1430 640">(c) The tasks related to recording, reporting and repayment of loans shall be handled by the Accountant General.</p>	Approve new loans	Parliament	Provide opinion on the legality of each external loan	Minister for Justice/ Attorney General	Inventory of loan agreements	Accountant General /MoFPED
Approve new loans	Parliament						
Provide opinion on the legality of each external loan	Minister for Justice/ Attorney General						
Inventory of loan agreements	Accountant General /MoFPED						
<p data-bbox="204 663 443 860">12.6 Accounting Policy for Public Debt and Contingent Liabilities</p>	<p data-bbox="504 674 1430 943">12.6.1 As indicated in paragraph 5.2.2 (s) of these Instructions, public debt and associated interest shall be recognized on an accrual basis of accounting. The loan receipts shall be considered as received when a transfer or remittance advice is received from the lender by the receiving entity and not when cash is received in the bank account of the receiving entity. In general, the following entries shall be made;</p> <div data-bbox="515 999 1430 1099" style="background-color: #e0e0e0; padding: 5px;"> <p data-bbox="515 999 1171 1032">Dr: Bank account – Proceeds from borrowing</p> <p data-bbox="515 1032 1155 1066">Cr: Liability A/C - Proceeds from borrowing</p> <p data-bbox="515 1066 1155 1099"><i>(Being recognition of proceeds from borrowing)</i></p> </div> <p data-bbox="504 1128 1430 1296">12.6.2 Where the cash disbursements by the lender are in a foreign currency, the amount of the loan receipts shall be translated in the Uganda Shillings equivalent using the Bank of Uganda appropriate spot rate for the value date of the payment/remittance advice.</p> <p data-bbox="504 1330 1430 1498">12.6.3 Accounts payable, funds held-in-trust, funds-in-transit and loans acquired by the government or directly by a vote shall be treated on an accrual basis of accounting and recognized as liabilities for both the principal amount and the associated interest.</p> <p data-bbox="504 1532 1430 1702">12.6.4 Subject to the implementation of the full accrual IPSAS roadmap and once Government has adopted the accrual IPSAS accounting framework, the accounting for public debt, accounts payables, transit and funds held-in-trust shall comply with the following standards:</p> <p data-bbox="635 1736 1430 1803">(a) Applicable IPSAS on Financial Instruments Presentation;</p>						

	<p>(b) Applicable IPSAS on Financial Instruments Recognition and Measurement; and</p> <p>(c) The relevant IPSAS on Financial Instruments Disclosures.</p> <p>12.6.5 The issue of guarantees by the Government shall consider any contingent Liabilities that may be involved and their accounting treatment shall follow the requirements of the relevant IPSAS on Provisions, Contingent Liabilities and Contingent Assets.</p>
<p>12.7 Types of Borrowings and the Coordination and Management of Public Debt</p>	<p>12.7.1 Subject to the provisions of Section 36 of the PFMA, the different types of borrowings can generally be classified into domestic and external borrowings.</p> <p>12.7.2 Domestic borrowings include;</p> <p>(a) Government securities (Treasury Bills/Bonds): - these are government operational borrowing instruments usually from the public to manage government liquidity repayable on a rollover basis generally over a period ranging from one week to 20 years or more. Currently, the Treasury Bills issued by BoU on behalf of the Government range from 91 days to 364 days with the Treasury Bonds ranging from 2 years to 15 years.</p> <p>(b) Corporate loans: - these are usually development-oriented borrowings usually repayable over long periods. They include loans from commercial banks.</p> <p>12.7.3 External borrowings include;</p> <p>(a) Bilateral loans: - relate to borrowing arrangements between two governments.</p> <p>(b) Multilateral loans: - relate to borrowing arrangement between the government and international lenders.</p> <p>12.7.4 The Ministry shall be responsible for debt management and domestic debt issuance in consultation with the Bank of Uganda.</p> <p>12.7.5 The Ministry and the Bank shall;</p>

	<p>(a) Coordinate domestic debt issuance in a way to ensure consistency between fiscal and monetary policy.</p> <p>(b) Enhance coordination and communication between each other in relation to domestic debt market developments except for the regularly scheduled press releases for the invitation-to-tender and the primary auction results.</p> <p>12.7.6 The Bank of Uganda shall;</p> <p>(a) Act as an agent for the Ministry in the issuance of domestic debt as directed by the Ministry in coordination with the Bank to ensure consistency with monetary policy.</p> <p>(b) Provide banking services to the Ministry for domestic and external debt transfers/payments.</p> <p>(c) Advise the Ministry on:</p> <ul style="list-style-type: none"> i. Domestic debt market developments, ii. Implications of the Government’s debt management strategy, iii. Implications of Government policies on the issuance of domestic debt, iv. External imbalances that could impact the sustainability of external debt <p>12.7.7 The Ministry shall -</p> <p>(a) Manage the Government’s external and domestic debt.</p> <p>(b) Formulate the Government’s debt management strategy in coordination with the BoU.</p> <p>(c) Be responsible for domestic debt issuance and any policies related to domestic debt issuance in coordination with the BoU.</p> <p>(d) Be responsible for the formulation of the issuance calendar, and the procedures under which</p>
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	<p>domestic debt is issued in coordination with the BoU.</p> <p>(e) Take decisions on the issuance of Treasury Securities, repayment of Government debt, implementation of the budget and Treasury liquidity management.</p>
<p>12.8 Borrowings by Local Governments</p>	<p>12.8.1 Any borrowing by any Local Government Council must be subject to the overall monetary and fiscal policy as determined by Government in consultation with the Bank of Uganda. Consequently, and as required by Section 36 of the PFMA, a Local Government Council may not conclude any loan agreement without the prior approval of the Minister.</p> <p>12.8.2 The local government council is expected to submit their requests to the Minister at the time of the annual budget preparation process. The requests shall contain information about the proposed loan amount, the prospect lender, the terms of the loan, the planned drawdown & repayment dates, and the purpose of the loan. Any proposed borrowing must be included in the relevant annual budget of the Local Government Council. This means that without the prior approval of the loan at the time the annual budget is duly voted, no borrowing can take place.</p> <p>12.8.3 In accordance with paragraph 12.2.2 (b) of these Instructions, Local Governments may borrow for the sole purpose of investment projects purposes – i.e: a local government council cannot borrow for the purpose of financing recurrent expenditure.</p> <p>12.8.4 No loan agreement shall be concluded where interest chargeable is not competitive. In accordance with Section 22 of the PFMA, Local Governments are prohibited from issuing any form of loan guarantees. This means that any guarantee to any Local Government borrowing is subject to the determination and approval of the Minister.</p> <p>12.8.5 Further to the conditions set out above, borrowing in form of overdraft is subject to the local banking regulations issued by the Bank of Uganda. Local Governments may seek commercial overdraft facilities but these shall be restricted to temporary cash flow shortfall and shall therefore never extend beyond three months period in any financial year and for the avoidance of doubt such</p>

	<p>overdrafts shall not be rolled over to the next financial year. Being long-term in nature, investment projects must never be financed by overdraft facilities.</p>
<p>12.9 Accounting Recognition of the Different Types of Borrowing</p>	<p>12.9.1 Debt service and redemptions are managed and budgeted for under the statutory vote 130 – Treasury Operations.</p> <p>12.9.2 Where the borrowings are made by the Minister on behalf of the Government and upon payment of the loan proceeds into the Consolidated Fund as required by Section 36(6) of the PFMA, the following entries shall be made in the GFMIS:</p> <p>When loan proceeds are paid into the Uganda Consolidated Fund Bank Account;</p> <p>Upon receipt In Treasury’s Books – Entity code 099; Dr: Consolidated Fund Bank Account Cr: Transfers from Treasury Operations - Loan Proceeds) In Treasury Operations Books – Vote code 130 Dr: Transfers to Treasury (262108/263108) Credit: Loan Proceeds - liability A/C (type & specific source name) <i>(Being proceeds from borrowings paid into the Consolidated Fund Bank Account)</i></p> <p>(b) It is also possible for the loan proceeds to be received to the credit of a holding account maintained under Treasury operations (Vote code 130) before the funds are remitted to a project or the Uganda Consolidated Fund Bank Account. In this case, the following accounting entries shall be raised.</p> <p>Upon receipt; In Treasury Operations’ Books – Entity code 130; Dr: Appropriate holding account – 32110X Cr: Loan Proceeds - liability A/C (type & specific source name) – 412XXX/423XXX</p> <p>(c) When funds are transferred from the Holding Account to the project account or the Uganda Consolidated Fund Bank Account;</p>

Dr: Transfers to Treasury (262108/263208)/ Transfers to other govt. units (263104/263204)

Cr: Holding bank Account – 32110X

- 12.9.3 Where the borrowings are made by a local government with approval of the Minister and upon payment of the loan proceeds into the general fund account as required by the Local Government Act, the following entries shall be made in the books of the Local Government:

Dr: General Fund Bank Account

Credit: Loan Proceeds - liability A/C (type & specific source name)

(Being proceeds from borrowings)

The following illustrations demonstrate the accounting treatment for the loan receipts from the different types of borrowing: -

- (a) *Treasury Bills, Bonds and Corporate loans*

Illustration 1: Accounting for treasury bills transactions

On behalf of government, on 20th April 2016 the Bank of Uganda sold Treasury Bills (TBs) to the public through various commercial banks with surrender values amounting to UGX 4 Billion. The nominal value of the T-Bills amounted to UGX 4 Billion with a discount of UGX 600 million. The TBs matured after 30 days. The accounting entries shall be passed as follows:

In the books of the Treasury - Vote 130

On 20th April 2016:

Dr: Transfers to Treasury UGX 3.4 Billion

Credit: Liability A/C; - T/Bills UGX 3.4 Billion

(Being recognition of actual proceeds received and paid into the UCF Bank Account)

Dr: Interest expense – UGX 600M

Credit: Liability A/C; – Treasury bills UGX 600M

(Being recognition of discount amount in the books of Treasury Operations)

In the books of the Treasury – Entity code 99

Dr: UCF Bank account UGX 3.4 Billion
Cr: Transfers from Treasury Operations UGX 3.4 Billion
(Being recognition of actual proceeds received and paid into the UCF)

Upon Maturity and repayment

20th May 2016:

In the books of the Treasury – Entity code 99

Dr: Transfers to Treasury Operations; Repayment of borrowing - Treasury bills UGX 4 Billion

Credit: UCF Bank account UGX 4 Billion
(Being recognition of actual amount of T/Bills paid)

In the books of Treasury Operations – Vote 130

Dr: Liability A/C; Repayment of borrowing - Treasury bills UGX 4 Billion

Credit: Transfers from Treasury UGX 4 Billion
(Being recognition of actual amount of T/Bills paid)

Illustration 2: Accounting for bonds – treasury and corporate bonds

On behalf of government, on 20th April 20x6 the Central Bank sold Treasury Bonds (T/Bonds) to the public amounting UGX 100 million. The nominal value of the T/Bonds was UGX 100 million and attracted an interest of 10% per annum. The TBs maturity was one year and it was redeemed on 19th April 20x7. The ledger entries shall be as follows:

Upon issue:

20th April 20X6:

In the books of Treasury Operations – Vote 130;

Dr: Transfers to Treasury UGX 100 M

Cr: Liability A/C; Proceeds from borrowing - Treasury bonds
UGX 100 M

(Being recognition of actual proceeds received in the UCF)

In the books of Treasury – Entity code 99

Dr: Consolidated Fund Bank account UGX100 M

Credit: Transfers – Treasury Operations UGX 100M

(Being recognition of actual proceeds received in the UCF)

Upon maturity and repayment;

19th April 20X7:

In the books of the Treasury – Entity code 99

Dr: Transfers to Treasury Operations UGX 110 M

Credit: Consolidated Fund Bank account UGX110 M

(Being recognition of principal amount of T/Bonds paid)

In the books of the Treasury Operations – Vote 130

Dr: liability a/c (T-bond principal) UGX 100 M

Dr: (T/bond Interest expense) UGX 10 M

Credit: Transfers from Treasury UGX 110 M

(Being recognition of interest and principal amounts of T/Bonds paid)

(b) External loans – Budget support

Illustration 3: Accounting for budget support loans

On 24th May 20x6, payment Instructions were received from the World Bank (International Development Association - IDA) in respect of Credit N^o. 45555: FINMAP Project (original credit currency – USD) as follows: Interest due = USD 62,594.97, Principal due = USD 90,000 Commitment fees = USD 3,761.99.

The amounts are payable by 15th July 20x6.

The payment was made on 7th July 20x6 when the exchange rate was UGX 3,400 = 1 USD and the SWIFT charges were UGX 700,000.

Assume further that the loan had been translated last at an exchange rate of UGX 3350 to the dollar on 30th June 20x6 when the total amount outstanding to date was USD 450,000 of which USD 90,000 was due by 15th July 20x6 as stated above.

At Treasury Operations- Vote 130

7th July 20x6:

Dr: Loans a/c UGX 306 Million
Credit: Transfers from Treasury UGX 306 Million
(repayment of loans amounting to USD 90,000 at a UGX/USD exchange rate of UGX 3,400.

7th July 20x6:

Dr: Interest charge - UGX 212,822,898
Dr: Commitment fees - UGX 12,790,766
Dr: Swift charges UGX 700,000
Credit: Transfers from Treasury - UGX 226,313,664

(Being payment of charges on the budgetary support loan under the Treasury Operations Vote)

Dr. Exchange loss xxxxx

Cr. Liability/Loan A/C xxxxx

(to recognise the exchange loss assuming an unfavorable exchange rate movement)

Debt Management System

The public debt records on DMFAS shall be updated accordingly with the principal and interest payment.

In the books of Treasury - Entity code 99

Dr: Transfers to Treasury Operations; 512,313,664

Cr: UCF Bank a/c – UGX 512,313,664

(Being repayment of principal amount and charges on the budgetary support loan)

(c) External loans – loans through development projects (Project support)

Development projects are the government implementing agencies for the development programs particularly those financed through external loans and grants.

The Treasury headed by the Minister is charged with the responsibility for loan and grant negotiations with DPs and external lenders. The development projects then access the funding through Withdrawal Applications (WA) to the lender/development partners.

The DP arrangements specify the format and content of the WA to be used for drawing funds from the credit fund created by the development partner. Upon the DP approval of the WA, the requested funds are either;

- i) remitted to BoU to the credit of the projects' bank account with the drawdown proceeds and advise the project management unit accordingly. Or
- ii) paid directly the beneficiaries (direct disbursements/payments) Or
- iii) Disbursed to a holding account with advice to the Accountant General accordingly.

The accounting entries for the loan disbursements by the Treasury Operations shall be as follows;

Dr: Transfers to the projects	xxxx
Credit: Loan Proceeds - liability (type & specific source name	
xxxx	

Simultaneously, the following entries shall be raised in the books of the project, where the disbursements are paid into a project bank account;

Debit: Bank Account	xxxx
Credit: Transfers from Treasury	
xxxx	

Illustration 4: Direct development partner remittances to service providers

Especially where international tender awards are involved, external lenders often directly settle the invoices from the service provider and later inform the Project Management Unit accordingly. Thus, no cash flows from the project's bank account is involved. Upon receipt of the payment advice from

the DP, the project management unit is required to prepare the Credit Advice Form for the information of the Treasury.

The required accounting entries for direct remittances are illustrated as follows:

In the books of the Treasury Operations

Debit: Transfers to the projects	xxxx
Credit: Loan Proceeds - liability (type & specific source name)	xxxx

In the books of the project

Debit: Appropriate expenditure item	xxxx
Credit: Transfers from the Treasury	xxxx

12.9.4 For borrowings as may be authorised by the Minister in accordance with Section 36(1) of the PFMA, the concerned vote, State Enterprise, Public Corporation or Local Government Council shall raise the necessary entries as illustrated in the example below;

Illustration 5: Borrowings

Jinja district borrowed a loan from the Housing Finance Bank of UGX 500,000,000 towards the expansion of their office building. The effective date of the loan was 1st April 2016. The loan carried an interest of 15% p.a on a reducing balance and was to be repaid in 5 years through transfers from the central government

To recognize the receipt of the loan

1st April 2016

Dr: Bank	500,000,000
Cr: Loan a/c - Housing Finance	500,000,000

To recognize the interest expense

30th April 2016

Dr: Finance cost (Mar) -	6,250,000
Cr: Vote/entity Bank A/C	6,250,000

	<p><i>NB: The interest amount is recognized at the end of each month at UGX 6,250,000 being 15% prorated per month, (500,000,000 x 15% / 12months).</i></p> <p><u>To recognize repayment of principal</u></p> <p>30th April 2016</p> <p>Dr: Loan a/c–Housing Finance Bank 8,333,333</p> <p>Cr: Vote/entity Bank Account 8,333,333</p> <p><i>NB: The principal amount is recognized at the end of each month at UGX 8,333,333 being 5-year repayment prorated per month, (500,000,000 / (5yrs x 12months)).</i></p> <p><i>The date of this transaction is the effective date of the loan.</i></p>
<p>12.10 Debt Relief, Forgiveness, Rescheduling and Cancellations</p>	<p>12.10.1 Debt relief, forgiveness, rescheduling and cancellations relating to public debt shall be disclosed in the financial statements.</p> <p>12.10.2 Under these Instructions;</p> <p>(a) Debt relief is the partial or total remission of debts, especially those owed to external creditors.</p> <p>(b) Debt forgiveness refers to writing off a debt.</p> <p>(c) Debt cancellation is where a creditor forgives debt without requiring consideration in return.</p> <p>In the above circumstances, accounting entries shall be raised as follows;</p> <p>Dr: Liability with both the principal and interest</p> <p>Cr: Appropriate revenue item</p> <p>12.10.3 Debt rescheduling involves restructuring the terms of an existing loan in order to extend the repayment period. It may mean delay in the due dates of required payments or reducing payment amounts by extending the payment period.</p>
<p>12.11 On-lending</p>	<p>12.11.1 The term “lending” relates to the borrowing made by Government to finance its programmes. There are instances where the Government entities may borrow and then lend the proceeds from borrowing to other entities affiliated to Government with the</p>

intention of repaying at a specified interest rate. This arrangement is referred to as on-lending.

On-lending contracting

12.11.2 The Secretary to the Treasury and the Government agency, shall negotiate the terms and conditions of the on-lending/subsidiary agreement.

12.11.3 The structure of the on-lending/subsidiary agreement may match the primary loan or have a completely different structure in terms of currency, maturity and interest rate.

12.11.4 The Directorate responsible for Debt and Cash Policy shall prepare a term sheet with the on-lending details and forward this together with the signed-on lending agreement to the Accountant General for recording in DMFAS and processing the on-lent loan.

12.11.5 The Government entity that has borrowed for purposes of on-lending shall account for the loan as a borrowing while the beneficiary entity shall account for amount received as a borrowing owed to the lending Government entity.

12.11.6 The on-lending shall then be accounted for as a receivable by the Government entity that has borrowed.

12.11.7 Accounting for the loan borrowings shall be in line with Instruction 12.8 of these Instructions. The accounting treatment for the accounts receivable resulting from on-lending shall be as follows:

Upon on-lending

Dr: Government on-lending (32130X)	xxxx
Cr: Bank account	xxxx

(Being recognition of accounts receivable in respect of on-lent funds)

On-lending servicing

12.11.8 The Accountant General shall prepare the payment notice using DMFAS and/or GFMIS and then send

	<p>them to the project or on-lending agency for payment.</p> <p>12.11.9 The project or agency is responsible for making payment in accordance with the payment advice sent by the Ministry. The Accountant General shall check that payment has been made accordingly and input the payment into DMFAS/GFMIS.</p>
<p>12.12 Contingent Liabilities and Provisions</p>	<p>12.12.1 A contingent liability is a possible future obligation arising out of a past event whose occurrence depends on uncertain future occurrence of an event outside the control of the reporting entity. On the other hand, a provision is a liability of uncertain timing and amount.</p> <p>12.12.2 Contingent liabilities in accordance with the debt management policy may be explicit or implicit; Explicit contingent liabilities are normally contractual based on contracts, laws or clear policy commitments. Implicit contingent obligations are non-contractual and are mainly political and moral obligations.</p> <p>12.12.3 The Accountant General or the Accounting Officer, as the case may be, shall ensure that all contingent liabilities are recorded and included in an appropriate Contingency Liability Register (TF 27).</p> <p>12.12.4 Contingent liabilities may include the following;</p> <ul style="list-style-type: none"> (a) Disputes for which legal proceedings are underway – e.g legal suits for breach of contract, any court cases against government with probably material financial implications. (b) Contractual Guarantees issued by government as described in paragraph 12.12.2 above. In case an entity defaults, the guaranteed amount shall crystalize into a liability in the books of the guarantor. <p>12.12.5 As described under Instruction 5.2 of the Instructions, votes or any Government entity shall not recognize contingent liabilities but these shall be disclosed as a note in the entity’s monthly and annual financial reports. Provisions shall need not be recognised or disclosed in an entity’s financial statements.</p>

	<p>12.12.6 Upon migration to the accrual basis IPSAS, provisions and contingent liabilities shall be recognized, measured and disclosed in accordance with the applicable IPSAS on Provisions, Contingent Liabilities and Contingent Assets.</p>
<p>12.13 Guarantee of a Loan to a Local Government Council</p>	<p>12.13.1 The following terms and conditions shall apply with regard to a guarantee by the Government of a loan to the Local Government —</p> <ul style="list-style-type: none"> (a) the capital project shall generate sufficient resources to service the debt repayment; (b) the debt management capacity of the council shall be sufficient to sustain the loan; (c) the fiscal position of the council over the past three years and over the medium term shall be satisfactory; (d) such other terms and conditions as may be imposed in the terms and conditions of issue; <p>12.13.2 Any loan referred to in paragraph 12.13.1 shall require the approval of the Minister, which approval may be made subject to additional terms and conditions that the Minister considers necessary or desirable to meet the objective of government borrowing in the fiscal responsibility charter.</p> <p>12.13.3 In addition to the borrowing authorised under paragraph 12.13.1, a Council may borrow from the Government subject to such terms and conditions as the Minister may impose and in accordance with any prescribed criteria.</p> <p>12.13.4 All borrowing shall be linked to projects contributing to capital formation of the country.</p> <p>12.13.5 The financial statements of the council seeking to borrow shall have received an unqualified audit opinion at least 2 years before the application to borrow is filed with the Minister.</p> <p>12.13.6 The council shall be required to take a resolution to borrow and such resolution shall be made public.</p>

<p>12.14 Administration of Trust Funds (Funds in-transit or Held in-trust - Refundable Deposits)</p>	<p>12.14.1 A vote or Government entity shall recognize funds-in-transit and funds-held-in-trust once such funds are received by the entity and such funds shall be recognized as a liability.</p> <p>12.14.2 Each funds-in-transit and funds-held-in-trust shall have a distinct ledger account.</p> <p>12.14.3 The accounting for funds-in-transit and funds-held-in-trust shall involve the following entries;</p> <div style="background-color: #e0e0e0; padding: 5px;"> <p><u>Upon receipt of the funds</u></p> <p>Dr: Bank account</p> <p>Cr: Deposits received (Liability – Funds in-transit / held in-trust)- 415006</p> <p><i>(Being receipt of funds-in-transit and funds-held-in-trust from the beneficiary)</i></p> <p><u>Upon remittance to beneficiary entity or person</u></p> <p>Dr: Deposits received (Liability – Funds in-transit / held in-trust)- 415006</p> <p>Cr: Bank account</p> <p><i>(Being remittance of funds-in-transit and funds-held-in-trust to the beneficiary)</i></p> </div> <p>12.14.4 The following accounting recognition relates to the consular fees collected by embassies and held in-trust on behalf of URA:</p> <div style="background-color: #e0e0e0; padding: 5px;"> <p><u>Upon receipt of revenue:</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Dr: Bank Account</td> <td style="text-align: right;">xxxx</td> </tr> <tr> <td>Cr: Deposits received - (URA)- 415006</td> <td></td> </tr> <tr> <td>xxxx</td> <td></td> </tr> </table> <p><i>(Being receipt of funds-in-transit on behalf of URA)</i></p> <p><u>Upon remittance to URA</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Dr: Deposits received - (URA)- 415006)</td> <td style="text-align: right;">xxxxx</td> </tr> <tr> <td>Cr: Bank Account</td> <td style="text-align: right;">xxxxx</td> </tr> </table> <p><i>(Being remittance of funds-in-transit to the URA)</i></p> </div>	Dr: Bank Account	xxxx	Cr: Deposits received - (URA)- 415006		xxxx		Dr: Deposits received - (URA)- 415006)	xxxxx	Cr: Bank Account	xxxxx
Dr: Bank Account	xxxx										
Cr: Deposits received - (URA)- 415006											
xxxx											
Dr: Deposits received - (URA)- 415006)	xxxxx										
Cr: Bank Account	xxxxx										
<p>12.15 Leases</p>	<p>12.15.1 A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.</p>										

	<p>12.15.2 There are two types of leases; operating lease and finance leases. A finance lease is lease that transfers substantially all the risks and rewards incident to the ownership of the asset. An operating lease, on the other hand, is a lease that does not transfer substantial risks and rewards incident to the ownership of the asset.</p> <p>12.15.3 Operating leases with a lease term of less than 12 months do not result in an obligation and an asset. However, a finance lease creates an asset and an obligation.</p> <p>12.15.4 Operating and finance leases with a lease term not exceeding 12 months shall be treated on a cash basis. Lease payments shall be recognized as payments while lease receipts shall be recognized as revenues. A schedule of both finance and operating leases with lease terms in excess of 12 months shall be provided by way of a disclosure in the financial statements.</p> <p>12.15.5 Upon migration to accrual basis IPSAS, leases shall be recognized, measured and disclosed in accordance with the applicable IPSAS on Leases.</p>
12.16 Writing Back Liabilities	12.16.1 An Accounting Officer may seek authority from the Secretary to the Treasury and upon a recommendation from the Accountant General, to write back long outstanding liabilities. Such a request shall be made in writing and accompanied by appropriate justification.
12.17 Transfer of Liability	<p>12.17.1 Where a function is to be transferred between votes during a financial year, the Secretary to the Treasury must be consulted in advance, to facilitate any request for the resulting transfer of funds voted for that function in terms of Section 20 of the PFMA.</p> <p>12.17.2 In the absence of agreement between the affected votes on the amount of funds to be transferred, the Secretary to the Treasury shall determine the funds to be reallocated and reflected in the revised estimates.</p>

	<p>12.17.3 Where a vote has transferred liabilities to another vote, the following entries shall apply to the source and destination votes:</p> <p><u>In the books of destination entity</u></p> <p>Dr: Transfers to other govt. units- 263104/263204 (name of sending entity) - xxxx Cr: Accounts payable – 415XXX (specify creditor/supplier ID) xxxx <i>(Being recording to liability transferred by an entity/vote)</i></p> <p><u>In the books of source entity</u></p> <p>Dr: Accounts payable – 415XXX (specify creditor/supplier) Cr: Transfers Received from Other Government Units (name of receiving entity) 133106/133206 <i>(Being transfer of a liability to another entity/vote)</i></p>
<p>12.18 Settling of Rolled Over Liability</p>	<p>12.18.1 Where a vote has carried forward liabilities from a previous period (rolled over), they shall ensure that there is a budget provision to settle the rolled over liability subject to the commitment control system described in Instructions 10.1 and 10.2 of these Instructions.</p> <p>12.18.2 The following entries shall apply in settlement of rolled over liabilities:</p> <p><u>Upon settlement of the liability</u></p> <p>Debit: Accounts payable – 415XXX (specify creditor/supplier ID) xxxx Credit: Bank/Treasury Transfers xxxx <i>(Being settlement of a liability rolled over from a previous period)</i></p>
<p>13 Accounting for foreign exchange differences</p>	
<p>13.1 Introduction</p>	<p>13.1.1 The principal issues in accounting for foreign currency transactions are to decide which exchange rate to use and how to recognise the financial effect of the exchange differences in the financial statements. In addition to Instruction 5.2 of these Instructions, this part of the Instructions provides</p>

	specific Instructions for the treatment of foreign exchange transactions.
13.2 Accounting for Foreign Exchange Transactions and Translation Gains and Losses	<p>13.2.1 The following procedures shall apply while accounting for foreign exchange differences:</p> <ul style="list-style-type: none"> (a) Ensure that all foreign currency transactions are recorded on initial recognition in the reporting currency by applying the spot rate. (b) The exchange rates shall be those provided by the Bank of Uganda unless the foreign currency transaction involves another bank in which case the rates quoted by that bank shall be used. (c) The Bank provides exchange rates for major foreign currencies on a daily basis. These are presented for selling rate (rate the bank shall sell foreign currency to its clients), buying rate (rate the bank shall buy foreign currency from its clients) and average rate (average between the selling and buying rate). Where a vote pays an expense in local currency but from a foreign currency bank account, the rate to use is the rate at which BoU buys that foreign currency (Buying rate quoted by BoU). (d) During the year, revenue items shall be translated using the buying rate of the transaction day whereas the expense items shall be translated using the selling rate of the transaction day. (e) At the end of the year (or any other reporting period e.g monthly), book balances of assets (such as bank and cash and accounts receivables) and liabilities (such as accounts payables) denominated in foreign currencies are converted into Uganda Shillings at the average rate of exchange ruling on that closing date, as issued by BoU. This shall result into a translation gain or loss. (f) The associated exchange losses shall be recorded as other expenditure while exchange gains shall be recorded as other revenue.

	<p>Illustration: Recognition of exchange and translation gain</p> <p>The Uganda embassy in New York, on 2nd April 2015 sold a car for \$ 2,000. The sales proceeds were received on the 5th May 2015.</p> <p>The exchange rates were as follows: 2nd April 2015 \$ 1 = UGX 3,200 (Buying rate presented at BoU website) 30th April 2015 \$ 1 = UGX3,250 (Buying rate presented at BoU website) 5th May 2015 \$ 1 = Uhs 3,400 (Buying rate as presented at BoU website)</p> <p>i) Recording of the accounts receivable on accrual basis</p> <p>Debit; Accounts Receivable (2nd Apr 2015) 6.4 M</p> <p>Credit: Proceeds from disposal of assets (2nd April 2015) 6.4M</p> <p>ii) Period end procedure to recognise the translation exchange gain</p> <p>Translation of end month foreign currency balance</p> <p>Dr: Accounts receivables (30th April 2015) 100,000</p> <p>Cr: Exch. Gain (30th Apr 2015) $\{(3,250-3,200) * 2,000\}$ 100,000</p> <p>Transaction for the month of May 2015 when the funds were received</p> <p>Dr: Bank Account (5th May 2015) $(3400*2,000)$ – 6.8M Cr: Accounts Receivable (5th May 2015) - 6.5M Cr: Exchange Gain (UGX 6,800,000– 6,500,000) 0.3M</p> <p>13.2.2 Upon migration to accrual basis IPSAS, accounting for foreign exchange differences shall be in accordance with the relevant IPSAS on “The Effects of Changes in Foreign Exchange Rates”.</p>
14 Management of Loans issued by Government, Advances and Investments	
14.1 Introduction and Objectives	14.1.1 In line with Section 32(3)(d) of the PFMA, the Minister may authorize the Accountant General to issue advances from the Consolidated Fund. Loans

	<p>issued by government may take the form of on-lent funds, and an advance is a sum of money that may be granted to government employees, Treasury or Trust fund, vote, state enterprise, public corporation or to another Government for a specific purpose. The loan/advance is required to be paid over a specific period with or without interest. All loan/advance payments shall require budgetary provisions with the prior approval of Parliament.</p> <p>14.1.2 The accounting for advances shall be to:</p> <ul style="list-style-type: none"> (a) ensure that all advance transactions are correctly reflected and classified in the government accounts. (b) enable the Treasury to restrict advances outstanding within the limits that may be imposed by the Minister under Section 32(3) of the PFMA or by Parliament through any other At. (c) ensure that individual accounts of advances paid are correctly maintained and recoveries are effected without delay. <p>14.1.3 Also consistent with Section 31(2)(b)(ii) of the PFMA, funds may be payable from the consolidated fund for investments.</p>
<p>14.2 Authority for Staff Loans and Advances</p>	<p>14.2.1 Except as indicated in paragraph 14.2.2 below, advances from the Consolidated Fund shall only be granted in exceptional circumstances duly evidenced and subjected to repayments in the financial year in which they are made to the Accountant General. All advances must be made by the Accountant General under the authority of the Minister prior to their release.</p> <p>14.2.2 Advances of salary (staff advances) – Accounting Officers may authorize advances of salary or wages to their staff in cases of emergency, hardships or specific need if they are satisfied that such action is justified.</p> <p>14.2.3 Advances granted under paragraph 14.2.2 shall be recorded by the Accountant General in the Treasury’s books by debiting “Staff Advances A/C (Name of officer)-321501” and crediting the appropriate bank account (Uganda Consolidated</p>

	<p>Fund Bank A/C (321101) -if drawn from the UCF account). Recovery of such advances shall accordingly be credited by the Accountant General to “Staff Advances A/C (Name of officer)”, debiting “the Uganda Consolidated Fund (UCF) Bank A/C” with payments received from the Accounting Officers in respect of the staff salary recoveries made by them. (See also paragraph 14.2.7).</p> <p>14.2.4 Loans/Advances of imprest shall not be charged directly to an expenditure item but posted to the loans/ advances ledger of the GFMIS.</p> <p>Upon receipt of “on-lent” funds the following entries shall be passed by the receiving entity;</p> <p style="background-color: #cccccc; padding: 2px;">Dr: Bank Cr: Loan /liabilities (415XXX)</p> <p>When the funds are on lent to a government entity, the giving entity shall raise the following entries;</p> <p style="background-color: #cccccc; padding: 2px;">Dr: On lent/ receivable/ advance (32150X) Cr: Bank</p> <p>Similarly, standing imprests to imprest holders shall be debited to “debited to advances account</p> <p style="background-color: #cccccc; padding: 2px;">Dr: Other Advances (Name of officer) – 321504 Cr: Bank Account.</p> <p>14.2.5 Early payment of salary shall not be regarded as advances of salary and this shall be directly chargeable to employee costs under the date on which payment is made.</p> <p>14.2.6 Shortfalls due to non-accountability of Imprests/Advances or losses shall be recovered immediately from the salary of the Imprest Holder and shall be the subject of disciplinary proceedings. (See also paragraph 14.4.4)</p> <p>14.2.7 The Accounting Officer shall be responsible for the prompt recovery of all advances authorised by him or her. For this purpose, the Accountant General shall advise all salary advances granted to staff under paragraph 14.2.1 to the responsible Accounting Officer.</p>
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	<p>14.2.8 Any recovery of staff advances made by an Accounting Officer shall be paid to the Accountant General and the Accounting Officer shall pass the following entries in the books of the vote;</p> <p>Dr: Transfers to Treasury/ Bank Cr: Advances to Staff</p> <p>On receipt of funds by Accountant General from the vote the following entries shall be passed</p> <p>Dr: Uganda Consolidated Fund Bank A/C (with the amount received which shall be paid into the Consolidated Fund) Cr: Transfers received from the entity</p> <p>Upon recovery of on-lent funds, the following entries shall be passed;</p> <p>Dr: Cash/ Bank Cr: On lent loans</p> <p>14.2.9 In general, and except as indicated in Instruction 10.19 of these Instructions, Accounting Officers are prohibited from making payments on behalf of other Accounting Officers where they do not have prior authority to do so.</p> <p>14.2.10 The total outstanding advances at any time shall not exceed such limits as are fixed by the Accountant General. It is the responsibility of the Accounting Officers to watch compliance with the limits prescribed through control accounts maintained by them and shall ensure that the amount advanced is recovered on the dates specified.</p> <p>14.2.11 Each Advance shall be recorded in a separate ledger or register according to the type of advance. The Advances section shall ensure that each advance is recorded in accordance with the terms of the advance.</p>
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	<p>14.2.12 The register is one of the key records considered for regular inspections by designated responsible officers. The register shall contain the following:</p> <ul style="list-style-type: none"> (a) Full name of person receiving the advance (b) Title of the post held (c) Date of the advance and reference to the payment voucher (d) Authority for the advance (e) Amount of the advance (f) Terms of repayment, including capital and interest (g) Amount of each instalment, including a breakdown of the amounts (h) Date of each instalment paid <p>14.2.13 If more than one advance is paid to an officer, the GFMIS or register shall show each advance separately.</p>
<p>14.3 Classification of Advance Accounts</p>	<p>14.3.1 Each advance account shall be classified under an appropriate asset code of the economic classification of the GoU chart of accounts issued by the Accountant General.</p> <p>14.3.2 Broadly advance accounts shall fall under the following categories:</p> <ul style="list-style-type: none"> (a) Staff advances - Recorded into this account shall be short-term loans made against a staff's salary (b) Department advances - Recorded into this account shall be advances made to MALG by the Treasury (c) Advances to other Government Units Recorded into this account shall be advances to other Government entities such as Ugandan missions and embassies. (d) Other advances These include miscellaneous advance accounts opened for specific purposes and not covered in the above categories.

	14.3.3	In case of any doubt regarding the correct classification of any advance transaction, the advice of the Accountant General shall be obtained.
14.4 Issues and Repayments of Staff Loans and Advances	14.4.1	Issues of any staff loans and advances shall be subject to the maximum ceilings set and the recovery period shall not exceed the maximum period authorized for repaying the loan or advance.
	14.4.2	Application for Personal Advances shall be submitted in writing to the Accounting Officer who shall request the Secretary to the Treasury for authority and funding to issue an advance.
	14.4.3	In the following cases, amounts due from public officers are required to be transferred to their personal advance account: (a) Imprest not retired. (b) Amount due for goods or service not paid for within the stipulated period. (c) Losses for which a public officer is held responsible and surcharged.
	14.4.4	If it is not possible to recover the full amount of the outstanding imprest from the officer's salary for the month, approval of the Accountant General shall be obtained for recovery of the amount in instalments by transfer to Personal Advance Account of the officer.
	14.4.5	In the case of debts arising out of paragraph 14.4.3b) above, defaulting officers shall be addressed to settle the amount within 14 days failing which deductions shall be made from the officer's salary.
	14.4.6	In each case, interest shall be charged in the usual manner from the date the amount becomes due from the officer.
14.5 Clearance of Personal Advance Accounts	14.5.1	When a public officer's service has been terminated for any reason or when the officer retires or resigns from service it shall be ensured that all advances and interest due are recovered from the officer's salary or terminal benefits. Before releasing any payment due, the Accounting Officer shall ascertain

	<p>from the officer maintaining the Advances Account if any advance is outstanding against the officer.</p> <p>14.5.2 When a public officer dies, retires or is dismissed from service, any outstanding advance shall be recovered by the Accounting Officer.</p> <p>14.5.3 When an advance proves to be irrecoverable, the amount shall be reported as a loss and action taken for writing off the loss shall be in accordance with chapter 21 of these Instructions.</p> <p>14.5.4 Accounting Officers shall maintain, electronic or otherwise, a register of advances and shall prepare a schedule of outstanding advances which shall be submitted to the Accountant General at the end of the financial year with the financial statements.</p>
<p>14.6 Advance Accounts other than Personal Advance Accounts</p>	<p>14.6.1 A vote may be authorized to operate advance accounts other than Personal Advances as detailed in the list of accounts circulated by the Accountant General in line with paragraph 14.3.2 of these Instructions.</p> <p>14.6.2 Approval for opening a new advance account shall be obtained from the Accountant General.</p> <p>14.6.3 Where the advance is of continuing nature, the Accountant General shall approve the conditions for operation of the account.</p> <p>14.6.4 The control of Advance Account rests with the entity authorized to operate the account. It shall be ensured that transactions in these accounts are in line with the purpose for which the account was opened. Under no circumstances can expenditure be booked to an advance account merely to avoid expenditure on budgetary accounts.</p> <p>14.6.5 Each concerned entity shall keep a record of transactions of each advance account in a GFMIS Ledger.</p> <p>14.6.6 Separate ledger accounts in the GFMIS shall be used for each advance account. Payments shall be recorded on the debit side and recoveries on the credit side.</p>

	<p>14.6.7 Advance accounts pertaining to development partner-financed projects shall be balanced monthly and a balance statement of transactions sent to the Treasury for claiming reimbursements from the development partner. Copy vouchers shall support the statement since the development partners require such documents.</p> <p>14.6.8 Advance accounts shall be reconciled monthly. A reconciliation statement shall be submitted to the Accountant General as part of the half-year and annual financial statements.</p>
<p>14.7 Investment Financial Instruments</p>	<p>14.7.1 In line with Section 31(b)(ii) of the PFMA, funds may be payable from the consolidated fund for investments. Accounting Officers shall consult the Accountant General before effecting any investments of the funds for which they account or before making fixed deposits of such funds with a bank.</p> <p>14.7.2 An Investment Ledger (TF 28) shall be maintained for investments made and separate accounts shall be maintained in respect of the investments held. The ledgers shall be in a form that shall clearly show the following:</p> <ul style="list-style-type: none"> (a) Particulars of the investment; (b) Nominal amount, if any, of investment; (c) Current Value; (d) Income received; (e) Actual cash paid representing the capital invested; (f) The duration of the investment. <p>14.7.3 When securities are purchased, the investment account shall be debited with the investment cost and cashbook credited.</p> <p>14.7.4 Where an investment is acquired by an accounting officer and transferred to the Treasury, the following entries shall be made:</p> <p style="background-color: #cccccc; padding: 2px;">In the Accounting Officer's books (Vote)</p>

	<p>Dr: Transfers to other government units (Treasury operations) Cr: Bank/Investment Account</p> <p><u>In the books of the Treasury Operations (Entity code - 130)</u></p> <p>Dr; Investment Account. Cr: Transfers from other government units (Specify name of vote/entity transferring the investment).</p> <p>14.7.5 Unless instructed to the contrary, Accounting Officers shall revalue the investment of any funds for which they are accountable as at the 30th June each year, in accordance with guidelines from the Accountant General. The original cost of the investment held shall be shown as a footnote to the statement of financial position of the fund or through an appropriate disclosure note.</p> <p>14.7.6 Unless any other arrangement has been approved, the amount of any diminution in the value or loss on the sale, of any investment shall be debited to the diminution in value/loss account and credited to the Investment account and the amount of any appreciation or gain on sale shall be debited to the Investment account and credited to the investment income account as follows;</p> <p>Dr: Diminution in value/ loss Cr: Investment account (321XXX)</p> <p>If there is a gain/ appreciation on sale;</p> <p>Dr: Investment account (321XXX) Cr; Investment income (141100)</p> <p>14.7.7 When an Investment is realized, the proceeds of sale shall appear as a receipt in the cash book and a credit in the Investment account. Where the proceeds of the sale are less than the value of the Investment, the loss shall be written off as a debit to the financial and related costs account.</p> <p>14.7.8 Accountant General shall be responsible for the safe custody of the documents (e.g. deposit</p>
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	<p>certificates, stock certificates, etc.), relating to any investments purchased with funds from the consolidated fund. All such documents shall be entered in a register which shall also show the location of the documents at any time.</p> <p>14.7.9 Sums on fixed deposit with a bank in connection with any special fund account or deposit account shall be accounted for as “Investments” and not as “cash” but shall be shown separately from other investments in the statement of financial position.</p> <p>14.7.10 An Accounting Officer shall prepare a statement of investments held under his or her vote at the end of each month showing in a format as prescribed in paragraph 14.7.2. The statement shall be submitted to the Accountant General as part of the half year and annual financial statements of the vote.</p> <p>14.7.11 The above provisions shall apply to any sums of the consolidated fund and the petroleum revenue investment reserve that are invested by the Treasury.</p>
<p>14.8 Short term Investments and Short Term Borrowing for Treasury Operations to Finance the Budget</p>	<p>14.8.1 The primary goal for the short-term investment and borrowing of funds is to ensure the safety of principal, whilst managing liquidity requirements and, providing the highest investment returns at minimum risk, within the parameters of authorised instruments. This section seeks to establish a short-term investment and borrowing framework policy for the Treasury operations (and Local Governments) and set out the objectives, policies, requirements and guidelines for such investments of funds.</p> <p>14.8.2 The short-term investment activities shall seek to:-</p> <ul style="list-style-type: none"> (a) maximise returns from authorised investments, consistent with the secondary objective of minimising risk. (b) ensure compliance with all legislation governing the investment of funds.

	<ul style="list-style-type: none"> (c) maintain adequate liquidity to meet cash flow needs. (d) undertake the investment of funds not immediately required for operational purposes in a manner expected of a prudent person. (e) ensure diversification of permitted investments. (f) The preservation and safety of investments shall be the foremost objective of the investment program. To attain this objective, diversification is required to ensure that the Accountant General (Chief Financial Officer in case of Local Governments/Municipalities) prudently manages market, interest rate and credit risk. (g) The investment portfolio shall remain sufficiently liquid to enable the Treasury or Local Government/Municipality to meet all operating requirements that may be reasonably anticipated. (h) The investments shall be structured to obtain the optimal possible returns, taking into account investment risk constraints, cash flow needs and the parameters determined for authorised investments. (i) Investment shall be made with care, skill, prudence and diligence. Investment officials are required to adhere to written procedures and these guidelines, exercise due diligence, prepare all reports in a timely manner and exercise strict compliance with all legislation. (j) Investments may not be undertaken with a view to speculation. (k) Any Government Institution other than a Local Government/Municipality shall require the prior approval of the Accountant General to undertake any short-term investments.
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	<p>(l) All investments must be made in the name of the Treasury or Local Government/municipality or relevant institution.</p> <p>(m) The responsibility and risk arising from any investment transaction shall rest with Treasury or the relevant Local Government/Municipality or institution.</p> <p>14.8.3 The following investment instruments and practices are prohibited:</p> <p>(a) making investment in listed Shares (Equity instruments as defined under international financial reporting standard and derivative instruments;</p> <p>(b) borrowing to undertake short term investment;</p> <p>14.8.4 Authorised short-term investments shall constitute:</p> <p>(a) Bond instruments issued by Government, Government parastatals and listed corporate bonds with an investment grade rating from a nationally or internationally recognised credit rating agency, to raise loan capital on the open market.</p> <p>(b) Call/Short Call and Fixed Deposits;</p> <p>(c) Commercial papers issued by established corporate organisation.</p> <p>14.8.5 Objectives for short term borrowing shall be to:</p> <p>(a) Adhere to legislative requirements;</p> <p>(b) Maintain a superior credit rating;</p> <p>(c) Ensure long term financial flexibility;</p> <p>(d) Limit financial risk exposure;</p> <p>(e) Minimize long-term cost of financing; and</p>
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	(f) Match the term of the capital financing to the lesser of the useful life of the related asset or the period over which third party funding for the retirement of the debt shall be received.
15 Management of Public Stores, inventories and receivables	
15.1 Introduction	<p>15.1.1 An Accounting Officer is responsible for the procurement and safe custody of inventories under his or her control.</p> <p>15.1.2 Every public officer is personally and pecuniary responsible for Government inventories under his or her control.</p> <p>15.1.3 Further reference shall be made to the manual issued by the Accountant General for the detailed administrative and control procedures in the management of Public Stores.</p>
15.2 Receipt of Inventories	<p>15.2.1 Care must be taken to ensure that the inventories received are in good condition and conform to order requirements, and the procedures governing the receipt of inventories from suppliers into any Government store shall aim at ensuring that payment is made only for the quantities actually received in good order and condition and meeting the required specification.</p> <p>15.2.2 So far as is possible the task of receiving and checking inventories shall be carried out by a public officer other than the one who places the orders and authorizes payment for the supplies, and the documentation shall permit the various elements of the transaction, including ordering, receipt and payment, to be identified with and checked against each other.</p>
15.3 Recording of Inventories	<p>15.3.1 An appropriate record shall be kept in respect of every inventory received in accordance with a format that shows details of movement and cost.</p> <p>15.3.2 The cost of inventories shall be measured using the weighted average cost valuation method.</p>
15.4 Shortage in Deliveries	15.4.1 In order that investigations may be carried out and any claims supported, it is essential that—

	<p>(a) a clear signature signifying that all the goods have been received intact and in good order, be given only when this fact has been ascertained;</p> <p>(b) Intimation of any loss shall be given to the supplier and to the carrier without delay.</p> <p>15.4.2 Where any dispute is likely to arise, the inventory controller shall report the matter immediately in writing to his or her superior public officer so that an enquiry may be instituted to determine any responsibility; and in the event of loss to the Government, any failure to comply with this procedure shall be taken into account in determining responsibility for the loss.</p>
15.5 Accountability of Inventories	<p>15.5.1 Inventories are accounted for by value as well as by quantity, and it is necessary for an Accounting Officer to keep records so as to determine the unit cost of each inventory item and the reconciliation of the total value of the stocks of inventories with the financial records.</p> <p>15.5.2 All Invoices, vouchers and ledger entries for inventories shall show the value as well as the quantity of the items concerned.</p> <p>15.5.3 Except as indicated under Section 5.2.2 (o); Accounting Policy on Inventories, all purchases of inventories shall be charged directly to the relevant expenditure lines immediately on purchase.</p>
15.6 Inspection of Inventories	<p>15.6.1 An Accounting Officer shall arrange for the inventories for which he or she is responsible to be inspected regularly and for written reports to be made to them on the sufficiency of the storage accommodation and on the general condition of inventories and storage facilities.</p> <p>15.6.2 The inspecting public officer shall report to the Accounting Officer promptly and in writing, any case of loss, shortage, leakage, damage, waste, deterioration or irregularity observed in the course of his or her inspection and the Accounting Officer shall take prompt and appropriate action to correct any defects or deficiencies reported.</p>

	15.6.3	In addition to the departmental internal inspections, which are designed to satisfy the Accounting Officer that he or she is adequately discharging his or her responsibilities for the correctness of inventories and stores records, the inventory holdings of all public stores shall be verified at least once a year by continuous stocktaking by an independent stock verifier or by Boards of Survey appointed by the Accountant General.
15.7 Boards of Survey for Inventories	15.7.1	In cases where inventories have not been fully checked during a financial year by a stock verifier, and in stores where, even though such a check has been made, exceptionally valuable or attractive items are held, a Board of Survey shall be appointed by the close of the financial year to check the stock holdings to such extent as specified in the terms of appointment.
	15.7.2	The board of survey shall be effected as instructed under Instruction 19.6 of these Treasury Instructions.
15.8 Hand-over of Duties in respect of Inventories by Public Officers	15.8.1	Accounting Officers shall ensure that whenever one public officer relinquishes to another the whole or part of his or her responsibilities for any store, the inventories and stores ledgers are properly examined and the hand-over conducted in such a manner that there can be no doubt or ambiguity as to the items handed over and taken over.
15.9 Losses of Inventories	15.9.1	The procedure to be taken on the discovery of any loss or shortage of inventories or other Government property, the manner in which enquiries into the loss or shortage are to be conducted, and the procedure for surcharging or otherwise disciplining any public officers held to be responsible are prescribed in Section 35 of the PFMA and Regulation 34 of the PFMR.
	15.9.2	In the context of inventories and other property, losses shall include any damage or deterioration which cannot be attributed to fair wear and tear.
15.10 Write-off Inventories	15.10.1	Notwithstanding Section 35 (3) of the PFMA, Accounting Officers may with the authority of the Secretary to the Treasury, write-off minor items of inventories which have been accidentally lost or broken beyond repair such as glassware and small tools, or perishable items which have become

	<p>unserviceable, provided that no question of fraud, theft or negligence is involved and the value does not exceed the maximum value determined by the Accountant General from time to time.</p> <p>15.10.2 In each case of minor inventories lost or broken, the Accounting Officer may after an investigation order that the cost of the article shall be recovered from the public officer concerned.</p> <p>15.10.3 All write-offs shall be compiled and reported (using TF 29) to the Secretary to the Treasury for inclusion in a Supplementary Appropriations Bill to be introduced in Parliament.</p>
<p>15.11 Condemnation of Unserviceable Inventories</p>	<p>15.11.1 Where it is considered that inventories, vehicles, plant, equipment, etc. have reached the end of their useful life, are beyond economical repair or are unserviceable for any other reason, or have become redundant through obsolescence, they shall be retained until a sufficient quantity has accumulated to merit the convening of a Board of Survey to inspect them; and it shall be the duty of such Board to determine the action to take. Any action to divest or dispose of such items shall be consistent with the provisions of Instruction 4.17.</p> <p>15.11.2 The Accountant General shall, if he or she thinks fit, appoint in writing a Board of Survey, comprising at least two public officers, one of whom shall be designated as Chairman, to inspect and report on the items referred to above; and where the items are of a mechanical or technical nature, at least one of the public officers appointed must be suitably qualified to express a technical opinion on the state of the items.</p> <p>15.11.3 Except where this consideration makes it unavoidable, no public officer concerned with the custody or use of the items shall be appointed to the Board.</p>
<p>15.12 Management and Accounting for Receivables</p>	<p>15.12.1 The Accounting Officer shall implement standard operating procedures for identifying, collecting, recording, and safeguarding revenue. The duties required in terms of this instruction shall be read in conjunction with the provisions of chapter 9 of these Instructions.</p>

	<p>15.12.2 Internal control measures in relation to revenue shall include:</p> <ul style="list-style-type: none"> (a) Recording of revenue due from services rendered. (b) Segregation of duties between officials receiving revenue, recording revenue transactions, and employees depositing revenue in the bank account. (c) Monitoring consistency of revenue deposit dates. (d) Daily recording of receipts; (e) Verification processes for recording receipts; (f) Correct use of the chart of accounts when revenue transactions are recorded. (g) Reconciliation of receipts to bank deposits; (h) Asking customers to make direct remittances to the vote revenue collection bank account. <p>15.12.3 The Accounting Officer, when preparing the medium-term expenditure framework submissions, shall review fees, charges or rates, scales or tariffs of fees and charges that are not fixed by any law. In addition, the Accounting Officer shall continuously examine the operations of the vote to identify potential revenue or new sources. The information on new tariff structure shall be submitted to the Secretary to the Treasury for approval.</p> <p>15.12.4 The policy statement of a vote shall disclose information that has material influence on revenue yield.</p> <p>15.12.5 The Accounting Officer of vote is responsible for management of debtors and other amounts accruing to an entity including maintaining proper records, follow up and recovery of outstanding amounts, accounting and reporting.</p> <p>15.12.6 In the absence of a law or agreement to the contrary, debts owing to the government may, at the</p>
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	<p>discretion of the Accounting Officer of the institution, be recovered in instalments at interest prescribed by the Minister on the recommendation of the Secretary to the Treasury.</p> <p>15.12.7 Where necessary the Accounting Officer may refer a debt recovery matter to the Solicitor General, to take legal demand actions and possible legal proceedings in a court of law. Such amounts shall be disclosed in the financial statements of the vote.</p> <p>15.12.8 An Accounting Officer may only write off debts owed to the government after reasonable steps have been taken to recover the debts and it has become uneconomical to continue pursuing recovery. All debtors written off shall be disclosed in the half-year and annual financial statements submitted to the Accountant General.</p> <p>15.12.9 Appropriate processes to implement in debtor management shall include:</p> <ul style="list-style-type: none"> (a) Maintaining proper accounts and records for all debtors; (b) Monthly issuing of debtor statements (c) Conducting monthly age analysis of debtors; and (d) Recovering, through the Solicitor General amounts due to the vote. (e) Interest charged on overdue accounts.
16 Management and Accounting Framework of Non-Current Assets	
16.1 Introduction	<p>16.1.1 Non-current assets are assets that, by their nature, have useful lives extending over more than one fiscal year, and include all major items of furniture and equipment for either Government offices or quarters, plant property, equipment, and larger tools for Government works, vehicles and launches, which are purchased from the budget provided for the purpose.</p> <p>16.1.2 Such assets are required to be retained until they are finally written off and disposed of because they are either unserviceable/un-repairable/obsolete or are of no further use to the Government. While the</p>

	<p>overall responsibility for such assets or equipment rests with the relevant Accounting Officer, the public officers to whom the assets are issued have the primary responsibility over their custody, maintenance, and safeguarding and proper use until they are returned to store.</p> <p>16.1.3 Section 45 of the PFMA requires Accounting Officers to be responsible for the management of assets pertaining to their Votes and for the Accountant General to issue guidelines for accounting, recording and reporting on government assets. Section 46(3)(a) of the PFMA further requires the Accountant General to specify the basis of accounting whilst Sections 51 and 52 include requirements for statements of assets and a consolidated statement of financial position.</p> <p>16.1.4 In this part of the Instructions, the following definitions shall apply;</p> <p>“Assets” Resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.</p> <p>“Borrowing costs”; Interest and other expenses incurred by an entity in connection with the borrowing of funds.</p> <p>“Carrying Amount”; The amount at which an asset is recognized after deducting accumulated depreciation or accumulated impairment losses.</p> <p>“Class of property, plant and equipment (PPE)”; A grouping of assets of a similar nature or function in an entity’s operations that is shown as a single item for the purpose of disclosure in the financial statements.</p> <p>“Cost”; The amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction.</p> <p>“Depreciation”; The systematic allocation of the depreciable amount of an asset over its useful life. Depreciable amount is the cost of an asset, or other</p>
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	<p>amount substituted for cost, less its estimated residual value.</p> <p>“Depreciable amount”; The cost of an asset, or other amount substituted for cost, less its residual value</p> <p>“Entity-specific value”; The present value of the cash flows an entity expects to arise from the continuing use of an asset and from its disposal at the end of its useful life or expects to incur when settling a liability.</p> <p>“Exchange transactions”; Transactions where one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.</p> <p>“Fixed assets”; Are held for use in the supply of goods or services, or for administrative purposes, or to produce outputs to meet government objectives; Are expected to be used during more than one reporting period (financial year); and have a cost, or when applicable, an estimated fair value that exceeds the government’s capitalization threshold.</p> <p>“Fair value”; The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm’s length transaction.</p> <p>“Impairment loss of a cash-generating asset”; The amount by which the carrying amount of an asset exceeds its recoverable amount.</p> <p>“Impairment loss of a non-cash-generating asset”; The amount by which the carrying amount of an asset exceeds its recoverable service amount.</p> <p>“Investments”; Assets held for earning income /revenue by way of dividends, interest, and rentals, for capital appreciation or for other benefits</p> <p>“Non-exchange transactions”; Transactions that are not exchange transactions. In a non-exchange transaction, the government entity either</p>
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	<p>receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.</p> <p>“Property, plant and equipment”; Fixed assets that are:</p> <p>(a) Held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and</p> <p>(b) Expected to be used during more than one reporting period.</p> <p>“Recoverable amount” The higher of:</p> <p>(a) A cash-generating asset’s fair value less the costs to sell it; and</p> <p>(b) Its value in use.</p> <p>“Recoverable service amount”; The higher of:</p> <p>(a) A non-cash-generating asset’s fair value less the costs to sell it; and</p> <p>(b) Its value in use.</p> <p>“Residual value of an asset”; The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.</p> <p>“Service concession arrangement”; A binding arrangement between the government and a private operator in which;</p> <p>(a) The operator uses the service concession asset to provide a public service on behalf of the government for a specified period of time; and</p> <p>(b) The operator is compensated for its services over the period of the service concession arrangement</p> <p>“Service potential”; The use an entity makes of assets to deliver goods and services in accordance with an entity’s objectives, but which do not directly generate net cash inflows.</p> <p>“Useful life”;</p> <p>(a) The period over which an asset is expected to be available for use by an entity; or</p>
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	(b)The number of production or similar units expected to be obtained from the asset by an entity.
16.2 Disposal and Letting of Assets	<p>16.2.1 Disposal of movable assets must be at market-related value or by tender or auction, whichever is most advantageous to the vote, unless determined otherwise by the Secretary to the Treasury.</p> <p>16.2.2 Any sale of immovable state property must be at market-related value, unless the Secretary to the treasury approves otherwise.</p> <p>16.2.3 The letting of immovable government property (excluding government housing for officials and political office bearers) must be at market-related tariffs, unless the Secretary to the Treasury approves otherwise. No government property may be let free of charge without the prior approval of the Secretary to the Treasury.</p> <p>16.2.4 The Accounting Officer must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of government property to ensure sound financial planning and management.</p>
16.3 System of Non-Current Asset Management	<p>16.3.1 The Accounting Officer of an institution must take full responsibility and ensure that proper control systems exist for the proper management of non-current assets and that preventative mechanisms are in place to eliminate theft, losses, wastage and misuse</p> <p>16.3.2 When movable assets are written off, this must be noted in the asset register (TF 26). See paragraph 16.6.1.</p> <p>16.3.3 The asset register shall meet minimum requirements to support disclosure notes regarding acquisition, disposals and balances on non-current assets;</p> <p>16.3.4 The system used shall indicate the location and the person using the assets.</p>

	16.3.5	Infrastructure assets shall be recorded in the asset register in a manner that distinguishes the major components.
16.4 Nature and Classification of Non-Current Assets	16.4.1	Long-term tangible and intangible resources are those assets that government controls and uses in the providing services and is not expected to be consumed or converted into cash any sooner than at least one year's time.
	16.4.2	Non-current assets shall be classified into intangible and tangible categories. Intangible assets shall exist in instances where government controls print masters, copy rights and patents in respect of scientific discoveries.
	16.4.3	Items of tangible assets such as motor vehicles, office equipment, and building shall be subjected to depreciation using rates specified in Appendix E or any other accounting and reporting policy guidelines issued by the Accountant General.
16.5 Assets Accruing to the Government by Operation of any Law	16.5.1	Where any money, property or right accrues to the Government by operation of law, the Secretary to the Treasury may exercise all powers, authority and prerogatives, and fulfil any obligation on behalf of the Government.
16.6 Recording of Non-Current Assets	16.6.1	In accordance with Section 34(2) of the PFMA, an electronic or manual register, in a form (TF 26) shall be maintained for all assets, and all such assets shall also be appropriately marked or engraved to ensure easy identification as Government assets. The register shall at a minimum contain the following details: <ul style="list-style-type: none"> (a) Date of purchase of the asset; (b) The supplier details to facilitate subsequent after sales maintenance; (c) The type and description of each individual asset; (d) The asset code number engraved on the asset (for land - land registration number, for buildings - land registration number and block number, for vehicles - the vehicle registration number) (e) The acquisition cost of the asset;

	<ul style="list-style-type: none"> (f) Estimated useful life(to assist in determining time of replacement and depreciation cost); (g) The physical location of the asset; (h) User of the asset/the person allocated (to determine the accountable person at any one time); (i) Condition of the asset; (j) Maintenance costs (k) Date of disposal (as applicable); and (l) Disposal proceeds (as applicable). <p>16.6.2 The Accounting Officer shall be responsible for ensuring that existing assets are verified and valued in accordance with the asset recognition and measurement guidelines under Instruction 16.13 of these Instructions.</p>
<p>16.7 Use of Government Vehicles and Conveyances</p>	<p>16.7.1 Journeys may only be made in Government vehicles, launches or any other conveyances when use of such vehicle, launch or conveyance has been approved by the relevant Accounting Officer. The approval shall be conveyed to the public officer in writing.</p> <p>16.7.2 The public officer approving the journey shall ensure that the most economical vehicle or conveyance is used, commensurate with the duty to be performed, and shall satisfy him/herself that the distances travelled, and time taken are reasonable having regard to conditions under which the work is executed or performed.</p>
<p>16.8 Hire or Loan of Non-Current Assets</p>	<p>16.8.1 Except where an authorized procedure exists and standard hire charges are in operation, government property, plant or equipment may only be loaned or hired out to public officers or to the public in very exceptional circumstances.</p>

	<p>16.8.2 The loaning or hiring of Government property, plant or equipment shall;</p> <ul style="list-style-type: none"> (a) be with prior written approval of the relevant Accounting Officer; and (b) be supported by an agreement signed by the hirer on a form approved by the Attorney General, and (c) the hire charges must be paid into the UCF before the plant, equipment or other non-current asset is released.
<p>16.9 Maintenance and Security of Non-Current Assets</p>	<p>16.9.1 Each year the Accounting Officer shall prepare a budget for asset maintenance. The overall performance of the real non-current assets is regularly and systematically assessed for functionality, utilization, and physical and financial performance. Key performance indicators and targets must be developed based on appropriate benchmarks</p> <p>16.9.2 Opportunities to earn revenues through the wider use of under-utilized real property, which is still required for program purposes, are assessed and taken advantage of. Such opportunities must not cause a negative impact on their programs, applicable policy obligations must be met and the use by others must be compatible with asset use controls.</p>
<p>16.10 Disposal of Non-Current Assets</p>	<p>16.10.1 With the exception of uniforms and equipment which may be sold to public officers of the uniformed services and items which have become unserviceable or which are no longer required for public purposes, no assets shall be sold to any person, public officer or to the public. Such a sale may only be made where;</p> <ul style="list-style-type: none"> (a) the sale falls within the terms of a formal Government contract, such as the sale of materials to a Government works contractor. (b) the sale is made in accordance with a standing arrangement; (c) the sale is otherwise made with the prior written authority of the Secretary to the Treasury, and

	<p>(d) complies with the PPDA Act 2003 as amended, and any regulations made under it or any other written law for the disposal of assets.</p> <p>16.10.2 Where authority has been duly obtained for the sale of any assets, other than within the terms of a contract or in accordance with a standing arrangement, the assets shall not be supplied to the purchaser until payment in full has been received.</p> <p>16.10.3 Any Government mark or crest appearing on such assets shall be obliterated before the property is sold.</p>
16.11 Boards of Survey of Non-Current Assets	<p>16.11.1 At the end of each financial year, Boards of Survey of assets shall be appointed to check the assets held by the MALGs.</p> <p>16.11.2 The requirements of chapter 19 shall be adhered to.</p>
16.12 Reporting of Non-Current Asset Management Information	<p>16.12.1 Accounting Officers shall recognise an item as a non-current asset if that item meets the definition and recognition criteria, and in addition has a value in excess of the threshold as specified in paragraph 16.13.18.</p> <p>16.12.2 Accounting Officers shall keep track of this category of non-current assets as balance sheet items and charge annual results with the cost of using the assets over many years.</p> <p>16.12.3 PPEs and Service Concession Assets shall be reported as part of a government's financial position because they reduce the government's indebtedness. Government capital assets are generally used to provide services and do not normally generate cash flows that can be used to discharge liabilities.</p> <p>16.12.4 The information the Accounting Officers provide shall give an indication as to the stock and use of capital assets and helps; provide a context for debating maintenance, renewals, replacement, funding, financing and rate-setting decisions; provide a starting point for evaluating the condition of infrastructure and other assets on a regular basis and for highlighting changes in their condition over time; identify the government's flexibility in responding to a community's changing</p>

	<p>service demands because the government would have a better awareness of its fixed assets.</p> <p>16.12.5 The Accounting Officer shall give a description of the capital assets government owns, the extent of the cost of maintenance and replacement of capital assets in a year, the effect of capital asset purchases in the year on the cash flow.</p>
<p>16.13 Recognition of Fixed Assets</p>	<p>Recognition principles</p> <p>16.13.1 A fixed asset shall be recognized where:</p> <ul style="list-style-type: none"> (a) Government controls the economic benefits or service potential associated with the asset; (b) It is probable that the future economic benefits or service potential shall flow to the government; (c) The value exceeds the threshold; and (d) The cost or fair value of the asset can be measured reliably. <p>16.13.2 The government entity shall recognize the asset in its financial statements, regardless of the entity that originally provided the funding to acquire the item where the conditions in paragraph 16.3.1 above are met, otherwise the item shall not be recognized as an asset and any related cost shall be expensed as incurred. The fact that the government entity receives a PPE for free impacts its measurement but not its recognition.</p> <p>16.13.3 Expenditure for fixed assets that are less than the capitalization threshold (See paragraph 16.13.18) and shall continue to be expensed as incurred even when the government adopts the accrual accounting framework for fixed assets.</p> <p>16.13.4 Complete assets that are available for use, such as laptops and phones, shall be treated as PPE, even if not in use.</p> <p>16.13.5 Heritage assets are often irreplaceable, their historic costs and fair values are generally difficult to determine. The assets are not intended to be sold. IPSAS permits entities to elect not to recognize their heritage assets. The Government</p>

shall not therefore recognize its heritage assets, including artifacts in museums, monuments, and historical sites on the statement of financial position, but shall record them in the asset register **(TF 26)**.

Control of assets

16.13.6 Recognition of an asset by a government entity shall be dependent on the entity's ability to control the asset. Control of an asset shall arise when the government entity can:

- (a) Use or otherwise benefit from the asset in pursuit of its objectives; and
- (b) Exclude or otherwise regulate the access of others to that benefit.

16.13.7 The capacity of the government entity to control the future economic benefits or service potential would normally stem from legal rights and may be evidenced by title deed or similar rights that protect the government entity's interest.

16.13.8 Paragraph 16.13.7 notwithstanding, legal right may not be a condition to establish control over the future economic benefits since a Government entity may be able to control an asset in some other ways. Conversely, the government entity may possess an object or right but not expect to enjoy the benefits embodied in it.

16.13.9 To control an asset, a Government entity shall be able to obtain the benefits and control access to the benefit inherent in the asset. This means that the Government entity shall be able to direct who derives the benefits, the timing of when the benefits are derived and under what conditions they are derived.

16.13.10 A Government entity can maintain possession of an asset as long as needed through agreements without a termination date and without reimbursement. In these instances, such arrangements shall generally be considered as providing sufficient influence over the use of the asset to satisfy the control criterion.

	<p>16.13.11 For land, a government entity shall be considered to have control if it has the title. If the government entity does not have title to the land, the entity shall not be considered to have control (the title of government land is usually with the Uganda Land Commission). The same criteria shall apply to buildings.</p> <p>16.13.12 In order to control an asset, a government entity shall usually be the predominant user of the asset. If there are multiple occupants (multiple users of an asset), the user that has the greater percentage of usage (e.g., square footage for real property) shall normally be the predominant user.</p> <p>16.13.13 Assets provide a means for entities to achieve their objectives. Assets that are used to deliver outputs and services in accordance with an entity’s objectives are often described as embodying “service potential”. To encompass all the purposes to which assets may be put, the term “future economic benefits or service potential” is used to describe the essential characteristic of assets. Therefore, to be recognized as a PPE, it must be probable that the future economic benefits embodied in the asset shall flow to a government entity and “Probable” means more than a 50% chance. In the case of items of PPE, the probability criterion shall generally be achieved if the control criterion is satisfied.</p> <p>16.13.14 However, the existence of future economic benefits (that are probable) shall be carefully considered for expenditures incurred subsequent to the initial recognition, especially for maintenance and replacement. Subsequent expenditure shall only be recognized as an addition to the item of PPE when the expenditure improves the condition of the item, measured over its total life, beyond its most recently assessed standard of performance. The capitalization thresholds defined under paragraph 16.13.18 is also applicable to such subsequent expenditure.</p>
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Capitalization versus expensing of costs

16.13.15 Pursuant to the recognition principles prescribed in paragraph 16.3.1 above, a government entity shall not recognize in the carrying amount of an item of PPE the costs of the day-to-day servicing of the item. Rather, these costs shall be expensed as incurred. Costs of day-to-day servicing are primarily the costs of labour and consumables and may include the cost of small parts.

However, the continuing operation of an item of PPE (for example, roads, aircrafts and ships) may be conditional upon regular major inspections for faults, regardless of whether parts of the item are replaced. When each major inspection is performed, its cost shall be recognized in the carrying amount of the item of PPE as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of previous inspection (as distinct from physical parts) is derecognized. This shall occur regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed.

Asset classes/sub-classes

16.13.16 A Government entity shall classify PPE according to **Appendix E: Asset classes, recognition and measurement**

Asset threshold

16.13.17 The cost or, when applicable, the estimated fair value of an item of PPE must exceed the capitalization threshold as established by category (Refer to **Appendix E: Asset classes, recognition and measurement**). Assets below the relevant threshold are expensed as incurred.

Grouping of Assets.

16.13.18 Some assets may have a lower value, per unit, than the capitalization threshold but as a group the assets may be material. In this case, the assets shall generally be recorded as a single group asset,

	<p>with one combined value. The grouping of units shall be assessed per transaction as illustrated below;</p> <p style="text-align: center;">Maintaining an office register for items not capitalized</p> <p>16.13.19 For all items not capitalized, especially portable and attractive items, an entity shall keep an office register (TF 30) for safeguarding and accountability purposes.</p> <p style="text-align: center;">Enhancement to assets</p> <p>16.13.20 Any enhancement to capitalized assets subsequent to initial recognition shall be capitalized as a separate item if the enhancement meets the recognition criteria.</p> <p style="text-align: center;">Asset verification</p> <p>16.13.21 Government entities shall keep an up to date list of all items held and shall keep documentation proving ownership and existence.</p>
<p>16.14 Complex Assets</p>	<p>Definition of Complex Assets</p> <p>16.14.1 A complex asset is a physical asset capable of disaggregation into significant components. Below are examples of complex assets;</p> <ul style="list-style-type: none"> (a) Special Purpose Building (e.g. hospitals and gatehouse within a correctional facility): (b) Road Infrastructure: The components may include: initial earthworks, formation, pavement, seal, kerb and channeling, road furniture and footpaths. (c) Water Distribution Network: The components of this type of network may include water reservoirs (dams), water treatment works, major delivery pipes and water distribution systems. (d) Aircraft: The aircraft body, the interiors such as seats and galleys and engines of

	<p style="text-align: center;">the aircraft would be components of the aircraft.</p> <p>16.14.2 In each of the above cases mentioned under paragraph 16.14.1, each identifiable component shall be tested against the complex assets’ recognition criteria to determine whether it constitutes a significant component for accounting and reporting purposes.</p> <p>Significant components</p> <p>16.14.3 <i>Definition;</i> A component of a complex asset that;</p> <ul style="list-style-type: none"> (a) has different useful live from the other components; and (b) has a cost that is significant in relation to the total cost of the complex asset shall be depreciated separately. The government entity shall allocate the amount initially recognized in respect of an item of PPE to its significant components. For example, it may be appropriate to separately depreciate the lift and the structure of a building. <p>16.14.4 <i>Recognition;</i> The recognition of components shall be influenced by factors such as:</p> <ul style="list-style-type: none"> (a) The capitalization threshold by category; (b) Whether the component performs a separate function; and (c) Whether the component’s useful life differs from that of other components. <p>For purposes of this instruction “significant” denotes considerable amount or effect. On this basis, a component with a value greater than 10% shall be considered significant</p> <p>16.14.5 <i>Replacements;</i> The government entity shall recognize in the carrying amount of an item of PPE the cost of replacing part of such an item when the recognition criteria are met. Any assets or components of assets which are replaced shall be</p>
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	<p>removed from the asset register and any other relevant records. Any carrying amount (book value) for such assets or components shall be written-off at that point.</p> <p>16.14.6 <i>Measurement</i>; Components must be measured on the same basis as the complex asset to which they belong, i.e., if the asset is valued at cost, the component must also be valued at cost but if the revaluation method is used, both the asset and its components must be fair valued.</p> <p>16.14.7 <i>Recognition of a significant component</i>; In line with assessing relevance for financial reporting purposes, a further test by asset class may be undertaken. This shall ascertain whether the resultant impact on depreciation expense is material in relation to the total annual depreciation expense for the asset class. The normal materiality range shall be adopted.</p> <p>If there are several complex assets within a class of asset, the significant components shall be grouped to test for materiality. The aggregated increase in depreciation expense from separately accounting for these significant components shall then be measured against the depreciation expense for the class to determine whether the impact is material.</p> <p>If the test determines there would be a material difference in depreciation expense for the class, then the significant components shall be separately identified and depreciated. That is, there may be circumstances where there are several significant components within a class of asset but the test for material difference in the depreciation expense for the class may determine whether they are not material. In this case, they need not be separately depreciated from the complex asset.</p> <p>In order to decide whether there exists a material difference in the annual depreciation expense for the complex asset, any difference in depreciation expense within the range of 5 -10% shall be a matter of judgment. A difference greater than 10% shall be considered material in relation to the complex asset.</p>
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	<p>Depreciation of significant components</p> <p>16.14.8 Where a significant component is identified (i.e. it meets both the definition criteria and the depreciation expense is material against the class of asset), a Government entity shall account for the significant component as a separate asset and depreciate it separately from the complex asset.</p> <p>16.14.9 The remaining components of a complex asset shall be depreciated over the estimated useful life of the complex asset itself. A government entity shall not average the useful lives of each component to determine the overall estimated useful life of the complex asset but shall assess the life of the asset as a whole based on the management plan and maintenance program in operation, the affordability and feasibility of replacement, and any other relevant policy/service delivery decisions adopted.</p> <p>Reviews</p> <p>A Government entity shall undertake a review of each complex asset for significant components where there is a material change to the complex asset, its components and/or its estimated useful life.</p> <p>Disclosures</p> <p>16.14.10 Significant components of a complex asset shall not be separately disclosed in the financial statements. Rather, they shall be disclosed in the same class as the complex asset to which they relate.</p> <p>16.14.11 Depreciation expense and accumulated depreciation relating to significant components of complex assets shall be disclosed on the same class basis.</p>
16.15 Valuation of Assets	<p>Valuation basis</p> <p>16.15.1 The valuation basis to be applied to individual classes of assets shall be adopted as prescribed in Appendix E.</p> <p>Historic cost basis</p> <p>16.15.2 The cost of an item of PPE shall comprise:</p>

	<p>(a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.</p> <p>(b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.</p> <p>(c) The initial estimate of the costs of decommissioning, dismantling and removing the item and restoring the site on which it is located, the obligation for which the government entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Decommissioning costs mainly apply to medical equipment. In order to recognize any additional costs, a legal or constructive obligation likely to be material should exist. Further guidance on estimating these costs is provided in the relevant IPSAS on “Provisions, Contingent Liabilities and Contingent Assets.</p> <p>16.15.3 The following constitute examples of directly attributable costs that shall be capitalized as part of the cost of an asset;</p> <p>(a) Costs of employee benefits (as defined in the applicable IPSAS on Employee benefits) arising directly from the construction or acquisition of the item of PPE (including the directly allocated cost from the purchase department)</p> <p>(b) Depreciation of an item of PPE used in the construction of an asset by a Government entity department;</p> <p>(c) Costs of site preparation;</p> <p>(d) Initial delivery and handling costs;</p> <p>(e) Installation and assembly costs; and</p> <p>(f) Costs of testing whether the asset is functioning properly.</p> <p>16.15.4 Examples of costs that are not costs of an item of PPE are:</p>
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	<p>(a) Costs of opening a new facility; and</p> <p>(b) Administration and other general overhead costs</p>
16.15.5	Recognition of costs in the carrying amount of an item of PPE shall cease when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Therefore, costs incurred in using or redeploying an item shall not be included in the carrying amount of that item.
16.15.6	Borrowing costs incurred by a Government entity shall be recognized in accordance with the relevant IPSAS.
16.15.7	Where payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment shall be recognized as interest over the period of credit.
	Fair value – Market Value
16.15.8	The fair value of items of PPE is usually their market value, determined by appraisal. An appraisal of the value of an asset shall be undertaken by a member of the valuation profession, who holds a recognized and relevant professional qualification. For some assets, the fair value shall be readily ascertainable by reference to quoted prices in an active market.
16.15.9	It may be difficult to establish the market value of some items of PPE because of the absence of market transactions for these assets. Where no evidence is available to determine the market value in an active market of an item of PPE, the fair value of the item may be established by reference to other items with similar characteristics, in similar circumstances and location.
	Fair value – Depreciated cost
16.15.10	For items of PPE of a specialized nature where prices are not readily available in an active market, fair value may be estimated using depreciated replacement cost. The replacement cost of an asset is the estimated current cost to replace the asset's

	<p>gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost shall be measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.</p> <p>16.15.11 The depreciated replacement cost of an item of plant or equipment may be established by reference to the market buying price of components used to produce the asset or the indexed price for the same or a similar asset based on a price for a previous period. When the indexed price method is used, judgment is required to determine whether production technology has changed significantly over the period, and whether the capacity of the reference asset is the same as that of the asset being valued.</p>
<p>16.16 Revaluation of Assets</p>	<p>The need for and frequency of periodic revaluations</p> <p>16.16.1 Government entities shall carry out revaluations on a regular basis. All items of a given class shall be simultaneously revalued. A class of assets may be revalued on a rolling basis provided a revaluation of the assets class is completed within a short period as prescribed by the Accountant General.</p> <p>16.16.2 Items of property, plant, and equipment which experience significant and volatile changes in fair value shall be subjected to annual revaluation except for those with only insignificant changes in fair value. The latter may be revalued every three to five years. Where significant changes have taken place between revaluations of an asset, the government entity shall apply a relevant price index to update the asset's valuation.</p> <p>Accounting treatment.</p> <p>16.16.3 Revaluation increases shall be recognised directly in a revaluation reserve. The increase shall be recognized as revenue in surplus or deficit to the extent that it reverses a revaluation decrease of the</p>

	<p>same class of assets previously recognized as an expense in surplus or deficit. Revaluation decreases are recognised first against the revaluation reserve related to the same class of assets, and any excess against surplus or deficit. The entries shall be as follows;</p> <p><u>In case of an appreciation in value;</u> Dr: Asset Cr; Revaluation reserve (In case of an appreciation in value)</p> <p><u>In case of a loss in value;</u> Dr: Revaluation Reserves Cr: Asset</p>
16.17 Depreciation	<p>16.17.1 A Government entity shall separately depreciate each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item. Examples include pavements, formation, curbs and channels, footpaths, bridges and lighting within a road system and the airframe and engines of an aircraft. The depreciation charge for each reporting period shall be recognized in surplus or deficit unless it is included in the carrying amount of another asset.</p> <p>Depreciable amount.</p> <p>16.17.2 The depreciable amount of an asset shall be allocated on a systematic basis over its useful life.</p> <p>16.17.3 The depreciable amount of an asset shall be determined after deducting its residual value, if any. The residual value, also known as the salvage or scrap value is the amount that would be expected to be obtained from selling the asset at the end of its useful life (from recycle, resale, or salvage). In practice, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount. The residual value of an asset shall be reviewed at least at each annual reporting date.</p> <p>16.17.4 If the cost of land includes the cost of site dismantlement, removal and restoration, that portion of the land asset is depreciated over the</p>

	<p>period of benefits or service potential obtained by incurring those costs.</p> <p>Useful life</p> <p>16.17.5 The useful life of an asset shall be reviewed at least at each annual reporting date. Estimates of useful life must consider factors such as usage, physical wear and tear and technological change. A government entity shall keep proper supporting documentation to justify the estimated useful life of the asset.</p> <p>16.17.6 The following factors shall be considered in determining the useful life of an asset:</p> <ul style="list-style-type: none"> (a) Expected usage of the asset. Usage is assessed by reference to the asset’s expected capacity or physical output. (b) Expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance program, and the care and maintenance of the asset while idle. (c) Technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset. (d) Legal or similar limits on the use of the asset, such as the expiry dates of related leases. <p>16.17.7 The useful life of an asset is defined in terms of the asset’s expected utility to the government entity. The asset management policy of the government entity involves the disposal of assets after a specified time or after consumption of a specified proportion of the future economic benefits or service potential embodied in the asset.</p> <p>16.17.8 Therefore, the useful life of an asset may be shorter than its economic life. The estimation of the useful life of the asset shall be a matter of judgment based on the experience of the government entity with similar assets. Land and buildings are separable assets and are accounted for separately, even when</p>
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they are acquired together. With some exceptions, such as quarries and sites used for landfill, land has an unlimited useful life and therefore is not depreciated. Buildings have a limited useful life and therefore are depreciable assets. An increase in the value of the land on which a building stands does not affect the determination of the depreciable amount of the building.

Depreciation period.

16.17.9 Depreciation of an asset shall begin on the first day of the month that it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

16.17.10 The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge shall be zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

16.17.11 If an asset remains in use longer than its estimated useful life, it shall be retained in the asset register, as well as the accounting records, and reflect both its recorded cost and accumulated depreciation until disposal of the asset.

Depreciation method.

16.17.12 The depreciation method shall reflect the pattern in which the asset's future economic benefits or service potential is expected to be consumed by the government entity.

16.17.13 The standard depreciation method that shall be applied by government entities is the **straight-line method** which results in a constant charge over the useful life if the asset's residual value does not change. That method is applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits or service potential.

Extended asset economic life

	<p>16.17.14 Government entities must review the lives of their PPE periodically and, if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods must be adjusted accordingly.</p> <p>16.17.15 During the life of an asset it may become apparent that the estimate of the useful life is inappropriate. For example, the useful life may be extended by subsequent expenditures on the asset which improve the condition of the asset beyond its most recently assessed standard of performance. Alternatively, technological changes or changes in the market for the products may reduce the useful life of the asset. In such cases, the useful life, and therefore the depreciation rate, is adjusted for the current and future periods.</p>
<p>16.18 Impairment of Assets</p>	<p>16.18.1 To determine whether an item of PPE is impaired, government entities shall apply the relevant IPSAS on “Impairment of Non-Cash-Generating Assets” or the applicable IPSAS on “Impairment of Cash-Generating Assets”, as appropriate. These standards explain how the government entity reviews the carrying amount of its assets, how it determines the recoverable service amount or recoverable amount of an asset, and when it recognizes, or reverses the recognition of an impairment loss.</p> <p>16.18.2 Compensation from third parties for items of PPE that were impaired, lost or given up shall be included in surplus or deficit when the compensation becomes receivable. Impairments or losses of items of PPE, related claims for or payments of compensation from third parties and any subsequent purchase or construction of replacement assets are separate economic events and are accounted for separately.</p> <p>16.18.3 Indicators of impairment shall include:</p> <ul style="list-style-type: none"> (a) A lack of demand for services provided by the asset; (b) Major changes in the technological, legal, or government policy environment in which the entity operates; (c) Physical damage of an asset;

	<ul style="list-style-type: none"> (d) Major changes in the use of an asset, such as the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset; (e) A decision to halt the construction of the asset before it is completed; (f) The service performance of the asset is significantly worse than expected. <p>16.18.4 An impairment loss shall be recognized immediately in surplus or deficit. After the recognition of an impairment loss, the depreciation (amortization) charge for the asset shall be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.</p>
16.19 Derecognition of PPEs	<p>16.19.1 The carrying amount of an item of PPE shall be derecognized:</p> <ul style="list-style-type: none"> (a) On disposal; (b) When no future economic benefits or service potential is expected from its use or disposal. (c) Destruction or loss/theft in accordance with the PFMR. <p>16.19.2 The gain or loss arising from the derecognition of an item of PPE shall be included in the surplus or deficit in the Statement of Financial Performance when the item is derecognized, unless it's a sale and lease back.</p> <p>16.19.3 Where the carrying amount of an item of PPE includes the cost of a replacement for part of the item, then the carrying amount of the replaced part shall be derecognized regardless of whether the replaced part had been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the cost of the replacement may be used as an indication of what the cost of the replaced part was at the time it was acquired or constructed.</p> <p>16.19.4 PPE that have been temporarily removed from use with the expectation that such assets eventually shall be returned, shall continue to be depreciated during periods of non-use. Depreciation shall cease for PPE awaiting</p>

	<p>disposal that are damaged, obsolete, or excess (assets no longer providing the intended service to the government entity's operation) or are retired before their intended disposal date based on useful life.</p> <p>16.19.5 The gain or loss arising from derecognition shall be the difference between the net disposal proceeds, if any, and the carrying amount of the item. The consideration receivable on disposal of an item of PPE is recognized initially at its fair value. Where the payment for the item is deferred, the consideration received is recognized initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognized as interest revenue in accordance with the relevant IPSAS reflecting the effective yield on the receivable.</p> <p>16.19.6 De recognition of Revalued Amounts on disposal; Revaluation decreases are recognised first against the revaluation reserve related to the same class of assets, and any excess against surplus or deficit.</p> <p>16.19.7 Transfers between Government entities; Assets transferred between Government entities shall be recognised at book value. No gain or loss on disposal shall therefore be reported.</p>
16.20 Assets Acquired Through Donations	<p>16.20.1 Donated assets are those received by Government through non-exchange transactions.</p> <p>16.20.2 Where the Government entity acquires an asset or the right to use an asset for free or below a market-based rent, the entity shall value the asset at fair value at the date of acquisition.</p>
16.21 Assets Under Construction	16.21.1 Assets under construction are projects undertaken that are not physically complete at the reporting date. The work in progress category accrues expenditure during the period that the asset being constructed is not yet available for use. The valuation shall be cost, taking into account any impairment losses. Once the asset under construction is completed, the value is allocated to the appropriate category, such as infrastructure assets.
16.22 Service Concession Assets	16.22.1 A service concession asset is one used to provide public services in a service concession arrangement that;

	<p>(a) Is provided by the operator which, he constructs, develops, or acquires from a third party or is an existing asset of the operator;</p> <p>(b) Is provided by the Government which is an existing asset of the Government or an upgrade to an existing asset.</p> <p>16.22.2 Service concession assets are a type of public-private partnership. A Government entity shall recognize a service concession asset if:</p> <p>(a) It controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price; and</p> <p>(b) The Government controls through ownership, beneficial entitlement or otherwise any significant residual interest in the asset at the end of the term of the arrangement.</p> <p>16.22.3 Government shall recognize a liability, based on the mode of compensation to the operator;</p> <p>(a) Financial liability model: the Government shall make a predetermined series of payments. The liability shall be the amount of the service concession asset adjusted by the amount of any other consideration.</p> <p>(b) Grant of a right to the operator model: the Government shall grant the operator the right to earn revenue from third-party users of the service concession asset or another revenue-generating asset. The liability shall be the unearned portion of the revenue arising from the exchange of assets between the Government (a service concession asset) and the operator (an intangible asset).</p> <p>(c) Treatment of revenues and expenses financial liability model: The grantor allocates payments to the operator according to their substance as a reduction in the liability, a finance charge, and charges for services provided by the operator.</p> <p>(d) Grant of a right to the operator model: The grantor earns the benefit associated with the assets received in the service concession arrangement in</p>
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		exchange for the right granted to the operator over the period of the arrangement. The grantor recognizes revenue and reduces the liability according to the economic substance of the service concession arrangement.
16.23 Assets Held for Sale	16.23.1	A Government entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount maybe recovered principally through a sale transaction rather than through continuing use. Operations that are expected to be wound down or abandoned would not meet this definition but may be classified as discontinued once abandoned.
	16.23.2	An asset is 'held for sale' if the following conditions are met; (IFRS 5) <ul style="list-style-type: none"> (a) Management is committed to a plan to sell (b) The asset is available for immediate sale (c) An active programme to locate a buyer is initiated (d) Appropriate level of Management is committed to the selling plan (e) Disposal is within 12 months of classification as held for sale and is highly probable. (f) The asset is actively marketed for sale at a price reasonable in relation to its fair value
	16.23.3	A disposal group is a group of assets to be disposed of in a single transaction, including any related liabilities also transferred.
	16.23.4	Noncurrent assets or disposal groups that are classified as held for sale shall not be depreciated.
		Presentation
	16.23.5	A non-current asset classified as held for sale, and the assets and liabilities in a disposal group classified as held for sale, shall be presented separately on the face of the statement of financial position.
		Measurement
	16.23.6	At the time of classification as held for sale:

- (a) Immediately before the initial classification of an asset (or disposal group) as held for sale, the carrying amounts of the asset (or all the assets and liabilities in the group) shall be measured in accordance with the applicable standards.
- (b) After classification as held for sale: Non-current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. Such non-current assets held for sale (whether individually or as part of a disposal group) are not depreciated. When the sale is expected to occur beyond one year, Government shall measure the costs to sell at their present value. Any increase or decrease in the present value of the costs to sell that arise from the passage of time shall be presented in the surplus or deficit as a financing cost.

Recognition of impairment

16.23.7 Impairment must be considered both at the time of classification as held for sale and subsequently.

16.23.8 At the time of classification as held for sale:

- (a) Immediately prior to an asset or disposal group being classified as held for sale, measure and recognize impairment in accordance with the applicable standards.
- (b) Any impairment loss is recognized in the statement of financial performance unless the asset had been measured at re-valued amount, so as to be treated as a revaluation decrease.

16.23.9 After classification as held for sale:

- (a) Government shall calculate impairment loss for any initial or subsequent write down of an asset based on the difference between the adjusted carrying amounts of the assets /disposal group and fair value less costs to sell.
- (b) Any impairment loss that arises by using the measurement principles must be recognized in the

	<p style="text-align: center;">statement of financial performance even for assets previously carried at re-valued amounts.</p> <p>Changes to sales plan</p> <p>16.23.10 If an entity has classified an asset (or disposal group) as held for sale and the asset is no longer for sale, the entity shall cease to classify the asset (or disposal group) as held for sale.</p> <p>16.23.11 The entity shall measure a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of: its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been classified as held for sale; and its recoverable amount at the date of the subsequent decision not to sell.</p>
<p>16.24 Disclosures to be Made for PPE</p>	<p>16.24.1 The financial statements shall disclose, for each class of property, plant, and equipment recognized in the financial statements:</p> <ul style="list-style-type: none"> (a) The measurement bases used for determining the gross carrying amount; (b) The depreciation methods used; (c) The useful lives or the depreciation rates used; (d) The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; (e) A reconciliation of the carrying amount at the beginning and end of the period; (f) The existence and amounts of encumbrance on title, and property, plant, and equipment pledged as securities for liabilities; (g) The amount of expenditures recognized in the carrying amount of an item of property, plant, and equipment in the course of its construction; (h) The amount of contractual commitments for the acquisition of property, plant, and equipment; and

	<p>(i) The amount of compensation from third parties for items of property, plant, and equipment which were impaired.</p> <p>16.24.2 If a class of property, plant, and equipment is stated at re-valued amounts, the following shall be disclosed:</p> <p>(a) The effective date of the revaluation;</p> <p>(b) Whether an independent valuer was involved;</p> <p>(c) The methods and significant assumptions applied in estimating the assets' fair values;</p> <p>(d) The extent to which the assets' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms, or were estimated using other valuation techniques;</p> <p>(e) The revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders or other equity holders;</p> <p>(f) The sum of all revaluation surpluses for each category of property, plant, and equipment within that class; and</p> <p>(g) The sum of all revaluation deficits for each category of property, plant, and equipment within that class.</p> <p>16.24.3 Other information which shall be disclosed about Property plant and equipment written off or not in use shall include;</p> <p>(a) The carrying amount of temporarily idle property, plant, and equipment;</p> <p>(b) The historical cost of any fully depreciated property, plant, and equipment that is still in use;</p> <p>(c) The carrying amount of property, plant, and equipment retired from active use and held for disposal;</p>
<p>16.25 Recognition and Measurement of Intangible Assets</p>	<p>16.25.1 An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets can either be acquired from third parties or generated internally. For internally generated intangible assets, the future economic benefits or service potential must actively be</p>

demonstrated (this is assumed for externally acquired intangibles, thus no demonstration is required).

- (a) Additional recognition criteria for internally generated intangible assets shall therefore apply as follows:
 - (i) only costs incurred in the development phase of an asset and which meet strict criteria are capitalised; and
 - (ii) costs incurred in the research phase (prior to achieving the development phase) as well as in the maintenance phase (after the development is completed) must be expensed.
- (b) Intangible assets shall be grouped into the following classes that are of a similar nature and use in a company's operations:
 - (i) Website costs
 - (ii) Licenses and franchises;
 - (iii) Computer software;
 - (iv) Copyrights, patents and other industrial property rights; and
 - (v) Intangible assets under development.

The Accountant General may revise the classes, as he or she may consider appropriate.

16.25.2 Once an asset meets the recognition criteria prescribed in paragraph 16.25.1 then it shall be initially valued at cost. The process of valuing an intangible asset shall depend on whether the asset is purchased or internally developed.

(a) **Purchased intangible assets**

The cost of an intangible asset shall comprise its purchase price, including any import duties and other taxes (excluding recoverable amount from the taxing authorities), and any directly attributable expenditure like professional fees for legal services etc. on making the asset ready for its intended use. Any trade discounts and rebates shall be deducted in arriving at the cost.

(b) Internally developed intangible assets

Where the asset meets the criteria for recognition, its cost shall comprise all expenditure that can be directly attributed or allocated on a reasonable and consistent basis to create the asset/software for its intended use. The cost of the asset shall comprise:

- (i) Development costs
- (ii) Salaries, wages and other employment related costs of personnel directly engaged in developing the asset; and
- (iii) Any other expenditure that is directly attributable to generating the asset.

However, the cost shall exclude;

- (i) Selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to making the asset ready for use;
- (ii) Clearly identified inefficiencies and initial operating losses; and
- (iii) Expenditure on training the staff to operate the asset.

Development costs must meet the following criteria to be eligible for capitalization:

- (i) technical feasibility of completing the asset;
- (ii) intention to complete the asset and use or sell it;
- (iii) ability to sell or use the asset;
- (iv) manner in which the asset shall generate probable future economic benefits or service potential;
- (v) availability of adequate technical, financial or other resources to complete the development and to use or sell the asset;
- (vi) ability to measure the cost of the asset reliably during its development

	<p>16.25.3 Paragraphs 16.25.1 and 16.25.2 notwithstanding, all costs relating to the intangible assets shall be expensed by the votes under the current accounting framework and shall not be capitalized and therefore not included in the asset register. This is because once intangible assets are initially recognised as an expense under the IPSAS and IFRS framework, they cannot be reinstated (i.e. capitalised) as part of the cost of an intangible asset at a later date.</p>						
<p>16.26 Accounting for Assets Acquired Under Lease Arrangements</p>	<p>16.26.1 There are two types of leases; a finance lease (hire purchase) and an operating lease. A vote shall review each lease to determine whether the lease shall be classified as an operating lease or a finance lease (hire purchase). The criteria used to make this distinction, is whether the benefits and risks of ownership are transferred from the lessor to the lessee. The purpose of the criteria is to establish the substance of the transaction and determine whether the lease is merely an extended rental agreement or actually an instalment.</p> <p>16.26.2 An asset held under a finance lease, shall be recognized as an asset, as the vote has control over such an asset even though it does not own the asset. If a lease is classified as a finance lease, the asset shall be recorded in the asset register and the corresponding liability for the lease payments shall be recorded in memorandum records of the lessee.</p> <p>The key differences to be considered between a finance lease and an operating lease are as summarized in the following table:</p> <table border="1" data-bbox="588 1402 1358 1807"> <thead> <tr> <th data-bbox="593 1408 794 1588">Fundamental elements</th> <th data-bbox="794 1408 1070 1588">Finance Lease / Hire Purchase</th> <th data-bbox="1070 1408 1353 1588">Operating Lease</th> </tr> </thead> <tbody> <tr> <td data-bbox="593 1588 794 1800">Ownership</td> <td data-bbox="794 1588 1070 1800">Ownership of the asset might be transferred to the lessee at the end of the lease term.</td> <td data-bbox="1070 1588 1353 1800">An extended rental agreement where ownership is retained by the lessor during and</td> </tr> </tbody> </table>	Fundamental elements	Finance Lease / Hire Purchase	Operating Lease	Ownership	Ownership of the asset might be transferred to the lessee at the end of the lease term.	An extended rental agreement where ownership is retained by the lessor during and
Fundamental elements	Finance Lease / Hire Purchase	Operating Lease					
Ownership	Ownership of the asset might be transferred to the lessee at the end of the lease term.	An extended rental agreement where ownership is retained by the lessor during and					

			after the lease term.
		Lease criteria - Bargain Purchase Option	The lease has an option to buy the leased asset at the end of the lease term. It is priced in such a way that it is reasonably certain at inception that the lease shall exercise the option. The lease cannot contain a bargain purchase option.
		Term	The lease term equals or exceeds 75% of the asset's estimated useful life The lease term is less than 75 percent of the estimated economic life of the equipment
		Present Value of lease payments	The present value of the lease payments equals or exceeds 90% of the total original cost of the equipment. The present value of lease payments is less than 90 percent of the equipment's fair market value
		Risks and Benefits	Risks and benefits are transferred to lessee. Lessee pays maintenance, insurance and taxes. Right to use only. Risk and benefits remain with lessor. Lessee pays maintenance costs
		Accounting	Lease is considered as asset (leased asset) and liability (lease payments). Payments are No risk of ownership. Payments are considered as operating expenses and shown in Profit and Loss

			shown in Balance sheet/Statement of Financial Position.	statement/Revenue and Expenditure statement
		Depreciation and direct expenses	Lessee is considered to be the owner of the equipment and therefore claims depreciation expense and interest expense	Lessee is considered to be renting the equipment and therefore the lease payment is considered to be a rental expense
	16.26.3	Leasehold improvements shall be recorded in the asset register and the cost amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.		
	16.26.4	Accounting treatment for Finance Lease (Hire Purchase) shall be as follows: <ul style="list-style-type: none"> (a) The purchase price shall be recorded in the asset register as the cost of noncurrent asset (b) Hire Purchase (HP) installments shall be apportioned between the finance charge and the reduction of the principal outstanding. The reduction of the principal amount outstanding shall be debited to the appropriate expense account for the asset item and the finance charge debited to the interest cost expense account. (c) The depreciation policy for assets purchased under HP shall be consistent with that for owned assets. 		
	16.26.5	Where a vote is the lessor, assets subject to operating lease shall be accounted for as follows; <ul style="list-style-type: none"> (a) be recognized and presented in the statements of financial position according to the nature of the asset. These assets follow the same rules as the other assets of the vote of the same nature. (b) Lease revenue from operating leases shall be recognized as revenue on a straight-line basis over 		

	<p>the lease term, unless there is another systematic basis that is more representative which can be used with the concurrence of the Accountant General.</p> <p>(c) Initial direct costs incurred by lessors in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease revenue.</p> <p>16.26.6 Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the user's benefit.</p>
<p>16.27 Heritage Assets</p>	<p>16.27.1 Heritage Assets shall generally be valued in the same manner as other Assets. However, they are to be disclosed separately under the Head 'Heritage Assets'. The purpose is to distinguish the assets for their historical, cultural and / or religious significance and to recognize the restrictions on their use or sale.</p> <p>16.27.2 Heritage assets shall include stadia, national archives, reserves, botanical gardens, parks, sports grounds, playing fields, memorials, historic buildings, archaeological sites, monuments, statues, military and scientific equipment of historic importance, museum and gallery collections and works of art. Common characteristics to assist the identification of heritage assets shall include:</p> <ul style="list-style-type: none"> (a) they are valued in cultural, environmental, educational or historical terms that is not reflected in a market price; (b) restrictions on disposal; (c) their irreplaceable character; (d) they have a value that often increases over time and; (e) a very long useful life that is difficult to estimate. <p>16.27.3 The Government shall not recognise its heritage assets on the statement of financial position but shall record them in the asset register and also disclose in its financial statements (or in another document that is made publicly</p>

	available) its policy for the acquisition, preservation, management and disposal of heritage assets.
16.28 Specific Guidelines for Particular Asset Classes	<p>16.28.1 This section provides specific guidance on a number of particular asset classes.</p> <p>Acquisition of a building</p> <p>16.28.2 Where a government entity acquires a building, or a part thereof, the department that uses the building shall recognize the building or its part thereof as PPE because:</p> <ul style="list-style-type: none"> (a) The building exceeds the capitalization threshold; (b) The government entity controls the building. As the legal owner of the building, the government entity can use it in the pursuit of its objectives and can exclude the access of others to the benefits of the building; (c) It is probable that the benefits embodied in the building shall flow to the government entity; and (d) The cost of the building can be measured reliably. <p>Free right to use a vehicle for unlimited period</p> <p>16.28.3 A government entity is granted for free the right from a development partner country to use a vehicle as long as needed in order to implement a project. The government entity recognizes the vehicle as PPE because:</p> <ul style="list-style-type: none"> (a) The vehicle exceeds the capitalization threshold; (b) Although not the legal owner of the vehicle, the government entity can use it as long as needed and can exclude the access of others to the economic benefits and service potential of the vehicle, thereby controlling it; (c) It is probable that the economic benefits and service potential embodied in the vehicle shall flow to the government entity; and (d) The fair value of the vehicle can be measured reliably. <p>Grant of medical equipment in the context of a training project</p> <p>16.28.4 As part of its contribution to the government entity, a development partner donates medical equipment to be</p>

used by the government entity in the context of a training program. To the extent the government entity controls the medical equipment and can reliably measure its fair value, it is recognized as an asset by the government entity.

Market-based lease of IT equipment

16.28.5 The government entity enters into an agreement with a private company for the lease of material IT equipment at market-based conditions for a period of 5 years whereas the estimated economical life of the equipment is also 5 years. In such situation, it shall be determined whether the lease is a finance lease or an operating lease in accordance with the applicable IPSAS as the lease is at market conditions. To the extent that the lease term (5 years) is for the entire economic life of the asset, the agreement is most probably a finance lease with the underlying equipment recognized in the financial statements of the Government entity in accordance with the applicable IPSAS.

Maintenance of roads

16.28.6 The government entity incurs significant costs on the maintenance of roads. Such subsequent costs on an item of PPE must be separated between:

- (a) is the costs of day-to-day servicing of the roads to be expensed as incurred to the extent that they do not increase the future economic benefits; and
- (b) The major renovation costs to be capitalized as a separate component to the extent that the recognition criteria are met

Depreciation of stand-by equipment

16.28.7 The government entity has installed two turbines; one of which shall produce energy for the site, the other shall be used as a backup in case the first turbine fails or is otherwise rendered out of service. The probability that the spare turbine actually may be used is very low, however, the spare turbine is necessary to ensure that the continuity of electricity should the first turbine fails. The useful life of the stand-by turbine shall equal the life of the facility, which is the same as the useful life of the primary turbine.

16.28.8 Stand-by equipment qualifies as PPE when the entity expects to use them during more than one period, even if their use shall be irregular. Even though it would prefer not to use the stand-by turbine (as this would mean a problem has occurred on the primary turbine), the availability of the stand-by turbine is critical to the operation of the primary turbine, and therefore, the production of energy at the facility. Consequently, the stand-by equipment shall be depreciated from the date it is made available for use over the shorter of the life of the turbine or the life of the facility the turbine is part of.

16.28.9 The accounting for stand-by equipment is different from spare parts considered to be PPE that are "not available for use". Refer to the next example regarding the accounting for spare parts.

Depreciation of spare parts classified as PPE

16.28.10 The government entity buys five new machines for use in its operations. Simultaneously, it purchases a spare motor to be used as a replacement if a motor on one of the five machines breaks. The spare motor shall be used in the entity's operations and, once brought into service, it shall be operated during more than one period. Therefore, it shall be classified as PPE assuming the other recognition criteria are met.

16.28.11 Since the motor does not qualify as stand-by equipment (see the previous example), the useful life of the motor commences when it is available for use within the machine rather than when it is acquired. It would, therefore, be depreciated over the period starting when it is brought into service, continuing over the lesser of its useful life and the remaining expected useful life of the asset to which it relates. If the asset to which it relates shall be replaced at the end of its useful life and the motor is expected to be used or usable for the replacement asset, a longer depreciation period may be appropriate. During the period before the motor is available for service, any reduction in value shall be reflected as an impairment loss at the time impairment is indicated.

Land

16.28.12 On the opening balance sheet land shall be valued at cost. As for the valuation on subsequent reporting dates, the Accountant General shall decide, on a class by class

	<p>basis, whether the cost or market value measurement shall be applied.</p>
<p>16.29 Accounting for Investments</p>	<p>16.29.1 This section intends to achieve a comprehensive and consistent reporting on Government investments.</p> <p>Recognition of Investments</p> <p>16.29.2 <i>Recognition principles</i>; An undertaking where government owns shares in a legal entity that confers to government the risks and rewards incidental to an ownership interests shall qualify to be an investment.</p> <p>16.29.3 The above shall apply only to investments in the formal equity structure i.e. investment in Government Business Enterprises, share capital or an equivalent form of unitized capital, such as units in a property trust, but may also include other equity structures in which the government’s interest can be measured reliably.</p> <p>16.29.4 All investments made by Government shall be recognised regardless of their acquisition cost.</p> <p>16.29.5 Subscriptions to International Organisations or any other organisation that government subscribes to but where government has no control shall not be recognised. These shall be expensed in the year they are incurred.</p> <p>16.29.6 <i>Associates</i>; Where Government has total shareholding in an entity and provided the total shareholding for government is less than 50% of total shares issued, the undertaking shall qualify to be an investment in associates.</p> <p>16.29.7 <i>Joint Ventures</i>; A joint venture may shall occur where government enters into a binding arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract. The Joint ventures may be in the form of jointly controlled operations, jointly controlled assets, and or jointly controlled entities.</p> <p>Where Government enters into a formal arrangement to undertake a joint venture, but the arrangement not constituting a legal contract, such an arrangement shall not qualify as a joint venture for purposes of these Instructions because the undertaking would have no binding arrangement to establish joint control.</p>

	<p>A binding arrangement may be evidenced in a number of ways, for example by a contract, incorporated in the enabling legislation, articles, or other by-laws of the joint venture.</p> <p>16.29.8 <i>Investment in Subsidiaries</i>; Where Government has total shareholding in an entity and provided the total shareholding for government is more than 50% but less than 100% of total shares issued, the undertaking shall qualify to be an investment in a subsidiary.</p> <p>Government Business Enterprises (GBEs)</p> <p>16.29.9 GBEs are entities that are wholly owned by government with powers to contract in their own names and have both financial and operational authority to carry on business.</p> <p>16.29.10 A GBE may be a trading enterprise or financial institution of government and shall be characterized as;</p> <ul style="list-style-type: none"> (a) An entity with the power to contract in its own name; (b) Having been assigned the financial and operational authority to carry on a business; (c) Selling goods and services, in the normal course of its business, to other entities at a profit or full cost recovery; (d) Not being reliant on continuing government funding to be a going concern (other than purchases of outputs at arm's length); and (e) Controlled by a public-sector entity. <p>Control of investments</p> <p>16.29.11 Government control of investments shall stem from legal rights evidenced by share certificate and similar rights that protect the government's interest.</p> <p>16.29.12 Government control shall entail governing decision making in relation to the financial and operating policies of another entity in addition to benefiting from the activities of the other entities in terms of a distribution of its surpluses [such as a dividend], and also exposure to risk Government may not obtain any financial benefits</p>
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	<p>from the other entity but may benefit from its ability to direct the other entity to work with it to achieve its objectives. It may also be possible for government to derive both financial and non-financial benefits from the activities of another entity.</p> <p>16.29.13 Similarly, the existence of control does not require government to have responsibility for the management of [or involvement in] the day-to-day operations of the other entity.</p> <p>Change in shareholding</p> <p>16.29.14 Any movement in shareholding resulting into a change in the investment category, the treatment of the investment shall change to match the new status and shall be effected in the subsequent reporting period and a disclosure made in the accounts.</p> <p>Investment register</p> <p>16.29.15 The Accountant General shall maintain an updated register of all investments held and documentation proving ownership and existence. The format of the register shall be as prescribed in paragraph 14.7.2.</p> <p>Valuation of investments</p> <p>16.29.16 Investments shall be valued at either historical cost or at fair value.</p> <p>16.29.17 The historical cost of all Investments shall be the amount paid by government to acquire shares net of incidental costs such as brokerage and listing fees.</p> <p>Foreign currency investments shall be maintained at historical cost in the same currency and translated to UGX at every reporting date. The difference in the UGX equivalent from one reporting period to another shall be treated as an unrealised exchange gain or loss.</p> <p>16.29.18 Shares that are traded on the stock market shall be valued at market price and those that are not traded on the stock market the fair value shall be the historical cost.</p>
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Impairment Losses

16.29.19 Investments shall be assessed for impairment at the end of every financial year. Impairment shall be measured as the difference between the investment's carrying amount and the present value of the estimated future cash inflows discounted at the investment's original interest rate.

The amount of the loss shall be expensed in the statement of financial performance.

De-recognition

16.29.20 Investments shall be derecognized only under the following circumstances:

- (a) Where the contractual rights to the cash flows from the investment expire or are waived; or
- (b) Where the investment is transferred and the transfer qualifies for derecognition. In this case,
- (c) Where Government transfers substantially all the risks and rewards of ownership, of an investment, such an investment shall be derecognized and recognize separately any rights and obligations created or retained in the transfer.
- (d) Where Government neither transfers nor retains all the risks and rewards of ownership of an investment, it shall determine whether it has retained control of the investment.

Investments acquired through donation

16.29.21 If government acquires an Investment or the right to derive economic benefits for free or on concessional terms, the investment shall initially be measured at fair value as at the date of acquisition.

Investments held for sale

16.29.22 Investments held for sale are those that must be disposed of through sale. In general, the following conditions must be met for an investment (or 'disposal group') to be classified as held for sale:

- (a) management is committed to a plan to sell
- (b) the Investment is available for immediate sale

	<ul style="list-style-type: none"> (c) an active programme to locate a buyer is initiated (d) The sale is highly probable, within 12 months of classification as held for sale [subject to limited exceptions] (e) the Investment is being actively marketed for sale at a sales price reasonable in relation to its fair value (f) actions required to complete the plan indicate that it is unlikely that plan shall be significantly changed or withdrawn <p>16.29.23 <i>Presentation</i>; Investments classified as held for sale, must be presented separately on the face of the statement of financial position.</p> <p>16.29.24 <i>Measurement</i>; Investments that are classified as held for sale shall be measured at the lower of carrying amount and fair value less costs to sell.</p> <p>16.29.25 <i>Impairment</i>; Impairment must be considered;</p> <ul style="list-style-type: none"> (a) At the time of classification as held for sale in accordance with paragraph 16.29.2 of these Instructions. (b) After classification as held for sale; Calculate any impairment loss based on the difference between the adjusted carrying amounts of the Investment and fair value less costs to sell. Any arising impairment losses must be recognized in Statement of financial performance. A gain from any subsequent increase in fair value less costs to sell of an Investment can be recognized in the Statement of financial performance to the extent that it is not in excess of the cumulative impairment loss that has been recognized for this particular investment.
16.30 Transitional Provisions for Accounting and Financial Reporting of Non-Current Assets.	16.30.1 Due to the transitional arrangements envisaged in the accounting and financial reporting for the non-current assets, the Accountant General shall determine the implementation of the provisions of Instructions 16.13 – 16.29 to allow for a staggered implementation of the Instructions involved, as he or she may deem necessary.
17 Bank account and cash management	
17.1 Introduction	17.1.1 In accordance with Section 33 of the PFMA, the Secretary to the Treasury shall be responsible for providing the

	<p>framework for the conducting of banking activities for all public moneys.</p> <p>17.1.2 The Accounting Officer is required to prepare and submit accurate cash flow plans and he or she shall be responsible for implementing systems, procedures, processes, training and awareness programmes to ensure sound cash management through efficient and effective banking and cash management arrangements.</p> <p>17.1.3 For the purpose of these Instructions, a sound cash management includes;</p> <ul style="list-style-type: none"> (a) Collection of revenue when it is due and banking it promptly; (b) Making payments, including transfers to other levels of government and non-government entities, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the government's normal terms for account payments; (c) Avoidance of prepayments for goods or services unless required by the contractual arrangements with the supplier; (d) Acceptance of discounts to effect early payment only when the payment has been included in the monthly cash flow projections; (e) Pursuing debtors with appropriate sensitivity and rigor to ensure that amounts receivable by the government are collected and banked promptly; (f) Accurately forecasting the vote's cash flow requirements so that the Treasury can optimize its central cash management responsibilities on behalf of the Government; (g) Timing the inflow and outflow of cash; (h) Recognising the time value of money, i.e. economically, efficiently and effectively managing cash; (i) taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or under-utilised assets; (j) Performing bank reconciliations on a regular basis to detect any unauthorised entries;
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		<p>(k) Ensuring that unapplied EFTs and dishonoured cheques are followed up immediately; and</p> <p>(l) Separation of duties to minimise the incidence of fraud.</p>
17.2 Cash Flow Plan		<p>17.2.1 Pursuant to paragraph 8.7.2 of these Instructions, the Accounting Officer as part of the policy statement of his or her vote, must annually submit to the Secretary to the Treasury a breakdown of anticipated revenue and expenditure (TF 31) by the beginning of the financial year. Such a breakdown shall be on a monthly basis.</p> <p>17.2.2 Once the annual cash flow plan has been approved, cash releases shall be made in accordance with the provisions of chapter 8 of these Instructions.</p> <p>17.2.3 The Accounting Officer may not request from the consolidated fund more than the amount in the approved cash flow plan without prior written approval from the Secretary to the Treasury.</p> <p>17.2.4 Should the Accounting Officer need to adjust the approved projections, the proposed adjustments must be submitted to the Secretary to the Treasury for approval after evaluation against the availability of funds in the Consolidated Fund.</p> <p>17.2.5 The revisions to annual cash flow projections shall be in line with the revisions to the work plan, procurement and recruitment plans during a mid-year budget execution review.</p>
17.3 Banking Arrangements		<p>17.3.1 In accordance with Section 33(2) of the PFMA, a vote may not open a bank account without the written approval of the Accountant General.</p> <p>17.3.2 The Accountant General shall maintain, electronic or otherwise, a register of all bank accounts of government. Similarly Accounting Officers shall maintain a list of bank accounts held by their votes.</p> <p>17.3.3 Local Governments shall designate one of their accounts as a primary bank account (General Fund Bank Account). Grants and other payments shall only be effected to the local Governments through their primary bank accounts.</p>

<p>17.4 The Treasury Single Account (TSA)</p>	<p>17.4.1 For the purpose of Section 33 of the PFMA, the Secretary to the Treasury hereby prescribes a Treasury Single Account (TSA) as the framework for the banking activities mentioned in the PFMA.</p> <p>17.4.2 Unless expressly authorized by the Secretary to the Treasury, the TSA shall, at a minimum, include all bank accounts opened for the following entities or projects:</p> <ul style="list-style-type: none"> (a) all votes and local Government administrative entities; (b) extra budgetary entities; and (c) externally financed projects. <p>17.4.3 Subject to paragraph 17.4.2 any bank accounts not included in the TSA shall be managed in accordance with the terms and conditions determined by the Accountant General as required by Section 43(4) of the PFMA.</p>
<p>17.5 Operations of the Treasury Single Account</p>	<p>17.5.1 The TSA shall satisfy, at a minimum, the following requirements:</p> <ul style="list-style-type: none"> (a) accounts with commercial banks, into which revenues of the Government collected by the Uganda Revenue Authority or any other vote except for a local government are deposited, shall be transferred at agreed intervals; and (b) the balances of all accounts included in the TSA shall be daily reported by the Bank of Uganda to the Secretary to the Treasury, Accountant-General and the Director, responsible for Debt and Cash Policy. <p>17.5.2 Management of any accounts included in the Treasury Single Account, including their sweeping to other accounts, shall be conducted in compliance with paragraphs 17.5.3 - 17.5.16 below.</p> <p>Warranting Process</p> <p>17.5.3 Once the approved expenditure limits have been communicated to the votes, the votes shall submit a projection itemizing the expenditure limits (Accounting warrant approval request) to Directorate responsible for Budget. The Budget Directorate shall analyse, authorize</p>

and forward the request to Accountant General's Office (AGO). AGO shall approve and issue an Accounting Warrant (**TF 32**) which shall form the basis for funds transfer to the TSA Holding Account from the UCF.

Release transfers

17.5.4 AGO shall make a funds transfer from the UCF to the TSA holding account based on the approved accounting warrant.

17.5.5 With the TSA framework, funds shall only be released from the TSA to the vote TSSA as and when the invoices have been submitted and approved for payment. The release shall therefore be equivalent to the aggregated submission of invoices.

Payment Processing

17.5.6 Once the accounting warrant has been approved votes are able to start the commitment process through requisitions, LPOs, or direct invoice entry.

17.5.7 Once the invoices are ready for payment the Accounting Officer shall forward to AGO for payment file generation to Bank of Uganda (BOU).

17.5.8 Under the TSA arrangement, payment files shall involve a three-step generation process;

(a) Amalgamation of all votes payment invoices to create a control total.

(b) Funding of the TSSA (Control total used to draw down from the TSA holding account to the TSSAs).

(c) Submission of the individual payments files to the respective vote's TSSA.

17.5.9 Votes must ensure daily tracking of invoices submitted and invoices paid by analysing the available reports and voiding the unpaid invoices.

Sweeping

17.5.10 At the end of each day any balance remaining on the TSSA shall be swept back to the TSA holding account.

Voiding of Payments

	<p>17.5.11 Votes shall make adjustments for the swept balances by correcting the errors for bounced payments and recommitting the voided invoice amounts “swept” to the TSA holding account.</p> <p>Reconciliation</p> <p>17.5.12 Bank statements shall be provided daily to enable bank reconciliations. Each vote shall undertake a daily review of transactions made and daily bank reconciliations. Any discrepancy noted shall be reported immediately to the Accountant General’s Office for immediate action.</p> <p>Domestic revenue flows into the UCF</p> <p>17.5.13 Domestic revenue comprised of tax, and non-tax revenues, collected by URA through its collection agents (mainly commercial banks) shall be transferred daily to URA Cash Account and a notification sent to URA and BoU.</p> <p>17.5.14 Part of the collections shall be used to fund URA appropriated budget/operations and tax refunds. The balance on the cash account which includes URA collections of refundable deposits and third party trusts shall be transferred to the URA Collection Account for onward transfer to the respective deposit/trust account within BoU.</p> <p>17.5.15 MALGs shall deduct taxes from payments to suppliers and employees and pay duties on imported goods (PAYE, VAT deductions and withholding taxes), which are initially credited to the GoU/URA Payment Account, the balance of which periodically shall be transferred to the URA Collection Account. Balances of the URA Collection account shall be transferred to the UCF on a daily basis.</p> <p>17.5.16 MALGs may also collect non-tax revenues and are required to remit all the revenue collections to the - UCF.</p>
<p>17.6 Roles and Responsibilities Under the TSA Framework.</p>	<p>17.6.1 In relation to the TSA, Accounting Officers shall;</p> <p>(a) Prepare and submit to the Secretary to the Treasury Annual Cash Flow Plan derived from approved work plans, procurement plans and recruitment plans.</p> <p>(b) Prepare and submit annual, quarterly, monthly and weekly cash projections of expenditure to facilitate cash flow programming.</p>

	<ul style="list-style-type: none"> (c) Prioritize and commit government expenditure within expenditure limits/warrants (d) Authorize invoices and submit approved payment Instructions to the Accountant General for review and onward submission to BoU for settlement. For LGs on IFMS tier 2, Instructions shall be sent to the relevant commercial banks. (e) Undertake regular bank reconciliations of bank accounts of the TSA Sub –Accounts (TSSA) (f) Monitor and account for payments effected from the TSSA. (g) Investigate any exceptions on TSSA in a timely manner. (h) Produce financial statements. <p>17.6.2 The Directorate responsible for Economic Affairs (DEA) shall;</p> <ul style="list-style-type: none"> (a) Prepare the national macro-fiscal programme that forms the basis for the annual budget. (b) Provide Revenue Forecasts and updated outturns in line with the fiscal framework. (c) Monitor revenue collections against targets. (d) Submit quarterly macro expenditure limits available for distribution to votes consistent with the agreed quarterly programme between BoU/MoFPED to ensure macroeconomic stability. (e) Propose borrowing requirements and options to the Cash Management Committee (CMC). <p>17.6.3 The Directorate responsible for Budget (DB) shall;</p> <ul style="list-style-type: none"> (a) Receive and analyze votes quarterly expenditure plans. (b) Issue quarterly expenditure limits and warrants to votes. (c) Capture expenditure limits into GFMIS to pave way for the release requests from the votes. <p>17.6.4 Accountant General’s Office (AGO) shall;</p> <ul style="list-style-type: none"> (a) Approve and regulate the opening and closure of any bank account under the TSA framework. (b) Issue guidelines for banking, accounting and cash management under this framework.
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	<ul style="list-style-type: none"> (c) Configure the cash management arrangements on the GFMIS. (d) Manage the UCF and the Treasury Cash Holding Accounts. (e) Issue periodic spending ceilings for sub TSA accounts. (f) Format and transmit payment Instructions to BoU for settlement. (g) Disallow payment requests in accordance with the PFMA. (h) Monitor sweeping arrangement of sub-TSA accounts and investigate any exceptions in a timely manner. (i) Regularly reconcile the Treasury Cash Holding Account. (j) Oversee the rationalization of the number and use of bank accounts. <p>17.6.5 Directorate responsible for Debt and Cash Policy shall;</p> <ul style="list-style-type: none"> (a) Develop and maintain consolidated rolling cash plan covering all bank accounts included in TSA. <i>(The scope of cash plan shall expand in parallel to the extension of TSA).</i> (b) Monitor TSA inflows, outflows and balances. (c) Liaise with MALGs to improve cash forecasts. (d) Issue cash forecasting templates for use by MALGs. (e) Provide training on effective cash management. (f) Establish robust cash management models to optimize cash management. (g) Provide regular reports on performance of cash flows against the annual plan to the CMC for proactive management. (h) Forecast debt settlements and issuance of government securities. (i) Provide any assistance required in maintaining external debt data (back office) (j) Update and Implement the debt management strategies. (k) Mobilize and negotiate external debt. <p>17.6.6 Bank of Uganda shall:</p>
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	<ul style="list-style-type: none"> (a) Operate retail banking and agency services to GoU in accordance with a memorandum of understanding (MoU) between the Ministry and BoU. (b) Transfer cash releases from the UCF to the TSA main account in accordance with Instructions issued by the Accountant General on the basis of a warrant issued by the Auditor General. (c) Receive and act on payment instruction from GoU/Treasury within the prescribed timeframe (d) Ensure that no expenditure bank account of Government is overdrawn. (e) Advice Treasury on the daily cash balances on the various bank accounts. (f) Issue daily electronic bank statements for TSA accounts. (g) Notify the Treasury of any exceptions (Unapplied EFTs) in a timely manner. <p>17.6.7 Commercial Banks and other financial institutions shall;</p> <ul style="list-style-type: none"> (a) Operate retail banking for agencies and projects outside Kampala. (b) Collect and transfer tax and non-tax revenue to URA in accordance with agency agreements. <p>17.6.8 Uganda Revenue Authority (URA) shall;</p> <ul style="list-style-type: none"> (a) Maintain revenue collection accounts. (b) Ensure regular bank reconciliation of revenue accounts. (c) Ensure timely transfer of revenue from the collection accounts to the UCF. <p>17.6.9 The Auditor General shall authorise a Grant of Credit from the UCF to the Treasury Cash Holding Account in accordance with the Constitution, the National Audit Act, 2008 and Section 31 of the PFMA.</p>
<p>17.7 Operations of Accounts not Included in the TSA</p>	<p>17.7.1 Until such a time as shall be determined by the Secretary to the Treasury, the TSA shall exclude Foreign Mission Accounts, externally financed projects and accounts of state owned enterprises.</p> <p>17.7.2 In general, these Instructions shall apply to the management of any accounts, which are opened for votes or entities not included in the Treasury Single Account. The Accountant</p>

		General may further issue specific Instructions and guidelines for the better management of such accounts.
17.8 Closure of Bank Accounts	17.8.1	<p>The following Instructions shall apply to the closure of bank accounts:</p> <ul style="list-style-type: none"> (a) Pursuant to sections 33(9) of the PFMA, the Accounting Officer may close an account under his or her control and inform the Accountant General within 30 days; (b) Upon closure of the bank account, the bank shall advise the Accounting Officer who shall ensure that his or her records (Bank accounts register) are updated before notifying the Accountant General of the closure of the account; (c) Accounting Officers shall ensure that for all closed projects under the control of their vote or entity, the associated bank accounts have also been closed. <p>17.8.2 A vote shall observe the following procedure while closing bank accounts:</p> <ul style="list-style-type: none"> (a) The request for the closure shall mention the account to receive the remaining balance (if any) once the bank account is closed; (b) In case of a project, the project (loan or grant) financing agreement shall guide on the transfer of the remaining balance, otherwise it is to be transferred to the UCF Account; (c) If the bank account being closed had a negative balance, then the Accounting Officer concerned shall ensure that sufficient funds have been deposited to offset the negative balance noting that government bank accounts shall not in the first place be overdrawn; and (d) The entity closing the bank account shall bear the associated cost charged by the bank for the closure, if any.
17.9 Private Money, Private Bank Accounts and Cashing Private Cheques	17.9.1	Private money may not be deposited into a vote's official bank account, except in accordance with the provisions relating to money held in trust for other persons or bodies, nor may public money be paid into a private bank account except with the prior approval of the Accounting Officer.
	17.9.2	The safekeeping of private money or personal possessions in a vote safe or strong room is prohibited. However, an Accounting Officer or an official authorised by the

	Accounting Officer may approve arrangements for safeguarding personal effects reasonably held on official premises in the course of official duty.
17.10 Register of Bank Accounts	<p>17.10.1 In accordance with Regulation 27 of the PFMR, each vote must maintain in a manual or electronic form, an up-to-date register of bank accounts operated by the vote and any of its departments or subsidiary units.</p> <p>17.10.2 The register (TF 33) shall contain information regarding:</p> <ul style="list-style-type: none"> (a) The name and number of the bank account; (b) The purpose of the account (e.g. operational, deposit, revenue collections account); (c) Date the account was opened; (d) The banker and the branch, if applicable; (e) The names of authorised account signatories and individual authority limits if applicable; and (f) Copies of specimen signature for each of the signatory shall be filed by the vote. <p>17.10.3 Transfer of funds to Local Governments shall be effected through their respective primary bank accounts.</p>
17.11 Issuance of Cheques where Electronic Payments are not Possible	<p>17.11.1 Payments through GFMS shall be electronically effected except where it is not feasible to make electronic payments.</p> <p>17.11.2 The following guidelines shall be observed where government cheques are issued:</p> <ul style="list-style-type: none"> (a) A cheque shall be issued in such a way as to minimize the possibility of making any subsequent changes in it in figures or words. (b) The amount of the cheque shall be written in words and figures in a manner that these cannot be altered. This is meant to mitigate against forgeries and fraudulent alterations. (c) It is prohibited to sign any blank cheque leaves. (d) Unless a cheque book has been exhausted, a new one shall not be used. (e) All signed cheques shall be sent or delivered to their beneficiaries as soon as possible.

	(f) All cheque stubs/counterfoil for issued cheques must be properly kept for audit purposes.
17.12 Cancelled Cheques	<p>17.12.1 A cheque may be cancelled, say, upon making errors while writing the cheque. The following applies to cancelled cheques:</p> <p>(a) Where a cheque is cancelled for any reason before being issued, the word “Cancelled” shall be written clearly on the cheque and its counterfoil.</p> <p>(b) Cancelled cheques shall be kept for audit purposes.</p> <p>17.12.2 Where the transaction related to the cancelled cheque had been recorded in the cashbook, such transaction shall also reflect the change in cheque references.</p>
17.13 Stopping Cheque Payments/Instructions	<p>17.13.1 After the issuance of a cheque to the beneficiary, the cheque may be stopped for various reasons such as; realizing errors were made while drawing the cheque; cheque has been reported as lost; and cheque has expired.</p> <p>The following shall apply to stop cheques:</p> <p>(a) The right to stop payment of a cheque shall be limited to the Head of Finance or his/her delegate.</p> <p>(b) A cheque shall be stopped immediately upon receiving a notification from the beneficiary that the cheque has been lost, stolen or damaged after he has received it.</p> <p>(c) A cheque shall be considered cancelled immediately after obtaining a confirmation from the bank that the cheque shall not be paid, and after the bank has taken all the necessary procedures to cancel it.</p> <p>(d) A replacement cheque may be issued if it is proved that the beneficiary has not collected the cheque amount during its validity period, after obtaining confirmation from the bank to the effect that the beneficiary has not cashed the cheque.</p> <p>(e) The concerned entity shall issue a replacement cheque after getting confirmation from the bank that the cheque has not been paid upon the submission of the “stop payment notification”.</p> <p>(f) Where a cheque has expired, the issuing entity shall issue Instructions to the bank to stop the cheque.</p>

<p>17.14 Register of Cheques</p>	<p>17.14.1 For purposes of enhancing traceability and accountability of cheques, votes shall maintain a cheque register (TF 34), in a manual or electronic form, for each bank account held by the vote containing the following information:</p> <ul style="list-style-type: none"> (a) the cheque number (shall follow the series sequence of the cheque and shall include cancelled cheques), (b) date of issue, (c) amount, (d) the person to whom it was issued (payee), (e) the persons who signed it (authorised signatories), (f) if hand delivered, the person to whom it was handed; and (g) the date of delivery.
<p>17.15 General Provisions Regarding Overseas Payments</p>	<p>17.15.1 Pursuant to the PFMA, all international payments by votes shall be made through the Bank of Uganda or a financial institution authorized by the Accountant General in accordance with Section 33 of the PFMA.</p> <p>17.15.2 Payments to overseas contractors/service providers can be made through letter of credit or guarantee.</p> <p>17.15.3 The Accounting Officer shall be the sole authority to instruct Bank of Uganda or any other approved financial institution, to undertake the letter of credit or guarantee.</p> <p>17.15.4 For purposes of handling external foreign currency payments by votes, the Accountant General may maintain at the Bank of Uganda a Treasury Forex Holding Account. In this case, votes shall ensure that any payments from the account are matched by corresponding deposits remitted to the account. On a quarterly basis, the Accounting Officer shall ensure that a detailed reconciliation of deposits paid into and payments made out of the Treasury Forex Holding Account is submitted to the Accountant General for review and necessary action.</p> <p>17.15.5 The following procedures shall apply to overseas payment:</p> <ul style="list-style-type: none"> (a) The request for overseas payment shall be supported by a commitment such as a Purchase

	<p>Order processed to ensure availability of a budget provision.</p> <ul style="list-style-type: none"> (b) A request for overseas payment shall be approved by the management of the vote or entity. (c) The request shall indicate the amount applied for and its equivalent in Uganda Shillings, the parties involved, date of intended transaction and relevant supporting documents. (d) The Bank of Uganda (or approved financial institution) shall then complete the procedures required for issuing payment instruments and deducting the amount from the government account specified in the application. (e) The requesting entity shall receive the required materials or services and shall then ensure it has obtained the payment support documentation and shall keep these documents according to the periods specified in these Instructions. <p>17.15.6 The following specific procedures shall apply for the opening of letters of credit;</p> <ul style="list-style-type: none"> (a) An Accounting Officer intending to open a letter of credit (L/C) shall make an application to the Bank of Uganda (or any other authorized financial institution). The application shall provide the following; <ul style="list-style-type: none"> i. The source of funding from which the L/C shall be opened. ii. Amount or value of the L/C. iii. Beneficiary name and address. iv. Beneficiary bank account details including branch name and account number. v. Nature of goods and/or services to supplied or rendered. (b) A signed copy of the contract shall be attached to the application and shall include details such as;
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	<ul style="list-style-type: none"> i. Letter of bid acceptance. ii. Service providers bid. iii. Special conditions of contract. iv. General conditions of the contract v. Statement of requirements specifications vi. Contract award vii. Place of delivery. <p>(c) Care shall be taken to ensure that the payment terms and the documents to be produced for receiving payments through the letter of credit are identical with those shown in the contract.</p> <p>(d) Irrevocable letter of credit shall be opened by the procuring entity's bank and guarantee payment to the supplier on fulfilling his or her obligations under the contract.</p> <p>(e) At the payment or settlement stage of the L/C, the following shall be presented;</p> <ul style="list-style-type: none"> i. Original of the delivery documents. ii. Confirmation certificate of the Accounting Officer that the goods and/or services were delivered as contracted. iii. Certificate of origin. iv. Copies of Bill of lading. v. Insurance certificate. vi. L/C account number where an L/C has already been opened. <p>(f) No payment shall be made from the L/C account (deposit account) without the requisite letter of credit.</p> <p>(g) Unutilised funds under the letter of credit shall be transferred to the source account if it is within the same financial year, otherwise to the UCF bank account at the expiry of the L/C and</p>
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	<p>provided there are no claims from the supplier/beneficiary under the credit.</p> <p>(h) Where the delivery date of the contract is extended to take care of a delay in supply, for which supplier is responsible, the tenure of the letter of credit shall also be extended accordingly, but the expense incurred for such extension (of letter of credit) is to be borne by the supplier.</p> <p>(i) In the management of letters of credit, it shall be the responsibility of the Accounting Officer of the procuring entity to carry out due diligence on the supplier before a contract is entered into. Accordingly, he or she shall ensure that;</p> <ul style="list-style-type: none"> i. All contracts and any amendments thereof must be approved by the Solicitor General. ii. The procurements and structure of payments adhere to the provisions of the PPDA Act, 2003, as amended. iii. Pre-shipment inspection is a mandatory condition in the contract. iv. There is a valid bank guarantee in case of foreign letters of credit. v. Foreign letters of credit are in general, governed by the uniform customs practice for documentary credit 600 (UCP600) as advised by the Bank of Uganda. vi. Copies of the L/C and associated documents are advised to the Accountant General at both stages of opening the L/C and effecting payment. <p>(j) The Local letters of credit is similar to the foreign letters of credit system in many ways and the procedures prescribed under this Instruction shall largely apply to the local letters of credit.</p>
17.16 Overdrawing Bank Accounts	17.16.1 A vote or an entity's bank accounts outside the TSA shall not be overdrawn.

	<p>17.16.2 The Accountant General shall establish mechanisms to enforce the requirement in paragraph 17.16.1 above and the following shall constitute some of the mechanisms to be undertaken by Accounting Officers to prevent overdrafts on government accounts:</p> <ul style="list-style-type: none"> (a) Regular reconciliation of the bank accounts at short intervals. (b) Minimising the number of bank accounts to ease close monitoring and reconciliation. <p>17.16.3 The Accountant General in accordance with Section 33(5) of the PFMA, may instruct banks not to overdraw accounts and to dishonour payments that would overdraw an account.</p>
<p>17.17 Bank Account Signatories</p>	<p>17.17.1 A vote or entity shall have bank account authorised signatories in sufficient numbers and categories to prevent possibility of operational paralysis due to absence of one or more signatories.</p> <p>17.17.2 For purposes of paragraph 17.7.1, the Accounting Officer shall ensure the following:</p> <ul style="list-style-type: none"> (a) No person shall act as a signatory to a government bank account without being introduced to that effect. In turn, the Accountant General shall introduce account signatories upon the recommendation of the relevant Accounting Officer. (b) Payment Instructions/cheques must be signed by at least two signatories and all cheques shall be non-negotiable. (c) Before signing the payment instruction/cheque, the bank account signatory is required to ensure that the supporting payment voucher has been properly signed by the persons vested with the authority to sign it. (d) The signatory must further satisfy himself/herself that the payment instruction/cheque is correctly drawn and that the payee and the amount correspond with the details of the supporting payment voucher. (e) It should be noted that where authority limits have been prescribed for the account signatories, splitting payments into smaller Payment

	Instructions or cheques to circumvent the limits is not allowed.
17.18 Cheques and Electronic Payments	<p>17.18.1 Accounting Officers must assign authority in writing to officials to approve cheques or electronic payments.</p> <p>17.18.2 Only authorised officials may sign hand-drawn cheques and must initial the counterfoils.</p> <p>17.18.3 All cheques must be crossed “NOT NEGOTIABLE” and shall also preferably be crossed “NOT TRANSFERABLE” between parallel lines. The cancellation of crossings is not permitted</p>
17.19 Interbank Transfers	<p>17.19.1 Transfers between bank accounts maintained by a vote or public entity may be made by the issue of security papers or cheques and shall require the authorization of the Accounting Officer.</p>
17.20 Reconciliation of Bank Accounts	<p>17.20.1 Pursuant to Section 33(5) of the PFMA and Regulation 26 of the PFMRthe Accounting Officer is responsible for ensuring that bank reconciliation statements are prepared.</p> <p>17.20.2 The bank reconciliation shall be prepared by the accountant who shall not be the cashier for purposes of internal control.</p> <p>17.20.3 The reconciliation shall be prepared within 10 days after the end of each month to allow time for review by Head of Finance and Accounts and timely preparation of monthly financial statements.</p> <p><i>Procedure for reconciling bank accounts</i></p> <p>17.20.4 The following procedure shall be followed in carrying out bank reconciliations:</p> <p>(a) Obtain the official bank statement from all banks where the vote or public entity has opened bank accounts;</p> <p>(b) Access the cashbook for each of the bank account in the financial management system maintained by the vote;</p> <p>(c) Match each EFT/cheque payment to the cashbook and bank statement.</p> <p>(d) Payment Instructions/Cheques that have not been cashed by the payee within six months of the date</p>

appearing on the cheque must be written back in the cash book as they shall be declined by the bank. Be satisfied from a scrutiny of subsequent bank statements that all payment Instructions/ cheques outstanding at the close of the period were accounted for in the bank reconciliation (listed under outstanding payments);

- (e) Match each deposit to the cashbook and the bank statement;
- (f) Identify all the direct debits on the bank statement that the vote or public entity was expecting (payments that have been made by the bank without a payment instruction/ cheque e.g loan repayments, bank charges e.t.c). Verify the accuracy or reasonableness against the supporting documents and if these had not been processed and are valid, capture through journals.
- (g) Identify all the direct credits on the bank statement, such as direct deposits by ratepayers, consumers and levy payers, subsidies and grants paid by Treasury or other entities, and miscellaneous credits. Verify the accuracy against support documents and if these had not been processed, capture through journals.
- (h) If the credit cannot be identified it is posted to the unidentified receipts code per the chart of Accounts until information is available that shall necessitate reclassification to an appropriate code.
- (i) Print the summary reconciliation statement and accompanying schedules from the GFMIS.
- (j) Details of the outstanding deposits and payments can be provided on the face of the reconciliation statement or provided as annexes. If provided as annexes, all pages of the annexes must be signed by the relevant signatories.
- (k) If all entries were correctly posted, the balance as per the reconciliation statement shall match the balances on the bank statement. No “unidentified difference” or other balancing items must be shown on the bank reconciliation.
- (l) If the balances do not match repeat the process to detect the error. Differences must be corrected immediately unless clear timelines for resolving the differences have been agreed with the bank.

	<p>(m) Present for signature and approval by the Head of Finance and Accounts and Accounting Officer or his/her representative once satisfied that the reconciliation process has been completed.</p> <p>17.20.5 File and safeguard, alongside the accompanying financial statement, the approved reconciliation in a special file labelled “Bank Reconciliation for the Month of xxx”</p>
<p>17.21 Write Back of Unpresented Cheques/Payments</p>	<p>17.21.1 Un-presented cheques and outstanding payments: - at the end of a particular month, the suppliers may have, for instance, delayed to deposit the cheques to the bank. The cheque shall therefore not have been recorded in the bank statement even though it has been recorded in the cashbook therefore causing a difference and are referred to as “un-presented cheques”.</p> <p>17.21.2 In accordance with the law governing negotiable instruments, un-presented cheques and outstanding payments shall be written back after 6 months following date of issue. This does not result into cancellation of the associated expenditure transaction rather it consists of writing back of the payments.</p> <p>17.21.3 The following procedure shall be followed while writing back the long outstanding payments:</p> <ul style="list-style-type: none"> (a) Obtain a list of outstanding payments in the system and extract a list of those outstanding for more than 6 months. These are considered to be long outstanding; (b) Ascertain whether the long outstanding payments have been replaced by other payments in which case they shall be cancelled; (c) The Accounting Officer or the Treasury, as the case may be, shall inform Bank of Uganda (Or Concerned financial institution) in writing of the intention to write back the payments. This is done to ensure that these payment Instructions are not honored in the future; (d) Should it be ascertained that a written back payment has been paid by the Bank, then an adjusting journal entry shall be passed to rectify the write back. <p>17.21.4 The Accounting Officer or Treasury, as the case may be, shall recognize the write back of payments as a</p>

	liability which shall be extinguished when it is claimed or recorded as revenue one year after recognition.
17.22 Management of Petty Cash Imprest and other Imprest Advances	<p>17.22.1 The purpose of the Petty Cash is to provide departments with ready cash for the payment of small incidental expenditures such as postage and other office costs when it is impractical to use the normal payment order and cheques payment process whereas a special imprest is issued to a senior officer of the administration for a specific purpose and time, for example, for the duration of a project, official function or visit.</p> <p>17.22.2 Votes are responsible for adequate security and control of their Petty Cash whereas the security of special imprest lies with the holder of the imprest.</p> <p>17.22.3 All expenditure from the petty cash imprest and special imprest must go through the commitment control.</p> <p>17.22.4 Where authorized, a petty cash imprest and special imprest can take the form of a debit card particularly in the case of embassies.</p> <p>17.22.5 Votes shall maintain a petty cashbook for the petty cash imprest whereas a specific ledger shall be maintained for each special imprest in the name of the imprest holder (TF 04).</p> <p>17.22.6 Establishment of petty cash imprest shall involve the following;</p> <p>(a) A petty cash float is maintained at a specific amount and is replenished at regular intervals on the basis of vouchers showing the payments which have been made.</p> <p>(b) The following procedures apply while establishing the petty cash imprest:</p> <ol style="list-style-type: none"> i. The accountant in charge of petty cash shall make an application for the Petty Cash which upon approval by the Head of Finance & Accounts and Accounting Officer, a cheque or EFT is prepared and funds withdrawn from the operational bank account. ii. Where the vote has more than one accountant, the Accounting Officer shall designate one accountant to handle petty cash.

17.22.7 The following procedures shall apply while making payments from the petty cash fund:

- (a) No single expenditure shall be made out of petty cash exceeding the set limits.
- (b) Splitting of the payments with the intention to circumvent the limits per payment is prohibited.
- (c) For any expenditure from the petty cash fund, the accountant in charge of the petty cash must fill a Payment Voucher, which must be properly authorized.
- (d) Upon receipt of cash, the beneficiary shall acknowledge receipt by signing Payment Voucher.
- (e) Any payment made out of petty cash shall be supported by adequate supporting documents which shall be attached to the Petty Cash Voucher. The accountant entrusted with the petty cash fund shall keep a file containing all documentation relating to the petty cash disbursements, filed in chronological order of Payment Vouchers.

17.22.8 The replenishment of the petty cash fund shall involve the following arrangements;

- (a) When the Petty Cash Fund is reduced to a balance that can no longer support its purpose, a replenishment of the fund shall be made.
- (b) Replenishment of petty cash fund is subject to satisfactory accountability of the previous petty cash advances. The accountability must include the detailed supporting documents for the expenditure without which the accountant shall be required to refund the unsupported payments.
- (c) This reconciliation, along with a Petty Cash Replenishment Request form, shall be submitted to the Head of Finance and Accounting Officer for review and approval.

17.22.9 The Petty Cash imprest cannot be used for the following:

- (a) Payments for personnel services that would be considered wages, personal loans, salary advances or payments to independent contractors. Such payments shall be paid either through the payroll

	<p>system as wages or through the normal cheque and payment Instructions payments procedure; and</p> <p>(b) Staff shall not be allowed to cash personal cheques or <i>borrow from petty cash</i>.</p> <p>17.22.10 The following procedures apply to custody of petty cash fund:</p> <p>(a) The petty cash fund shall be kept in the office cash safe under lock and key at all times.</p> <p>(b) The Head of accounts shall carryout regular surprise cash counts on the petty cash fund.</p> <p>(c) The Head of accounts or his /her delegate shall conduct periodic cash counts and reconcile with petty cash records the results of which shall be documented in a petty cash certificate.</p> <p>(d) At a minimum, the petty cash count shall be carried out once at the end of every month. A petty cash count form shall be used for this purpose.</p> <p>(e) The Head of accounts shall report any variance to the Accounting Officer in writing who shall cause the necessary remedial action.</p>
<p>17.23 Internal Controls on Bank and Cash Management</p>	<p>17.23.1 The following internal controls shall apply to management of cash and bank within the votes:</p> <p>(a) Cash deposits must be banked intact with 24 hours of receipt.</p> <p>(b) Cash receipts must be properly safeguarded prior to deposit through the use of adequate physical security (e.g. safes, locking cabinets, etc.).</p> <p>(c) Access to cash receipts shall be limited and restricted to only designate employees.</p> <p>(d) Copies of the bank deposit slips shall be maintained for all bank deposits.</p> <p>(e) Upon suspicion of fraud or theft relating to bank or cash, staff shall immediately notify the appropriate personnel (i.e. management and law enforcement).</p> <p>(f) All safes and cash-boxes must be obtained through the Head of Finance who shall keep a register of Safes and Cash-boxes clearly showing the location of each and the officer responsible. The register shall also indicate</p>

number of keys (includes duplicates), per safe or cash-box and their deposits and withdrawals.

- (g) An officer holding the key to a safe or cash-box is personally responsible for its safe custody.
- (h) Where an officer holding the key to an entity's safe or cash-box hands over the key to another officer, the contents of the safe, a cash count shall be carried out as part of hand over procedure.
- (i) It is the responsibility of the officer handing over a key to ensure that his or her successor is informed of the identity of any other key-holders and the location of the duplicate key.
- (j) The loss of the key of any safe, strong-room or cash-box, or any other equipment, shall be reported immediately to the Accounting Officer, the Head of Finance and Head of Internal Audit and the officer's immediate superior with a full explanation of the loss and any other key holders must also be informed immediately.
- (k) The duplicate key shall be obtained only to open the safe or cash-box for removal and verification of the contents and the container may not thereafter be used until the lock has been altered and new keys provided.
- (l) Transfer of safes and cash-boxes between departments and other locations shall be approved by the Accounting Officer.
- (m) It is not allowed to keep private money or effects in entity's safes or cash-boxes.
- (n) Every officer in charge of a safe or cash-box shall check the contents daily and report any discrepancy to the Head of Finance and the Internal Audit.
- (o) Petty cash imprest shall not exceed the allowed limits unless otherwise authorized.
- (p) All bank accounts shall be reconciled on a monthly basis and approved by the Head of Finance and Accounting Officer who shall ensure that any differences arising during the reconciliation procedures are followed up and resolved. These monthly reconciliations shall be filed alongside the associated financial statements for audit purposes.

	<p>(q) There shall be adequate segregation of duties between the staff handling reconciliation process and those signing cheques.</p> <p>(r) There shall be segregation of duties between the staff responsible for custody of cheques and signing the cheques.</p> <p>(s) Cash counts shall be carried out on a monthly basis and shall be approved by the Head of Finance & Accounts.</p> <p>(t) The cash on hand as indicated on the cash count certificate shall agree with the petty cashbook balance.</p>
17.24 Contingent Assets	<p>17.24.1 A contingent asset is a probable asset whose occurrence depends on uncertain future occurrence of an event outside the control of the reporting entity.</p> <p>17.24.2 Contingent assets shall not be recognized in the financial statements but shall be disclosed in the financial statements of the votes.</p>
18 Management and reporting of the Contingencies Fund	
18.1 Introduction	<p>18.1.1 The purpose of this section of the Instructions is to–</p> <p>(a) provide for the allocation of monies to the Contingencies Fund;</p> <p>(b) prescribe procedures for accessing monies from the Contingencies Fund;</p> <p>(c) provide for the management and administration of the Contingencies Fund; and</p> <p>(d) provide for accountability for funds appropriated for purposes of the Contingencies Fund through appropriate accounting and reporting</p>
18.2 Establishment of the Contingencies Fund	<p>18.2.1 Subject to Section 26 of the PFMA, there is established a Contingencies Fund to provide funding to respond to natural disasters.</p> <p>18.2.2 The Contingencies Fund shall comprise –</p> <p>(a) An amount equivalent to 0.5% of the appropriated annual budget of Government of the previous financial year.</p> <p>(b) For avoidance of doubt, the appropriated annual budget of Government shall not include any</p>

	<p>supplementary budget of the previous financial year.</p> <p>(c) Such other funds as may be appropriated by Parliament for the purposes of the Contingencies Fund as it may deem necessary.</p> <p>18.2.3 Disasters and associated unforeseen events shall be as declared by Cabinet.</p>
<p>18.3 Conditions for use of the Contingencies Fund</p>	<p>18.3.1 The Contingencies Fund shall be used to provide funding to respond to natural disasters.</p> <p>18.3.2 A withdrawal from the Contingencies Fund, shall be under the following circumstances –</p> <p>(a) where a case of natural disaster causes severe human suffering or material, economic or environmental damage and which results in or is likely to result in the loss of essential services required to meet basic human needs and which</p> <p>(b) cannot be responded to within the available resources from the annual budget or other sources of funds: and</p> <p>(c) creates a compelling need for funding that is in the public interest.</p> <p>18.3.3 The Accountant General shall, within 4 months after withdrawal, prepare for the Minister’s use a report on the Contingencies Fund to be tabled before Parliament in line with Section 26(12) of the PFMA, 2015</p> <p>18.3.4 Parliament may disallow or invalidate a withdrawal from the Contingencies Fund where Parliament determines that the eligibility requirements have not been complied with.</p> <p>18.3.5 A withdrawal that is disallowed or invalidated by Parliament under paragraph 18.3.4 shall be treated as unauthorised expenditure of public money.</p>
<p>18.4 Operation of the Contingencies Fund</p>	<p>18.4.1 Notwithstanding the requirements of Regulation 20(1) of PFMR, the following Instructions shall govern the operation of the Contingencies Fund –</p>

	<p>(a) An appropriation to the Contingencies Fund shall expire and cease to have any effect at the close of the financial year for which it is made.</p> <p>(i) Any balance of any money that is withdrawn from the Contingencies Fund that is not committed by the close of a financial year, shall be repaid into the Contingencies Fund by 31st of July.</p> <p>(ii) For purpose of paragraph 18.4.1 (a) and (i), any unexpended balances (including amounts committed) on the Contingencies Fund by 31st of July shall be repaid to the Consolidated Fund.</p> <p>(b) A report made under Section 18(1)(d) and Section 26(12) (a)-(e) of the PFMA shall follow the format (TF 35) and shall indicate;</p> <p>(i) the date of withdrawal of money from the Contingencies Fund;</p> <p>(ii) the amount withdrawn;</p> <p>(iii) the vote that received the funds;</p> <p>(iv) the purpose of the expenditure; and</p> <p>(v) An explanation confirming that the withdrawal complies with the requirements of both the PFMA and PFMR.</p> <p>(c) The Accountant General may operate such accounts as may be deemed necessary for the Contingencies Fund. For the avoidance of doubt, the Accountant General may or may not necessarily operate a separate bank account for purposes of managing the Contingencies Fund.</p> <p>18.4.2 The Accountant General shall, for every financial year, prepare and submit to the Auditor General the accounts of the contingencies fund using the accounting standards prescribed under Instruction 5.2 of these Instructions and the report formats specified by the Accountant General.</p> <p>18.4.3 The Auditor General shall in accordance with the National Audit Act, make a report to the Parliament on accounts of the Contingencies Fund.</p>
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	18.4.4 The amount withdrawn from the Contingencies Fund shall be linked to a specific programme in a vote.
18.5 Withdrawal and Utilization of Funds from the Contingencies Fund	<p>18.5.1 The Minister or Head responsible for a vote that requires financing from the Contingencies Fund shall comply with the following procedure:</p> <ul style="list-style-type: none"> (a) A written request shall be made to the Minister indicating: - <ul style="list-style-type: none"> i) The recipient of the funding, the amount required and the purpose for which the funding is required. ii) Justification of why the funding cannot be delayed to another financial year. iii) Confirmation of the approval of cabinet as required under paragraph 18.2.3 above. (b) The Minister shall in consultation with the Secretary to the Treasury request for a grant of credit from the Auditor General (c) The Minister shall issue a warrant to the Accountant General in accordance with the PFMA. (d) The Accountant General shall advance the funds requested to the Accounting Officer. (e) The authority to make payments shall be given by the Accounting Officer of the vote receiving the advance from the Contingencies Fund; (f) No commitment shall be made beyond the advance authorized; (g) The Accounting Officer shall prepare and submit an accountability report for the funds advanced to the Accountant General within 60 days upon completion of the activity; and (h) Any unexpended balances shall be refunded to the Contingencies Fund immediately on completion of the activity or at the end of the financial year which ever comes earlier.
18.6 Accountability for the Contingencies Fund	18.6.1 For purposes of Regulation 20(2) of the PFMR, the report submitted by the Accounting Officer on completion of the execution of an activity shall be prepared using TF 36 .

	<p>18.6.2 The Accountant General shall prepare accounts of the Contingencies Fund within three months after the end of the financial year in accordance with Regulation 26(15) of the PFMR. The accounts shall follow the Instructions provided under chapters 5 and 19 of these Instructions.</p>
<p>19 Financial Reporting in Government</p>	
<p>19.1 Introduction</p>	<p>19.1.1 This Part of the Treasury Instructions is in accordance with Section 51 of the PFMA and provides for the financial reporting of Government accounts and is critical to the financial and economic information Government is required to manage its finances.</p> <p>19.1.2 The financial reports provide information to: –</p> <ul style="list-style-type: none"> (a) assess the Government’s overall financial position and condition; (b) evaluate the Government’s performance and its on-going ability to deliver the existing level of services; (c) predict the timing and volume of cash flows and future cash and borrowing requirements; (d) assess the government’s ability to meet its obligations, both short and long item; and (e) distinguish Government activities in terms of operating, financing and investment.
<p>19.2 Planning for the Preparation of Annual Financial Statements</p>	<p>19.2.1 Year-end procedures for closure of accounts shall include, as a minimum: -</p> <ul style="list-style-type: none"> (a) Extracting trial balances. (b) Performing reconciliations and passing end of year adjustments. (c) Preparing a draft of the financial statements specified in Instruction 19.3 of these Instructions using the Financial Reporting Templates (FRTs) issued by the Accountant General; (d) Submission of draft financial statements to the Accountant General for quality assurance and obtaining feedback;

	<p>(e) Final submission to Accountant General and to Auditor General.</p> <p>19.2.2 Based on the year-end procedures issued by the Accountant General, the head of finance and accounts of a vote shall prepare an annual financial statements preparation plan that covers the following activities;</p> <ul style="list-style-type: none"> (a) annual asset (and inventory) count including activities for updating and reconciling the asset register; (b) commencement and completion of external audit including audit steering committee meetings (only for managing external audit); (c) audit committee meetings and the distribution of information to the audit committee; (d) identification and collection of information on commitments and accruals; (e) preparation of comparative information (including opening balances); (f) year-end reconciliations on control accounts, including bank accounts, and suspense accounts; (g) compilation of schedules, working papers and audit file; (h) compilation of draft and final (after audit adjustments) financial statements; (i) process for correcting errors identified during management review and audit; (j) review by management (including internal audit) of the draft financial statements; (k) process for identifying related parties and related party transactions requiring disclosure; (l) process for identifying events after reporting dates requiring disclosure or adjustments to the financial statements; and (m) analysis and response to management letter issued by the Auditor General.
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	<p>19.2.3 For purposes of paragraph 19.2.2 above, the year –end procedures shall be issued in a timely manner and in any case, this shall be done not later than the 1st working day of the last month of the financial year (see Instruction 19.5 of these Instructions).</p>
<p>19.3 Complete Set of Financial Statements</p>	<p>19.3.1 Pursuant to Section 51 of the PFMA and the associated schedule, a complete set of financial statements of a vote shall contain, at a minimum, the following:</p> <ul style="list-style-type: none"> (a) Statement of financial performance showing revenues and expenditures; (b) An appropriation statement comparing budget against actual out-turn; (c) Statement of outstanding commitments; (d) Statement of financial position showing assets and liabilities; (e) Statement of cash flows; (f) Statement of revenues comparing the estimate of the revenues and actual revenue collected with an explanation of the variances between the revenues collected and the amount estimated. (g) Statement of accounting policies applied in preparing and presenting the financial statements; (h) Disclosure notes and schedules relevant to enhancing fair presentation of the statements; (i) Information on service delivery units under the management and control of the local governments. <p>19.3.2 A complete set of financial Statements shall be accompanied by the following:</p> <ul style="list-style-type: none"> (a) Bank statements and certificates of balances of all entity accounts from the Bank(s) (b) Bank Reconciliation Statements and supporting copies of bank statements for the entity (c) Cash/Petty cash count certificates (TF 37) (d) Detailed schedules of debtors (arrears of revenue) and other receivables, creditors and other payables (e) A statement of physical assets extracted and reconciled to the fixed asset register and summary of inventory

	<ul style="list-style-type: none"> (f) Summary of investments made by the entity to date (g) Summary of contingent liabilities (h) Trial balance (i) A statement showing the progress of implementation of Auditor General and Internal Audit recommendations (j) Any other schedule that shall enhance easy understanding of the financial statements. <p>19.3.3 The Accountant General may from time to time revise the format and content of the complete set of financial statements and the required disclosures and schedules, to ensure consistence with the Accounting Standards adopted by Government.</p>
<p>19.4 Month End Period Procedures</p>	<p>19.4.1 Before closing the in-year books of accounts, month end procedures shall be undertaken by votes to ensure completeness, accuracy of financial statements on a monthly basis.</p> <p>19.4.2 The Accounting Officer and the Head of Finance and Accounts of a vote, shall ensure that monthly financial reports of their entity are prepared in a timely manner, are complete in all material aspects and adhere to:</p> <ul style="list-style-type: none"> (a) the provisions of the PFMA, PFMR and these Instructions; (b) applicable accounting policies and the financial reporting templates; <p>19.4.3 The Head of Finance and Accounts shall ensure that the monthly financial statements prepared are duly certified by signing and stamping before filing for future reference. The half-year financial statements shall be submitted to the Accountant General as required by Section 50(1) of the PFMA.</p> <p>19.4.4 As part of the month end procedures, the Accounting Officer and the Head of Finance and Accounts of the vote shall carry out a quality review of the financial statements of the entity to confirm their accuracy and comprehensiveness.</p> <p>19.4.5 The quality review process is meant to enhance the quality of the financial statements being prepared by the votes and in turn enhance accountability. It is therefore</p>

important that all the stakeholders involved in the review process carryout their duties with diligence.

19.4.6 In order to assist the Accounting Officer and the Head of Finance and Accounts to review the financial statements of the vote, the table below provides a step-by-step quality review checklist that can be tailored to suit the entity depending on nature of operation.

Ref no.	Quality review areas – Ensure the following:	How does this help?
1	The accountant has provided a Trial Balance from the financial management system used by your entity relating to the period being reported.	Ensures that the financial statements are adequately supported by the underlying records.
2	The Trial Balance includes all bank accounts maintained by the institution.	Ensures that the financial statements are complete and all bank accounts maintained by the entity are included in the report.
3	All cashbooks are supported by a bank reconciliation statement which has no errors.	Ensures that the cashbooks are accurate. Ensure that deposit in transits and outstanding payments are explained and there are no stale cheques. Where there is unreconciled difference on bank reconciliation, explanation of the exact nature of the difference shall be provided in writing.
4	The petty cash balance is supported by a petty cash count certificate and attached to the financial statements.	Ensures that petty cashbook balance is accurate and ties to physical cash available and doesn't exceed the limit.

	5	Opening balances on the Standard Template match the closing balances of the previous financial year and any change is properly explained and all prior year adjustments are properly supported.	Ensures that no changes were made in the previous year without the approval of the Accounting Officer and any change is properly explained in the notes to financial statements.
	6	Cash transfers and direct payments from Treasury have been reconciled.	Ensures that the cash transfers and direct payments from Treasury have all been accounted for.
	7	Inter-entity account balances including accounts receivables and payables are verified with the counterpart entity and a reconciliation statement provided for any difference.	Ensures that the inter-entity transactions have been properly accounted for and amount transferred or received has been confirmed by the receiving or sending entity.
	8	<p>(a) Accounts payables and receivables (debtors and creditors) are explained in a note to the Financial Statements and a complete list containing the details of the accounts payables and receivables is included in the financial statements.</p> <p>(b) Fixed assets in the fixed asset register verified and those included in the statement of financial position (SFP) fully reconciled with the General ledger</p>	<p>(a) Ensures accuracy and completeness of payables and receivables by critically reviewing the list of debtors and creditors and comparing them to outstanding invoices and receipts.</p> <p>(a) Ensures existence and completeness of all fixed assets of a vote and the accuracy of the amounts carried in the SFP.</p>
	9	Financial statements are prepared in accordance with	Ensures that the financial statements

		<p>the format issued by the Accountant General and notes to the financial statements are accurate and correspond to the main financial statements.</p>	<p>figures are well supported and explained and notes are agreed to the amount contained in statement of revenues and expenditures, and statements of financial assets and liabilities.</p>
	11	<p>The financial report is prepared on time for review by Accounting Officer to allow for timely submission to Accountant General in case of the half year and annual financial statements.</p>	<p>This ensures compliance to statutory deadlines and ownership of the financial statements by the entities.</p>
<p>19.5 End of Financial Year Procedures</p>	<p>19.5.1 In accordance with Section 17 (1) of the PFMA, appropriation of public funds by Parliament for a financial year automatically expire at the end of that year. All warrants including expenditure limits issued under the appropriation and still have unexpended balances lapse and cease to have any effect beyond the financial year. This means that any unexpended balances under any warrants/expenditure limits that have expired are not available for commitments in the new financial year and any unutilized funds must be repaid back to the Consolidated Fund Bank Account.</p> <p>19.5.2 Section 51(1) of the PFMA requires an Accounting Officer of a vote and a Local Government to submit financial statements to the Auditor General and Accountant General within two months after the end of each financial year.</p> <p>19.5.3 Further, Section 52 (1) and Schedule 5 of the PFMA requires the Accountant General to prepare and submit consolidated Financial Statements of Government to the Auditor General and the Minister responsible for Finance at the end of every financial year within a period of three months.</p> <p>19.5.4 Accordingly, and in addition to the month end procedures outlined in Instruction 19.4 above, votes</p>		

shall follow the following procedures to ensure that appropriate end of financial year activities are undertaken to enable timely preparation of Government Consolidated Financial Statements of the financial year and also ensure a smooth transition to the new financial year;

19.5.4.1 Ensure that all requisitions and purchase orders are closed (approved, delivered/received and matched) so that no commitments remain outstanding at close of the financial year. Outstanding commitments /encumbrances or any unused funds shall be extinguished at the close of the financial year and shall not be carried forward to the following financial year.

19.5.4.2 Under the PFMA, Accounting Officers are prohibited from issuing LPOs/committing funds in a new FY on activities relating to the preceding financial year and therefore any requisitions and purchase orders that remain open at the end of the financial year shall be cancelled.

19.5.4.3 All invoices are processed through the GFMIS and fully accounted for by the close of the financial year ensuring that the accounts payable suppliers' ledgers are reconciled with the General Ledger without any discrepancy.

19.5.4.4 EFT payment Instructions are processed to clear all pending invoices by the end of the financial year and where there are instances of EFT Instructions that are returned unpaid because for instance, the suppliers' bank account details are not correct, such payments Instructions shall be cancelled by the Treasury and the concerned votes notified accordingly. Where necessary the underlying invoices may need to be cancelled. Upon any cancellation, the following entries shall be passed.

a) If the invoice or payment cancellation date (current date) is in the same financial year in which the cancellation is made, no further action shall need to be taken upon cancellation of the invoice.

b) Where the invoice or payment is cancelled in the subsequent financial year, an encumbrance journal entry shall be passed by debiting the charge account. This entry shall ensure that the Invoice charge account is not availed with funds in the preceding financial year with the credit entry that is generated upon cancellation of the invoice.

19.5.4.5 No expenditure shall be recorded against non-budgetary accounts except with proper approval. It is however possible to have unpaid invoices at the end of the financial year to the extent that the accounting warrant issued during the year was not sufficient to cover all obligations. Invoices falling under this category shall constitute expenditure arrears and shall be treated in accordance with Instruction 10.16 of these Instructions. It is important to note that all expenditure arrears must be captured in the GFMIS and reported on by the concerned vote.

19.5.4.6 Ensure that any advances or prepayments made during the financial year are fully accounted for by the end of the financial year. A “*prepayments status*” report shall be generated from the GFMIS and reviewed to confirm that all prepayments are cleared. The Treasury shall not effect any payments to any vote that has outstanding advances/prepayments beyond the close of the financial year in which they were issued.

19.5.4.7 Ensure that all receipted revenue is fully accounted for and posted to the general ledger (GL) with no discrepancies between the GL and the Accounts Receivable ledgers. Any discrepancies must be investigated and resolved without exception.

19.5.4.8 Reconcile all types of revenue collected by Uganda Revenue Authority against returns/statements submitted by the URA, to ensure all revenue collected is fully accounted for.

	<p>19.5.4.9 Ensure that bank reconciliations for the financial year are prepared accurately and duly certified by the Accounting Officer and Head of finance andAccounts. Any unexplained differences between the cash book balance and bank statement shall be investigated and resolved accordingly. All bank reconciliations including the investigations of the outstanding items shall be concluded not later than the 5th day following the end of the financial year. In no circumstances, shall the Accountant General accept financial statements submitted by the votes where the associated bank reconciliation statements have unresolved differences.</p> <p>19.5.4.10 Ensure that all pending dossiers for virements and warrants are processed to completion or rejected</p> <p>19.5.4.11 Ensure that the following financial reports are reviewed for completeness and accuracy before closing the financial year;</p> <ul style="list-style-type: none"> a) Trial Balance – any balances appearing under any systems accounts must be cleared as these reflect incompleteness of the financial records. b) Statement of financial position c) Statement of financial performance d) Appropriation Account e) General Ledger Reconciliation Report f) Notes to the Accounts.
<p>19.6 Boards of Survey</p>	<p>19.6.1 Boards of Survey shall be appointed in accordance with the requirements of Regulation 37 of the PFMR for the examination and physical inspection of the assets, stores, cash, and bank balances and books of accounts of the Accountant General or the vote.</p> <p>19.6.2 The annual Board of Survey of a local government or foreign mission may be appointed by the Accountant General on the advice of the Accounting Officer of the Local Government or Foreign Mission.</p>

	<p>19.6.3 The Secretary to the Treasury or the Accountant General, as the case may be, may appoint Boards of Survey at any other time in each financial year to conduct surprise surveys.</p> <p>19.6.4 For purposes of Section 34(3) of the PFMA, an Accounting Officer may at his or her discretion, appoint Boards of Survey to conduct surprise surveys of the assets and inventories of a vote.</p> <p>19.6.5 In accordance with Section 34(5) of the PFMA, a Board of Survey shall comprise of at least two public officers, one of whom shall be designated as Chairperson by the Secretary to the Treasury, the Accountant General or Accounting Officer as appropriate; however, no public officer so appointed shall have any responsibility for the balances or stocks which he or she is required to check.</p> <p>19.6.6 The Secretary to the Treasury, the Accountant General, or Accounting Officer who appoints a Board of Survey shall notify the public officers concerned in writing of their appointment as Chairman and member or members respectively of the Board of Survey and send a copy of the letter of appointment to the Internal Auditor General and where appropriate, to the Secretary to the Treasury or the Accountant General.</p> <p>19.6.7 Where a public officer is unable to serve on a Board of Survey, he or she shall notify the appointing authority forthwith stating the reason for his or her inability to serve, and if the reason is acceptable to the appointing authority, a replacement public officer shall be appointed.</p> <p>19.6.8 Each Board of Survey shall at the conclusion of the Survey, submit a report to the appointing authority in the form specified by the Accountant General and in accordance with the terms of reference of the Board.</p> <p>19.6.9 The appointing authority shall be responsible for ensuring that the duties assigned to the Board of Survey are effectively discharged, and appropriate action taken for any failure on the part of the Board to discharge its duties properly.</p>
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	<p>19.6.10 Accounting Officers shall follow up and implement the recommendations of the Boards of Survey as they apply to their respective votes.</p> <p>19.6.11 The typical duties of the annual and surprise Boards of Surveys are described in Appendix D.</p>
<p>19.7 Interim Financial Statements (In-year Reporting)</p>	<p>19.7.1 An Accounting Officer shall prepare and submit half year financial statements to the Accountant General by 15th February and shall submit such reports and within such time as the Accountant General may require.</p> <p>19.7.2 The interim financial statements shall be accompanied by a mid-year budget execution report and narratives indicating the extent to which expenditure outcomes helped achieve predetermined objectives.</p> <p>19.7.3 The Accountant General shall prepare and submit half year consolidated financial statements to the Secretary to the Treasury by 15th March of that financial year.</p>
<p>19.8 Quarterly Reporting on Budget Execution</p>	<p>19.8.1 The Accounting Officer of a vote must each quarter submit to the Secretary to the Treasury with a copy to the Accountant General and in the prescribed format, the actual revenue and expenditure for the preceding quarter and the amounts anticipated for that quarter.</p> <p>19.8.2 The Accounting Officer shall submit to the Secretary to the Treasury with a copy to the Accountant General;</p> <ul style="list-style-type: none"> (a) the budget execution information for that quarter; (b) a projection of expected expenditure and revenue collection for the remaining period of the current financial year; (c) where necessary, an explanation of any material variances; and (d) a summary of the steps that are to be taken to ensure that the projected expenditure and revenue remain within budget. <p>19.8.3 The Accountant General shall issue quarterly budget execution reporting templates that integrate financial and non-financial information so as to compare programme performance against predetermined objectives.</p>

	<p>19.8.4 If an Accounting Officer is unable to comply with any of the responsibilities assigned to Accounting Officers under this Instruction, the Accounting Officer shall promptly report the inability, together with reasons, to the Secretary to the Treasury.</p>
<p>19.9 Annual reports of Accounting Officers</p>	<p>19.9.1 Accounting Officers shall produce annual reports within two months of the end of the financial year, on the activities and achievements of goals as expressed in budgetary outputs and sub outputs.</p> <p>19.9.2 The annual financial statements shall form part of the annual report of the vote.</p> <p>19.9.3 The Accounting Officer action reports referred to under paragraph 19.10.3 in respect of the Auditor General’s report of the preceding financial year shall also be included in the annual reports of their votes.</p> <p>19.9.4 The format of the annual report shall be communicated to the votes by the Secretary to the Treasury and may consist of, a one-page summary of the vote’s commitment; statements by the vote’s leadership, select highlights, performance information, details of the vote’s work force and capacity building initiatives, and financial statements that shall include;</p> <ul style="list-style-type: none"> (i) report of the audit committee signed by the chair (ii) report of the Auditor General (iii) report of the Accounting Officer (iv) annual financial statements (v) action report on recommendations from Parliament arising out of the Auditor General’s report.
<p>19.10 Preparation and Submission of the Treasury Memoranda</p>	<p>19.10.1 Pursuant to Section 13(11)(b) of the PFMA and for purposes of Section 53 of the PFMA, Accounting Officers shall be required to prepare an improvement plan seeking to address the recommendations of Parliament arising out of financial management weaknesses identified in the Auditor General’s report and management letters in respect of the statutory audit of the vote.</p> <p>19.10.2 Preparation and submission of a financial management improvement plan shall form part of a key performance area of an Accounting Officer who</p>

	<p>shall benefit from the technical support of the head of finance and programme managers assigned to the vote.</p> <p>19.10.3 Within 3 months from the date of Parliament's consideration of the report of the Auditor General, each Accounting Officer shall prepare and submit to the Secretary to the Treasury an action report/financial improvement plan showing the extent to which the recommendations of Parliament arising out of the Auditor General's report have been addressed. The Accountant General shall review and collate all the actions and prepare a treasury memorandum addressed to the Minister through the Secretary to the Treasury, for submission to Parliament within six months from the date of Parliament's consideration of the report of the Auditor General in accordance with Article 163(5) of the Constitution. The format of the Treasury memorandum shall be as specified by the Secretary to the Treasury.</p>
<p>19.11 Reporting on the Petroleum Fund</p>	<p>19.11.1 The Accountant General shall;</p> <ul style="list-style-type: none"> (a) Maintain proper books of accounts and proper records of the petroleum fund in accordance with chapter 20 of these Instructions. (b) Submit semi-annual and annual financial statements to the Minister, Secretary to the Treasury and the Auditor General by the 15th of February and 31st of August respectively. <p>19.11.2 The Minister shall;</p> <ul style="list-style-type: none"> (a) not later than 30th September, table before Parliament the estimated petroleum revenue for the financial year, which shall be based on the underlying assumptions including the projected production levels and the average price of petroleum, (b) for every financial year, table before Parliament the financial statements and the semi-annual and annual reports of the petroleum fund which shall include half yearly and annual audited financial statements of the petroleum fund and indicate,

	<ul style="list-style-type: none"> i. the amount transferred to the consolidated fund for the preceding two financial years. ii. the actual inflows and outflows of the petroleum fund. iii. recommendations for the reconciliations and adjustments needed to account for any deviations so that the estimated inflows and outflows of the petroleum fund match the actual of the financial year. <p>19.11.3 The Minister shall cause to be published the reports specified above in newspapers of wide circulation and the Ministry's website.</p>
<p>19.12 Events after the Reporting Date, Accounting Adjustments and Correction of Errors</p>	<p>19.12.1 These are events which could be favourable or unfavourable that occurs between the end of the reporting period and the date that the financial statements are authorised for issue.</p> <p>19.12.2 An event after the reporting period is an adjusting event if that event provides further evidence of conditions that existed at the end of the reporting period, including an event that indicates that the going concern assumption in relation to the whole or part of the entity is not appropriate.</p> <p>19.12.3 An event after the reporting period is a non-adjusting event if that event is indicative of a condition that arose after the end of the reporting period.</p> <p>19.12.4 Financial statements shall only be adjusted for adjusting events. No adjustments shall be made to the financial statements for non-adjusting events. Non-adjusting events shall however be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions.</p> <p>19.12.5 The required disclosure is;</p> <ul style="list-style-type: none"> (a) the nature of the event and (b) an estimate of its financial effect or a statement that a reasonable estimate of the effect cannot be made.

	<p>19.12.6 An entity shall update disclosures that relate to conditions that existed at the end of the reporting period to reflect any new information that it receives after the reporting period about those conditions.</p> <p>19.12.7 An entity must disclose the date when the financial statements were authorised for issue and who gave that authorisation. If there is any authority that has the powers to amend the financial statements after issuance, the entity must disclose that fact.</p>
<p>19.13 Financial Reporting of New Entities, Mergers, Demergers and closure of votes</p>	<p>19.13.1 A formal handing over report shall be prepared by the votes being merged, demerged or closed. This report shall contain at a minimum all the financial information required under a vote's complete set of financial statements including the status of the financial assets and liabilities, and non-financial assets such as tangible assets as at the effective date of the merger, demerger or closure.</p> <p>19.13.2 For mergers, the report under paragraph 19.13.1 shall be prepared by the Accounting Officer of each of the votes that are being merged and addressed to the incoming Accounting Officer of the newly formed entity upon the merger, the line Minister and to the Secretary to the Treasury.</p> <p>19.13.3 For demergers, the report shall be prepared by the Accounting Officer of the entity being split and addressed to the line Minister and to the Secretary to the Treasury.</p> <p>19.13.4 For closure of entities and projects, the report shall be prepared by the outgoing Accounting Officer or project coordinator in case of projects and addressed to the Accounting Officer of the controlling parent entity, the line ministry and to the Secretary to the Treasury.</p> <p>19.13.5 It is also the responsibility of the outgoing Accounting Officer or the project coordinator of the votes being merged, demerged or closed to ensure that all documentation are handed over to the Accounting Officer of the line Ministry or Agency.</p> <p>19.13.6 The recipient Accounting Officer shall verify the content of the handover report and sign it once</p>

	<p>satisfied that the report content represents the actual situation on the ground.</p> <p>19.13.7 Whereas the report shall include relevant non-financial data that indicates the activities carried out by the vote or project and other relevant information, it shall also, as a minimum, include the following financial information:</p> <ul style="list-style-type: none"> (a) A financial report in the format of the standard reporting template issued reflecting the state of financial affairs as at the merger, demerger or closure date; (b) A breakdown of cash balance that existed as at the merger, demerger or closure date. This balance shall be supported by a duly signed cash certificate; (c) A breakdown of bank balances showing the names of various banks as at the merger, demerger or project closure date. This shall be supported by bank reconciliation statements and copies of bank statements for each of the bank accounts; (d) A breakdown of any accounts receivables as at merger, demerger or closure date; (e) A breakdown of accounts payables as at the merger, demerger or closure date; and (f) A fixed asset register and an inventory register as at the merger, demerger or closure date. (g) List of investments made, contingent liabilities, contingent assets, guarantees, and any other financial information deemed necessary. (h) The accounting officer shall provide a brief analytical review narrative of the impact of merging and de-merging of governmentcontrolled entities. (i) The Accountant General shall issue a guide specifying the process to be followed when there is a merger or de-merger of entities. <p>19.13.8 Notwithstanding paragraphs 19.13.1 – 19.13.7 above, The Secretary to the Treasury shall issue specific guidelines for the financial reporting for any new entity, mergers, de-mergers and closure of any vote.</p>
<p>20 Reporting and accountability for the effective management of the Petroleum Fund</p>	
<p>20.1 Establishment of the</p>	<p>20.1.1 Pursuant to Section 56 of the PFMA and for the purpose of ensuring greater transparency and accountability, the</p>

<p>Petroleum Fund as a Government Reporting Entity</p>	<p>petroleum fund into which all petroleum revenues that accrue to Government are to be paid, shall be operated as a separate accounting and financial reporting entity of the government with all its transactions processed through the GFMIS.</p> <p>20.1.2 In line with Section 60 of the PFMA, the Accountant General shall be the Accounting Officer of the Petroleum Fund.</p> <p>20.1.3 In general, and to the extent possible, the Instructions in this manual relating to the votes shall apply to the management of receipts into and disbursements from the Petroleum Fund.</p>
<p>20.2 Collections and Deposit of Petroleum Revenues into the Petroleum Fund</p>	<p>20.2.1 Under Section 57(1) of the PFMA, the (URA) is mandated to collect or receive any petroleum revenue due to the government on behalf of the Government of Uganda. Such revenue collections shall be brought to account by the Accountant General in the books of the petroleum fund as follows;</p> <p>(a) URA shall submit monthly returns (including a revenue accountability statement), to the Minister, Secretary to the Treasury and Accountant General not later than the 7th day following the end of month.</p> <p>(b) On the basis of the returns, Treasury shall make the following entries to recognize the revenue collected.</p> <div style="background-color: #e0e0e0; padding: 5px; margin: 10px 0;"> <p>Dr: URA Petroleum Revenue Collection Account (3216XX)</p> <p>Cr: Appropriate Revenue Account (1XXXXX).</p> </div> <p>Note: For the avoidance of doubt, the above entries can be generated electronically through an interface between the URA revenue collection system and the GFMIS.</p> <p>(c) On receipt of the credit advice or daily bank statements from the Bank of Uganda of the transfers made by the URA to the Petroleum Fund Bank Account, the Treasury shall make the following entries:</p>

Dr: Petroleum Fund Bank Account (321112)
Cr: URA Petroleum Revenue Collection Account (321604)

20.2.2 Monthly reconciliations shall be carried out by the Accountant General of the URA Petroleum Revenue Collection Account to ensure that the revenue collected is promptly and fully accounted for. Any balance standing to the debit of the URA petroleum revenue collection Account at the end of the financial year shall represent petroleum revenue collections yet to be transferred to the "Petroleum Fund" and shall be reflected as a receivable in the Statement of financial position of the petroleum fund.

20.2.3 In accordance with Section 57(1) of the PFMA, URA shall take reasonable steps of ensuring that the petroleum revenue due to the government is correctly assessed and collected promptly.

20.2.4 Where a person does not make payment by the due date, a surcharge shall be paid as a penalty as specified under Section 57(3) of the PFMA and the Accountant General shall be required to pass the following entries in the books of account for the petroleum fund.

- (a) Upon receipt of monthly return from URA by the Treasury, showing penalties levied.

Dr: Penalties accrued and payable to Government (3XXXXXX).

Cr: Penalties levied (1XXXXXX).

(See paragraphs 5.2.2 (f) and 9.17.1)

- (b) Upon payment/collection of the penalties by the URA;

Dr: URA Petroleum Revenue Collection Account (321604)

Cr: Penalties accrued and payable to Government (3XXXXXX)

(c) Upon the transfer of funds paid in respect of penalties to the Petroleum Fund Bank Account:

Dr: Petroleum Fund Bank Account (321112)

Cr: URA Petroleum Revenue Collection Account (321604)

20.2.5 It is possible for the Government to accept petroleum instead of cash from production as prescribed in Section 57(4) of the PFMA. In line with Section 57(5) of the PFMA, the National Oil Company shall receive and record the petroleum delivered and shall submit a copy of the record to the Minister, URA, the Secretary to the Treasury, the Accountant General, Internal Auditor General and the Auditor General. The record shall include, at a minimum;

(a) Invoice and delivery documents for the petroleum delivered and received by the National Oil Company. The documents shall clearly indicate the value of petroleum revenue involved.

(b) A certificate issued by the National Oil Company acknowledging the receipt of the petroleum

20.2.6 Upon receipt of a copy of the delivery documents specified in paragraph 20.2.5 above, the Accountant General shall pass the following accounting entries in the books of account of the petroleum fund;

Dr: Petroleum reserves with the National Oil Company (3XXXXX)

Cr: Appropriate revenue items (1XXXXX).

20.2.7 Upon disposal of the petroleum received, the proceeds shall be collected by the URA and included in the monthly returns (**see paragraph 20.2.1**) submitted to the Treasury indicating how much was received and paid into the petroleum fund. Based on the returns, the Accountant General shall pass the following entries to recognise the revenue collections by the URA in the books of account of the petroleum fund;

Dr: URA Petroleum revenue collection account – at Market Value (321604)

	<p>Cr: Petroleum reserves with the National Oil Company – at historical cost (3XXXXXX)</p> <p>Cr: Profit(Loss) on disposal of the reserves</p> <p>20.2.8 To minimise losses arising out of price changes, the National Oil Company shall ensure that the disposals are done in a reasonable time.</p> <p>20.2.9 On the transfer of the petroleum revenue collections under paragraph 20.2.7 to the petroleum fund bank account above and upon confirmation by the Treasury that funds were paid, the Accountant General shall raise the following accounting entries in the books of the fund;</p> <p>Dr: Petroleum fund bank account (3211XX)</p> <p>Cr: URA Petroleum revenue collection account (321604)</p> <p>Monthly reconciliations shall be carried out by the Treasury of the URA Petroleum Revenue Collection Account and the Petroleum reserves account with the National Oil Company to ensure that the revenue collected and petroleum reserves that exist with the National Oil Company are promptly and fully accounted for. Any debit balance on the petroleum reserves account shall represent the stocks of petroleum existing with the National Oil Company.</p>
<p>20.3 Withdrawals from the Petroleum Fund</p>	<p>20.3.1 Subject to Section 58 of the PFMA, authority for the release of funds from the petroleum fund shall be obtained as follows:</p> <p>(a) For each release of funds, a treasury requisition (TF 38) shall be made by the Minister and addressed to the Auditor General for issue of a warrant for the withdrawal of funds from the Petroleum Fund. As prescribed in sections 58(a) and (b) of the PFMA, the treasury requisition shall only be raised to transfer funds:</p> <p>(i) To the Consolidated Fund, to support the annual budget; and</p>

	<p>(ii) To the petroleum revenue investment reserve, for investments to be undertaken in accordance with Section 63 of the PFMA.</p> <p>(b) The warrant issued by the Auditor General shall be conveyed to the Minister who shall in turn authorise the Accountant General to proceed and transfer the amount of funds involved from the Petroleum Fund.</p> <p>(c) No release or withdrawal of funds shall be made from the petroleum fund account without the authority of the Auditor General and the Minister.</p> <p>20.3.2 Upon authorization by the Minister and depending on whether the transfer is to be made to the Consolidated Fund or Petroleum Revenue Investment Reserve, the Accountant General shall make the supply of funds to the credit of the designated beneficiary bank account. Simultaneously, the Accountant General shall record the transfers in the books of the Petroleum Fund as follows:</p> <p><u>Transfers to the Consolidated Fund</u></p> <p>Dr: Transfers to the Treasury (Consolidated Fund A/C) (26XXXX)</p> <p>Cr: Petroleum Fund bank account (32XXXX)</p> <p><u>Transfers to bank of Uganda in respect of the Petroleum Revenue Investment Reserve</u></p> <p>Dr: Petroleum Revenue Investment Reserve – Investment A/C (Bank of Uganda) (2XXXXX)</p> <p>Cr: Petroleum Fund bank account (32XXXX)</p> <p>With the transfer of funds to the Consolidated Fund, the Accountant General shall also ensure that appropriate entries are made in the Treasury’s books to the credit of the consolidated fund as follows;</p> <p>Dr: Consolidated Fund Bank A/C – (32XXXX)</p> <p>Cr: Transfers-Petroleum Fund Transfers (Capital-133xxx)</p>
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	<p>No further entries shall be made in books of the Treasury for transfers to the petroleum revenue investment reserve as this is recorded as an investment in the books of the Treasury and dealt with by the Bank of Uganda thereafter.</p> <p><u>Transfers to the Petroleum Fund Bank Account from the Bank of Uganda Petroleum Revenue Investment Reserve;</u></p> <p>With the prior approval of Parliament, funds may be transferred from the Petroleum Revenue Investment Reserve at the Bank of Uganda to the Petroleum Fund Bank Account with the Treasury. In this case, the Accountant General shall pass the following entries in the books of the petroleum fund;</p> <p>Dr: Petroleum Fund bank account (32XXXX)</p> <p>Cr: Petroleum Revenue Investment Reserve – Investment A/C (Bank of Uganda) (1XXXX)</p> <p>20.3.3 Section 59(6) and 62(3) of the PFMA requires that any balance of money in the Petroleum Fund after appropriation to the consolidated fund shall be transferred to the Petroleum Revenue Investment Reserve and in line with Section 59(7) of the PFMA any return on the balances invested shall be paid into the petroleum fund. Such returns shall be accounted for in the books of the petroleum fund as follows;</p> <p>Dr: Petroleum Fund Bank A/C – (32XXXX)</p> <p>Cr: Investment income (1XXXX)</p>
<p>20.4 Records and Books of Account to be Maintained by the Petroleum Fund</p>	<p>20.4.1 Under Section 60 of the PFMA, the Accountant General is required to maintain proper books of accounts and records for the Petroleum Fund. In general, and as far as may be relevant, the Instructions in this manual shall apply to the records and books of account to be maintained by the petroleum fund. All entries in the books of account of the petroleum fund shall be supported by adequate documentation in line with the Instructions of this manual.</p> <p>20.4.2 Specifically, the following schedules shall be maintained by the Fund.</p>

	<ul style="list-style-type: none"> (a) A schedule of the amount of petroleum revenue collected by URA and not yet remitted to the Petroleum Fund. (b) A schedule of amounts collected and transferred to the Petroleum Fund by URA; This shall be supported by a Revenue Accountability statement clearly reconciling the amounts collected and the actual amount transferred to the credit of the Petroleum Fund Account. (c) A schedule of income earned from the investment of balances in the Petroleum Fund (un appropriated) and appropriated balances not drawn down transferred to the Petroleum Revenue Investment Reserve. (d) A schedule of withdrawals from the Petroleum Fund categorized between transfers made to the Consolidated Fund and those made to the petroleum revenue investment reserve. (e) A schedule of receipts and sales of petroleum received by the National Oil Company instead of cash. The movements in the petroleum stock shall be reconciled with the actual stock.
<p>20.5 Financial Statements to be Prepared for the Petroleum Fund</p>	<p>20.5.1 In accordance with Section 60(b) of the PFMA, the Accountant General shall prepare and submit semi-annual and annual financial statements to the Minister, Secretary to the Treasury and the Auditor General by the 15th of February and the 31st of August, respectively.</p> <p>20.5.2 Without prejudice to the Instructions in paragraph 20.5.1 above, monthly financial statements shall be prepared with a copy of the statements submitted to the Secretary to the Treasury not later than the 7th day following the end of month.</p> <p>20.5.3 The accounting policies specified under Instruction 5.2 shall apply and also follow the formats of the financial statements specified by the the Accountant General.</p>

<p>20.6 Semi-annual and Annual Reports for the Petroleum Fund</p>	<p>20.6.1 In accordance with Section 61(b) of the PFMA, the Minister is required to table before Parliament, the semi-annual and annual reports of the Petroleum Fund by 30th April and 31st December respectively indicating;</p> <ul style="list-style-type: none"> (a) The amount transferred to the Consolidated Fund, for the preceding two financial years. (b) The actual inflows and outflows of the petroleum fund (c) The volume and values of the petroleum produced (d) The source of the petroleum revenue <p>20.6.2 The semi-annual/ annual reports of the Petroleum Fund shall also take into account the requirements of paragraph 19.9.4 as may be applicable. Importantly, the semi-annual and annual audited financial statements submitted under Section 60(b) of the PFMA by the Accountant General shall form part of the semi-annual and annual reports respectively.</p> <p>20.6.3 The format of the semi-annual/ annual reports shall be prescribed by the Secretary to the Treasury with advice from the Accountant General.</p>
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21 Losses Abandonment of claims and write off of public money & stores

21.1 Introduction

21.1.1 Losses may take the form of cash, stores, claims waived or abandoned, fruitless or nugatory payments, unauthorised or excess payments, loss of books of original entry and any items as determined by the respective Accounting Officer and authorization by the Minister in accordance with Section 35 of the PFMA.

21.1.2 Loss of public resources include;

- (a) Cash Losses.
- (b) Stores losses.
- (c) Losses of public moneys or resources through claims waived or abandoned.
- (d) Losses of public moneys may also occur through fruitless or nugatory payments.
- (e) Loss of books of original entry.

21.1.3 The management of losses shall involve eight stages:

- (a) Reporting of the loss to the Accounting Officers.
- (b) Reporting of the loss to the Secretary to the Treasury, Accountant General, Internal Auditor General and Auditor General.
- (c) Investigation of loss by Accounting Officer.
- (d) Recording the loss in the accounts or memorandum records.
- (e) Reporting the loss to Accountant General copy to Secretary to the Treasury and Internal Auditor General upon investigation by the Accounting Officer.
- (f) Board of Inquiry by Secretary to the Treasury.
- (g) Recovery or write-off of the amount of the loss.
- (h) Submission of Annual Statement of Losses to the Accountant General.

<p>21.2 Control and Accounting Objectives.</p>	<p>21.2.1 To ensure that losses detected are recorded in appropriate registers and reported in the accounts immediately.</p> <p>21.2.2 To ensure that amounts recoverable from the officer held responsible for the loss, are recovered without delay.</p> <p>21.2.3 To ensure that irrecoverable losses are written-off in accordance with Section 35 of the PFMA.</p> <p>21.2.4 To compile an Annual Statement of Losses by each concerned vote for submission to the Accountant General who shall prepare a consolidated annual statement of losses to be included in the consolidated annual financial statements submitted to the Auditor General.</p>
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<p>21.3 Loss of Cash</p>	<p>21.3.1 Loss of cash may take the form of:</p> <ul style="list-style-type: none"> (a) Fraud, theft, errors, omissions, embezzlement or other irregularities, including unauthorised or excess payments (b) Fire, caused deliberately or otherwise and other natural disasters (c) Any expenditure disallowed by the Auditor General or any payment which has not been properly authorized under an Appropriation Act shall be treated shall be referred to the Board of Enquiry established under these Instructions. Any such referral shall not affect the opinion of the Auditor General and his or her obligation to report that loss to Parliament. <p>21.3.2 The Cash Gains and Losses Account is required to be operated at Cash Offices for recording cash gains or losses detected at the time of balancing cash;</p> <ul style="list-style-type: none"> (a) The responsible officer for the Cash Gains and Losses Account shall maintain a separate Register of Cash Gains and Losses reported by each cash office. This account shall be reviewed every month and decision taken either to surcharge the officer concerned or to write-off the loss. The amount surcharged shall be transferred to Personal Advance Account of the officer concerned. (b) If theft or fraud is suspected, a report shall also be made by the Accounting Officer to the police for investigation with copy to the Secretary to the Treasury, Accountant General, Internal Auditor General and Auditor General.
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<p>21.4 Losses of Stores</p>	<p>21.4.1 Stores losses may take the form of:</p> <ul style="list-style-type: none"> (a) Fraud, theft, arson, errors, omissions, embezzlement, sabotage or other irregularities. (b) Fire (other than arson), stress of weather or accident beyond the reasonable control of any responsible person. (c) Deterioration in store, arising from a defect in administration. (d) Natural causes. <p>21.4.2 Losses, shortages and theft of stores shall be handled in accordance with the Procurement Guidelines.</p> <p>21.4.3 In general, the procedure for reporting and investigations of losses of stores is similar to that applicable to losses of cash.</p> <p>21.4.4 The stores lost or found surplus shall be listed on Authority to “Write-off/Write-on” deficiencies and surpluses submitted in quadruplicate to the Accounting Officer. They shall also be recorded in an appropriate register.</p> <p>21.4.5 Loss of stores and fixed assets that are carried in the statement of financial position shall be recognized in the statement of financial performance with the following entries;</p> <div style="background-color: #e0e0e0; padding: 5px; margin: 10px 0;"> <p>Dr: Write-off expense; stores/asset (Statement of Financial Position) Cr: Inventory/Fixed Asset account (Statement of Financial Position).</p> </div> <p>No accounting entries are required (other than maintaining a memorandum record) when the stores and/or fixed assets were initially expensed on acquisition.</p> <p>21.4.6 Where recovery of the loss is not possible, the loss may be written-off in the same manner as losses of cash. The Authority to Write-off/write on completed under paragraph 21.4.4 shall be used for this purpose.</p>
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	21.4.7 If a surcharge is imposed, the officer shall be informed in writing with copies to the Accountant General, Internal Auditor General and Auditor General.
21.5 Losses of Public Moneys or Resources through Claims Waived or Abandoned	21.5.1 Losses of public moneys or resources through claims waived or abandoned may occur where— (a) a claim either for services rendered by the Government or for an actual contractual or other legal obligation of a contractor or other person to the Government is not made or pursued or is waived or abandoned by the Ministry, department or agency of the Government concerned; (b) a claim such as is described in paragraph 21.5.1 (a) above is made but payment is not received.
21.6 Losses of Public Moneys through Fruitless or Nugatory Payment	21.6.1 Losses of public moneys may also occur through fruitless or nugatory payments if the payment is unavoidable and there is no benefit to the Government, such as a payment of a retainer for professional services where these services are not in fact used, a payment for accommodation rented but not used or a payment for goods wrongly ordered or accepted through irregularity or negligence other than an error of judgment.
21.7 Loss of Books of Original Entry	21.7.1 Loss of books of original entry shall be treated as a loss of cash and dealt with under these Instructions; however, in the case of the loss of books of original entry, invoices and orders, which do not have a predetermined value but which nevertheless might be misused if they fell into the wrong hands— (a) the loss shall be reported immediately to the Secretary to the Treasury, Accountant General, Internal Auditor General and the Auditor General; and (c) a notice in a form approved by the Attorney General shall be placed in the local print and electronic media, advising the public not to accept documents bearing the serial numbers of the documents in question.

<p>21.8 Action by the Accounting Officer</p>	<p>21.8.1 It is the duty of every Accounting Officer to ensure that there is a mechanism in place for prompt detection and reporting of losses as described under Instructions 21.3 - 21.7 above.</p> <p>21.8.2 Any public officer who becomes aware of any loss shall at once report the loss to the appropriate Accounting Officer, and in the report describe the nature, amount and circumstances of the loss, shortage, damage or destruction.</p> <p>21.8.3 The Accounting Officer shall report the losses, in writing, to the Secretary to the Treasury, copied to the Accountant General, Internal Auditor General and Auditor General.</p> <p>21.8.4 Any loss whether restituted or not shall be reported promptly, and no report may be deferred on grounds of conducting an investigation.</p> <p>21.8.5 Immediately on receipt of the report of any loss, the Accounting Officer shall institute an investigation; and where he or she has reason to suspect that a crime has been committed such as misappropriation, theft or fraud, he or she shall also make an immediate report to the Police.</p> <p>21.8.6 After investigating the loss, the Accounting Officer shall submit a full report to the Secretary to the Treasury with copies to the Accountant General, Internal Auditor General and the Auditor General.</p> <p>21.8.7 The report referred to in paragraph 21.8.6 above shall be signed personally by the Accounting Officer concerned and shall state the following: -</p> <ul style="list-style-type: none"> (a) the nature of the loss; (b) the amount involved; (c) the place, and, if known, date on which the loss occurred; (d) the date and if applicable, time of discovery of the loss; (e) the exact circumstances in which the loss arose; (f) whether the loss was the result of a failure to observe current regulations or Instructions;
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	<ul style="list-style-type: none"> (g) whether the loss was due to a fault in the financial management system; (h) whether the loss was discovered as the result of the internal control and if not, why the internal control failed to reveal it; (i) whether misappropriation, fraud, negligence or other irregularity was involved; (j) the name and designation of the public officer considered to be responsible for the loss; (k) whether the public officer has made good the loss; (l) whether the public officer’s suspension or interdiction from duty is recommended; (m) whether disciplinary or surcharge action in accordance with Section 80 of the PFMA is recommended and against whom and, if not, why not; (n) whether the loss was reported to the police, if so, a police report shall be attached; (o) the measures taken or recommended to prevent the recurrence of a similar loss or shortage. <p>21.8.8 In case of a loss when an overpayment occurs, which cannot be recovered or in which revenue or other debt due to the Government is deemed un-collectable, the report submitted by the Accounting Officer shall state the following—</p> <ul style="list-style-type: none"> (a) the nature of the overpayment, revenue or other debt; (c) the name and designation of the public officer who made the overpayment or is responsible for the failure to collect the revenue or debt;
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	<p>(c) the amount involved, supported where appropriate by detailed lists showing the names of the defaulters, the amounts outstanding in each case, and in the case of revenue the year in which it was due, and the dates on which demands and reminders were dispatched;</p> <p>(d) the reasons why the overpayment occurred or the revenue or other debt cannot be recovered;</p> <p>(e) the action taken to recover the overpayment, revenue or debt, including any legal means taken, whether this is considered to have been adequate, and the action taken by the Accounting Officer personally;</p> <p>(f) whether the overpayment or failure to collect arose from a failure to observe current Instructions or from a fault in those Instructions or in the financial management system;</p> <p>(g) whether the amount involved has been made good by the public officer responsible;</p> <p>(h) whether disciplinary or surcharge action in accordance with Section 80 of the PFMA is recommended and against whom and, if not, why not; and</p> <p>(i) the measures taken or recommended to prevent the recurrence of a similar overpayment or failure to recover revenue or debts.</p> <p>21.8.9 When a loss case has been reported to the police for investigation, Accounting Officer shall:</p> <p>(a) Not recover the amount of the loss directly from the culprit.</p> <p>(b) Request the responsible office to remove the officer.</p> <p>21.8.10 The Accounting Officer shall also ensure that when the loss' cases are reported to police, the Attorney General shall be kept informed of all material development so that all avenues for recovery of the amount are explored.</p>
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<p>21.9 Establishment of Board of Enquiry by the Secretary to the Treasury</p>	<p>21.9.1 The Secretary to the Treasury may establish a Board of Enquiry to investigate the circumstances of any large or unusual losses referred to it by the Secretary to the Treasury, the Accountant General, Internal Auditor General or Auditor General.</p> <p>21.9.2 The Board of Enquiry shall comprise five members, who shall not be employees of the same Ministry, Department or Agency, appointed by the Secretary to the Treasury.</p> <p>21.9.3 With respect to cases which have been reported to the Police and in respect of which criminal action is pending, action by the Board of Enquiry shall, subject to any written law, be deferred until such proceedings have been completed or discontinued.</p> <p>21.9.4 The Secretary to the Treasury shall maintain a register showing details of all cases referred to the Board of Enquiry and their disposal and shall circulate copies of all referrals to the Accountant General, Internal Auditor General and Auditor General.</p> <p>21.9.5 The Board of Enquiry may meet at the time and place most suitable for the purpose of its enquiry; but it shall hold its first meeting within seven working days of any referral.</p> <p>21.9.6 The Board may regulate its own procedure and take evidence from such persons as it may consider appropriate, either orally or in writing, except that such evidence shall not be taken on oath.</p> <p>21.9.7 On completion of its enquiries the Board shall, without delay, report its findings to the Secretary to the Treasury with copies to any Accounting Officer concerned, the Accountant General, Internal Auditor General and Auditor General.</p> <p>21.9.8 The report referred to in paragraph 21.9.7 above shall include: -</p>
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	<ul style="list-style-type: none"> (a) a statement of the amount and nature of the shortage; and if the amount cannot be established precisely, the Board shall estimate it, giving the basis on which, the calculation has been made (b) an opinion on whether the system or its application was at fault, together with recommendations for any corrective action which shall be taken to prevent the recurrence of a similar loss or shortage (c) whether police or legal action was taken in respect of the loss or shortage and, if so, the details and outcome of the action (d) an opinion on who, if any, was responsible for the loss or shortage, the degree of that responsibility and if more than one person was responsible, the apportionment of the blame (e) whether disciplinary or surcharge action is recommended and against whom and, if not, why not (f) any other matters which the Board considers shall be brought to the attention of the Secretary to the Treasury. <p>21.9.9 In the case of any loss, overpayment or failure to collect monies due to Government in which defects in systems, procedures, or Instructions appear to have been either wholly or partially responsible, action to correct the fault shall be taken immediately by the relevant Accounting Officer, Accountant General or Secretary to the Treasury as appropriate; and such action shall not be deferred pending the decision on whether to write-off the amount or recover it from the public officer responsible.</p>
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<p>21.10 Action to be taken by the Minister in respect of Losses</p>	<p>21.10.1 In the light of the reports submitted under paragraphs 21.8.6 - 21.8.8 of these Instructions and any report of the Board of Enquiry under paragraph 21.9.7 of these Instructions and the results of any Police or legal action, the Secretary to the Treasury shall make recommendations to the Minister who shall decide whether—</p> <p>(a) the amount involved in any loss shall be written off; or if outside his or her powers, be recommended for write-off; or</p> <p>(b) disciplinary or surcharge action shall be taken against the public officer considered to be responsible for the loss.</p> <p>21.10.2 The Minister’s decision or recommendation under paragraph 21.10.1 shall be communicated by the Secretary to the Treasury to the Accounting Officer concerned, the public officer considered to be responsible for the loss or shortage, the Accountant General, the Internal Auditor General, the Auditor-General and, where appropriate, the Secretary to the Board of Enquiry.</p> <p>21.10.3 Where it is decided that disciplinary action shall be taken against the public officer considered to be responsible for the loss, the matter shall be referred to the Public Service Commission for necessary action; however, if a surcharge is the sanction to be applied, the Secretary to the Treasury shall determine the amount of the surcharge—</p> <p>(a) bearing in mind the amount of the loss sustained by the Government; and</p> <p>(b) in accordance with Section 80(2) of the PFMA.</p> <p>21.10.4 The Secretary to the Treasury shall, in writing, notify the public officer concerned of the Minister’s decision, and send a copy of the notification to the relevant Accounting Officer, the Accountant</p>
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General, Internal Auditor General and the Auditor General.

21.10.5 The notification shall call upon the public officer concerned, within such period as the Secretary to the Treasury may determine, being not less than thirty days from the date the notification is received by the public officer, to show cause why he or she shall not be surcharged with the amount determined under paragraph 21.10.3.

21.10.6 On receipt of the reply by the public officer, the Secretary to the Treasury shall confirm, reduce or remit the surcharge and advise the Minister who shall review the decision of the Secretary to the Treasury, and no action shall be taken to implement the decision of the Secretary to the Treasury until such review is completed and the decision confirmed, varied or set aside or reversed by the Minister.

<p>21.11 Accounting Entries</p>	<p>21.11.1 When a loss of cash is detected, the accountant shall prepare a journal voucher (TF 48) debiting the Advance Account –Losses of Cash (relevant Item for the Ministry/Department) and indicate name of officer responsible for the loss.</p> <p>21.11.2 Recoveries through payroll shall require the Human resource to furnish a copy of the deduction analysis to the Finance Unit of a vote or entity in evidence of the amount recovered.</p> <p>21.11.3 In accounting for losses of inventories the following action shall be taken:</p> <p>(a) Accidental losses for which no officer is held financially responsible.</p> <ul style="list-style-type: none"> i. In the case of allocated inventories, the loss shall be written-off ledger charge, the issue entry being supported by the authority for the write-off described under paragraph 21.4.4. ii. In the case of unallocated inventories, action similar to that in (i) above shall be taken. In addition, an appropriate losses item of expenditure shall be debited with the ledger value of the inventories and the unallocated inventories expenditure item credited with the same amount to enable reconciliation of the Inventories Summary. <p>(b) Losses which are due to the neglect or fault of an officer and for which he or she is held financially responsible.</p> <ul style="list-style-type: none"> i. In the case of allocated inventories, the loss shall be written-off ledger charge as described in (a)(i) above. A personal advance account opened in the name of the officer concerned, shall be charged with the value of the loss and the appropriate revenue item credited with a like amount. Any balance on the advance account which cannot be recovered must be written-off under proper authority and charged to the relevant losses item. ii. In the case of unallocated inventories similar action to that at b(i) above shall be taken, except that credit for the value of the loss shall be taken to the unallocated inventories expenditure and not to revenue.
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<p>21.12 Abandonment of Claims and Remissions of Revenue</p>	<p>21.12.1 A claim for money due to Government (e.g. arrears of revenue) may be abandoned if it is proved that it shall be uneconomical to pursue recovery or failure to recover.</p> <p>21.12.2 If the Accounting Officer is satisfied that all possible steps have been taken to recover the amount he or she shall:</p> <ul style="list-style-type: none"> (a) Submit recommendations for abandonment of the claim to the Accountant General and Secretary to the Treasury. (b) The submission shall include evidence of action taken to recover the claim, amount and any relevant supporting documentation. Authority for abandonment of claims shall be processed by Revenue Section in the same manner as authority for write-off of losses. Copy of the authority shall be furnished to the Secretary to the Treasury, Accountant General and Internal Auditor General. <p>21.12.3 No accounting entry is required where the revenue accounts are maintained on a cash basis (revenue is recognised only when cash is received) but necessary corrections shall be made in records of revenue due for instance Invoice Registers and Debtors Registers.</p> <p>21.12.4 Where accounts have been maintained on an accrual basis and revenue due for collection is recorded in the accounts as an asset, the abandonment of the claim shall be reflected in the accounts by raising a Journal Voucher, debiting an appropriate expense account and crediting the asset of debtors (arrears of revenue).</p>
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<p>21.13 Preparation of the Annual Statement of Losses</p>	<p>21.13.1 The Accounting Officer shall prepare in quadruplicate schedules of cash recoverable, losses of stores and claims abandoned. Two copies of the statement shall be submitted to the Accountant General and Internal Auditor General by the 31st August of the following financial year. One copy of the statement is required to be submitted to the Auditor General. The fourth copy is retained by the vote concerned.</p> <p>21.13.2 The Accounting Officer shall ensure that the following records are maintained by the Losses Section or designated public officer at a headquarters office: -</p> <ul style="list-style-type: none"> (a) Losses Files (b) File Index Register (c) Register of Losses (TF 39) <p>21.13.3 On receipt of Loss Reports, the Accountant General shall examine the circumstances surrounding the loss reported. If the loss occurred due to weakness in procedures or systems, modification or improvement in system shall be considered.</p> <p>21.13.4 The Accountant General shall also ensure that a consolidated register of all losses reported by the Accounting Officers is maintained.</p> <p>21.13.5 After the report of the Accounting Officer enquiry is received and subject to the provisions of Instruction 21.10 above, recommendations shall be made to the Accounting Officer to:</p> <ul style="list-style-type: none"> (a) Recover where practical. (b) Surcharge the officer held responsible for the loss. (c) Initiate disciplinary action in addition to surcharge. (d) Write-off the loss. <p>21.13.6 If surcharge is imposed, the human resource department shall be advised of the instalments in which recovery is to be effected from the officer's salary. A copy of the journal transfer shall be entered in the Losses Register.</p> <p>21.13.7 Each month the Human Resources department shall advise recoveries made by sending a copy of the deduction analysis to Finance Unit/Accounting</p>
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	<p>Officer. The amounts recovered shall be entered in the Losses Register.</p> <p>21.13.8 When a loss is settled either by recovery or write-off, the year in which it is settled shall be indicated in the remarks column e.g. 'Settled 2016.'</p> <p>21.13.9 The Head of Finance and Accounts of the vote shall review the Losses Register each month to ensure that recoveries are being effected regularly.</p> <p>21.13.10 In case recovery is not made in any month, the reason therefore shall be ascertained from the Human resources department.</p> <p>21.13.11 Authority for abandonment of claims and write-off of arrears of revenue shall be processed by the Revenue Section concerned. One copy of the authority in each case shall be forwarded to the Head of Finance for record in the Register of Losses.</p> <p>21.13.12 Irrecoverable advances shall be reported as a loss by the Section dealing with advances. The Head of Finance and Accounts shall record the loss in the Losses Register (TF 39) and process the case for write-off in accordance with the procedure described in these Instructions.</p>
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22 Pension payments

22.1 Introduction

22.1.1 Terminal benefits are payments made to government employees or their beneficiaries. These include pensions and gratuity. Pension is a regular payment made to an employee who has retired from service, while gratuity is an advance payment from a pension at the rate of 1/3 of the annual pension at retirement multiplied by a factor of 15 in accordance with Regulation 30 of the Pensions Regulations of the Pensions Act Cap. 286.

22.1.2 A public servant qualifies for terminal benefits on occasions such as:

(a) Mandatory retirement - when a public servant retires after attaining the mandatory age of retirement. Currently, this is set at 60 years for mainstream civil servants, 65 years for High Court Judges, 70 years for Justices of the Supreme Court and 9 categories of mandatory retirement with the Uganda People's Defence Force (UPDF).

(b) Early Retirement - when a public servant opts to retire before attaining the mandatory retirement age. To qualify for gratuity and pension, one must be 45 years and above and shall have served for 10 consecutive years. Alternatively, one should have served for 20 consecutive years regardless of their age. In case of UPDF, a soldier can opt for early retirement after serving 13 consecutive years regardless of age.

(c) Other retirement platforms include; Retirement on abolition of office, Short service gratuity, Death gratuity, Retirement on medical grounds, Marriage gratuity and Contract gratuity.

22.1.3 The processing and payment of gratuity and monthly pension shall be done through the automated personnel and payroll system by the respective MALGs where the beneficiaries were last deployed at the time of exiting the civil service.

<p>22.2 Roles and Responsibilities for Pension Payments</p>	<p>22.2.1 The key roles and responsibilities for pension payments involve Ministry responsible for public service, MALG of the last tour of duty, Ministry and the retiring public officer.</p> <p>22.2.2 The Ministry responsible for public service shall perform its role as the pension authority. Its responsibilities shall include;</p> <ul style="list-style-type: none"> (a) Granting early retirement and retirement on marriage grounds (b) Verifying and approving the processing of terminal benefits by MALGs (c) Overseeing the implementation of Payroll and other relevant human resource systems (d) Providing information on the last duty station for each of the public officers who retired before 1st July 2014. <p>22.2.3 The Accounting Officer of the originating entity (MALG) shall:</p> <ul style="list-style-type: none"> (a) Create retirement plans in respect of every employee of the vote (b) Budget and Account for pension and gratuity under his or her vote (c) Make retirement requests for all retiring employees. (d) Approve every retirement plan and request created in the automated personnel and payroll system (e) Verify the monthly pension payroll and payment of monthly pension and gratuity (f) Update the pensioners' records on the request of the beneficiaries or pensioner (g) Verify all payments (Gratuity and monthly payrolls) including the provision of full accountability for resources advanced for payment of pension and gratuity
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- (h) Prepare and submit reports in respect to processing and payment of pension and gratuity.

22.2.4 The role of the Ministry shall include:

- (a) Ensuring that the budget provision for pension and gratuity for each vote is adequate to meet the vote's needs.
- (b) Ensuring that pension and gratuity funds are provided to the votes in a timely manner.
- (c) Provide efficient paying systems and promptly address any unapplied payments.
- (d) Ensuring that votes do not accumulate new pension and gratuity arrears as well as ensuring that the current stock of arrears is paid.

22.2.5 The public officer who is due for retirement shall: -

- (a) Ask for their personal files and review them to ensure that the employment information therein is accurate. This shall be done one year prior to retirement.
- (b) Remind the Accounting Officer of their retirement six (6) months prior to the date of retirement in case the Accounting Officer has not notified the officer of his or her retirement.
- (c) Inform the Accounting Officer of any changes in bank account information so that the master data can be updated accordingly.

<p>22.3 Processing of Pension and Gratuity Payments</p>	<p>22.3.1 The following Instructions shall apply for the processing of pension and gratuity payments: -</p> <ul style="list-style-type: none"> (a) Survivors' benefits shall apply only if a public officer died on or after 25th March 1994 (b) Pension/ gratuity is exempted from income tax (c) Pensions shall not be subject to attachment on bankruptcy (d) Pensions shall not be assignable except for purposes of recovering debts owed to Government or maintenance of family (e) The Last pensionable emolument enjoyed by a retiree shall be used to compute retirement benefits (f) Severance pay applies only to employees retrenched on or after 1st December 1996. This payment shall be treated differently from pensions and as such is not part of the formula in automated personnel and payroll system (g) Where the MALG has been split into two or more MALGs after an officer has already retired, the Ministry responsible for public service shall provide guidance on where the pension of the affected officer shall be handled from; (h) The Ministry responsible for public service shall continue handling pensions for public officers where the entities in which they last served have been discontinued; (i) Pensions to Uganda Government pensioners shall be payable by 28th of the month on authorization of the monthly pension payroll of the vote. <p>22.3.2 The processing and payment of pension and gratuity shall involve the following tasks and timeframe.</p>
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#	Task	Responsibility	Timeframe
1.	Create retirement plans for every new employee	MALG	Within 15 days of assumption of duty
2.	The Automated Personnel and Payroll System generates an automatic retirement notification to the MALG	MALG	6 months prior to retirement
3.	Notify officer due for retirement	MALG	Within one (1) week from date of receipt of notification
4.	Officer due for retirement applies for retirement (Submits NS7 form, provisional bank statement among others)	Retiring Public Officer	Within two (2) weeks from the date of notification
5.	Create 2 hard copy files with all necessary retirement documentation. Keep one and send the second copy to MoPS.	MALG	Within one (1) week after approval of retirement request
6.	Receive and verify all mandatory documents	MoPS	At least four (4) months before the

			retirement date.
7.	Approve/Reject retirement request	MoPS	One (1) week after verification
8.	Assess/calculate retirement benefits	MoPS	Two (2) weeks after verification
9.	Audit of the retirement file/request	MoPS	Two (2) weeks after assessment
10.	Approve/Reject computation and authorization of payment	MoPS	Two (2) weeks after auditing
11.	Create payment files to facilitate payments	MoPS	At least one (1) month before the retirement date
12.	Load payment file on IPPS/GFMIS interface	MALG	At least one (1) month before the retirement date
13	Verify and validate payment of pensions and gratuity on the GFMIS	MALG	By 10 th of every month
14	Process payment Instructions to BoU	MoFPED	By 22 nd of every month
15.	Remit payment information to Commercial Banks	BoU	By 23 rd of every month

16.	Credit individual pensioner/ beneficiary bank account	Commercial Banks	By 26 th of every month
17.	Check submitted pension payments and reconcile them to bank statements	MALG	Within 5 days of payment
18.	Resolve unapplied payments	MALG MoPFED	Within 15 days of payment
19.	Generate and analyze appropriate management reports	MALG MoFPED MoPS	Always

22.3.3 Once the payment file for pension and gratuity is availed into the GFMIS from the automated personnel and payroll system through the interface, the GFMIS payment process shall be followed as described in Section 10.4 of these Instructions.

22.3.4 The handling of unapplied payments for pension and gratuity shall follow Instruction 10.26 of these Instructions.

22.3.5 Through appropriate reports from the GFMIS, the Accounting Officers shall carry out regular reviews of the pension and gratuity payments to ensure that they are fully reconciled and accounted for.

<p>22.4 The Pension Payroll</p>	<p>22.4.1 Pension payroll is an aggregation of all pensioners of a vote.</p> <p>22.4.2 The following parameters must be maintained on a pension payroll:</p> <ul style="list-style-type: none"> (a) List of pensioners on file for vote (b) List of pensioners classified by name. (c) List of pensioners classified by pension identification number and National Identification number/a unique GFMS Supplier Number. (d) List of pensioners classified by paying vote with totals. (e) Summary of pensioners indicated by paying point (Commercial Bank). (f) Any deductions (g) Date of Retirement (h) Date of First Appointment (i) Identification or File Number (j) Legacy Number. <p>22.4.3 On monthly basis, the Accounting Officer of a vote shall communicate changes to the Ministry responsible for public service by the 11th of the month to be effected in the subsequent month through Pension Change Sheets. The Ministry responsible for public service shall communicate a confirmation of the changes by 15th of the month.</p>
<p>22.5 Revalidation of the Pension Benefits and Pensioners</p>	<p>22.5.1 Pension benefits shall be adjusted and revalidated in line with the general salary adjustment/increment.</p> <p>22.5.2 Pensioners on full pay must be revalidated by filling life certificates at least once a year.</p>

23 Financial Management of Special Funds

23.1 Introduction

23.1.1 A public fund may be set up as a special fund under a line ministry or local government for a specific purpose when it is deemed appropriate to carry out specific activities for improved service delivery through the provision of services in the most economic, efficient and effective manner. This shall be in accordance with the PFMA, the respective legislative and policy mandate of the supervising line ministry or local government.

23.1.2 Special funds may be established;

(a) By the Constitution which provides for the Uganda Consolidated Fund (UCF) under Article 153 and Contingencies Fund under Article 157 with their financial provisions specified separately in these instructions. (**See Instruction 8.9 and Chapter 18 respectively**);

(b) Through distinct Acts of Parliament;

(i) Section 56 under the PFMA established the Petroleum Fund with detailed instructions provided under **chapter 20 of these Treasury Instructions**;

(ii) Established by other Acts of Parliament with perpetual succession and ability to sue or to be sued in individual corporate names. These funds are governed by the relevant legal provisions of their statutes and examples of such funds currently include;

#	Name of GoU Fund	Act establishing the Fund
1.	Fish Fund	Fish Act, 2011 as Amended
2.	Road Fund	Uganda Road Fund Act, 2008
3.	Rural Electrification Fund	REA Act, 2001
4.	Tree Fund	National Forestry & Tree Planting Act, 2003

5.	Deposit Protection Fund	Bank of Uganda Act
6.	Uganda Biodiversity Fund	National Environment Act, 1995
7.	Land Fund	Land (Amendment) Act, 2010.

- (c) As programmes in a vote to carry out specific activities, in which case these Treasury Instructions have to be followed and where in doubt, the concerned Accounting Officer shall seek the guidance of the Secretary to the Treasury. Examples of such funds include the Global Fund, Youth Livelihood Fund and the Uganda Sanitation Fund.

23.1.3 Any Special Fund identified under sub - paragraphs 23.1.2 (b)(ii) and (c) above **may be set up as a Revolving Fund** to finance a specified group or activities in a continuing cycle of operations without any budget year limitation, because the fund is replenished through amounts received and paid back by beneficiaries. Revolving funds provide critical financing when credit access is limited, supporting the development and expansion of local businesses and other special initiatives. Borrowers are expected to benefit from flexible and favourable terms, while Government only incurs lower overall risk in supporting small businesses. The results of such intervention is expected to include new jobs, enhanced household income, new businesses, and a healthier local economy.

<p>23.2 Financial Management of Special Funds Established by Distinct Acts of Parliament</p>	<p>Fund management</p> <p>23.2.1 Special Funds established by a distinct Act of Parliament shall follow the relevant provisions of the legal and regulatory framework establishing the Fund. This notwithstanding, the following instructions and principles under paragraphs 23.2.2 - 23.2.25 shall apply for any financial management arrangements put in place for the administration of Public Funds established by an Act of Parliament.</p> <p>Operationalization of special funds</p> <p>23.2.2 Once a Fund is created, management shall ensure that the finance function is immediately created with sufficient manpower to ensure smooth operation of the Fund.</p> <p>23.2.3 Management of the Fund shall also communicate in writing to the Minister with a copy to the Line Minister informing them of the date of commencement of the operations of the Fund, key senior management and a request for opening the Fund bank account(s).</p> <p>Duty to operate on sound financial principles.</p> <p>23.2.4 A Fund shall, in the performance of its functions have due regard to sound financial principles and shall conduct its business in such a manner to ensure that;</p> <ul style="list-style-type: none"> (a) its revenue is sufficient for meeting all its obligations; (b) sufficient provision is made to provide for depreciation of assets; and (c) adequate provisions are made for losses or bad debts. <p>23.2.5 Where, in exceptional circumstances, the income of a Fund together with any surplus income brought forward from a previous year, is insufficient to meet the actual or estimated liabilities of the Fund, the Minister may make advances to the Fund in order to meet the deficiency or any part of the deficiency and the advances shall be made on such terms and conditions, whether as to repayment or otherwise, as the Minister may determine.</p>
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23.2.6 The advance referred to in paragraph 23.2.5 shall be repaid from the income of the Fund in the next financial year.

Budget Estimates of a Fund.

23.2.7 A Fund shall prepare its annual budget estimates in line with the Government budget calendar and the estimates shall be provided as appendices to the budget of the line ministry or local government, as the case may be.

Financial Year

23.2.8 A Financial Year shall be a period of twelve months, which shall correspond with the financial year of the Government as specified under paragraph 5.2.2 (d).

Chart of Accounts classifications

23.2.9 The Government Chart of Accounts shall be adopted and procedures under paragraph 7.11 shall be followed for any revisions that may be required by a Fund to accommodate its structures and operations.

International Accounting Standards to be followed in the preparation of financial statements of a Fund.

23.2.10 All Funds established under an Act of Parliament shall apply and comply fully with the International Accounting Standards in the preparation of their financial statements; Funds with commercially oriented operations shall apply the International Financial Reporting Standards (IFRS) while the “not-for-profit” Funds shall follow the International Public Sector Accounting Standards (IPSAS). This notwithstanding and upon request by the management of the Fund, the Accountant General may consider and approve a different accounting framework to be applied by a Fund.

23.2.11 Proper books of accounts and records of the transactions of a Fund shall be kept in accordance with generally acceptable accounting principles (GAAPs).

Maintenance of a computerized financial management information system (FMIS)

23.2.12 Each Fund shall operate an appropriate computerized FMIS for the recording of its financial transactions and production of accounting and financial reports.

Procurement Activities and Disposal of Assets

23.2.13 Procurement management processes and procedures shall be carried out in accordance with the PPDA Act. Accordingly, any procurement manual developed by the Fund shall be prepared in line with the provisions of the PPDA Act.

Operation of Bank Accounts of a Fund.

23.2.14 In accordance with Section 33(2) of the PFMA, opening of bank accounts of a Fund shall require the written approval of the Accountant General who shall also determine the terms and conditions for the operation of the accounts of the Fund.

23.2.15 The management of the Fund shall notify the Accountant General in writing of any closure of a bank account of the Fund within 30 days of the closure.

Borrowing Powers

23.2.16 Borrowing by a Fund shall be done in accordance with PFMA and appropriate justifications shall be provided to support the request. Authorization to borrow shall be provided by the Minister in writing.

Investment of surplus funds

23.2.17 No investment shall be undertaken without prior consultation with the Line Ministry and without the detailed feasibility report and subsequent approval by the Minister. For Local Governments, the prior approval of the council shall be required.

Financial reporting

23.2.18 Within 2 months following the end of the financial year, a Fund shall prepare and submit annual financial statements to the line minister and the minister. Within 6 months after the end of the financial year, the Fund shall deliver an annual report including the audited financial statements to the line minister and the minister.

23.2.19 By 15th of February of each financial year, the Fund Manager shall prepare the half-year financial statements of the Fund for submission by the supervising Accounting Officer to the Minister and Line Minister.

23.2.20 The formats of the financial statements to be prepared by each Fund shall be prescribed by the Accountant General.

Internal audit function

23.2.21 Each Fund shall have a functional internal audit unit adequately staffed with competent personnel.

23.2.22 The Internal audit shall comply with internal audit charter and guidelines issued by the Internal Auditor General.

External audit

23.2.23 The Auditor General shall in each financial year audit the accounts of the Fund.

23.2.24 The Fund shall ensure that within two months after the end of each financial year, its annual financial statements are submitted to the Auditor General for audit.

23.2.25 The Auditor General shall have access to all books of accounts, vouchers and other records of the Fund and is entitled to any information and explanation required in relation to those records.

<p>23.3 Financial Management of Special Funds Established as Programmes Under a Vote</p>	<p>23.3.1 Special Funds not established by a distinct Act of Parliament shall be established as programmes in a vote to carry out specific activities. Where such public funds operate as revolving funds, paragraphs 23.3.2 - 23.3.35 shall apply for the financial management of these Funds.</p> <p>Establishment of Revolving Funds</p> <p>23.3.2 Establishment of Revolving Funds for central government votes shall require the approval of Cabinet upon the recommendation of the Minister.</p> <p>23.3.3 Local governments may only establish a Revolving Fund with the approval of the Secretary to the Treasury and the relevant council shall pass a resolution recommending the establishment of the Fund;</p> <p>23.3.4 Each Special Fund operating as a Revolving Fund under the control of a vote shall be headed by Fund Manager designated by the Accounting Officer of the vote.</p> <p>23.3.5 The Fund Manager shall administer the Fund and shall be responsible for;</p> <ul style="list-style-type: none"> (a) the Fund's daily management with due care, integrity and diligence; (b) implementing the policies, sub-programmes and activities of the Fund; (c) managing financial, human and physical resources of the Fund; (d) ensure the Fund's assets and money held in the Fund, including any earnings or accruals thereof are safeguarded and used only for the purposes for which the Fund is established; (e) take reasonable care to organise and control the funds affairs responsibly and effectively with adequate risk management and supervision. (f) ensure relevant information is submitted to the Accounting Officer in a manner that is fair, accurate and timely.; (g) ensure records of all the transactions of the Fund are accurate, properly secured and retained. (h) prepare and maintain accounts of the Fund in
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	<p>accordance with approved accounting standards and ensure timely submission to the Accounting Officer for consolidation and preparation of the financial statements of the vote.</p> <p>23.3.6 The Fund Manager of the Special Fund shall be accountable to the Accounting Officer of the relevant vote for the implementation of assigned public services and programmes. He or she shall forward all reports or approvals required in the PFMA through the Accounting Officer of the vote.</p> <p>23.3.7 Where a Board or Governing Council exists, it shall ensure that proper policies and procedures are in place to ensure sound financial management and the safeguard of public money and assets of the Fund.</p> <p>23.3.8 For purposes of these Instructions, a Revolving Fund is regarded as an entity operating within the administration of a vote. All obligations on an Accounting Officer in these Instructions apply to revolving funds, unless the context indicates otherwise.</p> <p>23.3.9 The Accounting Officer of the vote operating a Revolving Fund shall ensure that the Fund Manager complies with the PFMA, PFMR and these Instructions.</p> <p>23.3.10 Revolving Funds allowed to open bank accounts may not borrow for bridging purposes and may not run overdrafts on their bank accounts except with the prior approval of the Minister.</p> <p>Policy and reporting framework</p> <p>23.3.11 The Accounting Officer of a vote operating a Revolving Fund must formulate, at the time of applying for the establishment of the fund, a policy and reporting framework for the Fund Manager's use.</p> <p>23.3.12 The Fund Manager of a Fund is accountable to the Accounting Officer of the vote operating the Revolving Fund and shall forward all reports or approvals required in the PFMA through the Accounting Officer of the vote.</p>
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23.3.13 A policy and reporting framework shall specify the manner in which the fund shall also be dissolved.

23.3.14 The budget estimates to the Fund shall be included in the national budget under the responsible vote together with a description of services provided by the fund.

Revolving Funds to operate with a funding framework

23.3.15 Revolving Funds shall operate with a clear funding framework developed and approved at the time of establishment.

23.3.16 The funding framework shall accompany all documentation of the relevant vote submitted during the budget process.

23.3.17 The funding framework shall contain the following information:

- (a) Modalities for accessing the funding by beneficiaries;
- (b) Policy and legal framework of the revolving framework;
- (c) Implementation and monitoring arrangements;
- (d) Outputs and beneficiaries;
- (e) Stakeholders;
- (f) The details of implementing agencies when the controlling vote happens not to be involved in the implementation; and
- (g) Implementation roadmap.

Capital requirements, revenue and user charges

23.3.18 The capital requirements of the Revolving Fund shall be determined in consultation with the Accounting Officer of the vote and Secretary to the Treasury. Any increases in such requirements shall also be subject to the parliamentary approval during the MTEF process.

23.3.19 In determining charges for goods or services, the head of the Revolving Fund shall aim to recover the full cost

of providing the goods or services, unless the Secretary to the Treasury approves lower charges.

23.3.20 The Fund Manager shall review the rates for user charges or financing charges at least annually before the budget and any tariff increases shall be subject to approval by the Secretary to the Treasury.

23.3.21 The Accounting Officer of a vote operating a revolving fund must formulate a policy and reporting framework for the Fund Manager.

Preparation of budgets for Revolving Funds

23.3.22 The following procedures shall apply to budgeting:

- (a) all authorized agencies that receive and operate revolving funds shall be required to prepare detailed budgets to aid management in financial expenditure control and decision making;
- (b) the budgets for Revolving Funds shall be duly approved by the Accounting Officer of the authorised agency;
- (c) the authorised agencies shall ensure that appropriate budgetary control procedures are instituted to ensure budget discipline.

Funds flow and bank account arrangements

23.3.23 The release of funds by the Ministry to the Revolving Funds shall be in accordance with the provisions of the PFMA for release of funds from the Consolidated Fund or any other fund. Specifically, Instruction 8.9 of these Instructions shall be followed and applied in the release of funds to Revolving Funds.

23.3.24 Separate bank accounts shall be maintained into which disbursements and repayments of the Revolving Fund shall be made. The opening and maintenance of such bank accounts shall be in accordance with these Instructions.

23.3.25 Revolving Funds are aimed at financing a specified group or activities in a continuing cycle of operations

without any budget year limitation and shall therefore retain any un-expended balances at the close of the financial year to ensure that the Funds are self-sustaining by replenishments through amounts received and paid back by beneficiaries.

23.3.26 The annual estimates of a Revolving Fund operated by an Accounting Officer shall be appended to the vote estimates and any appropriations to the Fund for the budget year shall require justification for the proposed allocation based on a duly approved action plan and demonstrating the deficit in the funds required to undertake the activities planned for the budget year.

23.3.27 In the event of a Revolving Fund having funds in excess of its requirements, the Accounting Officer of the vote controlling the Revolving Fund shall declare the surplus and ensure it is paid into the UCF.

Disposal of assets

23.3.28 When assets are disposed of other than in the ordinary course of the business of the Revolving Fund, the Ministry shall approve the transaction in line with the provisions of Instruction 4.17 of these Instructions.

23.3.29 Proceeds from the disposal of assets by a Fund shall be paid into the UCF. Upon a written request, the Secretary to the Treasury may consider and authorize a Fund to retain part or all the proceeds from the disposal.

Financial reporting by Revolving Funds

23.3.30 Instruction 5.2 and chapter 19 of these Instructions shall apply for the accounting policies and standards to be followed by the Revolving Funds for their accounting and financial reporting.

23.3.31 Where unique and specific accounting policies are required by a Revolving Fund, the Accountant General shall consider and approve such accounting policies.

23.3.32 In the event of the Fund Manager of the Revolving Fund not being the Accounting Officer of the vote, then such an Accounting Officer shall provide the financial reports

	<p>to the Accounting Officer of the vote for inclusion in the vote's financial statements. The financial statements of the Fund shall also be appended to the financial reports of the vote.</p> <p>23.3.33 The Accountant General shall direct that the annual report and financial statements of the Revolving Fund be incorporated into those of the vote responsible for that Revolving Fund.</p> <p>Additional annual reporting requirements for Accounting Officers controlling Revolving Funds</p> <p>23.3.34 A vote's annual report must include a list of Revolving Funds controlled by or reporting to the Accounting Officer, together with: -</p> <ul style="list-style-type: none"> (a) an indication of the authority under which the Revolving Fund was established (b) a statement of the functions of each Revolving Fund and (c) the accountability arrangements established between the Accounting Officer and the management of the Revolving Fund <p>Closing of a Revolving Fund</p> <p>23.3.35 Upon closure of a Revolving Fund, all assets of the Revolving Fund shall be transferred to the controlling vote and taken on record.</p>
24 Financial Management Instructions for Externally Funded Projects	
24.1 Introduction	<p>24.1.1 Section 43 of the PFMA, requires the use of country systems in the management of projects funded by loans and grants.</p> <p>24.1.2 In general, therefore, these Instructions shall be followed and applied by all Externally Funded Projects (EFPs) in the financial management of funds under their control.</p>

<p>24.2 Aid Management Cycle and Accountability Framework.</p>	<p>24.2.1 The Aid Management Cycle (AMC) and operations shall accomplish the effective planning and budgeting for the use of aid resources and allocating the aid resources to identified priorities of Government within the MTEF.</p> <p>24.2.2 The AMC shall be underpinned by the following stages;</p> <p>(a) Identification, Planning and Programming</p> <p>Once a project has been identified and is considered feasible, it shall be formulated by examining the economic, financial and, technical requirements and the likelihood of these being realized, and by determining what features and conditions shall be necessary to ensure the project's success. The Technical (line) Ministry shall be primarily responsible for preparing the project, although the Development partner, and outside consultants may assist, particularly when necessary expertise is unavailable locally. The DP shall carry out an appraisal with the assistance of the GoU and, occasionally other DPs, to provide a basis for the decision to support the project with a loan/grant.</p> <p>(b) Negotiation and Approval</p> <p>i. Formal negotiations with the DP shall follow appraisal and result in a legal agreement (or agreements) between the GoU and the DP that precisely defines the project and specifies the programme to meet its objectives. The agreement must contain:</p> <ul style="list-style-type: none"> • Policy Conditionalities • Financial terms and conditions, including disbursement procedures. • Schedule of items to be financed by the Development partner. • Procurement and disbursement methods to be used. • Covenants on audit, expenditure lines, institutional arrangements, project monitoring, and any other points requiring special attention. <p>ii. At this stage, the arrangements for disbursing the loan shall be worked out in detail between the GoU and the DP establishing the basic principles and practices for disbursement that</p>
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maybe followed throughout the project's implementation period.

- iii. After negotiations are completed both DP(s) and Government shall approve the loan and sign loan documents. Before withdrawals can begin, the GoU must fulfill the conditions of effectiveness and the DP must declare the loan effective.

(c) Roles and responsibilities in grant and debt management

Different Government Agencies shall play different roles in grant management as follows:

Task	Responsibility
Identification of priority Projects	Sector/SWGs
Preparation of project proposals and initial studies/prefeasibility studies	Sector/SWG's
Submission of project proposals to Development Committee	Sector
Scrutiny and approval of Project Concept notes	Development Committee
Preparation of Project Appraisal Documents/Full Feasibility Studies	Sector
Identification of DPs	MoFPED
Negotiation of financing details	MoFPED/Sector
Preparation of Sector Budget Framework Paper	Sector
Compilation and preparation of National BFP	MoFPED
Submission of NBFP to Parliament	MoFPED
Approval of National Budget	Parliament
Disbursement of funds	MoFPED, DPs, BoU
Preparation of quarterly, Semi-annual and Annual reports	Sector
Monitoring and evaluation	DP's, Sector and MoFPED
Closure of project	MoFPED, DP's and Sector

(d) Implementation and Coordination

The GoU shall be responsible for implementing the project, and for satisfying the development partner that the project is being carried out properly and shall likely achieve the objectives of the loan. The GoU shall report to the DP(s) periodically on the projects progress. The DP(s) shall in turn be expected to supervise the project and review its Progress regularly to ensure that the funds are spent as agreed.

(e) Evaluation

After the project is completed and the loan is closed, GoU and DP(s) shall jointly evaluate the results of the project.

24.2.3 The Secretary for the Treasury shall ensure that there is an effective aid accountability framework to provide timely and adequate financial reporting, including quality assurance regarding arrangements for disbursement and application of aid resources.

24.2.4 The accountability framework shall ensure it supports the government's ability to:

- (a) Set measurable goals, and responsibilities,
- (b) Plan what needs to be done to achieve goals,
- (c) Do the work and monitor progress,
- (d) Report on results, and
- (e) Evaluate results and provide feedback.

24.2.5 The following guidelines shall be considered by the Secretary to the Treasury in assessing the effectiveness of the aid accountability framework;

- (a) Accountability is necessary when responsibility is assigned and authority is delegated.
- (b) The qualitative characteristics of accountability information are timeliness, understandability, relevance, reliability, and comparability. Also, the cost of providing accountability information shall not exceed the expected benefit.

	<ul style="list-style-type: none"> (c) All forms of accountability reporting shall present information on outputs. (d) Expected results need to be clearly expressed and must be measurable. (e) Accountability reports shall link information on the costs of outputs with information on their effects. (f) A Ministry responsible for finance accountability report shall include all sectoral organizations accountable to the Minister. (g) Each Sector accountable under budget support shall prepare plans (including budgets) and performance reports. (h) Plans shall be prepared by those who have been assigned responsibility. The plans shall state results to be achieved, actions to be taken and by whom, estimated costs and performance targets. Those who assign responsibility shall agree to the plans. (i) Performance reports (such as financial statements and annual reports) shall compare actual to planned results. (j) Key accountability reports, including plans, budgets, financial statements and annual reports shall be made public. (k) Published performance information shall be audited. (l) Accountability processes within Local Governments shall be consistent with, and support, accountability to the Ministry and Parliament. (m) The main elements of an effective accountability framework shall be legislated. <p>24.2.6 For details of the aid management operations, reference shall be made to the Aid Management Manual.</p>
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<p>24.3 Basis of accounting and Chart of Accounts</p>	<p>24.3.1 All development partner-funded projects shall follow these Instructions in respect of the basis of accounting and reporting.</p> <p>24.3.2 The Government Chart of Accounts shall be adopted by all projects in accounting and reporting on development partner funds.</p>
<p>24.4 Planning and Budgeting for Externally Financed Projects</p>	<p>24.4.1 Appraising and selecting public investment projects shall be linked to the budget cycle and consistent with the medium term fiscal and budget framework as described under chapters 3 and 4 of these Instructions.</p>
<p>24.5 Banking Arrangements</p>	<p>24.5.1 The procedures governing the operation of Bank Accounts in these Instructions shall apply to the DP funded project bank accounts as well.</p> <p>24.5.2 Where a project operates a special account, no payments shall be made out of the special account other than transfers to operational accounts unless authorised by the Accountant General.</p> <p>24.5.3 Pursuant to Section 43 of the PFMA, bank accounts of externally financed projects shall be managed on terms and conditions as communicated by the Accountant General.</p> <p>24.5.4 Any interest income received on bank accounts shall be accounted for in line with requirements of the financing agreement.</p> <p>24.5.5 Unless otherwise stipulated in the financing agreement, commission fee on project bank accounts shall be directly charged to the project bank charges account.</p>

<p>24.6 Treasury Single Account (TSA) framework for externally funded projects</p>	<p>24.6.1 Section 36(6), 43 and 44(20) of the PFMA, require all the public resources including external financing to be paid into the consolidated fund and once deposited shall form part of the consolidated fund and shall be availed through the Appropriations Act.</p> <p>24.6.2 Pursuant to paragraph 24.6.1 above, an Accounting Officer shall ensure that all planned DP disbursements under his or her vote are included in the vote budget estimates i.e appropriated by Parliament.</p> <p>24.6.3 All disbursements for the externally funded projects shall be paid into the TSA project account. This shall allow government to determine its net cash flow position and avoid borrowing the DP funds in the Uganda’s financial system. Where funds are disbursed directly to the end user or beneficiary, the Accounting Officer shall capture these funds in the GFMIS to ensure completeness of records.</p> <p>24.6.4 The balances on the bank accounts of externally funded projects shall be swept overnight into the TSA main account and by morning the balances shall be restored to the relevant project bank account for disbursement.</p>
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<p>24.7 Funds Flow Arrangements</p>	<p>24.7.1 The following procedure shall be followed in withdrawing funds:</p> <ul style="list-style-type: none"> (a) The disbursement of funds by DPs shall be based on the financing agreements. (b) All withdrawal applications shall be submitted to the Accountant General for processing. Upon applications from the Accounting Officer, the Accountant General shall review the request for compliance and completeness with the financing agreement and prepare the necessary documentation for the disbursement of the funds by the DP. The Accountant General shall receive notifications from DPs after transfer of funds in cases where payments are made directly to the contractors or suppliers of the EFPs. <p>24.7.2 For General Budget Support and Sector Budget Support, funds shall be disbursed through the TSA of the Government and in this case, the development partners shall deposit funds to the credit of the UCF Bank account at the BoU in line with Section 33(6) of the PFMA.</p> <p>24.7.3 The BoU shall accordingly credit the UCF Bank account and notify the Accountant General of the disbursed funds.</p> <p>24.7.4 In case of project support, the following procedures shall apply;</p> <ul style="list-style-type: none"> (a) The DPs shall deposit funds to relevant Project Account, which is at BoU or any other financial institution as may be authorized by the Accountant General under Section 33(7) of the PFMA. (b) The BoU (or Authorized Financial Institution) shall update the Project Bank account with disbursed funds and notify the Project Implementation Unit, the responsible Accounting Officer, the Directorate responsible for Debt and Cash policy and the Accountant General of the deposited funds.
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	<p>(c) The Project Implementation Unit (PIU) shall confirm the receipt of the disbursements and update the Project Accounts accordingly;</p> <p>(d) The Accountant General shall update the DMFAS accordingly with the notification received from the Bank for the funds received.</p> <p>(e) The Accounting entries to be passed in the GFMIS shall be as follows;</p> <p style="padding-left: 40px;"><u>By the Accountant General</u></p> <p style="padding-left: 40px;">Dr Bank / cash</p> <p style="padding-left: 40px;">Cr Loan/ grants received</p> <p style="padding-left: 40px;"><u>By the Accounting Officer/PIU</u></p> <p style="padding-left: 40px;">Dr Cash / Bank</p> <p style="padding-left: 40px;">Cr transfers received</p> <p>24.7.5 There are cases where some financing agreements require that funds are remitted to a holding account maintained by the Treasury before they are eventually transferred to the UCF or a project account. In these cases, the Accountant General shall ensure that;</p> <p>(a) The funds received in the holding bank account are recorded into the GFMIS. The BoU usually communicates when the bank account has been credited; alternatively, reference may be made to the bank statements obtained from BoU to confirm the actual receipt of funds before the GFMIS is updated.</p> <p>(b) An acknowledgement of receipt of funds is prepared and submitted to the DP.</p> <p>(c) In case the funds are for budget support, an instruction using security paper is prepared transferring the funds from the holding bank account to the UCF Bank Account. Simultaneously, the transfer shall be recorded in the GFMIS.</p> <p>(d) In case the funds are for project support, a transfer is made to move the funds from the holding bank</p>
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	<p>account to the designated project bank account on request of the concerned Accounting Officer. The transfer shall be recorded in the GFMIS and in both cases the instruction used to transfer funds must be recorded and signed by two authorized signatories.</p> <p>(e) The signed transfer instruction accompanied by a photocopy of the same affixed with the ID of the agent shall be delivered to the BoU.</p> <p>(f) The BoU shall acknowledge receipt of the transfer instruction by stamping and signing on the accompanying photocopy.</p> <p>24.7.6 There are instances where DPs provide in-kind assistance. Such disbursements shall follow the procedure below:</p> <p>(a) DP provides goods or services in-kind to the project and report on the amounts, goods, services of equipment value with the relevant supporting evidence of the disbursements and purchases to the concerned Accounting Officer and Project Coordinator;</p> <p>(b) On receipt of the notification and relevant information and update, and upon satisfying itself, the PIU shall update the project accounts accordingly.</p> <p>(c) The responsible Accounting Officer must notify the Accountant General of any Aid-in-kind received, clearly indicating the amount of value involved.</p> <p>(d) The process of reporting of funds of this nature shall also be done as part of the in-year reporting and the annual financial statements as described in Chapter 19 of these Instructions.</p> <p>24.7.7 Any Accounting Officer who fails to comply with the above Instructions commits an offence and shall be dealt with in accordance with the PFMA.</p>
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<p>24.8 Accounting Policies and Financial Reporting</p>	<p>24.8.1 Instruction 5.2 and chapter 19 of these Instructions shall apply for the accounting policies and standards to be followed by the projects for their accounting and financial reporting.</p> <p>24.8.2 Where unique and specific accounting policies are required by projects, the Accountant General shall consider and approve such accounting policies.</p>
<p>24.9 Accounting Books</p>	<p>24.9.1 In line with the Instruction 7.12 of these Instructions, the records to be kept on the GFMIS shall include cashbooks, vote control registers, general ledgers, subsidiary ledgers, a detailed schedule indicating the draw-downs and interest charges of the loan/credit or grant accounts and any other records that the DP may specify.</p>
<p>24.10 Supporting Documentation</p>	<p>24.10.1 Financial records include all source documents (budgets, invoices, vouchers, bank statements, credit advice, journals, cheques, receipts and any other documents), which serve as evidence of financial transactions.</p> <p>24.10.2 The maintenance and keeping of the financial records shall be in accordance with Instructions 7.13 of these Instructions.</p>
<p>24.11 Monitoring and Evaluation of Externally Funded Projects</p>	<p>24.11.1 The monitoring and evaluation of the implementation of externally funded projects shall be carried out in line with Instruction 4.31 and 4.33 of these Instructions.</p>

<p>24.12 Closure of Project Accounts</p>	<p>24.12.1 At the closure of a project and on submission of an interim completion report, the primary responsibility of asset and liability management shall be taken over by the Accounting Officer who shall determine the subsequent beneficiaries. The Accounting Officer to carry on the follow up activities shall be considered first.</p> <p>24.12.2 Projects that have reached their drawing limit date, shall request the Accountant General or the authorized representative to sanction the closure of the project accounts irrespective of the disbursement status.</p> <p>24.12.3 The closure of the project bank accounts by the Accountant General shall involve the following procedures;</p> <ul style="list-style-type: none"> (a) Undertaking periodic reviews of all project bank accounts every financial year to identify which projects closed. (b) Authorizing the BoU to close the identified bank accounts. The authority must also specify the account into which the project bank account balances must be transferred on closure of the account. (c) The Instruction must be recorded in the bank account opening counter book and signed for ease of reference. (d) The instruction must be delivered to BoU with a copy which must be stamped as evidence of delivery. (e) The BoU shall reply in writing confirming the closure of the account. (f) Upon receipt of the bank confirmation, the status of the bank account in the bank accounts register shall be changed from “active/dormant/de-activated” to “closed”. <p>24.12.4 Unutilized DP funds shall be reimbursed at the closure of the project with a final completion report prepared and issued to the Accounting Officer.</p>
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THE REPUBLIC OF UGANDA

Appendices

25 Appendices

Appendix A: Treasury forms

No.	Treasury Form No.	Corresponding Old Treasury Form No.	Name of Treasury Form	Description/Purpose
1.	TF 01 (Paragraph 6.5.2e)	-	Risk Register	Indicating (i) source of the risk (ii) type of risk (iii) mitigating strategy and (iv) the responsible officer for the mitigating strategy.
2.	TF 02 (Paragraph 7.12.4; 21.11.1)	TF 48	Journal Voucher	This is a journal voucher used for making adjustments in the General Ledger. Involves non- cash items
3.	TF 03 (Paragraph 7.15.2)	-	Document movement register	Register to record movements of any accounting documents and financial records
4.	TF 04 (Paragraph 7.21.1; 17.22.5)	TF 83C	Imprest ledger book	A record of imprest advanced and the corresponding accountabilities
5.	TF 05 (Paragraph 8.5.2)	TF 9	Treasury requisition	Request by the Minister of Finance to the Auditor General to issue grants of credit for the withdrawal of funds from the consolidated fund
6.	TF 06 (Paragraph 8.5.3)	TF 10	General/Minister Warrant	Authority from the Minister responsible for finance to the Accountant General to issue funds from the consolidated Fund
7.	TF 07 (Paragraph 9.1.2(c); 9.3.8(c); 9.7.1; 9.7.2; 9.12.5; 9.14.1(a))	TF 1001	General Receipt (Accounting Officers)	Receipt issued immediately any public moneys are received by an Accounting Officer

No.	Treasury Form No.	Corresponding Old Treasury Form No.	Name of Treasury Form	Description/Purpose
8.	TF 08 <i>(Paragraph 9.1.2(e))</i>	TF 42A	Quarterly Return	Quarterly Returns submitted to ST and copied to AG, for the monitoring of the trend of revenue collected as compared with the approved estimates
9.	TF 09 <i>(Paragraph 9.3.8(f); 9.13.11(b); 9.14.1(a))</i>	TF 70A	Collectors' of Revenue monthly return	Return of revenue collected and banked by a revenue collector
10.	TF 10 <i>(Paragraph 9.3.8 (j); 9.13.8; 9.13.15; 9.14.1(b))</i>	TF 3	Annual return of arrears of revenue	Shows a record of all arrears of revenue an Accounting Officer is responsible for at the end of Financial or at any other date.
11.	TF 11 <i>(Paragraph 9.9.8)</i>	-	Verification certificate for stock of unused receipt books	Receivers of Revenue in a Vote shall check the stock of unused Receipt Books at least twice in the year or more frequently as the situation demands. The immediate supervisor of custodian of the Register shall do the verification. The Verifying Officer shall sign the verification certificate (TF 11) which shall appear at the first page of the Register
12.	TF 12 <i>(Paragraph 9.12.3)</i>	-	Revenue/ Paying-in-Voucher	To be compiled in duplicate summarizing receipts issued according to revenue classification

No.	Treasury Form No.	Corresponding Old Treasury Form No.	Name of Treasury Form	Description/Purpose
13.	TF 13 <i>(Paragraph 9.13.3)</i>	-	Invoices for Goods/services provided on credit	When goods or services are provided on credit, invoices shall be raised immediately. Invoices shall be prepared in triplicate
14.	TF 14 <i>(Paragraph 9.14.1(c))</i>	TF 70B	Summary statement of Revenue collected	Summary statement of revenue collected by a vote
15.	TF 15 <i>(Paragraph 10.4.4)</i>	TF 34A	Cheque Payment Voucher	Authority to effect payment by cheque for services or goods received
16.	TF 16 <i>(Paragraph h10.6.4(e); 10.6.4(i))</i>	-	Request form for refund of eligible expenditures	Each month or as soon as expenditure has been incurred the Project Implementation Unit requests the development partner to refund eligible expenditures incurred.
17.	TF 17 <i>(Paragraph 10.10.19)</i>	TF 87	Invoice Register	In order to prevent the possibility of double payments occurring, Accounting Officers and Imprest holders should maintain invoice registers in which shall be recorded details of: (a) each invoice received, (b) the relevant local purchase order form and (c) the payment voucher on which payment was made.

No.	Treasury Form No.	Corresponding Old Treasury Form No.	Name of Treasury Form	Description/Purpose
18.	TF 18 (Paragraph 10.11.3)	TF 44	List of missing vouchers/payment documents	A record of all vouchers/payment documents that are missing at a specific time
19.	TF 19 (Paragraph 10.21.3)	TF 1010	Imprest warrant	Authority given to imprest holders to hold cash for a given period usually one financial year
20.	TF 20 (Paragraph 10.21.9)	TF 90	Temporary Imprest request form	To be used by officers requesting for funds to carry out specific work.
21.	TF 21 (Paragraph 10.21.12)	TF 91	Accountability form	Form shows details of advances taken, amount returned if any.
22.	TF 22 (Paragraph 10.23.6)	TF 58	Pay Change Report (Human Resource Data Entry Form)	Report for payroll/sheet changes.
23.	TF 23 (Paragraph 10.23.20)	TF 31E	Salary advise Form	Advice form issued to staff when not contented with what has been paid
24.	TF 24 (Paragraph 10.23.24)	TF 31(3)	Local last pay certificate	Certificate of salary details prepared in respect of any staff transferred from one vote to another
25.	TF 25 (Paragraph 11.5.2(c))	TF 96	Analysed vote book page (Vote Control register)	Used to monitor performance of a vote by showing commitments, cash releases and payments, outstanding commitments, unpaid bills and un-committed balances at a given date
26.	TF 26 (Paragraph 11.5.3 (a); 16.3.2; 16.6.1; 16.13.5)	TF 89	Register for Fixed Assets	A record of all the details relating to the fixed assets acquired by a Ministry or Agency.

No.	Treasury Form No.	Corresponding Old Treasury Form No.	Name of Treasury Form	Description/Purpose
27.	TF 27 <i>(Paragraph 12.12.3)</i>	-	Register for contingent liabilities	The Head of the Directorate of Debt and Cash Management of the Treasury or the Accounting Officer, as the case may be, shall ensure that all contingent liabilities are recorded and included in an appropriate register.
28.	TF 28 <i>(Paragraph 14.7.2)</i>	-	Investment Register	Register of all investments held and documentation proving ownership and existence
29.	TF 29 <i>(Paragraph 15.10.3)</i>	-	Write – Off inventories	A report of write - off of minor inventories to the Secretary to the Treasury for inclusion in a Supplementary Appropriations Bill
30.	TF 30 <i>(Paragraph 16.13.19)</i>	-	Office Register for items not capitalized	For all items not capitalized, especially portable and attractive items, an entity shall keep an office register for safeguarding and accountability purposes.
31.	TF 31 <i>(Paragraph 17.2.1)</i>	-	Cash flow projections	The Accounting Officer must annually submit to the Secretary to the Treasury a breakdown of anticipated revenue and expenditure by the beginning of the financial year.
32.	TF 32 <i>(Paragraph 17.5.3)</i>	TF 11	Accounting Warrant	Authority to Accounting Officers given by the Accountant General to allow them to incur expenditure. i.e. commitment of funds

No.	Treasury Form No.	Corresponding Old Treasury Form No.	Name of Treasury Form	Description/Purpose
				to be done against Accounting warrants.
33.	TF 33 (Paragraph 17.10.2)	-	Register of Bank Accounts	In accordance with Section 27 of the PFM regulations, each vote must maintain in a manual or electronic form, an up-to-date register of bank accounts operated by the vote and any of its departments or subsidiary units.
34.	TF 34 (Paragraph 17.14.1)	-	Cheque register	For purposes of enhancing traceability and accountability of cheques, votes shall maintain a cheque register, in a manual or electronic form, for each bank account held by the vote.
35.	TF 35 (Paragraph 18.4.1(b))	-	Report on the fiscal performance of the Contingencies Funds	Report on the fiscal performance of the Contingencies Funds
36.	TF 36 (Paragraph 18.6.1)	-	Report on accountability of Contingencies Funds by Accounting Officer	Report submitted by the Accounting Officer on completion of the execution of an activity.
37.	TF 37 (Paragraphs 19.3.2 (c))	TF 4	Cash/Petty cash count certificates	Shows daily cash/petty cash balances
38.	TF 38 (Paragraph 20.3.1(a))	-	Treasury requisition for audit warrant to withdrawal funds from the petroleum fund	For each release of funds, a treasury requisition will be made by the Minister responsible for finance and addressed to the Auditor General for

No.	Treasury Form No.	Corresponding Old Treasury Form No.	Name of Treasury Form	Description/Purpose
				issue of a warrant for the withdrawal of funds from the petroleum fund
39.	TF 39 (Paragraph 21.13.2(c); 21.13.12)	-	Register of losses	Maintained by a vote to record losses.
40.	TF 40 Appendix D – Paragraph 3(b)(ii)	TF 5	Annual /Surprise board of survey on cash, cash book and bank balances	Report giving details of the findings from the BoS on Cash, Cashbook and Bank Balances carried out at a specific time.
41.	TF 41 (Paragraph 10.3.1(a)(c))	ESTP – 001	IFMS Input Form – Foreign Suppliers	Form for the creation of foreign suppliers on the IFMS providing all the necessary payment details
42.	TF 42 (Paragraph 10.3.1(b)(c))	EFT/E/002	Employee EFT payment details Form	Form for the creation of employees on the IFMS providing all the necessary EFT payment details
43.	TF 43 (Paragraph 10.3.1(a)(b))	EFT/S/001	Supplier EFT payment details Form	Form for the creation of suppliers on the IFMS providing all the necessary EFT payment details
44.	TF 44 Appendix D – Paragraph 3(a)	-	Follow up on previous Board of Survey Recommendations	Form to verify and update the status of action taken in respect of the recommendations made from the previous BoS.
45.	TF 45 Appendix D – Paragraph 3(b)(i)	-	Cash Board of Survey - Bank Balances	Certificate for bank balances
46.	TF 46 Appendix D – Paragraph 3(b)(iii)	TF 46	Report of Board of Survey on Stores, Inventories and Assets	Report giving details of the findings from the BoS on the stores, Inventories and assets.

No.	Treasury Form No.	Corresponding Old Treasury Form No.	Name of Treasury Form	Description/Purpose
47.	TF 47 <i>Appendix D – Paragraph 3(b)(iv)</i>	-	Board of Survey Checklist – Stores	A checklist in respect of stores to ascertain; (i) the percentage of the store inspected. (ii) Whether the store balances agree with the ledger balances (iii) Observations whether the storerooms are adequate and well organized (iv) How much of excessive or obsolete stock is held by the entity and (v) Other relevant observations relating stores management.
48.	TF 48 <i>Appendix D – Paragraph 3(b)(iii)</i>	-	A list of verified Biological Assets	A schedule/register giving details of the findings from the BoS on Biological Assets.

RISK REGISTER

Vote Name Vote Code Financial Year.....

KEY:

Risk Assessment: L = Likelihood I = Impact H = High (3) M = Medium (2) L = Low (1)

Risk No	Risk Description	Root cause(s)	Assessment of inherent risk		Description of existing controls	Assessment of residual risk		Risk Owners		Risk response and agreed actions (who, what, by when)	Monitoring & Assurance activities
			L	I		L	I	Responsible person	Accountable Person		
1	Non-Compliance to regulatory framework	Lack of understanding of regulatory requirements; lack of training and or insufficient resources to ensure compliance	H	M	Compliance audits; staff training	M	M	4	Head of Finance(HoA)	Conduct staff awareness, training HoA by 30-09-18	Internal and external audit reviews

Prepared by: Name: Date: Signature:

Verified by: Name: Date: Signature:

Approved by: Name: Date: Signature:

REPUBLIC OF UGANDA
JOURNEY VOUCHER

VOTE: NAME FUND CODE SERIAL NO:

VOTE: CODE FUNDING SOURCE CODE DATE

Item / Account Name	Description	Cost Centre Code				Project Code	Functions (GFS) Code		MTEF Code			Account Code					Type of Entry Dr/Cr	Amount (Shs)					
		Directorate	Department	Division	Section		Unit	Unspecified	Unspecified	Sub Project	Function sector	Sub function sector	Objective	Output	Activity	Class			Item	sub Item	S/sub Item	S/S/sub Item	S/S/sub Item

NARRATION:

PREPARED BY CHECKED BY AUTHORIZED BY

TITLE TITLE TITLE



THE REPUBLIC OF UGANDA

TF03

DOCUMENT MOVEMENT REGISTER

Vote Name: Vote Code: Financial Year.....

File Number	Document Name/ Status	Details of borrower	Date borrowed	Date Returned	Borrower's Signature

*IMPREST LEDGER BOOK

Vote Name Vote Code Financial Year.....

Name of person to whom issued:

Title of person to whom issued:

ADVANCES							ACCOUNTABILITIES		
Warrant No.	Date of authority for issue of money	Voucher No.	Amount	Date	Details	Journal Voucher No.	Amount	Balance	

* to be maintained for temporary/ standing imprests advanced.

Telephone : 256 41 4707000
: 256 41 4232095
Fax: : 256 41 4230163
: 256 41 4343023
: 256 41 4341286
E-mail : finance@finance.go.ug
Website : www.finance.go.ug



THE REPUBLIC OF UGANDA

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

In any correspondence on
this subject please quote No.

TREASURY REQUISITION

REQUISITION NO.:

DATE

THE AUDITOR GENERAL,
OFFICE OF THE AUDITOR GENERAL,
KAMPALA

TREASURY REQUISITION FOR THE GRANT OF CREDIT ON THE CONSOLIDATED FUND.

Reference is made to letter Ref; No.Dated(Copy attached).

In accordance with Sections 25(2) and 32(2) of the Public Finance Management Act 2015 as amended, the Treasury hereby requests you to grant a credit on the Consolidated Fund for the sum of Ush. Uganda Shillings: for the amount becoming payable under the Authority of for the services for the financial Year.....

.....
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

CC. Permanent Secretary/ Secretary to Treasury.
CC. Auditor General

Telephone : 256 41 4707000
: 256 41 4232095
Fax: : 256 41 4230163
: 256 41 4343023
: 256 41 4341286

E-mail : finance@finance.go.ug
Website : www.finance.go.ug

In any correspondence on
this subject please quote No.



THE REPUBLIC OF UGANDA

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

MINISTER'S WARRANT

Ref: Treasury Requisition No.
Grant of Credit No.....
General Warrant No..... Date.....

THE ACCOUNTANT GENERAL
ACCOUNTANT GENERAL'S OFFICE
P.O. BOX 7031
KAMPALA

ISSUES FROM THE CONSOLIDATED FUND ACCOUNT FOR THE YEAR.....

In accordance with Sections 25(2) and 32(2) of the Public Finance Management Act, 2015 as amended, I hereby authorize a withdraw of funds from the consolidated fund up to SHS Uganda Shillings.

This is as specified on Treasury Requisition No:.....Dated.....
and Grant of Credit No.Dated for the
amount becoming payable under the authority of
..... for the services of the
financial year.....

.....
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

CC. Permanent Secretary/ Secretary to Treasury.
CC. Auditor General

QUARTERLY REVENUE RETURN

Vote Name Vote Code Financial Year

Revenue Source		Approved Revenue Estimates	Revenue Collected	Surplus/Deficit	Transfer to Uganda Consolidated Fund	Remarks
Item	Code					

Prepared by: Name: Date: Signature:
 Verified by: Name: Date: Signature:
 Approved by: Name: Date: Signature:

COLLECTORS OF REVENUE MONTHLY RETURN

Month

Vote Name Vote Code

Department /Station

Date	Receipt Number		Amount Received	Amount Banked/ Paid to Account- ing Officer		Pay-in-Slip/ Receipt nos	Remarks
	From	To		Date	Amount		

Prepared by

Name

Title

Signature

Verified by

Name

Title

Signature

Approved by

Name

Title

Signature

Note

- i. At regular intervals (atleast monthly) the revenue collector must report to the Accounting officer the revenues collected and banked and/ or remitted to the Accounting officer.

ANNUAL RETURN OF ARREARS OF REVENUE

Vote Name: Vote Code:

For the Financial Year ended 30th June 20.....

Statement of Arrears of Revenues for the year ended 30 June 20..... {Based on
source of revenue} (Memorandum Statement)

	Actual Amounts Collected by 30 June 20.... Shs. Opening bal	Amount remitted to the Consolidated Fund By 30 June 20....Shs Billed	Due to Consolidated Fund Sh. Collected	Arrears of Revenue 30th June 20.. Shs Arrears
RECEIPTS				
Non-tax revenue				
Investment income				
Dividends				
Property income attributed to insurance policy holders				
Rent				
Other Property income				
Sale by market establishments				
Administrative fees & licenses				
Incidental sale of goods and services				
Incurred fines and penalties				
Court fines and penalties				
Other fines and penalties				
Voluntary transfers other than grants- current				

VERIFICATION CERTIFICATE FOR STOCK OF UNUSED RECEIPT BOOKS

Vote Name		Vote Code		Financial Year		Department/Section			
Receipts Received		Quantity		Receipts Used		Quantity		Unused Receipts	
From	To			From	To			From	To

Prepared by: Name: Date: Signature:

Verified by: Name: Date: Signature:

Approved by: Name: Date: Signature:



THE REPUBLIC OF UGANDA

INVOICE FOR GOODS/SERVICES PROVIDED ON CREDIT

VOTE NAME VOTE CODE FINANCIAL YEAR

SUPPLIER: NAME SERIAL NO

ADDRESS: DATE:

..... VEHICLE:

TEL: DELIVERY NOTE NO:

LPO NO:

PRODUCT/ ITEM(S) CODE	DESCRIPTION	QTY	UNIT PRICE	TOTAL VALUE
	TOTAL			

REMARKS:

DELIVERED BY: Name.....

Title.....

Signature.....

RECEIVED BY: Name.....

Title.....

Signature.....

CERTIFIED BY: Name.....

Title.....

Signature.....

SUMMARY STATEMENT OF REVENUE COLLECTED

Vote Name: Vote Code: Financial Year:.....
 Department/ Section..... Date
 Folio..... Account Code.....
 Description of Revenue.....

Arrears B/F	REVENUE DUE				REVENUE RECEIVED				Amount paid out/ banked	Arrears C/F	Remarks File Numbers, Cross Reference Etc
	Date due	Details	Payers	Amount for F/Y	Total due to date	Date	Receipt Numbers	Arrears				Current amount received
Shs				Shs			Shs	Shs			
Total											

Names:
 Signanture:
 Date:

THE REPUBLIC OF UGANDA
CHEQUE PAYMENT VOUCHER

Voucher No:

Ministry / Agency

Vote Fund Funding Source Date:

Payee Cheque No.

Particular of Payment	Cost Centre Code				Project Code		Functions (GFS) Code		MTEF Code			Account Code				Type of entry Dr/Cr	Amount (Shs)								
	Directorate	Department	Division	Section	Unit	Unspecified	Unspecified	Project	Sub Project	Function Sector	Sub Function Sector	Objective	Output	Activity	Class			Item	Sub Item	S/Sub Item	S/Sub Item				
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D	C			
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D	C		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D	C		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D	C		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D	C		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D	C		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D	C		

Prepared by:
Signature & Date

Checked by:
Signature & Date

Authorised by:
Signature & Date

Approved by:
Signature & Date

Entered in the vote control Register by:
Signature & Date

Received by:
Signature & Date

EFT PAYMENT VOUCHER
GOU PAYMENT VOUCHER REPORT

MALG:.....

PAYEE:.....

Voucher No.:.....

EFT No.:.....

Being payment for Amount

..... Total

Shs. (in words)

I HEREBY CERTIFY that the above amount is correct and was incurred under the authority quoted that the above service has been duly and properly performed/ supplies have been received in good condition, that the payment/price charged is in accordance with regulations, the terms of the contract or agreement/fair and reasonable, and that the above expenditure, will not cause an excess over the provision made under the authority quoted on this voucher under the head and items shown above.

Signature.....

Vote Controller

Date

Signature

Accounting Officer

I confirm that I have, on this Day of20....., received a payment of the above amount.

.....

Signature of the Receiver

Signature of Witness of Payment

This certificate must be made to apply to the circumstances of the payment.

REQUEST FORM FOR REFUND OF ELIGIBLE EXPENDITURE

CREDITOR NAME:.....

Date:
 Discription of category:
 Loan/ Grant/Financing No:
 Reporting Period:
 Project Title:
 Category No:
 Application No:
 Sheet No:

1	2	3	4	5	6	7	8	9	10	11	12
Item	Supplier / Contractor	Discription	Country of Origin of Goods & Services	Ref No.	Date	Contract Value & Currency	Total Amount Requested (UGX)	Exchange Rate	Amount Eligible for Financing	Date of Payment	Evidence of Payment to Bank a/c

Payments on this page:

Balance from previous page:

Total Amount Claimed:

Signature of Project Manager/ Coordinator:

Signature of Authorised Representative:

LIST OF MISSING VOUCHERS/ PAYMENT DOCUMENTS

Vote Name Vote Code Financial Year

Date

Voucher No.	Amount Shs	Reasons why missing	Action taken to obtain Voucher	Date of Receipt by the Accountant General

.....
Accounting Officer

* Missing Vouchers must be notified by the Accounting Officer to the Accountant General immediately.

Original }
 Duplicate } Delete where applicable
 Tripplicate }

TF 19

THE REPUBLIC OF UGANDA

IMPREST WARRANT

TO BE SUBMITTED TO THE ACCOUNTANT GENERAL

Vote No.

Ministry/Agency

Station/Department

Date20.....

Signature of the Accounting Officer submitting the Schedule for Warrant }

.....Title

SCHEDULE

Name and designation of person to whom the amount is to be issued	Purpose for which issued	Amount Shs.	Date for accounting and repayment
<p>THIS WARRANT EXPIRES ON 30TH JUNE, 20.....</p>			

To:

You are hereby authorised to issue the amount(s) shown to the person described in the above Schedule, to be accounted for to..... in the manner and at the date(s) specified.

KAMPALA,, 20

		DISTRIBUTION
Original	..	To person to whom amount is to be issued
Duplicate	..	To Accounting Officer
Tripplicate	..	To Accountant General

.....
Accountant General.

NOTES:-

- Schedule of Imprests required by Accounting Officers in the forthcoming financial year must be submitted to the Accountant General at least 14 days before the beginning of the financial year.
- Imprest holders will be appointed by the Accounting Officer with the approval of the Accountant General.

REPUBLIC OF UGANDA
TEMPORARY IMPREST REQUEST FORM

1. Name of Staff: Date of Application.....
2. Designation: Vote
3. Cost Centre/Department:
4. Amount request for:
5. Amount in words:
6. Amount in figures:
7. Purpose for imprest:

8. Estimated date of retirement:Signature:*Applicant*
9. Head of Cost Centre/Department's recommendation:
 Signed: Date:
10. Verification by Head of Accounts: Status of previous outstanding (if any)

Date of Receipt	Last amount	Outsatanding balance	Comment of Status

Signed: Date:

11. Approved by :.....

Signed: Date:
Authorised Signatory

Serial no.



Mandatory Section (s) for each Request,
Please see Overleaf of Page 3

PAY CHANGE REPORT/HUMAN RESOURCE DATA ENTRY FORM

Vote Name..... Votr Code
Processing Month..... Form No.....

SECION A: Employee Data

(a) Personal Information			
Full Names (s)			Mr <input type="checkbox"/> Miss <input type="checkbox"/> Dr <input type="checkbox"/> Other.....(Specify)
<i>First</i>	<i>Middle Name</i>	<i>Last / Surname</i>	<i>Prefix</i>
Home District		Date of Birth	
Gender		Marital Status	
Tribe		District of Residency	
Country of Origin		Citizenship	
Tax Identification Number		Employee Number (IPPS)	
NSSF No.		Old Computer No.	
IFMS Supplier ID (Where Applicable)		LST Collection Centre Code (Vendor)	
National Identification Number (NIN)			
Religion			
(b) Employee Address			
Postal Address			
Location			
Town:			
Region Code (Residential):		LC1:	
<i>District /Municipality</i>		<i>Sub County /Division</i>	
Telephone Contact (s)	Home:	Work:	Mobile:
Email Address			
(c) Banking Information			
Bank Name	Branch		
Account Name			
Account Number			

Endorsed by Head of Human Resource:

(Name, Signature and Date)



THE REPUBLIC OF UGANDA

(d) Recruitment Information									
Date of Appointment (DD) (MM) (YYYY)					Minute Number				
Anticipated Retirement (DD) (MM) (YYYY)									
Retirement Benefit Plan/Pension Scheme					Anticipated Probation End Date				
(c) Other information									
Education Codes									
Key Skill Codes									
Certificate Codes									
Association Codes									
SECTION B: Payment / Assignment Data									
(d) Employment Assignment information									
Employment Position/ Title									Open File No.
Main Assignment	Yes		Pay Code		Posting Station/ Work location or School Code				
Date of Assumption of Duty	(DD)	(MM)	(YYYY)		End Date Contract, Trial, Acting	(DD)	(MM)	(YYYY)	
Report to (Immediate Supervisor)			Employee No.		Situation Code Combination (Terms of Appointment)				End Assignment /Delete
(e) Salary Details									
Salary Personal to Holder (Off Scale)	Yes	No	Incremental Month						
Salary Scale			Salary Band (Science/Upper/Lower)		Salary Step				Amount (Annual)

Endorsed by Head of Human Resource:

(Name, Signature and Date)



THE REPUBLIC OF UGANDA

(h) Payments

Recurrent (Automatic Cost Item excludes Basic Pay)				Non Recurrent (Cost Item Per Pay Period Excludes Recurrent payments)		
Emolument Description	Amount	Start Date	End Date	Emolument Description	Amount	Pay Period

Explanatory Notes for Request / Cost Items (Show calculations where applicable)

Arrears Reason (s)

(i) Deductions

Recurrent (Automatic Deduction)					Non Recurrent (Deduction Per Period)			
Deduction Code	Vendor	Amount	Start Date (DD/MM/YYYY)	End Date (DD/MM/YYYY)	Deduction Code	Vendor	Amount	Pay Period

SECTION C: Authorization

(j) Authorization

	Name (s)	Signature, Date and Stamp
Head of Human Resource		
Internal Auditor		
Accounting Officer		

	Request	Mandatory Section (s)
1.	New Employee	All Sections
2.	Personal Information Change	Section A and B if Applicable
3.	Emolument Change	Section B
4.	Delete	Section B
5.	Reactivation	All Sections
6.	Interdiction	Section B
7.	Transfer	Section B
8.	Lifting Interdiction	Section B

NOTE:

- (i) Section A and C Must always be filled
- (ii) Fill oter Sections where applicable



THE REPUBLIC OF UGANDA

LOCAL LAST PAY CERTIFICATE

The Permanent Secretary
Ministry of Public Service
Kampala

This is to certify that..... SALARY SCALE

Designation: was earning Ugx. / = p.a.

1. Emoluments:

a. Salary: Ugx / = per month.

b. Allowance : Ugx.....N/APer month.

2. The following deductions should be effected from his salary:

S/N	DEDUCTION	CODE
(i)	249

3. The Officer has been paid basic salary and allowances up to (DD MM YYYY)

--	--	--	--	--	--	--	--	--	--

Name: Designation:

Signature: Date:

Stamp:

ANALYSED VOTE BOOK / VOTE CONTROL REGISTER

Department Code:
 Division / Section Code:
 Item Code:
 Approved Estimates (Shs)

Budget Adjustments

<i>Date</i>	<i>Reference</i>	<i>Amount +/- Shs.</i>	<i>New Budget Shs.</i>

(1) Date	(2) Reference		(3) Payee/ Details	(4) Commit- ment Limit (Cumula- tive)	(5) Cash Release (Cumula- tive)	(6) Commit- ments	(7) Balance on Com- mitment Limit (4-6)	(8) Com- mitment Balance on Cash Re- lease (5-6)	(9) Payments	(10) Cash Balance (5-9)	(11) Unpaid Commit- ments (6-9)	(12) Vote Controller Initials + Date	(13) Remarks
	Voucher	Work-plan											

Note: The entries for commitments shall be derived from the approved commitment requisition form. At least one of (7) or (8) must remain positive at all times



THE REPUBLIC OF UGANDA

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REGISTER FOR FIXED ASSETS

Vote Name Vote Code Financial Year

Cost/Control Centre:	
Asset Category	

Asset Number	Description	Registration Number	Initial Cost	Recoverable Cost	Accumulated Depreciation	Location	Depreciation Method

Prepared by: Name: Date: Signature:

Verified by: Name: Date: Signature:

Approved by: Name: Date: Signature:



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THE REPUBLIC OF UGANDA

INVESTMENT REGISTER

LEDGER FOR INVESTMENTS IN FINANCIAL INSTRUMENTS					
Particulars	Investment Duration	Nominal Value	Capital Investment	Current Value	Income Received

Prepared by: Name: Date: Signature:
Verified by: Name: Date: Signature:
Approved by: Name: Date: Signature:

REGISTER FOR CONTINGENT LIABILITIES AS AT.....

Vote Name Vote Code Financial Year

PROJECT	BENEFICIARY	Type of Beneficiary	CREDITOR	Year of Signature	Guaranteed Amount in Original Currency	Guaranteed Amount in \$	Exposure/ Current value	Notes

Prepared by: Name: Date: Signature:
Verified by: Name: Date: Signature:
Approved by: Name: Date: Signature:

CASH FLOW PROJECTIONS

Vote Name	Vote Code	Financial Year												
		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	TOTAL
Cash Flow Projection														
Vote Code														
Vote Name														
Date		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	TOTAL
"1. Opening Balance [Beginning of month]"														0
2. Approved Warrant														
(a) GOU Revenue														
(b) AIA														
3. Total Funds available														
5. Expenditures														
(a) 2111: Wages and Salaries														
o/w 211101: General Staff Salaries														
o/w 211102: Contract Staff Salaries and wages														
o/w 211104: Statutory salaries														
o/w 211105: Mission Staff Salaries														
Total Wage														
(b) Non wage recurrent														
o/w 211103: Allowances														
o/w 2112: Social Contribution														
o/w 213: Other employee cost														
o/w 221: General Expenses														
o/w 222: Communications														
o/w 223: Utility and Property Expenses														
o/w 224: Supplies and Services														
o/w 225: Professional Services														
o/w 226: Insurances and Licenses														
o/w 227: Travel and Transport														
o/w 228: Maintenance														
o/w 2631: Grants To other government units - CURRENT														
Total Non wage														
(c) Development														
31: Non-Financial Assets														
3110: Non-Produced Assets														
o/w 311101: Land														
3120: Fixed Assets														
o/w 3121: Buildings and Structures														
o/w 312104: Other Structures														
"o/w 3122: Machinery, Furniture & Vehicles"														
Grants To other government units - CAPITAL														
Total Development														
Total Expenditure														
CASH POSITION -END OF THE MONTH														

Telephone : 256 41 4707000
: 256 41 4232095
Fax: : 256 41 4230163
: 256 41 4343023
: 256 41 4341286
E-mail : finance@finance.go.ug
Website : www.finance.go.ug



THE REPUBLIC OF UGANDA

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

In any correspondence on
this subject please quote No.

ACCOUNTING WARRANT

Report Date:

Type:

Vote:

ACCOUNTANT GENERAL'S
OFFICE ACCOUNTING WARRANT

Dossier No:

Warrant No:

Warrant Date:

You are advised that your budget request to incur Expenditure on your Vote No. has been authorized as per The Auditor General's Grant of Credit No..... and The Minister's General Warrant No..... you are therefore advised to incur expenditure not exceeding Ushs. as per the attached Schedule.

ACCOUNTANT GENERAL

- CC. Permanent Secretary/ Secretary to the Treasury
- CC. Auditor General
- CC. Director/Budget

REGISTER OF BANK ACCOUNTS

Vote Name Vote Code Financial Year

S/N	BANK NAME	BANK BRANCH	SWIFT CODE	ACCOUNT NAME	ACCOUNT NUMBER	ACCOUNT BALANCE	CURRENCY

Prepared by: Name: Date: Signature:
 Verified by: Name: Date: Signature:
 Approved by: Name: Date: Signature:

CHEQUE REGISTER

Vote Name Vote Code Financial Year

S/N	BANK NAME	BANK BRANCH	SWIFT CODE	ACCOUNT NAME	ACCOUNT NUMBER	CHEQUE NUMBER		CURRENCY
						FROM	TO	

Prepared by: Name: Date: Signature:

Verified by: Name: Date: Signature:

Approved by: Name: Date: Signature:

REPORT ON ACCOUNTABILITY OF THE CONTINGENCIES FUNDS
BY ACCOUNTING OFFICER

Vote Name Vote Code Financial Year

Amount Requested	Amount Advanced	Amount Spent	Unspent Balance	Purpose of Expenditure	Remarks

Prepared by: Name: Date: Signature:
Verified by: Name: Date: Signature:
Approved by: Name: Date: Signature:

CASH/PETTY CASH COUNT CERTIFICATE

Vote Name Vote Code Financial Year

Ministry/Agency..... DAILY CASH SUMMARY REPORT			
Date			
Receipt Nos From To			
DENOMINATION	COINS	NOTES	AMOUNTS (TOTALS)
Shs	Shs	Shs	Shs
50,000	.....	
20,000	.....	
10,000	.....	
5,000	.....	
1,000			
500		.....
200		.....
100		.....
50		.....
20		.....
10		.....
5		.....
2		.....
1			
Prepared by		Total Cash Currency	
Checked by		Add:	
Date banked		*Value of Cheques	.....
		Total cas count	<u> </u>

At the back of the daily summary report, the Revenue Collector shall give full details of the cheques/payment instructions received, which shall include the following:

Date, Cheque No/payment instruction No., Payer, Payer's Bankers, Amount and the Receipt Number.

Telephone : 256 41 4707000
: 256 41 4232095
Fax: : 256 41 4230163
: 256 41 4343023
: 256 41 4341286
E-mail : finance@finance.go.ug
Website : www.finance.go.ug



THE REPUBLIC OF UGANDA

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

In any correspondence on
this subject please quote No.

AUDIT WARRANT TO WITHDRAWAL FROM THE PETROLEUM FUND

Ref: Treasury Requisition No.

Grant of Credit No.

General Warrant No.

Date:

THE AUDITOR GENERAL
OFFICE OF THE AUDITOR GENERAL
P.O BOX 7083
KAMPALA

ISSUES FROM THE PETROLEUM FUND ACCOUNT FOR THE YEAR.....

In accordance with Sections 58(a) & (b) and 63(a) of the Public Finance Management Act, 2015 as amended, I hereby authorize a withdrawal of funds from the Petroleum fund up to SHS.....Uganda Shillings.

This is as specified on Treasury Requisition No: dated.....
and Grant of Credit No: dated for the amount
becoming payable under the authority of
..... for the services of the financial
year

.....
MINISTER OF FINANCE , PLANNING AND ECONOMIC DEVELOPMENT

CC: Auditor General

CC: Permanent Secretary / Secretary to the Treasury



THE REPUBLIC OF UGANDA

REGISTER OF LOSSES

Vote Name Vote Code

For the Financial Year ended 30 June 20.....

Statement of losses of public moneys, stores and other assets written off, and claims abandoned during the year ended 30 June 20.....

Reference number of reported loss/write off/claim abandoned		Notes	30 June 20..... Shs.	30 June 20..... Shs.
	Losses of public moneys (cash and Cash equivalents)			
	Total Losses of cash written off			
	Losses of stores			
	Total Losses of stores written off			
	Other assets			
	Property			
	Plant			
	Equipment			
	Total losses of other assets written off			
	Claims abandoned			
	Total value of claims abandoned			



THE REPUBLIC OF UGANDA

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ORIGINAL
DUPLICATE
TRIPLICATE

REPORT OF BOARD OF SURVEY ON CASH, CASHBOOK & BANK BALANCES.

(1)Delete inappropriate words

NOTES

- A) In the case of an Annual Board, the Survey MUST be held after the close of business on the last business day of the year, or before the commencement of business on the first business day of the New Year.
- B) . Reference is made to Treasury Instructions 2017, Appendix A.
- C) Reports shall be prepared in triplicate on Treasury Form 5. The Chairperson will forward one copy to the Accountant General and one to the Auditor-General, the third copy will remain with the Accounting Officer whose cash, etc, is surveyed, who, if any discrepancy is revealed, will forward his or her explanation to the Accountant General and the Auditor General. In case of a survey of cash and bank balances held by the Accountant General, the Chairman will submit one copy to the Secretary to Treasury and one to the Auditor General, and the third copy will remain with the Accountant General.

To: /Accountant General

Report of the Board of Survey on the Cash, Cash book and Bank Balances etc held by Vote name:
..... assembled at the office of..... at the close of business on
the date.....

NB: First day of the New Year should be a working day

CASH

2. The following cash was produced:-

Shs.

Coins	.....
Notes	.....
Cheques	.....

TOTAL Shs

CASH BOOK

3. The cash book, duly ruled off and balanced, and signed by us, reflected the following balance(s) as at the close of business on the Date.....

Shs.

Cashbook Balance (a)

TOTAL

=====

BANK

4 (a) The Bank Certificate of Balance showed a sum of Shs Standing to the credit of the account on the Date

(b) The difference between Bank balance and the Cashbook Balances (3-4) is accounted for as below;

Shs.

Balance at Bank as per Bank Certificate

Less: Unpresented cheques/EFTs as at

	Date Drawn	Cheque NO. /EFT	Amount Shs
If space is insufficient give details on separate sheet of paper (in triplicate)

Total Unpresented Cheques/EFTs Carried forward		

Less:

Items credited by Bank but not yet recorded in Cash Book on the)

(Date) as follows:-

	Amount
Details	Shs.
.....
.....
.....
.....
.....
.....
.....
.....
.....
Total direct debits/Credits	Shs
	<hr/>
Balance as per Cash book	Shs. <u>.....</u>

In accordance with your instructions, the Board consisting of:

- Member (Name & Signature)
- Member (Name & Signature)
- Chairperson (Name & Signature)
- Accounting Officer (Name & Signature)

Date..... Time.....



THE REPUBLIC OF UGANDA

IFMS INPUT - FOREIGN SUPPLIERS

Vote Name Code: Tick as appropriate: New Change:

Vote Name

Supplier Name	Address and Contact Details <i>Plot No:</i> <i>Street:</i> <i>City:</i> <i>Post Code:</i> <i>Country:</i>
Account Name	Account Number
Bank Name	SWIFT Code (BIC)
Bank Branch	Branch Code
Branch SWIFT Code (BIC)	Routing Number
Intermediary Bank Information	
Intermediary Bank Name	Intermediary Bank SWIFT Code (BIC)
Prepared By (Vote):	Approved By (Vote):
Name:	Name:
Title:	Title: Accounting Officer
Signature & Date:	Signature & Date: (Stamp)
<u>Accounting General's Office (Approved By)</u>	
Name and Title:	Date and Signature
<u>Entered on IFMS By:</u>	
Name:	Title:
Date and Signature	Supplier No:

A. Instructions for filling

1. Forms are in duplicate; Original to be returned to MoFPED and the duplicate to be kept by the site.
2. This form has to be filled by an authorised person and endorsed by the personnel officer (for employees) or suppliers representative for suppliers
3. The applicable vote code is as is in the IFMS Chart of accounts
4. Request type must be indicated at all times(Change, New, Delete)
5. For Employees, The employee number required is the payroll number and must be filled (if it exists - indicate if not available)
6. For Suppliers, the supplier number required is allocated at point of entry
7. Forms filled each month have to be serialised e.g. the first form filled in the April in shall take the form 07040001 where 04 is the month, 07 is the year and 001 is the serial number
8. No serial numbers shall be skipped
9. Change request should fill only fields that have to be changed
10. Supplier /Employee number cannot be changed
11. New requests must fill all fields
12. Inactivate request may only fill the supplier/employee number and name

B. Requirements

1. A copy of Tax Certificate or proof of Tax Registration
2. Proof of Bank Account details e.g Bank Slip

INSTRUCTIONS FOR FILLING

1. Forms are in duplicate; Original to be returned to MoFPED and the duplicate to be kept by the site.
2. Section A and B of this form has to be filled by an authorised supplier's representative and endorsed by the supplier representative
3. The applicable vote code is as is in the IFMS Chart of accounts
4. The supplier number required is allocated at point of entry
5. Request type must be indicated at all times(New, Change or Delete)
6. Forms filled each month have to be serialised e.g. the first form filled in the April in shall take the form 07040001 where 04 is the month, 07 is the year and 001 is the serial number
7. No serial numbers shall be skipped
8. Bank and Branch code shall be the codes recognised by Bank of Uganda
9. Section D are at the ministries
10. Section E and F are filled by the appropriate persons at MoFPED
11. Default Currency is UGX (suppliers to provide UGX bank account shillings only)
12. Indicate the applicable with holding rate in the appropriate box (6% or 15%)
13. Change request should fill only fields that have to be changed
14. Supplier no. cannot be changed
15. New requests must fill all fields (except supplier no)
16. Inactivate request may only fill the Supplier number and name



THE REPUBLIC OF UGANDA

FOLLOW UP ON PREVIOUS BOARD OF SURVEY RECOMMENDATIONS

Vote Name Vote Code Financial Year

S/N	Previous Recommendation(s)	Action Taken & Date	Remarks
1	.		
2			
3			
4			

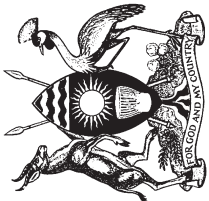
Note: Please provide supporting documentation for action taken

(Signature and date).....Responsible Officer

(Signature and date).....Accounting Officer

(Signature and date)..... Member

(Signature and date)..... Chairperson



THE REPUBLIC OF UGANDA

CASH BOARD OF SURVEY – BANK BALANCES

Vote Name Vote Code Financial Year

S/N	Bank Account Name	Bank Name	Bank Account Number	Bank Balance At 30 June 20..	Cashbook Balance At 30 June 20..	Currency
1						
2						
3						
4						

Confirmed By
(Signature and date).....Responsible Officer

(Signature and date)..... Accounting Officer

(Signed)..... Member

(Signed)..... Chairperson



THE REPUBLIC OF UGANDA

REPORT OF BOARD OF SURVEY ON STORES, INVENTORIES & ASSETS

Original
Duplicate
Triplicate
Quadruplicate

To: (Original and 3 copies)

(Secretary Treasury/Accountant General / Accounting Officer)

On your instruction as per section 34 of PFMA 2015
We, the undersigned, have inspected the stores, inventories & assets on charge at

.....

We certify that we have made *complete/..... % test check of the stores /inventories, that where the balances agreed, they have been initialed in the stores ledgers and that the inventories on hand agreed with the ledger.

We certify that we have made *complete/..... % test check of the assets, that where the balances agreed, they have been initialed in the assets register and that the assets on hand agreed with the assets register.

We certify that in our opinion, a continuous independent departmental check on the stock and assets balances *has been carried out during the year by an officer other than the immediate stores in charge.

In our opinion, the store accommodation * is adequate. The condition of the store is *good/bad. The items*are stored in an efficient manner. (A separate report should be attached if necessary). There *are/are not excessive or obsolete stocks (See list attached).

In our opinion, the assets * are adequate. The condition of the store is *good. The assets*are managed in an efficient manner. (A separate report should be attached if necessary). There *are/are not excessive or obsolete assets (See list attached).

Date:

.....
(Accounting Officer)

Delete as necessary. State method of destruction. Insert title of officer convening the Board. If the Board has recommended the dismantling or disposal of sale of a Government vehicle, the Head of Department may anticipate approval of the Board's recommendation in this respect. In this case, he should state in Part II what action has been taken and send the fourth copy of this Form to the Chief Mechanical Engineer or Government Valuer., Kampala



THE REPUBLIC OF UGANDA

BOARD OF SURVEY CHECKLIST- STORES

Vote Name Vote Code Financial Year

Observation	Store Name & Location	Store Name & Location	Store Name & Location	Store Name & Location
What percentage of the store have you inspected?				
Do the store balances agree with the ledger balances?				
How often does the stores person carry out a check on the stores during the financial year?				
Basing on your observation is the storeroom adequate and well organized?				
How much of excessive or obsolete stock is held by the entity? If any please attach a list.				
Other General Observations				

Confirmed By:
 (Signature and date).....Responsible Officer
 (Signature and date)..... Accounting Officer



THE REPUBLIC OF UGANDA

LIST OF VERIFIED BIOLOGICAL ASSETS

Vote Name Vote Code Financial Year

CATEGORY:

ASSET CATEGORY:

Asset Number (unique Identifier)	Description	Name	Gender	Weight	Origin	Date of purchase	Cost	Condition	Location	User

Appendix B: Certificate of Gender and Equity Compliance

CERTIFICATE OF GENDER AND EQUITY COMPLIANCE (Ministerial Policy Statement)

Made under Section 13 (15) (g) (i) and (ii) of the Public Finance Management Act 2015)
As per Section 13 (15) (g) (i) and (ii) of the Public Finance Management Act 2015, the
Minister shall in consultation with Equal Opportunities Commission, issue a certificate-

- a) Certifying that the Ministerial Policy Statements (MPS) are gender and equity responsive; and
- b) Specifying measures taken to equalize opportunities for women, men, persons with disabilities and other marginalized groups

This is to certify that the MPS's for FY..../..... have been examined and I wish to report as follows:

a) That the Budget has the following objectives:

The theme of the Budget for FY 20../20.. is
Accordingly, the Budget is consistent with the vision 2040 and NDP., as well as the need to maintain macroeconomic stability and stimulate growth.

The budget for the FY 20../.. shall focus on the following areas:

- i).
- ii).
- iii).

b) That the Ministerial Policy Statements for FY 20../.. are gender and equity responsive as follows:-

- i) The MPS address the different needs of men and women, taking into account issues of age, disability and geographical disparities. The Budget objectives for FY 20../.. address the Gender and equity issues as they are either all-encompassing/ universal or explicit on specific gender and equity issues.
- ii) There are various costed interventions that shall yield outcomes addressing gender and equity issues for all-inclusive growth. The attached Annex 1 provides for specific outputs by sector /vote that address gender and equity issues and these have been prioritized for funding under MTEF.

iii) A total of shs..... has been allocated to gender and equity issues for the FY 20../..

Based on the assessment done in consultation with the Equal Opportunities Commission (EOC), the following Votes performed well and achieved the required Pass Mark for qualification for the Gender and Equity Certificate of compliance. (See Votes in Annex 2 attached)

In accordance with the law, this Certificate of Gender and Equity Compliance is hereby submitted under my hand this .. day of .. 20...

MINISTER RESPONSIBLE FOR FINANCE

Received by.....

Date.....

**CERTIFICATE
OF
GENDER AND EQUITY COMPLIANCE
(Budget Framework Paper)**

(Made under Section 13 (11) e of the Public Finance Management Act 2015)

As per Section 13 (11) e of the Public Finance Management Act 2015, the Minister shall in consultation with Equal Opportunities Commission, issue a certificate-

- a) Certifying that the Budget Framework Paper (BFP) is gender and equity responsive; and
- b) Specifying measures taken to equalize opportunities for women, men, persons with disabilities and other marginalized groups.

This is to certify that the National Budget Framework (BFP) for FY...../.... has been examined and I wish to report as follows:

a) That the Budget has the following objectives:

The theme of the Budget for FY .../... is ‘.....’. Accordingly, consistent with the Vision 2040 and the National Development Plan, as well as the need to maintain macroeconomic stability and stimulate growth.

Accordingly, the budget for the FY 20../.. shall focus on the following areas:

- i)
- ii)
- iii)
- iv)
- v)
- vi)

b) That the Budget Framework Paper for FY 20../.. is gender and equity responsive as follows:

- i) The BFP addresses the different needs of men and women, taking into account issues of age, disability and geographical disparities. The Budget objectives for FY 20../.. address the Gender and equity issues as they are either all-encompassing/ universal or explicit on specific gender and equity issues.
- ii) There are various costed interventions that shall yield outcomes addressing gender and equity issues for all-inclusive growth. The attached Annex 1 provides for specific outputs by sector /vote that address gender and equity issues and these have been prioritized for funding under MTEF.
- iii) A total of shs..... has been allocated to gender and equity issues for the FY 20../..

Based on the assessment done in consultation with the Equal Opportunities Commission (EOC), the following sectors performed well and achieved the required Pass Mark for qualification for the Gender and Equity Certificate of compliance. (see sectors in Annex 2 attached)

In accordance with the law, this Certificate of Gender and Equity Compliance is hereby submitted under my hand this .. day of20..

MINISTER FOR OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Received by.....

Date.....

Appendix C: Quarterly expenditure commitments report

Vote: Quarter:

FY:

	Approved/ Revised Budget (A)	Releases (B)	Expenditure Commitments (C)	Payments (D)	Outstanding Commitments (E)	Cash balance (F)	Forecasted Commitments for next Quarter (G)			Cash Requirements for next Quarter (H)
							Q2	Q3	Q4	
1 Recurrent	Wage Non Wage									
2 Devt	G.o.U External Financing									

Prepared by HoA Date..... Signature.....

Approved by AO Date..... Signature.....

Appendix D: Duties of Boards of Survey.

Annual Boards

1. Reports shall be prepared on **TF 40**. The Chairman shall forward one copy to the Secretary to the Treasury or Accountant General, as the case may be and other copies to the Internal Auditor General and Auditor-General, with a copy retained by the officer whose cash, etc., is surveyed.
2. The survey must be held after the close of business on the last business day of the financial year, or before the commencement of business of the following financial year.
3. The Board shall undertake the following activities during the survey:
 - (a) Ascertain progress made in addressing the previous Board of Survey recommendations. **TF 44** - Follow up on previous Board of Survey Recommendations; shall be completed in this regard.
 - (b) Do an independent verification of the stores/cash and confirm with the local records and this shall involve completing as may be necessary and ensuring that the following Treasury Forms are duly certified by signing;
 - (i) Cash Board of Survey - Bank Balances (**TF 45**);
 - (ii) Report of Board of Survey on Cash, Cashbook and Bank Balances (**TF 40**);
 - (iii) Report of Board of Survey on Stores, Inventories and Assets (**TF 46**); Specifically for Biological Assets, Treasury Form - **TF 48**, shall be used to provide details on the biological assets verified from the BoS; and
 - (iv) Board of Survey Checklist – Stores (**TF 47**); and
 - (c) Assess the adequacy of internal controls.
 - (d) Visit and count all items in the store rooms.
 - (e) Count all notes and coins found in unsealed packages.
 - (f) Check the numbers of sealed packages of notes and coins of several denominations and verify that the seals are either original or seals of the previous board of survey.
 - (g) Make test checks of the contents of the sealed packages to see that they actually contain notes or coins of the denomination and to the amount stated.

- (h) Where stock certificates or other securities are held, ensure that an adequate description of the nominal value of each is shown on or is attached to the BoS forms.
 - (i) Where stores are too large to fully inspect, nominate a section of the stores for examining without ignoring less valuable items like nails, bolts, etc. and giving precedence to attractive items like electrical appliances, expensive medicines, etc.
 - (j) In the presence of the inventory controller, count and record the balance of each item falling under the nominated area of examination.
 - (k) Check your figures against the balances shown in the bin or tally cards.
 - (l) Consider whether any of the stocks are unserviceable or obsolete.
 - (m) Consider whether the maximum stock quantities and minimum order quantities may require amendment.
 - (n) Inspect the store to ascertain if there are any defects in the store accommodation, untidiness or poor arrangement of stocks.
 - (o) Ascertain whether there is separation of new, part-torn, and unserviceable items.
 - (p) Check for provisions for protection from loss or damage, or theft or fire.
 - (q) Confirm that recommendations of the previous BoS have been undertaken and if not, obtain reasons why.
4. The BoS shall prepare a report giving details of the findings. The report shall include;
- (a) Signatures of all members of the board and the AO
 - (b) A statement of discrepancies
 - (c) List of stores
 - (d) Cash and Bank balances
 - (e) Bank reconciliation statements
 - (f) List of securities and their value
 - (g) Embossed passports
 - (h) Recommendations for disposal of all assets that do not add value to the entity.
 - (i) Recommended improvements in internal controls and storage facilities
5. The Accountant General shall prepare a consolidated BoS report as follows;
- (a) Obtain all the submitted Board of survey reports. Confirm that the forms have been signed by the Accounting Officer and the board members.

- (b) Identify and tabulate the exceptions per vote. Exceptions are the areas that require improvement and list of assets that are due for boarding off.
 - (c) Circulate the report to all Accounting Officers.
6. The Commissioner Treasury Inspectorate under the Accountant General's office, shall ensure Board of Survey monitoring;
- (a) This shall be done at least once a year preferably six months into the FY.
 - i) Obtain a copy of the consolidated BoS report
 - ii) Study and understand the recommendations of the board.
 - iii) Follow up with the vote for status of implementation and obtain reasons for any delays and/or the plan for implementing the recommendations.
 - (b) Prepare a report based on the findings.
 - (c) Write specific letters to defaulting votes to remind them of their duty to implement the recommendations.

Surprise Boards

Accounting Officers may appoint boards from time to time to hold adhoc or surprise surveys of stores and cash and shall adopt a similar pro

Appendix E: Asset classes, recognition and measurement

Asset Class	Sub Class	Recognition threshold in million Sh	Measurement method [Initial Balance Sheet]	Economic life for depreciation	Measurement at subsequent reporting dates
Land	Agricultural Land	Nil	Cost	n/a	Cost
	Industrial Land	Nil	Cost	n/a	Cost
	Unoccupied Land	Nil	Cost	n/a	Cost
	Mining	Nil	Cost	5-50	Cost
	Recreation Land	Nil	Cost	n/a	Cost
	Dump Sites	Nil	Cost	50	Cost
	Markets	Nil	Cost	n/a	Cost
	Occupied Land	Nil	Cost	n/a	Cost
	Other	Nil	Cost	n/a	Cost
Buildings – Non-Specialized	Residential	Nil	Market Value	50	Market value
	Non-Residential	Nil	Market Value	50	Market value
Buildings – Specialized	Specialized	Nil	Depreciated Replacement Cost [DRC]	50-100	DRC
Infrastructure	Roads	Nil	DRC	5-40	DRC
	Bridges	Nil	DRC	5-40	DRC
	Dams	Nil	DRC	5-40	DRC
	Power stations and plants	Nil	DRC		DRC
	Power Lines	Nil	DRC		DRC
	Oil Reservoirs	Nil	DRC		DRC
	Telecommunications infrastructure	Nil	DRC		DRC
	Water and Sewerage Networks	Nil	DRC	5-40	DRC
	Railway Lines	Nil	DRC	5-40	DRC
	Airport/Airfields	Nil	DRC	5-40	DRC
	Harbors	Nil	DRC	5-40	DRC
	Pipelines	Nil	DRC	5-40	DRC
	ICT Equipment	1	Cost	3-5	Cost

Asset Class	Sub Class	Recognition threshold in million Sh	Measurement method [Initial Balance Sheet]	Economic life for depreciation	Measurement at subsequent reporting dates
Plant, Machinery and Equipment	Machinery	1	Cost	5-20	Cost
	Medical Equipment	1	Cost	3-10	Cost
	Office Equipment	1	Cost	5	Cost
Furniture and Fittings	Furniture and Fittings	1	Cost	5-20	Cost
Transport Equipment	Heavy Vehicles	Nil	Cost	10	Cost
	Light Vehicles	Nil	Cost	8	Cost
	Water Vessels	Nil	Cost	10	Cost
	Aircrafts	Nil	Cost	15-40	Cost
	Locomotive Trains	Nil	Cost	30	Cost
	Cycles	1	Cost	4	Cost
Assets under construction	Assets Under Construction	Nil	Cost	n/a	cost
Assets held for sale	Assets Held for Sale	Nil	Lower of Carrying Amount and FV less costs to sell	n/a	n/a
Classified Assets	Classified Assets	Nil	Cost		
Investments		Nil	Fair Value		Fair Value
Natural assets	Wild forests	Nil	Cost (i.e., nil if not purchased)		
	Water bodies	Nil	Cost (i.e., nil if not purchased)		
	Mineral deposits	Nil	Not recognized		
	Air Space	Nil	Not recognized		
Agricultural assets, including livestock, farmed fisheries, farmed forests, plantations			Fair value		
Heritage assets, such as artifacts in museums, monuments, historical sites, wild animals		Nil	Not recognized	n/a	

Appendix F: Structure of the performance contract for Accounting Officers

Pursuant to the Public Financial Management Act of 2015, Part VII–Accounting and Audit, Section 45(3), the Accounting Officer shall enter into an annual budget performance contract with the Permanent Secretary/ Secretary to the Treasury.

The performance contract consists of two parts–Part A and Part B. **Part A** outlines the core **performance requirements against** which my performance as an Accounting Officer shall be assessed, in two areas:

1. Budgeting, Financial Management and Accountability, which are common for all votes; and
2. Achieving Results in five Priority Programmes and Projects identified for the specific vote.

I understand that Central Government Accounting Officers shall communicate their 5 priorities of the vote within three months of the start of the Financial Year and the priorities for local governments shall be established centrally.

Part B sets out the **key results that** a vote plans to achieve in the FY20XX/XX. These take the form of summaries of Ministerial Policy Statement (MPS) for central government AOs and budget narrative summaries for Local government AOs.

I hereby undertake, as the Accounting Officer, to achieve the performance requirements set out in Part A of this performance contract and to deliver on the outputs and activities specified in the work plan of the Vote for FY20XX/XX subject to the availability of budgeted resources set out in Part B.

I, as the Accounting Officer, shall be responsible and personally accountable to Parliament for the activities of this Vote. I shall also be personally accountable for a function or responsibility that is delegated, inclusive of all work performed on behalf of staff that I have authority and control over.

I understand that my performance shall be assessed to ascertain whether I have met the requirements specified under Part A.

I also undertake to prepare and submit quarterly financial and physical performance progress reports to the Ministry of Finance, Planning and Economic Development on the outputs set out in the work plans, and to provide quarterly work plans and release requests by the specified deadlines (PFM Act of 2015, Section 16(1) and 21(3)). I understand that the Ministry of Finance, Planning and Economic Development shall not disburse funds unless it has received complete submissions of the aforementioned reports.

I commit to adhering to the responsibilities laid out in the letter appointing me as an Accounting Officer from the Permanent Secretary/Secretary to the Treasury for FY20XX/XX.

I shall submit performance reports on or before the last working day of the first month after the close of each quarter. I understand that budgets and performance reports shall be posted on the Uganda Budget Website (www.budget.go.ug) to ensure public access to budget information and that this information shall also be accessible from the budget hotline (0800229229). In addition, I shall respond, within two weeks, to any comments or feedback posted on the budget website on any issues that pertain to my vote. I also commit to ensuring required procurement information is posted and up to date on the Government Procurement Portal (gpp.ppda.go.ug).

I understand that failure to comply with these requirements shall result in my appointment as an Accounting Officer being revoked.

Signature

**Accounting
Officer**

MALG / LG

**Permanent Secretary / Secretary to the
Treasury**

MoFPED

Signed on Date:

Signed on Date:

Signature

PARTA: PERFORMANCE REQUIREMENTS OF ACCOUNTING OFFICERS

Part A outlines the core **performance requirements against** which my performance as an Accounting Officer shall be assessed, in two areas:

Budgeting, Financial Management and Accountability, which are common for all Votes;
and
Achieving Results in five Priority Programmes and Projects identified for the specific Vote

PERFORMANCE AREA #1: Budgeting, Financial Management and Accountability

Preamble: All Accounting Officers are expected to perform their job responsibilities in accordance with the Public Finance Management (PFM) Act 2015 and the Public Procurement and Disposal Act (PPDA) 2003 along with the Constitution and other laws that govern the Republic of Uganda.

Accounting Officers shall be required to perform and their performance shall be assessed annually in the following areas:

1.1 Adherence to Budget Requirements: Adherence to key budget requirements specified by MoFPED in the various Circulars during budget preparation. For local governments, this also includes adherence to budget requirements agreed between local governments and the ministries responsible for sector conditional and unconditional grants and the Discretionary Development Equalisation Grants.

1.2 Complete and timely submission of budget documents: Sector Budget Framework Paper, Ministerial Policy Statement, annual work plan, detailed budget estimates, annual cash flowplan, annual recruitment plan, annual procurement plans, accounting warrants and annual procurement plans that are submitted on time in accordance with the designated due date

1.3 Open and Transparent Procurement: Annual procurement plans and required information on tender prepared and posted on the PPDA procurement portal.

1.4 Prompt Processing of Payments: Monthly salaries, wages, invoices, certificates and pensions on time in accordance with the designated due date.

1.5 Implementing the Budget as Planned: Adherence to the annual budget and work plan and associated budget requirements for the financial year; adherence to the annual cash flow plan; and none arrears incurred by the vote

1.6 Complete and timely submission of reports: Annual and half yearly accounts and quarterly performance reports prepared in accordance with the designated due date

1.7 Transparency, Monitoring and Follow up: Quarterly monitoring activities undertaken by the vote and reports published; follow up actions taken and

documented on the budget website; list of staff on payroll and pension recipients published on the budget website.

1.8 Internal and External Audit Followup: Actions are planned and taken in response to the recommendations of the Audit Committee and Public Accounts Committee.

Performance Area #2: Achieving Results in Priority Projects and Programs

Preamble: Accounting Officers are held accountable and are expected to oversee the implementation and delivery of physical outputs of all projects and programs regardless of their stage and/or status. An Accounting Officer's performance in the planning and implementation of five priority Programmes and projects shall be assessed.

Central Government Accounting Officers must identify and specify five priority programmes (recurrent) or major infrastructure projects (capital development) for their individual votes and list them at the beginning of this Performance Contract. The top 5 projects, whether projects or programs, shall be the ones that contribute significantly to the achievement of sectoral or national goals. They shall be selected on the basis of their size and/or policy priority.

It is critically important for AOs to track the performance of these Projects/programmes and ensure they are managed effectively.

For each priority Programme or Project, Accounting Officers shall be assessed on performance in the following areas:

2.1 Alignment of plans with Policy: The alignment of priority Programmes and Projects work plans with vote, sectoral and national strategies (NDP)

2.2 Achievement of planned results: The extent to which annual key performance indicators and targets are achieved for key projects and/or programs

2.3 Timely and Predictable Implementation: The consistency of actual expenditures with budgeted cash flow and procurement plans; the degree to which results are achieved within budget and without cost overruns

2.4 Procurement and Project Management: Adherence to all aspects of the PPDA Act and for procurements relating to priority Programme/Project expenditure.

2.5 Monitoring & FollowUp: The adequacy and timeliness of information on priority Programmes and Projects in vote quarterly monitoring and evaluation reports; follow upon performance issues identified relating to the

Programme / Project identified via monitoring, inspection, audit and feedback processes.

Note:

Accounting Officers' performance shall be assessed annually. MoFPED shall distribute compliance and assessment tools to Accounting Officers within three months of the start of the financial year. These tools shall set out how Accounting Officers can comply with performance requirements and how they shall be assessed.

National priorities for Local Governments shall be identified centrally in consultation with the Local Government Associations, Office of the Prime Minister, National Planning Authority and Ministry of Local Government

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE LEDGER CODES	

Appendix G: GoU Chart of Accounts – Economic Classification

CLASS 1	REVENUE
11	TAXES
111	<i>Taxes on income, profits and capital gains</i>
1111	<i>Payable by Individuals</i>
111101	Tax on Employment Earnings (PAYE)
111102	Rental Income Tax
111103	Graduated Tax
111104	Withholding tax payable by Individuals
111105	Presumptive tax
111106	Local Services Tax
1112	<i>Payable by corporate Entities</i>
111201	Company income tax
111202	Withholding tax payable by corporate entities
111203	Capital Gains Tax
1113	<i>Other</i>
112	<i>Taxes on payroll and workforce</i>
113	<i>Taxes on property</i>
1131	<i>Recurrent taxes on immovable property</i>
113101	Land Fees
1132	<i>Recurrent taxes on net wealth</i>
1133	<i>Estate, inheritance and gift taxes</i>
1134	<i>Taxes on Financial and capital transactions</i>
113401	Financial services
1135	<i>Other non-recurrent taxes on property</i>
1136	<i>Other recurrent taxes on property</i>
114	<i>Taxes on goods and services</i>
1141	<i>General taxes on goods and services</i>

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE LEDGER CODES	

114101	VAT on Phone Talk time
114102	VAT on Beer
114103	VAT on Spirits
114104	VAT on Cigarettes
114105	VAT on Soft drinks
114106	VAT paid by Non Government on other Local Goods
114107	VAT paid by Non-Government on local Services
114108	VAT paid by Non-Government on imported Goods
114109	VAT paid by Non-Government on imported Services
114110	VAT paid Government on Local Goods and Services
114111	VAT paid by Government on imported Goods and Services
1142	<i>Excise Duty</i>
114201	Petroleum
114202	Diesel
114203	Kerosene
114204	Other Gas products
114205	Phone Talk time
114206	Beer
114207	Spirits
114208	Cigarettes
114209	Soft drinks
114210	Other Goods - Local
114211	Other Goods – Imported
114212	Infrastructure Levy (Railway)
1143	<i>Profits of fiscal monopolies</i>
114301	Government Parastatals
114302	Local Government owned Corporations
1144	<i>Taxes on specific services</i>
114401	Casinos and Gaming
114402	Other taxes on specific services
114403	Lotteries
114404	Other taxes on games of chance

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE LEDGER CODES	

114405	Local Hotel Tax
1145	<i>Taxes on use of goods and services and on permission to use goods or perform activities</i>
114501	Motor Vehicle Road licenses
114502	Motor Vehicle Registration fees
114503	Other Vehicle Fees and Licenses
114504	Application Fees
114505	Business licenses
114506	Liquor licenses
114507	Guns and explosive fees
114508	Other licenses
114509	Stamp duty
114510	Signature Bonus
1146	<i>Other taxes on goods and Services</i>
115	<i>Taxes on International trade and transactions</i>
1151	<i>Customs duties</i>
115101	Import Duties
115102	Import Commission
115103	Customs Duties (Customs Duty)
115104	COMESA Duty
1152	<i>Taxes on exports</i>
115201	Export Duties
116	<i>Other taxes</i>
116101	Miscellaneous and unidentified taxes
12	<i>SOCIAL CONTRIBUTIONS</i>
121	<i>Social security contributions</i>
1211	<i>Employee contributions</i>
1212	<i>Employer contributions</i>
1213	<i>Self-employed or non-employed contributions</i>
1214	<i>Un allocatable contributions</i>
122	<i>Other social contributions</i>
1221	<i>Employee contributions</i>

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE LEDGER CODES	

1222	<i>Employer contributions</i>
1223	<i>Imputed contributions</i>
13	GRANTS
131	<i>From foreign Governments (Donor Funds)</i>
1311	Current
131101	Donor Funds - Foreign Governments
1312	<i>Capital</i>
131201	Donor Funds - Foreign Governments
132	<i>From International Organisations (International Institutional Donors)</i>
1321	<i>Current</i>
132101	Multi-lateral Development partners
1322	<i>Capital</i>
132201	Multi-lateral Development partners
132202	Capital Bilateral Development Partners
133	<i>From other general Government units (Domestic Government Transfers)</i>
1331	<i>Current</i>
133101	Transfers Received by Ministries from Treasury
133102	Transfers Received by Agencies from Treasury
133103	LG Conditional Grants
133104	LG Unconditional Grants
133105	LG Equalization Grants
133106	Transfers Received from Other Government Units
133107	Transfers Received by Treasury
133108	URA Retentions
133110	Transfers Received from Other Funds
1332	<i>Capital</i>
133201	Transfers Received by Ministries from Treasury
133202	Transfers Received by Agencies from Treasury

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE LEDGER CODES	

133203	LG Conditional Grants
133204	LG Unconditional Grants
133205	LG Equalization Grants
133206	Transfers Received from Other Government Units
133207	Transfers Received by Treasury
133209	Transfers Received by Ministries and Agencies from Treasury
1333	LG Conditional Grants
133304	Conditional transfers for Tertiary Salaries
133305	Conditional transfers for Primary Salaries
133306	Conditional transfers for Secondary Salaries
133307	Conditional transfers for PHC Salaries
133308	Conditional transfers for Agric. Ext Salaries
133309	Conditional trans for Comm. Dev't. Staff Salaries
133310	Conditional transfers for DSC Chairs' Salaries
133311	Conditional transfers for Primary Education
133312	Conditional transfers for Road Maintenance
133313	Conditional transfers for PHC- Non wage
133314	Conditional transfers for Agric Extension
133315	Conditional transfers for PMA NSCG
133316	Conditional transfers for Agric. Dev't Centres
133317	Conditional transfers for District Hospitals
133318	Conditional transfers for NGO Hospitals
133319	Conditional transfers for Secondary Schools
133320	Conditional transfers for Functional Adult Lit
133321	Conditional trans. Autonomous Inst (Wage subvention
133322	Conditional transfers for Contracts Committee/DSC/PAC/Land Boards, etc.
133323	Conditional transfers for feeder roads maintenance workshops
133324	Conditional transfers for Urban Water
133325	Contingency transfers
133326	Conditional transfers for LGDP
133327	Conditional transfers for PAF monitoring
133328	Conditional transfers for Rural water
133329	NAADS
133330	Conditional transfers for Public Libraries
133331	Conditional transfers for PHC - development
133332	Conditional transfers for Health Training Institutions
133333	Conditional transfers for SFG
133334	Conditional transfers for community development
133335	Start-up costs
133336	Conditional transfer to environment and natural resources (non-wage)

REPUBLIC OF UGANDA	CHART OF ACCOUNTS
	REVENUE LEDGER CODES

133337	Conditional transfer to women, youth and disability councils
133338	Conditional transfer to environment and natural resources (wage)
133340	Other grants
133341	Compensation for Graduated Tax (District)
133342	Compensation for Graduated Tax (Urban)
133343	Conditional Transfers to CAO/DCAO & TCs – Wage
133344	Conditional Transfers for Salaries & gratuity for elected political leaders
133345	Conditional Transfers for LLGs' ex-gratia
133346	Conditional Transfers - Special grant for people with disabilities
133347	Conditional Transfers for School Inspection
133348	Conditional Transfers for Production & Marketing
133349	Conditional Transfers to Sanitation & Hygiene
133350	Transfer for Urban Unconditional Grant – Wage
133351	Transfer for District Unconditional Grant – Wage
133352	Conditional Transfers for Construction of Secondary Schools
133353	Conditional Transfer for Hard to Reach Allowances
133354	Conditional Transfers for Wage Community Polytechnics
133355	Conditional Transfers for Non Wage Community Polytechnics
133356	Conditional Transfers for Wage Technical & Farm Schools
133357	Conditional Transfers for Non Wage Technical & Farm Schools
133358	Conditional Transfers for Wage National Health Service Training Colleges
133359	Conditional Transfers for Non Wage National Health Service Training Colleges
133360	Conditional Transfers for Wage Technical Institutes
133361	Conditional Transfers for Non Wage Technical Institutes
133362	Conditional Non Wage Transfers for Primary Teachers' Colleges
133363	Conditional Transfers for Urban Equilization Grant
133364	Conditional Grant for NAADS (Districts)-Wage
133366	Sector Conditional Grant-Wage
133367	Sector Conditional Grant-Non Wage
133368	Support Services Conditional Grant-Wage
133369	Support Services Conditional Grant-Non Wage
133370	Development Grant
133371	Conditional Grant to LRDP

14 OTHER REVENUE: NON – TAX REVENUES

141 Property income

1411 Investment income

140000 OTHER REVENUE: NON TAX REVENUES

141000	Property income
141100	Investment income
141101	Interest from private entities - Domestic
141102	Interest on loans issued
141141	Interest from private entities - Foreign

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE LEDGER CODES	

141161	Interest from other government units
1412	<i>Dividends</i>
141201	Dividends
1413	<i>Withdrawals from income of quasi-corporations</i>
1414	<i>Property income attributed to insurance policyholders</i>
1415	<i>Rent</i>
141501	Rent & Rates - Non-Produced Assets – from private entities
141502	Royalties
141503	Rentals-Guns and other Explosives
141541	Rent & Rates - Non-Produced Assets – from other Govt units
1416	<i>Other Property Income</i>
141601	Sale of (Produced) Government Properties/Assets
141602	Sale of non-produced Government Properties/assets
141691	Sales Account
142	<i>Sale of goods and services</i>
1421	<i>Sale by MALGS</i>
142101	Rent & rates – produced assets – from private entities
142102	Rates – Produced assets- from private entities
142103	Utilities
142104	Sale of publications
142105	Sale of drugs
142106	Sale of petroleum products
142107	Sale of Feasibility studies and Research Works
142161	Rent & rates – produced assets – from other govt. units
142162	Rates – Produced assets – from other govt. units
142163	Utilities – from other govt. units
142164	Sale of publications – from other govt. units
142165	Sale of drugs – from other govt. units
142166	Sale of petroleum products – from other govt. units
1422	<i>Administrative Fees & Licenses (User Fees, Charges & Permits)</i>
142201	Park Fees
142202	Migration Permits
142203	Refuse collection charges/Public convenience
142204	Property related Duties/Fees

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE LEDGER CODES	

142205	Advertisements/Bill Boards
142206	Animal & Crop Husbandry related Levies
142207	Registration (e.g. Births, Deaths, Marriages, etc.) fees
142208	Registration of Businesses
142209	Educational/Instruction related levies
142210	Driving permits
142211	Replacement of graduated tax tickets
142212	Agency Fees
142213	Inspection Fees
142214	Market /Gate Charges
142215	Tax Tribunal – Court Charges and Fees
142216	Court Filing Fees
142217	Fees from appeals
142218	Other Court Fees
142219	Other Fees and Charges
142220	Street Parking fees
142221	Nomination Fees
1423	<i>Incidental sales by non-market establishments</i>
142303	Discovery Bonus
142304	Production Bonus
1424	<i>Imputed sales of goods and services</i>
1425	<i>Profits from Market Establishments</i>
142501	Share of profits from oil & gas exploration
143	<i>Fines, penalties and forfeits</i>
1431	<i>Court Fines and Penalties</i>
143101	Court fines and Penalties - private
143161	Court fines and Penalties – from other government units
1432	<i>Other fines and Penalties</i>
143201	Other fines and Penalties - private
143261	Other fines and Penalties – from other government units
144	<i>Voluntary transfers other than grants(NGOs)</i>

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE LEDGER CODES	

1441	<i>Current</i>
1442	<i>Capital</i>
145	<i>Miscellaneous and unidentified revenue</i>
145001	Windfall Gains
145002	Reimbursements by other bodies
145003	Miscellaneous receipts/income
145004	Debt Write off
145091	Unallocated Revenue
145099	Income Offset Account

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	EXPENSE LEDGER CODES	

CLASS 2	EXPENSES
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21	EMPLOYEE COSTS
211	Wages and Salaries
2111	Wages and Salaries - Cash
211101	General Staff Salaries
211102	Contract Staff Salaries (Incl. Casuals, Temporary)
211103	Allowances
211104	Statutory salaries
211105	Missions staff salaries
211106	Emoluments paid to former Presidents / Vice Presidents
211107	Ex-Gratia for other Retired and Serving Public Servants
2112	Wages and salaries – in kind
212	Social Contributions
2121	Social Contributions-Actual
212101	Social Security Contributions
212102	Pension for General Civil Service
212103	Pension for Teachers
212104	Pension for Military Service
212105	Pension and Gratuity for Local Governments
212106	Validation of old Pensioners
212107	Gratuity for Local Governments
2122	Social Contributions-Imputed
212201	Social Security Contributions
213	Other Employee Costs
213001	Medical expenses (To employees)
213002	Incapacity, death benefits and funeral expenses
213003	Retrenchment costs
213004	Gratuity Expenses
22	USE OF GOODS AND SERVICES
221	General Expenses
221001	Advertising and Public Relations
221002	Workshops and Seminars
221003	Staff Training
221004	Recruitment Expenses
221005	Hire of Venue (chairs, projector, etc)
221006	Commissions and related charges
221007	Books, Periodicals & Newspapers
221008	Computer supplies and Information Technology (IT)
221009	Welfare and Entertainment

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	EXPENSE LEDGER CODES	

221010	Special Meals and Drinks
221011	Printing, Stationery, Photocopying and Binding
221012	Small Office Equipment
221013	Bad Debts
221014	Bank Charges and other Bank related costs
221015	Financial and related costs (e.g. shortages, pilferages, etc.)
221016	IFMS Recurrent costs
221017	Subscriptions
221018	Exchange losses/ gains
221019	Discounts Allowed
221020	IPPS Recurrent Costs

222 *Communications*

222001	Telecommunications
222002	Postage and Courier
222003	Information and communications technology (ICT)

223 *Utility and Property Expenses*

223001	Property Expenses
223002	Rates
223003	Rent – (Produced Assets) to private entities
223004	Guard and Security services
223005	Electricity
223006	Water
223007	Other Utilities- (fuel, gas, firewood, charcoal)
223901	Rent – (Produced Assets) to other govt. units

224 *Supplies and Services*

224001	Medical Supplies
224002	General Supply of Goods and Services
224003	Classified Expenditure
224004	Cleaning and Sanitation
224005	Uniforms and Protective Gear
224006	Agricultural Supplies

225 *Professional Services*

225001	Consultancy Services- Short term
225002	Consultancy Services- Long-term
225003	Taxes on (Professional) Services

226 *Insurances and Licenses*

226001	Insurances
226002	Licenses

227 *Travel and Transport*

227001	Travel inland
227002	Travel abroad

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	EXPENSE LEDGER CODES	

227003	Carriage, Haulage, Freight and transport hire
227004	Fuel, Lubricants and Oils
228	<i>Maintenance</i>
228001	Maintenance - Civil
228002	Maintenance - Vehicles
228003	Maintenance – Machinery, Equipment & Furniture
228004	Maintenance – Other
229	<i>Inventories</i>
2291	<i>Net change in inventories</i>
2292	<i>Sale of goods purchased for resale</i>
229201	Sale of goods purchased for resale
23	<i>CONSUMPTION OF FIXED ASSETS</i>
231	<i>Depreciation</i>
231001	Non Residential buildings
231002	Residential buildings
231003	Roads and bridges
231004	Transport equipment
231005	Machinery and equipment
231006	Furniture and fittings
231007	Other Fixed Assets
231008	AirCRAFT
231009	Classified Assets
231010	Gross Tax
231011	Office Equipment
231012	Medical Equipment
231013	ICT Equipment
231014	Laboratory and Research Equipment
24	<i>INTEREST PAYABLE</i>
241	<i>Interest on External Debts</i>
241001	Loan interest
241002	Commitment Charges
241003	Debt Management Fee
242	<i>Interest on Domestic debts</i>
242001	Treasury bills
242002	Bonds
242003	Other
243	<i>Interest to other general government units</i>
243001	Interest payable to other Government units

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	EXPENSE LEDGER CODES	

244	<i>Other Interest Payable</i>
244001	Listing Fees
25	<i>SUBSIDIES</i>
251	<i>To Public Corporations</i>
252	<i>To Private enterprises</i>
252001	Subsidies to private enterprises
26	<i>GRANTS</i>
261	<i>To foreign governments</i>
2611	<i>Current</i>
261101	Contributions to Foreign governments
2612	<i>Capital</i>
261201	Contributions to Foreign governments
262	<i>To international organisations</i>
2621	<i>Current</i>
262101	Contributions to International Organisations
2622	<i>Capital</i>
262201	Contributions to International Organisations
263	<i>To other general government units</i>
2631	<i>Current</i>
263101	LG Conditional grants
263102	LG Unconditional grants
263103	LG Equalisation grants
263104	Transfers to other govt. units
263105	Treasury Transfers to Agencies
263106	Other Current grants
263107	Treasury transfers to Ministries
263108	Transfers to Treasury
263109	URA Retentions
263110	Transfers to other Funds
2632	<i>Capital</i>
263201	LG Conditional grants
263202	LG Unconditional grants
263203	LG Equalisation grants
263204	Transfers to other govt. units
263205	Treasury Transfers to Agencies
263206	Other Capital grants
263207	Treasury Transfers to Ministries

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	EXPENSE LEDGER CODES	

263208	Transfers to Treasury
263209	Transfers to Ministries and Agencies
2633	<i>LG Conditional Grants</i>
263301	Conditional Transfer to Municipal Infrastructure
263304	Conditional transfers for Tertiary Salaries
263305	Conditional transfers for Primary Salaries
263306	Conditional transfers for Secondary Salaries
263307	Conditional transfers for PHC Salaries
263308	Conditional transfers for Agric. Ext Salaries
263309	Conditional trans for Comm. Devp. Staff Salaries
263310	Conditional transfers for DSC Chairs' Salaries
263311	Conditional transfers for Primary Education
263312	Conditional transfers for Road Maintenance
263313	Conditional transfers for PHC- Non wage
263314	Conditional transfers for Agric Extension
263315	Conditional transfers for PMA NSCG
263316	Conditional transfers for Agric. Devt. Centres
263317	Conditional transfers for District Hospitals
263318	Conditional transfers for NGO Hospitals
263319	Conditional transfers for Secondary Schools
263320	Conditional transfers for Functional Adult Lit
263321	Conditional trans. Autonomous Inst (Wage subvention
263322	Conditional transfers for Contracts committee/DSC/PAC/Land Boards,
263323	Conditional transfers for feeder roads maintenance workshops
263324	Conditional transfers for Urban Water
263325	Contingency transfers
263326	Conditional transfers for LGDP
263327	Conditional transfers for PAF monitoring
263328	Conditional transfers for Rural water
263329	NAADS
263330	Conditional transfers for Public Libraries
263331	Conditional transfers for PHC - development
263332	Conditional transfers for Health Training Institutions
263333	Conditional transfers for SFG
263334	Conditional transfers for community development
263335	Start-up costs
263336	Conditional transfer to environment and natural resources (non-wage)
263337	Conditional transfer to women, youth and disability councils
263338	Conditional transfer to environment and natural resources (wage)
263340	Other grants
263341	Compensation for Graduated Tax (District)
263342	Compensation for Graduated Tax (Urban)
263343	Conditional Transfers to CAO/DCAO & TCs – Wage
263344	Conditional Transfers for Salaries & gratuity for elected political leaders

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	EXPENSE LEDGER CODES	

263345	Conditional Transfers for LLGs' ex-gratia
263346	Conditional Transfers-Special grant for people with disabilities
263347	Conditional Transfer for School Inspection
263348	Conditional Transfers for Production and marketing
263349	Conditional Transfers to Sanitation & Hygiene
263350	Transfer for Urban Unconditional Grant – Wage
263351	Transfer for District Unconditional Grant – Wage
263352	Conditional Transfers for Construction of Secondary Schools
263353	Conditional Transfer for Hard to Reach Allowances
263354	Conditional Transfers for Wage Community Polytechnics
263355	Conditional Transfers for Non Wage Community Polytechnics
263356	Conditional Transfers for Wage Technical & Farm Schools
263357	Conditional Transfers for Non Wage Technical & Farm Schools
263358	Conditional Transfers for Wage National Health Service Training Colleges
263359	Conditional Transfers for Non Wage National Health Service Training Colleges
263360	Conditional Transfers for Wage Technical Institutes
263361	Conditional Transfers for Non Wage Technical Institutes
263362	Conditional Non Wage Transfers for Primary Teachers' Colleges
263363	Conditional Transfers for Urban Equalization Grant
263364	Conditional Grant for NAADS (Districts)-Wage
263365	Conditional Transfer to Municipal Infrastructure
263366	Sector Conditional Grant (Wage)
263367	Sector Conditional Grant (Non-Wage)
263368	Support Services Conditional Grant (Wage)
263369	Support Services Conditional Grant (Non-Wage)
263370	Development Grant
263371	Conditional Grant to LRDP
264	To Resident Non-government units
2641	Current
264101	Contributions to Autonomous Institutions
264102	Contributions to Autonomous Institutions (Wage Subventions)
264103	Grants to Cultural Institutions/ Leaders
2642	Capital
264201	Contributions to Autonomous Institutions
27	SOCIAL BENEFITS
271	Social security benefits
2711	Social security benefits in cash
2712	Social security benefits in kind
272	Social assistance benefits
2721	Social assistance benefits in cash

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	EXPENSE LEDGER CODES	

2722	<i>Social assistance benefits in kind</i>
273	<i>Employer social benefits</i>
2731	<i>Employer social benefits in cash</i>
273101	Medical expenses (To general Public)
273102	Incapacity, death benefits and funeral expenses
273103	Retrenchment costs
2732	<i>Employer social benefits in kind</i>
28	<i>OTHER EXPENSES</i>
281	<i>Property expenses other than interest</i>
2811	<i>Dividends (public corporations only)</i>
2812	<i>Withdrawals from income of quasi – corporations (Public corporations only)</i>
2813	<i>Property expense attributable to insurance policy holders</i>
2814	<i>Rental – non produced assets</i>
281401	Rent
2815	<i>Expenses related to Capital Works</i>
281501	Environment Impact Assessment for Capital Works
281502	Feasibility Studies for Capital Works
281503	Engineering and Design Studies & Plans for capital works
281504	Monitoring, Supervision & Appraisal of capital work
282	<i>Miscellaneous Other Expenses</i>
2821	<i>Current</i>
282101	Donations
282102	Fines and Penalties/ Court wards
282103	Scholarships and related costs
282104	Compensation to 3 rd Parties
282105	Court Awards
282151	Fines and Penalties – to other govt units
282161	Disposal of Assets (Loss/Gain)
282181	Extra-Ordinary Items (Losses/Gains)

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	EXPENSE LEDGER CODES	

2822

Capital

29

TAX REFUNDS

291001

Transfers to Government Institutions

291002

Transfers to NGOs

291003

Transfers to Other Private Entities

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	ASSET LEDGER CODES	

CLASS 3	ASSETS
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31 **NON-FINANCIAL ASSETS**

311 **NON-PRODUCED ASSETS**

3111 **Land**

311101 Land

3112 **Subsoil assets**

3113 **Other naturally occurring assets**

3114 **Intangible non-produced assets**

312 **FIXED ASSETS**

3121 **Buildings and structures (Construction & Finished)**

312101 Non-Residential Buildings

312102 Residential Buildings

312103 Roads and Bridges.

312104 Other Structures

312105 Taxes on Buildings & Structures

3122 **Machinery, Furniture and Vehicles**

312201 Transport Equipment

312202 Machinery and Equipment

312203 Furniture & Fixtures

312204 Taxes on Machinery, Furniture & Vehicles

312205 Aircrafts

312206 Gross Tax

312207 Classified Assets

312211 Office Equipment

312212 Medical Equipment

312213 ICT Equipment

312214 Laboratory and Research Equipment

3123 **Other Fixed Assets**

312301 Cultivated Assets

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	ASSET LEDGER CODES	

312302	Intangible Fixed Assets
313	VALUABLES
314	INVENTORIES (STOCKS AND STORES)
3141	Strategic Stock
314101	Petroleum Products
3142	Other Inventories
314201	Materials and supplies
314202	Work in progress
314203	Finished goods
314204	Goods for resale
32	FINANCIAL ASSETS
321	DOMESTIC
3211	Currency and deposits (Cash and Bank)
321101	The Consolidated Fund account
321102	Revenue accounts
321103	Expenditure accounts
321104	Project accounts
321105	Contingency Fund account
321106	Collection accounts
321107	Cash In Transit
321108	Cash at Hand - Imprest
321109	Others
321110	Holding accounts
321111	TSA Holding Account
321112	Petroleum Fund Account
3212	Securities other than equity (Short-Term)
321201	Corporate bonds
321202	Promissory notes
321203	Debentures
321204	Fixed Deposits
321205	Other securities
3213	Loans (Short-Term)
321301	Government on-lending – State enterprises

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	ASSET LEDGER CODES	

321302	Government on-lending - Agencies
321303	Government on-lending- Private entities
3214	<i>Clearing Grants/Transfers To other Government Units</i>
321401	District Unconditional grants
321402	Urban Unconditional grants
321403	District Discretionary Development Equalisation grants
321404	Conditional transfers to Tertiary Salaries
321405	Conditional transfers to Primary Salaries
321406	Conditional transfers to Secondary Salaries
321407	Conditional transfers to PHC Salaries
321408	Conditional transfers to Agric. Ext Salaries
321409	Conditional trans to Comm. Development. Staff Salaries
321410	Conditional transfers to DSC Chairs' Salaries
321411	Conditional transfers to Primary Education
321412	Conditional transfers to Road Maintenance
321413	Conditional transfers to PHC- Non wage
321414	Conditional transfers to Agric Extension
321415	Conditional transfers to PMA NSCG
321416	Conditional transfers to Agric. Development. Centres
321417	Conditional transfers to District Hospitals
321418	Conditional transfers to NGO Hospitals
321419	Conditional transfers to Secondary Schools
321420	Conditional transfers to Functional Adult Lit
321421	Conditional trans. to Autonomous Inst (Wage subvention
321422	Conditional transfers to Contracts committee/DSC/PAC/Land Boards, etc.
321423	Conditional transfers to feeder roads maintenance workshops
321424	Conditional transfers to Urban Water
321425	Contingency transfers
321426	Conditional transfers to LGDP
321427	Conditional transfers to PAF monitoring
321428	Conditional transfers to Rural water
321429	NAADS
321430	Conditional transfers to Public Libraries

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	ASSET LEDGER CODES	

321431	Conditional transfers to PHC - development
321432	Conditional transfers to Health Training Institutions
321433	Conditional transfers to SFG
321434	Conditional transfers to community development
321435	Start-up costs
321436	Conditional transfers to environment and natural resources (non-wage)
321437	Conditional transfers to women, youth and disability councils
321438	Conditional transfers to environment and natural resources (wage)
321439	DSC Operational Costs - Non wage
321440	Other grants
321441	Compensation for Graduated Tax (District)
321442	Compensation for Graduated Tax (Urban)
321443	Conditional Transfers to CAO/DCAO & TCs – Wage
321444	Conditional transfers for Salaries & gratuity for elected political leaders
321445	Conditional Transfers for LLGs' ex-gratia
321446	Conditional Transfers-Special grant for people with disabilities
321447	Conditional Transfer for School Inspection
321448	Conditional Transfers for Production and marketing
321449	Conditional Transfers to Sanitation & Hygiene
321450	Transfer for Urban Unconditional Grant – Wage
321451	Transfer for District Unconditional Grant – Wage
321452	Conditional Transfers for Construction of Secondary Schools
321453	Conditional Transfers for Hard to Reach Areas
321454	Conditional Transfers for Wage Community Polytechnics
321455	Conditional Transfers for Non Wage Community Polytechnics
321456	Conditional Transfers for Wage Technical & Farm Schools
321457	Conditional Transfers for Non Wage Technical & Farm Schools
321458	Conditional Transfers for Wage National Health Service Training Colleges
321459	Conditional Transfers for Non Wage National Health Service Training Colleges
321460	Conditional Transfers for Wage Technical Institutes
321461	Conditional Transfers for Non Wage Technical Institutes
321462	Conditional Non Wage Transfers for Primary Teachers' Colleges
321463	Urban Discretionary Development Urban Equalization Grant
321464	Conditional Grant for NAADS (Districts)-Wage
321465	Conditional Transfer to Municipal Infrastructure
321466	Sector Conditional Grant-Wage
321467	Sector Conditional Grant-Non Wage
321468	Support Services Conditional Grant –Wage
321469	Support Services Conditional Grant-Non Wage
321470	Development Grant
321471	Conditional Grant to LRDP
321472	Transitional Development Grant

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	ASSET LEDGER CODES	

3215	Advances
321501	Staff Advances
321502	Departmental Advances
321503	Advances to other govt. units (e.g. Foreign Missions and Embassies)
321504	Other Advances
321505	Prepayment to Suppliers
3216	Other accounts receivable
321601	Taxes Receivable
321602	Trade Debtors
321603	Sundry Debtors
321604	URA Revenue collection
321605	Domestic arrears (Budgeting)
321606	External Debt repayment (Budgeting)
321607	Utility arrears (Budgeting)
321608	Pension arrears (Budgeting)
321609	Teachers' Pensions arrears (Budgeting)
321610	Local Government Pensions arrears (Budgeting)
321611	Defence/Military Pensions arrears (Budgeting)
321612	Water arrears(Budgeting)
321613	Telephone arrears (Budgeting)
321614	Electricity arrears (Budgeting)
321615	Treasury Bills Redemption (Budgeting)
321616	Treasury Bonds Redemption (Budgeting)
321617	Salary Arrears (Budgeting)
3217	Securities other than shares (Long-Term)
321701	Corporate bonds
321702	Promissory notes
321703	Debentures
3218	Shares and other equity
321801	Shares in public corporations
321802	Shares in other entities
3219	Financial derivatives
322	FOREIGN
3221	Currency and deposits
322101	Cash at Bank
3222	Securities other than shares
322201	Corporate bonds
322202	Promissory notes

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	ASSET LEDGER CODES	

322203	Debentures
3223	<i>Loans</i>
3224	<i>Shares and other equity</i>
322401	Shares in International Organizations
322402	Shares in other foreign entities
3225	<i>Insurance technical reserves</i>
3226	<i>Financial derivatives</i>
3227	<i>Other accounts receivable</i>
323	<i>Monetary Gold and SDRs</i>

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	LIABILITY LEDGER CODES	

CLASS 4 *LIABILITIES*

41 *DOMESTIC LIABILITIES*

411 *Currency and deposit*

412 *Securities other than shares*

412001 Treasury bills

412002 Government bonds

412003 Promissory notes

413 *Loans*

413001 Commercial banks

413002 Interest payable

413003 Other

414 *Shares and other equity (Public Corporations)*

415 *Accounts payable*

415001 Trade Creditors

415002 Sundry Creditors

415003 Committed Creditors (Accruals)

415004 Accountable Advances

415005 With-holding Tax payable

415006 Deposits Received

415007 Advances from other government units

415008 Advances Received from The Road Fund

416 *Clearing Transfers from other Govt Units*

416001 District Unconditional grants

416002 Urban Unconditional grants

416003 Equalisation grants

416004 Conditional transfers for Tertiary Salaries

416005 Conditional transfers for Primary Salaries

416006 Conditional transfers for Secondary Salaries

416007 Conditional transfers for PHC Salaries

416008 Conditional transfers for Agric. Ext Salaries

416009 Conditional trans for Comm. Devp. Staff Salaries

416010 Conditional transfers for DSC Chairs' Salaries

416011 Conditional transfers for Primary Education

416012 Conditional transfers for Road Maintenance

416013 Conditional transfers for PHC- Non wage

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	LIABILITY LEDGER CODES	

416014	Conditional transfers for Agric Extension
416015	Conditional transfers for PMA NSCG
416016	Conditional transfers for Agric. Devp. Centres
416017	Conditional transfers for District Hospitals
416018	Conditional transfers for NGO Hospitals
416019	Conditional transfers for Secondary Schools
416020	Conditional transfers for Functional Adult Lit
416021	Conditional trans. Autonomous Inst (Wage subvention
416022	Conditional transfers for Contracts Committee/DSC/PAC/Land Boards, etc.
416023	Conditional transfers for feeder roads maintenance workshops
416024	Conditional transfers for Urban Water
416025	Contingency transfers
416026	Conditional transfers for LGDP
416027	Conditional transfers for PAF monitoring
416028	Conditional transfers for Rural water
416029	NAADS
416030	Conditional transfers for Public Libraries
416031	Conditional transfers for PHC - development
416032	Conditional transfers for Health Training Institutions
416033	Conditional transfers for SFG
416034	Conditional transfers for community development
416035	Start-up costs
416036	Conditional transfer to environment and natural resources (non-wage)
416037	Conditional transfer to women, youth and disability councils
416038	Conditional transfer to environment and natural resources (wage)
416040	Other grants
416041	Compensation for Graduated Tax (District)
416042	compensation for Graduated Tax (Urban)
416043	Conditional Transfers to CAO/DCAO & TCs – Wage
416044	Conditional Transfers for Salaries & gratuity for elected political leaders
416049	Conditional Transfers to Sanitation & Hygiene
416050	Transfer for Urban Unconditional Grant – Wage
416051	Transfer for District Unconditional Grant – Wage
416052	Conditional Transfers for Construction of Secondary Schools
416053	Conditional Transfers for Hard to Reach Allowance
416054	Conditional Transfers for Wage Community Polytechnics
416055	Conditional Transfers for Non Wage Community Polytechnics
416056	Conditional Transfers for Wage Technical & Farm Schools
416057	Conditional Transfers for Non Wage Technical & Farm Schools
416058	Conditional Transfers for Wage National Health Service Training Colleges
416059	Conditional Transfers for Non Wage National Health Service Training Colleges

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	LIABILITY LEDGER CODES	

416060	Conditional Transfers for Wage Technical Institutes
416061	Conditional Transfers for Non Wage Technical Institutes
416062	Conditional Non Wage Transfers for Primary Teachers' Colleges
416063	Conditional Transfers for Urban Equalization Grant
416064	Conditional Grant for NAADS (Districts)-Wage
416066	Sector Conditional Grant-Wage
416067	Sector Conditional Grant-Non Wage
416068	Support Services Conditional Grant-Wage
416069	Support Service Conditional Grant-Non Wage
416070	Development Grant
416071	Conditional Grant to LRDP
417	<i>Miscellaneous accounts payable</i>
418	<i>Pension Liabilities</i>
418001	Pension arrears – General public service
418002	Pension arrears – Education service
418003	Pension arrears – Military service
418004	Pension arrears _Local Government
419	<i>Provisions</i>
419001	Provision for Bad Debts
42	<i>FOREIGN</i>
421	<i>Currency deposits</i>
422	<i>Securities other than shares</i>
423	<i>Loans</i>
423001	Multi-laterals
423002	Loans from Foreign Governments (Bi-lateral)
423003	Foreign Commercial Banks
423004	Commercial non-banks
423005	Uninsured commercial non-banks
424	<i>Shares and other equity (public corporations)</i>
427	<i>Other accounts payable</i>
428	<i>Accumulated Depreciation</i>
4281	<i>Accumulated Depreciation – Buildings and Structures</i>
428101	Non-Residential Buildings
428102	Residential Buildings
428103	Roads and Bridges
428104	Other Buildings and Structures
4282	<i>Accumulated Depreciation – Machinery, Furniture and Vehicles</i>
428201	Transport Equipment (Vehicles)

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	LIABILITY LEDGER CODES	

428202	Machinery and Equipment
428203	Furniture and Fixtures
428209	Classified Assets
428211	Office Equipment
428212	Medical Equipment
428213	ICT Equipment
428214	Laboratory and Research Equipment

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	EQUITY AND RESERVES LEDGER CODES	

CLASS 5	RESERVES
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51	GOU EQUITY FUNDS
511	Central Government Reserves
5111	Capital Reserves
511101	Consolidated Fund
511102	Contingency Fund
5112	Revenue Reserves
511201	Revenue reserves
511202	Revaluation Reserve Gain/Loss
512	Local Government Reserves
5121	Capital Reserves
512101	Capital reserves
512102	Revaluation reserves
5122	Revenue Reserves
512201	Revenue reserves
513	Equity
513001	Accumulated Fund

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE DESCRIPTION NOTES	

CLASS 1 – REVENUE

11: TAXES

1111: Payable by Individuals

111101: Tax on Employment Earnings (PAYE)

This account shall be credited with remittances from employers in respect of deductions from employees for tax (Pay As You Earn) on Salaries, Wages and Allowances.

111102: Rental Income Tax

This account shall be credited with tax on incomes received from partnerships, trusts and beneficiaries, and individuals on profits, rent, dividends, interest, etc. All taxes on individual income regardless of source of income e.g. proceeds from wagering should be included under this account.

111103: Graduated Tax

This account shall contain Poll tax levied on individuals by local Governments. The amount shall comprise tax for the current and previous (arrears) periods. Fines, penalties and surcharges relating to Graduated tax should not be captured under this account but rather 143201. Replacement of graduated tax tickets should be coded under 143203.

111104: Withholding tax payable by individuals

This account shall be credited with amounts deducted as advance part payments (Withholding tax) of income tax from individuals.

111105: Presumptive Tax

This account shall be credited with amounts deducted from small business tax payers whose annual turnover is less than the amount stipulated in the Income Tax Act.

111106: Local Service Tax

This account shall be credited with tax levied on salaries, wages and incomes of all persons in gainful employment collected by Local Governments.

1112: Payable by Corporate Entities

111201: Company Income Tax

Under this account shall be remittances in respect of taxes paid on company profits for current period. Prior year taxes shall also be credited on this account.

111202: Withholding tax payable by corporate entities

This account shall be credited with amounts deducted as advance part payments of corporation tax from corporate entities/bodies.

111203: Capital Gains Tax

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE DESCRIPTION NOTES	

This account shall be credited with tax levied on the profits / gains from the sale of property or an investment.

1113: Other

This section will cater for other taxes on Income, profits and capital gains. At the moment, such taxes are not existent hence the code is only for future use when such taxes do exist.

112: Taxes on payroll and workforce

This section will cater for taxes on payroll and workforce. At the moment, such taxes are not existent hence the code is only for future use when such taxes do exist.

113: Taxes on property

1131: Recurrent taxes on immovable property

113101: Land fees

This account shall contain receipts in respect of Land premium/lease fee on land. Ground rates and ground rent payable to Land Board should be coded under 141501.

1132: Recurrent taxes on net wealth

Taxes under this code do not exist in our tax regime at the moment. This code is only for future use when such taxes do exist.

1133: Estate, inheritance and gift taxes

Taxes under this code do not exist in our tax regime at the moment. This code is only for future use when such taxes do exist.

1134: Taxes on Financial and capital transactions

113401: Financial services

This account shall comprise taxes specifically levied on banking services, taxes on insurance premiums, etc

1135: Other non-recurrent taxes on property

Taxes under this code do not exist in our tax regime at the moment. This code is only for future use when such taxes do exist.

1136: Other recurrent taxes on property

Taxes under this code do not exist in our tax regime at the moment. This code is only for future use when such taxes do exist.

114: Taxes on goods and services

1141: General Taxes on goods and services

114101: VAT on Phone Talk Time

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	REVENUE DESCRIPTION NOTES	

This account shall comprise Value Added Tax due on Phone Talk Time.

114102: VAT on Beer

This account shall comprise Value added Tax due on Beer.

114103: VAT on Spirits

This account shall comprise Value added Tax due on Spirits. Such products include Wines, whisky, Gins and other alcoholic drinks other than Beer.

114104: VAT on Cigarettes

This account shall comprise Value added Tax due on Cigarettes.

114105: VAT on Soft Drinks

This account shall comprise Value added Tax due on Soft drinks.

114106: VAT Paid by Non-Gov't on other local goods

This account shall comprise Value added Tax due on local goods other than those specified above payable by the general public.

114107: VAT Paid by Non-Gov't on other local services

This account shall comprise Value added Tax due on local services payable by the general public.

114108: VAT Paid by Non-Gov't on imported goods

This account shall comprise Value added Tax due on imported goods payable by the general public.

114109: VAT Paid by Non-Gov't on imported services

This account shall comprise Value added Tax due on imported services payable by the general public.

114110: VAT Paid by Gov't on local goods and services

This account shall comprise Value added Tax payable by Government on local goods and services.

114111: VAT Paid by Gov't on imported goods and services

This account shall comprise Value added Tax payable by Government on imported goods and services.

1142: Excise Duty

114201: Excise Duty on Petroleum

Under this account, shall be Excise duty on petroleum

114202: Excise Duty on Diesel

This account shall comprise Excise duty on diesel.

114203: Excise Duty on kerosene

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	REVENUE DESCRIPTION NOTES	

This account shall be credited with Excise duty on kerosene.

114204: Excise Duty on other gas products.

This account shall be credited with Excise duty on other gas products. E.g. oils, lubricants, etc

114205: Excise Duty on Phone Talk Time

This account shall be credited with Excise duty on Phone talk time.

114206: Excise Duty on Beer

This account shall be credited with Excise duty on Beer.

114207: Excise Duty on Spirits

This account shall be credited with Excise duty on spirits such as Wines, Whisky, Gins, and other alcoholic drinks other than beer.

114208: Excise Duty on cigarettes

This account shall be credited with Excise duty on Cigarettes.

114209: Excise Duty on Soft Drinks

This account shall be credited with Excise duty on Soft drinks.

114210: Excise Duty on local goods

This account shall be credited with Excise duty on local goods other than those mentioned above.

114211: Excise Duty on imported goods

This account shall be credited with Excise duty on imported goods other than those mentioned above

114212: Infrastructure Levy (Railway)

This account shall be credited with amounts levied on goods imported from outside the East African Community (EAC) except those exempted under the Law.

1143: Profits on Fiscal Monopolies

114301: Central Government Fiscal Monopolies

Under this account, shall be Profits after tax transferred to government from central government owned public corporations or public quasi-corporations that exercise monopoly powers over the production or distribution of a particular kind of good or service.

114302: Local Government owned Fiscal Monopolies

Under this account, shall be Profits after tax transferred to government from local government owned public corporations or public quasi-corporations that exercise monopoly powers over the production or distribution of a particular kind of good or service.

1144: Taxes on specific services

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	REVENUE DESCRIPTION NOTES	

114401: Taxes on Casinos and Gaming

This account shall be credited with Taxes levied on Casinos and gaming.

114402: Other taxes on specific services

This account shall be credited with other Taxes levied on specified services.

114403: Taxes on Lotteries

This account shall be credited with Taxes levied on Lotteries.

114404: Other taxes on Games of Chance

This account shall be credited with Taxes levied on Games of Chance.

114405: Local Hotel Tax

This account shall be credited with Taxes levied and paid by room occupants of a hotel per room per night. It is levied and collected by the hotel owners / management.

1145: Taxes on use of goods and services and on permission to use goods or perform activities.

114501: Motor vehicle Road Licenses

Under this account, shall be receipts in respect of Motor vehicle (for all types and categories of automobiles e.g. trucks, saloon cars, buses, motorcycles, etc) road licenses.

114502: Motor Vehicle Registration fees

Under this account shall be receipts in respect of Registration fees for all types of vehicles: new and used, saloons, estates, mini-buses, buses, pick-ups, trucks, PMO's, PSV's, trailers, tractors, graders, rollers, and motor cycles. Duplicate registration books, new and duplicate number plates

114503: Other Vehicle Fees and Licenses

This account shall contain alteration of vehicle outlook/particulars fees, transfer fees, search fees, dealer vehicle licences, OTV licences, vehicle inspection fees, document certification fees, and any other vehicle fees and licences not covered above.

114504: Application Fees

This account shall be posted with application fees for PSVs, special hires and vehicle rentals.

114505: Business Licenses

This account shall comprise receipts in respect of Trading licences to operate/conduct commercial and business services e.g. professional offices, shops, businesses, etc.

114506: Liquor licenses

This account shall be posted with licenses proceeds for the dealership in alcoholic and related beverages like beer, spirits, wines, etc.

114507: Guns and Explosive Fees

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	REVENUE DESCRIPTION NOTES	

This account shall be credited with proceeds in respect of fees or other charges levied on ownership of guns, pistols, and other firearms. Rental fees shall be recognized under item 141503-Rentals for guns and explosives

114508: Other licenses

This account shall be credited with proceeds in respect of fees on the issue of licenses other than those mentioned above. It is only in cases where a particular item cannot be identified with the above codes that this code should be used.

114509: Stamp duty

This account shall be credited with stamp duties paid.

114510: Signature bonus

This account shall be credited with a onetime fee for the assignment and securing of a license for exploration or production paid by the contractor / Licensee.

1146: Other taxes on goods and services

This section is available to cater for other taxes on goods and services other than those included in the above sections. None of these has been identified as of now.

1151: Customs duties

115101: Import Duties

This account shall comprise duties on all goods and services entering the country. This refers to only such taxes that are levied on goods or services because they are entering the country.

115102: Import Commission

This account shall be used to record Import Commissions on goods and services entering the country.

115103: Customs Duties (Customs Duty)

This account will include Port charges on goods and services entering or leaving the country.

115104: COMESA Duty (Imports)

This account shall contain Special duties levied on goods and services entering the country where origin of such goods or services is a country within the COMESA region.

1152: Taxes on Exports

115201: Export Duties

This account shall be posted with Duties on all goods leaving the country and on services delivered by residents to non-residents. This refers to only such taxes that are levied on goods or services because they are leaving the country.

1161: Other Taxes

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116101: Miscellaneous and Unidentified taxes

This account shall be posted with tax collections that cannot be classified under the above specified tax codes.

12: SOCIAL CONTRIBUTIONS

This account shall contain actual or imputed receipts from either employers on behalf of their employees or from employees, self-employed, or non-employed persons on their own behalf that secure entitlement to social benefits for the contributors, their dependants, or their survivors.

121: Social Security Contributions

1211: Employee Contributions

1212: Employer Contributions

1213: Self -employed or non –employed contributions

1214: Unallocated contributions

122: Other Social Contributions

1221: Employee Contributions

1222: Employer Contributions

1223: Imputed Contributions

13: GRANTS

In general, Grants are non-compulsory current or capital transfers received by one government unit from either another government unit or an international organisation.

1311: Grants from foreign governments - CURRENT

131101: Donor Funds - Foreign Governments

This account shall include contributions (other than loans) from one government unit to another government unit for purposes of current expenses and not linked to or conditional to the acquisition of assets by the recipient.

1312: Grants from foreign governments - CAPITAL

131201: Donor Funds - Foreign Governments

This account shall comprise contributions (other than loans) from one government unit to another government unit for purposes of acquiring assets by the recipient and may consist of a transfer of cash that the recipient is expected or required to use to acquire

REPUBLIC OF UGANDA	CHART OF ACCOUNTS	
	REVENUE DESCRIPTION NOTES	

an asset or assets (other than inventories), the transfer of an asset (other than inventories and cash), the cancellation of a liability by mutual agreement.

132: Grants from international organisations (*International Institutional Donors*)

1321: Current

132101: Multi-lateral Development Partners

1322: Capital

132201: Multi-lateral Development Partners

132202: Capital Bilateral Development Partners

133: From Other general government units (Domestic Government Transfers)

1331: Grants from Other general government units - CURRENT

133101: Transfers Received By Ministries from Treasury

This account shall contain transfers received by central government ministries and projects from Treasury. In respect of recurrent expenses.

133102: Transfers Received By Agencies from Treasury

This account shall be posted with transfers received by entities from Treasury, which are part of central government other than ministries. Examples are the Human Rights Commission, the Judicial Commission, the IGG's office, etc.

133103: LG Conditional Grants

This account shall include transfers received by local governments to finance programmes agreed upon between the central government and the local governments; and these funds shall be for recurrent expenses.

133104: LG Unconditional Grants - Current

This account shall include transfers received by local governments (without any conditions) to finance recurrent expenditure in respect of decentralized services.

133105: LG Equalisation Grants - Current

This account shall consist of transfers received by poorly performing local governments in terms of locally raised revenue so as to narrow the revenue gap with other districts and such funds shall be used to finance current activities (as opposed to procurement of fixed assets).

133106: Transfers Received from other government units

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	REVENUE DESCRIPTION NOTES	

This account shall be posted with transfers received by Government units for recurrent activities. These will be received from Government units other than the Treasury.

133107: Transfers received by Treasury

This account shall be posted with transfers received by Treasury from Government units. To comprise both NTR and unspent balances transferred to Treasury.

133108: URA Retentions

This account shall be posted with URA retentions. To comprise all revenue collected but retained by URA.

133110: Transfers Received from Other Funds

This account shall be posted with transfers received from Other Funds. To comprise all funds received from another Fund i.e. Petroleum Fund and Contingency Fund.

1332: Grants from Other general government units - CAPITAL

133201: Transfers Received By Ministries from Treasury- Capital

This account shall be posted with transfers received by central government ministries and projects for Capital expenditure purposes (acquisition of fixed assets).

133202: Transfers Received By Agencies from Treasury- Capital

This account shall consist of transfers received by entities other than ministries and projects, which are part of central government for Capital expenditure purposes (acquisition of fixed assets).

133203: LG Conditional Grants - Capital

This account shall consist of transfers received by local governments for agreed asset acquisitions with central government.

133204: LG Unconditional Grants - Capital

This account shall comprise transfers received by local governments, which the latter, on rendering Returns, would have been identified as having been expended on assets.

133205: LG Equalisation Grants - Capital

This account shall contain Transfers received by poorly performing local governments, which the latter, on rendering Returns, would have been identified as having been expended on assets.

133206: Transfers received from other government units - Capital

This account shall contain Transfers of a capital nature received by a government unit from another Government unit. These are transfers between government units without passing through the Treasury.

133207: Transfers received by Treasury

133209: Transfers received by Ministries and Agencies from Treasury

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This account shall contain Transfers received by a government unit from Treasury.

1333: LG Conditional Grants

133304: Conditional transfers for Tertiary Salaries

This account shall be credited with transfers received by Local Governments from Central Government to specifically cater for tertiary salaries. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133305: Conditional transfers for Primary Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for primary salaries. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133306: Conditional transfers for Secondary Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for Secondary School salaries. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133307: Conditional transfers for PHC Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for Primary Health Care salaries. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133308: Conditional transfers for Agric. Ext Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for Agricultural Extension salaries. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133309: Conditional transfers for Community Development Salaries

This account shall record all transfers received by Local Governments from Central Government to specifically cater for Community Development staff salaries. On receiving the transfer or on submission of Accountability, this account shall be credited and the Bank account or corresponding liability account debited.

133310: Conditional transfers for DSC Chairs' Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for DSC Chairs' salaries. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

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	REVENUE DESCRIPTION NOTES	

133311: Conditional transfers for Primary Education

Recorded into this account shall be transfers received by Local Governments from Central Government to specifically cater for primary education activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133312: Conditional transfers for Road Maintenance

This account shall include transfers received by Local Governments from Central Government to specifically cater for Road Maintenance activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133313: Conditional transfers for Primary Health Care (PHC) - Non wage

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of the PHC Non-wage. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133314: Conditional transfers to Agricultural Extension

Recorded into this account shall be all transfers received by Local Governments from Central Government to specifically cater for expenses in respect of agricultural extension activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133315: Conditional transfers for the Plan for Modernisation of Agriculture (PMA) NSCG

This account shall include transfers received by Local Governments from Central Government to specifically cater for the PMA NSCG activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133316: Conditional transfers for Agricultural Development Centers

This account shall include transfers received by Local Governments from Central Government to specifically cater for Agricultural Development Center activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133317: Conditional transfers for District Hospitals

Recorded into this account shall be all transfers received by District Hospitals from the Central Government. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133318: Conditional transfers for NGO Hospitals

This account shall be debited with all transfers received by Local Government from the Central Government to specifically cater for NGO Hospitals. On receiving the transfer or

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	REVENUE DESCRIPTION NOTES	

on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133319: Conditional transfers for Secondary Schools

This account shall be charged with all transfers received by Local Governments from Central Government to specifically cater for secondary school activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133320: Conditional transfers to Functional Adult Literature

This account shall record transfers received by Local Governments from Central Government to specifically cater for functional adult literature activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133321: Conditional transfers for Autonomous Institutions (Wage subvention)

This account shall be debited with transfers received by Autonomous Institutions from Central Government to cater for wages. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133322: Conditional transfers for Contracts Committee/PAC/DSC/Land Board, etc

This account shall record all transfers received by Local Governments from Central Government to specifically cater for Contracts Committee/PAC/DSC/Land Board, etc, activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133323: Conditional transfers for feeder roads maintenance

This account shall record all transfers received by Local Governments from Central Government to specifically cater for feeder roads maintenance activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133324: Conditional Transfers for Urban Water

This account shall record all transfers received by Local Governments from Central Government to specifically cater for Urban Water activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133325: Contingency Transfers

This account shall record transfers received by one Government unit from another Governments unit to cater for contingencies. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133326: Conditional Transfers for LGDP

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This account shall record all transfers received by Ministries, Agencies and Local Governments from Central Government to specifically cater for LGDP activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133327: Conditional transfers for Poverty Action Fund (PAF) monitoring

This account shall record all transfers received by Local Governments from Central Government to specifically cater for PAF monitoring activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133328: Conditional transfers to Rural Water

This account shall record all transfers received by Local Governments from Central Government to specifically cater for Rural Water activities. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133329: NAADS

This account shall record all transfers received by Local Governments from Central Government via the NAADS grant. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133330: Conditional transfers to Public Libraries

This account shall record all transfers received by Local Governments for Public libraries from Central Government via the Public Libraries grant. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133331: Conditional transfers to PHC - Development

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of the PHC Development. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133332: Conditional transfers To health training Institutions

This account shall include transfers received by local governments for Health Training Institutions from Central Government. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133333: Conditional transfers for SFG

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of the School Facilities Grant. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

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133334: Conditional transfers for Community development

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of community development. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133335: Start -up costs

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of starting up newly created local governments. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133336: Conditional transfer to environment and natural resources (non-wage)

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of non-wage environment and natural resources. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133337: Conditional transfer to women, youth and disability councils

This account shall include transfers received by Local Governments from Central Government to specifically cater for women, youth and disability councils. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

133364: Conditional Grant for NAADS (Districts)-Wage

This account shall record all transfers received by Local Governments from Central Government via the NAADS grant specifically for the wage component. On receiving the transfer or on submission of Accountability (4160 series), this account shall be credited and the Bank account or corresponding liability account debited.

1410: Property income

Income received when government units place financial assets and/or non-produced assets at the disposal of other units.

141101: Interest from private entities - domestic

This account shall contain Interest earned on financial assets other than shares, loans and accounts receivable from domestic Non-Government entities. E.g. interest on project bank accounts, deposits, and other operational accounts held by government units.

141102: Interest on Loans issued

This account shall contain interest earned on loans issued by government e.g. interest on loans to private individuals and organizations

141141: Interest from private entities – Foreign

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This account shall contain Interest earned on financial assets other than shares, loans and accounts receivable from foreign entities. E.g. interest on project bank accounts, deposits, and other operational accounts held by government units outside the country.

141161: Interest from other government units

This account shall contain Interest earned from dealings with other Government units. Whereas it is a revenue to one unit, it will be an expense to the other Government unit. On consolidation, this interest will cancel with the interest expense reflected on code 243001.

141201: Dividends

This account shall be posted with receipts in respect of distributed profits of corporations in which government units have shareholdings or ownership.

1413: Withdrawals from income of quasi-corporations

1414: Property income attributed to insurance policyholders

1415: Rent

141501: Rent & Rates - Non-Produced Assets- from private entities

This account shall be used to capture all rentals and rates arising out of hire of naturally occurring assets from Non-Government entities e.g. rent for use of government forests for lumbering, etc.

141502: Royalties

This account will include proceeds from the sale of rights to third parties or to other government units to access future economic benefits out of another government unit's asset, franchise, and sale of patents and copyrights.

141503: Rentals-Guns and other explosives

This account shall be credited with proceeds in respect of fees or other charges for the hire of guns, pistols, and other firearms.

141541: Rent & Rates - Non-Produced Assets – from other Govt units

This account shall be used to capture all rentals and rates arising out of hire of naturally occurring assets from Government entities e.g. rent for use of government forests for lumbering, etc Whereas it is a revenue to one unit, it will be an expense to the other unit.

1416: Other property income

Other income received when government units place financial assets and/or non-produced assets at the disposal of other units.

141601: Sale of produced Government Properties/Assets

Income received from disposal of produced/constructed government properties/assets, proceeds from liquidated enterprises, sale of custodian board properties, sale of government stores, sale of houses, sale of scrap and sale of vehicles and plants. This code should only be used if the sold property has not already been captured in the assets for the entity. In case it already exists in the assets, then the transaction is simply transformation of the asset to cash where the difference between the selling price and asset value will be a profit/(loss) on disposal.

141602: Sale of non-produced Government Properties/assets

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	REVENUE DESCRIPTION NOTES	

Income received from disposal of non-produced/constructed government properties/assets such as land, forests, water and mineral deposits. This code should only be used if the sold property has not already been captured in the assets for the entity. In case it already exists in the assets, then the transaction is simply transformation of the asset to cash where the difference between the selling price and asset value will be a profit/(loss) on disposal.

1421: Sale by market establishments

142101: Rent - Produced Assets – from private entities

This account shall contain receipts in respect of Income from lease/hire of residential and

Non-residential buildings, plants, vehicles, canteens rent, accommodation charges, hire of stadiums and parks, rent of state lodges and staff houses, letting of council hall, letting of offices and institutional housing rent received from entities that are not Government units.

142102: Rates - Produced Assets – from private entities

This account shall comprise rates and charges for use of produced government assets received from entities that are not Government units. E.g. rates for real property, etc

142103: Utilities – to private entities

This account shall comprise income from provision of utility services such as water, electricity, gas, other fuels, received from entities that are not Government units etc.

142104: Sale of publications – to private entities

This account will be credited with proceeds from the sale of in-house publications to non-Government units including books, newspapers, photos, magazines, treasury forms, record books and any other publications by government units.

142105: Sale of drugs to private entities

This account shall comprise proceeds from the sale of pharmaceuticals, veterinary drugs, herbicides and related drugs to non-Government units.

142106: Sale of petroleum products to private entities

This account shall be credited with proceeds from the sale of petroleum products to non-Government units, including aviation fuel, diesel, paraffin, motor oils and others.

142107: Sale of Feasibility studies and Research Works

This account shall be credited with proceeds from the sale of feasibility studies, geophysical maps and other research materials.

142161: Rent & rates – produced assets – from other govt. units

This account shall contain receipts in respect of Income from lease/hire of residential and Non-residential buildings, plants, vehicles, canteens rent, accommodation charges, hire of stadiums and parks, rent of state lodges and staff houses, letting of council hall, letting of offices and institutional housing rent received from Government units.

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142162: Rates – Produced assets – from other govt. units

This account shall comprise rates and charges for use of produced government assets received from Government units. E.g. rates for real property, etc

142163: Utilities – from other govt. units

This account shall comprise income from provision of utility services such as water, electricity, gas, other fuels, received from Government units etc.

142164: Sale of publications – from other govt. units

This account will be credited with proceeds from the sale of in-house publications to Government units including books, newspapers, photos, magazines, treasury forms, record books and any other publications by government units.

142165: Sale of drugs – from other govt. units

This account shall comprise proceeds from the sale of pharmaceuticals, veterinary drugs, herbicides and related drugs to Government units

142166: Sale of petroleum products – from other govt. units

This account shall be credited with proceeds from the sale of petroleum products to Government units, including aviation fuel, diesel, paraffin, motor oils and others.

1422: Administrative Fees & Licenses (User Fees, Charges & Permits)

142201: Park Fees

This account will be posted with receipts from taxi motor cycle (Boda-boda) park fees, Lorry park fees, Taxi/bus park fees.

142202: Migration Permit

This account shall comprise receipts in respect of Visa fees, immigration fees, renewal of passports, passport fees, work permits and fees charged for temporary passes.

142203: Refuse collection charges/Public convenience

This account shall contain cesspool emptier fees, public convenience fees, and refuse collection fees.

142204: Property related Duties/Fees

This account will include receipts in respect of; administrator of estates fees, land premium, land survey, building permits survey, students' fees, transfer fees, land fees, and sketch plan.

142205: Advertisements/Bill Boards

This account will be posted with billboard placements in and around towns/cities, and advertising income from television, radio and newspapers.

142206: Animal & Crop Husbandry related Levies

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This account will contain receipts from cattle branding, movement of livestock permits, quarantine charges, slaughter fees, crop husbandry and the like.

142207: Registration (e.g. Births, Deaths, Marriages, etc.) fees

This account will comprise receipts issue of birth certificates, death certificates, marriage certificates and any other certifications of similar nature.

142208: Registration of Businesses

This account will be charged with registration of business, companies, business names, documents, transfer fees, alterations, patents, and trademarks.

142209: Educational/Instruction related levies

This account will contain receipts from the Registration of schools, driving school operations, admission fees and tuition fees in government institutions such as the private sponsorship schemes in tertiary institutions and the cost sharing in institutions.

142210: Driving permits

This account will be posted with proceeds from driving test fees, form fees, fees for provisional driving permits, fees for replacements of driving permits, fees for new and duplicate driving permits, and renewals of driving permits. NOTE that fines arising out of evasion of driving permit duties should be captured under 143201.

142211: Replacement of Graduated Tax Tickets

This account will be used to record income raised from replacement of graduated tax tickets.

142212: Agency Fees

This account shall contain agency fees, valuations, agents' fees and tender fees.

142213: Inspection Fees

Posted on this account shall be proceeds from inspections including water rights permit, inspection of livestock, public health licenses and laboratory water quality test fees, etc. Vehicle inspection fees should be captured under 114503.

142214: Market /Gate Charges

This account is to contain receipts in respect of market gate charges, market fees and other related charges.

142215: Tax Tribunal – Court Charges and Fees

This account shall be used to capture fees collected by tribunals and commissions of inquiry in the course of performance of their duties as charges and fees for filing cases and fines paid by guilty parties.

142216: Court Filing Fees

This account will capture all fees and charges for filing cases in courts of law.

142217: Fees from Appeals

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This account will contain income from fees in respect of appeals of all nature.

142218: Other court Fees

This account shall contain other court fees not included elsewhere.

142219: Other Fees and Charges

This account shall contain other fees and charges not included elsewhere such as nomination fees, escort/guard fees, etc.

142220: Street Parking fees

This account shall cater for all fees and charges earned from parking of motor vehicles and other machinery on streets. Park fees for boda-bodas, taxis, lorries, and buses should however be under 142201 Park fees.

1423: Incidental sales by non-market establishments

142303: Discovery Bonus

This account shall be credited with payments made upfront to government by petroleum exploring companies in the event that discoveries are made.

1424: Imputed sales of goods & services

1425: Profits from Market Establishments

142501: Share of profits from oil & gas exploration

142304: Production Bonus

This account shall be credited with payments made to government by petroleum exploring companies once an agreement is signed for the right to start production.

143: Fines, Penalties and Forfeits

1431: Court Fines and Penalties

143101: Court Fines and penalties - private

This shall include income raised through court bails and income from court rulings requiring guilty parties (which are not Government units) to make payments as part of the fines for offences committed.

143161: Court fines and Penalties – from other government units

This shall include income raised through court bails and income from court rulings requiring guilty parties (Government units) to make payments as part of the fines for offences committed.

1432: Other Fines and Penalties

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143201: Other fines and penalties – private entities

This account will be used to record proceeds from tax default charges and fines from private entities e.g. surcharges of graduated tax, surcharge on income tax, surcharge on corporation tax, etc.

143261: Other fines and Penalties – from other government units

This account will be used to record proceeds from tax default charges and fines from Government units

1440: Voluntary Transfers Other than Grants (NGOs)

Gifts and voluntary donations from individuals, private Non-Profit institutions, Non-Governmental foundations, corporations and any other source other than government and international organisations.

1450: Miscellaneous and Unidentified Revenue

145001: Wind fall Gains

This account shall be used to capture unexpected/fortunate gains.

145002: Reimbursements by other bodies

This account shall be used for income from payments for damage of government property other than payments from judicial processes.

145003: Miscellaneous receipts/income

This account shall be used for income from sources not listed above

145004: Debt Write off

This account shall be used for income from non – cash waivers of debt.

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CLASS 2 – EXPENSES

2111: Wages and Salaries

211101: General Staff Salaries

This account shall include Salaries of all personnel regardless of designation, level or duration of employment as long as their remuneration qualifies to be part of the Wage Bill. This will include staff engaged in managing, coordinating and supervising the work of others as well as those engaged in clerical duties and those engaged in duties/activities of a manual nature. A few examples include Ministers, Permanent Secretaries, Heads of Agencies and other bodies in similar categories, Heads of Directorates (including heads of Departments, Divisions, Sections, etc.), Chief Administrative Officers, etc. In the lower levels will be accounts clerks, general clerks, secretaries, typists, drivers, cleaners, etc.

End of Month Staff Salaries shall include all allowances paid in the form of consolidated salaries.

211102: Contract Staff Salaries and wages

This account shall include Salaries and wages of personnel on contract (not permanent and pensionable) and those classified as casual or temporary.

211103: Allowances

Charged to this account shall be Lump sum cash payments (not aggregated as part of General Staff Salaries (211101 or 211102 above) for Overtime, Honoraria, Bonuses, Duty & Responsibility, Medical, Leave, Housing, welfare & entertainment Allowances. Apart from honoraria, allowances to be captured under this code include those allowances that are of a regular period (e.g. monthly entitlements).

211104: Statutory salaries

Charged to this account shall be statutory salaries e.g. The president's salary, Auditor General's salary, etc

211105: Missions staff salaries

Charged to this account shall be salaries paid to the excellencies and their staff at the missions/Embassies.

211106: Emoluments paid to former Presidents/ Vice Presidents

Charged to this account shall be emoluments to the past Presidents and Vice Presidents of the Republic of Uganda.

211107: Ex-Gratia for other Retired and Serving Public Servants

Charged to this account shall be benefits other than pensions and gratuity for other retired or serving Public Servants like Judges with the exception of the Presidents and Vice Presidents that will be charged under 211106.

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2120: Social Contributions

212101: Social Security Contributions - Actual

This account shall record the employer's portion of Social security contributions paid directly to a Social Security Scheme on behalf of its employees' welfare. Examples are old age security payments, unemployment benefits, disability protection, pension payments gratuities, etc.

212102: Pension for General Civil Service

This account shall record pension payments for former members of the General Civil Service. It excludes pension payments for Teachers, Military and Local Governments.

212103: Pension for Teachers

This account shall be charged with pension payments to the former Teachers.

212104: Pension for Military Service

This account shall be charged with pension payments to the former military officers.

212105: Pension for Local Governments

This account shall be charged with pension payments to the former employees of the Local Governments.

212106: Validation of Old Pensioners

Parliament passed for validation of Old Pensioners for the Period July 1988 to December 2001. This account will therefore be charged with the amount for the period.

212107: Gratuity for Local Governments

212201: Social Security Contributions - Imputed

Where there is no social security scheme and the employer pays the various benefits directly to the employee at the agreed time, the monthly equivalent of such payments prior to the date of payment, shall be charged on this account (and not on account 212101).

2130: Other employee costs

213001: Medical expenses (to employees)

This account shall be charged with expenses incurred on drugs and other medical supplies purchased by staff either on an individual or group basis from local chemists/pharmacies or hospitals and clinics. Included here too shall be the cost of medical treatment and hospitalization including surgical operation. Included here too, shall be contributions for staff in respect of a medical insurance scheme. This will cover expenditures incurred within the country and Abroad. If similar costs are incurred for the benefit of any person who is not a MALG member of staff, they should not be coded to this account but rather to 273101.

213002: Incapacity, death benefits and funeral expenses

Payments/benefits paid directly to staff or their dependants incapacitated through injury, prolonged sickness or death. This account shall also be charged with funeral and

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burial expenses: e.g. cost of coffin, transportation of body to burial place, cost of transporting mourners, etc. If similar costs are incurred for the benefit of any person who is not a MALG member of staff, they should not be coded to this account but rather to 273102.

213003: Retrenchment costs

This account shall be charged with payments in respect of the termination or redundancy of employees in accordance with the law or express contractual arrangements that the employer might have established or other voluntary agreement reached between the employer and a particular employee. (Amounts that might be included are Ex-gratia, Transport, Notice, Untaken leave, etc.) If similar costs are incurred for the benefit of any person who is not a MALG member of staff, they should not be coded to this account but rather to 273103.

213004: Gratuity Expenses

This account shall be charged with payments in respect of gratuity related expenses/costs

2210: General Expenses

221001: Advertising and Public Relations

Radio/TV/Newspaper/Newsletters/ etc. advertisements designed to promote a unit or a particular program being undertaken by the unit (for sensitization purposes) provided such program does not have its own budget. Advertisement expenses relating to recruitment shall be charged to account 221004 while that relating to Workshops shall be charged to account 221002.

221002: Workshops and Seminars

This account shall be charged with costs incurred at Workshops and/or Seminars. The costs included will be those incurred as a direct result of such workshops/Seminars, like stationery, charts, handouts or brochures, photocopying, hire of venue, hire of projectors/LSDs, transport for participants and resource personnel, banquets, meals, per diems, etc. The Workshops/Seminars can be anything from Sensitisation to instructional meetings, internal to external.

221003: Staff Training

This account shall be used whenever a distinct course is identified (as opposed to sensitisation (a/c 221002) or routine meetings and the costs included shall be those in respect of specialized training programs, whether on a group or individual basis, including cost of materials and related scholastic materials, travel expenses, etc.

221004: Recruitment expenses

Costs to be charged on this account shall be those in respect of placing advertisements for positions to be filled, cost of stationery, communications (telecomm and postage/courier) expenses, interview panel expenses, etc. Included here too, will be the relocation costs to the new place of work e.g. transportation, packaging and storage of personal effects, and the transportation of staff and their families (both within the country and/or from abroad).

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221005: Hire of Venue (chairs, projector, etc)

Hire of space and facilities for short periods in respect of meetings or functions for which there is no special budget under a specific project or program. Included here too, will be the hire of facilities for such meetings e.g. chairs, projectors, computers, etc. Similar costs incurred but in respect of workshops/seminars should be coded under 221002.

221006: Commissions and related charges

This account shall be associated with costs incurred to cater for commissions and other charges payable to third parties for services rendered. E.g. The commissions paid to URA for revenues collected. Retention fees to contractors for revenues collected should also be catered for by this code.

221007: Books, Periodicals & Newspapers

Charged under this account, shall be subscriptions or payments for Periodicals, newspapers, and books supplied on a periodical and regular basis. Books such as record books, magazines and other books of daily use e.g. Record books, ledgers, registers, etc should be captured under 221011.

221008: Computer supplies and IT Services

This account shall be charged with the cost of Computer accessories including toner, diskettes, memory sticks, extra drives, back-up tapes, etc

221009: Welfare and Entertainment

This account shall be charged with expenses in connection with the provision of official entertainment, whether inland or abroad. Official entertainment can be anything from a simple provision of soft drinks to large international banquets provided that they are given in their own right, i.e. not under an item with its own budget line e.g. A Workshop or a Meeting, etc. Entertainment provided at Workshops or scheduled meetings shall be charged as part of those activities.

221010: Special Meals and Drinks

This item will embrace special meals and drinks necessitated by exceptional working conditions and meals provided to servicemen (e.g. the Military during combat operations) or others on active duty.

221011: Printing, Stationery, Photocopying and Binding

Expenses charged under this account shall be supplies used as record books, binders, forms, printing and printing supplies, letterheads, envelopes, paper (writing, photocopying, duplicating, etc), business cards, inks, pens, pencils, typewriter and adding machine ribbons, rubber stamps, staples, office pins, markers, etc. Also included here will be the cost of document production and binding into hard copies.

221012: Small Office Equipment

Under this account shall be included small equipment, which though not consumables but cannot qualify to be classified as fixed assets. Examples include things like small calculators, stapling machines, pen-holders, punches, paper trays, pin and staple holders, etc.

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221013: Bad Debts

This account shall contain accounts receivable devoid of recovery (Unrecoverable debts).

221014: Bank Charges and other bank related costs

This account shall be charged with costs associated with the operation of bank accounts such as ledger fees, Chequebook charges, over-draft fees, cost of transferring money, etc.

221015: Financial and related costs

This account shall be charged with costs associated with loss of funds due to acts like cash shortages due to pilferage, thefts, or normal losses, etc).

221016: IFMS Recurrent Costs

For budgeting purposes, this account shall be charged with costs directly and distinctly related to the maintenance and running the IFMS computerised system. Included here will be costs in respect of printing, equipment maintenance, software upgrades and certain administrative costs. When actual expenditures are incurred, they shall be debited to the relevant expenses costs (e.g. Office supplies).

221017: Subscriptions

This account shall be associated with costs incurred to cater for membership fees to professional or other bodies both for Staff and Government units where membership to such bodies is of general importance for Government via improvement of service delivery by its staff and enables access to benefits offered by such bodies that it may subscribe to.

221018: Exchange losses/(gains)

This account shall be associated with holding/translation losses/ (gains) arising from variations in exchange rates for transactions denominated in foreign currencies. The gains arising from exchange rate variations should be credited to this account whereas the losses should be debited to the same account.

221019: Discounts allowed

Under this code shall be all discounts that a MALG allows to its customers. If services are offered at lower than their actual price then the difference should be debited to this account.

221020: IPPS Recurrent Costs

For budgeting purposes, this account shall be charged with costs directly and distinctly related to the maintenance and running the IPPS computerised system. Included here will be costs in respect of printing, equipment maintenance, software upgrades and certain administrative costs. When actual expenditures are incurred, they shall be debited to the relevant expenses costs (e.g. Office supplies).

2220: Communications

222001: Telecommunications

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This account shall be charged with the cost of telephones whether fixed or Mobile lines, telegraphs, Faxes, Included here too, shall be the cost of equipment if in the form of cables. Large switchboards shall not be included here. These shall be included under account 312202: Machinery and Equipment.

222002: Postage and Courier

This account shall be charged with the cost of postage, stamped envelopes, postal registry and money order fees, postage meter impression and parcels delivered by post or courier.

222003: Information and communications technology (ICT)

This account shall be charged with the recurrent costs of information and communications technology, Internet, E-mail, LAN maintenance, under the ICT programme.

2230: Utility and Property Expenses

223001: Property Expenses

This account will be charged with costs of Waste garbage disposal, pest control, fumigation, etc.

223002: Rates

This account is to be debited with payments made to local authorities as assessments in respect of Property occupied by a government unit: buildings, Plant, Equipment, Machinery, etc.

223003: Rent - Produced Assets – to private entities

This account is to be used to record Rent for produced assets received from Non-government units: buildings (incl. Barracks, dormitories), Plant, Equipment, Machinery, etc. Charged here too, real estate taxes paid on leased premises as part of the lease agreement, and commissions paid to real estate agents for negotiating leases and sub-letting rented property.

223004: Guard and Security Services

This account shall be charged with payments in respect of security and guarding of government units' properties (empty or occupied), installations and equipment.

223005: Electricity

This account will be for the cost of Electricity consumed.

223006: Water

This account will include cost of metered Water utilised other than bottled drinking water (which will be treated like a beverage).

223007: Other Utilities

Cost of other utility services will include firewood, charcoal, fuels, gas, etc.

223901: Rent – (Produced Assets) to other govt. units

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This account is to be used to record Rent for produced assets received from Government units: buildings (incl. Barracks, dormitories), Plant, Equipment, Machinery, etc. Charged here too, real estate taxes paid on leased premises as part of the lease agreement, and commissions paid to real estate agents for negotiating leases and sub-letting rented property

2240: Supplies and Services

224001: Medical and Veterinary Supplies

This account is to be charged with the cost of consumable Medical, veterinary drugs and related supplies (Including laboratory supplies) given out to the final user i.e. to the patient. Note that costs incurred to acquire these drugs and supplies in bulk for future use, are not debited to this account but rather to 314201. It is when these drugs and supplies are issued to the final users that this account will be debited and 314201 credited.

224002: General Supply of Goods and Services

This account is to be charged with General Supply of goods and services including cleaning and sanitary, Uniforms, food stuffs, Agricultural stuffs. Etc, This account should be debited when goods are acquired for immediate use by the final user but if they are acquired in bulk for future use, then they should initially be debited to account 314201 and when issued from the stock to the final user, account 314201 will be credited and this account debited.

224003: Classified Expenditure

This account shall be charged with the procurement of weapons: e.g. bullets, rockets, missiles, and associated warheads, etc. and equipment used to deliver them: e.g. guns, rocket launchers, warships, aircrafts, submarines, and tanks, etc.

It shall not be charged with the salaries, uniforms and other recurrent items paid in respect of servicemen. Also excluded from here are weapons or armored vehicles acquired by police and internal security organisations, which are treated as acquisitions of fixed assets. If, however, similar equipment were to be procured by the military, it would be included under this account.

224004: Cleaning and Sanitation

224005: Uniforms and Protective Gear

224006: Agricultural Supplies

2250: Professional Services

225001: Consultancy Services – Short-term

This account shall be charged with all professional services of a short-term nature i.e. not exceeding three months. Examples of professional services to be included here will be fees of public and other accountants such as management consultancy, tax, audit, etc., fees for engineering, Valuation, architectural, Legal, etc. services.

225002: Consultancy Services – Long-term

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This account shall be charged with all professional services of a long-term nature i.e. more than three months duration. Examples of professional services to be included here will be fees of public and other accountants such as management consultancy, tax, audit, etc., fees for engineering, Valuation, architectural, Legal, etc. services.

225003: Taxes on (Professional) Services

This account shall be charged with taxes attributed to the provision of consultancy and related services like VAT, etc.

2260: Insurances and Licenses

226001: Insurances

This account shall be debited with Insurance premiums payments for Property, Vehicles, Equipment, Plant, Aircrafts, boats etc. Included here too, will be premiums paid in respect of insurances for fidelity, burglary, cash shortages, etc.

226002: Licenses

This account is to be charged with the cost of Licenses for Property, Vehicles, Equipment, Plant, etc.

227: Travel and Transport

227001: Travel Inland

This account shall be charged with expenses in connection with In-country official travel: per diem, transport (bus and taxi fares or fuel), accommodation, etc.

227002: Travel Abroad

This account shall be charged with expenses in connection with overseas travel: per diem, air tickets, local transport, accommodation, meals, warm clothing, etc.

227003: Carriage, Haulage, Freight and Transport Hire

This account will be charged with the costs of freight, haulage & clearing of goods and supplies procured by government units to their place of aboard. Included hereto will be the cost of vehicle hire for persons and/or goods.

227004: Fuel, Lubricants and Oils

This account shall be charged with the cost of gasoline or petrol, diesel, grease, Oil, etc. If these costs are incurred in a travel status, they shall be included in account 227001: Travel Inland.

2280: Maintenance

228001: Maintenance - Civil

This account is to include the cost of materials, supplies and parts used in the repair and minor rehabilitation or restoration of infrastructure in respect of buildings, Grounds, Roads, Bridges, wetlands, riverbanks, lakeshores, hilltops, rangelands etc.

228002: Maintenance - Vehicles

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This account is to be charged with the maintenance of vehicles (Including cycles) embracing repairs (e.g. Garage services), spares, supplies, tyres, etc.

228003: Maintenance - Machinery, Equipment & Furniture

This account shall be charged with expenses on Repairs and maintenance of equipment and machinery, furniture and fixtures, etc.

228004: Maintenance - Other

This account shall be charged with expenses on Repairs and maintenance of assets other than those listed under 3121, and 3122.

2290: Inventories

2291: Net Change in Inventories

2292: Sale of goods purchased for resale

229201: Sale of goods purchased for resale

This account shall contain goods acquired for the purpose of reselling without being further processed. This category also includes goods purchased by general government units at prices that are not economically significant to other units.

2310: Depreciation

231001: Depreciation - Non Residential Buildings

This account shall be debited with the loss in value, for the period, of Non-residential Buildings as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428101.

231002: Depreciation - Residential Buildings

This account shall be debited with the loss in value, for the period, of residential Buildings as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428102.

231003: Depreciation – Roads and bridges

This account shall be debited with the loss in value, for the period, of roads and bridges as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428103.

231004: Transport Equipment

This account shall be debited with the loss in value, for the period, of Transport and Equipment as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. Included under Transport Equipment is motor vehicles, Railway locomotives, Ships, non-military Aircraft; Trailers, etc. The corresponding credit should be made to code 428201.

231005: Machinery and Equipment

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This account shall be debited with the loss in value, for the period, of Machinery and Equipment as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428202.

231006: Depreciation – Furniture and fittings

This account shall be debited with the loss in value, for the period, of Furniture (Office and Residential) as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428203.

231007: Depreciation - Other fixed assets

This account shall be debited with the loss in value, for the period, of any asset apart from those mentioned above (231001 to 231006) as a result of use, physical deterioration, normal obsolescence, or normal accidental damage.

231008: Depreciation - Aircraft

This account shall be debited with the loss in value, for the period, of Aircrafts as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428204.

231009: Depreciation - Classified Assets

This account shall be debited with the loss in value, for the period, of Classified assets as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428203.

231010: Gross Tax

231011: Depreciation - Office Equipment

This account shall be debited with the loss in value, for the period, of office equipment as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428211.

231012: Depreciation - Medical Equipment

This account shall be debited with the loss in value, for the period, of medical equipment as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428212.

231013: Depreciation - ICT Equipment

This account shall be debited with the loss in value, for the period, of ICT equipment as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428213.

231014: Depreciation - Laboratory and Research Equipment

This account shall be debited with the loss in value, for the period, of ICT equipment as a result of use, physical deterioration, normal obsolescence, or normal accidental damage. The corresponding credit should be made to code 428214.

2410: Interest on External Debts

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241001: Loan Interest on external debt

This account shall be charged with interest on foreign loans regardless of source (i.e. multi-lateral, Bi-lateral, private, etc.).

241002: Commitment charges on external debt.

This account shall be debited with payment charges in respect of undisbursed loan amounts. Commitment charges are levied as a percentage of the undisbursed loan amount.

241003: Debt Management Fee

This account shall be debited with payment charges in respect of newly acquired loans. Management Fees are levied as a percentage of the total loan amount payable before the loan becomes effective.

242001: Interest on Treasury bills

This account shall be charged with interest on Treasury Bills issued by government.

242002: Interest on Bonds

Interest on Bonds issued by a government unit shall be charged on this account.

242003: Other

This account shall contain any other interest on domestic debts that is not included in the above specifications.

2430: Interest to other general government units

243001: Interest payable to other Government units

Charged to this account shall be all interest payments in respect of dealings with other Government units. Whereas it is an expense to one unit, it will be reflected as a revenue in the other Government unit. On consolidation, it should cancel with code 141161.

244: Other Finance Costs

244001: Listing Fees

This account shall be charged with costs paid to the Uganda Securities Exchange (USE) before trading Treasury Bonds on the secondary market. Such costs include application for listing, any re-submission of application, initial listing, re-opening and annual listing.

2520 : Subsidies to Private Enterprises

252001: Subsidies to Private Enterprises

Charged to this account shall be all subsidies by the Government to privately owned enterprises.

2611: Grants To Foreign Governments - CURRENT

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261101: Contributions to foreign governments

This account shall contain all grants and contributions of a current (short term use e.g. for activities that will last for not more than one year) made by the government or any of the general government units to governments of other countries

2612: Grants To Foreign Governments - CAPITAL

261201: Contributions to foreign governments

This account shall contain all grants and contributions of a capital (long-term use e.g. for activities that will last for more than one year) made by the government or any of the general government units to governments of other countries

2621: Grants To International Organisations - CURRENT

In general, these are contributions (other than loans) made by a government unit for purposes of current expenses and not linked to or conditional to the acquisition of assets by the recipient.

262101: Contributions to International Organisations

This account is to be charged with current grants to international organisations.

2622: Grants To International Organisations - CAPITAL

In general, these are contributions (other than loans) made by a government unit for purposes of acquiring assets by the recipient and may consist of a transfer of cash that the recipient is expected or required to use to acquire an asset or assets (other than inventories), the transfer of an asset (other than inventories and cash), the cancellation of a liability by mutual agreement.

262201: Contributions to International Organisations

This account is to be charged with capital grants to international organisations, mainly multi-lateral agencies, where all countries are member countries like the UN Agencies, the World Bank, etc.

2631: Grants To other government units - CURRENT

In general, these are contributions (other than loans) made by one government unit to another government unit for purposes of current expenses and not linked to or conditional to the acquisition of assets by the recipient.

263101: Local Government Conditional Grants

This account shall be charged with Current Grants to local governments to finance programmes agreed upon between the central government and the local governments; and this money is to be expended only for the purposes for which it was made and in accordance with the conditions agreed upon.

263102: Local Government Unconditional Grants

This account shall be charged with Current Grants to Local Governments (without any conditions) to run decentralized services. This shall be taken as part of Local Governments' revenue.

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263103: Local Government Equalization Grants

This account shall be charged with Current Grants to Local Governments for giving subsidies or making special provisions for the least developed districts; and shall be based on the degree to which a local government unit is lagging behind the national average standard for a particular service.

263104: Transfers to other government units

This account shall be charged with Current Grants to Government units from other Government units. This will include PAF monitoring grants given to ministries.

263105: Treasury transfers to Agencies

This account shall be charged with Current Grants from the treasury to entities other than ministries and projects, which are part of central government other than ministries. Examples are Law development center, UNEB, UBOS, etc.

263106: Other current Grants

This account shall be charged with current grants of a nature other than the above.

263107: Treasury transfers to ministries

This account shall be charged with Current Grants from the treasury to Central Governments ministries and projects.

263108: Transfers to Treasury

This account shall be charged with transfers to treasury by ministries, agencies and Local Governments. These will include Non-Tax Revenue collected, unspent balances and any other refunds.

263109: URA Retentions

This account shall be charged with transfers to URA. These include funds retained by URA for operations.

263110: Transfers to other Funds

This account shall be charged with transfers to another Fund. These will include transfer of Funds from one Fund to another e.g. from the Petroleum Fund to the Consolidated Fund.

2632: Grants To other government units - CAPITAL

In general, these are contributions (other than loans) made by a government unit to another government unit for purposes of acquiring assets by the recipient and may consist of a transfer of cash that the recipient is expected or required to use to acquire an asset or assets (other than inventories), the transfer of an asset (other than inventories and cash), the cancellation of a liability by mutual agreement.

263201: Local Government Conditional Grants

This account shall be charged with Capital Grants to local governments paid out as Conditional Grants.

263202: Local Government Unconditional Grants

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This account shall be charged with Capital Grants paid out as Unconditional Grants to Local governments, which the latter, on rendering Returns, would have identified as having been expended on assets.

263203: Local Government Equalization Grants

This account shall be charged with Capital Grants paid out as Equalisation Grants to Local governments, which the latter, on rendering Returns, would have identified as having been expended on assets.

263204: Transfers to other government units

This account shall be charged with Current Grants to Government units from other Government units.

263205: Treasury transfers to Agencies

This account shall be charged with Capital Grants from the treasury to entities, which are part of central government other than ministries and projects. Examples are Law development center, UNEB, UBOS, etc.

263206: Other capital Grants

This account shall be charged with capital grants of a nature other than the above.

263207: Treasury Transfers to ministries

This account shall be charged with Capital Grants from the treasury to Central Governments ministries and projects.

263208: Transfers to Treasury

This account shall be charged with transfers to treasury by ministries, agencies and Local Governments. These will include Non-Tax Revenue collected, unspent balances and any other refunds. Use this account only if the refund is for a capital nature.

2633: LG Conditional Grants

263304: Conditional transfers to Tertiary Salaries

This account shall be debited with transfers made from Central Government to Local Governments to specifically cater for tertiary salaries. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263305: Conditional transfers to Primary Salaries

This account shall record transfers made from the Central Government to Local Governments to specifically cater for primary salaries. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263306: Conditional transfers to Secondary Schools

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This account shall record transfers made from the Central Government to Local Governments to specifically cater for Secondary Schools' salaries. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263307: Conditional transfers to PHC Salaries

This account shall record transfers made from the Central Government to Local Governments to specifically cater for Primary Health Care salaries. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263308: Conditional transfers to Agric. Ext Salaries

This account shall record transfers made from the Central Government to Local Governments to specifically cater for Agricultural Extension salaries. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263309: Conditional transfers to Community Development Salaries

This account shall record all transfers made from the Central Government to Local Government to specifically cater for Community Development salaries. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263310: Conditional transfers for DSC Chairs' Salaries

This account shall record transfers made from the Central Government to Local Governments to specifically cater for DSC Chairs' salaries. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263311: Conditional transfers to Primary Education

Recorded into this account shall be transfers made from the Central Government to Local Governments to specifically cater for Primary Education expenses. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263312: Conditional transfers to Road Maintenance

This account shall include transfers made from the Central Government to Local Governments to specifically cater for Road Maintenance. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263313: Conditional transfers to Primary Health Care (PHC)- Non wage

This account shall include transfers made from the Central Government to Local Governments to specifically cater for expenses in respect of the PHC Non wage. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

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263314: Conditional transfers to Agricultural Extension

Recorded into this account shall be all transfers made from the Central Government to Local Governments to specifically cater for agricultural extension expenses. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263315: Conditional transfers to the Plan for Modernisation of Agriculture (PMA) NSCG

This account shall include transfers made from the Central Government to Local Governments to specifically cater for the PMA NSCG activities. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263316: Conditional transfers to Agricultural Development Centers

This account shall include transfers made from the Central Government to Local Government to specifically cater for the agricultural development centers' activities. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263317: Conditional transfers to District Hospitals

Recorded into this account shall be all transfers made from the Central Government for District Hospitals' activities. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263318: Conditional transfers to NGO Hospitals

This account shall be debited with all transfers made from the Central Government to Local Government to specifically cater for NGO Hospitals. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263319: Conditional transfers to Secondary Schools

This account shall be charged with all transfers made from the Central Government to Local Governments to specifically cater for Secondary Schools activities. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263320: Conditional transfers to Functional Adult Literature

This account shall record transfers made from the Central Government to Local Governments to specifically cater for Functional Adult Literature activities. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263321: Conditional transfers to Autonomous Institutions (Wage subvention)

This account shall be debited with transfers made from Central Government to Autonomous Institutions to cater for wages. On making the transfer or on retirement of

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the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263322: Conditional transfers to DTB/PAC/DSC/Land Board, etc

This account shall record all transfers made from the Central Government to Local Government to specifically cater for DTB/PAC/DSC/Land Board, etc. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263323: Conditional transfers for Feeder Roads Maintenance workshops.

This account shall include transfers made from the Central Government to Local Governments to specifically cater for Feeder Roads Maintenance Workshops. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263324: Conditional transfers for Urban Water

Recorded into this account shall be all transfers made from the Central Government to Local Governments to specifically cater for Urban Water activities. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263325: Contingency Transfers

This account shall record transfers made from one Government unit to another Government unit to cater for contingencies. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263326: Conditional transfers to the Local Government Development Programme (LGDP)

Recorded into this account shall be all transfers made from the Central Government to Local Government to specifically cater for the LGDP activities. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263327: Conditional transfers for Poverty Action Fund (PAF) monitoring

Recorded into this account shall be all transfers made from the Central Government to Ministries, Agencies and Local Governments to specifically cater for PAF monitoring activities. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263328: Conditional transfers for Rural Water

Recorded into this account shall be all transfers made from the Central Government to Local Governments to specifically cater for Rural Water activities. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

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263329: NAADS

Recorded into this account shall be all transfers made from the Central Government to Local Governments under the NAADS Grant. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263330: Conditional transfers To Public libraries

Recorded into this account shall be all transfers made from the Central Government to Local Governments for Public libraries. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263331: Conditional transfers for PHC - Development

This account shall include transfers made from the Central Government to Local Governments to specifically cater for Development expenses in respect of the PHC. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263332: Conditional transfers to Health Training Institutions

This account shall include transfers made from the Central Government to Local Governments for Health Training Institutions. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263333: Conditional transfers for SFG

This account shall include transfers made from the Central Government to Local Governments to cater for the School Facilities Grant. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263334: Conditional transfers for Community development

This account shall include transfers made from the Central Government to Local Governments to cater for community development. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263335: Start-up costs

This account shall include transfers made from the Central Government to Local Governments to cater for start-up costs for newly established local governments. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263336: Conditional transfers to environment and natural resources (non-wage)

This account shall include transfers made from the Central Government to Local Governments for non-wage activities to environment and natural resources. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

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263337: Conditional transfers to women, youth and disability councils

This account shall include transfers made from the Central Government to Local Governments for activities to women, youth and disability councils. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

263364: Conditional Grant for NAADS (Districts)-Wage

Recorded into this account shall be all transfers made from the Central Government to Local Governments under the NAADS Grant-Wage component. On making the transfer or on retirement of the advance (3214 Series), this account shall be debited and the Bank account or corresponding advance account credited.

2641: Grants To Autonomous local Non-government Institutions - CURRENT

In general, these are contributions (other than loans) made by a government unit to autonomous resident non-government organisations for purposes of current expenses and not linked to or conditional to the acquisition of assets by the recipient.

264101: Contributions to Autonomous Resident Non-government Institutions

This account is to be charged with **current grants** to autonomous local non-government institutions.

264102: Contributions to Autonomous Resident Non-government Institutions (Wage Subventions)

This account is to be charged with **current grants** to autonomous local non-government institutions as Wage Subventions.

264103: Grants to Cultural Institutions / Leaders

This account shall be charged with current grants to Cultural institutions like Kingdoms, Chiefdoms, etc. or to the Cultural leaders.

2642: Grants To Autonomous local Non-government Institutions - CAPITAL

In general, these are contributions (other than loans) made by a government unit to autonomous resident non-government organisations for purposes of acquiring assets by the recipient and may consist of a transfer of cash that the recipient is expected or required to use to acquire an asset or assets (other than inventories), the transfer of an asset (other than inventories and cash), the cancellation of a liability by mutual agreement.

264201: Contributions to Autonomous Resident Non-government Institutions

This account is to be charged with **capital grants** to autonomous local non-government institutions.

2731: Employer social benefits in cash

273101: Medical Expenses

This account shall be charged with expenses incurred on drugs and other medical supplies, medical bills, treatment abroad, etc incurred for the benefit of a person who is

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not a MALG member of staff. Payments in respect of MALG staff should be coded under 213001.

273102: Incapacity, death benefits and Funeral costs

Payments/benefits paid directly staff dependants or any other third parties incapacitated through injury, prolonged sickness or death. This account shall also be charged with funeral and burial expenses incurred for the benefit of Non-staff members. E.g. cost of coffin, transportation of body to burial place, cost of transporting mourners, etc. Payments in respect of MALG staff should be coded under 213002.

273103: Retrenchments Costs

If Government, by nature of its social responsibility is called upon to meet payments in respect of the termination or redundancy of individuals by their employers (Non-Government) then such payments should be coded under this code. Payments in respect of MALG staff should be coded under 213003.

2814: Rent

281401: Rental-non-produced assets

This account will be charged with Rent for non-produced assets: Leasehold land, payments for extraction of minerals, cutting timber, etc.

2815: Expenses related to Capital works

281501: Environment impact assessment for capital works

This account will be charged with expenses relating to environmental impact assessment of capital works.

281502: Feasibility studies for capital works

281503: Engineering and design studies & plans for capital works

281504: Monitoring, supervision & appraisal of capital works

This account will be charged with costs relating to monitoring, supervision and appraisal of capital works. Expenses include environmental inspections, monitoring, audit field activities of air, water and land, including those of oil and gas etc.

2821: Miscellaneous Other Expenses - CURRENT

282101: Donations

This account shall be charged with voluntary donations (whether made on a regular or occasional basis) by a government unit to non-government charitable institutions or individuals serving households to cover those institutions' costs of production and such other similar costs. Such donations are both cash and kind. Included hereto, will be goods and services from market producers that are distributed directly to households for final consumption other than social benefits.

282102: Fines and Penalties/Court Awards

Fines/penalties imposed by courts or other quasi-judicial bodies, payable by Government to Non-government units.

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282103: Scholarships and related costs

This account shall consist of scholarships paid by Government to individuals or groups other than government employees in their capacity as such (which is chargeable under Staff Training: 221003). Included hereto will be costs incurred in related education benefits e.g. scholastic materials.

282104: Compensation

This account shall be charged with payments of a current nature in respect of compensation for injuries to persons or damages to property caused by general Government units. Included hereto is compensation for injuries and damages caused by natural disasters.

282104: Court Awards

This account shall be charged with payments of by the merits of an adjudication and is equivalent to a judgement in the courts of law.

282151: Fines and Penalties – to other government units

Fines/penalties imposed by courts or other quasi-judicial bodies, payable by Government to another Government unit.

282161: Disposal of Assets (Loss/Gain)

This account shall be charged with debited with losses from disposal of public assets and credited with profits resulting from the sale of public assets. This code is a book code, it does not involve any cash movement.

282181: Extra-Ordinary Items (Losses/Gains)

This account shall be debited with losses and credited with profits arising from extra-ordinary activities.

2910: Tax Refunds

291001: Transfers to Government Institutions

As an incentive to Investment or through certain donor requirements, certain Government Institutions may be exempt from taxes on imports and or given income tax holidays by the Minister of Finance or any government agency to which the minister may delegate such authority e.g. The Uganda Investment Authority. Since these institutions are not 'exempt organisations' as per the Income Tax Act 2005, they will go on and pay the taxes to URA but will be due for a refund from MoFPED. All such tax refunds should be debited to this account. For avoidance of doubt, the refunds should be done for actual tax paid and evidence of payment should be produced. Local taxes like VAT and PAYE should not be part of the exemptions since these form part of the cost price of goods and services consumed by the entity

291002: Transfers to Non-Government Organisations(NGOs)

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As an incentive to Investment or through certain donor requirements, certain Non-Government Organizations may be exempt from taxes on imports and or given income tax holidays by the Minister of Finance or any government agency to which the minister may delegate such authority e.g. The Uganda Investment Authority. Since these institutions are not 'exempt organisations' as per the Income Tax Act 2005, they will go on and pay the taxes to URA but will be due for a refund from MoFPED. All such tax refunds should be debited to this account. For avoidance of doubt, the refunds should be done for actual tax paid and evidence of payment should be produced. Local taxes like VAT and PAYE should not be part of the exemptions since these form part of the cost price of goods and services consumed by the entity.

291003: Transfers to Other Private Entities

As an incentive to Investment or through certain donor requirements, certain private entities may be exempt from taxes on imports and or given income tax holidays by the Minister of Finance or any government agency to which the minister may delegate such authority e.g. The Uganda Investment Authority. Since these institutions are not 'exempt organisations' as per the Income Tax Act 2005, they will go on and pay the taxes to URA but will be due for a refund from MoFPED. All such tax refunds should be debited to this account. For avoidance of doubt, the refunds should be done for actual tax paid and evidence of payment should be produced. Local taxes like VAT and PAYE should not be part of the exemptions since these form part of the cost price of goods and services consumed by the entity

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31: NON-FINANCIAL ASSETS

3110: Non-Produced Assets

These are naturally occurring Assets.

311101: Land

This account shall include the ground itself, including the soil covering, associated surface water, and major improvements that cannot be physically separated from the land, but excluding the following;

- Buildings and other structures constructed on the land or through it, such as roads, office buildings, and tunnels.
- Cultivated vineyards, and other plantations of trees, animals, and crops.
- Subsoil assets such as minerals, oil, and natural gas.
- Non-cultivated biological resources.
- Water resources below the ground.

The associated surface water includes any reservoirs, lakes, rivers, and other inland waters over which ownership rights can be exercised.

3120: FIXED ASSETS

3121: Buildings and Structures

312101: Non-residential buildings

This account shall contain all buildings other than residential buildings. Examples include office buildings, schools, hospitals, and buildings for public entertainment, warehouse and industrial buildings, commercial buildings, hotels and restaurants. Buildings acquired for military purposes other than dwellings are included here, for example buildings for administration purposes.

312102: Residential buildings

This account shall include all buildings that are used entirely or primarily as residences, including garages and other associated structures. Houseboats, barges, mobile homes, and caravans that are used primarily as principal residences shall also be included. Dwellings acquired for military personnel are also included here.

312103: Roads and Bridges

This account shall contain highways, streets, roads, bridges, elevated highways, airfield runways, railways and subways.

312104: Other Structures

This category consists of all structures other than buildings, roads and bridges. Included are the following;

- Sewers, waterways, harbours, dams, and other waterworks.
- Shafts, tunnels and other structures associated with mining subsoil assets.
- Communication lines, power lines, and pipelines.
- Outdoor sport and recreation facilities.

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312105: Taxes on Buildings and Structures

This account shall solely be used for budgeting purposes to record the tax component on acquisition of buildings and structures. When recording the buildings/structures acquired, the full cost (tax inclusive) value should be debited to the relevant asset account.

3122: Machinery, Furniture & Vehicles

312201: Transport equipment

This account shall comprise equipment for moving people and objects, including motor vehicles, trailers and semi-trailers, ships, railway locomotives, aircrafts, motorcycles, and bicycles.

312202: Machinery and Equipment

This account shall be used for all machinery and equipment other than transport equipment. Types of assets that would be included are general and special purpose machinery: office, accounting, and computing equipment; electrical machinery; radio, television, and communication equipment; medical appliances, precision and optical instruments; watches and clocks; musical instruments and sports goods.

312203: Furniture and Fittings

Under this account shall be all office and residential furniture such as desks, chairs, cabinets, and curtains. It also includes paintings, sculptures, and other works of art or antiques, and other collections of considerable value that are owned and displayed by government museums and similar organisations for the purpose of producing non-market services, mostly collective services.

312204: Taxes on Machinery, Furniture and Vehicles

This account shall solely be used for budgeting purposes to record the tax component on acquisition of Machinery, Furniture and Vehicles. When recording the Machinery, Furniture and Vehicles acquired, the full cost (tax inclusive) value should be debited to the relevant asset account

312205: Aircrafts

This account shall be all payments whether by outright purchase or lease payments in respect of acquisition of aircrafts.

312207: Classified Assets

This account shall solely be used for all classified assets acquired.

312211: Office Equipment

This account shall be used for all office equipment.

312212: Medical Equipment

This account shall be used for all office equipment.

312213: ICT Equipment

This account shall be used for all ICT equipment. Types of assets that would be included are general and special purpose machinery: office, accounting, and computing equipment and communication equipment.

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312214: Laboratory and Research Equipment

This account shall be used for all laboratory and research equipment. Types of assets that would be included are general and special purpose laboratory equipment used for research.

3123: Other Fixed Assets

312301: Cultivated Assets

Cultivated assets consist of animals and plants that are used repeatedly or continuously for more than one year to produce other goods or services. The types of animals included in this category include breeding stocks (including fish and poultry), dairy cattle, draft animals, sheep or other animals used for wool production and animals used for transportation, racing or entertainment.

The types of plants in this category include trees, vines and shrubs cultivated for fruits, nuts, sap, resin, bark and leaf products.

312302: Intangible fixed assets

This account shall be used to capture Fixed assets of an intangible nature such as Goodwill of the Nation and other related assets

3140: INVENTORIES (Stocks and Stores)

3141: Strategic Stock

314101: Petroleum products

This account shall include stocks of petroleum products (petrol, diesel, kerosene etc.) held by the government for strategic and emergency purposes. This category does not include goods for resale.

3142: Other Inventories

314201: Materials and Supplies

Under this account shall be included all goods held with the intention of using them as inputs to a production process or generally held for future use. Examples include office supplies, fuels, drugs and foodstuffs. Whenever these are acquired in bulk, they should be debited to this account and when they are issued for final use, accounts 224001 for Medical supplies and 224002 for general supplies will be debited and this account credited.

314202: Work in progress

This account shall record goods and services that have been partially processed, fabricated or assembled by the producer but that are not usually sold, shipped or turned over to others without further processing and whose production will be continued in a subsequent period by the same producer.

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314203: Finished goods

This account shall record goods that are the output of a production process, are still held by their producer and are not expected to be processed further by the producer before being supplied to units.

314204: Goods for resale

This account shall contain goods acquired for the purpose of reselling or transferring to other units without being further processed. This category also includes goods purchased by general government units for provision free of charge or at prices that are not economically significant to other units.

3200: FINANCIAL ASSETS

3210: DOMESTIC

3211: Currency Deposits

321101: Consolidated Fund

This account shall contain cash (other than time deposits) on the Uganda Consolidated Fund Account at the Bank of Uganda. The Uganda Consolidated Fund refers to the Central Government's Control Account for all Recurrent, Capital and other activities.

321102: Revenue Accounts

This is a control account code for all Revenue accounts held by Ministries and agencies both at the Central Bank and in commercial Banks. It will be linked to the Individual Bank accounts opened in respect of Non Tax Revenue (NTR) and other Revenue proceeds by Agencies and Ministries. There should be no expenditures made from this account

321103: Expenditure Accounts

This is a control account code for all Expenditure accounts held by Ministries, Agencies and Local Governments both at the Central Bank and in Commercial Banks. It will be linked to the Individual Bank accounts opened in respect of Expenditures by Ministries, Agencies and Local Governments. Examples can include the bank accounts held by Ministries and Agencies at the Bank of Uganda into which transfers from Central Government (MoFPED) are made for the operations of the Ministries and Agencies or Bank accounts held by Local Governments into which transfers from Collection accounts (321106) are made for operational expenditures.

321104: Project Accounts

This is a control account for cash in bank accounts held in respect of specified projects either in Commercial banks or at the Bank of Uganda. It will be linked to all Bank accounts opened by and for projects.

321105: Contingency Fund account

This account shall contain cash (other than time deposits) on the Contingency Fund Account at the Bank of Uganda.

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321106: Collection Accounts

This is the control account on which all cash collected by local authorities is kept before being transferred to the relevant specifically designated accounts. This is the account on which funds are collected and later transferred to operational accounts (321103). There should be no expenditure made from this account. It will be linked to the Local revenue collection account and also to the Central Government collection account at the Local Governments.

321107: Cash-In-Transit

This is an account that provides for the recording of funds received too late for deposit in the current period and remittances forwarded by other Government units in the current period but not credited by the bank until the following period

321108: Cash at Hand - Imprest

This account shall be charged with all the cash in respect of Petty Cash and other working funds.

321109: Others

This is the control account on which all cash held in Banks accounts which cannot be appropriately classified under 321101 to 321107 above and not classified as holding accounts below, will be captured. This account shall be linked to all such accounts that may fall under its description. Examples include, The Treasury bills investment account.

321110: Holding accounts

This is an account that provides for the recording of funds received temporarily before they leave for their final destination. E.g. Treasury Holding Account, Gross tax receipts account

321111: TSA Holding accounts

This account will provide for the recording of funds received specifically under the Treasury Single Account (TSA) arrangement, before they leave for their final destination.

321112: Petroleum Fund Account

This account will provide for the recording of funds received specifically under the Petroleum Fund. The Petroleum Fund refers to the Central Government's Control Account for all Recurrent, Capital and other Petroleum activities.

3212: Short-Term Securities

321201: Corporate bonds

This account shall include all short-term securities held by the Government in corporations or other Government units, which securities give Government the unconditional right to fixed money incomes or contractually determined variable money incomes, normally referred to as interest.

321202: Promissory notes

This account shall record all documents held by Government promising to repay a short-term loan due to it, under agreed-upon terms. These are legal documents that obligate

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the borrower to repay a loan at a specified interest rate during a specified period of time or on demand.

321203: Debentures

This account shall include all short-term debt securities held by the Government, excluding bonds and promissory notes.

321204: Cash in Banks – Time Deposits

Cash deposits, which may be withdrawn at a specified future date, after the lapse of a specific period of time, or upon thirty or more days, advance notice of withdrawal, are included in this account. Cash placements, certificates of deposit, etc. should be included in this account.

3213: Short-Term Loans

321301: Government On Lending – State enterprises

This account shall comprise funds obtained by Government on loan or as grants for onward lending to Public Corporations, and/or other Public entities.

321302: Government On Lending - Agencies

This account shall comprise funds obtained by Government on loan or as grants for onward lending to Agencies.

321303: Government On Lending – Private entities

This account shall comprise funds obtained by Government on loan or as grants for onward lending to Private Companies and/or other private entities.

3214: Transfers to Other Government Units/Clearing Grants

In general these are inter-government transfers, which shall only be removed from this section to Section 6, accounts 2633, after the government unit to which the transfers were made has rendered a return indicating the actual activities for which the funds were expended. In effect, these are accounts receivables in the eyes of the paying units until returns are rendered.

321401: District Unconditional grants

Recorded into this account shall be all transfers (without any conditions) made by the Central Government to districts for decentralized activities or services where the districts have the discretion over the usage of such funds. On making the transfer, this account shall be debited and the Bank account credited. When the relevant district renders a Return indicating how the funds have been spent, this account shall be credited and the LG Unconditional Grant Accounts (263102 for Recurrent and 263202 for Capital) debited.

321402: Urban unconditional grants

This account shall record all transfers (without any conditions) made by the Central Government to urban authorities for decentralized activities or services where the municipalities have the discretion over the usage of such funds. On making the transfer, this account shall be debited and the Bank account credited. When the relevant urban authority renders a Return indicating how the funds have been spent, this account shall

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be credited and the LG Unconditional Grant Accounts (263102 for Recurrent and 263202 for Capital items) debited.

321403: District Discretionary Development Equalisation grants (Formerly Equalisation Grants)

This account shall record all transfers made by the Central Government to district for giving subsidies or making special provisions for the least developed districts as defined in the Constitution. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be credited and the LG Equalization Grants Account (263103 for Recurrent and 263203 for Capital items) debited.

321404: Conditional transfers to Tertiary Salaries

This account shall be debited with transfers made from Central Government to Local Governments to specifically cater for tertiary salaries. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321405: Conditional transfers to Primary Salaries

This account shall record transfers made from the Central Government to Local Governments to specifically cater for primary salaries. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321406: Conditional transfers to Secondary Schools

This account shall record transfers made from the Central Government to Local Governments to specifically cater for Secondary Schools' salaries. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321407: Conditional transfers to PHC Salaries

This account shall record transfers made from the Central Government to Local Governments to specifically cater for Primary Health Care salaries. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321408: Conditional transfers to Agric. Ext Salaries

This account shall record transfers made from the Central Government to Local Governments to specifically cater for Agricultural Extension salaries. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321409: Conditional transfers to Community Development Salaries

This account shall record all transfers made from the Central Government to Local Government to specifically cater for Community Development salaries. On making the transfer, this account shall be debited and the Bank account credited. When the relevant

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Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321410: Conditional transfers for DSC Chairs’ Salaries

This account shall record transfers made from the Central Government to Local Governments to specifically cater for DSC Chairs’ salaries. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321411: Conditional transfers to Primary Education

Recorded into this account shall be transfers made from the Central Government to Local Governments to specifically cater for Primary Education expenses. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321412: Conditional transfers to Road Maintenance

This account shall include transfers made from the Central Government to Local Governments to specifically cater for Road Maintenance. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321413: Conditional transfers to Primary Health Care (PHC)- Non wage

This account shall include transfers made from the Central Government to Local Governments to specifically cater for expenses in respect of the PHC Non-wage. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321414: Conditional transfers to Agricultural Extension

Recorded into this account shall be all transfers made from the Central Government to Local Governments to specifically cater for agricultural extension expenses. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321415: Conditional transfers to the Plan for Modernisation of Agriculture (PMA) NSCG

This account shall include transfers made from the Central Government to Local Governments to specifically cater for the PMA NSCG activities. On making the transfer, this account shall be debited with corresponding credit being the Bank account. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and corresponding expense account debited.

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321416: Conditional transfers to Agricultural Development Centers

This account shall include transfers made from the Central Government to Local Government to specifically cater for the agricultural development centers' activities. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321417: Conditional transfers to District Hospitals

Recorded into this account shall be all transfers made from the Central Government for District Hospitals' activities. On making the transfer, this account shall be debited and the Bank account credited. When the relevant District Hospital renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321418: Conditional transfers to NGO Hospitals

This account shall be debited with all transfers made from the Central Government to Local Government to specifically cater for NGO Hospitals. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321419: Conditional transfers to Secondary Schools

This account shall be charged with all transfers made from the Central Government to Local Governments to specifically cater for Secondary Schools activities. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321420: Conditional transfers to Functional Adult Literature

This account shall record transfers made from the Central Government to Local Governments to specifically cater for Functional Adult Literature activities. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321421: Conditional transfers to Autonomous Institutions (Wage subvention)

This account shall be debited with transfers made from Central Government to Autonomous Institutions to cater for wages. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321422: Conditional transfers to DTB/PAC/DSC/Land Board, etc

This account shall record all transfers made from the Central Government to Local Government to specifically cater for DTB/PAC/DSC/Land Board, etc. On making the transfer, this account shall be debited and the Bank account credited. When the relevant

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Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321423: Conditional transfers for Feeder Roads Maintenance workshops

This account shall include transfers made from the Central Government to Local Governments to specifically cater for Feeder Roads Maintenance Workshops. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321424: Conditional transfers for Urban Water

Recorded into this account shall be all transfers made from the Central Government to Local Governments to specifically cater for Urban Water activities. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321425: Contingency Transfers

This account shall record transfers made from one Government unit to another Government unit to cater for contingencies. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321426: Conditional transfers to the Local Government Development Programme (LGDP)

Recorded into this account shall be all transfers made from the Central Government to Local Government to specifically cater for the LGDP activities. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321427: Conditional transfers for Poverty Action Fund (PAF) monitoring

Recorded into this account shall be all transfers made from the Central Government to Ministries, Agencies and Local Governments to specifically cater for PAF monitoring activities. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Ministry, Agency or Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321428: Conditional transfers for Rural Water

Recorded into this account shall be all transfers made from the Central Government to Local Governments to specifically cater for Rural Water activities. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321429: NAADS

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Recorded into this account shall be all transfers made from the Central Government to Local Governments under the NAADS Grant. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321430: Conditional transfers To Public libraries

Recorded into this account shall be all transfers made from the Central Government to Local Governments for Public libraries. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321431: Conditional transfers for PHC - Development

This account shall include transfers made from the Central Government to Local Governments to specifically cater for Development expenses in respect of the PHC. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321432: Conditional transfers to Health Training Institutions

This account shall include transfers made from the Central Government to Local Governments for Health Training Institutions. On making the transfer, this account shall be debited and the Bank account credited. When the relevant local authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321433: Conditional transfers for SFG

This account shall include transfers made from the Central Government to Local Governments to cater for the School Facilities Grant. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321434: Conditional transfers for Community development

This account shall include transfers made from the Central Government to Local Governments to cater for community development. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321435: Start-up costs

This account shall include transfers made from the Central Government to Local Governments to cater for start-up costs for newly established local governments. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent

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for the purpose, this account shall be credited and the corresponding expense account debited.

321436: Conditional transfers to environment and natural resources (non-wage)

This account shall include transfers made from the Central Government to Local Governments for non-wage activities to environment and natural resources. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321437: Conditional transfers to women, youth and disability councils

This account shall include transfers made from the Central Government to Local Governments for activities to women, youth and disability councils. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321438: Conditional transfers to environment and natural resources (wage)

This account shall include transfers made from the Central Government to Local Governments for wages to environment and natural resources. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

321464: Conditional Grant for NAADS (Districts)-Wage

Recorded into this account shall be all transfers made from the Central Government to Local Governments under the NAADS Grant-Wage component. On making the transfer, this account shall be debited and the Bank account credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be credited and the corresponding expense account debited.

3215: Advances

321501: Staff Advances

Recorded into this account shall be short-term loans made against a staff's salary.

321502: Departmental Advances

Recorded into this account shall be advances made to Ministries and Agencies by the Treasury.

321503: Advances to Foreign Missions and Embassies

Recorded into this account shall be advances to Ugandan missions and embassies by the Treasury.

321504: Other Advances

Recorded into this account shall be advances other than those mentioned in 321501, 321502 and 321503.

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3216: Other Accounts Receivable

321601: Taxes Receivable

Contained in this account shall be debtors in respect of unpaid taxes to government. Note that these are the tax defaulters whose tax collection is not administered by URA e.g. Graduated tax defaulters. In case of taxes receivable from URA, code 321604 should be used.

321602: Trade Debtors

Under this account shall be included trade credit extended by the government directly to purchasers of goods and services. This will also cater for unpaid bills in respect of utilities.

321603: Sundry Debtors

This category shall include other accounts receivable including rent, wages and salaries, social contributions, social benefits and similar items.

321604: URA Revenue Collection

Under this account shall be included all revenues that have already been collected by URA, on behalf of Government, but have not yet been remitted to government. As a government agency receives a copy of a Bank Payment Advice Form(BPAF) or bank payslip from a customer, it should debit this account and credit the relevant revenue account.

321605: Domestic arrears (Budgeting)

This account shall be charged with budgeting for payments in respect of all domestic arrears other than utility arrears. On payment of the same, this account shall be debited. The total debits (payments) at the end of the period should be transferred to code 415001 by crediting 321605 and debiting 415001.

321606: External Debt repayment (Budgeting)

This account shall be charged with budgeting for payments in respect of external debts.

321607: Utility arrears (Budgeting)

This account shall be charged with budgeting for payments in respect of utility arrears. On payment of the same, this account shall be debited. The total debits (payments) at the end of the period should be transferred to code 415002 by crediting 321605 and debiting 415002.

321608: General Public Service Pension arrears (Budgeting)

This account shall be charged with budgeting for payments in respect of Pension arrears. On payment of the same, this account shall be debited. The total debits (payments) at the end of the period should be transferred to code 418001 by crediting 321608 and debiting 418001.

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321609: Teachers' Pensions arrears (Budgeting)

This account shall be charged with budgeting for payments in respect of Teachers' Pension arrears. On payment of the same, this account shall be debited. The total payments (debits) at the end of the period should be transferred to code 418002 by crediting 321609 and debiting 418002.

321610: Local Government Pensions arrears (Budgeting)

This account shall be charged with budgeting for payments in respect of Local Gov't Officers' pension arrears. On payment of the same, this account shall be debited. The total payments (debits) at the end of the period should be transferred to code 418004 by crediting 321610 and debiting 418004.

321611: Defence/Military Pensions arrears (Budgeting)

This account shall be charged with budgeting for payments in respect of Military officers' pension arrears. On payment of the same, this account shall be debited. The total payments (debits) at the end of the period should be transferred to code 418003 by crediting 321610 and debiting 418003.

321612: Water Arrears (Budgeting)

This account shall be charged with budgeting for payments in respect of Water Arrears. On payment of the same, this account shall be debited. The total payments (debits) at the end of the period should be transferred to code 223006 by crediting 321612 and debiting 223006.

321613: Telephone Arrears (Budgeting)

This account shall be charged with budgeting for payments in respect of Telephone Arrears. On payment of the same, this account shall be debited. The total payments (debits) at the end of the period should be transferred to code 222001 by crediting 321613 and debiting 222001.

321614: Electricity Arrears (Budgeting)

This account shall be charged with budgeting for payments in respect of Electricity Arrears. On payment of the same, this account shall be debited. The total payments (debits) at the end of the period should be transferred to code 223005 by crediting 321614 and debiting 223005.

321615: Treasury Bills Redemption (Budgeting)

This account shall be charged with budgeting for repayments in respect of Principal on matured Treasury Bills. On payment of the same, this account shall be debited. The total payments (debits) at the end of the period should be transferred to code 412001 by crediting 321615 and debiting 412001.

321616: Treasury Bonds Redemption (Budgeting)

This account shall be charged with budgeting for repayments in respect of Principal on matured Treasury Bonds. On payment of the same, this account shall be debited. The total payments (debits) at the end of the period should be transferred to code 412002 by crediting 321616 and debiting 412002.

321617: Salary Arrears (Budgeting)

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This account shall be charged with budgeting for payments in respect of Salary Arrears. On payment of the same, this account shall be debited. The total payments (debits) at the end of the period should be transferred to code 211101 by crediting 321617 and debiting 211101.

3217: Long-Term Securities

321701: Corporate bonds

This account shall include all long term securities held by the Government in corporations or other Government units, which securities give Government the unconditional right to fixed money incomes or contractually determined variable money incomes, normally referred to as interest.

321702: Promissory notes

This account shall record all documents held by government promising to repay a long-term loan due to it, under agreed-upon terms. These are legal documents that obligate the borrower to repay a loan at a specified interest rate during a specified period of time or on demand.

321703: Debentures

This account shall include all locally sourced long-term debt securities held by the Government, excluding bonds and promissory notes. These securities are usually unsecured.

3218: Shares and Other Equity

321801: Shares in public corporations

This account shall comprise share holdings in public corporations and companies where the Government has a controlling interest.

321801: Shares in other entities

Recorded into this account shall be Government's shareholdings in other enterprises.

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CLASS 4 – LIABILITIES

41: DOMESTIC LIABILITIES

411: CURRENCY DEPOSITS

4120: SECURITIES OTHER THAN SHARES

412001: Treasury Bills

This account shall be charged with the total value of Treasury Bills issued by Government but which have not yet matured. A Treasury Bill is a negotiable debt obligation issued by the Government having maturities of 90 days, 182 days, 273 days and 364 days.

412002: Government bonds

This account shall record all long term securities issued by Government to other entities, which securities give such entities an unconditional right to fixed money incomes or contractually determined valuable money incomes, normally referred to as interest. These usually mature after a period of more than one year.

412003: Promissory notes

This account shall record all documents issued by Government promising to repay a loan at a specified interest rate, during a specified period of time or on demand. The documents referred to in this case do not include formal loan agreements like those issued by lending agencies e.g. Bank loan agreements, etc

4130: LOANS

413001: Commercial banks

This account shall be charged with the total value of Government borrowings from local Commercial Banks.

413002: Interest payable

This account shall be credited with unpaid interest charged arising as a result of loan finance procured by Government from domestic sources e.g. Interest on Treasury bills, Bonds, Bank loans and Promissory notes. It is meant to record only the interest arrears. Note that it is only when paying off the previously unpaid interest (arrears) and not payment of the expense that this account should be debited.

413003: Other

This account shall include any other domestic loans other than Commercial Bank loans.

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4150: ACCOUNTS PAYABLE

415001: Trade Creditors

This account shall record trade credit extended to Government in the purchase of goods and services. It does not include loans or other securities.

415002: Sundry Creditors

Charged to this account shall be other accounts payable including rent, wages and salaries, social benefits and similar items.

415003: Committed Creditors (Accruals)

This account shall record trade and/or sundry creditors for whom funds will have been procured and set aside at the end of the year.

415004: Accountable advances

This account shall record the advances received by one government unit from another and are yet to be accounted for. These could be Deposits by one Government unit to another for services to be rendered by the latter. Examples could include Departmental imprests, Deposits by another vote to another and any other advances of this nature.

415005: withholding tax

This account shall be used to record the amount of tax withheld by government units which tax has to finally be remitted to the Revenue collection Agent. This arises where by persons (individuals and corporate bodies) are required to withhold part of the payment to a service provider to cater for an advance tax by the service provider. Therefore when such funds are retained, they are a liability until a time when the retainer forwards the money to URA (or any other tax collection Agent)

415006: Deposits Received

Charged to this account shall be deposits received from third parties for various activities e.g. deposits received from third parties for repairs after road cutting.

415007: Advances from other government units

Charged to this account shall be advances received from other government units for performance of specified work after which accountabilities would be required. These funds would have initially been voted for under the Giving unit but work will be done by the receiving unit.

415008: Advances from The Road Fund

Charged to this account shall be advances received from The Road Fund unit for performance of specified work under the Road fund Act after which accountabilities would be required. These funds would have initially been voted for under the Giving unit but work will be done by the receiving unit. This is an interim account which shall be expired the time when the Road Fund is fully operationalised.

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4160: Transfers from Other Government Units/Clearing Grants

In general, these are inter-government transfers, which shall only be removed from this section to Section 5, accounts 1333, after the government unit to which the transfers were made has rendered a return indicating the actual activities for which the funds were expended. In effect, these are accounts payable in the eyes of the receiving units until returns are rendered.

416001: District Unconditional grants

Recorded into this account shall be all transfers (without any conditions) received by districts from the Central Government for decentralized activities or services where the districts have the discretion over the usage of such funds. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses, the relevant expense accounts are debited while Bank is credited. When the relevant district renders a Return indicating how the funds have been spent, this account shall be debited and the LG Unconditional Grant Accounts (133104 for Recurrent and 133204 for Capital items) credited.

416002: Urban unconditional grants

This account shall record all transfers (without any conditions) received by Urban authorities from the Central Government for decentralized activities or services where the Urban authorities have the discretion over the usage of such funds. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses, the relevant expense accounts are debited while Bank is credited. When the relevant Urban authority renders a Return indicating how the funds have been spent, this account shall be debited and the LG Unconditional Grant Accounts (133104 for Recurrent and 133204 for Capital items) credited.

416003: Equalisation grants

This account shall record all transfers received by districts from the Central Government for giving subsidies or making special provisions for the least developed districts as defined in the Constitution. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the LG Equalization Grant Accounts (133105 for Recurrent and 133205 for Capital items) credited.

416004: Conditional transfers for Tertiary Salaries

This account shall be credited with transfers received by Local Governments from Central Government to specifically cater for tertiary salaries. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the tertiary salaries, the General Staff Salaries account (211101) is debited while Bank is credited. When the relevant Local Authority renders a Return indicating that the

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funds have been spent for the purpose, this account shall be debited and the corresponding Revenue account credited.

416005: Conditional transfers for Primary Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for primary salaries. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the primary school salaries, the General Staff Salaries account (211101) is debited while Bank is credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be debited and the corresponding Revenue account credited.

416006: Conditional transfers for Secondary Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for Secondary School salaries. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the secondary school salaries, the General Staff Salaries account (211101) is debited while Bank is credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be debited and the corresponding Revenue account credited.

416007: Conditional transfers for PHC Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for Primary Health Care salaries. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the PHC salaries, the General Staff Salaries account (211101) is debited while Bank is credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be debited and the corresponding Revenue account credited.

416008: Conditional transfers for Agric. Ext Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for Agricultural Extension salaries. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the Agriculture extension salaries, the General Staff Salaries account (211101) is debited while Bank is credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be debited and the corresponding Revenue account credited.

416009: Conditional transfers for Community Development Salaries

This account shall record all transfers received by Local Governments from Central Government to specifically cater for Community Development staff salaries. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the community development staff salaries, the General Staff Salaries account (211101) is debited while Bank is credited. When the relevant Local

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Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be debited and the corresponding Revenue account credited.

416010: Conditional transfers for DSC Chairs' Salaries

This account shall record transfers received by Local Governments from Central Government to specifically cater for DSC Chairs' salaries. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the DSC Chairs' salaries, the General Staff Salaries account (211101) is debited while Bank is credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be debited and the corresponding Revenue account credited.

416011: Conditional transfers for Primary Education

Recorded into this account shall be transfers received by Local Governments from Central Government to specifically cater for primary education activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of primary education, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416012: Conditional transfers for Road Maintenance

This account shall include transfers received by Local Governments from Central Government to specifically cater for Road Maintenance activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the road maintenance activities, the Maintenance account (228001) is debited while Bank is credited. When the relevant Local Authority renders a Return indicating that the funds have been spent for the purpose, this account shall be debited and the corresponding Revenue account credited.

416013: Conditional transfers for Primary Health Care (PHC) - Non wage

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of the PHC Non-wage. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of PHC – Non-wage, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416014: Conditional transfers to Agricultural Extension

Recorded into this account shall be all transfers received by Local Governments from Central Government to specifically cater for expenses in respect of agricultural extension activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of agricultural extension activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

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416015: Conditional transfers for the Plan for Modernisation of Agriculture (PMA) NSCG

This account shall include transfers received by Local Governments from Central Government to specifically cater for the PMA NSCG activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of PMA NSCG activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416016: Conditional transfers for Agricultural Development Centers

This account shall include transfers received by Local Governments from Central Government to specifically cater for Agricultural Development Center activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of Agricultural Development Centers, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416017: Conditional transfers for District Hospitals

Recorded into this account shall be all transfers received by District Hospitals from the Central Government. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of District Hospital activities, the relevant expense accounts are debited while Bank is credited. When the relevant District Hospital renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416018: Conditional transfers for NGO Hospitals

This account shall be debited with all transfers received by Local Government from the Central Government to specifically cater for NGO Hospitals. On receiving the transfer, this account shall be credited and the Bank account debited. When the relevant Local Authority confirms to the Treasury that the funds were transferred to the relevant NGO Hospital, this account shall be debited and the corresponding Revenue account credited.

416019: Conditional transfers for Secondary Schools

This account shall be charged with all transfers received by Local Governments from Central Government to specifically cater for secondary school activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of secondary schools, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

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416020: Conditional transfers to Functional Adult Literature

This account shall record transfers received by Local Governments from Central Government to specifically cater for functional adult literature activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of functional adult literature activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416021: Conditional transfers for Autonomous Institutions (Wage subvention)

This account shall be debited with transfers received by Autonomous Institutions from Central Government to cater for wages. On receiving the transfer, this account or a similar account in their books shall be credited and their Bank accounts debited. When the relevant autonomous institution confirms to government that the funds have been spent on wages, this account shall be debited and the corresponding Revenue account credited.

416022: Conditional transfers for DTB/PAC/DSC/Land Board, etc.

This account shall record all transfers received by Local Governments from Central Government to specifically cater for DTB/PAC/DSC/Land Board, etc, activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of functional adult literature activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416023: Conditional transfers for feeder roads maintenance

This account shall record all transfers received by Local Governments from Central Government to specifically cater for feeder roads maintenance activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of feeder roads maintenance activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416024: Conditional Transfers for Urban Water

This account shall record all transfers received by Local Governments from Central Government to specifically cater for Urban Water activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of Water activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416025: Contingency Transfers

This account shall record transfers received by one Government unit from another Governments unit to cater for contingencies. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses, the relevant expense accounts are debited while Bank is credited. When the

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relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416026: Conditional Transfers for LGDP

This account shall record all transfers received by Ministries, Agencies and Local Governments from Central Government to specifically cater for LGDP activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of LGDP activities, the relevant expense accounts are debited while Bank is credited. When the relevant Ministry, Agency or Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416027: Conditional transfers for Poverty Action Fund (PAF) monitoring

This account shall record all transfers received by Local Governments from Central Government to specifically cater for PAF monitoring activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of PAF monitoring activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416028: Conditional transfers to Rural Water

This account shall record all transfers received by Local Governments from Central Government to specifically cater for Rural Water activities. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of Water activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416029: NAADS

This account shall record all transfers received by Local Governments from Central Government via the NAADS grant. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of NAADS activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416030: Conditional transfers to Public Libraries

This account shall record all transfers received by Local Governments for Public libraries from Central Government via the Public Libraries grant. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect this grant, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

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416031: Conditional transfers to PHC - Development

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of the PHC Development. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of PHC – Development, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416032: Conditional transfers To health training Institutions

This account shall include transfers received by local governments for Health Training Institutions from Central Government. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses, the relevant expense accounts are debited while Bank is credited. When the relevant Local authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416033: Conditional transfers for SFG

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of the School Facilities Grant. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of SFG, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416034: Conditional transfers for Community development

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of community development. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of community development, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416035: Start -up costs

This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of starting up newly created local governments. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416036: Conditional transfer to environment and natural resources (non-wage)

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This account shall include transfers received by Local Governments from Central Government to specifically cater for expenses in respect of non-wage environment and natural resources. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416037: Conditional transfer to women, youth and disability councils

This account shall include transfers received by Local Governments from Central Government to specifically cater for women, youth and disability councils. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416064: Conditional Grant for NAADS (Districts)-Wage

This account shall record all transfers received by Local Governments from Central Government via the NAADS grant-Wage component. On receiving the transfer, this account shall be credited and the Bank account debited. As disbursements are made for the various expenses in respect of NAADS activities, the relevant expense accounts are debited while Bank is credited. When the relevant Local Authority renders a Return indicating how the funds have been spent, this account shall be debited and the corresponding Revenue account credited.

416040: Other Grants

This account shall record all transfers received by Local Governments from Central Government, which neither fall in the above categories nor in the range: 416023 to 416034.

4170: MISCELLANEOUS ACCOUNTS PAYABLE

4180: PENSION LIABILITIES

418001: Pension liabilities – General Public Service

This account shall be credited with the total outstanding pension arrears to the General Public Service with the exclusion of the military and education service arrears.

418002: Pension liabilities – Education Service

This account shall be credited with the total outstanding pension arrears to the Military Service.

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418003: Pension liabilities – Military Service

This account shall be credited with the total outstanding pension arrears to the Education Service.

4200: FOREIGN

4210: CURRENCY DEPOSITS

4220: SECURITIES OTHER THAN SHARES

4230: LOANS

423001: Multi-lateral loans

This account shall be used to capture disbursed but outstanding debt from Multi-lateral agencies and Development partners. An example of these agencies are IDA, IMF, ADF, BADEA, etc .The disbursed amounts in this case, refer to both Cash and Non-cash disbursements such as goods issued or services rendered which create an obligation to the state to transfer future economic benefits.

423002: Bi-lateral loans

This account shall be used to capture disbursed but outstanding debt from Governments of other Nations. The disbursed amounts in this case, refer to both Cash and Non-cash disbursements such as goods issued or services rendered which create an obligation to the state to transfer future economic benefits.

423003: Other

This account shall be used to capture total indebtedness of Government of Uganda to Foreign persons (Bodies corporate and individuals) other than those of the nature covered in 423001 and 423002,423004, & 423005

423004: Interest payable

This account shall be used to capture interest accruing as a result of foreign loans such as those mentioned in 423001, 423002 and 423003. It is meant to record only the interest arrears. Note that it is only when paying off the previously unpaid interest (arrears) and not payment of the expense that this account should be debited.

423004: Commercial non-Banks

This account shall be used to capture disbursed but outstanding debt from Commercial non-banks. The disbursed amounts in this case, refer to both Cash and Non-cash disbursements such as goods issued or services rendered which create an obligation to the state to transfer future economic benefits.

423005: Uninsured commercial non-Banks

This account shall be used to capture disbursed but outstanding debt from Uninsured commercial non-banks. The disbursed amounts in this case, refer to both Cash and Non-

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cash disbursements such as goods issued or services rendered which create an obligation to the state to transfer future economic benefits.

4280: ACCUMULATED DEPRECIATION

4281: Accumulated Depreciation- Buildings and structures

428101: Non-Residential Buildings

This account will be credited with the total depreciation on Nonresidential buildings right from their time of acquisition to date. Whenever code 231001 is debited, the corresponding credit will be to this account.

428102: Residential Buildings

This account will be credited with the total depreciation on residential buildings right from their time of acquisition to date. Whenever code 231002 is debited, the corresponding credit will be to this account.

428103: Roads and Bridges

This account will be credited with the total depreciation on roads and bridges right from their time of acquisition to date. Whenever code 231003 is debited, the corresponding credit will be to this account.

428104: Other Buildings and Structures

This account will be credited with the total depreciation on other buildings and structures right from their time of acquisition to date. Whenever code 231007 is debited, the corresponding credit will be to this account.

4282: Accumulated Depreciation –Machinery, Furniture and Vehicles

428201: Transport Equipment (Vehicles)

This account will be credited with the total depreciation on transport equipment right from their time of acquisition to date. Whenever code 231004 is debited, the corresponding credit will be to this account

428202: Machinery and Equipment

This account will be credited with the total depreciation on machinery and equipment right from their time of acquisition to date. Whenever code 231005 is debited, the corresponding credit will be to this account.

428203: Furniture and Fixtures

This account will be credited with the total depreciation on furniture and fittings right from their time of acquisition to date. Whenever code 231006 is debited, the corresponding credit will be to this account.

428204: Aircrafts

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This account will be credited with the total depreciation on aircrafts right from their time of acquisition to date. Whenever code 231008 is debited, the corresponding credit will be to this account.

428209: Classified Assets

This account will be credited with the total depreciation on classified assets right from their time of acquisition to date. Whenever code 231009 is debited, the corresponding credit will be to this account.

428211: Office Equipment

This account will be credited with the total depreciation on office equipment right from their time of acquisition to date. Whenever code 231011 is debited, the corresponding credit will be to this account.

428212: Medical Equipment

This account will be credited with the total depreciation on medical equipment right from their time of acquisition to date. Whenever code 231011 is debited, the corresponding credit will be to this account.

428213: ICT Equipment

This account will be credited with the total depreciation on ICT equipment right from their time of acquisition to date. Whenever code 231013 is debited, the corresponding credit will be to this account.

428214: Laboratory and Research Equipment

This account will be credited with the total depreciation on laboratory and research equipment right from their time of acquisition to date. Whenever code 231014 is debited, the corresponding credit will be to this account.

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CLASS 5 – RESERVES

5010: GOU Equity Funds

5111: Central Government Reserves

5111: Capital Reserves

511101: Consolidated Fund

Over time, a decision may be made to capitalize the accumulated Fund i.e. code 513001. When a capitalisation is done to the Consolidated Fund, this account shall be credited by the capitalized amount and code 513001 debited by the same. The amount shown under this code shall appear on the Balance sheet under the “financed by” Section.

511102: Contingency Fund

Over time, a decision may be made to capitalize the accumulated Fund i.e. code 513001. When a capitalisation is done to the Contingency Fund, this account shall be credited by the capitalized amount and code 513001 debited by the same. The amount shown under this code shall appear on the Balance sheet under the “financed by” Section.

5112: Revenue Reserves

511201: Revenue Reserve

The revenue reserve is the surplus funds or deficit for the period. In the statement of financial performance for the year, if the incomes exceed the expenses i.e. If there is a surplus then it should be credited to this account. In case of a negative reserve, i.e. a deficit, this account shall be debited by the deficit. This amount is derived from the income statement and shall be shown as the revenue reserve for the year in your balance sheet under the “Financed by” items i.e. Below the line.

5120: Local Government Reserves

5121: Capital Reserves

512101: Capital Reserve

Over time, a decision may be made to capitalize the accumulated Fund i.e. code 513001. When this is done, this account shall be credited by the capitalized amount and code 513001 debited by the same. The amount shown under this code shall appear on the Balance sheet under the “financed by” Section.

5122: Revenue Reserves

512201: Revenue Reserve

The revenue reserve is the surplus funds or deficit for the period. In the statement of financial performance for the year, if the incomes exceed the expenses i.e. If there is a

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surplus then it should be credited to this account. In case of a negative reserve, i.e. a deficit, this account shall be debited by the deficit. This amount is derived from the income statement and shall be shown as the revenue reserve for the year in your balance sheet under the “Financed by” items i.e. Below the line.

5130: Equity

513001: Accumulated Fund/Net worth

This is the cumulated revenue reserve over time. Whereas in 511201 and 512201 we show the reserve for the year, under this account shall be recorded the total effect of the revenue reserves for prior years. If the net effect is a deficit then that balance shall be a debit whereas a surplus will be a credit to this code. It shall be appear under the “financed by” items on the balance sheet.