



# FEDERAL MINISTRY OF FINANCE

Office of the Honourable Minister

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10<sup>th</sup> March, 2021

Chief of Staff to the President

Deputy Chief of Staff to the President, Office of the Vice President

Honourable Ministers/Ministers of State

Secretary to the Government of the Federation

Head of the Civil Service of the Federation

Chairmen of Commissions

Permanent Secretaries

Service Chiefs/Inspector-General of Police

Auditor-General for the Federation

Accountant General of the Federation

Heads of Extra-Ministerial Departments/Directors-General/Chief

Executive Officers of Parastatals and Agencies

## 2021 APPROPRIATION ACT IMPLEMENTATION GUIDELINES

### 1. Introduction

1.1 The 2021 Appropriation Act implementation guidelines are issued in line with the present administration's efforts to ensure the economy quickly returns to a path of rapid and sustainable growth. These guidelines must be strictly adhered to by all Ministries, Departments and Agencies (MDAs). Chief Executive Officers and Chief Accounting Officers are to take responsibility to ensure compliance therewith.

## **2 Expenditure Plans**

2.1 MDAs that are yet to do so are advised to **immediately commence procurement planning for the 2021 Appropriation Act**. Further to the early passage of the 2021 budget, to sustain the January – December fiscal calendar, there may be no justification for extension of the Capital budget implementation at the end of December 2021.

2.2 MDAs are directed to submit their monthly Expenditure Plans for the full year to the BOF and the Office of Accountant General of the Federation (OAGF). This is expected to guide cash planning.

## **3 Cash Plan**

3.1 The disbursement of funds to MDAs will be derived from the annual cash plan. In accordance with Part V s.25 of the Fiscal Responsibility Act [FRA], 2007, the OAGF will prepare the 2021 monthly FGN Cash Plan. This will guide the HMFBNP in fulfilling the requirement of Part V s.26 of the FRA 2007, which requires the HMFBNP to within 30 days of the enactment of the Appropriation Act 2021, publish a Disbursement Schedule derived from the Annual Cash Plan.

3.2 The Cash Plan will be subjected to review monthly by the Cash Management Committee of the FGN, and adjusted as and when necessary following the Federal Accounts Allocation Committee [FAAC] meetings. Any adjustment must be approved by the HMFBNP.

## **4 TREASURY SINGLE ACCOUNT [TSA]**

4.1 All MDAs are hereby reminded to ensure full compliance with the FGN's policy on the TSA. Specifically, MDAs that are authorized to retain a portion of their Internally Generated Revenues [IGR] are to ensure that they stay within the approved limit when accessing funds in their sub-accounts. Any cases of non-compliance will be appropriately sanctioned.

## **5 CAPITAL EXPENDITURE RELEASES**

5.1 The procedure for specific project-tied capital releases, based on government priorities and available resources, will be sustained. However, MDAs' monthly Budget Performance Reports, as well as Monitoring & Evaluation reports on MDAs' projects/programmes, will to a large extent determine releases to MDAs. This is without prejudice to the 2021

Appropriation Act which requires all projects contained in the Act to be implemented, subject to availability of funds.

#### **5.b EXTRA BUDGETARY REQUESTS**

5.2 MDAs are advised to desist from seeking Presidential/Federal Executive Council approvals for new projects that are not contained in the Appropriation Act or additional funding for existing projects without prior consultation with the HMFBNP on availability of funds and appropriate vote of charge.

#### **6 PERSONNEL COSTS**

6.1 Greater efficiency in the management of personnel costs will be vigorously pursued with the goal of reducing to the barest minimum the number of MDAs locked out of the IPPIS in the course of the year, while eliminating unjustifiable payroll entries/allowances.

6.2 MDAs are advised to desist from initiating payment for promotion/salary arrears on the IPPIS platform. Rather all such requests should be forwarded to the Standing Committee on Payment of Promotions/Salary Arrears established via Circular ref. **DG/BDT/GEN.CORR/2016/1V/1896** issued by the HMFBNP.

6.3 MDAs will henceforth be required to submit a monthly reconciliation of Non-Regular Allowances received for personal emoluments. Any surplus funds must be promptly remitted back to the OAGF. The Auditor-General of the Federation will be notified to include a review of compliance with this directive in the audit programme for MDAs.

6.4 No MDA is allowed to take any action that may result in increase in its personnel cost within the year, such as recruitment, replacement of exiting staff, payment of unapproved allowances, etc, without following the due processes for approval of such action. Appropriate sanctions will be applied to erring Chief Executives / Accounting Officers

#### **7 CONTRACTS DENOMINATED IN FOREIGN CURRENCY**

7.1 MDAs are to ensure that their contracts are wholly denominated in Nigerian Naira (NGN). No MDA is authorized to enter into a contract denominated in any foreign currency without the prior approval of the HMFBNP.

## **8 JUDGMENT DEBTS**

8.1 Payment of judgment debts by any MDA requires the approval of the President, in addition to that of the Honourable Attorney General and Minister of Justice. Any such approved judgment debts will be charged to the appropriate budgetary provision of the originating MDA, except where otherwise specifically provided for.

## **11 DEVELOPMENT PARTNERS**

11.1 All requests for support from Development Partners are to be channelled through the International Cooperation Department [ICD] in FMFBNP. All support received in cash/kind from any Development Partner by an MDA must be properly documented. Reports on all such Development Partners' support must be submitted monthly to the ICD as well as the OAGF.

## **12 TAX EXEMPTIONS**

12.1 MDAs do not have any authority to grant tax exemptions to parties with whom they enter into contracts. Due process, in accordance with relevant statutes, must be followed where any tax exemption is considered justifiable.

## **13 MONITORING AND EVALUATION**

13.1 The Budget Monitoring and Evaluation [BME] department of Budget Office of the Federation (BOF) is by law mandated to monitor implementation of projects/programmes in respect of which budgetary provisions have been made. BME will periodically conduct a physical inspection/verification as well as Impact Assessment of projects/programme implemented by MDAs. It will work in collaboration with the National Monitoring and Evaluation (NME) department of FMFBNP-(BNP arm) and the departments of Planning, Research and Statistics [DPRS] in MDAs.

## **14 BUDGET PERFORMANCE REPORT**

14.1 On a quarterly basis, each MDA must submit a Budget Performance Report [BPR] to the BOF by the 5<sup>th</sup> working day of the month following the end of each quarter. The BPR will show the budgeted and actual revenues/expenditures, with any resulting variances explained. The BPR should be reviewed and signed off by the Accounting Officer of each MDA, and thereafter forwarded to the BOF.

14.2 On a quarterly basis, the BOF will prepare a comprehensive BPR for the FGN for the particular quarter and cumulative year-to-date. This report will

be posted on the websites of the FMFBNP, BOF and FGN every quarter. In accordance with Part V s.30 (1) of the FRA 2007, the quarterly BPR will also be submitted to the Fiscal Responsibility Council and the Joint Finance Committee of NASS.

## 16 VIREMENTS/ AMENDMENTS/ CORRIGENDA

16.1 All MDAs are hereby reminded that it is an offence to apply any budgetary provision to any purpose other than that for which it was appropriated.

16.2 Any request for virement/amendment by an MDA must be forwarded, through its Supervising Minister to the HMFBNP for consideration. If the request is justifiable, the HMFBNP will obtain the President's approval, and thereafter send the virement/amendment request to the NASS, which is constitutionally empowered to approve all such changes in accordance with Part V s.27 of the FRA, 2007.

Corrigenda are designed to correct errors in the budget. They are not a short-cut to effect virements/amendments. All requests by MDAs for corrigenda must be forwarded to the Director-General, Budget Office. Valid corrigenda requests will then be forwarded to the Clerk of the National Assembly for necessary action. All Corrigenda must be signed off by both the Senate and House of Representatives Appropriation Committee Chairmen and transmitted by the Clerk of the National Assembly to be valid.

## 17 CONCLUSIONS

17.1 The co-operation of all MDAs is hereby solicited for the effective and efficient implementation of the 2021 Budget to ensure the attainment of the goals thereof.



**Mrs. (Dr.) Zainab Shamsuna Ahmed**  
Honourable Minister of Finance, Budget and National Planning