



GOVERNMENT OF CROSS RIVER STATE OF NIGERIA

Budget, Monitoring and Evaluation Office
Office of the Governor
Calabar

OUR REF:GO/CRS/BMED/13/VOL.I/

18th June, 2020

The Honourable Chief Judge
Chief of Staff to the Governor
The Head of Service
Secretary to the State Government
The Head of Personal Staff to the Deputy Governor
The Clerk of the House of Assembly
Chairmen of Boards and Commissions
All Permanent Secretaries
All Special Assistants to the Governor
All Heads of Extra-Ministerial Departments and
Subvented Parastatals
CBOs NGOs CSOs etc.

CALL CIRCULAR FOR 2021 BUDGET PREPARATION

1.0 INTRODUCTION:

- 1.1 All Ministries, Departments and Agencies (MDAs) are by this circular requested to prepare and submit to the State Budget Office, their 2021 Budget proposals. Chief Executives of MDAs are advised to be as realistic as possible and ensure the full participation of all departments, sections and units under them.
- 1.2 The annual stakeholders consultative forum will hold at a date to be communicated to all concerned.

1.3 The 2021 Budget shall still based on the 52 digits National Chart of Account and in compliance with the International Public Sector Accounting Standards (IPSAS).

2.0 **REVENUE ESTIMATES:**

2.1 **INTERNALLY GENERATED REVENUE (I.G.R)**

In the continued bid to de-emphasize our dependence on Federal Allocation as the main funding source, we shall be relying on Internal Revenue Generation as the prime source of revenue for the State.

MDAs are again encouraged to review all their services and identify all existing and potential sources of revenue to be captured. It is pertinent to stress the need for MDAs to set realistic and achievable revenue targets and ensure proper accountability for all revenue generated.

2.1.1 **TAXES:**

Tax Revenue should be activity based. Therefore, the State Internal Revenue Service (IRS) should, for every activity identify and list all existing and potential tax revenue earning transactions. Consideration should still be given to planned activities to improve tax collection and reporting mechanism.

The State IRS should present their monthly tax revenue estimates for 2021 -2023 and the proportions should be reflected for each element and tax revenue to enhance performance budgeting.

2.2 **FEDERAL ALLOCATIONS:**

The office of the Accountant-General should make realistic estimates of Statutory Federal Allocation, Value Added Tax (VAT) and Excess Crude. The estimates should be based on the current sharing formula of the Federal Government, most especially should capture the figures of Nigerian Governor or Federal Ministry of Finance.

2.3 OTHER FEDERAL FUNDS:

All MDAs involved in the execution of Programmes/ Projects with federal funds such as SDGFund, Ecological Fund, Education Trust Fund and Subsidy Re-investment Fund among others should articulate related activities and documents appropriately for the State Budget Committee's attention. The frequency and level of interaction with relevant Federal Government Agencies and outcomes should be indicated.

3.0 INTERNATIONAL DEVELOPMENT CO-OPERATION

Government policy of centralizing all international donor assistance remains in force. AllMDAs are therefore to compile and submit reports on all existing International Donor Assistance to the Ministry of International Development Cooperation.

Quarterly breakdown of the proportions of the total programmes and projects and the associated financial resources for executing them in the first year of the medium term should be shown. The annual figures should be shown for outer years. MDAs are enjoined to liaise with the MIDC to ascertain the status of existing and potential assistance before including them in their estimates.

They should ensure compliance with the relevant Memorandum of understanding (MOU) particularly the form of assistance, whether cash / kind and involvement of both local and international experts. In addition affected Government Agencies should endeavour to capture the commitments in the UN/CRS 2019 Annual Work Plan in their proposals. Only Donors activities that have passed the qualifying exercise should include such fund in the budget.

4.0 DOMESTIC DONORS:

MDAs are encouraged to clearly identify existing Domestic donations and prospective assistance for their programmes / projects. Such cash assistance should be stated for the 2020 fiscal year and 2021 -2023 outer years. All assistance not to be received in cash should appear as notes in MDAs estimates. Again, only Donors that are qualify can capture such fund in the 2021 budget.

5.0 RECURRENT EXPENDITURE:

5.1 PERSONNEL COST:

The Personnel Cost should be prepared based on the certified nominal roll of your establishment by the Office of the Head of Service. All staff movements by way of transfers, postings and secondment should be documented and attached to the supporting nominal roll. A list of staff due retirement between July – December 2020 should also be attached. Provision for promotion shall be domiciled with the Budget Office. Proposals for Personnel Cost should be limited to existing (Actual) staff as per the payroll of July, 2020.

5.2 OVERHEAD COST:

Estimates on overhead costs should be activity-based. MDA's comprehensive and detailed elements of overhead should be identified through review of MTSS documents and cost estimates. This will provide justification for every element of overhead provision. Precisely overhead cost to be captured in 2021 budget must aquate the year's imprest.

MDAs are advised to earmark more resources to items that would make the greatest impact in terms of performance and service delivery with less emphasis on non-critical areas. Please note that Section 21 of the Cross River State Public Finance Management Law 2011 forbids MDAs from transferring allocations without approval from the Department of Budget, Monitoring and Evaluation.

5.3 CONSOLIDATED REVENUE FUND CHARGES:

5.3.1 POLITICAL OFFICE HOLDERS REMUNERATION:

The component of Personnel Costs that relates to the State Political Office Holders should be separately shown with the accompanying allowances. These should be comprehensively captured by the MDAs. The application should be based on the current revised remuneration. Where such appointment is in an MDA that is not in the budget, should meet with Chief of Staff to account for such a person.

5.3.2 JUDGMENT DEBTS:

MDAs with Judgment Creditors should forward same to Ministry of Justice (MOJ) for verification and compilation. If verified, the acceptable judgment debt should be sent to Department of Debt Management resident in Ministry of Finance.

5.3.3 CONTRACTUAL LIABILITIES:

The Office of the Accountant –General should verify and complete all outstanding payment and other debt instruments and forward same to Debt Management Department for inclusion in their estimates. Outstanding debt repayment should be properly classified to distinguish between current and non-current liabilities as to determine what amount must be paid in 2020.

5.3.4 PENSION AND GRATUITIES:

The Office of the Accountant-General in collaboration with the Office of the Head of Service should make provision for pension and gratuities for all retired and out-going staff. A comprehensive list should be forwarded to the Budget.

5.3.5 PARAMOUNT RULERS STIPENDS

Paramount Rulers' stipends should be provided for by the Chieftaincy Affairs Department.

6.0 CAPITAL EXPENDITURE:

In preparing your Capital Budget, all MDAs are reminded to consider the State's resource constraints and make modest capital proposals. All capital estimates should be strictly limited to on-going projects / programmes. Nevertheless, proposals for new projects should be accompanied with His Excellency, the Governor's approval and bills of quantities.

All MDAs Capital Expenditure **must not** go above 20% of the Revised 2020 budget.

7.0 BASELINE DATA FOR SOCIAL SERVICES SECTOR:

Baseline data are very critical; they provide benchmarks for assessing progress in key performance indicators. It also helps the state to make better informed policy and resource allocation

decisions. MDAs particularly those involved in social services, must bring along available baseline figures when submitting their Budget Proposals to the Budget Department.

8.0 STATE UNIVERSITY OF TECHNOLOGY/ COLLEGE OF HEALTH TECHNOLOGY / COLLEGE OF EDUCATION / INSTITUTE OF TECHNOLOGY AND MANAGEMENT / SCHOOL OF NURSING:

Estimate for the above Institutions should be forwarded with the following information:

- i) List of school facilities, department by department and student enrolment in each of the department for the period *January – June 2020*.
- ii) Details of fees charged by the University/ College in respect of students for the period *January – December 2019* and *January – June 2020* respectively.
- iii) Details of other, charges, dues and other sums received or receivable by the University/College for the period *January – December, 2019* and *January – July 2020* respectively.
- iv) Details of earnings from consultancy programmes from *January – December, 2019* and *January – July, 2020* respectively and plans/strategies to improve on revenue-yielding programmes/activities.
- v) Details of sums accruing to the University/ College whether by way of grant, endowment, subvention or otherwise for the period *January to December 2019* and *January to July 2020* respectively.
- vi) Details of interest on monies invested by the University/ College from any source for the general or special purposes of the University/College for the period *January to December 2019* and *January to June 2020* respectively.
- vii) Details of actual expenditure for recurrent and capital accounts for the period *January to December 2019* and *January to July 2020* respectively.

9.0 MINISTRY OF EDUCATION/ SECONDARY AND TECHNICAL EDUCATION BOARDS:

The estimate for the above Boards should be forwarded with the following information:

- i. List of schools by zone with their respective students' enrollment in each school.
- ii. Class by class distribution of students who wrote promotion examination in the *2018/2019* academic session and in the 2nd term of the *2019/2020* session should be submitted by Education Resource Centre (ERC) of Ministry of Education.
- iii. Details of actual expenditure for each school released as imprest for the current year should be shown to support proposals for overhead cost for each school in 2021.
- iv. Revenue generated from each school from all sources for the period January to December 2018, 2019 and January to July 2020.

10.0 MINISTRY OF HEALTH & HOSPITALS:

All General Hospital, Health Centres and all facilities making deduction of any percentage of Ministry of Health headquarters and relevant Agencies should state such clearing how much the Health facility had paid from Jan – July 2020 and the forecast of 2021.

11.0 BUDGET HEARING – CROSS RIVER STATE HOUSE OF ASSEMBLY:

All MDAs shall present their approved draft estimates to Cross River State House of Assembly with their MTEF / Rolling Plan for 3 years. Accordingly, Commissioners, Secretary to Government, Snr, Special Advisers, Special Advisers, Chairmen Boards and Commissions, Permanent Secretaries, MDA Budget Directors, Planning Officers and Statistics Unit must appear for defence. This will take the period of 5th October to November of the year.

12.0 **SUBSCRIPTION PAYMENT / CONTRIBUTION:**

Affected MDAs should not forget to provide in their various budget proposals for software payment, legal fees, international and local subscription and contribution but must show evidence of last payment.

13.0 **LETTERS OF CREDIT:**

The Department of Debt Management should ensure that all letters of credit and loans whose maturity period are within and beyond 2020 fiscal year should adequately and comprehensively be budgeted for in 2021 and the MTEF /Rolling plan. The various MDAs should avail Debt Management Office with their intending loans, letters of credit, local and foreign support and mortgage before providing such in their various budget estimates. Only loans which have approved by the House of Assembly should be in 2021 Budget.

Both Department of Budget, Monitoring and Evaluation and the State Budget Committee shall not accept the provision of such activity in any MDA's Chart of Accounts if such information is not with Debt Management Office.

14.0 **BUDGET TIME – TABLE:**

In addition to individual MDA budget Defence Table – Table, below is the summary of 2021 Budget Time table.

August 20th – 5th September, 2020: Submission of MDAs budget proposal to the Director of Budget; Budget Office.

September 5th – October 10th 2020: Defence of MDAs estimates proposal with the Budget Committee in the conference room of Budget Office.

October 12th to 15th 2020: Presentation to Exco and Approval. MDAs day for defence is attached to your Call Circular.

15.0 **BUDGET FORMATS**

The formats below are not applicable to all the MDAs but relate only to Revenue/Capital Receipts and Baseline Data format for specific MDAs.

16.0 BUDGET INSTRUCTION:

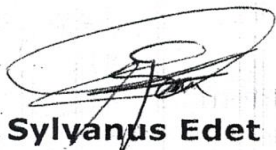
Each MDA's submission must be accompanied by the relevant documents, e.g. authenticated supporting nominal roll for personnel cost, Bill of quantities for Capital Projects, Proforma invoice/price list for capital items etc.

All heads of MDA must attend Budget defence on their dates of defence, otherwise such MDAs will not be attended to and that means such MDA has no 2021 Budget. The provision of AIE is thus abolished so capture all relevant activities in your 2021 budget.

Twelve (12) sets of spiral bound copies and a Flash Drive should be submitted to the Budget, Monitoring and Evaluation Department. MDAs will be expected to make electronic presentations.

17.0 CONCLUSION:

A budget is basically a financial plan for a defined period. This microeconomic concept showcases the public management process of our dear State within a year. This budget is aimed at completing His Excellences signature projects and industrializing Cross River State.



Sylvanus Edet
For: Permanent Secretary

INTERNALLY GENERATED REVENUE ANNEXURE 1

MINISTRY/DEPARTMENT/AGENCY

Codes	Details of Revenue	1 Estimates 2021	2 Approved 2020	3 Actual Collections Jan – June 2020	4 Actual Collection Jan – Dec. 2019	5 Total Col. 3 + Col.4	6 Average Collection Col. 5 ÷ 19	7 Col. 6* 12
	TAXES							

ANNEXURE 2

**FOR USE BY CRS UNIVERSITY OF TECHNOLOGY /POST PRIMARY/TECHNICAL
EDUCATION BOARD**

S/n	Name of School	Location of School	Total Student Enrollment	Pupils		Amount of Imprest Release	Total Imprest Release	Total Expen. Jan. June 2020	Total Expen. Jan. Dec. 2019	Propose Expen. 2021
				Males	Females					

ANNEXURE 3

CAPITAL RECEIPTS

Code	Details Receipts	1 Estimates 2021	2 Approved 2020	3 Actual Receipt 2020 Jan. - June	4 Actual Receipt Jan. - Dec. 2019	5 Total Col. 3+ col.4	6 Average Receipts col. 5÷19	7 Col. 6 x 12

ANNEXURE 4

SUPPORTING NOMINAL ROLL (PERSONNEL COST)

S/n	Name of Officer	Designation	Date of Last Promotion	GL	Step	Annual Basic Salary	Rent	Transport	Utility	Meal subsidy	Provision for Promotion	Total

ANNEXURE 6

ACTUAL EXPENDITURE RETURNS JANUARY – DECEMBER 2019 AND JANUARY – JUNE 2020

Code	Details of Expenditure	1 Approved Provision 2020	2 Revised Provision 2020	3 Expenditure Jan. –June 2020	4 Expenditure Jan. – Dec. 2019	5 Total Expenditure (3+4)	6 Outstanding Liabilities	7 Balance	Remarks

2020 BUDGET DEFENCE / HEARING TIME TABLE SEPTEMBER – OCTOBER 2020

S/N	SECTOR	DATE OF APPEARANCE	TIME
1	General Administration Sector	7 th – 12 th September, 2020	9:00am to 5:00pm
2	Law & Justice	14 th – 19 th September, 2020	9:00am to 5:00pm
3	Regional Development Sector	21 st – 26 th September, 2020	9:00am to 5:00pm
4	Social Services Sector	28 th September – 3 rd October, 2020	9:00am to 5:00pm
5	Economic Sector	5 th – 10 th October, 2020	9:00am to 5:00pm