



Appropriation Act for the 2013 Budget



Federal Government of Somalia

2013 Appropriation Act

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I. The Budget Proclamation ACT No. _____(2013)

Budget Proclamation of the Federal Government of Somalia

WHEREAS, the Constitution of Federal Government of Somalia Article 124 provides that the Parliament shall approve and adopt the annual budget;

WHEREAS, it has become necessary to approve and disburse the budgetary appropriation for undertakings by the Federal Government of Somalia during the 2032 Fiscal Year;

NOW, THEREFORE, in accordance with Article 124 (a) of the Provisional Federal Constitution of the Federal Republic of Somalia, it is hereby proclaimed as follows.

Part One: General

1. Short Title

This Act may be cited as the "2013 Fiscal Year Budget Act No.003/2013"

2. Definitions

In this Act, unless the context otherwise require:

1. "Appropriation" means any authorization of the Parliament to pay money out of the Consolidated Fund;
2. "Approval" means the endorsement by the Minister of the budget allocation prepared by item of expenditure based on the budget appropriated by Parliament;
3. "Capital Expenditure" means an outlay for the acquisition of or improvements to fixed assets, and includes expenditures made for training and consultancy services;
4. "Commitment" means an obligation that becomes a liability if and when the terms of existing contracts agreements or laws are met;
5. "Minister or Ministry" means the Minister of Finance or the Ministry of Finance respectively;
6. "Public Body" means any organ of the Federal Government of Somalia which is partly or wholly financed by the budget allocated under this Act;
7. "Budget transfer" means the authorized movement of funds in an approved budget from one head, subhead, project or item to another.

3. Total Budget Appropriated

The budget of the Federal Government of Somalia is hereby appropriated for the Fiscal Year commencing on January 1, 2013 and ending on December 31,

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2013 from the Federal Government Revenues and other funds for undertakings set forth in schedule hereto. The total budget appropriated for recurrent and capital expenditure is the following:

A)	For recurrent expenditure	US\$ 107,174,092
B)	For Capital expenditure	US\$ <u>7,181,760</u>
	Grand Total	114,355,852

Part Two: Budget Administration

4. Powers of the Federal Government Organs

1. The Minister of Finance is hereby authorized and directed, upon the request of the heads of concerned Federal Government organs, to disburse out of the Federal Government revenues and other funds the amounts appropriated herein for undertakings of their respective organs.
2. Public bodies are hereby authorized to record on their appropriate budgetary head, subhead, project, or program, as the case may be, and undertake all acts necessary for the utilization of any additional loan or aid in kind and/or cash obtained from foreign or local sources for carrying out recurrent programs or capital projects, and report to the Ministry of Finance within one month from the end of the fiscal year.

5. Budget Transfer

1. Transfers shall be allowed from the Recurrent Budget to the Capital Budget.
2. No transfers shall be allowed from the Capital Budget to the Recurrent Budget.

6. Budget Transfers within Public Bodies

1. The Minister may within a Public Body:
 - a) Transfer funds within items of expenditure of the recurrent Budget;
 - b) Transfer budget from one capital project to another.
2. The Minister may delegate the appropriate head of public body to exercise the power vested in him under sub-article 1 of this Article.

7. Budget Transfers between Public Bodies

1. The Minister may transfer a recurrent budget from one Public Body to the other, if it is ascertained that the Public Body to which the budget is appropriated cannot wholly utilize its budget.

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2. The Minister may authorize the transfer of funds from the capital budget of one public body to the capital budget of another public body where a deficiency in one Public Body's capital budget can be met by an offsetting transfer from another public body's capital budget approved for the fiscal year.

8. Transfer from Contingency Budget

Emergency expenditures may be provided on the authority of the Minister by transfer from the provision for Contingency Budget where additional funds are requested on the basis that they are urgently required for the current year's operations and could not have been foreseen in the Annual Budget.

9. Supplementary Budget

Supplementary Budget appropriation may be authorized by the Parliament on the recommendation of the Council of Ministers.

Part Three: Disbursements

10. Deposit

1. The revenue of the Federal Government must be deposited in the Central Bank of Somalia.
2. The Central Bank shall accept deposits and effect payments for the account of the Federal Government.

11. Disbursements out of the Consolidated Fund

1. No disbursements shall be made out of the Consolidated Fund without the prior authorization of the Parliament.
2. No expenditure or commitment of expenditure can be incurred from the budget approved before the budget is allocated and approved by the Ministry.

12. Disbursement Limits

Except as provided in Articles 4 to 8, no disbursements to public bodies shall be made in a fiscal year, which exceeds the amounts, appropriated under this Act for the fiscal year.

13. Commitments

1. No commitment shall be made against an appropriation except by requisition of the head of the public body or by a person authorized by him in writing.
2. No contract or other arrangement requiring payment shall be entered into by any public body unless there is a sufficient unencumbered balance from the budget to discharge any debt that will be incurred during the fiscal year.

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3. Notwithstanding the provisions of sub-article 1 of this Article, in the case of concluding a long-term contract relating to a project lasting for more than one fiscal year, the ascertainment of budget appropriation for the first fiscal year of the project shall be sufficient.
 4. The Ministry shall establish the procedures to be followed and the manner in which records for the control of financial commitments chargeable to each budgetary item will be registered.
 5. The head of the public body shall maintain the records for the control of financial commitments chargeable to each budgetary item in a manner prescribed by the Minister.
- 14. Payments for Goods and Services**
1. No payment shall be made by any public body unless, in addition to any other voucher or certificate required, the head of the public body or other person authorized by him certifies:
 - a) In the case of a payment for the performance of work, the supply of goods or the rendering of services:
 - i. That the work has been performed, the goods supplied or the services rendered, and that the price charged is according to the contract, or if not specified by the contract, is reasonable;
 - ii. That a payment is to be made, under the terms of the contract, before the completion of the work, delivery of the goods or rendering of the service, that the payment is according to the contract; or
 - iii. That, in accordance with the procedures prescribed by the Ministry, payment is to be made in advance of verification, that the claim for payment is reasonable; or
 - b) In the case of any other payment, that the payee is eligible for or entitled to the payment.
 2. The Ministry may prescribe the procedures to be followed to give effect to the certification and verification required by this Article.
 3. Public Bodies shall maintain safe deposit boxes in which petty cash is kept. The amount of money to be used as petty cash shall be determined to be issued by the Minister.

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15. Unspent Funds

1. Subject to directives issued by the Ministry, the unspent balance of an appropriation granted for a fiscal year shall lapse and shall be credited to the Treasury Account of the Ministry.
2. Notwithstanding the provisions of sub-Article 1 of this Article, unspent balances of grants and loans shall be retained in the Consolidated Fund for continued use as may be necessary.

Part Four: Budget Appropriation

16. Appropriation to Public Bodies

1. The following budget is appropriated to public bodies

For the 2013 Budget	
a) Recurrent budget	US\$ 107,174,092
b) Capital budget	US\$ <u>7,181,760</u>
	114,355,852

2. The summary of the budget appropriated are attached as Annex 1, and the details in Vol. 1 of the 2013 Budget.

17. Effective Date

This Act shall enter into force as of the _____ day of _____ 2013.

Done at Mogadishu, this _____ day of _____ 2013.

PRESIDENT OF THE
FEDERAL GOVERNMENT OF SOMALIA