

Fiscal Transfer & Monitoring Division (FTMD)

Budget Utilization Plan (BUP) Guideline

Budget Utilization Plan (BUP)

The Department of Public Accounts (DPA) initiated the Budget Utilization Plan (BUP) through the online web based Public Expenditure Management System (PEMS). BUP is aligned with planning and budgeting to ensure resources are allocated as per the five year plans and right amount of resources are made available at the right time. Therefore BUP is targeted to optimize resource allocation and enhance implementation of planned activities.

The core objectives of BUP are as follows:

- To curtail cash flow mismatch
- Efficient cash management & reduce instances of idle cash balances
- Reduce cost of borrowings
- Consolidate information based on BUP projection for decision making purpose

BUP Process

The Ministry of Finance ascertains the level of fund raising through issuance of T-Bills, all budgetary agencies are required to submit their BUP to the Department of Public Accounts (DPA) within one month from the date of receipt of budget approval.

BUP is submitted bank account wise through PEMS. However, for the time being, the budget utilization plan is required to be submitted only for the *RGoB funded activities*. This is because, given that the fund releases for the externally funded activities are based on the fund balance with the RGoB, budget utilization plan of donor funded activities is therefore not required for the time being.

Chapter III, Section 3.5.1(e) of the FRR 2016 states that submission of Budget Utilization Plan (BUP) is mandatory for all RGoB funded and RGoB co-financed activities. All subsequent releases shall be based on utilization of previous fund releases made.

In view of the above provision, the DPA will make fund release strictly as per the on-line fund release request based on BUP. The budgetary agencies are requested to update the BUP and submit

it to DPA on a quarterly basis. The USER MANUAL for preparation of budget utilization plan will be uploaded under the Notice Module in PEMS.”

In this regard, all budgetary agencies are requested to kindly note the following while preparing the Budget Utilization Plan:

I. General Guidelines

1. **Budget Utilization Plan for RGoB financing:** Upon receipt of approved budget, Budget Utilization Plan shall be prepared and submitted by the budgetary agencies for RGoB financed activities i.e., for the Financing Item Code (FIC) code-0001 using PEMS before 31st of July. Fund release for RGoB financed activities from the subsequent month shall be processed and made strictly as per the on-line fund release request based on budget utilization plan. The User Manual is provided as an additional attachment.

Current budget- Regular/Direction services: For the sub-activities having object codes '01.01' and '02.01' under direction services with RGoB financing, the quarterly budget requirements are made to appear automatically in the system. For the first quarter, the budgetary bodies shall calculate Leave Travel Concession (LTC) and Leave Encashment (LE) and submit the BUP to the DPA for release.

Unless there is a need to make any changes, the agency shall directly click the 'Save' button.

2. **Current ad-hoc:** Budget Utilization Plan for all the current ad-hoc activities, such as workshops, farmers training etc. shall be prepared based on actual need under the specific month.
3. **Capital budget:** The Plan for capital budget shall be prepared and submitted based on the agency's annual work plan. While preparing the plan for capital activities, budgetary agencies shall ensure that all the required formalities are completed and the projections are made under the specific months.

Budget Utilization Plan Timetable:

The table below shows the BUP.

Submission Period	Submission date	Remarks
First July-June (Firm projections for July-September)	Before July 31	The first budget utilization plan shall be submitted for the whole financial year. Once submitted, the plan for the first quarter (July to September) cannot be changed. However, if the fund release has not been made as projected, the budgetary agencies can include in the subsequent period.
Second October-June (Firm projections for October- December)	Before September 30	The second budget utilization plan shall be submitted for the period covering October to June. Once submitted, the plan for the second quarter (October to December) cannot be changed. However, if the fund release has not been made as projected, the budgetary agencies can include in the subsequent period.
Third January-June (Firm projections for January- March)	Before December 31	The third budget utilization plan shall be submitted for the period covering January to June. Once submitted, the plan for the third quarter (January to March) cannot be changed. However, if the fund release has not been made as projected, the budgetary agencies can include in the subsequent period.
Fourth April-June (Firm projections for April-June)	Before March 31	The final budget utilization plan shall be submitted for the period covering April to June.

From the table above, it may be noted that the budgetary agencies are required to submit the budget utilization plan on quarterly basis.

Collaboration with Departments/Divisions/Sectors

Finance personnel will closely collaborate with their respective budgetary bodies to ensure timely preparation and submission of BUP. Budgetary bodies shall prepare the quarterly BUP forecast with due diligence and caution to avoid major deviations from the actual requirement. Any major deviations from the actual requirement entail additional burden and cost to the government treasury.