



CURRENT GRANT GUIDELINES FOR CENTRAL AGENCIES

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**Ministry of Finance
Royal Government of Bhutan**


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1. INTRODUCTION

For empowering Central Agencies in optimizing the use of the current budget according to their priorities and to enhance accountability and ownership, the 3rd Session of the Third Parliament has passed the Budget Appropriation Act for FY 2020-21 to provide Current budget of the Central Agencies in the form of Block Grant.

For ensuring proper usage of the Current Grant, the Ministry of Finance hereby issues the Current Grant Guidelines for Central Agencies.

2. OBJECTIVES

The main objectives of the Current Grant are to:

- a. Empower central agencies in utilizing current grant as per the priority of respective agencies;
- b. Promote transparency, accountability, and ownership in the use of public resources; and
- c. Enhance flexibility in optimizing the use of the current grant.

3. DEFINITION AND SCOPE

The Current Grant is a proportion of national revenue allocated in the form of block to central agencies to meet the day-to-day operations of the businesses. The amount of current grant shall be determined based on the past trends and resource envelope determined by Macro-economic Framework Coordination Committee (MFCC). This guidelines shall be applicable to central agencies and shall come into effect from 1st July 2020.

4. COMPOSITION OF CURRENT GRANT

The Current Grant shall be categorized as '**Mandatory**' and '**Controllable**' expenditures.



- a. The '**Mandatory**' expenditures shall include expenses for Pay & Allowances, Other Personal Emoluments, Special Allowances, Stipends and other benefits.
- b. The '**Controllable**' expenditures shall include expenses for travel, utilities, supplies, maintenance, operating and hospitality & entertainment etc.

5. USAGE OF CURRENT GRANT

Current grant shall be used to meet the expenses defined under "**Mandatory**" and "**Controllable**" expenditures.

6. BUDGET, RELEASE, AND ACCOUNTING

6.1 BUDGET

- 6.1.1 The Current Grant shall be provided as per the budget cycle and shall form part of the annual Budget Appropriation Act.
- 6.1.2 The Current Grant shall be provided as block through the Multi-Year Rolling Budget (MYRB) System.
- 6.1.3 The Current Grant shall be apportioned by the respective Finance Committees.
- 6.1.4 There shall be a Maker and Checker for assignment of activities in the MYRB system to be carried out as per the user manual issued by DNB.
- 6.1.5 The re-appropriation within the activities shall be carried out based on the delegation of financial power as per FRR 2016.
- 6.1.6 The total expenditure shall not exceed the maximum Current grant allocated for the financial year.
- 6.1.7 Any unspent Current grant shall lapse at the end of the financial year.



6.1.8 The Central Agencies shall use Multi-Year Rolling Budget (MYRB) and electronic Public Expenditure Management System (e-PEMS) for budgeting and accounting purposes.

6.2 RELEASE AND ACCOUNTING

6.2.1 The Central agencies shall assign prioritized activities to respective LC/PLCs and submit the 'Budgetary Release Forecast' (BRF) in accordance to the Fund Release Guideline.

6.2.2 Fund releases and booking of expenditures including advances shall be affected through e-PEMS.

6.2.3 The current grant shall be utilized as per the Financial Rules and Regulations (FRR), the Procurement Rules and Regulations (PRR), and other notifications issued by MoF from time to time.

6.2.4 Competent authority for approval of the expenditures in e-PEMS shall be head of the respective Budgetary Bodies.

7. PROHIBITIONS UNDER CURRENT GRANT

The current grant shall not be used for financing:

- a. Political campaigns;
- b. Programs/ activities that contravene the existing government policies; and
- c. Private/personal purposes like giving contributions, offerings, donations, semso, gifts etc. unless otherwise permissible by law.

8. OVERSIGHT BODIES

8.1. The Ministry of Finance shall be responsible for reviewing and monitoring of financial performance of the current grant.

8.2. The Royal Audit Authority shall conduct the audit of the current grant in accordance with the Audit Act of Bhutan.



9. AMENDMENTS AND INTERPRETATION

The Ministry of Finance shall be the final authority for interpretation and amendment of the provisions under these guidelines.

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