

# FINANCE CIRCULAR

MINISTRY OF FINANCE AND NATIONAL PLANNING  
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REGISTRY'S  
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Circular No. 13/2004

To : All Chief Executive Officers and Heads of Departments **File: FIN.11/47**

Subject : **SHORTFALL IN MINISTRIES AND DEPARTMENTS SEGs 1 and 2 BUDGET** **Date: 06/12/04**

## 1.0 Objective

1.1 As we are now into the last month of the year, this Circular intends to inform you of how best Ministries and Departments, together with the Ministry of Finance & National Planning, can address the shortfalls in SEGs 1 and 2 of your 2004 Budget.

## 2.0 Background

2.1 The shortfalls in SEGs 1 and 2 referred to in this Circular are those emanating from either one of the following:

- (a) COLA and Merit payments effected after November 2003. This includes the 1 percent COLA paid out in December 2003 and a 1 percent merit payment made in April 2004;
- (b) Effecting of the remuneration package of Chief Executive Officers from 01 January 2004; and
- (c) Revision of the Overtime Policy for the Government Wage Employees as per PSC Circular No. 11/04.

## 3.0 Funding Options

3.1 I wish to emphasise that apart from the shortfalls in SEGs 1 and 2, there are other pressing financial commitments that Government has to meet by 31 December

2004. It is in this regard that I request all Ministries and Departments to take the following approach in the funding of shortfalls in your respective SEGs 1 and 2.

- 3.2 All Ministries and Departments are advised to **first** explore all possible areas of savings within their respective 2004 budgets to meet SEGs 1 and 2 shortfalls. This includes Projects under Requisition that are yet to be de-requisitioned to date. Ministry of Finance & National Planning will be amenable to all RIE and Virement applications relating to the funding of SEG 1 and 2 shortfalls.
- 3.3 Virement applications for regularising shortfalls in other SEGs will **only be considered** after applications referred to in para 3.2 above have been met.
- 3.4 Ministries and Departments should **only** seek additional funding from the Ministry of Finance & National Planning after the option referred to in para 3.2 above has been exhausted.
- 3.5 **The topping-up from the Ministry of Finance & National Planning will be effected through the issuance of Departmental Warrants** once submissions are received from Ministries and Departments.

#### 4.0 Conclusion

- 4.1 It needs to be emphasised again that **only shortfalls relating to items (a), (b) and (c)** mentioned in para 2.1 above will be considered for reimbursement from the Ministry of Finance & National Planning.
- 4.2 Ministries and Departments should submit **shortfalls in SEGs 1 and 2, should there be any, to the Ministry of Finance & National Planning no later than 17 December 2004.**
- 4.3 We look forward to your continued support and full co-operation in the early settlement of the shortfalls.
- 4.4 May I also take this opportunity, on behalf of all officers in the Ministry of Finance & National Planning, to wish you all a Merry Christmas and a Prosperous New Year.



Tevita Banuve

**Chief Executive Officer for Finance and National Planning**