

# Revenue Code, Amending Section 2212

## AN ACT TO AMEND SECTION 2212 OF THE REVENUE CODE OF LIBERIA ACT OF 2000

**WHEREAS**, in compliance with Article 34 Section D of the Constitution of the Republic of Liberia, the Executive Branch of Government submits the fiscal budget to the National Legislature for approval;

**WHEREAS**, Section 2212(b) of the Revenue Code of Liberia Act of 2000 grants the President the powers to decide on budgetary transfers, which authority the President exercises through appropriate assignment of functions and roles of the relevant institutions of the Executive branch;

**WHEREAS**, in compliance with the Constitution of the Republic of Liberia, the Executive Branch of the Government submits the fiscal budget for the approval of the National Legislature;

**WHEREAS**, the approved budget states the sum total of the amount for a given period and limitations of expenditure prohibits spending outside of the approved budget and makes it unlawful for any official of government to expend or obligate the Government of Liberia for any amount or program, project or object of expenditure, which was not included in the budget;

**WHEREAS**, there may arise the need to adjust the budgetary appropriations to accommodate significant changes in circumstances;

**WHEREAS**, excessive transfers of allocated budgets from one Ministry, Agency, program or item to another can undermine accountability and achievement of fiscal objectives;

**WHEREAS**, inadequate definition of scope of authority and of the procedures to undertake such budgetary transfers may open space for abuse of authority granted to the Executive branch of Government through the approval of the budget by Legislature;

**WHEREAS**, the purpose of the Legislature's oversight of Executive budgetary decisions is to prevent the spending of public money without legislative approval so as to ensure transparency and accountability; and

**WHEREAS**, the Executive has considered the necessity of ensuring that the Legislature's oversight on budgetary transfers is effectively exercised and the Executive's role and procedures are streamlined;

Now, therefore, it is enacted by the senate and house of representative in legislature assembled:

SECTION 2212 OF CHAPTER 22 OF THE REVENUE CODE OF LIBERIA ACT OF 2000 (BUDGET AND ACCOUNTING) IS HEREBY AMENDED AS FOLLOWS:

**(a)** All monies appropriated for the various functions, projects and activities contained in the annual budget and in supplementary appropriation acts shall be available solely for the specific purposes for which appropriated. However, budgetary transfers may be approved whenever they are considered essential.

**(b)** From and immediately after the passage of this Act, there shall be two different categories of budgetary transfers; one for major budgetary transfers, and another for non-major budgetary transfers.

**(c)** A major budgetary transfer shall mean a transfer, between Ministries, Agencies or Branches of Government, involving the reallocation of more than 20% of the affected Ministries' Agencies' or Branches' approved budgets, whether such percentage is reached by virtue of a single budgetary transfer or as result of the cumulative effects of various budgetary transfers undertaken in the course of one fiscal year, and with such percentage being considered with respect to the Ministry, Agency or Branch that is either the source or recipient of the appropriations being transferred.

**(d)** Whenever budgetary transfers are considered, the following procedure will be observed:

**(i)** all budgetary transfers will be prepared by the Director of the Budget;

**(ii)** requests for such transfers will be made in writing to the Director of the Budget by the head of the Ministry, Agency or Branch of Government demanding additional resources;

**(iii)** the Director of the Budget will obtain an assessment from the Department of Expenditure of the Ministry of Finance;

**(iv)** based on the justification provided for the budgetary transfer and the assessment by the Department of Expenditure

**(e)** For major budgetary transfers, the Budget Bureau will make a proposal to the President for submission of the request for budgetary transfer to the Legislature for consideration.

**(f)** When it is a non-major budgetary transfer, the Budget Bureau will make a decision.

**(g)** Major budgetary transfers across Ministries, Agencies or Branches of Government, may be bundled together and submitted to the Legislature.

**(h)** Whenever a major budgetary transfer is considered, Budget Bureau conducts a

hearing with the concerned Ministries and Agencies as part of the assessment to ensure that the transfer does not adversely affect the Government's operations.

Any budgetary ,transfer from or to a. non agency-specific appropriation above 15% of the initial appropriation, whether such percentage is reached by virtue of a single budgetary transfer or as result of the cumulative effects of various budgetary transfers undertaken in the course of one fiscal year, is considered a major budgetary transfer.

Requests for all such budgetary transfers shall be made by the Minister of Finance and follow the same procedures as above.

This Act shall become effective immediately upon publication in hand bills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING

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