

Financial Circular No. (3) for the year 2022 AD
Regarding the preparation of the draft general budget for the
Government of Ajman for the fiscal year 2023
Within the approved medium-term financial plan for the years
(2022-2023-2024)

Based on the provisions of Article No. (11) of Emiri Decree No. (11) of 2011 issuing the Financial Law of the Government of Ajman and in implementation of Financial Circular No. (1) of 2021 regarding the preparation of the medium-term financial plan for the years (2022-2023-2024), and stemming from our responsibility to supervise the preparation and implementation of the financial policies and plans of the Government of Ajman, and emphasizing the active role of all entities in implementing these financial policies and plans, and in implementation of the directives of the esteemed Executive Council to link financial planning with strategic planning according to the best international practices, and for the requirements of preparing the general budget for the fiscal year 2023, we direct the following:

First: Scope of the Circular

This circular applies to all departments, agencies, centers, and councils affiliated with the Government of Ajman whose budgets are included in the annual general budget of the Government of Ajman.

Second: Instructions and General Rules to be Followed

All concerned entities mentioned above must adhere to the following instructions and rules:

1. Adherence to the financial allocations approved in the financial plan (2022-2023-2024) and the financial impact of any additional appropriations, such that these allocations are considered the spending ceiling for the entity, which must arrange its priorities in the 2023 draft budget within the limits of these allocations.
2. Submission of new initiatives not approved in the financial plan (2022-2023-2024) that support the economy and society of the

- Emirate, along with providing the necessary studies to the Department of Finance for review and consideration.
3. The entity's budget must be consistent with the government's medium-term strategic priorities.
 4. Notify the Department of Finance of any programs funded from other sources outside the budget.
 5. Prepare its draft budget through the Smart Financial Planning system.
 6. Take into account the re-estimation of the costs of its initiatives approved in the financial plan (2022-2023-2024) according to the current economic conditions and provide supporting documents for estimating these costs, as the cost determination mechanism is one of the requirements for approving initiatives.
 7. Full cooperation with the relevant competent authorities related to the budget project as mentioned in item Fourth of this circular.
 8. Provide any data or information that the Department of Finance may request regarding the draft budgets of the concerned government entities, even if previously submitted during the preparation of the financial plan (2022-2023-2024).
 9. Ensure accuracy in distributing program costs over the months to avoid deviations in budget implementation. Note that if the start of implementing initiatives is delayed for two consecutive months from what is approved in the budget, the Department of Finance has the right to stop or reconsider those initiatives.
 10. If some initiatives approved in the 2022 fiscal year budget are not completed and the entity deems it necessary to complete the implementation of that initiative in the 2023 fiscal year budget, it must include it as a completion initiative within its draft financial plan and re-prioritize within its approved allocations as mentioned in item 1 above.

Third: Preliminary Procedures

For Preparing the Draft General Budget for the Fiscal Year 2023

All entities must complete all preliminary work for preparing their draft budgets for the fiscal year 2023 no later than August 8, 2022, as detailed below:

1- Organizational Data:

All entities must provide the Department of Finance with a copy of the following no later than July 4, 2022:

- Decision forming the committee for preparing the draft budget for the fiscal year 2023.
- The entity's approved or under-approval strategic plan.
- The entity's organizational and functional structure.

2- Government Revenues:

All entities must estimate their total revenues at the level of revenue items (activity), and must ensure accuracy in forecasting their revenues, taking into account the economic indicators of the Emirate, and coordinating and cooperating with the Government Revenue Administration at the Department of Finance in this regard, and entering their final estimates into the Smart Financial Planning system, taking into account the need to justify the reasons for any change exceeding 10% for any item (activity) in the estimated revenues for 2023 compared to the revenue items for the year 2022 (actual to date + re-estimation for the rest of the year).

3- Costs of Mandatory Operational Processes

Mandatory operational processes refer to the imperative costs that enable the entity to carry out its usual core business, which consists of:

A- Costs of Salaries, Wages, and Other Benefits.

All entities must review the data and number of their existing positions on the Smart Financial Planning system and refer to the Department of Finance in case of any discrepancies, and enter the data mentioned below:

1. Allocations for promotions, bonuses, and status adjustments at the level of mandatory operational processes.
2. Review and update health insurance costs according to the contract with the insurance company.
3. Allocations for secondment allowance for the program to which the employee is seconded, with attachment of the secondment decision if any, or justifications for including a new secondment allocation.
4. The financial impact of any adjustments under approval on salary costs that have not yet been applied to the systems.

5. Allocations for residency and ID expenses.
6. All "temporary contracts" and the need for them, ensuring that there is a vacancy in the entity's budget for this type of appointment.

B - Other Costs of Operational Processes:

This consists of mandatory operational expenses and the replacement of operational assets. All entities must review their actual needs and rationalize operational spending, and enter the following data into the Smart Financial Planning system, taking into account the updating of service contracts related to mandatory operational processes for the current fiscal year:

- Common administrative expenses such as (general maintenance - water and electricity - stationery - hospitality - security ... etc.).
- Expenses of the entity's main units such as (garden maintenance - laboratory consumables - ... etc.).
- Replacement of operational assets such as (replacement of computers and furniture ... etc.).
- Expenses for renewing Microsoft licenses.
- Expenses for renewing the Mawared system.

All entities, if they need to contract with companies to supply employees, or to contract directly with external employees, must provide the Department of Finance and the Department of Human Resources with the data mentioned below:

1. The organizational unit and its competencies.
2. The number of current employees in the organizational unit and their job titles.
3. Current job and service outsourcing contracts in the organizational unit.
4. A statement of the required positions (as service outsourcing or temporary contract) and justifications for the request.
5. The expected cost of hiring on a temporary contract or for service outsourcing versus direct appointment.
6. A statement of the distribution of tasks among the employees of the organizational unit.
7. Any other data that the Department of Human Resources may request.

4- Costs of Initiatives

Initiatives refer to all non-mandatory operations to achieve objectives (primary or supporting) and consist of:

- Unified Government Initiatives: These are unified operational initiatives at the government level within the list of programs shown below.

Program Name	Program Number
Development of the Department's Infrastructure	1100
Internal and External Events and Activities	1700
Community Responsibility	1800
Review of Local and International Best Practices	1900
Adoption of International Standards	2000
Employee Happiness	2100
Innovation Practices	2200
Media and Marketing Plan	2500
Qualification and Training	2600
Development of Department Vehicles	2700

- Other Initiatives: This refers to initiatives implemented by government entities to achieve their main objectives, and we mean, for example but not limited to:

1. New construction projects.
2. Studies, research, and external consultations.
3. New electronic programs and systems.
4. Promotional campaigns.

Where government entities must adhere to the following when submitting initiatives:

- Enter the initiatives under the entity's strategic objectives.
- Enter the case study data into the Smart Financial Planning system for all initiatives (with the exception of unified government initiatives,

for which a statement of costs and justifications should be attached), with the necessity of attaching supporting documents.

- Record the amounts due for programs that have been completed during the current year but have not been disbursed, and enter them into the Smart Financial Planning system no later than 26/12/2022, with the necessity of proving the entitlement of these amounts during the year 2022.
- Include financial allocations within the government entity's draft budget for any contracts or purchase orders issued during 2022 and expected to be received during 2023.

Fourth: Tasks of the Competent Authorities Related to the Budget Project

The General Secretariat of the Executive Council shall:

1. Coordinate with entities regarding the government's strategic priorities no later than July 29, 2022, in a way that enables entities to submit their initiatives.
2. Review the strategic linkage and enter any observations about it on the Smart Financial Planning system no later than August 15, 2022.
3. Determine the priority level of the government's strategic initiatives on the Smart Financial Planning system no later than August 22, 2022.

The Ajman Digital Department shall enter its final recommendations after discussing them with the entities regarding technical needs on the Smart Financial Planning system no later than August 22, 2022.

The Department of Human Resources shall enter its final recommendations after discussing them with the entities regarding the review of the job budget and service outsourcing on the Smart Financial Planning system no later than August 22, 2022.

Fifth: Procedures for preparing the draft general budget for the fiscal year 2023 and its approval procedures

1. The Department of Finance will study and analyze the draft budgets submitted by government entities and discuss them with those entities before preparing them in their final form, and then include them in the draft general budget after taking into account the

- requirements of Article No. 13/1 of the Financial Law of the Government of Ajman.
2. The Department of Finance will prepare and present the final draft of the general budget for the fiscal year 2023 and its recommendations regarding it to His Highness the Ruler's Representative, no later than 17/10/2022.
 3. His Highness the Ruler's Representative, after his approval of the draft general budget for the fiscal year 2023, will present it with its accompanying reports, if any, to His Highness the Chairman of the Executive Council for review and decision on any proposals regarding it.
 4. The Department of Finance will circulate the budget to the concerned government entities for implementation immediately upon its approval by His Highness the Ruler of the Emirate of Ajman, may God protect and preserve him.

Sixth: Final Provisions

1. If any government entity fails to submit its draft budget data for the fiscal year 2023 within the deadlines specified in this circular, the Department of Finance will prepare the draft budget for the concerned government entity, and the concerned entity may not object to it.
2. In the event of a delay in the approval of the draft general budget for the fiscal year 2023, the Department of Finance will issue a circular to the concerned government entities with the instructions to be followed in this regard, which regulate the commitment to spending for a temporary period, and determine the priority in the monthly commitment to spending, based on the provisions contained in the Financial Law of the Government of Ajman and its executive regulations.
3. The Department of Finance is responsible for interpreting the provisions of this circular, clarifying any ambiguity or vagueness in it, responding to any inquiries from any government entity, and providing all necessary clarifications to ensure the proper and complete application of this circular.

4. The Department of Finance will communicate this circular to all concerned government entities to implement its provisions, and it shall be effective from the date of its issuance.

Ahmed bin Humaid Al Nuaimi
Ruler's Representative for Administrative
and Financial Affairs

Issued on: / / 2022 AD

**Timeline for the procedures of preparing the draft general
budget for the Government of Ajman for the fiscal year 2023
For Departments, Agencies, Centers, and Councils affiliated
with the Government of Ajman**

No.	Procedures	Deadline
1	Send a copy of the decision forming the annual budget preparation committee to the Department of Finance.	04/07/2022
2	Send a copy of the approved or under-approval strategic plan of the government entity to the Department of Finance.	04/07/2022
3	Send a copy of the organizational and functional structure of the government entity to the Department of Finance.	04/07/2022
4	Entities to send a statement of all their service outsourcing requests to the Department of Human Resources.	29/07/2022
5	Entities to complete budget data (operational expenses - initiatives - revenues) on the Financial Planning system.	08/08/2022

Timeline for the procedures of preparing the draft general budget for the Government of Ajman for the fiscal year 2023

For Competent Authorities Related to the Budget Project

No.	Procedures	Deadline
1	Completion of coordination by the General Secretariat of the Executive Council with entities regarding the government's strategic priorities to enable entities to submit their initiatives.	29/07/2022
2	Completion of the review of the strategic linkage by the General Secretariat of the Executive Council.	15/08/2022
3	Completion of determining the priority level of the government's strategic initiatives on the Smart Financial Planning system by the General Secretariat of the Executive Council.	22/08/2022
4	Completion of the review of service outsourcing requests and submission of recommendations to the Department of Finance by the Department of Human Resources.	22/08/2022
5	Completion of the review of technical needs and submission of recommendations to the Department of Finance by the Ajman Digital Department.	22/08/2022
6	Presentation of the final draft of the general budget for the fiscal year 2023 and its recommendations to the Ruler's Representative.	17/10/2022