GOVERNMENT OF CROSS RIVER STATE OF NIGERIA
Budget, Monitoring and Evaluation Office
Office of the Governor
Calabar

OUR REF: GO/CRS/BMED/13/VOL II/370 14th June, 2024

The Honourable Chief Judge,
The Secretary to the State Government
The Chief of Staff to the Governor
The Clerk of the House of Assembly
All Commissioners / Special Adviser / Director General
The Head of Service
The Accountant General
The Auditor General – State
The Auditor General – Local Government

The Head of Personal Staff to the Deputy Governor
Chairmen of Boards and Commissions
All Permanent Secretaries
All Special Assistants to the Governor
All Heads of Extra-Ministerial Departments
All Community and Faith Based Organizations
All Non-government Organizations
All Civil Society Organizations etc.

CALL CIRCULAR FOR 2025 BUDGET PREPARATION

Introduction: The purpose of this circular is to:

(i) Request all Ministries, Departments and Agencies (MDAs) to prepare and submit proposals for revenue and expenditure estimates in respect of 2025 Fiscal Year (FY) based on the requirements and guidelines to be provided in this circular;
(ii) Provide some of the major Government priorities in the ensuing year as well as the key administrative guidelines for the preparation of your proposals;
(iii) Provide you with preliminary Envelops and Budget ceilings that set the upper limit of expenditure proposals; and
(iv) Provide the appropriate templates that would assist MDAs in the preparation and submission of the proposals.

The preparation of 2025 – 2027 Medium Term Expenditure Framework and Fiscal Strategy Paper (MTEF/FSP) is ongoing and shall be concluded soon. Essentially, this formed the basis for the initial revenue and expenditure projections based on which indicative sector envelopes and budget ceilings would be provided.

The State Comprehensive Development Framework is presently being worked on by the State Planning Commission, the overarching policy objectives and priorities it would provide remains the reference point for the current planning and budget circle. Largely therefore, resources allocations will strategically be guided by the contributions of specific initiatives to the sustained growth and diversification of the State's economy. To a large extent, this would require focus on agriculture, critical infrastructure and development of small and medium scale enterprises.

In pursuant to Part IV of the Cross River State Public Finance Management Law, 2011 and Part III of the State Fiscal Responsibility Law, 2011, there is a need for early preparation of 2025 Proposed Budget. Kindly note, the proposed 2025 Budget is to be prepared taking full consideration of the PEOPLE-FIRST ideology of the present administration.

MDAs are advised to study the People-First Manifesto, and adhere strictly to the vision therein. Please, do not introduce any capital-intensive expenditure activity that is not realistic. Take notice, all ongoing projects at different stages of completion must be included in your proposal while activities in the 2024 Budget that are not performing should not be rolled over.

In preparing the Capital Budget for projects and programmes, all MDAs are reminded to consider the State's resource constraints and make modest capital proposals. All capital estimates should be strictly limited to ongoing projects/programmes. Nevertheless, proposals for new projects should be accompanied with His Excellency, the Governor's approval and bills of quantities. In addition, care should be taken not to identify recurrent items as Capital Expenses.

This largely will ensure the delivery of a well-articulated policy-oriented Budget that will be consistent and deliverable. However, the 2025 budget targets at achieving the following but not limited to;

- Scaling up Agro-revolution.
- Expand access to free and compulsory qualitative education.

Improve healthcare services.

Ensure a sustainable, economic and efficient management of natural resources.

Enhance social protection.

Improve Safety net programmes.

Expand our revenue base in the area of Internally Generated Revenue (IGR).

Invest in creating enabling environment for the deployment and implementation of modern technologies.

Ensure equal distribution of wealth.

Provide a platform for youths and women inclusion and skill acquisition.

Enhance greater transparency and proper accountability in our public sector expenditure management.

Ensure a conducive environment for investors and Donor Agencies to operate in the State and;

Reduce the level of debt profile of our State.

The 2025 Budget Call Circular sets out the requirements and instructions that must be followed in the preparation of the 2025 Cross River State Budget Proposals. Thus all, Chief Executives and Accounting Officers and other Officers responsible for Budget preparation are advised to read the Budget Call Circular carefully and adhere strictly to these guidelines and instructions including but not limited to the cost control measures indicated herein.

1.1 All Ministries, Departments and Agencies (MDAs) are by this circular requested to prepare and submit their 2025 Budget proposals in the format given to them by the Department of Budget, Monitoring and Evaluation. All Chief Executives of MDAs are advised to be realistic as possible and ensure the full participation of all departments, sections and units under them.

1.2 The annual stakeholder's consultative forum will hold at a date to be communicated to all concerned.

1.3 The 2025 Budget shall be based on the 52 digits National Chart of Account and in compliance with the International Public Sector Accounting Standards (IPSAS).

1.4 MDAs are expected to have submitted their revenue and expenditure returns for January to June 2024 in the new Budget format, highlighting the various segments and aligned with the 52-digit National Chart of Account.

2.0 REVENUE ESTIMATES:

2.1 INTERNALLY GENERATED REVENUE (I.G.R)

In a continued bid to de-emphasize our dependence on Federal Allocation as the main funding source, we shall be relying on Internal Revenue Generation by MDAs as the prime source of revenue for the State.

MDAs are therefore encouraged to review all their services and identify existing and potential sources of revenue to be captured in the 2025 Budget. It is pertinent to mention the need for MDAs to set realistic and achievable revenue targets and ensure proper accountability for all revenue collected.

The State Internal Revenue Service (IRS) should also submit to the Department of Budget, all relevant laws for revenue generating in responsible MDAs for capture in their 2025 Budget estimates submission.

2.1.1 TAXES:

Tax Revenue should be activity based and Identified using IPSAS which should align with economic codes on the National Chart of Account. Therefore, the State Internal Revenue Service (IRS) should for every activity identify and list all existing and potential tax revenue transactions with specific economic codes. Consideration should still be given to planned activities to improve tax collection and reporting mechanism.

The State IRS should present their monthly tax revenue estimates for 2025 2027 and the proportions should be reflected for each element and tax revenue to enhance performance budgeting.

2.2 FEDERAL ALLOCATIONS:

The Office of the Accountant-General should make realistic estimates using the figures of Nigerian Governors Forum or Federal Ministry of Finance for Statutory Federal Allocation, Value Added Tax (VAT), Excess Crude and other expected Federal revenues. The estimates should be based on the current sharing formula of the Federal Government.

2.3 OTHER FEDERAL FUNDS:

All MDAs involved in the execution of Programmes/Projects with Federal funds such as NG-CARES, SABER, SDG-Fund, Ecological Fund, Education Trust Fund and Subsidy Re-investment Fund among others should articulate related activities and documents appropriately for the State Budget Committee's attention. The frequency and level of interaction with relevant Federal Government Agencies and outcomes should be indicated, including transactions within the year 2024 - 2025.

3.0 DEVELOPMENT CO-ORDINATION AND PARTNERSHIP FUNDING

Government policy of centralizing all International donor assistance remains in force. All MDAs are therefore to compile and submit reports on all existing International Donor Assistance to the Ministry of International Donor Coordination (MIDC). Quarterly breakdown of the proportions of the total programmes and projects and the associated financial resources for executing them in the first year of the medium term should be shown and a copy made available to the Budget Office. The annual figures should be shown for outer years. MDAs are enjoined to liaise with the MIDC to ascertain the status of existing and potential assistance before including them in their estimates. They should ensure compliance with the relevant Memorandum of understanding (MOU) particularly the form of assistance, whether grant or credit and involvement of both local and international experts. In addition, affected Government Agencies should endeavor to capture the commitments in their 2025 Annual Work Plan in their proposals. Only Donors activities that have passed the qualifying exercise should be included in the proposed budget estimates.

Accounting officers are advised to fully exploit all existing and potential revenue sources within the mandate of their respective agencies. As regards Capital Receipts – that is revenues tied to the implementation of specific capital projects such internal and external development grants and loans - the proposals should be supported by strong evidence that draw-downs are assured in the 2025 FY. These may be in terms signed MoUs or Agreements.

4.0 DOMESTIC DONORS:

MDAs are encouraged to clearly identify existing Domestic donations and prospective assistance for their programmes/projects. Such cash assistance should be stated for the 2024 fiscal year and 2025 -2027 outer years. All assistance not involving the receipt of cash should appear as notes in MDAs estimate. Again, only Donors that qualify will have their funds captured in the 2025 budget.

5.0 RECURRENT EXPENDITURE:

5.1 PERSONNEL COST:

The Civil Service as the institution that implements government policies, needs to be manned by vibrant, trained, skilled and experienced manpower. A number of MDAs have been affected by staff attrition in various forms, effort should be made to ensure that the MDAs are manned by the right mix of personnel in terms of filled establishment positions and quality. While MDAs may be more concerned with filing the gaps created through staff attrition, this has to be carefully matched with resource constraint. We are aware that the Office of the Head of the State Civil Service is working with all the MDAs to produce a skill-gap analysis for their respective Agencies identifying critical areas of staff shortages. Personnel Cost Proposals for 2025 should be strictly based on actual staff position of the Payroll, a separate template should be used for proposed New Recruitments in 2025 which should be in line with already identified areas of critical manpower shortages. The cost of new recruitment should not be included in the proposed chart of accounts. While basing proposals on actual staff positions, these should take into consideration staff promotions in 2025 and envisaged staff retirements.

The component of Personnel Costs that relates to any State Political Office Holders should be included in the consolidated revenue fund of the respective MDAs.

Also, all Permanent Secretaries salaries and allowance should be comprehensively captured by the MDAs in their consolidated charges. The estimates should be based on the current revised chart of accounts remuneration. A detail supporting nominal roll should be provided in MDAs budget estimate.

All MDAs are expected to provide details of their personnel costs, which should be based on the current line item paid by the Accountant General's Office. This information should be extracted from the global summary as at the time when the 2025 Proposed budget estimate is being prepared.

5.2 OVERHEAD COST:

Estimates on overhead costs should be activity-based. MDA's comprehensive and detailed elements of overhead should be identified through review of MTSS documents and cost estimates. Submission of estimates should include a detailed costing of Overheads using the current market value. This will provide justification for every element of overhead provision. Precisely, overhead cost to be captured in 2025 budget must equate the actual current year's imprest. MDAs are advised to earmark more resources to items that would make the greatest impact in terms of performance and service delivery with less emphasis on non-critical areas. *Please note that Section 21 of the Cross River State Public Finance Management Law 2011 prohibits MDAs from transferring allocations without approval from the Department of Budget, Monitoring and Evaluation*.

5.3 CONSOLIDATED REVENUE FUND CHARGES:

5.3.1 POLITICAL OFFICE HOLDERS REMUNERATION:

The component of Personnel Costs that relates to any State Political Office Holders should be included in the consolidated revenue fund of the respective MDAs.

Also, all Permanent Secretaries salaries and allowance should be comprehensively captured by the MDAs in their consolidated charges.

5.3.2 JUDGMENT DEBTS:

MDAs with Judgment Creditors should forward same to Ministry of Justice (MOJ) for verification and compilation. If verified, the acceptable judgment debt should be sent to the Department of Debt Management resident in Ministry of Finance.

5.3.3 CONTRACTUAL LIABILITIES:

The Office of the Accountant –General should verify and complete all outstanding payment and other debt instruments and forward same to Debt Management Department for inclusion in their estimates. Outstanding debt repayment should be properly classified to distinguish between current and non-current liabilities as to determine what amount must be paid in 2025.

5.3.4 PENSION AND GRATUITIES:

The Office of the Accountant-General in collaboration with the Office of the Head of Service should make provision for pension and gratuities for all retired and out-going staff. A comprehensive list of retirees in 2024 should be forwarded to the Budget Department.

5.3.5 PARAMOUNT RULER'S STIPENDS

Paramount Rulers' stipends should be provided for by the Chieftaincy Affairs Department who shall make available a comprehensive list of beneficiaries to the Budget Department.

6.0 CAPITAL EXPENDITURE:

In preparing the Capital Budget for projects and programmes, all MDAs are reminded to consider the State's resource constraints and make modest capital proposals. All capital estimates should be strictly limited to ongoing projects / programmes. Nevertheless, proposals for new projects should be accompanied with His Excellency, the Governor's approval and bills of quantities. Also, care should be taken not to identify recurrent items as Capital Expenses.

7.0 BASELINE DATA FOR SOCIAL AND ECONOMIC SERVICES SECTOR:

Baseline data is very critical; they provide benchmarks for assessing progress in key performance indicators. It also helps the State to make better informed policy and resource allocation decisions. MDAs particularly those involved in *social and economic services,* must bring along realistic baseline figures when submitting their Budget Proposals to the Budget Department.

8.0 UNIVERSITY OF CROSS RIVER STATE/ COLLEGE OF HEALTH TECHNOLOGY / COLLEGE OF EDUCATION / TEACHERS CONTINUOUS TRAINING INSTITUTE / INSTITUTE OF TECHNOLOGY AND MANAGEMENT / COLLEGES OF NURSING AND MIDWIFERY/ MDI:

Estimate for the above Institutions should be forwarded with the following information:

i) List of school facilities, department by department and student enrolment in each of the department for the period January – June 2024.

ii) Details of fees charged by the University/ College in respect of students for the period January – December 2023 and January – June 2024 respectively. **iii)** Details of other, charges, dues and other sums received or receivable by the University/College for the period January – December, 2023 and January – June 2024 respectively.

iv) Details of earnings from consultancy programmes from January – December, 2023 and January – June 20240 respectively and plans/strategies to improve on revenue-yielding programmes/activities.

v) Details of sums accruing to the University/ College whether by way of grant, endowment, subvention or otherwise for the period January to December 2023 and January to June 2024 respectively.

vi) Details of interest on monies invested by the University/ College from any source for the general or special purposes of the University/College for the period January to December 2023 and January to June 2024 respectively.

vii) Details of actual expenditure for recurrent and capital accounts for the period January to December 2023 and January to June 2024 respectively.

9.0 MINISTRY OF EDUCATION/ SECONDARY AND TECHNICAL EDUCATION BOARDS:

The estimate for the above Boards should be forwarded with the following information:

i. List of schools by zone with their respective students' enrolment in each school.

ii. Class by class distribution of students who wrote promotion examination in the 2022/2023 academic session and in the 2nd term session should be submitted by the Education Resource Centre (ERC) of Ministry of Education.

iii. Details of actual expenditure for each school released as imprest for the current year should be shown to support proposals for overhead cost for each school in 2025.

iv. Revenue generated from each school from all sources for the period January to December 2022, 2023 and January to June 2024.

10.0 MINISTRY OF HEALTH & HOSPITALS:

All General Hospital, Health Centers and all facilities under the Ministry of Health headquarters and relevant Agencies making deduction of any percentage from services should state such clearly in their estimates, how much the health facility had realized as revenue from Jan – June 2024 and forecast for 2025. Also, details of spend at source overhead cost should be included in their estimate submission.

11.0 Budget Bilateral Discussion –

As usual, the bilateral discussion will provide an opportunity to jointly review the proposals submitted by MDAs to ensure compliance with the guidelines. This will take the period commencing 1st August to 30th August 2024. Accordingly, all Commissioners alongside with their supervised Agencies must appear for bilateral meeting.

Further, all MDAs shall present their proposed estimates as considered by the Budget Committee to the Cross River State House of Assembly at dates to be announced by the Clerk of the House.

12.0 SUBSCRIPTION PAYMENT/CONTRIBUTION:

Budget Office discourages the inclusion of professional body subscriptions. However, for critical services, MDAs should provide in their various budget proposals for software payment, legal fees, and contribution but must show evidence of last payment.

13.0 LETTERS OF CREDIT

The Department of Debt Management should ensure that all letters of credit and loans whose maturity period are within and beyond 2024 fiscal year should adequately and comprehensively be budgeted for in 2025 and the MTEF /Rolling plan. The various MDAs should avail Debt Management Department with their intending loans, letters of credit, local and foreign support and mortgage before providing such in their various budget estimates. Only loans approved by the House of Assembly should be in 2025 Budget proposal. The Department of Budget, Monitoring and Evaluation and the State Budget Committee shall not accept the provision of such activity in any MDA's *Chart of Accounts* if such information is not with the Debt Management Department.

14.0 BUDGET TIME – TABLE:

Below is the summary of 2024 Budget Time table for MDAs;

July 1st – July 26th, 2024: Submission of MDAs budget proposal to the Director of Budget; Budget Office.

August 1st – August 30th 2024: Bilateral discussion of MDAs estimates proposal with the Budget Committee in the conference room of the Budget Office.

September 24th to 27th, 2024: Presentation to Exco and Approval.

NOTE*: MDAs day for bilateral meeting will be communicated soon.*

15.0 BUDGET FORMATS

The advanced excel MDAs template aligned with the National Chart of Account and developed by the SFTAS program in line with International Public Sector Accounting Standards (IPSAS) is available in the Budget Office. This template should be used for populating MDAs estimate for 2025. MDAs should identify the formats attached as Annexures below as applicable to their relevant activities. For MDAs whose specific activities relate only to Revenue/Capital Receipts, the Baseline Data format should be strictly adhered to and should be submitted in soft copies to the Budget Department with hard copies attached as Annexures in their 2025 estimates.

15.1 BUDGET CEILING:

MDAs are advised not to exceed the set ceilings provided in the advance budget preparation template issued by Budget office.

15.3 ESTIMATE TABLE OF CONTENT:

1. Background

2. Mandate

3. Challenges

4. MTSS- Template included in call circular as annexure 1

5. Detailed Capital costing

6. Baseline data for social and economic sector

7. Administrative nominal roll

8. Supporting nominal roll

9. Chart of Account

10. Performance report for January to June 2024

16.0 BUDGET INSTRUCTION:

All MDAs are advised to collect a copy of their 2024 Chart of Accounts for use in preparation of their 2025 estimates. Each MDA's submission must be accompanied by relevant documents, e.g. authenticated supporting nominal roll for personnel cost, Bill of quantities for Capital Projects, Proforma invoice/price list for capital items etc.

All heads of MDA must attend Budget bilateral meetings on their scheduled dates.

Take Notice, in 2025 FY, the provision of Authority to Incur Expenditure (AIE) on margin and capital services is strictly limited to only emergencies.

On receipt of the call circular, all MDAs are expected to visit Budget office to collect a CD drive that contains the customized budget preparation template.

16.2 SUBMISSION OF ESTIMATE:

MDAs are expected to submit three (3) copies of their 2025 proposals, a CD containing the MDAs Returns from January to June 2024 to the Budget, Monitoring and Evaluation Department. A Flash drive is required where MDAs used Annexures 1-6 in their submission to the Budget Department.

MDAs will be expected to make electronic presentations.

17.0 MONITORING AND EVALUATION (M&E)

During 2025, a more detailed M&E framework shall be put in place and deployed to all MDAs. There shall be a more rigorous M&E strategy to improve the revenue generation and provide the valuable input to the process of capital releases to MDAs.

18.0 FURTHER INFORMATION

For further enquiries, please contact your respective schedule/sector officers at the State Budget Office or reach out to us at crsbudgeto@gmail.com

Otu Otu Ita

Special Adviser

ANNEXURE 1

2025-2027 MEDIUM TERM EXPENDITURE FRAMEWORK(MTEF)

MEDIUM TERM SECTORAL STRATEGY (MTSS) TEMPLATE

MDA									
VISION									
MISSION									
GOALS AND OBJECTIVES									
S/N	ACTIVITIES/ INITIATIVE	TOTAL COST	2025 MTEF	2025 OUTCOME	2026 MTEF	2026 OUTCOME	2027 MTEF	2027 OUTCOME	KEY PERFOMANCE INDICATOR

INTERNALLY GENERATED REVENUE **ANNEXURE 2**

MINISTRY/DEPARTMENT/AGENCY

Economic Codes	Details of Revenue	1 Estimates 2025	2 Revised 2024	3 Actual Collections Jan – June 2024	4 Actual Collection Jan – Dec. 2023	5 Total Col. 3 + Col.4	6 Average Collection Col. 5÷2	7 Col. 6* 12
	TAXES							

ANNEXURE 3

FOR USE BY CRS UNIVERSITY OF TECHNOLOGY /POST PRIMARY/TECHNICAL EDUCATION BOARD

S/n	Name of School	Location of School	Total Student Enrollment	Pupils		Amount of Imprest Release	Total Imprest Release	Total Expen. Jan. June 2024	Total Expen. Jan. Dec. 2023	Propose Expen. 2025
				Male	Female					

ANNEXURE 4

CAPITAL RECEIPTS ITEMS (GRANTS, AIDS AND LOANS)

Economic Codes	Details Receipts	1 Estimates 2024	2 Revised 2023	3 Actual Receipt 2024 Jan. - June	4 Actual Receipt Jan. – Dec. 2023	5 Total Col. 3+ col.4	6 Average Receipts col. 5÷2	7 Col. 6 x 12

ANNEXURE 5

PROPOSED SUPPORTING NOMINAL ROLL (PERSONNEL COST)

S/n	Name of Officer	Designation	Date of Last Promotion	GL	Step	Annual Basic Salary	Rent	Transport	Utility	Meal subsidy	Provision for Promotion	Total

ADMINISTRATIVE NOMINAL ROLL ANNEXURE 6

STAFF NOMINAL ROLL 2024												
NAME OF MDA: BUDGET, MONITORING AND EVALUATION DEPARTMENT												
S/N	Surname	1st Name	Middle name	Date of Birth	Date of 1st Appt.	Computer No	Present Rank	Date of Present Appt.	GL/ STEP	Local Govt. Area	Qualification	Date of Retirement

ANNEXURE 7

ACTUAL EXPENDITURE RETURNS JANUARY – DECEMBER 2023 AND JANUARY – JUNE 2024

Economic Codes	Details of Expenditure	1 Revised Provision 2023	2 Approved Provision 2023	3 Expenditure Jan. –June 2024	4 Expenditure Jan. – Dec. 2023	5 Total Expenditure (3+4)	6 Outstanding Liabilities	7 Balance

2025 BUDGET BILATERAL MEETING TIME TABLE

SECTOR	DATE OF APPEARANCE	TIME
General Administration Sector	1st – 9th August 2024	9:00am to 5:00pm
Social Services Sector	12th – 16th August 2024	9:00am to 5:00pm
Economic Sector	19th -23rd August, 2024	9:00am to 5:00pm
Regional Development Sector	26th August, 2024	9:00am to 5:00pm
Law & Justice Sector	27th – 28th August, 2024	9:00am to 5:00pm