



# FEDERAL MINISTRY OF FINANCE, BUDGET AND NATIONAL PLANNING

Office of the Honourable Minister

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**FMFBNP/OTHERS/IGR/CFR/12/2021**

**20<sup>th</sup> December, 2021**

## FINANCE CIRCULAR

The Chief of Staff to the President,  
The Deputy Chief of Staff, Office of the Vice President,  
All Honourable Ministers,  
The Secretary to the Government of the Federation,  
The Head of the Civil Service of the Federation,  
All Special Advisers/Senior Special Assistants,  
The National Security Adviser,  
All Service Chiefs/Inspector-General of Police,  
The Governor, Central Bank of Nigeria,  
The Chairman, Federal Civil Service Commission,  
The Chairman, Police Service Commission,  
The Chairman, Revenue Mobilization, Allocation and Fiscal Commission,  
The Chairman, Federal Inland Revenue Services,  
The Chairman, Code of Conduct Bureau,  
The Chairman, Code of Conduct Tribunal,  
The Chairman, Independent National Electoral Commission,  
The Chairman, National Population Commission,  
The Chairman, Federal Character Commission,  
The Chairman, Fiscal Responsibility Commission,  
The Chairman, Independent Corrupt Practices and Other Related Offences  
Commission,  
The Chairman, Public Complaints Commission,  
The Chairman, Economic and Financial Crimes Commission,  
The Chairman, National Drug Law Enforcement Agency,  
The Chairman, National Salaries, Income and Wages Commission,  
All Federal Permanent Secretaries,  
The Clerk of the National Assembly,  
The Executive Secretary, National Judicial Council,  
The Chief Registrar, Supreme Court of Nigeria,  
The Auditor-General for the Federation,  
All Vice Chancellors of Federal Universities,  
The Surveyor-General of the Federation,



All Directors-General/Chief Executives of Extra-Ministerial Offices and Agencies,  
All Rectors of Federal Polytechnics/Monotechnics,  
All Provosts of Federal Colleges of Education,  
The Directors of Finance and Accounts and Directors of Internal Audit,  
All Heads of Accounts Divisions,  
All Heads of Internal Audit Units,  
All Zonal Coordinators,  
All Federal Pay Officers,  
All Diplomatic Missions

## **RE: REVENUE, EXPENDITURE AND INTERNALLY GENERATED REVENUE (IGR) REMITTANCES TO THE CONSOLIDATED REVENUE FUND (CRF)**

Further to Circulars Ref. Nos. BO/RVE/12235/VII/201 dated 11th November, 2011, BO/RVE/12235/259/VII/268 dated 7<sup>th</sup> July, 2014 and Ref. No. TRY/A10/B10/2016/OAGF/CAD/026/V.111/101 dated 22<sup>nd</sup> November, 2016; the following guidelines are henceforth to be complied with in the computation and remittance of Internally Generated Revenue (IGR) including operating surplus:

- i. All Ministries, Departments and Agencies (MDAs) that are fully funded through the Annual Federal Government Budget (receiving Personnel, overhead and capital allocation) should remit 100% (One Hundred Percent) of their Internally Generated Revenue (IGR) to the Sub-Recurrent Account which is a sub component of the Consolidated Revenue Fund (CRF);
- ii. All partially funded Federal Government Agencies/ Parastatals (receiving Capital or overhead allocation from the Federal Government Budget) should limit their annual budgetary expenditure from their Internally Generated Revenue (IGR) to not more than 50% (fifty percent) of their gross IGR and remit 100% (hundred percent) of the remaining 50% (fifty percent) to the Sub-Recurrent Account. All statutory revenue lines like tender fees, contractor's registration fees etc should be remitted 100%;
- iii. All self-funded Federal Government Agencies/ Parastatals (receiving no allocation from the Federal Government Budget) should limit their annual budgetary expenditure to not more than 50% (fifty percent) of their gross revenue, and remit 80% (eighty percent) of the remaining 50% (fifty percent) to the Sub-Recurrent Account on quarterly basis as interim or advance payment of operating surplus while the 20% (twenty percent) to the General reserve of such Agency, in line with the Finance Act 2020;
- iv. At the end of the year, all self/partially funded Federal Government Agencies/Parastatals' Audited Financial Statements/Management Account will also be reviewed according to the approved template for the computation of operating surplus by the Fiscal Responsibility Commission. The remittable portion of the adjusted operating surplus will be determined and paid to the Sub-Recurrent Account after reconciliation. The final

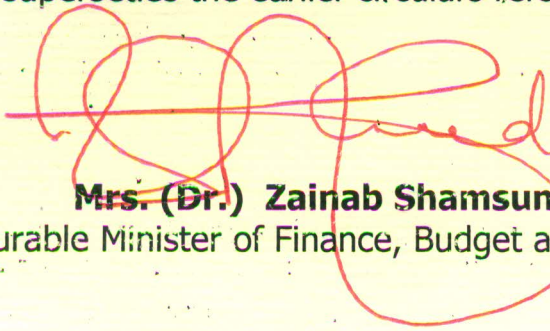


payment to be made to the Sub-Recurrent Account for the year is the higher of the 80% adjusted operating surplus and the amount arrived at in paragraph (ii) & (iii) above;

- v. For the avoidance of doubt, Agencies that are entitled to cost-of-collection are expected to submit their annual revenue and expenditure budget for review. Any expenditure not approved and or any surplus of revenue over expenditure will be subjected to the rules guiding the computation of Operating Surplus;
- vi. The Office of the Accountant General of the Federation (OAGF) will automatically effect direct deduction of 25% gross revenue for Self /partially funded Agency and 100% for fully funded Agencies as interim remittance of amount due to the Consolidated Revenue Fund;
- vii. The Sub- Treasury department of Office of the Accountant General of the Federation shall issue Treasury Receipt within 1(one) month of such deductions/ payments of revenue by MDAs;
- viii. To ensure that MDAs properly account for all revenue and expenditure, they are to submit detailed Monthly Trial Balance to the Consolidated Account Department, Fiscal Account (Funds Department) of OAGF and Budget Office of the Federation, showing clearly the revenue and expenditure on each source of fund (Statutory Allocation, Aid and Grants, Retained IGR, etc) in accordance with IPSAS Accrual Basis of Accounting; and
- ix. Henceforth the computation of operating surplus should be based on the harmonized template issued by the Fiscal Responsibility Commission. (see appendix I). The revised list of Agencies now covered by Fiscal Responsibility Act, 2007 are attached as appendix II.

2. All Accounting Officers, Directors of Finance and Accounts, Directors of Internal Audit, Heads of Accounts and Heads of Internal Audit Units of MDAs and other Arms of Government are enjoined to give this circular the widest circulation and ensure strict compliance. Any questions and clarification required on the contents in this circular should be directed to the Office of the Accountant General of the Federation.

3. This circular supersedes the earlier circulars referred to above.



**Mrs. (Dr.) Zainab Shamsuna Ahmed**  
Honourable Minister of Finance, Budget and National Planning



## EXPLANATORY NOTES

For the avoidance of doubt, the following definitions should be strictly adhered to in determining MDAs' revenue remittances to the Sub Recurrent Account which is a sub component of Consolidated Revenue Fund (CRF)

- i. **Fully Funded Agencies** are agencies of Federal Government receiving personnel, overhead & capital allocation from the Federal Budget. It should be noted that fully funded does not necessarily mean adequately funded.
- ii. **Partially Funded Agencies:** These are agencies of Federal Government that receive either capital or overhead allocation from the Federal Budget. It should be noted that to qualify as a partially funded organization of federal government such an agency must at least be able to fund its personnel cost.
- iii. **Self-Funded Agencies:** These are Agencies of Federal Government that does not receive any budgetary allocation from the Federal Budget
- iv. All allocation received from the Federal Government will not be treated as revenue to the Agency in computing the operating surplus.

### GUIDELINES FOR COMPUTATION OF OPERATING SURPLUS

#### **1 Non-Allowable Expenditure:**

In the computation of operating surplus, agencies shall not be allowed to charge the following types of expenses:

- a. Salaries in excess of the scales approved by the National Salaries, Income and Wages Commission;
- b. Monetization of medical and other allowances;
- c. Business class travel for officers other than Chairman and Chief Executive Officer;
- d. Personal loan to staff in excess of approved limits, including unapproved mortgages, among others;
- e. Expenditure in excess of approved mandates;
- f. Donations to individuals, including those to political and charitable organizations as charitable donations;
- g. expenses in respect of conference meetings in excess of approved circular on frequency of meetings; and
- h. Any other expenditure deemed to be inappropriate.

## 2. **Disclosure Requirement:**

Agencies listed in the schedule to the Act (FRA 2007) including the additions by the FMF should ensure that the following additional information are fully disclosed as note to their Audited Financial Statements:

- a. expenditure incurred on behalf of supervisory ministry and any other organ of government involved in oversight or regulatory functions;
- b. salaries and allowances paid to each member of the Board of Directors, Governing Council, Commission which are outside or above the amount approved in the circulars issued by the Revenue Mobilization, Allocation and Fiscal Commission and the National Salaries, Income and Wages Commission;
- c. all expenses incurred on overseas training, overseas medicals, welfares, local travels and training;
- d. the number of management and other staff on payroll;
- e. list of donations, sponsorships, gifts and the beneficiaries during the year;
- f. schedule of cost of collection and fees paid, including any contract signed for revenue collection by third party;
- g. schedule of staff loans granted repayments made and the age analysis of outstanding loans;
- h. Details of assets sold or transferred to staff or Board members during the year; and
- i. Any other information that may be deemed necessary.





## APPENDIX I

### 3. COMPUTATION OF OPERATING SURPLUS:

Surplus/(Deficit) as Per	<del>N</del>	<del>N</del>
Audited /Management Accounts		XX

#### A. ADD BACK DISALLOWABLE EXPENSES:

i.	General Provision (except Statutory)	XX	
ii.	Depreciation/Amortization	XX	
iii.	Donations	XX	
vi.	Un authorized/ excess Capital Expenditure	XX	
v.	Benefits-in-kind (except approved by NSIWC)	XX	
vi.	Political Expenses	XX	
vii.	Subscriptions	XX	
viii.	Unbudgeted Expenses	XX	
ix.	Undisclosed Income/Non-Core-income	XX	
x.	Un-authorized Bank Charges	XX	
xi	Any other expenditure deemed to be inappropriate	<u>XX</u>	<u>XXXX</u>

#### B. DEDUCT ALLOWABLE EXPENSES:

i.	Approved Expenses omitted	XX	
ii.	Budgetary Allocation	<u>XX</u>	<u>(XXXX)</u>

<b>Operating Surplus</b>		<b><u>XXXX</u></b>
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#### C. APPROPRIATED

To:	Consolidated Revenue Fund (CRF) 80%	XX
To:	General Reserve Fund of the Agency 20%	<u>XX</u>
		<b><u>XXXX</u></b>



**REVISED LIST OF ADDITIONAL SCHEDULED AGENCIES UNDER THE FISCAL RESPONSIBILITY ACT, 2007 AS APPROVED BY THE HONOURABLE MINISTER OF FINANCE BUDEGT AND NATIONAL PLANNING ON DECEMBER, 2021**

1. ABUJA SECURITIES AND COMMODITY EXCHANGE COMMISSION
2. CEMENT TECHNOLOGY INSTITUTE OF NIGERIA
3. COUNCIL FOR THE REGULATION OF FREIGHT FORWARDING IN NIGERIA
4. NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION (NUPRC)
5. FEDERAL HOUSING AUTHORITY (FHA)
6. INDUSTRIAL TRAINING FUND (ITF)
7. INTEGRATED WATER RESOURCES DEVELOPMENT AGENCY (IWRDA)
8. JOINT ADMISSION AND MATRICULATION BOARD (JAMB)
9. NATIONAL EXAMINATIONS COUNCIL (NECO)
10. NATIONAL FOOD RESERVE AGENCY (NFRA)
11. NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (NITDA)
12. NATIONAL INLAND WATERWAYS AUTHORITY (NIWA)
13. NATIONAL INSURANCE COMMISSION (NAICOM)
14. NATIONAL SPORTS COMMISSION (NaSC)
15. NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD (NCDMB)
16. NIGERIAN AGRICULTURAL INSURANCE CORPORATION (NAIC)
17. NIGERIAN EXPORT PROCESSING ZONES AUTHORITY (NEPZA)
18. OIL & GAS FREE ZONE AUTHORITY (O&GFZA)
19. NIGERIAN MIDSTREAM & DOWNSTREAM PETROLEUM REGULATORY AUTHORITY (NMDPRA)
20. TERTIARY EDUCATION TRUST FUND
21. NIGERIA DEPOSIT INSURANCE CORPORATION (NDIC)
22. NIGERIA SOCIAL INSURANCE TRUST FUND (NSITF)
23. CORPORATE AFFAIRS COMMISSION (CAC)
24. NIGERIAN AIRSPACE MANAGEMENT AGENCY (NAMA)
25. NIGERIAN SHIPPER'S COUNCIL (NSC)
26. NIGERIAN MARITIME ADMINISTRATION & SAFETY AGENCY (NIMASA)
27. RAW MATERIAL RESEARCH & DEVELOPMENT COUNCIL (RMRDC)
28. NIGERIAN CIVIL AVIATION AUTHORITY (NCAA)
29. NATIONAL SUGAR DEVELOPMENT COUNCIL (NSDC)
30. NIGERIAN POSTAL SERVICE (NIPOST)
31. NIGERIAN PORTS AUTHORITY (NPA)
32. FEDERAL AIRPORT AUTHORITY OF NIGERIA (FAAN)
33. SECURITIES & EXCHANGE COMMISSION (SEC)
34. NATIONAL AUTOMOTIVE DESIGN & DEVELOPMENT COUNCIL (NADDC)





35. NATIONAL COMMUNICATION COMMISSION (NCC)
36. NATIONAL AGENCY FOR FOOD & DRUG ADMINISTRATION & CONTROL (NAFDAC)
37. NIGERIAN CUSTOMS SERVICE (NCS)
38. FEDERAL INLAND REVENUE SERVICE (FIRS)
39. CENTRAL BANK OF NIGERIA (CBN)
40. NATIONAL BROADCASTING COMMISSION (NBC)
41. NIGERIAN ELECTRICITY REGULATORY COMMISSION (NERC)
42. FEDERAL MORTGAGE BANK OF NIGERIA (FMBN)
43. FINANCIAL REPORTING COUNCIL (FRC)
44. NIGERIAN BULK ELECTRICITY TRADING PLC (NBET)
45. NIGERIAN HEALTH INSURANCE SCHEME
46. NATIONAL PENSIONS COMMISSION ((PENCOM)
47. FEDERAL ROAD SAFETY CORPS (FRSC)
48. NIGERIAN IMMIGRATION SERVICE (NIS)
49. NATIONAL BUSINESS & TECHNICAL EXAMINATION BOARD (NABTEB)
50. NATIONAL LOTTERY TRUST FUND (NLTF)
51. NATIONAL LOTTERY REGULATORY COMMISSION (NLRC).
52. NIGERIAN ELECTRICITY MANAGEMENT SERVICE AGENCY (NEMSA)
53. NIGERIAN RAILWAY CORPORATION (NRC)
54. STANDARD ORGANIZATION OF NIGERIA (SON)
55. NIGERIAN EXPORT PROMOTION COUNCIL (NEPC)
56. NIGERIAN TELEVISION AUTHORITY (NTA)
57. NIGERIAN COPYRIGHT COMMISSION (NIGCC)
58. NATIONAL SPACE RESEARCH AND DEVELOPMENT AGENCY (NSRDA)
59. NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (NOTAP)
60. NIGERIAN METEOROLOGICAL AGENCY (NIMET)
61. NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)
62. NIGERIAN NUCLEAR REGULATORY AUTHORITY (NNRA)
63. NIGERIA COMMUNICATION SATELLITE LIMITED (NIGCOMSAT)
64. NIGERIAN FILM AND VIDEO CENSOR BOARD (NFVCB)
65. NIGERIAN FILM CORPORATION (NFC)

