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**நிதி அமைச்சு**  
**MINISTRY OF FINANCE**

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திகதி } 27.04.2017  
Date }

**State Accounts Circular No: 255 /2017**

All Secretaries to the Ministries  
Chief Secretaries to Provincial Councils  
Heads of Departments

**Entering Commitments and Liabilities Utilizing Budgetary Provisions**

The objective of this Circular is to ensure the optimum utilization of the provisions approved in the Annual Appropriation Act of 2017 and thereafter and prevention of entering in to commitment and liabilities in excess of provisions so approved.

02. Accordingly, following instructions should be followed when incurring expenditure approved under each Expenditure Head in the Annual Appropriation Act.

- (a) Within the limits of the annual budget, the commitments other than personal emoluments have to be identified at the beginning.
- (b) Based on commitment thus identified, the value of goods and services procured and the certified quantum of work completed should be recorded as liabilities.
- (c) When entering in to commitment based on goods, services and contract extending over one financial year or when goods and services have not been received and contract not certified as completed, such commitment can be carried forward to next year only if budgetary provisions have been made for such subsequent years.
- (d) All liabilities which are related to the particular financial year should be settled within the year and no liabilities should be carried forward to the next year with the objective of settling during that year. Accordingly, General Treasury will not undertake to settle any liability that does not conform with the above instructions.

03. CIGAS accounting system has been updated to accommodate the above mention commitment and liabilities. Hence, you should take necessary actions to include the said function in to the CIGAS programme.

04. The Department of State Accounts is maintaining a specific data base to identify commitment and liabilities under each expenditure head as at any given date, all the spending units should upload their commitment and liabilities to the website [www.newcigas.treasury.gov.lk](http://www.newcigas.treasury.gov.lk) on daily basis.

05. For the purpose of this Circular "commitments" and "liabilities" are defined as follows:

**Commitments** - The value of the agreement/purchase order entered with outside parties with the aim of procuring goods and services or placed contractual works.

**Liabilities** - The balance to be paid for goods and services procured properly and contractual work certified as completed.

06. If further clarification on the requirement of this Circular is needed, please contact Mr. A.P. Kurumbalapitiya, Director (Tel. 0112484753) of the Department of State Accounts.



**A.R. Desapriya**

**Deputy Secretary to the Treasury**

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01. Auditor General