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ATTENTION**

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EBAP/83/151

June 6, 1983

To: Members of the Executive Board

From: The Secretary

Subject: FY 1983 Budget - Transfer of Appropriations

It is not intended to bring the proposal set forth in the attached memorandum of the Acting Managing Director to the agenda for discussion unless an Executive Director so requests by the close of business on Thursday, June 9, 1983. In the absence of such a request, the proposed transfers will be deemed approved by the Executive Board and a decision to that effect recorded in the minutes of the next meeting thereafter.

Att: (1)

Other Distribution:
Departments Heads

June 6, 1983

To: Members of the Executive Board

From: The Acting Managing Director

Subject: FY 1983 Administrative Budget - Supplementary Appropriations
and Transfer of Appropriations

The administrative accounts for FY 1983 are being closed. Preliminary totals indicate that actual administrative expenses will amount to \$182,708,450 which is \$2,598,450 (1.4 per cent) more than the approved budget of \$180,110,000. All of the excess expenditure is on account of charges arising from the agreement reached by the Executive Board at EBM/83/70 (May 16, 1983) to begin a new procedure to account for accumulated annual leave and earned separation grants. Actual expenses are greater than the amount budgeted in two categories of expense, and smaller in eight categories of expense. A summary of the outcome by category is as follows.

I. Personnel Expenses

A - Salaries

Actual expenses have amounted to \$74,639,687 which is \$10,313 (0.01 per cent) less than the approved budget of \$74,650,000.

B - Other Personnel Expenses

Actual expenses have amounted to \$58,589,152 which is \$3,864,152 (7.06 per cent) more than the approved budget of \$54,725,000. Included in the charges for this category is \$4,003,377 on account of the estimated value of accrued annual leave and separation grants accumulated during FY 1983. Accrued leave and separation grants accumulated in prior years will be considered an administrative expense outside of the administrative budget. Tax allowances are about 3 per cent more than the amount budgeted. This overrun occurred because the accrual for April was somewhat more than had been expected. This, however, will likely mean that charges for tax allowances in FY 1984 will be less than budgeted by a similar amount. Actual expenses in eleven of the remaining twelve accounts in this category are less than budgeted. In particular there have been underexpenditures in the overseas account because of lower costs than expected for some resident representative and advisor posts which were filled towards the end of the year. There were also fewer claims for children's education allowances than had been expected.

II. Travel Expenses

C - Business Travel

Actual expenses have amounted to \$13,425,641 which is \$124,359 (0.92 per cent) less than the approved budget of \$13,550,000. The underexpenditure is mainly because the average cost of a mission was less than expected.

D - Other Travel

Actual expenses have amounted to \$10,207,623 which is \$762,377 (6.95 per cent) less than the approved budget of \$10,970,000. The underexpenditure was mainly because the volume of settlement travel and the average cost of freight in connection with settlement travel were both less than expected. The average cost of home leave travel was also slightly less than had been expected.

III. Other Administrative Expenses

E - Communications

Actual expenses have amounted to \$4,551,816 which is \$51,816 (1.15 per cent) more than the approved budget of \$4,500,000. Most of the overexpenditure is on account of higher costs for freight and general postage than expected.

F - Building Occupancy

Actual expenses have amounted to \$6,383,674 which is \$251,326 (3.79 per cent) less than the approved budget of \$6,635,000. Most of the underexpenditure in this category is on account of delays of certain building alteration projects which were not completed in FY 1983 as expected.

G - Books and Printing

Actual net expenses have amounted to \$1,745,026 which is \$49,974 (2.78 per cent) less than the approved budget of \$1,795,000. Higher income from sales of publications accounts for most of the underexpenditure in this category.

H - Supplies and Equipment

Actual expenses have amounted to \$4,789,739 which is \$30,261 (0.63 per cent) less than the approved budget of \$4,820,000.

I - Data Processing Services

Actual expenses have amounted to \$4,908,149 which is \$6,851 (0.14 per cent) less than the approved budget of \$4,915,000.

J - Miscellaneous

Actual expenses have amounted to \$3,467,943 which is \$82,057 (2.31 per cent) less than the approved budget of \$3,550,000. Most of the underexpenditure is because of a delay with one contractual service and cancellation of another. In addition, representation expenses were less than expected.

Recapitulation and Recommendation

In view of the developments indicated above, I recommend adoption of the following decision by the Executive Board:

A supplementary appropriation of \$2,603,000, to be allocated among the categories of expense as shown in the following table, is approved for the administrative budget for FY 1983.

	Approved Budget	Supplementary Appropriation or Transfer	Revised Budget
	<--- (In thousands of US dollars) --->		
I. <u>Personnel Expenses</u>			
A - Salaries	74,650	- 10	74,640
B - Other Personnel Expenses	54,725	+ 3,865	58,590
II. <u>Travel Expenses</u>			
C - Business Travel	13,550	- 124	13,426
D - Other Travel	10,970	- 762	10,208
III. <u>Other Administrative Expenses</u>			
E - Communications	4,500	+ 52	4,552
F - Building Occupancy	6,635	- 251	6,384
G - Books and Printing	1,795	- 49	1,746
H - Supplies and Equipment	4,820	- 30	4,790
I - Data Processing Services	4,915	- 6	4,909
J - Miscellaneous	3,550	- 82	3,468
Total	180,110	+ 2,603	182,713