



**NATIONAL
TREASURY**

Capital Acquisition & Sources of Finance Budget (CA)

(Version 200505_0900)

Purpose

The purpose is to set out the budgeted capital acquisition by major category and functional classification as well as provide details on the sources of financing.

Users will be able to: -

- Assess the budgeted capital expenditure by function/service
- Assess the extent to which capital expenditure is being used to both sustain and expand existing services through the distinction between "new" capital expenditure and "replacement" capital expenditure
- Determine the financing of capital expenditure and estimate the impact on the operating account
- Assess the timing of capital expenditure through the identification of capital expenditure brought forward from previous years and which is expected to be carried forward to future financial years
- Track assets that are donated and therefore enable recording of those assets on the balance sheet and ensure appropriate maintenance for these assets can be provided from the operating account.

Format of Return Form

This return will be specified as supporting documentation to be provided electronically to National Treasury along with the submission of the municipality's budget documentation that is tabled (draft budget) and approved.

Municipalities must not change the template. The database is expecting specific data with specific attributes. If this is not found, problems will arise. For example, do not add, delete or modify line items or functions. If unsure of exactly how to complete a template, contact lqdatabase@treasury.gov.za immediately and seek assistance.

All figures are to be entered in whole Rands, and all figures are to be entered as positive. This may require a change in sign if municipal systems record expenditure as negative.

- In the Financial **Year end** column, change the year end to the financial year end (e.g. 2005 for the year ended June 2005) from the drop down list
- Change **Muncde** to your own Municipal demarcation code from the drop down list.
- The third column shows the internal database code for the function and sub function. (0101 = function 01, sub-function 01). This cannot be changed.
- The fourth column shows the description for the Government Finance Statistics (GFS) function and sub-function. In order to complete this return, municipalities must already have completed the exercise of coding their chart of accounts against the Government Finance Statistics (GFS) sub functions. Separate guidelines exist for this. Please contact lqdatabase@treasury.gov.za for assistance. This cannot be changed.
- For each sub-function performed by the municipality ensure that the selection in column E is made as to whether the sub-function is performed by a municipal entity or not.
- The line items (see columns F and G) will be repeated for each sub-function. Complete figures for each sub-function as appropriate.
- The line items represent category classifications of assets and will be updated with GAMAP. These cannot be changed.
- The shaded columns are the only columns that will be uploaded and these cells are protected to only allow values.
- Figures may be keyed in manually or populated through the use of look up tables or other similar method. However, formulas cannot be used in the shaded cells. To use look up tables or formula, utilise the unprotected cells to the right of the shaded cells. The furthest right cell before the unprotected cells contains a code, which can further assist with the use of look up tables. This code is a combination of the function code and the line item code. – Alternatively, comma separated value formats are available and municipalities wishing to utilise these should contact lqdatabase@treasury.gov.za.

- Information for four financial years must be provided. The example below relates to the information that must be provided in relation to the 2005/06 budget submission.
 - Estimated Year End - Is for the year ended June 2005
 - Budget Year – Is for the year ending June 2006
 - First Indicative Budget Year – Is for the year ending June 2007
 - Second Indicative Budget Year – Is for the year ending June 2008

- Only the information in the shaded cells will be uploaded. Municipalities may use the un-shaded cells to the left to enter further comparative information to assist with analysis.

- For each of the four financial years, four columns must be completed:
 - Contributed Assets
 - New Capital
 - Replacement Capital
 - Carry Over

- Contributed Assets are assets given to the municipality free of charge. An example is where a developer completes a property development and transfers ownership of certain infrastructure assets to the municipality.

- On the other hand, new and replacement capital relate to assets purchased or constructed by the municipality. The return deliberately distinguishes between replacement and new capital expenditure to assist with differentiating between sustaining and expanding of services.

- Carry over relates to the capital expenditure that was budgeted but will not be expended in the financial year. For example, at the time of preparing the 2005/06 budget, the municipality must estimate the amount that will be carried over and ensure this amount is included in the 2005/06 budget (to minimise the requirement for an adjustment budget early in the new budget year).

- A separate worksheet called “Summary” is provided to assist municipalities with analysis and balancing. This is for information only and may be printed for record keeping purposes. This worksheet will not be uploaded to the database, is not protected and municipalities should exercise care if relying on this summary.

Submission Process

Electronic Submission

Ensure the file is saved in the correct format (Muncde_CA_ccyy_Y.xls) by selecting the correct **Year End** and **MunCode** from drop-down lists and using the inbuilt macro to automatically save using the correct file name. Simultaneously press **Shift+Ctrl+S** (with “**Caps Lock**” off) to invoke the macro. The file will be saved in the current active directory.

The file will be saved with the correct naming convention in the current active directory:

➤ GT001_CA_2006_Y

Email the Excel (.xls) file to lgdatabase@treasury.gov.za with a subject heading of **Financial Reporting Database Input**.

Timing of Submission

The Return form is to be submitted electronically only

1. Immediately after the budget has been tabled and at the same time that draft budget documentation is submitted.
2. Immediately after the budget has been approved and at the same time that the approved budget documentation is submitted.