CIRCULAR

relating to the execution of the National Budget starting with financial year 1956.

Saigon, December 24, 1955

From: President of Republic of Viet Nam,
To: M. the Secretaries of State.

(in communication with M. the Prefects general and the Treasurer general of Viet Nam).

I am very glad to give you the indications below to be observed from financial year of 1956 for the execution of National Budget and, particularly, for the assignment of credits to the sub-orderers and the centralization of accountings involved.

I.- Délégué-Orderers and sub-orderers

1/- The provisions of article 2 of decree No 38-TC on December 24th, 1955 are sufficient by themselves to allow to different Secretaries of State and Prefects généraux to take, from now on, all disposals for carrying out the functions of délégué-orderer, counting from January 1st of next year, date of opening of financial year 1956.

Specially, the new délégué-orderers would like to:

a. make open immediately accounting books indicated in paragraph 28o below;
b. make sending, before January 1st, 1956, to the assignatory accountant of Treasure, a specimen of their signature with at the same time an epitome of the said decree.

2/- On authorization of President of Republic in council of Cabinet, the délégué-orderers may, if necessary, appoint the sub-orderers for certain expenditures.

Each arrêté of institution (appointment) must determine the attributions and the territorial line (extent of jurisdiction) of the sub-orderer, and designate the accountant of Treasure in charge of the payment of warrants issued by the sub-orderer.
The signature of this later must be accredited near by the assignatory accountant, to whom it must also notify the arrêté of institution (appointment).

3/- The délégué-orderers and the sub-orderers can give special delegation to a functionnary (civil servant) of their choice for the managing of expenditures, placed under their control and under their responsibility.

The copy of arrêté of delegation and an original signature of that functionnary must be sent to the assignatory accountant of Treasure.

4/- Likewise, the délégué-orderers and sub-orderers have the right to designate, under their control one or several liquidators of expenditures, according to material distribution of their services.

5/- Until intervention of further concerning national texts, the financial decree of December 30th 1912 and the regulations on public accounting in vigour are provisionally maintained in application, if they are not in the contrary of the disposals of national texts already promulgated and particularly of those of the present cicular.

II.- Receipts

6/- The departments which comprise the Services, producers of receipts (schools, hospitals, Post offices and Télécommunication, etc...) establish every year, on the date fixed for this cause, the states of provisions of receipts which concern them. These states are centralized by the Secretary of State for Finances, délégué orderer for receipts, in view of the preparation of a general statement of receipt provisions to be transmitted to the Presidency (Direction of Budget), for the elaboration of the National Budget Project.

7/- The Délégué-orderers and the sub-orderers establish and send, if such should be the case, to the Department of Finances, on one hand, the project of taxes rolls within the conditions foreseen by the actual regulations and, on the other hand, the project of orders of receipt gradually as the declaration of rights by their Services.

To facilitate the control, it recommandes the Services involved to date and to number all the project of receipt orders, after their enregistering in a memorandum-book to be opened. Such numbers are independant from those the délégué-orderer for receipt will give to these pieces (record, dossier) during their enregistering, following a serie of numbers common to all Services and unique for each exercise.

8/- It is the right for délégué-orderer for receipts to keep:

a.- a day book of rights stated for the benefit of the National Budget;

b.- a book of accounts for nature (kind) of receipts.

9/- The Délégué-Orderer for receipts establishes, at the end of every month, for the Presidency (Direction of Budget), a general situation of Receipts
of National Budget, comprising the provisions pertaining to the Budget, the issue prices, the recoveries (payment), the rests to be recovered and the superior or inferior-value.

He establishes, on the close of exercise, a project of account of receipts and an explanatory detailed bill to be sent to the Presidency (Direction of Budget).

III.- Expenditures

A.- Common dispositions

10/- The Délégué-orderers and sub-orderers could not, for what any motive it may be, engage none expenditure before it would have been provided a means for pay by a regular credit.

They could not, in no case, change the destination of credits assessed or the credits assigned of which they couldn't go beyond the account in the engagement of expenditure and in the issue of warrants.

11/- For the reason of actual situation pertaining to budget, it is proper, for each exercise, to observe the specialty of credits not only in chapter, but also in article and paragraph.

12/- In general rule, all expenditures must be paid by warrants issued to the cash of Accountants of Treasure.

The constitution of funds for in advance would be only authorized as an exception, for some category of expenditure to be determined and in the conditions to be fixed by a further circular.

In waiting, each department will be able, if it is necessary, to institute an advance-cash, after connection with the Secretary of State for Finances.

B.- Issue of order for expenditures

by the Délégué-Orderers.

Assessment of credits

13/- Every quarters (three months). The President of Republic in Council of Cabinet sets the assessment of credits which the délégué-orderers could dispose for the next quarter.

14/- The statements of Credits assessment are established by chapter and article, including the situation of recoveries and real needs of each department.

For this effect, the different délégué-orderers would like to send, within the first five days of the last month of each quarter, to the Presidency
(Direction of Budget), their statements of needs for the next quarter, estimated in the strict necessary and supported upon justification, so that the Presidency could establish in due time the statement of the corresponding credits assessment.

15/- After approval, the statement of credits assessment is notified to the Treasurer general of Vietnam before the beginning of the quarter which concerns the statement.

The epitome of the part concerning each délégué-orderer is sent him too at the same time.

Engagement of expenditures

16/- I give great importance to the engagement of expenditures, this act shows itself at last by an outgoing of funds of the Treasure cash. I recommend you then, only to engage in strictly necessary expenditures, within the condition precised in above paragraphs 10o and 11o.

The sumptuary expenditures are eliminated in all cases.

Issue of order for expenditures

17/- The liquidator must only verify and arrest the rights of creditors for the "Services involved". (Services faite).

18/- It is important that they must take a great care of the exactitude and the regularity of custumary documentary evidences to be put as vindicator of warrants of payment.

19/- For each exercise, the warrants must be established in print on the same colour for all délégué-orderers (following the indication of the Presidency), to avoid from all confusion and complication for the Treasure.

20/- A serie of unique order number for each exercise must be severely followed by each délégué-orderer in the enregistering of mandates of expenditures which he orders.

21/- The limit date for liquidation and order of expenditures is fixed on May 20th of the second year of exercise.

22/- In particular, the common expenditures (pensions, life-annuity, demandable debt, subsidies, real acquisitions, miscellaneous expenses, unforeseen expenses, partial reimbursement of Treasure advances, expenditures of category different from those which relate the National Defense) will be mandated by the Secretary of State for Finances, to whom I give delegation for this effect.

However, the engagements as subsidies, real acquisitions and unforeseen expenditures will be accomplished only with my preliminary agreement.

23/- The credits for admission to hospital, transportations (motor-fuel, oils), allowances for trip (transportation, lodging) will be inscribed in
chapters of different departments and managed by the Secretaries of State interested. It is recommended that these later would like to send at the end of each month, to the Secretary of State for Finances and to the Presidency (Direction of Budget), an abstract indicating the total amount of engaged expenditures and that of mandated expenditures of each of these categories of expenditures.

**Endorsement of mandates**

24/- It is understood that there is penury of qualified personnel, there will be no institution of particular Controllers of engaged expenditures in the departments.

All projects permitting an engagement of expenditures (decree, arrêté, decision, statement of personnel engagement, contract, purchase, etc...), as well as the mandates of payment, established by different délégue-orderers, must be submitted obligatorily to the preliminary endorsement of existing Controllers.

The Controllers of engaged expenditures make sure especially of correct imputation of expenditures, sufficient disposals, exactness of deductions and regular apply of legislative an customary dispositions, but they don't have to declare themselves upon the opportuneness of expenditures.

In case of litigation, the lawsuit will be submitted to my appreciation.

25/- After the written order for payment, the mandates must be submitted to the endorsement (visé) of assignatory accountants of Treasure, before being delivered to their titular (payee) under the care of délégue-orderers.

In case of delivering of payment requisition by délégue-orderer (under his own responsibility vis-à-vis of the Court of accounts), a copy must be transmitted at the same time to the Presidency (Direction of Budget). The interested accountant of Treasure can only follow up if, within the 48 hours which follow the receiving of the payment requisition, he didn't receive any objection from the Presidency.

26/- The accountants can verify expenditures in their accounting only on mandates delivered by délégue-orderers within the limit of credits assessed by principal orderer.

**Books to be kept**

27/- Every liquidator of expenditures must keep, by exercise:

a) a book of registering of creditors' rights;

b) a register of liquidated expenditures (by chapter, article and paragraph)

28/- Every délégue-orderer has to keep, by exercise:

a) a register of engaged expenditures (which will make the object of a special Instruction).
b)- a day-book of delivered mandates, with the purpose of immediate and successive enregistering of all issued mandates, individual or collective (filed preliminarily by chapter, to facilitate a further scrutiny (search));

c)- an accounts-book by chapter of expenditures, reserved to enregistering (by article and paragraph), on one hand, of assessed mandates and, on the other hand, of ordered expenditures.

29/- The délégué-orderers who give delegations of credits to sub-orderers keep besides:

a)- a register of delegated credits

b)- a general register of account of expenditures, recapitulating informations of monthly situations furnished by sub-orderers.

30/- Besides the books above indicated, délégué-orderer for receipts keeps the books relating to Fund of reserve of National Budget (register of available funds and book of account).

31/- Independently from the essential books above said, liquidators or délégué-orderers have to keep the registers foreseen by special regulations in force (control of salaries, register of official report of auction, register of inventory, etc...)

They have freely the right to make open the register of details and auxiliary books if necessary.

32/- The day-book of delivered mandates must be totalized at the end of every day, in view of establishment of daily memorandum of delivered mandates, to be sent the evening to the Treasure.

The other books of accounting must be totalized monthly upon the gross amount of operation of the month. After deduction of reinstatement or annulment operations, the net totals of the month are added to the anteriors (of exercise) so that to make the general totals.

At the close of exercise, all books are closed and stopped on net total of operations.

The figures brought in periodical situations and in accounts established at the close of exercise must be in accord in all points with the results written in the register of accounting.

Evidences and Situations to be furnished

33/- The délégué-orderers contribute to the preparation of budget of expenditures of each service in establishing the statements of previsions with elements of which they make use and following the indications that the Presidency send to them (Presidency: Direction of Budget);

34/- The délégué-orderers have to address to the Presidency (Direction of Budget);
a) a copy (readable) of memos of expenditures engagement and modificative memos, just on their establishment;

b) within the first fortnight of each month, a situation established by exercise and presenting by chapter article and paragraph (with contango of the anteriors): the amount of previsions pertaining to budget, amount of assessed credits, amount of engaged expenditures ordered during the month before;

c) within the first twenty days which follow every quarter, a notice showing the conditions in which execution of concerning part of budget was carried out during the quarter, as well as verified results and, eventually, proposals they must state precisely;

d) before July 15 of the second year of exercise, the detailed account of operations relating to their chapters and to exercise arriving to its term (last date), with notice giving, by chapter article and paragraph, all necessary explanations.

35/- The Direction of Budget establish at the end of every month a recapitulative situation of expenditures of all departments, showing, by chapter and article (with contango of the anteriors): the amount of prevision pertaining to budget, amount of engaged expenditure, amount of ordered expenditures and amount of payment performed during the month before.

36/- With the help of elements furnished by délégué-ordered, the Direction of Budget will prepare the general Account of receipts and expenditures, at the close of the exercise.

C. Issuing of mandates of expenditures by sub-ordered.

Request of delegation of credits

37/- In principle, the delegation of credits are performed quarterly. However, if circumstance demand, credits are delegated month after month.

38/- The request of delegation of credits are addressed to délégué-orderedes interested twenty days at least before the beginning of every quarter.

39/- The requests for delegation of credits made by way of telegram are not admitted.

40/- Each request make know, by chapter, article and paragraph:

a) amount of credits delegated precedingly;

b) amount of mandates delivered by sub-ordered since the beginning of exercise;

c) amount of available credits upon delegated credits;

d) amount of necessary credits for issuing of mandate of expenditures during the quarter involved.

These expenditures must be justified in details (by chapter, article and paragraph) in an annexed statement.
Delegation of credits

41/- Each delegation of credits gives place to an establishment of a memo of engaged expenditures.

42/- The delegated credits make the subject of special mandates bringing, in prominent way, the inscription: "Mandate of delegation of credits". These mandates are established in print and on white colour, for avoiding all confusion with mandates of payment delivered by délégué-orderers.

43/- The mandates of delegation of credits, established distinctly by chapter, indicate: the exercise, the number of chapter, article and paragraph of imputation, the sub-orderer interested, the exact nature of expenditures to be performed and the amount of delegated credits in their total at full length.

44/- After endorsement of mandate of delegation by the controller of engaged expenditures and his inscription in account-book of delegated credits, the délégué-orderer send it to the Treasurer general of Vietnam, and at the same time a note of delegation of credits to the sub-orderer.

The Treasurer general send, if necessary, an extract of mandate of credits delegation to the Accountants interested.

45/- If, incertain emergencies, the notification of credits delegations is made by telegraphic way, it must be immediately confirmed by written in regular form.

Order of expenditures

46/- To facilitate the task of Treasure, sub-orderers' payment mandates must be established in print on colour different from that of mandates issued by the délégué-orderers (see paragraph 19o).

47/- The sub-orderers keep obligatorily:

a) a day book of delivered mandates, for successive enregistering of mandates issued;

b) an account book by chapter of expenditures (with details by article and paragraph) for enregistering, on one hand, the delegated credits and, on the other hand, the expenditures ordered (in writing) on these credits. These register must be totalized, the first at the end of every day and the second at the end of the month.

Control and payment of expenditures

48/- The mandates of payment established by the sub-orderers must be submitted to the endorsement of Controllers of engaged expenditures, in the localities where they have one of them.
49/- These mandated must be, besides, submitted to the preliminary endorsement of assignatory accountants of Treasure.

50/- They are payable at the cash of these accountants in the same conditions as the mandates issued by the délégué-orderers.

51/- The accountants of Treasure keep the memorandum books of orderers showing, by chapter and, if necessary, by article of budget, the amount of delegated credits of which they have received the notification, the account of mandates issued and the payments executed for these mandates.

52/- The Accountants of Treasure couldn't, without giving their own responsibility, discharge the expenditures which would be mandated upon the deleguated credits outside the conditions mentionned in the present circular.

Evidence and Situation to be furnished

53/- Each sub-orderer has to send to the délégué-orderer from whom he has received the delegations of credits:

a)- a copy of memos of expenditures engaged upon the delegated credits and modifying memos, since their establishment.

b)- within the first five days of each month, for the month before, a memorandum presenting, by chapter, article and paragraph (with contango of the antecedents):

- the amount of delegated credits
- the amount of expenditures liquidated upon the delegated credits
- the amount of expenditures ordered;
- the amount of payments accomplished by the Treasure;
- the amount of rests to be paid upon the expenditures ordered;
- the amount of available remainders upon the delegated credits

An exemplary of memo and a copy of note must be sent at the same time and directly to the Presidency (Direction of Budget).

54/- The délégué-orderers interested must send to the Presidency (Direction of Budget):

a)- a copy of their decisions bringing the institution of sub-orderers;

b)- an exemplary of memos relating to credits delegations, just after their establishment;

c)- a copy of mandate of credits delegations, on the same day of their issue;

d)- within the first fortnight of every month, for the month before, a recapitulatory situation, by chapter, article and paragraph, showing:

1. the amount of delegated credits to sub-orderers;
10

2. the amount of expenditures ordered by these laters upon these credits
3. the amount of payments executed on these mandate by the Treasure
4. the amount of rests to be paid \((b - c)\);
5. the amount of remainders of accounts upon the delegated credits \((a - b)\);

55/- At the end of each month, the délégue-orderer interested attach, by chapter, article and paragraph, to their own accounting, the operations of their respective sub-orderers.

The Direction of Budget will take this attachment in consideration for the establishment of monthly recapitulatory situations of expenditures.

**Limit date for issue of mandate and annulment of remainders of accounts upon delegated credits**

56/- The limit date for issue of mandates of payments by the sub-orderers is fixed on February 20th of the second year of exercise.

57/- The accountants of Treasure establish the abstracts of remaining mandates to be paid for this title, after the last February of the second year of exercise and assure the payment of these mandates in the conditions and forms foreseen by the regulations in force.

58/- With the help of notes (memorandums) (established on February 20 of the second year) sent by the délégue-orderers interested, the Direction of Budget draws up, by chapter, article and paragraph, a general statement of remainders of accounts unemployed, upon the delegated credits, by these orderers, and to be annulled.

After approval of annulation statement by the President of Republic, two exemplaries are notified to the Treasurer general who will send the copies to the accountants interested.

Copies must be sent immediately to délégue-orderers interested, for notification by their care to sub-orderers

59/- The credits or portions of credits unemployed and so annulled are re-established by the délégue-orderers involved, in their accounting for the benefit of correspondent chapters. Correlatively, the memos of disengagement, of the same amounts, must be established for the adjustment of memos of primitive engagements (paragraph 410).

As for the sub-orderers, operation consists of reducing in the same proportion the amount of credits which have been delegated to them.

**IV.** Final disposals.

60/- I invoke especially your attention to these following points:
a) - the inscription of credits in the budget doesn't permit ipso facto the right to délégué-orderer to utilize these credits: it must be completed, presently, by the monthly assessments of credits by the principal orderer, with the limit of which it is proper to include the engagement of expenditures and issue of mandates of payment.

b) - In normal period, the utilization of credits pertaining to budget is based essentially upon the situation of receipts and upon that of free funds. But, according to circumstances, the Direction of Budget will see if the credits assessments don't trouble the course of Services, without, nevertheless, turning aside very much from the situation of recoverings and facilitating the deficits.

c) - to facilitate the task of the centralizerator organism, I emphasize so that the different délégué-orderers take care of establishing well their statement of needs with a strictest spirit of economy, in the way that will not exceed the capacity of payment of National Budget.

So as to show the desire of government to restrain public expenditures and to make a progressive reabsorption of existing deficit, a credit of principle will be inscribed on the Budget of 1956 for "partial reimbursement of Treasure advances". I believe in the economy realized by each délégué-orderer for bringing this credit to maximum, and at a short date.

d) - an other condition of success of undertaking reform resides in the regularity and celerity with which necessary informations and evidences and situation above indicated will be furnished to the Presidency. I would be obliged to you if you please to have yourself an eye at it.

Signed: NGO DINH DIEM

A true copy:

Saigon, December 29, 1955
Deputy Director of Cabinet
DOAN THÉM

Copies to:

- all Services of Presidency
and all Services attached to Presidency,