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INR 5	E 4	P	IO	HANDLING INDICATOR		UNCLASSIFIED RECEIVED DEPARTMENT OF STATE Nov 18 7 32 PM 1968 RS/AN ANALYSIS BRANCH DEPARTMENT OF STATE BUREAU OF INTER-AMERICAN AFFAIRS NOV 20 1968 A-1179 NO.	
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				TO : DEPARTMENT OF STATE		INFO. : Brasília, Belém, Recife, São Paulo, Porto Alegre	
				FROM : AmEmbassy, RIO DE JANEIRO		DATE: November 12, 1968.	
AGR 10	COM 3	FRB	INT	SUBJECT : 1968 Fiscal Exercise			
LAB 2	TAR 4	TR	XMB 4				
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USIA 3	NSA 3	CIA 20					
SUGGESTED DISTRIBUTION				1. Transmitted as an enclosure is an unofficial translation of Decree 63,540 issued on November 4, 1968. The purpose of the decree is (a) to reduce the level of spending under the Federal Government budget between now and the end of the year and (b) to tighten up on timing of purchases and the obligation of authorized funds as a means of improving Ministry of Finance control over expenditures of budget funds by the various ministries and autonomous agencies. TUTHILL <i>T. Tuthill</i> Enclosure: Decree No. 63,540 of November 4, 1968 (free translation)			
POST ROUTING							
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DECREE No. 63,540 of November 4, 1968

Concerning measures related to the closing of the
1968 financial exercise and other matters
(unofficial translation)

The President by authority of Article 83, item II of the
Constitution decrees:

Article 1 - The obligation of funds in the current exercise will
be limited to November 20.

Sole paragraph- The following expenditures are not included in
this limitation and may be obligated until December 20:

I - Personnel expenditures of all kinds;

II - Expenditures for the acquisition of foodstuffs and material
or medicines for hospitals, penitentiaries, industries and others that
depend on such supplies to function.

III - Current expenditures on public works, materials on order,
contractual obligations and social subsidies.

IV - Acquisition of materials and services by entities respon-
sible for national security.

V - Use of special credit remaining under Article 94 of Law
5010, May 30, 1966 (Note: none remains)

Article 2 - Expenditure obligations may be authorized until
December 20 for purposes other than those described above in cases of
extreme urgency and need.

Sole paragraph - Written authorization to obligate funds will
be required in these cases.

Article 3 - Under no circumstances may funds be obligated for
materials that exceed needs limited to the first quarter of 1969.

Article 4 - It is prohibited to use funds from the current
budget exercise for the acquisition of materials or services to satisfy
needs or commitments occurring in the second quarter of 1969.

Article 5 - Ministries and other public entities must commu-
nicate to the Ministry of Finance by January 2, 1969:

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- a) Date and number of last obligation incurred in the 1968 fiscal exercise;
- b) Obligations issued but not paid as of December 31, 1968;
- c) Additions to "restos a pagar" classified according to:
 - I - Materials and programs.
 - II - Legal authorization.
 - III - Creditors.
 - IV - Budget items legally determined to be added to "restos a pagar" without regard to expenditure obligation.
- d) Bank and cash balances as of December 31;
- e) Checks issued but not delivered as of December 31;
- f) Checks paid out but not cashed as of December 31.

Article 6 - Balances of miscellaneous deposits as of November 30, 1968 and December 31, 1968 must be communicated to the Ministry of Finance by January 2, 1969.

Article 7 - The information required by Articles 5 and 6 will be consolidated by the Inspector Generals of Finance or their equivalent in the military agencies.

Sole paragraph - This consolidation must be completed by January 5, 1969.

Article 8 - Credits received in 1969 from the 1968 budget program may be used to reduce "restos a pagar".

Sole paragraph - Expenditures for "restos a pagar" may be made only for obligated budget items.

Article 9 - This decree applies to all agencies that receive transfer funds from the federal budget.

Article 10 - The decree enters into effect on the date of publication.

Brasília, November 4, 1968.

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