

Let's get to know the budget

Citizen's budget 2014

Did you hear the last news?
This year the government will spend more
than RD\$ 500 thousand
million pesos.

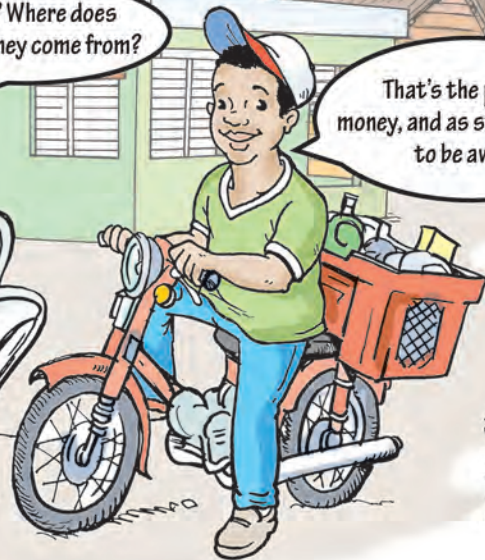
What would that
money be spent on?

José's Corner Store

..Aha? Where does
that money come from?

That's the people's
money, and as such we ought
to be aware!

what's in
it for me?



Caribbean

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Citizen's budget 2014

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Santo Domingo, D.R.
2014

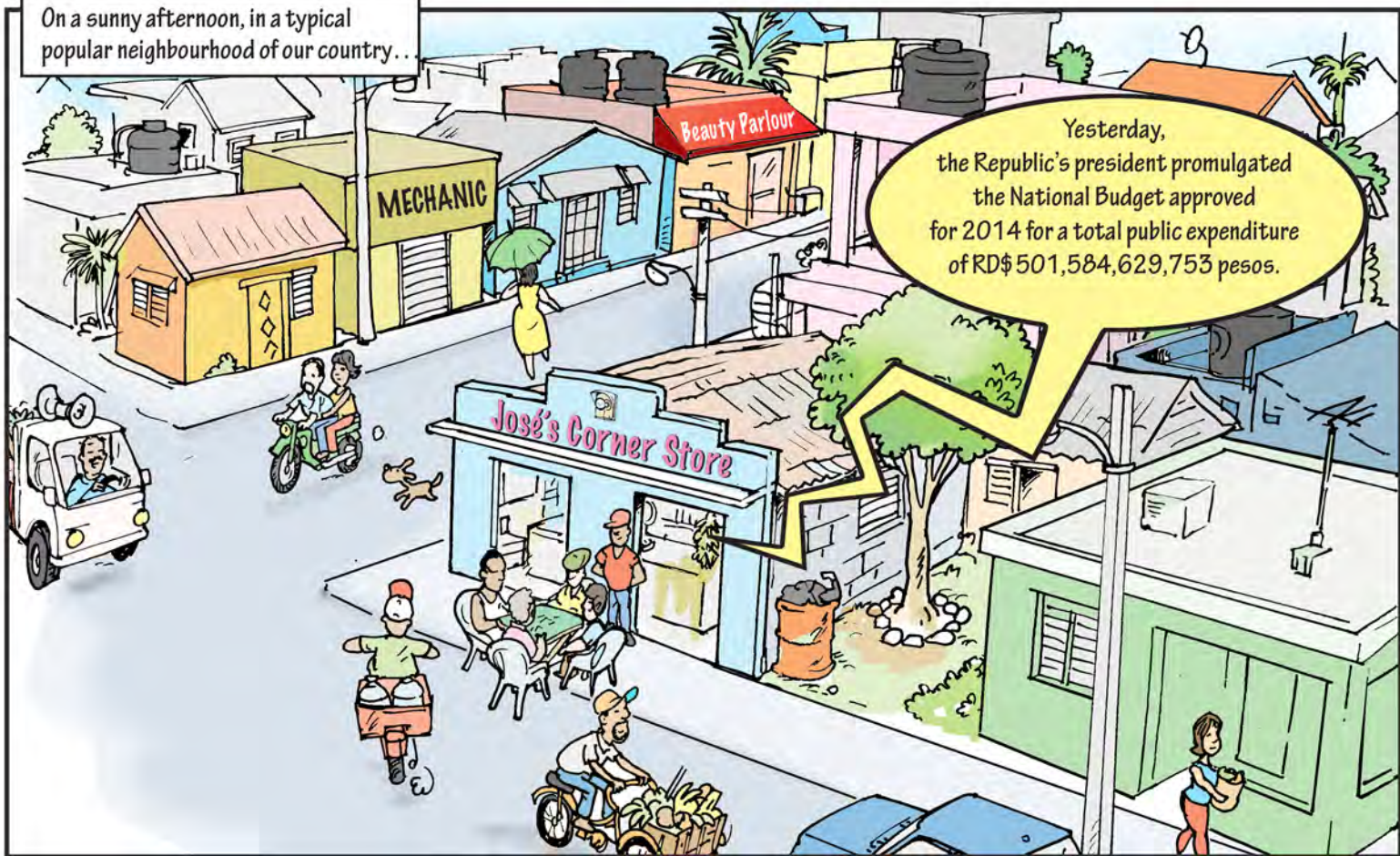


Al servicio
de las personas
y las naciones

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On a sunny afternoon, in a typical popular neighbourhood of our country...



Yesterday, the Republic's president promulgated the National Budget approved for 2014 for a total public expenditure of RD\$ 501,584,629,753 pesos.

At Maritza's Beauty Parlour...

This Budget
results in a fiscal deficit
estimated to reach
RD\$ 77,709,023,633.

What? How
many millions did they
say?

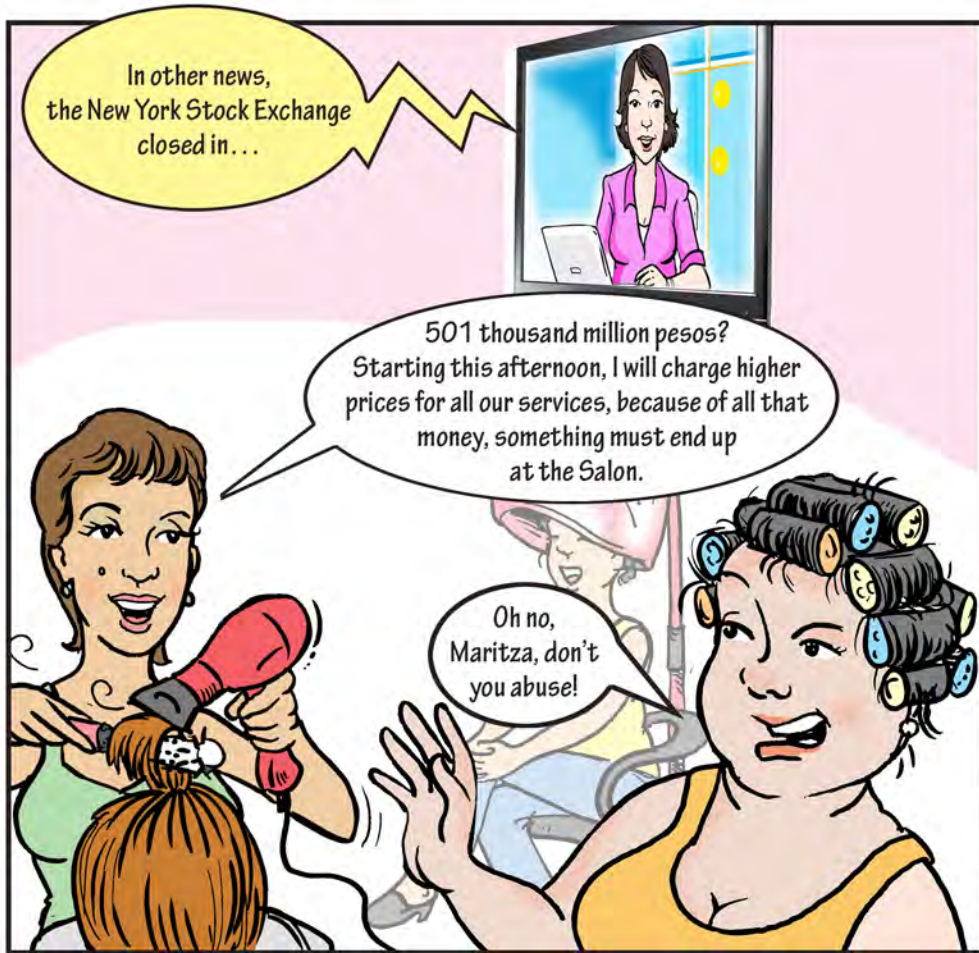
Shhhhhh
let me listen to
this news.



Meanwhile, over at Jose's Corner Store...

Mmmm,
I don't understand why they
make those types of announcements
in the news, since people only end up
even more confused with that
many numbers.







What's wrong, Papolo?

Well, son, we were just hearing the news about the million pesos in the National Budget and the fiscal deficit, without understanding a bit.



Ahhh, about the National Budget?

You do know that I'm about to graduate from my Bachelor's degree in Accounting, right? I know it all about that. Also, I actually have an assignment on that topic, which I must present tonight, so it is quite fresh in my mind. Let me explain.

Every year the government makes a plan where it defines how much money it is going to use and where it will get it from to provide the services that people need.

That plan is the National Budget.

Well, I make a plan like that too, so I can stretch out the money I get each month, such that I can cover my family's needs.

Jose's Corner Store



Jose, please help me get this list of things I need to buy.



That's right, Miss Altagracia. Just like you need to have a plan, the government must have its budget in order to stretch out public resources and cover the population's key needs, which are quite many, as we know!





So, where does the government get all the money it needs to do that?

Well, from us, those who pay their taxes!

C'mon, people, wait a second. Let me show you the assignment I completed last night to present today, which is an illustration that explains where the government gets the money from.



Check out this
100 pesos.

Vitico, but that 100 pesos
bill is no good, it's broken into
several pieces!

Where will the National Budget's money come from in 2014?

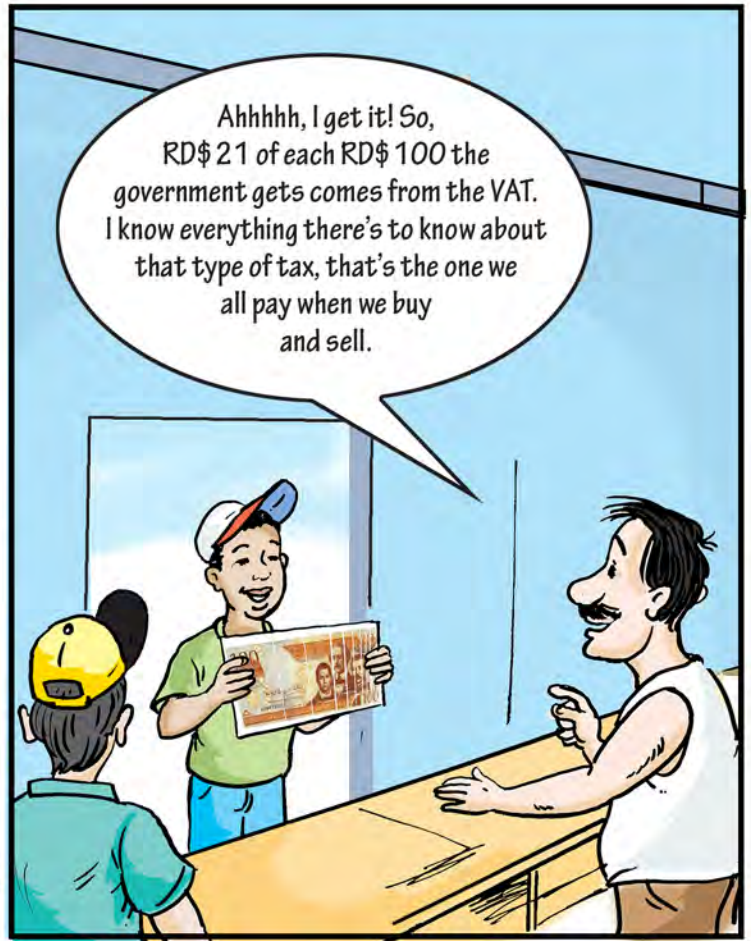


*Contributions to social security, sale of goods and services, property rent, current transfers, fines and sanctions.

Well, that's it!
 Each piece here represents the source
 where the government money comes from. We can
 see here that for each RD\$ 100 that the government
 gets during 2014, RD\$ 31 will come from loans,
 RD\$ 21 will come from Value-added Tax (VAT) . . . and
 RD\$ 20 will come from income taxes, paid
 by businesses, workers, lottery winners,
 and such, on their earnings.



*Contributions to social security, sale of goods and services, property rent, current transfers, fines and sanctions.



Yeah, but the government also gets a bit of money from everything that enters the country through customs. It says there that RD\$ 4 out of each RD\$ 100 come from that source.



And from taxes to alcoholic beverages come an extra RD\$ 3 out of each RD\$ 100 the government gets.



I see, but remember also that the government has a tax on fossil fuels. You see, Jose, since gas is a little bit more expensive after taxes, I must sell the vegetables I bring to you from the country-side a bit pricier.



ING!
iRiiing!

Hello, yes, this is Jose's Corner Store...



Vitico,
put that
homework of
yours away and
bring this to the
Beauty Salon,
quick.



Well Maritza,
you know, often times, out
of the National Budget come very
good things. Last year, for example,
there was an increase in our salaries as
teachers, which we had been waiting for
10 years. As a result of this, even
you benefit, because I can come
more often to get my hair and
nails done at your salon.



Don't you worry about
Maritza, Miss Miguelina, you know
how she always complains! About that
Budget thing, I was actually wondering...
What would the government spend
those 501 thousand million
pesos?



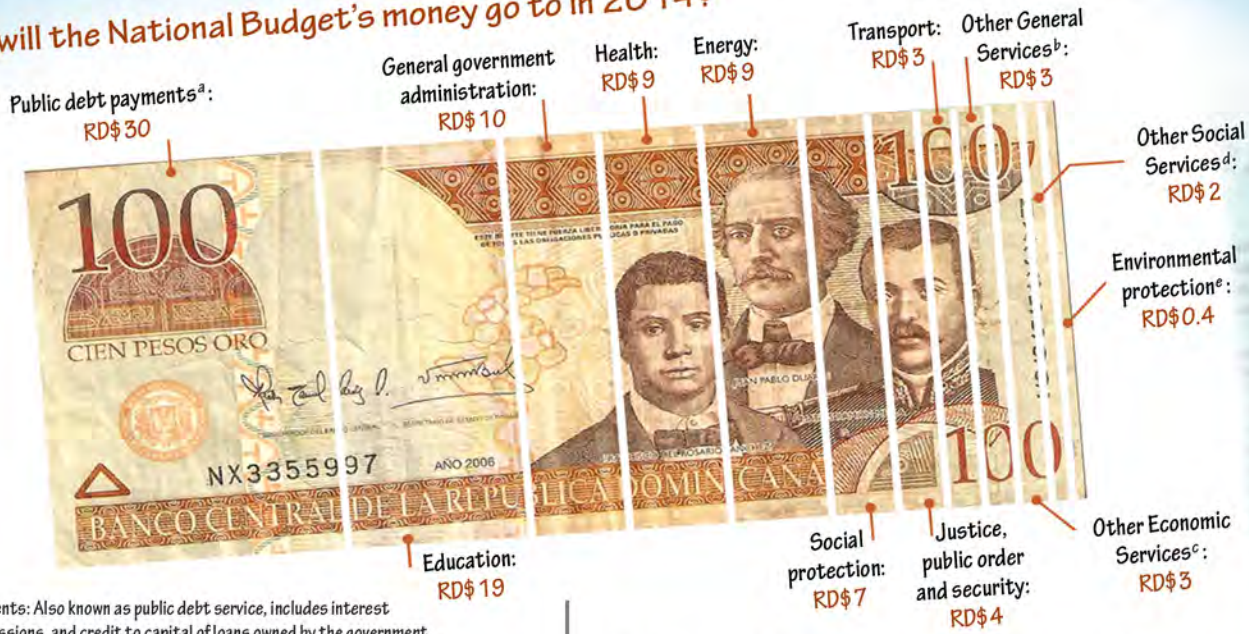
There's
something about
that here in the paper,
but I don't understand
it much. Teacher, could
you be so kind and
explain it to us?



Sure! Listen up, ladies. Look at this RD\$ 100 pesos. You can see that, for each RD\$ 100 the government pays in 2014, RD\$ 30 will be for paying public debt obligations. RD\$ 19 will fund public education.

RD\$ 10 will cover the government's general administrative expenses. RD\$ 9 will go towards health. Another RD\$ 9 will go towards energy expenses. And go on and read the rest yourselves, because that's why I taught you all how to read for!

Where will the National Budget's money go to in 2014?



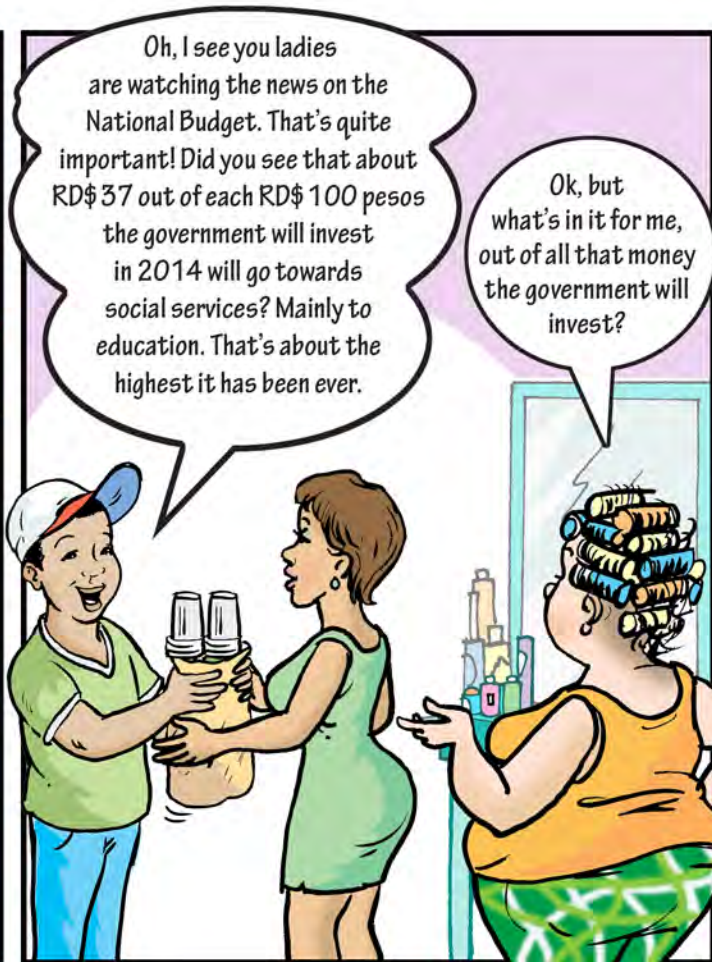
a. Public debt payments: Also known as public debt service, includes interest payments, commissions, and credit to capital of loans owned by the government.

b. Other General Services: includes national defence and international relations

c. Other Economic Services: includes agriculture, forestry, irrigation, hunting, fishing, industries, commerce, economic and labour affairs, banking and insurance, communications, mining, manufacturing and construction.

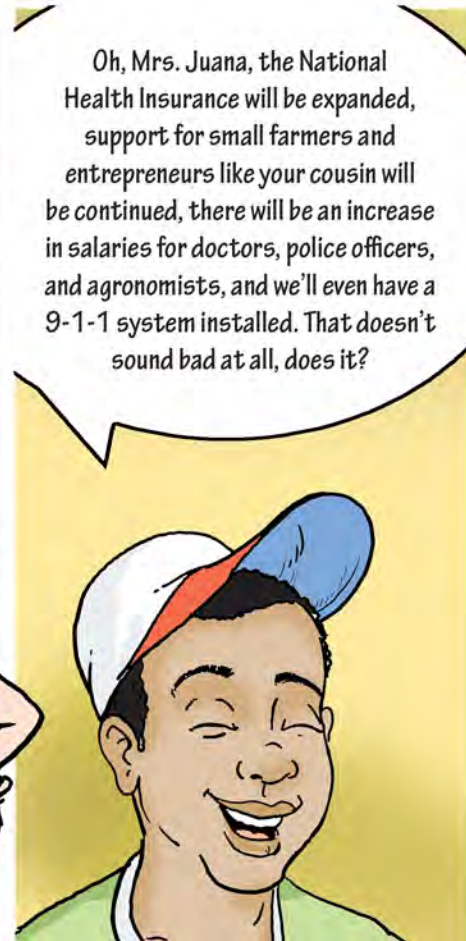
d. Other Social Services: includes housing and community services, sports and recreation, and culture and religion.

e. Environmental protection: programs for the protection of air, water, soil resources, biodiversity and waste management.



Oh, I see you ladies are watching the news on the National Budget. That's quite important! Did you see that about RD\$ 37 out of each RD\$ 100 pesos the government will invest in 2014 will go towards social services? Mainly to education. That's about the highest it has been ever.

Ok, but what's in it for me, out of all that money the government will invest?



Oh, Mrs. Juana, the National Health Insurance will be expanded, support for small farmers and entrepreneurs like your cousin will be continued, there will be an increase in salaries for doctors, police officers, and agronomists, and we'll even have a 9-1-1 system installed. That doesn't sound bad at all, does it?

Oh, yeah, and you won't have to worry about cooking for your kids every day. With the kick-off of the Extended School Schedule next year, they'll be having lunch at school and stay there to learn more through the afternoon.

Mmmm!



Back at the Corner Store...


There's something I don't get there: the government wants to spend more money than what it is going to collect.



That's what my dad tells my mom, that she wants to spend more than what he can get each month.









Listen, the key aspect about the fiscal deficit is that the money that lacks must be obtained somehow, and that's why the government gets financing or what's commonly known as public loans.

So the government must continue to look for ways in which it can spend public resources better and collect more income, such that public expenses can be covered with its own money.



Well, Miss, I do hope that happens, because like any small business, if one spends more than what can pay for, then things get a little difficult.



Miss, according to what I researched for my assignment, the government has announced that they are on the right track, that the fiscal deficit has been reduced in the last two years and that it is under control.

Well, Jose, everyone, I'm out. See you tomorrow, it's 6:00 pm and I have to go to class.

A bit later...

I don't get why there are so many people talking about that topic today. What's interesting about it?

Ohhhh, Yenny, the Budget is quite an important topic to get to know, because that's where the government defines how much it is going to spend in providing public services for us, the people, like that public bus that's coming up, over there.

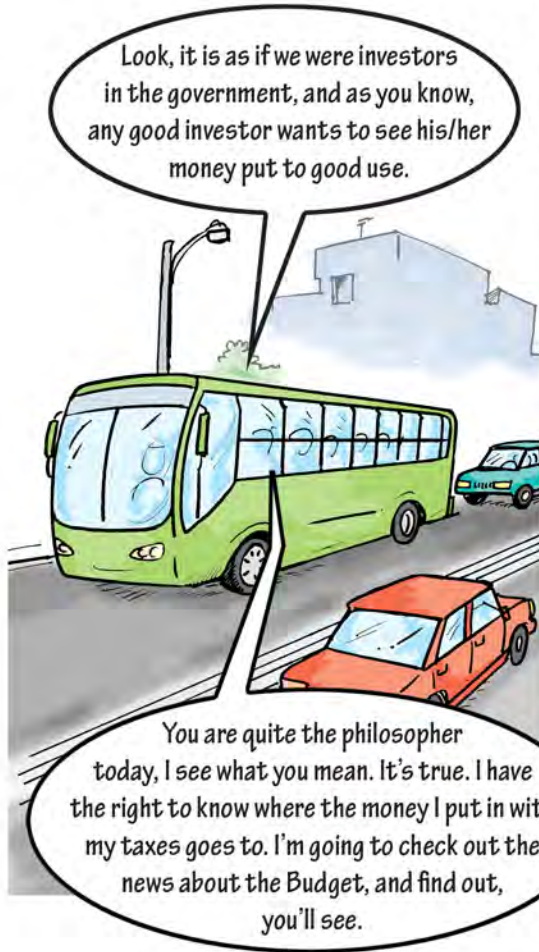


Ok, dear, so?

What difference does it make that I get to know all that? Anyhow, I have not put a cent on that Budget thing, so who cares. Besides, what I care the most about right now is taking care of my job.

Well, sweetie, that's not entirely correct. Listen, every time you buy something and get your salary every month, you pay taxes, and the government takes a significant part of its money from there.





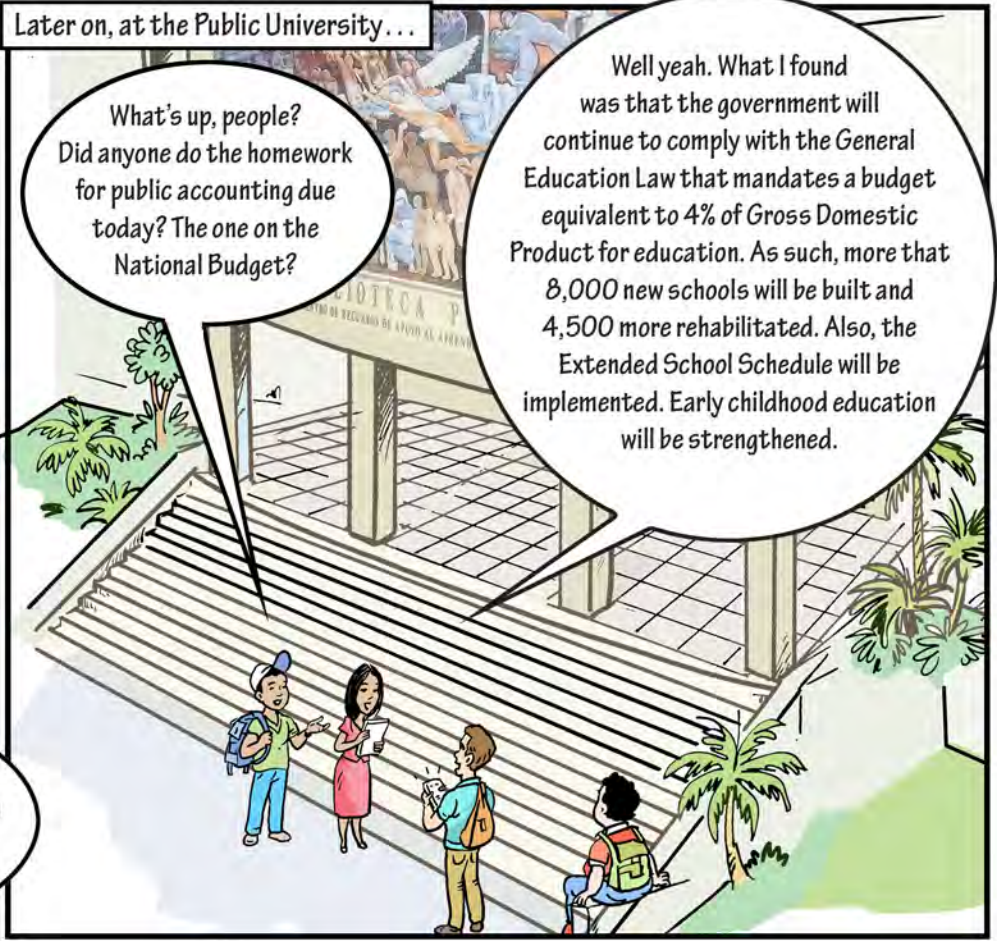
Look, it is as if we were investors in the government, and as you know, any good investor wants to see his/her money put to good use.


You are quite the philosopher today, I see what you mean. It's true. I have the right to know where the money I put in with my taxes goes to. I'm going to check out the news about the Budget, and find out, you'll see.

Later on, at the Public University . . .


What's up, people? Did anyone do the homework for public accounting due today? The one on the National Budget?

Well yeah. What I found was that the government will continue to comply with the General Education Law that mandates a budget equivalent to 4% of Gross Domestic Product for education. As such, more than 8,000 new schools will be built and 4,500 more rehabilitated. Also, the Extended School Schedule will be implemented. Early childhood education will be strengthened.






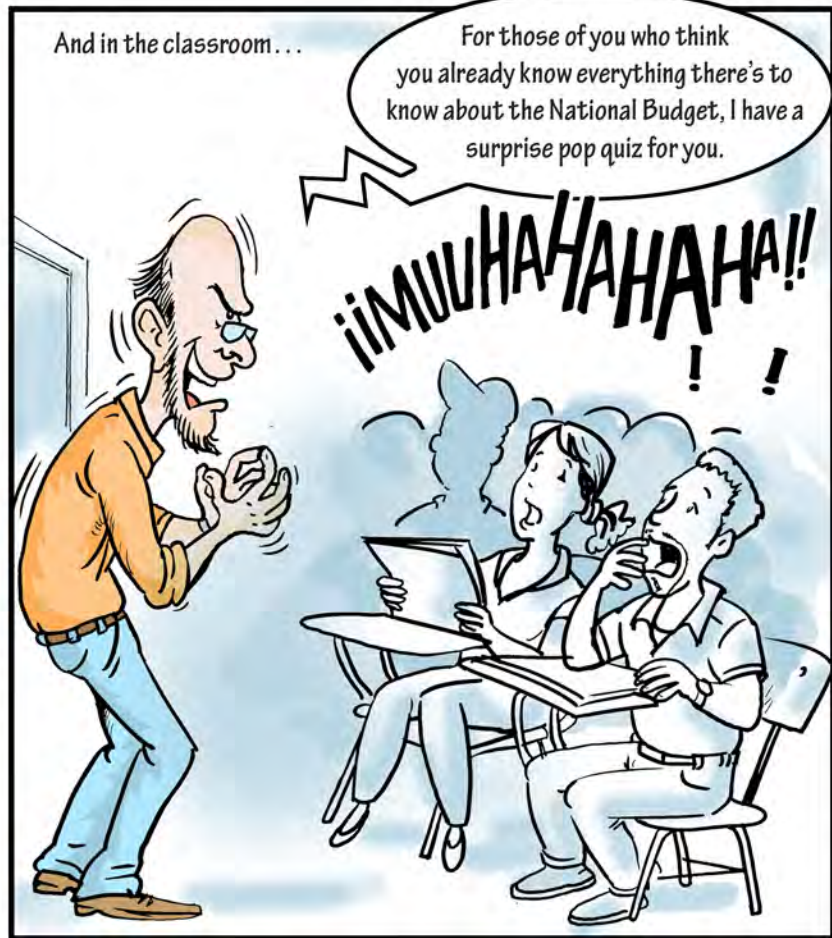
And the goal will be to enrol 2 million children, adolescents and adults in public schools. Oh yes, I almost forgot, that in addition, 300 thousand adults will become literate.

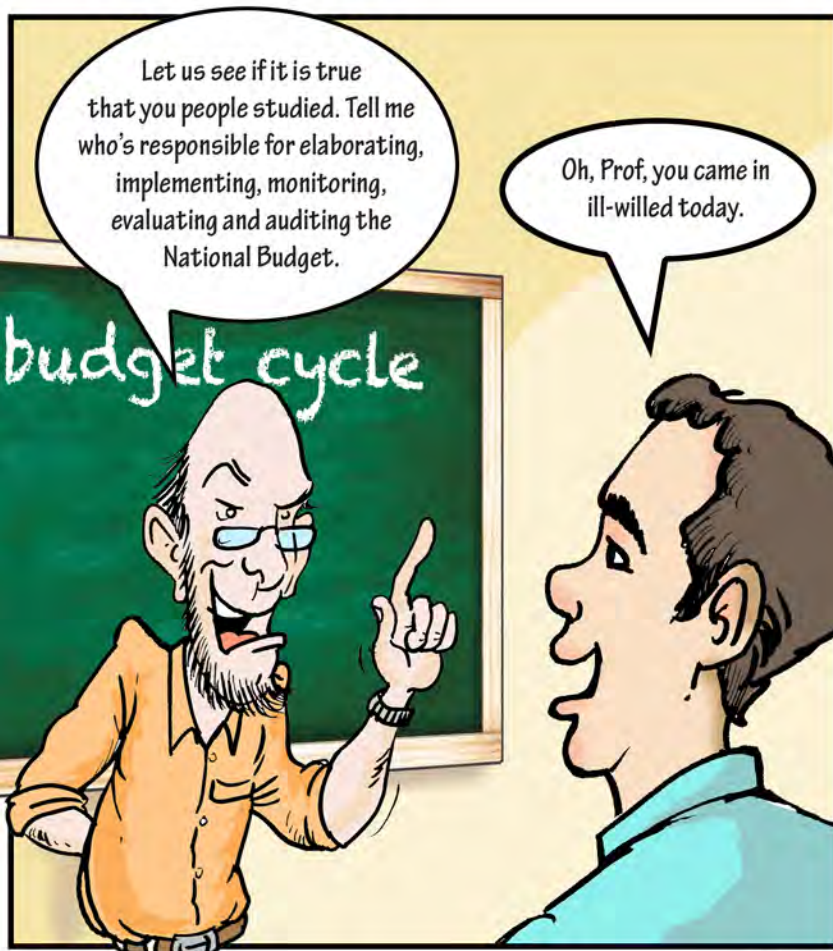


Hey, Smarty Pants, leave something for me! I also found out that the government will prioritize the establishment of primary health care centres and diagnostic centres, including laboratories and X-Ray services, etc. Ah, yeah, and they will build a coal power plant, which they intend to help fix the problems related to availability of electricity for the population.



Aha. And they will increase investment in citizen security programs, which I think it's about time already.





Let us see if it is true that you people studied. Tell me who's responsible for elaborating, implementing, monitoring, evaluating and auditing the National Budget.

Oh, Prof, you came in ill-willed today.

I know, Professor! Every year, every government institution has to send its annual budget proposal to the Budget Directorate of the Ministry of Finance. So, then the Budget Directorate combines all proposals in one to elaborate the National Budget Proposal and...

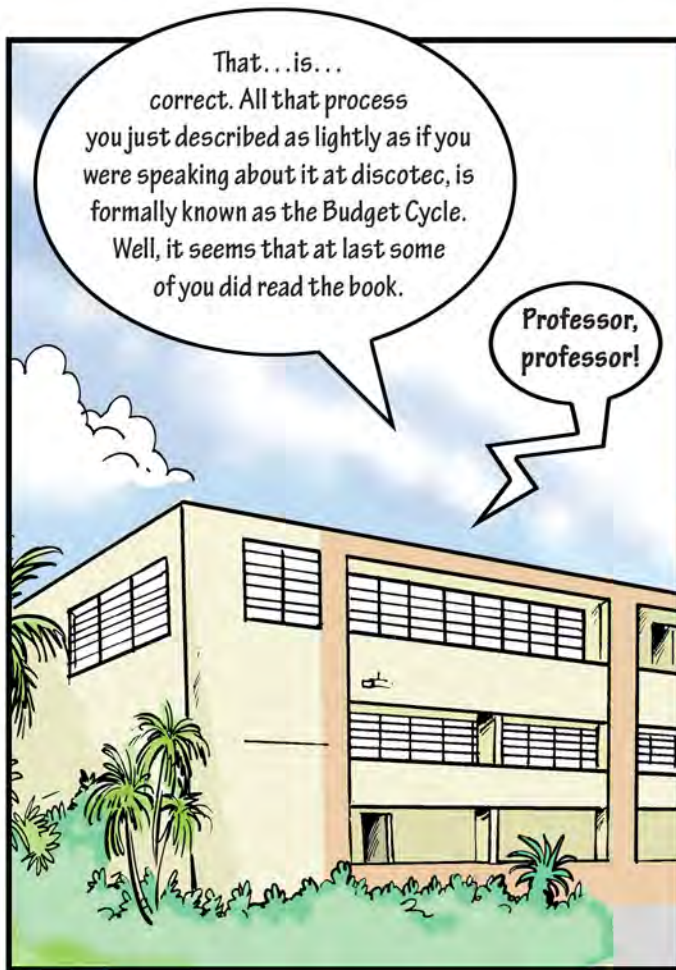


Prof, from then on I actually know the answer! That is, that the National Budget Proposal must pass through Congress for approval before the end of the year. Isn't that right?

Well at least you got that one right. So, what about the implementation, monitoring and evaluation of the Budget?

Prof, me, me, me! Look, after the Budget Proposal approval, the Budget Directorate distributes the Budget among the government's institutions and programs the way in which it will be spent every trimester. It also follows up on the institutions' expenditures and makes a report about it every three months also. Ah, yes, and they must evaluate the Budget's execution every six months and at the end of the year.





Actually, according to the Constitution, the President must provide Congress with a report on the way the Budget was executed the year before and also explain how the government will comply with the Budget Bill passed on the current year.

Ok, Miss Lopez, you do remember I told you since the beginning of the semester that you were exonerated, right? Did you not understand me?

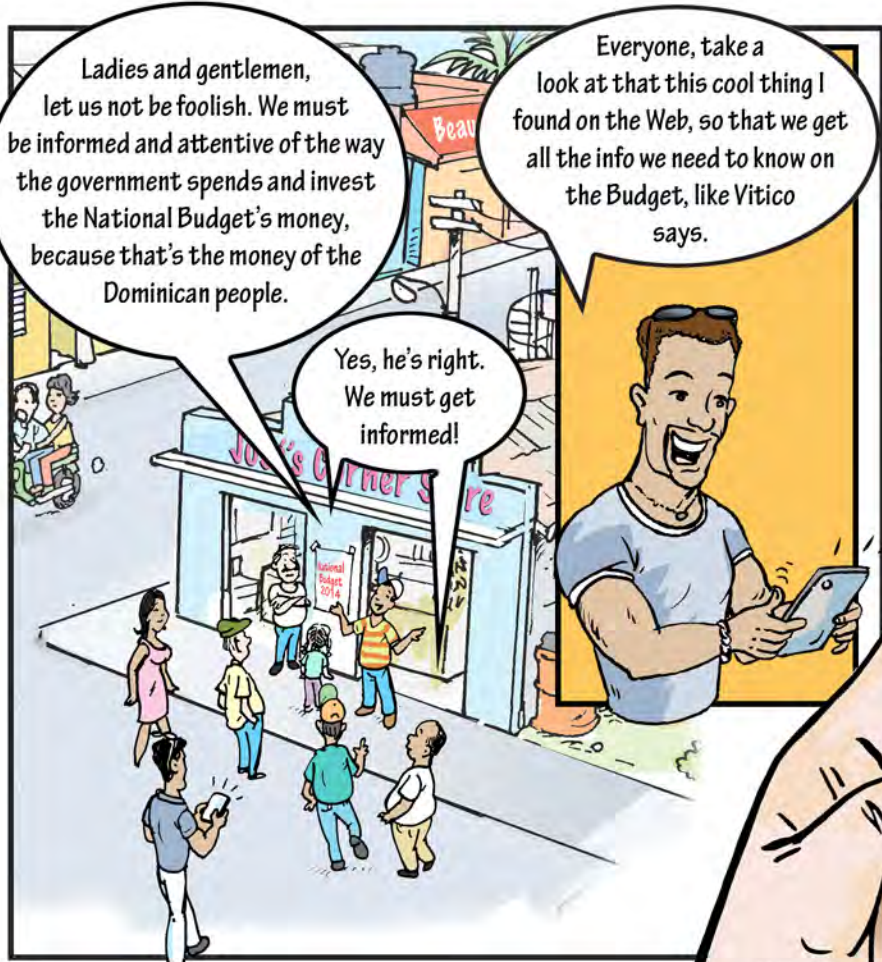
The next morning, back at the Corner Store...

Why are you putting that there, boy? You are wasting your time...

José's Corner Store

National Budget 2014

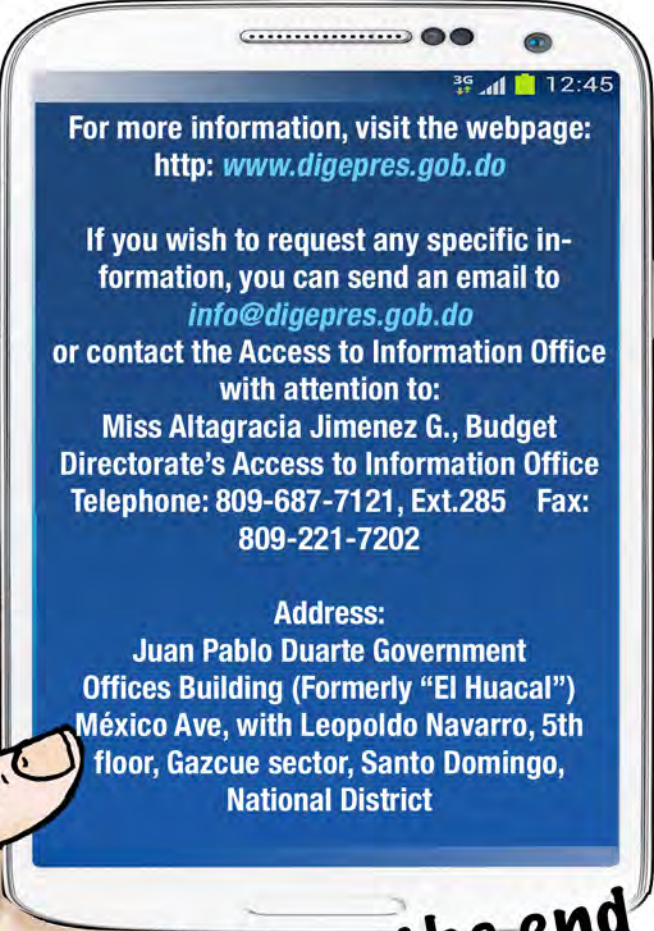
Vitico, don't you dare paste anything else on my wall!



Ladies and gentlemen, let us not be foolish. We must be informed and attentive of the way the government spends and invest the National Budget's money, because that's the money of the Dominican people.

Everyone, take a look at that this cool thing I found on the Web, so that we get all the info we need to know on the Budget, like Vitico says.

Yes, he's right. We must get informed!



For more information, visit the webpage:
[http: www.digepres.gob.do](http://www.digepres.gob.do)

If you wish to request any specific information, you can send an email to info@digepres.gob.do or contact the Access to Information Office with attention to:

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the end



*Al servicio
de las personas
y las naciones*