



# ECFH Financially Speaking

East Caribbean Financial Holding Company Limited

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The national budget presentation and debate have just concluded and so we feature a term that is most relevant at this point: **Appropriation Bill**

An **Appropriation Bill** is a legislative motion that authorizes the government to spend money. It is a bill that sets money aside for specific spending. Appropriation suggests the setting aside of money by formal action for a specified use. Therefore, with respect to the Budget, it refers to the process of setting aside money from the Consolidated Fund (into which all government revenue is deposited) for specified purposes among the different ministries. In most democracies, approval of the legislature is necessary for the government to spend money. It is a formal process that takes place in Parliament and involves the introduction of the Appropriation Bill in the House of Assembly. Upon approval, this Bill moves to the Senate for approval and is then assented to by the Governor General at which time it becomes the Appropriation Act (which means it is passed into law). It is this Act that governs the amounts to be spent by each ministry for the year, whether for recurrent or capital expenditure.

## **What this does this mean for you?**

Government expenditure is outlined in the **Appropriation Bill** and it identifies the areas to which funding will be allocated and the corresponding amounts. You can therefore review this bill to see where government is concentrating its spending. As the allocations affect all Saint Lucians directly or indirectly, it is important that we familiarize ourselves with these areas that the government has targeted and the possible implications for our social and economic lives.