

Government of Pakistan
Finance Division
(Budget Wing)

No F. 3(1)FO/2021-22/001

Islamabad, 5th July, 2021

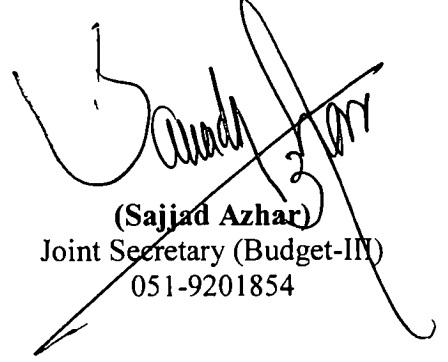
OFFICE MEMORANDUM

Subject: STRATEGY FOR RELEASE OF FUNDS FOR RECURRENT BUDGET FINANCIAL YEAR 2021-22

The undersigned is directed to refer to the subject mentioned above and to state that in pursuance of the provisions of the Public Finance Management Act, 2019, Rule 3(9) of the Cash Management and Treasury Single Account Rules 2020 and Financial Management and Powers of Principal Accounting Officers Regulations, 2021, the following budget release strategy for Recurrent Budget for Financial Year 2021-22 shall be followed with immediate effect and until further orders:-

- a. Funds for Recurrent Budget shall be released by Finance Division for the approved Demands for Grants / appropriations relating to employees related and operational expenditure of the Ministries / Divisions / Departments at the level of 30% each for Quarter 1 and Quarter 2 and 20% each for Quarter 3 and Quarter 4 respectively of available (Final Budget).
- b. In case of actual expenditure less than 40% of the approved appropriation in first two quarters (July-December), Finance Division shall limit or place conditions on budget appropriation in terms of Section 24 of the Public Finance Management Act, 2019.
- c. Funds for subsidies, grants, procurements etc. shall be released on the basis of actual verified claims, commitments and targets.
- d. The cases relating to international and domestic contractual/obligatory payments which are beyond the above limits shall be considered on case to case basis and relaxation to the above limits shall be considered by the Budget Wing, Finance Division and shall require prior approval of the Finance Secretary.
- e. Release of funds in respect of detailed Object Heads "A03403-Rent of Residential Building", "A04102-Commuted value of pension", "A04114-Encashment of LPR" and "A05216, A05219, A05224, A05225 (Assistance Packages)" shall be exempted from quarterly limits.
- f. All payments shall be made through the pre-audit system of the Accountant General Pakistan Revenues / Military Accountant General / Accounting Offices/ Sub-Offices, or through Assan Assignment Account Procedure 2020 issued by the Finance Division. No direct payment through the State Bank of Pakistan shall be made, except with the prior approval of the Finance Secretary as per Rules 3(2) and 3(3) of the Cash Management and Treasury Single Account Rules 2020.
- g. As per Section 23 of the Public Finance Management Act, 2019, no authority shall incur or commit any expenditure from the "Federal Consolidated Fund" until the same has been sanctioned by the National Assembly and the expenditure has been provided for the financial year through (a) schedule of authorized expenditure in terms of Article 83 of the Constitution of Pakistan (b) supplementary grant or technical supplementary grant as per Article 84 of the constitution duly approved by the Federal Government, or (c) re-appropriation as per section 2 (u) and 11 of the Public Finance Management Act, 2019.

- h. Sanction for expenditure, issued to the Accountant General Pakistan Revenue or Accounting Office with the approval of Principal Accounting Officer or any other competent officer, shall not require endorsement from Expenditure Wing of Finance Division as per Regulation 3(d) of the Financial Management and Powers of Principal Accounting Officers Regulations, 2021.
- i. Principal Accounting Officers shall keep adequate appropriation of funds in all the heads of account during Financial Year 2021-22. All PAOs and the Accounting Offices shall ensure that in case of no budgetary allocation and no release of funds, there shall be no expenditure in any head of account.
- j. There shall be no requirement of ways and means clearance from Budget Wing of Finance Division for the releases of funds.
- k. The provisions of Public Finance Management Act, 2019 and the Financial Management and Powers of Principal Accounting Officers Regulations, 2021 shall be strictly adhered to by all the PAOs and the Accounting Offices.
- l. The instructions with regard to all of Supplementary Grants shall be issued by the Budget Wing, Finance Division, separately.

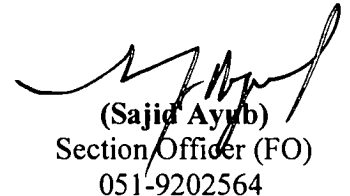

(Sajjad Azhar)
Joint Secretary (Budget-III)
051-9201854

Distribution:

1. All Principal Accounting Officers including Secretaries of Ministries/Divisions.
2. Governor State Bank of Pakistan, Karachi.
3. Managing Director, SBP Banking Services Corporation, Head Office, Karachi
4. CF & AOs of all Ministries/ Divisions.
5. All Additional Finance Secretaries, Senior Joint Secretaries and Joint Secretaries of Finance Division.
6. Controller General of Accounts, Islamabad.
7. Accountant General Pakistan Revenues, Islamabad.
8. Military Accountant General (MAG), Rawalpindi.
9. Sub-Offices of AGPR, Lahore, Karachi, Peshawar, Quetta, Muzaffarabad & Gilgit.
10. Web Master with the request to upload on the Finance Division's website.

Copy to:

- SA to Finance Minister
- SA to Finance Secretary


(Sajid Ayub)
Section Officer (FO)
051-9202564