



Budget 2022-23

No. F.2(1)/Budget-II/2022-23/ 755

GOVERNMENT OF PAKISTAN FINANCE DIVISION

Islamabad, 9th May, 2022

Subject: - **PROVISIONAL INDICATIVE BUDGET CEILING FOR FY 2022-23 AND
MEDIUM TERM FOR FYs 2023- 25 – RECURRENT BUDGET**

Dear Sir/Madam,

Kindly refer to Budget Wing, Finance Division's Budget Call Circular dated 14th January, 2022 and the written responses received and meetings held with the Principal Accounting Officers (PAOs).

2. The **Provisional Indicative Budget Ceilings** for the **Recurrent Budget** for the coming three financial years have been prepared. The PAOs are required to prepare their budgetary estimates and allocations to various Cost Centers and Head of Accounts in accordance with these Provisional IBCs. The Provisional IBCs for **Development Budget** (if applicable) will be separately communicated in due time by the Planning, Development and Special Initiatives Division.

3. The Provisional Revised Estimates for FY 2021-22 and **one line** Provisional Indicative Budget Ceilings (IBC) for the "Demands for Grants" for FY 2022 – 23 and forward estimates of next two FYs for **Recurrent Budget** related to your Division/Office/Organization are as under:

(Rs. In Millions)				
Number & Description	R.E FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25

Note: The above provisional IBCs are for Running of Civil Government. IBCs for Grants and Subsidies (if any) will be communicated separately.

5. All the PAOs are required to fully comply with the provisions of the Public Finance Management (PFM) Act, 2019, regarding performance based budgeting and well defined plan based expenditures, guidelines and procedures contained in Financial Management and Powers of PAOs Regulations 2021, Cash Management and Treasury Single Account (CM&TSA) Rules 2020, Budget Manual 2020 and instructions issued along with the Budget Call Circular dated 14th January 2022. **The following instructions and guidelines shall be followed for the FY 2022-23:**

i. Allocation for Employees Related Expenses (ERE)

- a) The PAO or Head of Department or Head of Office shall first allocate funds for the Employees Related Expenses (Pay and Allowances) for the full financial year within the respective IBC.
- b) The PAO or Head of Department or Head of Office shall not make any re-appropriation of allocated funds from the ERE to any other head of account except with the prior concurrence of Finance Division (Expenditure Wing).
- c) No allocation in ERE shall be kept for a post vacant for more than one year or to be created during the FY 2022-23.
- d) No allocation in ERE shall be kept for FY 2022-23 for any expected increase in pay & allowances. In case Government announces such an increase, separate allocation of funds may be requested to Finance Division (Expenditure Wing).

ii. Additional Allocations in IBCs for Specific Purposes

Any additional allocation of funds made in the above provisional IBC shall be utilized for the specific purpose, target and function.

iii. Allocation for Grants-in-Aid & Special Purpose Funds

- a) The allocation and disbursement of funds to the public and private authorities, institutions, bodies, associations, foundations and others are required to be regulated and linked to the outputs, outcomes and performance of the entities.
- b) Grants-in-Aid shall be non recurring and funds shall be disbursed to meet any shortfall for a limited period of time. Finance Division is formulating Rules and Procedures on the subject.
- c) The special purpose funds or any other fund established, managed or controlled by the Divisions, Departments and Organizations of the Federal Government shall be regulated in accordance with the Section 32 of the PFM Act 2019 read with the CM&TSA Rules 2020.

iv. Allocation for PM's Financial Assistance for In Service Death

The PAO or Head of Department or Head of Office shall allocate sufficient funds for meeting the expenditures during the financial year 2022-23 for the PM's financial assistance package for in service death and shall not be re-appropriated or utilized for any other purpose.

v. Allocation & Clearance of Outstanding Liabilities

The PAO or Head of Department or Head of Office shall allocate adequate funds in the FY 2022-23 to clear the outstanding liabilities in first instance, in various heads of accounts, of the previous financial year

vi. Allocation of Rupee Cover for Foreign Grants

The PAO or Head of Department or Head of Office shall seek prior concurrence of Finance Division (Expenditure Wing) for receipt of any foreign grant (in addition to the Economic Affairs Division) and appropriate funds as rupee cover out of the budget allocated.

vii. Allocation for Research and Development, Training, Public Service Delivery & Assets

The PAO or Head of Department or Head of Office shall allocate adequate funds for Research and Development (R&D), Training, Public Service Delivery, Maintenance and Use of Public Assets.

viii. Processing of Technical & Regular Supplementary Grant

The PAO or Head of Department or Head of Office shall make expenditures keeping in view the budgetary allocations without any assumption of additional allocation during the financial year. Supplementary budget (Regular or Technical) shall not be provided during the FY but only in exceptional circumstances, after approval of the ECC & Cabinet.

ix. Non-Transfer of Public Money to Private Bank Accounts

As per Section 23 of the PFM Act 2019, no authority shall transfer public moneys or funds for investment or deposit from Government account including the assignments accounts to other bank accounts without prior approval from the Federal Government. Provided that the PAO in respect of all spending units under his control shall submit a certificate to the Finance Division (Budget Wing) on Half Yearly Basis.

x. Lapsability of Funds

Every grant approved for a financial year and every other authority or sanction issued in respect of a financial year, shall lapse and cease to have any effect at the close of that financial year.



xi. Approval of Budget of the Autonomous Bodies and Organizations

- a) The PAO or Head of Department or Head of Office shall ensure that the Annual Budget of the Organizations/Autonomous Bodies/Authorities established, managed and controlled by the Federal Government shall be approved by the Federal Government or any other competent Authority as required under the respective Statute, Rules and Regulations.
- b) The details of the approved budgets shall also be shared with the Finance Division (Budget Wing).

xii. Austerity Measures and Lump Provision

- a) Government drive for adoption of austerity measures in the Ministries/Divisions/Offices shall be fully adhered to.
- b) No funds shall be kept for any Lump provision or unidentified expenditure.

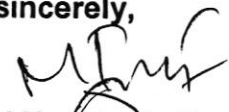
xiii. Opening of New Cost Centre

Any request for opening of a New Cost Centre shall be submitted to the Finance Division (Budget Wing) with the prior approval of the concerned PAO.

6. You are requested to kindly prepare the Budget Orders (BOs)/New Items Statements (NISs) and Post Performa, in accordance with the above stated Revised Estimates for FY 2021-22 and Provisional IBC for FY 2022-23 and submit the same to the Director (Budget Computerization), Budget Wing, Finance Division (051-9209587) for entry into SAP system as per the time schedule communicated by Finance Division. For any further information feel free to contact Ms. Ayesha Javed, Section Officer (B-II), Budget Wing, Finance Division (051-9208121, email: so.b2@finance.gov.pk).

With best regards,

Yours sincerely,


(Muhammad Tanvir Butt)
Additional Finance Secretary
(Budget)

CC

- The AFS (Expenditure), Finance Division
- The Accountant General, Pakistan Revenues, Islamabad
- The CF&AO concerned
- The Director (Budget Computerization), Budget Wing, Finance Division