

Government of Pakistan  
Finance Division  
(Budget Wing)

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No F.3(1)FO/2023-24


Islamabad, 24<sup>th</sup> August, 2023

**OFFICE MEMORANDUM**

**Subject: STRATEGY FOR ADDITIONAL ALLOCATION AND RE- APPROPRIATION OF FUNDS DURING CURRENT FINANCIAL YEAR 2023-24**

The undersigned is directed to refer to the Finance Division Budget Wing's OM No. F3(1)FO/2023-24 dated 6<sup>th</sup> July, 2023, and to state that if the amount authorized to be expended for a particular service for the Current Financial Year (CFY) is insufficient, or that a need has arisen for expenditure upon some new service not included in "Annual Budget Statement (ABS)", "Schedule of authorized Expenditure" and "Details of Demands for Grants and Appropriations (Budget Books)", the following steps shall be taken by the Principal Accounting Officers (PAOs) or Heads of the Departments or Organizations or Sub-ordinate Offices.

**A. Re-appropriation of Funds:**

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- i. PAOs have been provided additional funds to meet the funding requirements of Adhoc Relief Allowance 2023 announced in the budget for CFY 2023-24, under a separate Cost Centre in each Demand for Grants. PAOs are, hereby, advised to re-appropriate these funds, in consultation with Expenditure Wing, Finance Division, only for the purpose of Adhoc Relief Allowance 2023, to Cost Centers of Divisions / Attached Departments / Subordinate Offices within respective Demands for Grants no later than 31<sup>st</sup> August, 2023.
  - ii. Within the various "Head of Accounts" under ERE, re-appropriation of funds may be made;
  - iii. Re-appropriation of funds shall be allowed, within an approved Demand for Grant and Appropriation, from one "Head of Account" to another "Head of Account" provided that no re-appropriation shall be made from Employees Related Expenses (ERE) to any other "Head of Account"(Non-ERE);
  - iv. In case of shortfall in ERE allocation during the CFY, re-appropriation of funds from Non-ERE "Head of Accounts" may be made on priority basis;
  - v. Re-appropriation Orders, duly approved by the Competent Authority shall be provided to the Accounting Organizations/ Offices for entry into SAP system; however, re-appropriation of funds shall remain within the prescribed quarterly limits given by the Finance Division in the Strategy for Release of Funds of CFY;
  - vi. Copies of the approved Re-appropriation Order shall be provided to the Expenditure Wing and Director (Budget Computerization), Finance Division for record and monitoring purposes;

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- vii. Other guidelines and instructions contained in the "Financial Management and Powers of Principal Accounting Officers Regulations, 2021" including its Schedule shall be followed in true letter and spirit;
- viii. No re-appropriation shall be made from unreleased budget;
- ix. No re-appropriation of funds shall be allowed during the last month of the financial year;

#### **B. Technical Supplementary Grant**

- i. Any request for provision of funds through TSG shall only be submitted by PAOs, with identification of resources under other demand(s) and certificate regarding equivalent surrender from the concerned PAO.
- ii. The Expenditure Wing shall examine the TSG cases in detail and submit recommendation for consideration by the Budget Wing, Finance Division.
- iii. The Budget Wing, Finance Division shall process the cases in the light of SAP system report, recommendation of Expenditure Wing and available fiscal space before submission to Finance Secretary for consideration;
- iv. TSG cases relating to PSDP, after meeting the requirements contained at above mentioned sub-paras, shall be processed through the Planning, Development and Special Initiatives Division;
- v. On approval of funds through TSG from the Federal Cabinet, the PAO shall submit the schedule of TSG, duly endorsed by the Expenditure Wing, Finance Division, along with copies of the approved summary and decision of the Economic Coordination Committee (ECC) of the Cabinet, ratification of the Cabinet and surrender order to the Director ("Budget Computerization), Budget Wing, Finance Division for entry in SAP system;
- vi. Funds approved through TSG shall be released by the Finance Division keeping in view the funds availability and in line with Release Strategy.
- vii. Fulfilment of provisions of the Public Financial Management (PFM) Act, 2019 and Financial Management and Powers of Principal Accounting Officers Regulations, 2021;

#### **C. Supplementary Grant**

No Supplementary Grants for any additional unbudgeted spending over the parliamentary approved level in FY24, will be approved in order to remain within the approved budgetary allocation, at least until the formation of a new government after the elections (except if needed to respond to a severe natural disaster). Such Supplementary Grant cases shall be considered by the Finance Division, after fulfillment of the following conditions by the PAOs:

- i. Cases (Supplementary Grant only in case of severe natural disasters) where no funds can be made available through re-appropriation and TSG, shall require the following:
  - The PAO certifies that all avenues have been exhausted, which is to be verified by the relevant Accounting Organization/Office;
  - The PAO provides valid justification and cogent reasons for demanding SG;
  - Examination by Expenditure Wing or concerned wing of the Finance Division;
  - Recommendation of Budget Wing
- ii. The procedure reflected in Section B relating to Technical Supplementary Grant at sub-paras (i)-(vii) shall also be followed for release of funds in SAP.

2. The above instruction and guidelines shall be applicable for all "Demand for Grants and Appropriations" both Current and Development expenditures, and shall be followed by all PAOs, Heads of the Departments or Organizations or Sub-ordinate Offices and the Accounting Organizations/ Offices.



(Rana Obaid Ullah Anwar)  
Joint Secretary (Budget-III)  
051-9218838

**Distribution:**

1. All Principal Accounting Officers, Islamabad/ Rawalpindi.
2. Heads of the Departments or Organization or Sub-ordinate Office, Islamabad/Rawalpindi
3. Controller General of Accounts, Islamabad.
4. Special Secretary, Military Finance Wing Secretariat-II, Rawalpindi
5. All Additional Finance Secretaries, Finance Division.
6. Accountant General Pakistan Revenues, Islamabad.
7. Military Accountant General (MAG), Rawalpindi.
8. Auditor General of Pakistan, Islamabad.
9. All Senior Joint Secretaries/ Joint Secretaries, Finance Division.
10. Web Master (with the request to upload on the Finance Division's website).