Government of Pakistan  
Finance Division  
(Budget Wing)  
*****  
Islamabad, the 8th July, 2020

OFFICE MEMORANDUM

Subject: - STRATEGY FOR RELEASE OF FUNDS UNDER RECURRENT BUDGET -  
FINANCIAL YEAR 2020-21

The undersigned is directed to refer to the subject mentioned above and to state that keeping in view the Public Finance Management Act (PFM) Act 2019, the following strategy for release of funds relating to Recurrent Budget for Financial Year 2020-21 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 25% for 1st Quarter, 30% for 2nd Quarter, 25% for 3rd Quarter and 20% in 4th Quarter.

b) Fund releases for subsidies, grants, procurements and other allocations shall be based on actual verified claims, commitments and targets.

c) Any relaxation to the above limits shall be considered by Budget Wing Finance Division on case to case basis and shall require prior approval of the Finance Secretary.

d) All payments shall be made through the pre-audit system of the Accountant General Pakistan Revenues (AGPR) / Military Accountant General (MAG) / other Accounting Offices or Sub-Offices, or through Assignment Account procedure 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.

e) 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, or (b) supplementary grant or technical supplementary grant as per Article 84 of the Constitution has been approved by the Federal Government, or (c) re-appropriation as per Sections 2(u) and 11 of the Public Finance Management Act, 2019.

f) No Expenditure in any head of account (i.e. employees related or others) shall be incurred over and above the appropriations approved by the National Assembly and included in the Schedule of Authorized Expenditure or approved by the Federal Government through supplementary grant or technical supplementary grant.

g) All PAOs shall keep adequate appropriation of funds in all the heads of account during the financial year 2020-21. 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.

i) With effect from 1st July, 2020, there shall be no requirement of ways and means clearance from Budget Wing of Finance Division for the releases of funds. However, the procedure being adopted by the Expenditure Wing, Finance Division shall remain intact till further orders.
j) All the sanctions for expenditure (in all forms) shall be issued and entered into SAP system by the Principal Accounting Officers (PAOs) before payments to be made by the Accounting Offices.

k) AGPR and other Accounting Offices shall not enter the sanction letters issued by the PAO into the SAP system and shall process the payments on verification of budget, fund release and sanction letter.

l) The provisions of Public Finance Management Act, 2019 shall be strictly adhered to by all the PAOs and the Accounting Offices.

m) The instructions with regard to all forms of supplementary grants shall be issued by the Budget Wing, Finance Division, separately.

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

Distribution:

1. All Principal Accounting Officers including Secretaries of Ministries/Divisions.
2. CF&AOs of all Ministries/Divisions.
3. All Additional Finance Secretaries, Senior Joint Secretaries and Joint Secretaries of Finance Division.
5. Accountant General Pakistan Revenues, Islamabad.
7. Sub-Offices of AGPR, Lahore, Karachi, Peshawar, Quetta, Muzaffarabad & Gilgit.
8. Web Master with the request to upload on the Finance Division's website.

Copy to:

- SA to Finance Minister
- SA to Finance Secretary
- PS to Special Secretary Finance