

Government of Pakistan
Finance Division
(Budget Wing)

No F. 3(1)FO/2022-23

Islamabad, the 2nd January, 2023

OFFICE MEMORANDUM

Subject: REVISED STRATEGY FOR RELEASE OF FUNDS FOR Q3 & Q4 OF RECURRENT AND DEVELOPMENT BUDGET FOR FINANCIAL YEAR 2022-23

The undersigned is directed to refer to Finance Division's O.Ms. of even number dated 7th July, 2022 & 24th August, 2022 on the above subject and to state that the Strategy for Release of Funds for, Recurrent and Development Budget, for Q3 & Q4 of the Current Financial Year (CFY) 2022-23 is being revised and issued as under for implementation with immediate effect and until further orders.

RECURRENT EXPENDITURE

- i. Funds release strategy for Q1 was 17% of each approved Demand for Grant and Appropriation & for Q2, it was 23% of each approved Demand for Grant and Appropriation (40% for 1st half) of CFY.
- ii. Funds release strategy for Q3 & Q4 of CFY for each approved Demand for Grant and Appropriation will be as under:

Employees Related Expenses (ERE)

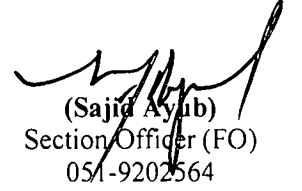
- a. For heads of accounts namely "Pay & Regular Allowances", 100% of final budgetary allocation shall be released immediately.
- b. For the head of account namely "Other Allowances", 25% of final budgetary allocation for Q3 and 35% of final budgetary allocation for Q4, shall be released in respective quarters for CFY.
- c. No re-appropriation of funds shall be made from ERE to Non-ERE except with the prior approval of Finance Division through Expenditure Wing.
- d. All PAOs are required to meet any shortfall in ERE by re-appropriation of funds from Non-ERE.
- e. No additional funds shall be provided through SG/TSG for meeting any shortfall in ERE as well as Non-ERE during CFY.
- f. PAOs shall not approach Finance Division for meeting any expenses of Public Entities, Organizations, Authorities and Bodies, which are provided grant in aid, by ensuring proper distribution and adequate allocation of funds to such Public Entities, Organizations, Authorities and Bodies out of the total funds placed at their disposal during CFY.
- g. Grant-in-aid to Public Entities, Organizations, Authorities and Bodies for the purpose of ERE and Pension Expenses (A01111, A01160, A0121X and A04118) shall be released as per procedure prescribed above (a - e).

Non-Employees Related Expenses (Non-ERE)

- h. 25% of final budgetary allocation for Q3 and 35% of final budgetary allocation for Q4, shall be released for CFY.
 - i. Funds in respect of Rent of Office and Residential Buildings, Commuted Value of Pension, Encashment of LPR and PM's Assistance Packages shall continue to be released 50% of final budgetary allocations for 2nd Half of CFY.
 - j. Funds under head of accounts, "Utilities and P.O.L Charges" shall be released 30% of final budgetary allocation for Q3 and 30% of final budgetary allocation for Q4, for CFY.
 - k. Federal Government's drive for adoption of austerity measures issued by the Expenditure Wing of the Finance Division shall continue to be adhered by all the PAOs.
- iii. All other provisions of the Funds Release Strategy issued by Finance Division on 07.07.2022 and 24.08.2022 shall remain in force. Consequently, expenditures through Subsidies (A051) and Grant-in-aid to Public Entities, Organizations, Authorities and Bodies (A01298, A03985, & A052) shall be made with prior concurrence of the relevant wings of Finance Division.

DEVELOPMENT EXPENDITURE

- i. Funds release strategy for Q1 was 10% of each approved Demand for Grant and Appropriation & for Q2, it was 20% of each approved Demand for Grant and Appropriation (30% for 1st half) of CFY.
- ii. All other clauses of the strategy for release of funds in respect of Development Budget issued by Finance Division on 07.07.2022 and 24.08.2022 shall remain in force. Therefore, 30% of the approved Demand for Grant and Appropriation will be released in Q3 and 40% of the approved Demand for Grant and Appropriation will be released in Q4 during CFY.
- iii. Since, Development Budget is released to Planning, Development and Special Initiatives Division, therefore, PAOs may approach the said Division for any issues related to authorization as well as distribution of funds between the approved projects/schemes.

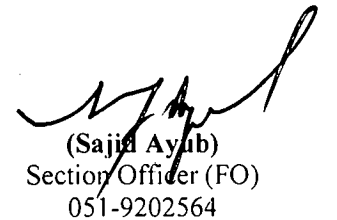

(Sajid Ayub)
Section Officer (FO)
051-9202564

Distribution:

1. All Principal Accounting Officers
2. All Heads of Departments, Offices and Autonomous Bodies
3. All Additional Finance Secretaries, Senior Joint Secretaries and Joint Secretaries of Finance Division.
4. Governor, State Bank of Pakistan, Karachi.
5. Auditor General of Pakistan, Islamabad.
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 & Gilgit.
10. CF & AOs of all Divisions.
11. Managing Director, SBP Banking Services Corporation, Head Office, Karachi
12. Director (Budget Computerization), Budget Wing, Finance Division, Islamabad.
13. Federal Treasury Officer, Islamabad, Karachi.
- ✓14. Web Master (with the request to upload on the Finance Division's website).

Copy to:

- SA to Minister for Finance & Revenue
- SA to Minister of State for Finance & Revenue
- SA to Special Assistant to PM on Finance
- SA to Finance Secretary
- SA to Special Secretary Finance
- PS to Special Secretary Military Finance, Rawalpindi


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