

Government of Pakistan
Finance Division
(Budget Wing)

F.No.4(2)CAO(MoF)/Strategy

Islamabad, 31st July, 2025

OFFICE MEMORANDUM

Subject: STRATEGY FOR RE-APPROPRIATION AND ADDITIONAL ALLOCATION OF FUNDS DURING FINANCIAL YEAR

The undersigned is directed to refer the subject mentioned above and state that in pursuance of the Article 84 of the Constitution of Islamic Republic of Pakistan and Section 10 of PFM Act 2019, if the amount authorized to be expended for a particular service for a financial year is found insufficient, or that a need has arisen for expenditure upon some new service not included in Annual Budget Statement (ABS) and Schedule of Authorized Expenditure the following steps shall be taken by the Principal Accounting Officers (PAOs) or Heads of the Departments/Organizations/Sub-ordinate Offices.

2. Re-appropriation of Funds

- i. Authorized Officer may re-appropriate funds in line with delegated financial powers for re-appropriation of funds under Sr#5 of Schedule of Financial Management and Powers of PAOs Regulations, 2021, as amended by Finance Division from time to time. However, no re-appropriation shall be made from unreleased budget;
- ii. PAOs have been provided additional funds to meet funding requirements of Adhoc Relief Allowance announced in the budget for CFY under a separate cost centre in each Demand for Grants and Appropriations. PAOs are, hereby, advised to re-appropriate these funds, in consultation with Expenditure Wing, Finance Division, **only for the purpose of Adhoc Relief Allowance in quarter 3 of CFY;**
- iii. In case of shortfall in ERE allocation during the FY, re-appropriation of funds from Non-ERE "Heads of Accounts" may be made on priority basis;
- iv. Re-appropriation orders duly approved by the competent authority shall be provided to the Accounting Organizations/Offices for entry into SAP system. However, **released funds shall remain within the prescribed quarterly limits** given by the Finance Division in the Strategy for Release of Funds of CFY;

- v. It has been observed that a large number of cases for relaxation of cut-off date for re-appropriation of funds i.e. 31st May, under Section 11 of PFM Act 2019, are received in Finance Division during June every year. It has been decided that the re-appropriation orders shall only be considered, which duly approved by competent authority and following nature:
 - a. For adjustment of excess expenditure booked in accounts offices;
 - b. To meet shortfall under ERE heads of accounts;
 - c. Unavoidable payments which mature in June;
- vi. Copies of the approved Re-appropriation Order shall be provided to the Expenditure Wing and Budget Wing (Budget Computerization Section) Finance Division for record and monitoring purposes;

3. Technical Supplementary Grants

- 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 that equivalent funds will be provided by ministry/division from their allocation.
- ii. Expenditure Wing shall examine the TSG cases in detail and submit recommendation for consideration of Budget Wing, Finance Division.
- iii. TSG cases relating to PSDP, after meeting the requirements mentioned above, shall be processed through the Planning, Development and Special Initiatives Division;
- iv. Budget Wing, Finance Division shall examine the cases in the light of Budget Execution Report of SAP system, recommendation of Expenditure Wing and available fiscal space before submission to Finance Secretary for consideration and approval;
- v. Approved TSG by the Federal Cabinet, the PAO shall submit the schedule of TSG, duly endorsed by the Expenditure Wing, Finance Division, along with copies of the Summary for ECC and decision of the Economic Coordination Committee (ECC) of the Cabinet, ratification of the Cabinet and surrender order to 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 availability of funds and in line with Release Strategy;

4. Supplementary Grants

- i. No Supplementary Grant for any additional unbudgeted spending over the parliamentary approved level shall be considered by Finance Division, except in cases of severe natural disasters. However, where no funds can be made available through re-appropriation and TSG, the following shall be required;
 - a. PAO certifies that all avenues have been exhausted, which is to be verified by the relevant Accounting Organization/Office;
 - b. PAO provides valid justification and cogent reasons for demanding SG;
 - c. Recommendation of Expenditure Wing or concerned Wing of the Finance Division;
- ii. The procedure reflected in para 3 relating to Technical Supplementary Grant at sub-paras (i)-(vi) shall also be followed for supplementary grant.

5. The above instructions and guidelines shall be applicable for current and coming FYs for all PAOs, Heads of the Departments/Organizations/Sub-ordinate Offices and the Accounting Organizations/ Offices.



(Waheed Ahmed)
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Distribution:

1. All Principal Accounting Officers, Islamabad/ Rawalpindi.
2. Auditor General of Pakistan, Islamabad.
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. Web Master (with the request to upload on the Finance Division's website).