

**THE PUNJAB DISTRICT GOVERNMENT AND TEHSIL MUNICIPAL
ADMINISTRATION (BUDGET) RULES, 2003**

[5th June, 2003]

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TEXT

[5th June, 2003]

PART-I PRELIMINARY

1. Short title, applicability and commencement:- (1) These Rules may be called the Punjab District Government and Tehsil Municipal Administration (Budget) Rules, 2003.

(2) These shall apply to all local governments except Union Administration and Union Councils.

(3) They shall come into force on 1st July, 2003.

2. Definitions:- (1) In these Rules, unless there is anything repugnant in the subject or context:-

- i. **“Accounts Officer”** means the head of the local government Accounts Office;
- ii. **“actuals”** means the actual figures of receipts of expenditure relating to a financial year;
- iii. **“Administrative Approval”** means the concurrence and formal acceptance of the “District Development Committee” or, as the case may be, “Tehsil Development Committee” to the incurring of the expenditure proposed in the project proposal and amount to an order to execute the proposal subject to the approval by the Council;
- iv. **“Annual Budget Statement”** means the statement of estimated receipts into, the estimated expenditure from, the local government fund required to be laid before the Council before the commencement of that year.
- v. **“Annual Development Programme”** means the document submitted alongwith the Annual Budget Statement, which includes the details of development projects included in the budget;
- vi. **“Appropriate”** means an allocation of funds to an office on the basis of the Scheduled of Authorized Expenditure’
- vii. **“Budget”** means a statement of the estimated receipts and expenditure of the local government for a financial year’
- viii. **“Budget Calendar”** means the calendar given in the Second Schedule;
- ix. **“Budget Documents”** means the documents specified in Part X of Volume I of the Rules;
- x. **“Budget Estimates”** for a financial year, means in relation to expenditure, the expenditure proposed for that year, and in relation to receipts, the receipts expected to be realized during that year;
- xi. **“Budget year” or “Financial year”** means the period from July 1st to June 30, both days inclusive.
- xii. **“Capital Expenditure”** means the expenditure met from capital receipts;
- xiii. **“Capital Receipts”** means receipts from sources other than revenue and includes;
 - a. the disposal of capital assets;
 - b. the sale of investments;
 - c. loans; and
 - d. advances and deposits.

- xiv. **“Citizen Community Board”** means a Citizen Community Board as defined in the Ordinance;
- xv. **“Citizen Community Board Official”** means such official of the District Government or Tehsil Municipal Administration as the case may be, to which the project are submitted by the Citizen Community Boards. For the District Government it means the EDO Community Development while for the Tehsil and Town Municipal Administration it means the Tehsil or Town Officer (Planning) as the case may be;
- xvi. **“Charged expenditure”** means such items of expenditure as are specified in the Ordinance, which are not subject to vote of the Council;
- xvii. **“Charter”** means the constitution of a Citizen Community Board, to be subscribed and signed by the founder members, as herein provided. It includes the purposes, aims, and the mode of functioning of a Citizen Community Board;
- xviii. **“Collecting Officer”** means the officer who is responsible for estimation and realization of receipts from the area within his jurisdiction designated by the Head of Offices for the offices under his administrative control;
- xix. **“Current Budget”** means the sum of approved estimates of the expenditure for a current financial year;
- xx. **“Current expenditure”** means expenditure that is not development expenditure
- xxi. **“Demand for Grant”** means the proposal made to the Council on the recommendation of the Nazim for withdrawal of a certain sum out of the local government fund;
- xxii. **“Development expenditure”** means any expenditure on development projects as defined in Rule 30 or any expenditure on new construction, whether of entirely new works or additions and alterations to existing works. It also includes all repairs to newly purchased or previously abandoned buildings or works required for bringing them into use and means expenditure on operations undertaken to maintain in proper conditions buildings and works in ordinary use;
- xxiii. **“Development budget”** means the sum of approved estimates of development expenditure for a financial year;
- xxiv. **“Drawing and Disbursing Officer”** means the officer who prepares estimates of expenditure and actually incurs expenditure in respect of the offices of which he is the Drawing and Disbursing Officer as appointed by the respective Head of Offices under his administrative control;
- xxv. **“Form”** means a form prescribed under these Rules;
- xxvi. **“Founder Member”** constitute the signatories to the Charter of a Citizen Community Board which has been submitted for registration.
- xxvii. **“Function”** means the Chart of Accounts issued by the Auditor General of Pakistan, which provides information on particular economic activities.
- xxviii. **“Grant”** means the amount granted by the Council, in respect of a Demand for Grant as specified in the Schedule of Authorized Expenditure;
- xxix. **“Member of Citizen Community Board”** means a person whose name has been included in the Register of Members;
- xxx. **“Object”** means a Chart of Accounts used to classify the nature of expenditure e.g. salaries, travel, transport etc;
- xxxi. **“Ordinance”** means the Punjab Local Government Ordinance, 2001 (Ordinance No. () of 2001);
- xxxii. **“Part”** means a part of these Rules;

- xxxiii. **“Project Proposal”** means the project proposal, which is submitted by a Citizen Community Board to the concerned Citizen Community Board official for approval by the Council;
- xxxiv. **“Re-appropriate”** means the transfer of savings of one or more units of appropriations to meet excess expenditure anticipated under another such unit;
- xxxv. **“Receipt”** means the cash collected by a local government;
- xxxvi. **“Register of Citizen Community Boards”** means the register to be kept at the offices of and maintained by the Registration Authority wherein the names, addresses, and specified particulars of the registered Citizen Community Boards and their Executive members shall be recorded.
- xxxvii. **“Register of Members”** means the register to be kept at the designated office of a Citizen Community Board, wherein the names, addresses and other specified information relating to all its members are recorded.
- xxxviii. **“Registration Authority”** means the District Officer (Registration) who is declared a such by a District Government;
- xxxix. **“Revenue Receipts”** means the receipts from tax and non-tax revenues. The non-tax receipts include interest, dividends, fines etc. realized by a local government.
- xl. **“Revised Estimates”** means the estimate of the probable receipts or expenditure, for a financial year, framed, in the course of that year, with reference to the transactions already recorded;
- xli. **“Schedule”** means a schedule to these Rules;
- xl.ii. **“Schedule of Authorized Expenditure”** means the schedule prepared, after the approval by the Council of the Annual Budget Statement for Supplementary Budget in respect of a financial year and authenticated by the Nazim;
- xl.iii. **“Section”** means a section of the Ordinance; and
- xl. iv. **“Supplementary Budget Statement”** means the statement to be laid before the Council showing the amount of the additional expenditure required during a financial year, over and above the expenditure already authorized, for that year;
- xl. v. **“Supplementary Grant”** for a financial year means an amount provided in addition to the original Grant or appropriation approved by the Council;
- xl. vi. **“Surrender”** means an amount included in the budget that is given back and not spent in the financial year by the office;
- xl. vii. **“Technical Sanction”** is the sanction to a properly detailed estimate of cost of a work of construction or repair; and
- xl. viii. **“Voted expenditure”** means expenditure that is submitted to the vote of the Council.
- (2) Terms and expression used but not defined in these Rules shall have the same meaning as defined in the Ordinance.

PART-II

FUNCTIONS OF THE OFFICERS RELATING TO BUDGET

3. Functions of Finance and Budget Officer:- (1) The Finance and Budget Officer shall be responsible for the coordination of the budgetary process and for the consolidation and preparation of the budget documents of the local government.

(2) The Finance and Budget Officer in the case of a District Government shall be the Executive District Officer (Finance and Planning)

(3) The Finance and Budget Officer in the case of a Tehsil Municipal Administration shall be the Tehsil Officer (Finance).

- (4) The Finance and Budget Officer shall perform the following functions:-
- (i) issue the budget call letter after approval of the Nazim, which shall include:-
 - a. date-wise budget calendar;
 - b. instructions for preparing the budget;
 - c. forms to be used in the preparation of the budget; and
 - d. budget guidelines
 - (ii) provide figures of available resources for formulation of budget;
 - (iii) examination and scrutiny of the budget proposals;
 - (iv) examination and scrutiny of new expenditure;
 - (v) compilation and consolidation of the Budget;
 - (vi) communication of Grants to Drawing and Disbursing Officers;
 - (vii) monitoring of the budget and ensuring that funds are spent as approved by the Council;
 - (viii) examination and scrutiny of proposals for Re-appropriation and Supplementary Grants;
 - (ix) provide financial information to the Council relating to local government;
 - (x) submit reports on budgetary performance;
 - (xi) monitor the receipts and expenditure of the local government; and
 - (xii) provide such other supervision and administration as may be required from time to time in connection with or ancillary to any of the foregoing aspects of the budgetary process.

4. Head of Offices:- (1) In relation to the District Government, the Head of Offices means the:-

- (i) District Coordination Officer for this office and the office of the Zila Nazim only;
 - (ii) Naib Zila Nazim for the Zila Council Secretariat and
 - (iii) Executive District Officers (EDOs)
- (2) In relation to Tehsil Municipal Administration, the Head of Offices means:-
- (i) Tehsil Municipal Officer (TMO) for his office and the office of Tehsil Nazim;
 - (ii) Naib Tehsil Nazim for the Tehsil Council Secretariat; and
 - (iii) Tehsil Officers.
- (3) The Head of Offices is responsible for:-
- (i) all matters relating to the budget for the offices under his administrative control;
 - (ii) ensuring strict financial control;
 - (iii) ensuring observance of all relevant financial rules and regulations both by his own office and by sub-ordinate Disbursing Offices;
 - (iv) ensuring that the total expenditure is kept within the limits of authorized appropriation;
 - (v) ensuring that the funds allotted are spent on the activities for which the money was provided;
 - (vi) explaining to the "District Development Committee" or, as the case may be, "Tehsil Development Committee", any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise;

- (vii) ensuring that adequate provisions exist for systematic internal checks to prevent and detect errors and irregularities in the financial proceedings of his subordinate offices;
- (viii) ensuring that the internal controls are effectively applied;
- (ix) guarding against waste and loss of public money;
- (x) ensuring that satisfactory arrangements exist for systematic and proper maintenance of office accounts and other ancillary record.
- (xi) Ensuring that the auditors are afforded all reasonable facilities in the discharge of their functions and furnished with full possible information for which they may ask;
- (xii) Ensuring that no such information or any books or other documents to which the Auditor General of Pakistan has a statutory right of access is withheld; and
- (xiii) Coordination with the Finance and Budget Officer

5. Collecting Officer (CO): (1) The function of the Collecting Officer are:-

- (i) preparing the estimates of receipts under his jurisdiction;
- (ii) all matters relating to estimation, realization, and deposits of receipts; and
- (iii) Coordination with the concerned higher level officials.

(2) The Collecting Officer shall be designated as such by the respective Head of Offices for the offices under his administrative control.

6. Drawing and Disbursing Officer (DDO): (1) The functions of the Drawing and Disbursing Officer are:-

- i. preparation of the estimates of expenditure for the offices under his jurisdiction;
- ii. incurring of expenditure as per rules;
- iii. Coordination with the concerned higher level officials; and
- iv. Monitoring his budget

(2) The Drawing and Disbursing Officer shall be designated as such by the respective Head of Offices under his administrative control.

7. Planning Officer (PO): (1) Planning Officer means in relation to

- (i) District Government, the Executive District Officer (Finance and Planning; and
- (ii) Tehsil Municipal Administration, the Tehsil Officer (Planning).

(2) The function of the Planning Officer are:-

- (i) overall planning of development works of the local government;
- (ii) monitoring of development projects; and
- (iii) consolidation of Annual Development Programme

PART III

BUDGET CLASSIFICATION AND CALL LETTER

8. Budget: (1) The budget is a statement of receipts and expenditure during a financial year of a local government and thus reflects the local government policies, priorities, financial strategy and operational plans in the financial terms.

(2) The Nazim shall ensure that the needs of the disadvantaged groups are reflected in the priorities and gender issues are adequately addressed

9. Budget Classification: (1) The Budget shall be prepared in accordance with Chart of Classification of accounts issued by the Auditor General of Pakistan.

(1) The expenditure shall be classified into Development and Current expenditure.

(2) The Development budget shall be divided into two parts, namely;

- i. Citizen Community Board Development budget; and
- ii. local government development (Non-Citizen Community Board) budget

(3) The receipts shall be classified as follows

- i. major head;
- ii. minor head; and
- iii. detailed receipt head

(4) Expenditure shall be classified as follows:

- i. function classification; and
- ii. object classification

(5) Functional classification shall be as follows:

- i. Major function
- ii. Minor function; and
- iii. Detailed function

(6) Object classification shall be as follows:

- II. Major object
- III. minor object; and
- IV. detailed object

(7) The budget of the Council and its secretariat shall be reflected separately in the Budget. A separate Drawing and Disbursing Officer shall be designated for the Council budget.

10. Public Account: (1) Every local government shall maintain a Public Account.

(2) The estimates relating to Public Account shall be prepared by the Finance and Budget Officer on receipt of the figures from the concerned offices.

(3) The withdrawals from the Public Account shall be for the purpose for which funds were deposited.

11. Budget Call Letter: (1) The Budget Call Letter shall be finalized after consultation with the relevant stakeholders.

Explanation: The expression "stakeholders" include Councils, elected representatives, general public, women's organization, private sector, Citizen Community Boards, District Mushavirat Committee, Non-Governmental Organizations, Community Based Organizations and other organizations.

(2) The priorities identified by a Council shall be forwarded to the Nazims as under:-

- i. the respective Council of the concerned local government may provide their requirements to the Nazim;
- ii. the Tehsil Councils and Union Councils may provide their requirements relating to district functions to the Zila Nazim;
- iii. the Zila Council and Union Councils may provide their requirements to Tehsil Nazim relating to Tehsil functions;
- iv. the Zila Council and Tehsil Councils may provide their requirements to Union Nazim relating to Union functions.

(3) The Finance and Budget Officer shall consolidate the information received from the stakeholders including the priorities identified by the Councils and the local government offices in the draft budget call letter and submit it to the Nazim for approval.

- (4) After approval by the Nazim, the Finance and Budget Officer shall issue to each Head of Offices the Budget Call Letter, including the budget calendar.
- (5) The Budget and Finance Officer shall issue the classification of projects and other guidelines to the Citizen Community Boards on approval of the budget call letter by the Nazim.
- (6) Each Head of Offices shall prepare its budget in accordance with the Budget Call Letter approved by the Nazim.
- (7) The timeframe provided in the budget calendar shall be followed by each office of the local government.
- (8) Filled forms shall be submitted by the Drawing and Disbursing Officers, Collecting Officers and Heads of Offices in accordance with the timeframe specified in the budget calendar to the Finance and Budget Officer.

PART IV

ESTIMATES OF RECEIPTS

12. Finance and Budget Officer to supply receipt forms to Collecting Officers:

The Finance and Budget Officer shall, each year alongwith the budget call letter, supply to the Collecting Officers Forms BDR-1 to 4 relating to receipts as provided in the First Schedule, in which the estimates of receipts for the coming financial year shall be prepared.

13. Instructions to Collecting Officers: The Collecting Officers shall while preparing their estimates of receipts be guided by the following:-

- i. Estimates of receipts are prepared diligently and accurately;
- ii. In relation to revised estimates, shall take into consideration the actual receipts during the first eight months of the financial year and also consider the figures of the previous financial year;
- iii. All material reasons, facts and circumstances relied upon in adopting the figures for the Revised Estimates for the current financial year shall be recorded clearly;
- iv. The reasons for adopting the figures for the budget estimates of the coming financial year shall be clearly explained; and
- v. The receipts shall cover all sources including fiscal transfers from provincial government.

14. Revenue Base Review: (1) In order to ascertain and realize the revenue potential of a local government, each Collecting Officer shall conduct a review of the revenue sources and the required information shall be prepared in Form BDR-3.

(2) The objections and suggestions from the public and vetting by the Government shall be obtained after the taxation proposals have been discussed by the Council while considering the Draft Budget presented by the Nazim in April each year.

(3) The timeframe to be followed for finalizing the taxation proposals is specified in the budget calendar provided in the Second Schedule.

15. Collecting Officer to Forward Receipt Forms to Head of Offices: After duly completing the receipt forms, the Collecting Officer shall sign the same and retain one copy for record in his office, and forward the rest to the Head of Offices. The explanatory notes to the receipt forms shall be provided in Form BDR-5.

16. Head of Offices to scrutinize and consolidate estimates: (1) On receiving the estimates of receipts from the Collecting Officer, each Head of Offices concerned shall finalize and consolidate the figures furnished by his Collecting Officers.

- (2) Each Head of Offices shall prepare a note explaining any differences between:-

- i. the revised estimates proposed for the current financial year, and the budget estimates for the current financial year; and
- ii. the budget estimates proposed for the next financial year, and the revised estimates proposed for the current financial year.

(3) A copy of the duly completed forms and the explanatory note prepared in Form BDR-5 shall be forwarded to the Finance and Budget Officer.

17. Administrative responsibility for accuracy of Figures and Estimates:- The Heads of Offices and the Collecting Officers shall be responsible for the correctness of all figures supplied to the Finance and Budget Officer.

18. Consolidation of receipts by the Finance and Budget Officer:- Upon receipt by the Finance and Budget Officer of the estimates of receipts from the Heads of Offices, the Finance and Budget Officer shall consolidate such estimates. The estimates of receipts shall be incorporated in the budget documents and submitted to the "District Development Committee" or, as the case may be, "Tehsil Development Committee" for finalization prior to its submission to the Council.

PART V

ESTIMATES OF CURRENT EXPENDITURE

19. Preparation of Estimates of Current expenditure: (1) The estimates of Current Expenditure shall be prepared by Drawing and Disbursing Officers (DDOs) in accordance with the budget guidelines according to which directions may be provided by the respective Head of Offices.

(2) The estimates of expenditure shall be provided on the Forms BDC-1 to 7 relating to Current expenditure.

20. Instructions for preparation of estimates of current expenditure: the following guidelines shall be followed for purposes of determining the Estimates of Expenditure:-

- i. provision for each expenditure shall be included under the appropriate function and object head;
- ii. provision for any foreseeable expenditure shall be included therein while ensuring that each provision is restricted to the absolute minimum necessary sum;
- iii. each Drawing and Disbursing Officer shall develop the most realistic and sound estimates;
- iv. the estimates for each financial year shall provide only for such expenditure as are to be actually paid during the next financial year;
- v. provision should not be made in the estimate for posts which it has been decided to leave unfilled;
- vi. a performance incentive bonus for employees shall be included in the Budget; and
- vii. the budget shall include provision for honoraria and allowances for Nazims, Naib Nazims and Councilors.

21. Submission of estimates of expenditure by Drawing and Disbursing Officer to Head of Offices: After completing the forms, the Drawing and Disbursing Officer (DDO) shall retain one copy for record in his office and forward the original together with an explanatory note on BDC-8 showing the reasons for his proposal to the Head of Offices.

22. Heads of Offices to consolidate expenditure estimates: (1) Each Head of taking into account the weaknesses of the past gaps and the proposals with detailed workings including the following on Forms BSF 1 to BSF 3:-

- i. areas where the community can and is likely to participate and the proposed classification of projects for Citizen Community Boards;
- ii. the state of facilities and services already available;

- iii. problems and issues relating to the implementation of the current year's budget;
- iv. activities proposed for the next year's Current budget;
- v. new activities proposed for the next year including staff requirements and establishment;
- vi. status of on going development project; and
- vii. proposed sectors and projects for the next year's development budget based on the technical assessment by the concerned offices.

(3) Upon receipt of expenditure estimates, the Head of Offices shall review and finalize the estimates of expenditure and then send the same to Finance and Budget Officer.

23. Consolidation of expenditure estimates: (1) The Finance and Budget Officer shall consolidate the estimates received from each Head of Offices.

(2) The estimates shall be submitted to the Council as part of the budget documents after finalization by the "District Development Committee" or, as the case may be "Tehsil Development Committee".

(3) The current expenditure shall include the new expenditure.

24. Other statements: The details of budget shall include:-

- i. Statement of investment if any as per Form BDO-1
- ii. Statement of General Provident Fund as per Form BDO-2; and
- iii. Statement of outstanding liabilities and loans, if any, on form BDO-5

25. Calculation of Establishment Charges: (1) Form BDO-3 shall be used for calculation the salaries of the officials.

(2) Form BDO-4 shall be used for calculating the allowances of the officials.

(3) Forms BDO-3 and BDO-4 shall be for the internal use of the offices and shall not be submitted with any of the budget documents.

26. Conditional Grants: All conditional grants shall be budgeted and utilized in accordance with the conditions of the grant.

PART VI

STATEMENT OF NEW EXPENDITURE (CURRENT BUDGET)

27. New expenditure: (1) Expenditure on new activities shall include the recurring costs of the development projects to be completed in the next financial year and expenditure relating to new current activities. The expenditure is mainly on personnel and purchase of durable goods.

(2) The new expenditure shall be provided with the budget documents as a Statement of New Expenditure (SNE),

28. New Current expenditure Proposals: Each Drawing and Disbursing Officer shall for the next financial year sent to the Head of Offices, all proposals involving new current expenditure alongwith their estimates in Forms BDC-1 to 7.

(2) An explanatory note justifying the new proposals shall be provided in Form BDC-8.

(3) The details of the recurring expenditure of the development projects to be completed during a budget year, shall be communicated by the Drawing and Disbursing Officer (DDOs) to the concerned Head of Offices.

29. Instructions regarding new expenditure: (1) The respective Drawing and Disbursing Officer (DDO), while preparing any proposal for new current expenditure shall ensure that:-

- i. All proposals specify the;
 - a. number of required personnel;

- b. rates of remuneration; and
- c. duration of employment of any proposed officials.
- ii. all relevant revenue implications have been described, quantified and included in the estimates of receipts; and
- iii. detail of expenditure as “Purchase of Durable Goods” have been specified.

(2) Drawing and Disbursing Officers shall forward the estimates of new expenditure separately to the Head of Offices alongwith the current budget.

(3) In submitting proposals for new expenditure administrative difficulties and delays in sanctioning processes should always be borne in mind and not more should be recommended for provision in the budget than is likely to be incurred during the course of the financial year.

PART VII

DEVELOPMENT PROJECT PROCESSING

30. Development Projects: Development projects are those which are undertaken through development budget and required to be prepared on the Form BDD-4.

31. Processing of development projects: The development projects shall be processed as follows:-

- i. Identification of development project;
- ii. Preparation of project outline by concerned Office;
- iii. Approval of development project outline by the “District Development Committee” or, as the case may be , “Tehsil Development Committee”;
- iv. Preparation of detailed development project proposal;
- v. Preparation of technical sanction for development projects involving works;
- vi. Approval by “District Development Committee” or, as the case may be , “Tehsil Development Committee”;
- vii. Issuance of Administrative Approval and Technical Sanction;
- viii. Inclusion in Annual Development Programme;
- ix. Approval by Council.

32. Responsibilities of the Nazim relating to Development Planning: Nazim shall:-

- i. Provide the vision and set the development priorities;
- ii. Interact with the stakeholders to assess their needs;
- iii. Encourage the Citizen Community Boards to participate in the development activities and ensure that the Citizen Community Board project are given priority;
- iv. Oversee the preparation of development project proposals; and
- v. Deleted.
- vi. Review progress of development projects and ensure timely completion of development projects.

33. Identification of Development Projects: (1) The identification of development projects shall be through a bottom up planning system.

(2) Deleted.

(3) The project proposals received during the year from various stakeholders shall be scrutinized by the concerned Head of Offices.

(4) The Head of Offices shall submit the outline of new development project proposals to the “District Development Committee” or, as the case may be , “Tehsil

Development Committee” through the Planning Officer for approval and further processing. The new development projects shall be based on the detailed plans prepared by the respective Head of Offices as specified in Rule 22.

34. Approval of Non-Citizen Community Board development projects by the “District Development Committee” or, as the case may be , “Tehsil Development Committee”: (1) The “District Development Committee” or, as the case may be , “Tehsil Development Committee” shall review the outline of the new development project proposal received from the concerned office and give approval for the preparation of detailed development project proposals which have been cleared by the “District Development Committee” or, as the case may be , “Tehsil Development Committee”.

(2) The concerned office after receiving the approval by the “District Development Committee” or, as the case may be , “Tehsil Development Committee” shall initiate the process of preparing the detailed development project proposal on Form BDD-4.

(3) The detailed development project proposal on completion by Head of Offices shall be submitted to the Planning Officer.

(4) The Planning Officer shall frame a working paper on the basis of the information examining the financial, economic and environmental viability of each development project.

(5) The working paper alongwith a copy of the detailed proposal shall be circulated among members of the “District Development Committee” or, as the case may be , “Tehsil Development Committee”.

(6) The “District Development Committee” or, as the case may be , “Tehsil Development Committee” (BDC) shall review the development project proposal and its decisions shall be recorded for each development project proposal.

(7) A copy of the development project proposal approved by the “District Development Committee” or, as the case may be , “Tehsil Development Committee” (BDC) shall be submitted to the Council for information.

35. Administrative Approval for development projects other than Citizen Community Boards: (1) After the “District Development Committee” or, as the case may be , “Tehsil Development Committee” has approved the development project proposal, the District Coordination Officer (DCO) and Tehsil Municipal Officer (TMO) shall convey the Administrative Approval on behalf of the respective “District Development Committee” or, as the case may be , “Tehsil Development Committee”.

(2) Only the development projects approved by the “District Development Committee” or, as the case may be , “Tehsil Development Committee” shall be considered for inclusion in the Annual Development Programme.

36. Revision in Development project Proposals other than Citizen Community Boards:(1) The upward revision of cost, or a major change in the objective or scope of a development project shall require the approval of the Council.

(2) The revision within the cost approved by the Council shall be approved by the “District Development Committee” or, as the case may be , “Tehsil Development Committee”. The “District Development Committee” or, as the case may be , “Tehsil Development Committee” shall ensure that the objectives and scope are not altered.

37. Completion of on-going Development project other than Citizen Community Boards: An on-going development project approved by the Council shall be funded and completed as approved.

38. Development projects involving works other than Citizen Community Boards: (1) The development project proposal relating to works submitted to the “District Development Committee” or, as the case may be , “Tehsil Development Committee” for Administrative Approval shall be accompanied by a preliminary report, a rough cost estimate preliminary plans, information to the site and other details as

may be necessary to fully elucidate the proposals. The estimates and preliminary plans should be obtained from the concerned office dealing with works.

(2) For every work proposed to be carried out, except petty works and repairs a properly detailed estimate must be prepared for the sanction of the competent authority. This sanction is known as the "Technical Sanction" to the estimate. Such sanction shall only be accorded by the officials in accordance with the powers delegated to them.

(3) In cases in which it becomes apparent during the execution of the work the amount administratively approved or the amount of technical sanction shall be exceeded, the approval and approval of the Council shall be obtained.

PART VIII

DEVELOPMENT BUDGET AND ANNUAL DEVELOPMENT PROGRAMME

39. Annual Development Programme: (1) The Annual Development Programme shall be a compilation of the development projects including Citizen Community Board projects, approved by the Council as part of the budget.

(2) The Annual Development Programme shall be submitted as part of the budget documents.

40. Classification of Annual Development Programme: (1) The Annual Development Programme shall classify projects by sector, function and geographic location.

(2) The Annual Development Programme shall indicate new development projects and on-going development projects separately, Development projects on which on expenditure has been incurred previously shall be termed "New" development projects. Development projects on which expenditure has been incurred in previous years shall be termed "on-going".

41. Source of funding for Annual Development Programme: (1) Main sources of funding the new development projects shall be:-

- i. Total receipts of the local government less current expenditure, on-going expenditure of development projects and other liabilities; and
- ii. Financial assistance received by way of development grants from the Government.

(2) Twenty five percent of the development budget shall be earmarked for execution through Citizen Community Board (Citizen Community Board). The Citizen Community Board (Citizen Community Board) projects shall be processed, including in the development budget and approved by the Council in accordance with the Rules.

42. Phasing of Annual Development Program: (1) As far as possible development projects shall be completed within the financial year.

(2) In exceptional circumstances a project may be phased over two financial years.

(3) Multi-year planning shall reflect and cater for the operation and maintenance costs of completed development projects and shall ensure that such costs are considered by the "District Development Committee" or, as the case may be, "Tehsil Development Committee" when approving development projects.

43. Prioritizing Development Projects for Inclusion in the Annual Development Programme: (1) For the Non-Citizen Community Board (local government initiated) development projects each Head of Offices shall select development projects for inclusion in The Annual Development Programme from the development projects processed by the "District Development Committee" or, as the case may be, "Tehsil Development Committee" pertaining to this offices and forward their details to the Planning Officer in Forms BDD-1 to 3. The development projects recommended by the Head of Offices shall be in line with the budget guidelines included in the Call letter and the detailed operational plans of the respective Offices under the administrative control of the Head of Offices.

(2) The procedure for ranking of the Citizen Community Board projects is explained in Part III of Volume II of the Rules.

44. Monitoring Progress of Development Project Execution: (1) Expenditure can be incurred only on development projects for which Administrative Approval and Technical sanction (for works) has been accorded and the development project has been included in the budget and has been approved by the Council.

(2) For development projects under execution, the executing agency shall send monthly progress reports in the prescribed Form BM-5 and BM-7 to the Planning Officer and Finance and Budget Officer, and the Monitoring Committee in the first week following each month.

(3) Complaints and suggestions of the public, Monitoring Committee and officials regarding development projects shall be submitted through the Planning Officer to the "District Development Committee" or, as the case may be, "Tehsil Development Committee" for necessary action.

45. Development project Completion: On development project completion, a project handing over report shall be submitted by the concerned Head of Offices to the Planning Officer and a copy shall be provided to the "District Development Committee" or, as the case may be, "Tehsil Development Committee", Finance and Budget Officer and to the Council each.

46. Post Completion: Post completion evaluation of each development projects shall be undertaken jointly by the Planning Officer in collaboration with concerned Head of Offices and a report submitted to the Council.

PART IX

BUDGET PRESENTATION TO THE COUNCIL

47. Budget Documents: (1) The Finance and Budget Officer shall for the Council prepare the budget documents specified below:-

- i. Budget speech of the Nazim;
- ii. Annual Budget Statement;
- iii. Budget Salient Features;
- iv. Estimates of Receipts;
- v. Demands for Grants (Current expenditure);
- vi. Demands for Grants (Development expenditure);
- vii. Statement of New Expenditure;
- viii. Annual Development Programme; and
- ix. Supplementary Budget for current year if required.

(2) The formats of the budget documents are provided in the First Schedule, while brief description follows.

48. Budget Speech: The Budget Speech of the Nazim shall include the main feature of the budget.

49. Annual Budget Statement: (1) The Annual Budget Statement shall include details of receipts and expenditure. The following shall be included in the Annual Budget Statement (ABS).

- i. Financial Abstract;
- ii. Details of Receipts;
- iii. Details of expenditure;
- iv. Details of Current expenditure by detailed function and major objects;
- v. Details of Public Account Receipts and Disbursement; and
- vi. Function wise Development expenditure

(2) The Annual Budget Statement shall be submitted on Form ABS.

50. Budget Salient Features (BSF): The Budget Salient Features shall provide a brief description of the main features of each office and also include performance targets, service delivery facilities, policies and plans of the various offices.

(1) The salient features of each office shall be provided in Form BSF-1

(2) The performance targets shall be provided in Form BSF-2

(3) The status of service delivery facilities shall be provided in Form BSF-3

51. Estimates of Receipts: (1) The estimates of receipts shall be prepared and consolidated pursuant to Part IV.

(2) The estimates of receipts and other details shall be provided on Forms BDR 1 to 5.

52. Demands for Grants (Current expenditure): (1) The demand for grants of current expenditure shall include estimates of total current expenditure and shall be prepared pursuant to Part V of Volume I.

(2) The "Demand for Grants (Current expenditure)" and other details shall be provided in Forms BDC 1 to 8.

(3) Other forms may be developed by a local government for providing additional budgetary information.

53. Demands for Grants (Development expenditure): (1) The demand for grants and appropriation for development shall include the estimate of ongoing and new development projects including Citizen Community Board (Citizen Community Board) projects. It shall be prepared pursuant to Part VII, VIII and IX of Volume I.

(2) The Demand for Grants (Development expenditure) and other details shall be provided in Forms BDD 1 to 3.

54. Statement of New Expenditure: (1) The estimates of new expenditure relating to current budget shall be provided separately as well, and prepared pursuant to Part V and VI of Volume I.

(2) The Schedules and explanatory notes relating to the "Statement of New Expenditure" shall be provided in Forms BDC 1 to 8.

55. The Annual Development Programme: (1) The Annual Development Programme shall be formulated as prescribed in Part VII, VIII and IX of Volume I and include details of each development project. It shall be an explanatory documents to the Demand for Grants (Development).

(2) The Annual Development Programme shall be provided in Form BDD-3.

56. Supplementary Budget: (1) A Supplementary Budget based on the Statement of Excess and Surrenders Revised Estimates shall also be submitted alongwith the other budget documents if required.

(2) The Supplementary Budget shall be presented in the same form and manner as that of the annual budget.

57. Draft and Final Budget: The Finance and Budget Officer after consolidating the budget estimates shall prepare a Draft Budget based on the preliminary estimates provided by the Government.

(1) The Draft Budget shall be discussed and finalized by the "District Development Committee" or, as the case may be, "Tehsil Development Committee".

(2) The Budget based on the preliminary estimates as approved by the Nazim shall be presented to the Council for discussion as a Draft Budget.

(3) The recommendations of the Council on the Draft Budget shall be incorporated when the budget is being prepared and finalized on the basis of the final estimates provided by the Government.

(4) The budget based on the final estimates provided by the Government shall be presented by the Nazim to the Council for approval.

58. Presentation to the Council: (1) The budget documents shall be laid before the Council for approval.

(2) The Council may refer the budget documents to the Budget Committee constituted by the Council. The Committee shall perform the following functions:-

- i. Scrutiny of receipts
- ii. Scrutiny of expenditure
- iii. Examination of new proposals for taxation; and
- iv. Make recommendations to the council.

(3) No Demand for Grant shall be made to the Council except on the recommendation of the Nazim.

(4) The closing balance of the local government shall not be allowed to fall below 5% of the total receipts (excluding those of the public account) anticipated for the year. For the purpose of this Rule the investments if any made out of the local government fund shall be deemed to be a part of the closing balance.

(5) No lumpsum provisions shall be made in the budget the details of which cannot be explained.

(6) A budget shall not be approved by the Council if:-

- i. the receipts do not match the proposed expenditure;
- ii. the ratio of development work and expenditure on establishment fall below the constraints as notified by the Government from time to time.

59. Schedule of Authorized Expenditure and Authentication by Nazim: Following approval by the Council of the Annual Budget Statement in respect of the next financial year, the Finance and Budget Officer shall:-

- i. prepare a Schedule of Authorized Expenditure;
- ii. procure the authentication of the Nazim for the Schedule mentioned in Sub-Rule (i) above;
- iii. Schedule of Authorized Expenditure shall be prepared in the same form as the Annual Budget Statement;
- iv. The Schedule authenticated by the Nazim shall be laid before the Council, but shall not be opened to discussion or vote thereon; and
- v. The Schedule of Authorized Expenditure shall lapse at the end of the financial year.

PART XI

COMMUNICATION AND DISTRIBUTION OF GRANTS

60. Communication of Schedule of Authorized expenditure: (1) A copy of the authenticated Schedule of Authorized Expenditure shall be forwarded to the Accounts Officer by the Finance and Budget Officer.

(2) The Finance and Budget Officer shall intimate to each Head of Offices the details of the sum authorized in the Schedule of Authorized Expenditure for that financial year.

61. Communication of Grants to Drawing and Disbursing Officers (DDOs): on receipt of information from the Finance and Budget Officer regarding the Grants, placed at their disposal, the Head of Offices shall further distribute the Grants to the Drawing and Disbursing Officers subordinate to him. The communication shall be completed by the 2nd Week of July.

62. Communication of Receipt targets to Collecting Officers:- (1) The targets of receipts approved by the Council shall be forwarded by the Finance and Budget Officer to the Head of Offices.

(2) The Head of Offices shall forward the receipt targets to the Collecting Officers subordinate to him.

63. Communication to Government and other local government in the District: A copy of the budget documents shall be supplied to the Government, Provincial Finance Commission and Local Government Commission. A copy shall be provided to other local governments in the District if requested by them.

PART XII

EXPENDITURE MANAGEMENT

64. Expenditure Management: (1) Each local government shall:-

- i. Ensure that it develops effective means to implement the budget as passed by the council;
- ii. Ensure that authorized budget allocations are expended in conformity with the Schedule of Authorized Expenditure;
- iii. If necessary, modify the budget to a changing environment, in accordance with the provisions of these Rules; and
- iv. Efficiently and effectively manage the resources made available to the local government.

(2) Two elements are necessary before money can be spent:

- ii. There must be an appropriation of funds for the purpose; and
- iii. There must be sanction of an authority competent to sanction expenditure.

(3) Delay in payment of money from a local government shall be avoided. The payment of all actual obligations shall be ascertained, provided for in the budget estimates, liquidated and recorded at the earliest possible date.

(4) No contracts shall be entered into by any authority, which has not been empowered to do so by the local government.

65. Responsibility of relevant local government Functionaries: (1) The Head of Offices shall be responsible for controlling and managing expenditure from the Grants placed at their disposal.

(2) Each Drawing and Disbursing Officer (DDO) shall be responsible for the expenditure actually incurred against the funds allotted to him. The expenditure shall be sanctioned in accordance with the delegation of Financial Power Rules.

(3) In case of any reduction budget necessitated by lower than expected receipts the Nazim shall decide the requisite reduction in respect of any one or more heads of expenditure, keeping in view the priorities set by the Council. Such revisions shall require approval of the Council. In case receipts exceed the estimations or additional grants or funding is received then a supplementary budget shall be presented to the Council prior to utilization of the additional funds.

(4) In order to keep total expenditure within the Grant, every Head of Offices shall be informed monthly by each Drawing and Disbursing Officer of:-

- i. Actual spending from the Grant or Grants placed at the disposal of any such subordinate Drawing and Disbursing Officer ;
- ii. The extent of commitments that have been made but not paid for against such Grant of Grants; and
- iii. The extent of expenditure that is likely to be incurred during the remaining period of the financial year.

(5) Each Head of Offices shall review the expenditure position and take such measures as may be required to check the trend of any excessive expenditure.

66. Recording of disbursement by Drawing and Disbursing Officers (DDOs): (1) Every Drawing and Disbursing Officer (DDO) shall maintain an appropriate register which shall include the commitments against the appropriations and a register of actual disbursements. The DDO shall also monitor the appropriates relating to establishment.

(2) When a bill is prepared for payment, the Drawing and Disbursing Officer (DDO) shall indicate complete accounts classification in respect of the proposed expenditure and the balance available in the detailed object head.

(3) The Drawing and Disbursing Officer (DDO) may maintain other registers as may be required to manage, control and monitor the budget.

(4) In case a Drawing and Disbursing Officer (DDO) receives confirmation from Head of Offices or any other source that a particular item of expenditure has been incorrectly classified, he shall immediately correct the accounts and send the same for information to the Account Officer.

(5) A Drawing and Disbursing Officer shall not authorize any payment in excess of the funds placed at his disposal.

67. Reconciliation of expenditure – District Government and Tehsil Municipal Administration: (1) During the first week of each month, the respective Accounts Officer shall provide for the previous month, a schedule showing the numbers, dates and amounts of vouchers paid during that month, and supply copy of each such schedule to the concerned Drawing and Disbursing Officer (DDO).

(2) Upon receipt of the schedule from the Accounts Officer, the Drawing and Disbursing Officer (DDO) shall:-

- i. Compare such schedule with the statement prepared by him; and
- ii. Reconcile expenditure with Accounts Officer by 10th day of every following month for the previous month.

(3) The respective Head of Offices, Drawing and Disbursing Officer (DDO) and the Account Officer shall be jointly responsible for reconciling any differences and for correcting misclassifications or any other errors.

(4) In case the reconciled statement is not provided by the Head of Offices by the 20th of the month to the Finance and Budget Officer, following the month to which the Accounts relates, no bills may be passed by the Account Officer for the defaulting DDOs.

68. Monthly expenditure Statement: (1) The Drawing and Disbursing Officer (DDO) shall provide a reconciled statement of expenditure not later than the 13th day of the month following the month to which the accounts relate to the relevant Head of Offices in Form BM-1.

(2) If any Head of Offices has one or more subordinate Drawing and Disbursing Officer (DDOs) such Head of Offices shall consolidate the statements he receives from any such Drawing and Disbursing Officers (DDOs).

(3) The Head of Offices shall forward the consolidated statement of expenditure to the Finance and Budget Officer, so as to reach him by the 16th day of the month following that to which the accounts relate.

69. Monthly Reports of expenditure: (1) Each local government shall submit a monthly report to the respective Council relating to the expenditure incurred during the month by the local government.

- (2) The monthly financial reports shall include the following BM Forms
- i. BM-1 Monthly Statement of Current expenditure;
 - ii. BM-2 Monthly Reconciliation of Current expenditure;
 - iii. BM-3 Monthly Statement of Receipts;
 - iv. BM-4 Monthly Reconciliation of Receipts;
 - v. BM-5 Monthly Progress Report Development Programme – government Projects & Citizen Community Boards (Citizen Community Boards);
 - vi. BM-6 Monthly Reconciliation of Development expenditure;
 - vii. BM-7 Monthly Report – Operationalization of Projects;
 - viii. BM-8 Service Delivery Targets;
 - ix. BM-9 Service Delivery Status by Designation;

- x. BM-10 Establishment Status by Designation;
- xi. BM-11 Monthly Statement of Re-appropriations of Funds;
- xii. BM-12 Statement of Supplementary Grants; and
- xiii. BM-13 Statement of Excesses and Surrenders.

70. Steps Required in Case of likelihood of Excess expenditure: (1) In case a Grant is likely to be exceeded, the Head of Offices shall take immediate steps to prevent the excess expenditure by:-

- i. Ensuring strict control over the affected Grant; or
- ii. Submitted as soon as the exigency arises, an application for Supplementary Grant.

(2) If funds cannot be provided through re-appropriations then a Supplementary Grant shall be need to be prepared and got approved from the Council before the additional expenditure is incurred. The procedure for re-appropriations and Supplementary Grants are provided in Part XIV of Volume I.

71. Statement of Excesses and Surrenders: (1) The Statement of Excesses and Surrenders shall be prepared in Form BM-13 by the Head of Offices after 8 months of the financial year.

(2) For purposes of completing Form BM-13 the Head of Offices shall obtain the required information from the concerned Drawing and Disbursing Officers (DDOs).

(3) Annually one Statement of Excesses and Surrenders shall be prepared and submitted by the Heads of Offices to Finance and Budget Officer.

(4) The Statement of Excesses and Surrenders shall be completed on the basis of actual expenditure incurred during the first eight months of the financial year and keeping in view the expected expenditure in the remaining four months of the financial year.

(5) The Excesses and Surrenders shall form the basis for:-

- i. Preparing the revised estimates; and
- ii. Formulating the demands for additional funds if required.

(6) The revised estimates shall also be used to form the basis of the following year budget estimates and for determining the estimated closing balance of the local government fund.

(7) The Head of Offices shall submit together with the Statement of Excesses and Surrenders a note explaining the reasons for the excesses and surrenders.

(8) The Finance and Budget Officer shall consolidate the Statements of Excesses and Surrenders for approval by the "District Development Committee" or, as the case may be, "Tehsil Development Committee" (BDC).

72. Revised Estimates and Supplementary Grant: (1) In addition to any revisions during the year every local government shall after 8 months of the financially year prepare revised estimates based on the Statement of Excesses and Surrenders to be finalized by the "District Development Committee" or, as the case may be , "Tehsil Development Committee" in March.

(2) If additional funds, which cannot be met through re-appropriation are identified for the remaining four months a Supplementary Grant shall be submitted to the Council for approval along with the Draft Budget for the next financial year in April.

73. Distribution and Communication of Supplementary Grant: (1) Subsequent t approval by the Council and intimation by the Finance and Budget Officer of the Supplementary Grant, the Head of Offices concerned shall distribute the Supplementary Grant and communicate the break-up of the Grant to Drawing and Disbursing Officer and the Accounts Officer concerned.

(2) The Collecting Officer shall also be communicated the revised targets for receipt as approved by the Council.

74. Principal Accounting Officer (PAO): (1) The Principal Accounting Officer for local governments shall be:-

- i. District Coordination Officer (DCO) for District / city District government; and
- ii. Tehsil Municipal Officer (TMO) for Tehsil Municipal Administration

(2) The Principal Accounting Officer shall be responsible for resolving the Audit paras.

75. Accounts Committee of the Council: (1) The Accounts Committee of the Council shall monitor the budget during the financial year.

(2) The Account Committee shall review the monthly financial reports including the account report submitted by the Accounts Officer.

(3) The Accounts Committee shall especially focus on the reconciliation of expenditure.

(4) The Head of Offices shall be responsible to the Account Committee of the Council for issues relating to expenditure.

PART - XIII

RECEIPT MANAGEMENT

76. Receipt Management- (1) The primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

(2) The Head of the Offices shall supervise and take corrective measures in respect of the activities of the Collecting Officers.

77. Monthly Statement of Receipts.- (1) The Collecting Officers shall furnish monthly reconciled statements of actual collections under the heads for which they are responsible to the Head of Offices in Forms BM-3 and BM-4 by 13th day of the month following the month to which the statement relates.

(3) The Head of Offices shall consolidate the figures received from different Collecting Officers and shall forward the same to the Finance and Budget Officer by the 16th day of the month following the month to which the statement relates.

78. Reconciliation of Receipts - District Government and Tehsil Municipal Administration.(1) The Collecting Officers shall reconcile his figures with the record maintained by the Accounts Officer by the 10th day of the month following the month to which the statement relate.

(2) In order to enable the Head of Offices concerned to verify whether the amounts shown as realized in the statements have actually been realized and credited to the proper head of account, the Accounts Officer concerned shall provide the Head of Offices with statements confirming the actual amounts credited under the relevant receipt heads.

79. Prompt Deposit of Receipts.- (1) The receipts for a month shall be the figures of the receipts credited during that particular month.

(2) In case any money is realized in one month but not credited until the subsequent month except that relating to the last working day of a calendar month, the facts and circumstances shall be clearly stated in the monthly report in which the receipts were realized.

(3) The sanction of the competent authority is necessary for the remission of, and abandonment of claims to revenue.

80. Rectification of Errors in recording of receipts.- (1) In case any error in recording of receipts is discovered the return shall be corrected and an intimation shall immediately be sent to the concerned Accounts Officer for rectification.

(2) In the event of any error detected in the office of the Accounts Officer, such office shall forward the details to the Collecting Officers.

81. Monthly Report of Receipts.- (1) Each local government shall submit a monthly report to the respective Council relating to the receipts received during the month.

(2) The monthly financial report relating to receipts shall include the following Forms-

- (i) BM-3 - Monthly Statement of Receipts; and
- (ii) BM-4 - Monthly Reconciliation of Receipts.

82. Accounts Committee to Monitor Receipts.- (1) The Principal Accounting Officer (PAO) shall be responsible for resolving Audit paras relating to receipts.

(2) The Accounts Committee of the Council shall monitor the receipts during the financial year.

(3) The Accounts Committee shall especially focus on the reconciliation of receipts and realization of monthly targets.

(4) The Head of Offices shall be responsible to the Accounts Committee of the Council for issues relating to receipts.

PART - XIV

RE-APPROPRIATIONS AND SUPPLEMENTARY GRANTS

83. Expenditure not provided for in the Schedule of Authorized Expenditure.- In the event that unavoidable and unforeseen circumstances arise during the course of any particular financial year that requires incurring excess expenditure or expenditure not contemplated in the Schedule of Authorized Expenditure, such expenditure shall be made available through, re-appropriation or supplementary grants or both.

84. Re-appropriations.- (1) Re-appropriation means the transfer of savings in a unit of appropriation to meet excess expenditure anticipated under another unit of appropriation.

(2) The officials shall re-appropriate in accordance with the re-appropriation powers delegated by the respective Council to them.

85. Procedure for Re-appropriation.- (1) If any officer is competent to sanction a re-appropriation, such officer may do so pursuant to the powers delegated to him by the Council. A copy of the order sanctioning any re-appropriation shall be communicated to the Head of Offices, Finance and Budget Officer and the Accounts Officer.

(2) A request for re-appropriation shall be prepared by the concerned Drawing and Disbursing Officer. If it involves different Drawing and Disbursing Officers then the Head of offices shall process the re-appropriation.

(3) If the re-appropriation involves two different grants then the Finance and Budget Officer shall be responsible for processing the re-appropriation.

(4) In case the re-appropriation is beyond the limit set by the Council, it shall require the approval of the Council. In such cases the request for re-appropriation of funds shall be prepared by the Head of Offices and forwarded to the following officers in succession-

- (i) The Finance and Budget Officer;
- (ii) "District Development Committee" or, as the case may be , "Tehsil Development Committee"; and
- (iii) Council for approval.

86. Supplementary Grants.- (1) In case that a Head of Offices considers that the need for additional funds has arisen for which no re-appropriation is available. He shall submit a proposal for Supplementary Grant to the "District Development Committee" or, as the case may be, "Tehsil Development Committee" (BDC) through the Finance and Budget Officer (FBO).

(2) The proposal shall be accompanied by an explanatory note justifying the Supplementary Grant.

87. The Supplementary Budget Statement.- (1) Requests for Supplementary Grant during the financial year shall be consolidated by the Finance and Budget Officer (FBO) in the form of a Supplementary Budget Statement. The same details as in the annual budget shall be provided to the Council.

(2) The form and manner in which the Supplementary Budget Statement is presented to the Council shall be the same as that of the Annual Budget Statement.

PART - XV

LINKAGE WITH THE GOVERNMENT AND FISCAL TRANSFERS

88. Local government Fund.- The resources made available to the local government through fiscal transfers from the Provincial Government shall comprise share of receipts of the concerned local government and shall constitute a part of the local government Fund.

89. Distribution of Funds to local government by Government.- The share of each local government shall be in accordance with the Award notified by the Governor.

90. Communication of Preliminary Figures of local government share.-

The Finance Department shall communicate the preliminary estimates of the respective local government share by the first week of March each year.

91. Communication of Final Figures of local government share.- The Provincial Finance Department shall communicate the final estimates of local government share in June each year.

92. Monthly transfer of local government share.- The Finance Department shall disburse the local government share directly to the local government on monthly basis.

93. Submission of Reports.- (1) The District Accounts Officer (DAO) shall send monthly accounts to the Government of all the local governments in the district. The Accounts Officer of Tehsil Municipal Administration shall submit reconciled accounts to the District Accounts Officer well in time to meet the above deadline.

(2) The local governments shall provide regular and special reports on any aspect of the local government finances, as and when such reports may be required by the Government.

PART - XVI

PERFORMANCE TARGETS

94. Performance Targets.- (1) In order to improve efficiency and effectiveness of service delivery, the local government shall provide performance targets along with the financial figures in the budget. The performance targets may be provided for inputs, outputs or outcome.

(2) Performance targets shall be-

- (i) clear, precise and unambiguous;
- (ii) relevant; and
- (iii) Verifiable.

(3) The "District Development Committee" or, as the case may be, "Tehsil Development Committee" (BDC) shall finalize with each Head of Offices their intended performance targets for the next financial year. Such mutually agreed performance targets shall be prepared on Forms BSF-2 and BSF-3.

(4) The status of Performance Targets achieved shall be provided regularly during the year through Forms BM-8 and BM-9.

PART - XVII

MULTI-YEAR PLANNING

95. Multi-year Planning.- (1) Where the implementation period of a development project exceeds one financial year multi-year planning shall be necessary.

(2) The multi-year planning shall take also into consideration the Citizen Community Board (Citizen Community Board) projects.

(3) To determine the fiscal space in a multi-year environment requires analyzing-

(i) future revenue prospects; and

(ii) future expenditure.

96. Projection of Estimates of Receipts.- (1) The revenue projections for the next three financial years shall be computed by analyzing the growth trend of the revenue items during previous financial years.

(2) The projections for revenues for future years may be further adjusted. Such adjustment may be effected by taking into account the change in local economic conditions and likely policy initiatives.

(3) The multi-year projection for receipts shall be prepared on Form BMP-2.

97. Projection of Estimates of expenditure.- (1) The Estimates of expenditure shall be projected for the future years by taking into account the following factors-

(i) effect of inflation;

(ii) annual increase in the pay of the establishment;

(iii) expansion programs of the current services;

(iv) impact of currently undertaken development projects upon recurrent expenditure;

(v) anticipated savings on account of improved efficiency; and

(vi) relevant policy decisions.

(2) The multi-year projection for expenditure shall be provided in Form BMP-3 and BMP-4.

98. Presentation of Multi-Year Projections.- Fiscal space based on the multiyear projections for the period covered by the Annual Development Programme shall be presented in Form BMP-1.

PART - XVII

MISCELLANEOUS

99. Interpretation of Rules.- In case of any ambiguity or inconsistency arising in the interpretation or construction of the provisions of these Rules, the Government shall resolve such ambiguity or inconsistency.

100. Repeal and Saving.- (i) Local Government (Budget) Rules, 2001 are hereby repealed with effect from the date of coming into force of these rules.

(ii) Save as otherwise specifically provided in these rules, all actions taken in pursuance of Local Government (Budget) Rules, 2001 and not inconsistent with any provision of these rules or the ordinance shall have effect as if those were taken under these rules.

FIRST SCHEDULE

FORMS

ANNUAL BUDGET STATEMENT (ABS)

FORM ABS
ANNUAL BUDGET STATEMENT
[See Rule 49]

- 1. Financial Abstract**
A. Local government fund

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Description	Last Year Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	Budget Estimates (Next Year)
Opening Balance on July 1 st				
Receipts				
Current Expenditure				
Development Expenditure				
Total Expenditure				
Closing Balance on June 30 th				

- B: Public Account

Rupees

Description	Last Year Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)
Opening Balance on July 1 st			
Receipts			
Disbursement			
Closing Balance on June 30 th			

Note: Anticipated cash balance as on July 1st to be determined after finalizing the revised estimates.

2. Details of Receipts

Rupees

Major/Minor Detailed Receipt Heads	Last Year Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	Budget Estimates (Next Year)
Total				

5. Function Wise Development Expenditure

Rupees

Detailed Function	Last Year Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	Budget Estimates (Next Year)
Total				

6. Details of Public Account Receipts and Disbursements

Public Account Receipts

Rupees

Detailed Heads	Last Year Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	Budget Estimates (Next Year)
Total				

Public Account Disbursement

Rupees

Detailed Heads	Last Year Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	Budget Estimates (Next Year)
Total				

BUDGET SALIENT FEATURES (BSF)

FORM BSF-1

POLICIES AND PROPOSED ACTIVITIES

[See Rules 22 and 50]

Grant No _____

Name of Local Government _____

Note: A brief description of the local government policies, proposed activities to be provided. To be prepared by each EDO and TO.

FORM BSF-2

SERVICE DELIVERY PERFORMANCE TARGETS

[See Rules 22, 50 and 94]

Grant No. _____ **Name of Local Government** _____

Performance Targets Male/Female	Proposed for current year	Achievement in first eight months	Proposed for next year

Note: To be prepared by each EDO and TO providing actual services to the public.

FORM BSF-3

SERVICE DELIVERY FACILITIES STATUS

[See Rules 22, 50 and 94]

Name of Local Government _____ **Grant #** _____

Type of Facility	**Expected Status On 1 st July Current Year			Planned During The Budget Year			
	Operational	Closed	Under Construction	Closed To Be Made Operational (from Column 3)	Existing Facilities Proposed To Be Closed (from Column 2)	Under Construction To Be Completed (from Column 4)	New Construction To Be Initiated (as planned in the Annual Development Programme)
1	2	3	4	5	6	7	8

** Note: Expected as budget is prepared in March.
Closed means facility permanently closed.

BUDGET DETAILS - RECEIPTS (BDR)

FORM BDR-1

ESTIMATES OF RECEIPTS (FY20_____)

[See Rules 12 and 51]

Name of Local Government: _____

Rupees

1	2	3	4	5	6	7
Major/Minor Detailed Head	Description	Actuals of last year	Budget Estimates of the current year	Actual collection in the first eight months of current financial year	Revised Estimates for the current year	Budget Estimates for next year
Total						

Note: Form BDR-1 is to be filled by each Collecting Officer.

MONTHLY TARGETS OF RECEIPTS (FY20__)

[See Rules 12 and 51]

Name of Local Government: _____

Rupees

1	2	3												
Major/Minor Detailed Head	Description	Monthly collection Targets For Next Year												
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Total														

Note: Form BDR-2 is to be filled by each Collecting Officer.

FORM BDR-3

SCHEDULE OF TAXES

[See Rules 12, 14 and 51]

Name of Local Government _____

Rupees

Sr. No	Major/Minor Detailed Receipt Head	Description of Receipt	Rate for the current year	Base of the current year	Estimates of receipts for current year	Rate proposed for the next year	Base proposed for the next year	Estimates of receipts for next year			Mode of Recovery	% change = Column (9-8)X100/8
								Existing	New	Total		
1	2	3	4	5	6=4x5	7	8	9=7x8	10=7x8	11= Col 9 or 10	12	13

Note: Base means the number of units on which the estimates are based.
 Form is to be filled by each Collecting Officer.
 Mode of Recovery means by contractor, by own office etc.

FORM - BDR-4

SCHEDULE OF ARREARS

[See Rules 12 and 51]

Name of Local Government _____

Rupees

Major/ Minor Receipt Head	Arrears For Previous Years	Collection Of Arrears			Balance of arrears and monthly collection target												
		Actual collection Up-to February	Last 4 Months expected	Total expected collection	JUL	A U G	S E P	O C T	N O V	D E C	J A N	F E B	M A R	A P R	M A Y	JUN	TOTAL

Note: Form BDR-4 to be filled by each Collecting Officer
Arrears to be reflected as receipts but not to be reflected on expenditure side till actual recovery.

FORM BDR-5
JUSTIFICATION / EXPLANATION FOR BUDGET ESTIMATES
(FOR RECEIPTS)

[See Rules 15, 16 and 51]

Name Of Local Government _____ **Collecting Officer** _____

Sr. #	Detailed Head	Justification / Explanation For Estimates

Note : This form to be used for providing explanation of estimates of Receipts.
To be filled by each Collecting Officer and consolidated by Head of Offices.

BUDGET DETAILS - CURRENT EXPENDITURE (BDC)

EXISTING, NEW AND TOTAL

ESTABLISHMENT STRENGTH BY FUNCTION

[See Rules 19, 28, 52 and 54]

Name of Local Government: _____ Grant No. _____

Detailed Function Code: _____

Sr . #	B P S	Designation	Sanctioned				Filled			Vacant			Recruitment Planned for Next Year			Total Establishment (Filled + Recruitment)			
			M	F	Male or Female	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	

Note: To be prepared by each DDO and consolidated by function and grant.
 F = Female and M = Male.

FORM BDC-6

ESTIMATES OF DEMAND FOR GRANTS (CURRENT EXPENDITURE) (FY20__)

[See Rules 19, 28, 52 and 54]

Name of Local Government: _____ Detailed Function Code: _____ Grant No. _____

Rupees

1	2	3	4	5	6
Major/ Minor/ Detailed Object & Description	Actuals of the last year	Budget Estimates of the current year	Actual of first 8 months of current financial year	Revised Estimates of the current year	Budget Estimates proposed for next year
Total					

Note: Form BDC -6 to be filled by each DDO.
To Be Prepared Separately For new expenditure.
Charged/Voted/total expenditure to be shown separately.

FORM BDC-8
JUSTIFICATION / EXPLANATION FOR BUDGET ESTIMATES
(FOR EXPENDITURES)

[See Rules 21, 28, 52 and 54]

Name of Local Government _____ **Detailed Function Code** _____

Grant # _____

Sr. #	Detailed Object Head	Justification / Explanation For Estimates

Note: This form to be used for providing explanation of estimates of expenditures.
To be filled by each DDO and consolidated by Head of Offices.

BUDGET DETAILS DEVELOPMENT (BDD)

FORM BDD-2
ESTIMATES OF DEMAND FOR GRANTS (DEVELOPMENT) (FY20__)
[See Rules 43 and 53]

Name of Local Government: _____ Detailed Function Code: _____ Grant No. _____

Rupees

1	2	3	4	5	6	7
Scheme Code/ Name / Location	Cost of Scheme	Actuals upto last year	Budget Estimates of the current year	Actual of first 8 months of current financial year	Revised Estimates of the current year	Budget Estimates proposed for next year
Total						

Note: To be filled by each EDO/TO.
 To be prepared separately ongoing, new and total.

FORM BDD-3

ANNUAL DEVELOPMENT PROGRAMME - LOCAL GOVERNMENT PROJECTS AND CCBS

[See Rule 43, 53 and 55]

Name of Local Government _____ **Grant #** _____

Detailed Function Code _____

Rupees

Sr. No	ADP Code No.	Name/ Location of Scheme	Status of Scheme	Project Cost		Budget & Expenditure				Allocation proposed for next Year(s)					
				Original	Current	Previous Years Exp.	Current Year (BE)	Current Year (RE)	Current Year Actual Exp.	Next Year	YR +1	YR +2	Other YR		Total
													+3	+	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Note: New and ongoing schemes to be shown separately.
Government and CCBS schemes to be shown separately.

FORM BDD-4

PROJECT PROPOSAL

[See Rules 30, 34]

I. Name of Project

1. Name of Project _____
2. Project Code _____

II. Implementation Arrangement for the Project

1. Sponsoring Agency
2. Executing Agency
3. Implementing Agency after Completion
4. Indicate the Capacity (personnel etc.) to implement the current proposal and the capacity to manage it after completion.

III. Proposed Project Profile

1. Commencement Date of Project _____
2. Completion Date of Project _____
3. Location/Geographic Area Covered by the Project _____
4. Main Sector/Sub-sector _____
5. Provide a brief analysis of the Current situation (issues/problems/on-going efforts) in the sector/sub-sector?
6. Main Description and Objectives (What does the project aim to do and achieve?) _____
7. Please indicate how the environmental/poverty aspects of the project have been taken into account.
8. Provide details of:
 - related facilities providing similar services
 - institutions performing similar activities
 - similar projects.

IV. Project Activities

A (Inputs/Outputs/ Work Plan)

Sr. No	Activity	Start Date	Completion Date	Targets	Units

Provide Details/Explanation of Work Plan on Separate sheet if required.

B. Project Beneficiaries

Type Of Benefit	Male	Female	Total

C. Other Benefits

D. Interaction with other agencies

Name of Agency/Office	Type of interaction / work required

V. Community Participation Component in the Project

- a) How was the community (Men and Women) involved in need identification/preparation of project proposal?
- b) How do you propose to involve the community (Men and Women) in project implementation?
- c) How will the community (Men and Women) be involved after completion of this project?

VI. Project Management

C. Staffing Details after Completion of Project

Sr. #	BPS	No. of Posts	Designation	Sanctioned			
				Male	Female	Male or Female	Total
	Total						

IX. Estimated Revenues of the Project if any

Rupees

Sr. No.	Major/Minor Detailed Receipt Head	Total
Total		

Note: Show detailed calculations on a separate sheet

X Proposed Progress Reporting Schedule

Sr. No.	Name / Details Of Report	Date / Frequency Of Submission

XI Indicate the risk involved in the project.

XII Project Preparation/Approval

Prepared by _____ Date _____

Checked by _____ Date _____

Approved by _____ Date _____

Administrative Approval by _____ Date _____

Technical Sanction by _____ Date _____

BUDGET DETAILS - OTHER (BDO)

FORM BDO-1

STATEMENT OF INVESTMENT

[See Rule 24]

Rupees

Particulars of Investment	With Whom deposited	Anticipated Opening Balance July 1st	Amount proposed to be invested	Amount proposed to be withdrawn	Closing balance on June 30th	Income

Note: The form may be adjusted to suit local requirements.

FORM BDO-2

STATEMENT OF GENERAL PROVIDENT FUND

[See Rule 24]

Opening	Subscription	Contribution	Total	Amount/Working balance in Bank	Investment (face value) Million	Remarks

**FORM BDO-3
[See Rule 25]**

SCHEDULE OF ESTABLISHMENT

CALCULATION OF PAY OF OFFICERS/ OTHER STAFF (FY20__)

Name of Local Government _____ **Grant #** _____

Detailed Function Code _____ **Name of DDO** _____

Rupees

1	2	3	4	5	6	7	8	9			10	
Sr. No	Name	Post / Designation	Basic Pay Scale	Pay on 1 st July of the current financial year	Increment added during the current financial year	Pay on 1 st July of next financial year	Amount for first Six months (6 x col.7)	Increment due in December in next financial year			Total Provision Col. 8+9C	
								A	B	C	Male	Female
								Increment Amount	Pay on 1 st January	Amount for last six months (6 x col.8b)		
	Total											

Note: Sub-total by designation.
Existing and vacant positions budgeted to be shown separately.
To be filled by Each DDO. Not to be submitted with the Budget.

FORM BDO-4
[See Rule 25]
SCHEDULE OF ESTABLISHMENT
CALCULATION OF ALLOWANCES (FY20__)

Name of Local Government: _____ **Detailed Function Code** _____

Grant No. _____ **Name of DDO** _____

Rupees

Sr #	Name of officer / staff	Designatio n	BPS	Allowances										Total	
				1	2	3	4	5	6	7	8	9	10	Male	Femal e
	Total														

Note: Sub-total by designation. To be filled by each DDO. Allowance budgeted for vacant staff to be prepared separately. Not to be submitted with the Budget.

FORM BDO-5
STATEMENT OF LOANS
[See Rule 24]

BUDGET MANAGEMENT (BM)

FORM BM-1

MONTHLY STATEMENT OF CURRENT EXPENDITURE (FY20__)

[See Rules 69 and 68]

Name of Local Government _____ Detailed Function Code _____

Month _____ Grant # _____

Rupees

Detailed Object	Description	Budget Grant at the start of the month	Addition /Reduction during the month	Budget Grant at end of month	Total expenditure upto previous month	Expenditure during the month	Total expenditure to date	Balance remaining (col.5- 9)
						Actual	Actual Total	
1	2	3	4	5	6	7	8	9

Note: Form BM-1 to be filled by each DDO.

FORM BM-2

MONTHLY RECONCILIATION OF CURRENT EXPENDITURE (FY20__)

[See Rule 69]

Name of Local Government: _____ **Month:** _____ **Grant #:** _____

Rupees

Major/Minor Detailed Function Code	Name of Office	DDO Name & Code	Expenditure			
			Recorded By DDO	Recorded By Accounts Office	Difference	
					Amount	%
Total						

Note: Form BM-2 to be filled by each DDO and submitted to Finance and Budget Officer by the Head of Offices.

FORM BM-3

MONTHLY STATEMENT OF RECEIPTS (FY20__)

[See Rules 69, 77 and 81]

Name of Local Government: _____ **Month:** _____

Rupees

1	2	3	4	5	6	7	8	9
Major / Minor Head and Detailed Head	Budget Estimate s .for the Current Financial year	Revised Estimates for the current financial year	Target for the month	Actuals realized in the month	Target realization from the start of financial year to the close of the month	Actual realization from start of current financial year to the close of month	Anticipated realization for remainder of the current financial year	Total present estimate for the current financial year (Col. 7 + col.8)

Note : Form BM-3 to be filled by each Collecting Officer.

FORM BM-4

MONTHLY RECONCILIATION OF RECEIPTS (FY20__)

[See Rules 69, 77 and 81]

Name of Local Government _____ Month _____

Rupees

Name of Office	Collecting Officer Name & Code	Receipts			
		Recorded By Collecting Officer	Recorded By Accounts Office	Difference	
				Amount	%

Note: Form BM-4 to be filled by each Collecting Officer.

FORM BM-6

MONTHLY RECONCILIATION OF DEVELOPMENT EXPENDITURE (FY20__)

[See Rule 69]

Name of Local Government: _____ **Name of Office:** _____ **Detailed Function Code:** _____

Month: _____ **Grant #:** _____ **Name of DDO** _____

Rupees

Name of Scheme	Expenditure			
	Recorded By DDO	Recorded By Accounts Office	Difference	
			Amount	%

Note: Form BM-6 to be filled by each DDO and submitted to Finance and Budget Officer by the Head of Offices.

FORM BM-8

SERVICE DELIVERY TARGETS

[See Rules 69 and 94]

Grant # _____

Name of Local Government _____

Function Code _____

Month _____

<u>Performance Target</u> <u>(Male/Female)</u>	<u>Proposed for the Year</u>	<u>Achievements</u> <u>To date</u>

FORM BM-10

ESTABLISHMENT STATUS BY DESIGNATION

[See Rules 69]

Name of Local Government _____ Month _____

Sr. #	Designation	BPS	<u>Beginning of Month</u>						<u>During Month</u>						<u>End of Month</u>			
			<u>Sanctioned</u>				<u>Filled</u>		<u>Sanctioned</u>			<u>Recruited</u>			<u>Sanctioned</u>	<u>Filled</u>	<u>Vacant</u>	
			<u>M</u>	<u>F</u>	<u>M OR F</u>	<u>I</u>	<u>M</u>	<u>F</u>	<u>I</u>	<u>M</u>	<u>F</u>	<u>I</u>	<u>M</u>	<u>F</u>	<u>I</u>	<u>M</u>	<u>F</u>	<u>I</u>

FORM BM-11

MONTHLY STATEMENT OF RE-APPROPRIATION OF FUNDS (FY20__)

[See Rule 69]

Name of Local Government: _____ **Month** _____

Re-appropriation To							Re-appropriation From						
Grant No.	Detailed Function Code DDO	Detailed Object	B.E. for current year	Budget at start of month	Amount added	Budget at end of month	Grant No.	Detailed Function Code DDO	Detailed Object	B.E. for current year	Budget at start of month	Amount Reduced	Budget at end of month
	Total												

Note: To be prepared by the concerned Finance Office.

Rupees

FORM BM-12

STATEMENT OF SUPPLEMENTARY GRANT (FY20__)

[See Rule 69]

Name of Local Government: _____ **Grant No.** _____

Month _____ **Function Code** _____

A. Current Expenditure

Rupees

Detailed Object	B.E. for current year	Budget at start of month	Supplementary Amount	Budget at end of month

B: For Development Expenditure

Rupees

Name of Scheme	B.E. for current year	Budget at start of month	Supplementary Amount	Budget at end of month

FORM BM-13

STATEMENT OF EXCESSES AND SURRENDERS (REVISED ESTIMATES) (FY20__)

[See Rules 69 and 71]

Name of Local Government: _____ **Detailed Function Code:** _____

Grant # _____

Rupees

1	2	3	4	5	6	7	8	9
Detailed Object	Description	Original Appropriation	Modified Grant	Actuals of the first 8 months of the current financial year (CFY)	Anticipated expenditure for the last 4 months of CFY	Revised Estimates for CFY (col.5+col.6)	Surrenders (Col.4 – col.7)	Excesses (Col.7 – col.4)

Note: Form BM-13 to be filled by each DDO.
From BM-13 to be prepared after 8 months of financial year.

SECOND SCHEDULE

BUDGET CALENDAR – LOCAL GOVERNMENT

BUDGET CALENDAR - DEVELOPMENT BUDGET

[See Rule 3, 11, and 14]

1. Processing of Development Schemes

Sr. #	Activity	Target Date
1	Processing of a Development Scheme - Government	August - January
1.1	Submission of schemes by Councils and other Stakeholders etc.	
1.2	Review of proposals by concerned offices	
1.3	Approval of Nazim concerned to prepare project proposal	
1.4	Preparation of project proposal by concerned offices	
1.5	Administrative Approval of project proposal by District Development Committee or Tehsil Development Committee as the case may be.	
1.6	Preparation of detailed estimates and accordance of Technical sanction	
1.7	Inclusion of Development Projects in Annual Development Programme and submission with Draft Budget	April
1.8	Approval of Budget by Council	June
1.9	Implementation of projects by executing agencies	July

2. Budget Calendar - Current and Development

Sr. #	Activity	Target Date
1	Issue Call letter and guidelines to concerned offices.	September
2	i) Submission of Schemes by CCBs (Copy to Evaluation Committee of Council). ii) Submission of prioritized list of schemes by concerned offices along with Administrative Approval /technical sanction for inclusion in ADP.	1 st March
3	i) Excesses and Surrenders Statement ii) Revised Estimates and Supplementary Budget if required. iii) Statement of New Expenditure iv) Consolidation of draft Budget (current and Development) for next financial year. Finalization by Nazim.	March
4	Submission of draft Budget to Council based on initial estimates provided by the Provincial Government.	1 st April
5	Review of Draft Budget by Council.	April
6	Input from Government and Public on the proposals agreed by the Council.	1 st May to 1 st June
7	Revisions and Changes by Head of Offices and Finalization..	May - June
8	Submission of final Budget to Council based on final estimates provided by the Provincial Government.	June
9	Approval of Final Budget by Council.	June
10	Communications of Current Budget Grants to concerned Offices and Accounts Offices.	July
11	Final Accounts previous year.	October

3. Time Frame for Taxation Proposal

The timeframe to be followed for finalizing the taxation proposals is as follows:

- i) inclusion of draft taxation proposal in the draft budget in March.

- ii) discussion on taxation proposal by Council in April.
- iii) proposal sent to Government for vetting by May 1st after incorporating the decisions of the Council.
- iv) proposal published in the newspaper for obtaining public views by May 1st.
- v) The vetting by the Government and objections and suggestions from the public received by 1st June.
- vi) taxation proposals included in the budget submitted to the Council for approval in June.

THIRD SCHEDULE

BUDGET MULTI YEAR PLANNING - (BMP)

FORM BMP-1

SMMARY OF FINANCIAL PROJECTIONS AND FISCAL SPACE

[See Rule 98]

Name of Local Government _____

Receipts Projections	Budget Expenditure (Current Year)	Revised Estimates	Budget Expenditure (Next Year)	Next +1	Next +2	Total
Total Receipts (From Form BMP-2)						

Expenditure Projections Detailed Functions	Budget Expenditure (Current Year)	Revised Estimates	Budget Expenditure (Next Year)	Next +1	Next +2	Total
CURRENT EXPENDITURE						
Existing activities (Non-development) (From BMP-3A)						
Annual Recurring Costs of completed Development Projects (From BMP-3B)						
DEVELOPMENT (From Form 4)						
Total Expenditure						

Fiscal Space (net resources position) - (Receipts less expenditures)						
---	--	--	--	--	--	--

FORM BMP-2

ESTIMATES OF RECEIPTS (FY20__)

[See Rule 96]

Name of Local Government: _____

Rupees

1	2	3	4	5	6		
Detailed Head	Description	Last Year Actuals	Budget Estimates of the current year	Revised Estimates for the current year	Budget Estimates for next year		
					Next Year	+1	+2
Total							

Note: Form BMP-2 to be filled by each Collecting Officer

FORM BMP-3
ESTIMATES OF CURRENT EXPENDITURE (FY20__)
[See Rule 97]

Name of Local Government: _____

A. Existing Activities (Non-development)

Rupees

1	2	3	4	5	6		
Major/Minor Detailed Function	Description	Last Year Actuals	Budget Estimates of the current year	Revised Estimates of the current year	Budget Estimates proposed for next year		
					Next Year	+1	+2
Total							

B. Annual Recurring Cost of Completed Development Projects

Rupees

1	2	3	4	5	6		
Major/Minor Detailed Function	Description	Last Year Actuals	Budget Estimates of the current year	Revised Estimates of the current year	Budget Estimates proposed for next year		
					Next Year	+1	+2
Total							

SECOND SCHEDULE

BUDGET CALENDAR - LOCAL GOVERNMENT

BUDGET CALENDAR - DEVELOPMENT BUDGET

[See Rule 3, 11, and 14]

1. Processing of Development Schemes

Sr. #	Activity	Target Date
1	Processing of a Development Scheme - Government	August - January
1.1	Submission of schemes by Councils and other Stakeholders etc.	
1.2	Review of proposals by concerned offices	
1.3	Approval of Development Committee to prepare project proposal	
1.4	Preparation of project proposal by concerned offices	
1.5	Administrative Approval of project proposal by Development Committee	
1.6	Preparation of detailed estimates and accordance of Technical sanction	
1.7	Inclusion of Development Projects in Annual Development Programme and submission with Draft Budget	April
1.8	Approval of Budget by Council	June
1.9	Implementation of projects by executing agencies	July

3. Budget Calendar - Current and Development

Sr. #	Activity	Target Date
1	Issue Call letter and guidelines to concerned offices.	September
2	iii) Submission of Schemes by CCBs (Copy to Evaluation Committee of Council). iv) Submission of prioritized list of schemes by concerned offices along with Administrative Approval / technical sanction to Development Committee for inclusion in ADP.	1 st March
3	v) Excesses and Surrenders Statement vi) Revised Estimates and Supplementary Budget if required. vii) Statement of New Expenditure viii) Consolidation of draft Budget (current and Development) for next financial year. Finalization by Budget and Development Committee.	March
4	Submission of draft Budget to Council based on initial estimates provided by the Provincial Government.	1 st April
5	Review of Draft Budget by Council.	April
6	Input from Government and Public on the proposals agreed by the Council.	1 st May to 1 st June
7	Revisions and Changes by Head of Offices and Finalization by Budget and Development Committee.	May - June
8	Submission of final Budget to Council based on final estimates provided by the Provincial Government.	June
9	Approval of Final Budget by Council.	June
10	Communications of Current Budget Grants to concerned Offices and Accounts Offices.	July
11	Final Accounts previous year.	October

3. Time Frame for Taxation Proposal

The timeframe to be followed for finalizing the taxation proposals is as follows:

- vii) inclusion of draft taxation proposal in the draft budget in March.
- viii) discussion on taxation proposal by Council in April.
- ix) proposal sent to Government for vetting by May 1st after incorporating the decisions of the Council.
- x) proposal published in the newspaper for obtaining public views by May 1st.
- xi) The vetting by the Government and objections and suggestions from the public received by 1st June.
- xii) taxation proposals included in the budget submitted to the Council for approval in June.

THIRD SCHEDULE

BUDGET MULTI YEAR PLANNING - (BMP)

FORM BMP-1

SMMARY OF FINANCIAL PROJECTIONS AND FISCAL SPACE

[See Rule 98]

Name of Local Government _____

Receipts Projections	Budget Expenditure (Current Year)	Revised Estimates	Budget Expenditure (Next Year)	Next +1	Next +2	Total
Total Receipts (From Form BMP-2)						

Expenditure Projections Detailed Functions	Budget Expenditure (Current Year)	Revised Estimates	Budget Expenditure (Next Year)	Next +1	Next +2	Total
CURRENT EXPENDITURE						
Existing activities (Non-development) (From BMP-3A)						
Annual Recurring Costs of completed Development Projects (From BMP-3B)						
DEVELOPMENT (From Form 4)						
Total Expenditure						
Fiscal Space (net resources position) - (Receipts less expenditures)						

FORM BMP-2

ESTIMATES OF RECEIPTS (FY20__)

[See Rule 96]

Name of Local Government: _____

Rupees

1	2	3	4	5	6		
Detailed Head	Description	Last Year Actuals	Budget Estimates of the current year	Revised Estimates for the current year	Budget Estimates for next year		
					Next Year	+1	+2
Total							

Note: Form BMP-2 to be filled by each Collecting Officer

FORM BMP-3
ESTIMATES OF CURRENT EXPENDITURE (FY20__)
[See Rule 97]

Name of Local Government: _____

A. Existing Activities (Non-development)

1	2	3	4	5	6		
Major/Minor Detailed Function	Description	Last Year Actuals	Budget Estimates of the current year	Revised Estimates of the current year	Budget Estimates proposed for next year		
					Next Year	+1	+2
Total							

Rupees

B. Annual Recurring Cost of Completed Development Projects

1	2	3	4	5	6		
Major/Minor Detailed Function	Description	Last Year Actuals	Budget Estimates of the current year	Revised Estimates of the current year	Budget Estimates proposed for next year		
					Next Year	+1	+2
Total							

Rupees

FORM BMP-4
ESTIMATES OF DEVELOPMENT EXPENDITURE (FY20__)
[See Rule 97]

