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**GOVERNMENT OF THE PUNJAB
LAW AND PARLIAMENTARY AFFAIRS DEPARTMENT**

NOTIFICATION (26 of 2017)

08 February 2017

The following notification No. SOR(LG)38-18/2015, dated 07.02.2017, issued under section 144 of the Punjab Local Government Act 2013 (XVIII of 2013) for the Punjab Local Governments (Budget) Rules 2017 is published for general information:

DR SYED ABUL HASSAN NAJMEE

Secretary
Government of the Punjab
Law and Parliamentary Affairs
Department

Finally vetted LG Budget Rules 2017: 27.01.2017

**GOVERNMENT OF THE PUNJAB
LOCAL GOVERNMENT & COMMUNITY
DEVELOPMENT DEPARTMENT**

February 07, 2017

NOTIFICATION

No.SOR(LG)38-18/2015

- In exercise of the powers conferred on him under section 144 of the Punjab Local Government Act 2013 (XVIII of 2013), Governor of the Punjab is pleased to make the following rules:

**PART-I
PRELIMINARY**

1. Short title, commencement and application.- (1) These rules may be called the Punjab Local Governments (Budget) Rules 2017.

(2) They shall come into force at once.

(3) They shall apply to all the local governments except the Union Councils, District Education Authorities and District Health Authorities in the Punjab.

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

- (a) "accounts officer" means an officer of Punjab Local Fund Audit Department responsible for the maintenance of accounts, pre-audit of payments and internal audit of own source revenue receipts of the local government;
- (b) "Act" means the Punjab Local Government Act 2013 (XVIII of 2013);
- (c) "actuals" means the actual figures of receipts or expenditure relating to a financial year, duly reconciled;
- (d) "annual budget statement" means the statement of the estimated receipts in the local fund of the local government and the estimated expenditure therefrom, for a financial year, required to be laid before the House before the commencement of that year;
- (e) "annual development programme" means a document submitted along with the annual budget statement indicating details of various development projects and schemes, status, cost of the project or scheme and allocation and the period of execution during a financial year;
- (f) "appropriation" means the amount provided in the budget estimates against a detailed object or part of amount, placed at the disposal of the disbursing officer to meet expenditure for a specific purpose or on specific item;
- (g) "budget" means a statement of estimated receipts and expenditure of the local government for a financial year;

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- (h) "budget calendar" means the calendar given in Second Schedule;
- (i) "capital expenditure" means the expenditure for:
 - (i) acquisition of capital assets;
 - (ii) investments;
 - (iii) execution of original works; and
 - (iv) advances and deposits.
- (j) "capital receipts" means the receipts from sources other than revenue and include:
 - (i) proceeds from disposal of capital assets;
 - (ii) sale of investments;
 - (iii) loans; and
 - (iv) advances and deposits.
- (k) "Chairman" means the Chairman of a Municipal Committee and District Council;
- (l) "charged expenditure" means the expenditure specified in section 102 of the Act and is not subject to vote of the local government;
- (m) "collecting officer" means the officer responsible for estimation and realization of the receipts and income of the local government and includes all heads of offices and the officer designated as such by the principal accounting officer on the recommendation of head of finance office.
- (n) "current budget" means the sum of approved estimates of the cost of the establishment and operating expenditure other than development works for a financial year;
- (o) "current expenditure" means the expenditure other than the development expenditure;
- (p) "demand for grant" means the proposal made to the House on the recommendation of the Mayor or Chairman for allocation of a certain sum out of the local fund, in a financial year; and on its approval by the House, it forms part of the schedule of authorized expenditure;
- (q) "development expenditure" means any expenditure on the development projects or an expenditure on new construction, new work or addition and alteration of an existing work or repairs to the newly purchased or previously abandoned buildings and works and includes expenditure on human resource development;
- (r) "development budget" means the sum of approved estimates of the development expenditure for a financial year;
- (s) "drawing and disbursing officer" means an officer, designated as such by the principal accounting officer, to prepare estimates of expenditure, to incur expenditure and to make disbursement of amount withdrawn in respect of the local government and includes a head of

offices and the officer designated as such by the principal accounting officer on the recommendation of head of finance office;

- (t) "excess and surrender statement" means a statement for demand of additional allocation to meet the expected expenditure or the amount which is not likely to be spent in the financial year is surrendered;
- (u) "financial year" means the period of one year from 1st July to 30th June (both days inclusive) of Gregorian calendar;
- (v) "Forms" means the Forms given in First Schedule;
- (w) "function" means one of the elements of Chart of Accounts, issued by Auditor General of Pakistan, providing information on a particular economic activity;
- (x) "grant" means the amount granted by the House on a demand for grant and forms part of the schedule of authorized expenditure;
- (y) "head of finance office" means the Metropolitan Officer (Finance), Municipal Officer (Finance) or, as the case may be, District Officer (Finance);
- (z) "head of offices" means the head of offices of the local government including Finance, Planning, Municipal Regulation and Municipal Infrastructure offices and includes any other office established by the Government for the Metropolitan Corporation, a Municipal Corporation, Municipal Committee or District Council;
- (aa) "House" means the elected body of the local government;
- (bb) "local government" means the Metropolitan Corporation, Municipal Corporations, Municipal Committees and District Councils to which the rules apply;
- (cc) "Mayor" means the Mayor of the Metropolitan Corporation and a Municipal Corporation;
- (dd) "object" means one of the elements of Chart of Accounts used to classify the nature of expenditure such as salaries, travel, transport;
- (ee) "principal accounting officer" means the Chief Officer of the local government responsible for preparation of the budget of receipts and expenditure, collection of revenues, utilization of budget and maintenance of departmental accounts in the prescribed manner and is accountable to Public Accounts Committee in respect of financial and budgetary matters of the local government;
- (ff) "public account" means the receipts and amount collected by the local government on behalf of the other parties as trust for a special purpose and not available for appropriation;

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- (gg) "re-appropriation" means transfer of savings of one or more units of appropriation to meet excess expenditure anticipated under another unit provided the receiving object has been funded in the budget estimates;
- (hh) "receipts" means the revenue collected by the local government;
- (ii) "revenue receipts" means the receipts from tax and non-tax revenues;
- (jj) "revised estimates" means the estimates of probable receipts or expenditure, for a financial year, framed in the course of that year, with reference to the transactions already recorded;
- (kk) "Schedule" means a Schedule appended to these rules;
- (ll) "schedule of authorized expenditure" means the schedule prepared, after approval of the annual budget statement or supplementary budget statement by the House in respect of a financial year and authenticated by the Mayor or Chairman;
- (mm) "schedule of new expenditure" means the expenditure on new activities or items pertaining to development and current budget estimates;
- (nn) "supplementary budget statement" means the statement to be laid before the local government for approval, reflecting the amounts spent over and above the authorized expenditure;
- (oo) "supplementary grant" means an amount provided in addition to the original grant or appropriation; and
- (pp) "voted expenditure" means the expenditure which is subject to vote of the House.

(2) Terms and expressions used but not defined in these rules shall have the same meaning as defined in the Act or any other Rules framed under the Act.

PART-II RESPONSIBILITIES IN RELATION TO BUDGET

3. Responsibility of the Mayor or Chairman.- The Mayor or Chairman shall:

- (a) provide vision for long term development, identify needs of the local area and evaluate and set development priorities of the local government;
- (b) interact with stakeholders to assess their needs and obtain their input on overall development outlay and revenue potential of the local area;

Explanation.- The expression "stakeholders" means the elected representatives, general public, women organizations, private sector, non-governmental

organizations, community based organizations and includes minority and other relevant organizations;

- (c) ensure that the needs of the disadvantaged and marginalized groups are reflected and gender issues are adequately addressed in the budget ensuring gender mainstreaming;
- (d) ascertain that the project pertains to the functions of the local government, the majority of the public of the area is the beneficiary and it involves relatively less recurring cost;
- (e) recommend strategies, programmes and services to address prioritized needs and determine the best to implement those strategies, programmes and services for the maximum benefit of the local community;
- (f) identify and develop criteria in terms of which the progress in the implementation of the strategies, programmes and services can be evaluated;
- (g) determine key performance indicators and evaluate progress against them for purposes of achieving economy, efficiency and effectiveness in the expenditure and efficiency in revenue collection services;
- (h) monitor and ensure timely completion of development projects; and
- (i) ensure that the budget estimates and revised budget estimates are laid before the House well before the commencement of the next financial year.

4. Responsibilities of the Chief Officer:- The Chief Officer shall act as principal accounting officer and shall:

- (a) ensure that each new development project proposal is feasible, sustainable and in line with the priorities set by the local government;
- (b) review progress of execution of the projects for their timely completion ;
- (c) ensure that budget estimates are submitted before the House well before the commencement of the next financial year and the budget so approved is distributed amongst the heads of offices immediately after the commencement of the financial year;
- (d) prepare a report on planning and implementation of development plans of the local government for its presentation before the House in the budget session;
- (e) ensure that new tax proposal for increase, reduction, suspension, abolition or exemption of tax is reasonable and in accordance with law; and

(6)

- (f) monitor the receipts and expenditure of the local government to be carried out in accordance with the approved budget and the rules.

5. Responsibilities of the head of finance office.- (1) The head of finance office shall be responsible for coordination of the budgetary process, consolidation and preparation of budget documents and management of receipt and expenditure of the local government.

(2) For the purposes mentioned in sub-rule (1), the head of finance office shall:

- (a) issue the budget call letter containing:
 - (i) date-wise budget calendar;
 - (ii) instructions for preparation of the budget; and
 - (iii) forms to be used in the preparation of the budget.
- (b) provide figures of the available resources to the offices for formulation of estimates in respect of their offices;
- (c) examine and scrutinize the budget proposals;
- (d) examine and scrutinize new expenditure;
- (e) compile and consolidate the budget;
- (f) communicate grants to the drawing and disbursing officers;
- (g) examine and scrutinize the proposals for re-appropriation and supplementary grants;
- (h) provide financial information to the local government;
- (i) submit reports on budgetary performance targets;
- (j) monitor receipts and expenditure of the local government; and
- (k) exercise such other functions as are incidental to the budgetary process.

6. Responsibilities of head of offices.- The head of offices shall be responsible for ensuring, in coordination with the head of finance office, that:

- (a) the budget estimates of the offices under their supervisory control are submitted on time;
- (b) the budget estimates are realistic and are not inflated or under-pitched;
- (c) all matters relating to budget are discharged with probity;
- (d) the facts and figures supplied to the head of finance office are correct; and
- (e) the consolidated budget control register is maintained in his office in addition to such registers maintained by the drawing and disbursing officers.

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7. Responsibilities of the collecting officer.- The collecting officer shall:

- (a) prepare estimates of receipts for each head of income and timely submission to the head of finance office;
- (b) make assessment of tax, fee or levy by the local government, on periodical basis, for evaluating its potential and new tax proposals;
- (c) maintain the demand and collection register of each head of income and shall ensure for proper custody of departmental receipts record;
- (d) ensure timely recoveries against each demand;
- (e) ensure that the revenue collected against a demand is credited in the local fund immediately and necessary entries are made in the demand and collection register;
- (f) prepare monthly and annual statement of recoveries of the demand and collection and submit the statements to the head of finance office and the accounts office of the local government and reconcile the statements; and
- (g) prepare statement of arrears, if any, at the beginning of each financial year by carrying them forward from previous financial year and include the same in the demand statement of the next financial year.

8. Responsibilities of drawing and disbursing officer.- The drawing and disbursing officer shall:

- (a) prepare estimates of expenditure and submit the estimates to the head of office concerned on time;
- (b) incur expenditure strictly against the allocation under the relevant object code and in accordance with the rules and keep in safe custody the departmental expenditure record;
- (c) maintain the budget control register, evaluating the expenditure under each object and preparing proposal for re-appropriation or supplementary grant and revised estimates;
- (d) preparation of excess and surrender statement; and
- (e) prepare the statement of liabilities, if any, at the beginning of each financial year and including the liabilities, by carrying them forward, in the liability statement of the next financial year.

PART-III PRINCIPLES OF BUDGETTING

9. Budget Structure.- (1) The annual budget statement shall consist of two parts:

- (a) Part-I shall contain the estimates of receipts and expenditure in the relevant Forms; and

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- (b) Part-II shall contain the explanatory memorandum.
- (2) The estimates of receipts shall include:
 - (a) capital receipts; and
 - (b) revenue receipts including:
 - (i) Punjab Finance Commission Award's share;
 - (ii) the amounts available in the local fund;
 - (iii) the own source revenue receipts for the next year;
 - (iv) grants from the Government; and
 - (v) Contribution or donation to the local government by an individual or institution.
- (3) Estimates of expenditure shall include:
 - (a) current expenditure;
 - (b) development expenditure, capital and revenue; and
 - (c) schedule of new expenditure.
- (4) The budget of the local government shall indicate the charged expenditure separately as specified in section 102 of the Act.
- (5) The conditional grants from the Government or any other local government shall be shown separately.
- (6) The budget shall be prepared on Chart of Accounts (CoA) issued by Auditor General of Pakistan.

10. Public account.- The estimates of credits and disbursement relating to the public account shall be prepared by the head of finance office on receipt of figures from the municipal offices.

11. Budget call letter.- (1) The budget call letter shall be finalized after fixing priorities in consultation with the relevant stakeholders, under the guidance of the Mayor or Chairman.

(2) Each head of offices shall prepare its budget in accordance with the budget call letter.

(3) All the relevant Forms, duly completed shall be submitted to the head of finance office by the drawing and disbursing officers and collecting officers through their heads of offices in accordance with the time frame specified in the budget calendar.

PART-IV ESTIMATES OF RECEIPTS

12. Instructions to the collecting officer- (1) The collecting officer shall prepare the estimates of receipts in Forms BDR-1 to BDR-4.

(2) The collecting officer shall, while preparing estimates of receipts, be guided by the following principles:

- (a) the estimates of receipts shall be prepared diligently and accurately keeping in view the key performance indicators;

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Note: No fresh receipts on account of any tax fee, rate, charge etc. shall be included in the receipt estimates until such levy is vetted by the Government and approved by the House and duly notified in official gazette.

- (b) the receipts shall cover all sources including fiscal transfers from the Government;

Note: The share of the local government from Punjab Finance Commission Award's, grant or contribution shall not be included in the estimates of receipts until a definite communication is received in this regard;

- (c) while preparing the revised estimates, the collecting officer shall take into consideration the actual receipts during the first eight months of the financial year and actual figures of the corresponding four months of the previous financial year; and
- (d) all material reasons, facts and circumstances relied upon while adopting the figures for the revised estimates for the current financial year and annual budget estimates for the next financial year shall be recorded clearly.

13. Revenue base review.- (1) To ascertain the revenue potential, the local government shall conduct a review of the tax base and the required information shall be prepared in Form BDR-3.

(2) The taxation proposals shall be processed in accordance with section 115 of the Act.

(3) The time frame specified in the budget calendar shall be followed for purposes of finalizing the taxation proposals.

14. Submission of receipts estimates by the collecting officer.- After completing the receipts estimates, the collecting officer shall sign the estimates and forward it to the head of offices with explanatory note in Form BDR-5.

15. Scrutiny and consolidation of the Estimates.- (1) On receiving the estimates of receipts from the collecting officers, each head of offices shall finalize and consolidate the figures furnished by the collecting officers.

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

- (a) the revised estimates proposed for the current financial year and the original budget estimates for the current financial year; and
- (b) the budget estimates proposed for the next financial year.

(3) Each head of offices shall forward a copy of the receipt estimates and the explanatory notes to the head of finance office.

16. Consolidation by the head of finance office.- On receiving the estimates of receipts from the heads of offices, the head of finance office shall consolidate the estimates, incorporate in the budget (10)

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documents and forward the same to the Mayor or Chairman through the Chief Officer for finalization prior to their submission to the House.

PART-V **ESTIMATES OF CURRENT EXPENDITURE**

17. Preparation of estimates of the current expenditure.- (1)

The estimates of the current expenditure shall be prepared by the drawing and disbursing officers in accordance with the Budget calendar.

(2) The current budget estimates shall be prepared in Forms BDC-1 to BDC-7.

18. Instructions for preparation of estimates of the current expenditure.- The following principles shall be observed while preparing the estimates of the current Expenditure:

- (a) the estimates of expenditure shall be prepared diligently and accurately keeping in view the key performance indicators;
- (b) while preparing the revised estimates, the drawing and disbursing officer shall take into consideration the actual expenditure during the first eight months of the financial year and include actual figures of the corresponding four months of the previous financial year;
- (c) all material reasons, facts and circumstances relied upon in adopting figures for the revised estimates for the current financial year and annual budget estimates for the next financial year shall be recorded clearly;
- (d) provision for any foreseeable expenditure shall be included therein;
- (e) each provision is restricted to the absolute minimum necessary sum;
- (f) the estimates for each financial year shall provide only such expenditure as are to be actually incurred during the next financial year;
- (g) where the local government or the Government specifies minimum ratio for development and non-development expenditure or for any other object of expenditure, the prescribed constraint shall be observed in the estimates of the current expenditure;
- (h) the rise in current expenditure shall be proportionate to the rise in revenue receipts and no deficit or debt shall be included in the estimates;
- (i) adequate provisions shall be made for all items of the charged expenditure;
- (j) no provision shall be made for the post which is not included in the schedule of establishment;

(11)

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- (k) the budget may include provision for honoraria and allowances, prescribed by the Government, for the Mayor, Deputy Mayor, Chairman, Vice Chairman or members of the local government;
- (l) the calculation of salaries of the employees shall be made as per emoluments of sanctioned posts in Form BDO-3 and retained by the office; and
- (m) the allowances of the employees shall be calculated as per their entitlement in Form BDO-4 and retained by the office.

19. Submission of estimates of expenditure by the drawing and disbursing officer.- After completing the estimates of the current expenditure, the drawing and disbursing officer shall retain one copy for his record and forward the original to the head of offices with his explanatory note in Form BDC-8 indicating the reasons for the proposals.

20. Heads of offices to consolidate estimates of expenditure.-

(1) Each head of office shall prepare a note explaining any differences between:

- (a) the revised estimates proposed for the current financial year and the original budget estimates for the current financial year; and
- (b) the budget estimates proposed for the next financial year.

(2) The head of offices shall forward a copy of the estimates and the explanatory notes to the head of finance office.

21. Consolidation by the head of finance office.- (1) The head of finance office shall consolidate the estimates received from the heads of offices.

(2) The estimates shall form part of the budget documents and shall be forwarded to the Mayor or Chairman, through the Chief Officer for finalization prior to their submission to the House.

(3) The current expenditure shall also include new expenditure in a separate statement.

22. Other statements.- The details of the budget shall include:

- (a) statement of investment in Form BDO-1;
- (b) statement of general provident fund in Form BDO-2; and
- (c) statement of outstanding loans, arrears and liabilities in Form BDO-5.

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

PART-VI

NEW EXPENDITURE (CURRENT BUDGET)

24. New expenditure.- (1) The expenditure on the new activities shall include recurring costs of the development projects to be

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completed in the next financial year and the expenditure relating to new current activities.

(2) The new expenditure shall be provided with the budget documents as a statement of new expenditure.

25. Proposals for new Current Expenditure.- (1) Each drawing and disbursing officer shall, for next financial year, send to the head of offices all proposals involving new current expenditure along with their estimates in Forms BDC-1 to BDC-7.

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

(3) The details of the recurring expenditure of the development projects to be completed during a budget year shall also be communicated by the drawing and disbursing officer to the concerned head of offices.

26. Schedule of new expenditure.- (1) The drawing and disbursing officer, while preparing any proposal for the new current expenditure shall ensure that:

- (a) all proposals specify the:
 - (i) number of required personnel;
 - (ii) rates of remuneration (pay and allowances) of each personnel;
 - (iii) the duration of employment of proposed personnel; and
 - (iv) the posts sanctioned in the schedule of establishment;
- (b) all relevant revenue implications have been described, quantified and included in the estimates of receipts; and
- (c) the details of expenditure on purchase of durable goods have been specified.

(2) The drawing and disbursing officers shall forward the estimates of new expenditure separately to the head of offices along with the current budget.

(3) The drawing and disbursing officers shall ensure timely submission of the schedule of new expenditure in accordance with the budget calendar.

27. Scrutiny of Schedule of New Expenditure.- (1) All items of the new expenditure shall be scrutinized, with due care, before they are included in the schedule of new expenditure.

(2) In scrutinizing such items, the following principles shall be kept in view:

- (a) the schedule of new expenditure falls pertains to the functions of the local government, is beneficial to the majority of public of the area and additional liabilities have been avoided;

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- (b) the proposal for new expenditure has been formulated on the basis of priority after taking stock of the overall requirements of the local government; and
- (c) preference has been given to development requirements; and
- (d) new expenditure on current account, as far as possible, has been kept at the minimum possible level.

PART-VII DEVELOPMENT BUDGET

28. Annual Development Programme.- (1) The Annual Development Programme shall consist of ongoing development projects and new development projects approved by the House for execution during the next financial year.

(2) The Annual Development Programme shall classify the schemes or projects by sector, function and geographic location.

29. New development projects.- (1) A new development project shall be prepared in Form BDD-4.

(2) The new Development Project will be processed as follows:

- (a) identification of the development project;
- (b) project outline;
- (c) feasibility report on the basis of the detailed development project proposal;
- (d) rough cost estimates and administrative approval;
- (e) technical sanction of the detailed estimates; and
- (f) approval by the House.

30. Funding for the annual development programme.- (1) The main source of funding of a new development projects shall be:

- (a) total receipts of the local government, including own source revenue and Punjab Finance Commission Award's share less the current expenditure, on-going expenditure of the development projects and other liabilities;
- (b) development grants from the Government;
- (c) development grants or monies received by the local government from other sources; and
- (d) monies transferred by any other local government.

(2) The annual development programme shall separately indicate the new development projects and on-going development projects.

(3) The annual development program shall give due attention to gender mainstreaming, marginalized communities and regional parity.

31. Prioritization of the development projects.- The relevant office shall prioritize those projects for approval which clearly

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indicate the number and types of beneficiaries, including women and marginalized groups belonging to the area where the project is to be executed.

(2) The project proposal shall be forwarded for approval by the local government development committee in Forms BDD-1 to BDD-3.

32. Phasing of annual development project.- (1) As far as possible, a development project will be completed within the financial year.

(2) Where a project is phased over two or more financial years, the funding for on-going development project shall be assigned priority to the new schemes or projects.

(3) On the completion of development project, the project completion certificate shall be provided by the engineer incharge to municipal infrastructure office.

(4) The operational and maintenance cost of the completed development project shall be worked out and included in the current budget estimates.

PART-VIII APPROVAL OF THE BUDGET

33. Presentation of the Budget to the House.- (1) Before the commencement of the next financial year, the Mayor or Chairman shall present the budget for consideration and approval of the House.

(2) The budget shall be prepared in the Forms provided in First Schedule.

(3) The budget documents shall include:

- (a) budget speech of the Mayor or Chairman;
- (b) salient features of the budget;
- (d) annual budget statement;
- (e) estimates of receipts including revised estimates;
- (e) demands for grants for the current expenditure including the revised estimates;
- (f) demands for grants for the development expenditure;
- (g) schedule of new expenditure;
- (h) annual development programme;
- (i) supplementary budget statement;
- (j) annual accounts reports prepared under Punjab Local Governments (Accounts) Rules 2017;
- (k) statement of investments, if any, in Form BDO-1;
- (l) statement of general provident fund, if any, in Form BDO-2;
- (m) statement of outstanding loans, arrears and liabilities in Form BDO-5;

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- (n) the completed Forms given in First Schedule;
 - (o) salient features of each office in Form BSF-1;
 - (p) performance targets in Form BSF-2; and
 - (q) status of service delivery facilities and targets achieved in Form BSF-3
- (4) The budget speech of the Mayor or Chairman shall include the main features of the budget;
- (5) The salient features the budget shall provide a brief description of the main features of each office and shall include performance targets, service delivery facilities, policies and plans of the various offices:
- (6) The annual budget statement shall be submitted in Form ABS and shall include the details of receipts and expenditure and the following information shall be included in the annual budget statement:
- (a) financial abstract;
 - (b) details of receipts;
 - (c) details of the current expenditure, function-wise and object-wise; and
 - (d) development expenditure.
- (7) The estimates of receipts shall be prepared and consolidated in Forms BDR-1 to BDR-5.
- (8) The demand for grants for the current expenditure shall include estimates of the total current expenditure and shall be prepared in Forms BDC-1 to BDC-8.
- (9) The schedule of new expenditure shall include:
- (a) separate estimates of the new expenditure relating to the current budget; and
 - (b) the schedules and explanatory notes relating to the statement of new expenditure in Forms BDC-1 to BDC-8.
- (10) The local government may devise any other Forms for providing additional budgetary information.
- (11) The demands for grants and appropriation for development shall include the estimates of the ongoing and new development projects and the details shall be provided in Forms BDD-1 to BDD-3.

34. Approval of Budget: (1) The House may approve the budget estimates subject to:

- (a) the scrutiny of receipts and expenditure; and
 - (b) examination of new proposals, if any, for taxation.
- (2) A demand for grant shall not be made except on the recommendation of the Mayor or the Chairman.
- (3) The closing balance of the local government shall not be allowed to fall below 5% of the total receipts, excluding those of the

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public account, anticipated for the year but, for purposes of this rule the investments, if any, shall be deemed to be part of the closing balance.

- (4) The budget shall not be approved by the House if:
 - (a) the estimates of charged expenditure are not provided;
 - (b) the estimated sums required to meet the estimated expenditure including previous liabilities and commitments exceed the estimated receipts and there is a likelihood of incurring debt;
 - (c) lump sum provisions are made in the budget and details cannot be explained; and
 - (d) the budget falls below the budgetary constraints, if any, prescribed by the Government.

(5) The House may discuss the charged expenditure but shall not vote on such expenditure.

(6) The budget may include provision for honoraria and allowances, prescribed by the Government for the Mayor, Deputy Mayor, Chairman and Vice Chairman and members of the local government.

(7) The budget of the local government shall, subject to quorum, be approved by a simple majority and the House shall not take up any other business during the budget session.

(8) The Government or an officer authorized by the Government may review the approved budget of the local government and, if found contrary to the budgetary rules, require the local government to rectify it.

(9) In case the budget is not approved by the local government before the commencement of the financial year to which it relates:

- (a) the local government shall spend money under various objects, on pro-rata basis, in accordance with the budgetary provisions of preceding financial year for a period not exceeding thirty days; and
- (b) in such a case, the local government shall not spend funds or make commitments for any expenditure, under any demand for grant or appropriation in excess of eight percent of the amount budgeted in the preceding year within that period of thirty days.

(10) In case, the local government fails to approve the budget within the extended period, the Government shall prepare, approve and authenticate the budget for full financial year.

35. Schedule of authorized expenditure.- (1) On approval of the Budget by the House, the head of finance office shall:

- (a) prepare a schedule of authorized expenditure in the shape of annual budget statement indicating:

(1)

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- (i) the grants made or deemed to have been made by the House; and
- (ii) the sums required to meet the expenditure charged on the local fund; and
- (b) submit it to the Mayor or the Chairman for authentication.
- (2) The authenticated schedule shall be laid before the House but shall not be open to discussion or vote.
- (3) The authenticated schedule shall be communicated to all the concerned office including heads of offices and accounts office and the Government.
- (4) The schedule of authorized expenditure shall lapse at the end of the financial year to which it relates.

36. Revised budget.- (1) The local government, if necessary, may revise the budget of the financial year.

(2) The revised budget estimates shall be based on the excess and surrender statement.

(3) The revised budget shall be processed for approval of the House in the same form and manner as is prescribed for the annual budget.

PART-IX EXPENDITURE MANAGEMENT

37. Responsibilities of the functionaries.- (1) The drawing and disbursing officer shall be responsible for:

- (a) incurring expenditure against the funds allotted;
- (b) ensuring incurrence of the expenditure:
 - (i) against a validly accrued claim;
 - (ii) with the sanction of authority competent to sanction it;
 - (iii) charged against the relevant object code with adequate appropriation;
 - (iv) in a transparent, economical and efficient manner at competitive rates which brings value for money;
- (c) keeping the total expenditure within the grant;
- (d) informing the concerned head of offices the extent of:
 - (i) actual spending from the grant at his disposal;
 - (ii) commitments made but not paid for against such grant; and
 - (iii) the expenditure likely to be incurred during the remaining period of the financial year.
- (2) Each head of offices shall be responsible to:
 - (a) control and manage expenditure from the grants placed at his disposal;

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- (b) ensure that the authorized budget allocation is expended in conformity with the schedule of authorized expenditure;
 - (c) ensure effective utilization appropriations;
 - (d) ensure that no expenditure is incurred without budgetary provision and sanction of the competent authority; and
 - (e) review the trend of excessive expenditure, if any, and take necessary measures to meet the excessive requirements either through re-appropriation or supplementary grant or both.
- (3) The head of finance office shall:
- (a) coordinate the budgetary process;
 - (b) consolidate and prepare budget documents for approval; and
 - (c) manage and monitor expenditure.
- (4) The Chief Officer shall:
- (a) develop effective means to implement the budget as approved by the House;
 - (b) ensure that authorized budgetary allocation is expended in conformity with the schedule of authorized expenditure;
 - (c) recommend the Mayor or the Chairman to get the budget revised from the House in accordance with the provisions of the rules; and
 - (d) ensure that no expenditure is incurred without budgetary provision and sanction of the competent authority.
- (5) The Mayor or Chairman may recommend the necessary reduction in case of lower than expected receipts in respect of any one or more heads of expenditure.
- (6) The recommendations of the Mayor or Chairman shall be placed before the House for approval.
- (7) In case the receipts exceed the estimates or additional grants are received, a revised budget may be presented to the House for approval prior to utilization of the additional funds.

38. Monitoring of the development projects.- (1) The development expenditure shall be incurred only on the development projects subject to administrative approval and technical sanction for works and the inclusion of the project in the approved budget.

(2) The executing agency shall execute the development projects as administratively and technically approved and in accordance with the rules or instructions relevant to the executing agency.

(3) The monitoring of projects shall be made by the community and elected representatives using participatory monitoring and evaluation approach.

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(4) The targets and indicators duly segregated shall be indicated gender-wise.

(5) For the development projects under execution, the executing agency shall send monthly progress report to Chief Officer by 10th of each succeeding month and, for the projects in distant areas, pictorial data shall also be provided.

(6) Such reports, where possible, shall also include the segregated data in respect of gender and marginalized groups for facilitating planning and execution of the development activities conducive to female and marginalized groups.

39. Excess expenditure.- (1) In case, the expenditure is likely to exceed the approved grant, the head of offices shall take immediate steps to prevent the excess expenditure by:

- (a) exercising strict control over the grant; or
- (b) transferring funds through re-appropriation.

(2) If funds cannot be provided through re-appropriation, a proposal for supplementary grant may be submitted to the House for approval before the additional expenditure is incurred.

40. Statement of excess and surrender.- (1) The statement of excess and surrender shall be prepared by the head of offices after the first eight months of the financial year on the basis of information given by the concerned drawing and disbursing officer.

(2) The statement of excess and surrender shall be prepared and submitted by the heads of offices to the head of the finance office.

(3) The statement of excess and surrender shall be completed on the basis of actual expenditure incurred during the first eight months of the financial year and last four months of the previous financial year for estimating the expected expenditure for the remaining four months of the financial year.

(4) The excess and surrender statement shall form the basis of:

- (a) preparing the revised estimates;
- (b) formulating the demands for additional funds through supplementary grant;
- (c) preparing next financial year's budget estimates; and
- (d) determining the estimated closing balance of the local fund as on 30th June.

(5) The heads of offices shall submit together with the statement of excess and surrender a note explaining reasons for the excess and surrender.

(6) The head of finance office shall consolidate the statements of excess and surrender and submit the consolidated statements, with his recommendations, to the Mayor or Chairman, through the Chief Officer, for inclusion in the revised budget.

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(7) The form and manner in which the revised budget statement is processed and approved by House in the such form and manner as are prescribed for the annual budget statement.

PART-X

RE-APPROPRIATIONS AND SUPPLEMENTARY GRANTS

41. Expenditure not provided in the Schedule of Authorized Expenditure.- In case of unavoidable and unforeseen circumstances which require incurring the expenditure in excess of the allocations or some expenditure which is not mentioned in the schedule of authorized expenditure, necessary funds for such expenditure may be provided through re-appropriation or supplementary grant or both mode.

42. Re-appropriation.- The local government functionaries shall re-appropriate in accordance with the re-appropriation powers delegated to them by the House.

43. Procedure for re-appropriation.- (1) the concerned drawing and disbursing officer may prepare a proposal for re-appropriation and process it through the head of offices but if it involves different drawing and disbursing officers, the head of offices shall prepare the proposal for re-appropriation.

(2) If the re-appropriation involves two different grants, the head of finance office shall process the re-appropriation on the request of concerned heads of offices.

(3) In case the re-appropriation is beyond the limit set by the House, it shall require approval of the House and, for the purpose, the head of offices shall prepare a proposal for re-appropriation of funds and forward it, through the head of finance office, to the Chief Officer, Mayor or Chairman for approval of the House.

44. Supplementary grant.- (1) In case a head of offices considers that the need for additional funds for which funds cannot be provided through re-appropriation has arisen, he shall may a proposal for supplementary grant to the head of finance office.

(2) The proposal shall be accompanied by an explanatory note justifying the supplementary grant and the source of funding for the purpose.

45. Supplementary budget statement.- (1) The supplementary grants approved during the financial year shall be consolidated by the head of finance office in the form of a supplementary budget statement with his recommendations particularly with regard to the availability of funds.

(2) The form and manner in which the supplementary budget statement is presented to the local government shall be the same as prescribed for the annual budget statement.

46. Distribution and communication of supplementary grant.- On approval of supplementary budget statement by the House, a schedule supplementary statement of expenditure shall be submitted to the Mayor or Chairman for authentication and the head of finance

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office shall distribute the supplementary grants to the head of offices and communicate the break-up of the grants to the concerned drawing and disbursing officers and the accounts officer.

PART-XI RECEIPTS MANAGEMENT

47. Receipts management- (1) The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.

(2) The head of offices shall monitor, control and supervise the collecting officers and take corrective measures.

(3) The revised targets of receipts, if any, shall be communicated by the head of finance office to the collecting officers and heads of offices.

(4) All receipts shall be made according to the prescribed rates and schedule of recovery.

(5) All receipts shall be recorded under the relevant object of receipts in relevant register.

(6) The head of finance office shall:

- (a) coordinate budgetary process;
- (b) consolidate and prepare budget documents for approval; and
- (c) manage and monitor receipts.

PART-XII FISCAL TRANSFERS

48. Fiscal Transfers.- (1) The resources placed at the disposal of the local government through fiscal transfers from the Government shall comprise share of the concerned local government from the provincial allocable amount and Government grants.

(2) The fiscal transfers from the Government shall be a straight transfer for credit to the local fund of the local government and recorded as receipts under relevant head of account.

49. Distribution and Communication of Funds to Local Governments by Government.- (1) The share of each local government from Provincial Allocable Amount shall be in accordance with the Award notified by the Government, on the recommendation of the Punjab Finance Commission.

(2) The Government shall, sufficiently before the commencement of a financial year, notify the provisional share of Award for each local government.

(3) The Government shall communicate the final estimates of each local government share in June each year.

50. Monthly Transfer.- The Government shall, each month, make straight transfers of the local government share for credit to the local fund of the local governments.

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51. Communication to the Government.- A copy of the budget documents shall be supplied to the Government, Punjab Finance Commission, Punjab Local Government Commission and Provincial Director Local Fund Audit Punjab.

PART-XIII PERFORMANCE TARGETS

52. Performance Targets.- (1) To improve efficiency and effectiveness of service delivery, the Mayor or Chairman shall indicate performance targets along with the cost.

(2) The performance indicators may be provided for inputs, outputs and outcome.

(3) The performance targets shall be:

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

(4) The development committee of the local government concerned shall finalize with each head of offices their intended performance targets for the next financial year in Forms BSF-2 and BSF-3.

(5) The status of performance targets achieved shall be shared regularly with the Mayor or Chairman during the year in Forms BM-1 and BM-2.

PART-XIV MULTI-YEAR PLANNING

53. Multi-year planning.- (1) Where the implementation period of a development project exceeds one financial year, multi-year planning shall be adopted by the local government.

(2) Before opting for multi-year planning, local government shall take into account the:

- (i) future revenue prospects; and
- (ii) future expenditure.

54. Projection of estimates of receipts.- (1) The revenue projections for the next four financial years shall be computed by analyzing the growth trend of the revenue items during previous financial years.

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

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

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

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- (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 on the recurring expenditure;
- (v) anticipated savings on account of improved efficiency; and
- (vi) estimated receipts for each year.

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

56. Presentation of multi-Year projections.- The fiscal space, based on the multi-year projections for the period covered by the annual development programme shall be presented in Form BMP-1.

**PART-XV
MISCELLANEOUS**

57. Interpretation of the rules.- In case of any ambiguity or inconsistency arising in the interpretation of provisions of the rules, the decision of the Government shall be final.

58. Repeal.- The Punjab District Government and Tehsil Municipal Administration (Budget) Rules, 2003 are hereby repealed.

**SECRETARY
GOVERNMENT OF THE PUNJAB
LG & CD DEPARTMENT**

FORM 882
ANNUAL BUDGET ST
[See Rule 33]

Financial Abstract
A. Local Fund

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

FIRST SCHEDULE—

FORMS

FORM ABS
ANNUAL BUDGET STATEMENT
[See Rule 33(6)]

1. Financial Abstract
A. Local Fund

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

Description	Last Year Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	Budget Estimates (Next 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

Ruppes

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

3. Details of Current Expenditure

[illegible]

4. Detail of Current Expenditure by Major Function and Major Object

Current Expenditure

Rupees															
				Budget Estimates (Next Year)											
				Major Object											
Major Function	Last Year Actuals	Budget Estimates (Current Year)	Revised Estimates (Current Year)	A01 - Employees Related Expenditure	A02- Project Pre Investment Analysis	A03 - Operating Expenses	A04 - Employees Retirement Benefits	A05 - Grants, Subsidies, write off Loans, Advances etc.	A06 - Transfers	A07 – Interest Payments Advances	A08 – Loans and Advances	A09 – Expenditure on Acquiring of Physical Assets	A10 – Principal Repayment of Loan	A11 - Investments	A13 – Repairs & Maintenance
Total															

5. Function Wise Development Expenditure

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

6. Details of Public Account Receipts and Disbursements

Public Account Receipts

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

Public Account Disbursement

Detailed Heads	Last Year Actuals	Rupees		
		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 Rule 33(3)(o)]

Amount of Grant _____ Name of Local Government _____



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

FORM BSF-2

SERVICE DELIVERY PERFORMANCE TARGETS

[See Rules 33(3)(p) & 52(4)]

Amount of Grant. _____ Name of Local Government. _____ Head Of Offices _____

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

Note: To be prepared by each Head of office providing actual services to the public.

FORM BSF-3

SERVICE DELIVERY FACILITIES STATUS
[See Rules 33(3)(q) & 52(4)]

Amount of Grant _____

Name of Local Government _____

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	Construction to be completed (from column 4)	Construction to be completed (as planned in the Annual Development Programme)
1	2	3	4	5	6	7	8

* 'Expected' as budget is prepared in March.

** 'Closed' means facility permanently closed.

BUDGET DETAILS – RECEIPTS (BDR)

FORM BDR-1

ESTIMATES OF RECEIPTS (FY 20_____)
[See Rules 12(1) & 33(7)]

Name of Local Government _____

Ruppes

Rupees							
1	2	3	4	5	6	7	8
Major / Minor / Detailed Object of Receipt	Description	Actuals of last year	Budget Estimates of the Current year	Actual collection in the first eight months of current financial year	Actual collection in the last four months of the previous 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.

FORM BDR-2

MONTHLY TARGETS OF RECEIPTS (FY 20_____)

[See Rules 12(1) & 33(7)]

Name of Local Government: _____

Ruppes

[illegible]

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

FORM BDR-3

SCHEDULE OF TAXES
[See Rules 12(1), 13(1) & 33(7)]

Name of Local Government _____

Rupees

Sr #	Major / Minor / Detailed Object of Receipt	Descrip tion 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	Estimate of receipts for next year			Mode of Recover y	% Change = Column (9-8)x100/8
								Existi ng	New	Tot al		
1	2	3	4	5	6	7	8	9	10	11	12	13

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

FORM-BDR-4

SCHEDULE OF ARREARS

[See Rules 12(1) & 33(7)]

Name of Local Government

[illegible]

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

FORM BDR-5

JUSTIFICATION / EXPLANATION FOR BUDGET ESTIMATES
(FOR RECEIPTS)
[See Rules 14, & 33(7)]

Name of Local Government _____

Collecting Officer _____

Sr.#	Detailed Object	Justification / Explanation for Estimates

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

**BUDGET DETAILS –
CURRENT
EXPENDITURE (BDC)
EXISTING, NEW AND
TOTAL**

FORM BDC-1
ABSTRACT OF DEMAND FOR GRANTS (CURRENT)
[See Rules 17(2), 25(1), 33(8) & 33(9)(b)]

Existing Expenditure

Rupees in Million

[illegible]

New Expenditure

Rupees in Million

[illegible]

Total Expenditure

Rupees in Million

[illegible]

FORM BDC-2
ESTABLISHMENT STRENGTH BY FUNCTION

[See Rules 17(2), 25(1), 33(8) & 33(9)(b)]

Name of Local Government _____ Amount of Grant _____

Detailed Function Code: _____

Sr. #	Designation	BP S	Sanctioned				Filled			Vacant			Recruitment Planned for Next Year			Total Establishment (Filled + Recruitment)		
			M	F	M/F	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' stands for 'Female' and 'M' stands for 'Male'

FORM BDC-3

ESTABLISHMENT BUDGET BY FUNCTION AND DESIGNATION

[See Rules 17(2), 25(1), 33(8) & 33(9)(b)]

Name of Local Government-----

Rupees in Million

Sr.#	Designation	BPS	Strength/ No. of Posts			Establishment Charges	Leave Salary / encashment	Allowances	Pension	Social Security Benefit	Total
			Male	Female	Total						

Form is to be filled by each DDO

FORM BDC-4

ESTABLISHMENT STRENGTH BY DESIGNATION
[See Rules 17(2), 25(1), 33(8) & 33(9)(b)]

Name of Local Government _____

Rupees in Million

Sr.#	Designation	BPS	Sanctioned				Filled			Vacant			Recruitment Planned for Next Year			Total Establishment (Filled + Recruitment)		
			M	F	Male / Female	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total

Form is to be filled by each DDO

FORM BDC-5

ESTABLISHMENT BUDGET BY DESIGNATION

[See Rules 17(2), 25(1), 33(8) & 33(9)(b)]

Name of Local Government _____

Rupees in Million

Sr. #	Designati on	BPS	Strength/ No. of Posts			Establishm ent Charges	Leave Salary / encashment	Allowance	Pension	Social Security Benefit	Total
			Male	Female	Total						

Form is to be filled by each DDO

FORM BDC-6

ESTIMATES OF DEMAND FOR GRANTS (CURRENT EXPENDITURE) (FY 20____)

[See Rules 17(2), 25(1), 33(8) & 33(9)(b)]

Name of Local Government _____ Detailed Function Code: _____

Amount of Grant. _____

Rs in Million

1	2	3	4	5	6	7
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	Actual of last four months of previous 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-7

DRAWING & DISBURSING OFFICERS WISE BUDGET DISTRIBUTION
[See Rules 17(2), 25(1), 33(8) & 33(9)(b)]

Name of Local Government _____ Amount of Grant. _____

Rupees in Million

Detailed Function code	Name of Office	DDO Name & Code	Last Year Actual	Budget Estimates (Current Year)	Revised Budget Estimates (Current Year)	Total Budget (Next Year)					
						Charged		Voted		Total	

Form is to be filled by each DDO

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

[See Rule 19, 25(2), 33(8) & 33(9)(b)]

Name of Local Government _____

Detailed Function Code _____

Amount of Grant _____

Sr.#	Detailed Object	Justification / Explanation for Estimates

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

BUDGET DETAILS DEVELOPMENT (BDD)

ABSTRACT OF DEMAND FOR GRANTS (DEVELOPMENT)

Name of Local Government _____

Form is to be filled by each DDO

FORM BDD-2
ESTIMATES OF DEMAND FOR GRANT (DEVELOPMENT) (FY 20_____)
[See Rules 31(2) & 33(11)]

Name of Local Government: _____ Detailed Function Code: _____
 Amount of Grant. _____

Rs. In Million

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

Note: To be filled by each Head of Office. To be prepared separately ongoing, new and total.

Name of Local Government	Amount of Grant
--------------------------	-----------------

Rupees in Million

[illegible]

Note: New and ongoing schemes to be shown separately.

FORM BDD-4
PROJECT PROPOSAL
 [See Rule 29(1)]

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 (personal 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 projects have been taken into account.
8. Provide detail 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

How was the community (Male and Female) involved in need identification / preparation of project proposal?

VI. Project Management

How will you manage the work plan and carry out monitoring of the Project.

.....

Explain the system for keeping record and reporting of information.

.....

VII. Financial Summary of Project

a. Anticipated sources of funding

b. Total cost of project

Development Cost/One Time Cost

Yearly recurrent cost after completion of project

Salary

Non-Salary

c. Source of funding of recurring cost

VIII. Detailed Costs of the project

A. Development Cost

Item Description	Costs (Rupees)					
	Year 1	Year 2	Year 3	Year 4	+....	Total

B. Annual Recurring cost after completion of project

Amount of Grant Detailed Function Code

Sr.#	Major/Minor / Detailed Function Code	Rupees		Total
		Major/ Minor / Detailed Object Code		

c. Staffing Details after Completion of Project

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

IX. Estimate Revenues of the Project if any

Sr.No.	Major / Minor / Detailed Object of Receipt	Total
Total		

Note: Show detailed calculations on a separate sheet

X. Proposed Reporting Schedule

Sr.No.	Name/Detail 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 _____

Vide resolution/letter No. _____

Date _____

Administrative Approval by _____

Date _____

Technical Sanction by _____

Date _____

FORM BDO-1

STATEMENT OF INVESTMENT
[See Rule 22(a)]

Name of Local Government _____

Rupees in Million

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

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

[illegible]

FORM BDO-3
SCHEDULE OF ESTABLISHMENT
CALCULATION OF PAY OF OFFICERS/OTHER STAFF (FY 20_____)
[See Rule 18(I)]

Name of Local Government _____ Amount of 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	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.B)		
Total												

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

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

FORM BDO-5

STATEMENT OF OUTSTANDING LOANS, ARREARS AND LIABILITIES
[See Rule 22(c)]

FORM BM-1
SERVICE DELIVERY TARGETS

[See Rule 52(5)]

Amount of Grant _____ Name of Local Government _____

Function Code _____ Month _____

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

FORM BM-2

[See Rule 52(5)]

[illegible]

FORM BMP-1

SUMMARY OF FINANCIAL PROJECTIONS AND FISCAL SPACE

[See Rule 56]

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 BDD-4)						
Total Expenditure						
Fiscal Space (net resources position) - (Receipts less expenditures)						

FORM BMP-2

ESTIMATES OF RECEIPTS (FY20__)

[See Rule 54(3)]

Name of Local Government: _____

Rupees							
1	2	3	4	5	6		
Detailed Object of Receipt	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

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

FORM BMP-3

ESTIMATES OF CURRENT EXPENDITURE (FY20__)

[See Rule 55(2)]

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							

FORM BMP-4

ESTIMATES OF DEVELOPMENT EXPENDITURE (FY20__)

[See Rule 55(2)]

Name of Local Government: _____

Detailed Function Code

Ruppes

[illegible]

SECOND SCHEDULE

BUDGET CALENDAR – LOCAL GOVERNMENT

BUDGET CALENDAR - DEVELOPMENT BUDGET

[See Rule 2(1)(h), 5(2)(a)(i), 11(3), 13(3), 17(1) & 26(3)]

1. Processing of Development Schemes

Sr#	Activity	Target Date
1	Processing of a Development Scheme – Government	August- January
1.1	Submission of schemes by House and other Stakeholders etc.	
1.2	Review of proposals by concerned offices.	
1.3	Approval of Mayor / Chairman concerned to prepare project proposal	
1.4	Preparation of project proposal by concerned offices	
1.5	Administrative Approval of project proposal by respective 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/House	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. Excess and Surrender 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 Mayor / Chairman.	Upto 31 st March
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 House in April . iii. proposal sent to Government for vetting by May 1st after incorporating the decisions of the House. 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 proposal included in the budget submitted to the House for approval.	As mentioned in the Column 'Activity'
4	Submission of draft Budget to House based on initial estimates provided by the Provincial Government	1 st April
5	Review of Draft Budget by House.	April
6	Input from Government and Public on the proposals agreed by the House.	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 House based on final estimates of receipts provided by the Provincial Government	June
9	Approval of Final Budget by House.	June
10	Communication of Current Budget Grants to concerned Offices and Accounts Offices.	July
11	Final Accounts previous year.	October