

**THE PUNJAB LOCAL GOVERNMENTS (FISCAL TRANSFER)
RULES, 2004
[SOR(LG)38-3/2004]**

[22nd October, 2004]

CONTENTS

1. **Short title and commencement**
2. **Definitions**
3. **Secretariat of the provincial Financial Commission**
4. **Functions and duties of the Secretariat**
5. **Communication and access to information**
6. **Budget**
7. **Intergovernmental fiscal database**
8. **Dissemination of formula**
9. **Notification of Provincial Consolidated Fund and its distribution**
10. **Notification of shares of local governments**
11. **Copies of notifications**
12. **Authorization of transfer**
13. **Transfer of the share as calculated**
14. **Banks**
15. **Cash balance**
16. **Expenditure Revenue Statement**
17. **Local own source revenues**
18. **Other transfers and amounts received**
19. **Project funds and investments**
20. **Accounts reports**
21. **Reporting officers**
22. **Duties of Local Government finance and accounts offices**
23. **Responsibility for the validity of the reports**
24. **Responsibility of the Accountant General**
25. **Special powers of the Secretary**
26. **Discrepancy in the transfer**
27. **Delay in the transfer**
28. **Annual Report**
29. **Timeframe for submission of reports**
30. **Powers of the Provincial Finance Commission**
31. **Relaxation of Rules**
32. **Redressal of grievances**

TEXT

THE PUNJAB LOCAL GOVERNMENTS (FISCAL TRANSFER) RULES, 2004 CHAPTER-I

1. Short title and commencement.- (1) These rules may be called the Punjab Local Governments (Fiscal Transfer) Rules, 2004.

(2) They shall come into force with immediate effect.

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

- (i) "annual report" means a report submitted by the Provincial Finance Commission within the meanings of sub-sections (5) and (6) of Section 120-E of the Ordinance;
- (ii) "appropriation account of local government" means a statement of expenditures with regard to the budgetary allocations and shall ensure that (a) the accounts properly present the accounting transactions in a most material aspect and (b) reasonable arrangements were in place for exercising pre-audit checks, while ensuring that payments have been made in observance of relevant rules and regulations, and that (c) the expenditures shown as incurred for the purpose of grants and appropriations, except where observed in Notes, have been booked to the relevant grants and appropriations;
- (iii) "appropriation" means an allocation of funds to an office of the Local Government on the basis of its Schedule of Authorized Expenditure;
- (iv) "account" means a repository of Local Government or Government funds in the State Bank of Pakistan or in a Bank approved by the Government, or a Government treasury;
- (v) "accounts" means a statement of receipts and expenditures on the accounts of a Local Government prepared and maintained in such form and in accordance with such methods and principles as the Auditor General of Pakistan, with the approval of the President, may have laid down;
- (vi) "accounts statement" includes annual appropriation accounts and finance accounts;
- (vii) "annual finance account of Local Government" means a statement of receipts and expenditures of a Local Government as a whole including transactions relating to Local Government Fund and the Public Account;
- (viii) "bank" means the State Bank of Pakistan or any of its offices or branches and includes any branch of the National Bank of Pakistan acting as the agent of the State Bank of Pakistan in accordance with the provisions of the State Bank of Pakistan Act, 1956 (Act No. XXXIII of 1956) or a bank approved by the Government and includes a government treasury where the cash business of the Local Government is not conducted by a bank;
- (ix) "cash balance" means the aggregate monies held by a local government in its account at a given point in time;
- (x) "council" means the same as defined in the Ordinance but excludes Village Council and Neighborhood Council;
- (xi) "district accounts office" means an office in a district under the Provincial Government or the Accountant General, Punjab inter alia responsible for maintenance of accounts of the District or City District Government;
- (xi) "Government" means Government of the Punjab;
- (xiii) "Local Government Accounts Office" means an office entrusted with the responsibility of maintenance of accounts of a Local Government and includes a district accounts office, a tehsil accounts office and a union accounts office;
- (xiv) "Local Government expenditure" means the amount expended by the designated functionaries of a Local Government in the manner prescribed in the financial rules, and in accordance with the annual budget including supplementary budget approved by its council;

- (xv) "Local Government finance office" includes offices responsible for regulating the finances of a Local Government and includes the offices of the Executive District Officer (Finance & Planning), the Tehsil / Town Officer (Finance) and office of the Union Accountant;
 - (xvi) "Local Government revenue-expenditure statement" means a monthly statement of accounts separately showing the receipts and expenditures of a Local Government, classified under the Ordinance and Financial Rules made thereunder;
 - (xvii) "local own source revenue" means revenues received by a Local Government from the proceeds of taxes or charges levied by a Local Government and other proceeds vested in it under the Local Government Ordinance;
 - (xviii) "officer in-charge of a spending arrangement" means an officer entrusted with the executive authority of implementing a project, programme, scheme or any other initiative financed out of the budget of the Government or Federal Government;
 - (xix) "Ordinance" means the Punjab Local Government Ordinance, 2001 (XIII of 2001);
 - (xx) "Prescribed report" means a report prescribed under these rules and shall only constitute such a report if produced in the manner prescribed in these Rules.
 - (xxi) "prescribed" means prescribed under these rules;
 - (xxii) "Provincial Consolidated Fund" means the same as described in Article 118 of the Constitution of Pakistan, 1973;
 - (xxiii) "Provincial Finance Commission Secretariat" means as defined in the sub-section (2) of Section 120-B of Punjab Local Government Ordinance, 2001 (XIII of 2001);
 - (xxiv) "reporting officer" means an officer vested with the responsibility of submitting a report under these rules;
 - (xxv) "Secretary" means Secretary of the Provincial Finance Commission and Secretary to Government of Punjab, Finance Department;
 - (xxvi) "share of local governments as calculated" means the share of a local government calculated by the Finance Department at the commencement of a calendar month using the available allocable amount based on actual or pro-rata estimated provincial receipts and in accordance with Provincial Finance Commission award for the time being in force;
 - (xxvii) "share of local government as determined" means the share of a local governments determined by the Provincial Finance Commission in its award, and it may be based on the estimated revenues for a year;
 - (xxviii) "tehsil accounts office" means an office located in each Tehsil or a Town Municipal Administration headed by a Tehsil or Town Accounts Officer responsible for the maintenance of accounts of the Tehsil or the Town Municipal Administration.
 - (xxix) "tehsil accounts officer" means an officer responsible for the maintenance of accounts of a Tehsil or Town Municipal Administration;
 - (xxx) "Transfer" means funds transferred to the account of a Local Government by the Government or another Local Government where they are not paid in lieu of a service or goods provided by the recipient Local Government to the Government or the Local Government, as the case may be.
- (2) Words and expressions used but not defined in these rules shall have the same meaning as are respectively assigned to them in the Ordinance.

CHAPTER – II

3. Secretariat Of The Provincial Financial Commission.- (1) The Finance Department shall set up a designated establishment of officers and staff, with adequate resources and equipment, which shall be called the Provincial Finance Commission Secretariat, as defined in sub-section (2) of Section 120-B of Punjab Local Government Ordinance, 2001 (XIII of 2001).

(2) When so required the Secretary may hire the services of experts to provide technical expertise to the Provincial Finance Commission and they shall form part of the Secretariat for the duration of their assignment.

(3). The number of posts in the Secretariat shall be determined by the Secretary, from time to time, with due regard to the nature and quantum of work.

(4) The senior most executive officer in the Secretariat nominated by the Secretary shall be responsible for implementation of any prescribed or entrusted functions and duties of the Secretariat.

(5) The Secretariat shall function under the overall executive control of the Secretary.

4. Functions and duties of the Secretariat.- Without prejudice to the generality of technical and secretariat support, as may be ascertained by the Government or as otherwise provided in these rules, the functions and duties of the Secretariat shall include.-

- (a) preparing technical briefs for the meetings of the Provincial Finance Commission;
- (b) making available all prescribed documents to the Provincial Finance Commission for its meetings;
- (c) carrying out simulations, development of formula options and study the differential impact of various options on local government finance;
- (d) maintenance of intergovernmental database, in such forms and of such standards, as may be ascertained by the Government from time to time;
- (e) carrying out monitoring of receipt of funds by the Local Governments by the Government from time to time;
- (f) receipt of reports from Local Governments, as may be determined by the Provincial Finance Commission;
- (g) undertaking analysis of Local Government finance, or if so required, of provincial finances;
- (h) preparation and maintenance of relevant data relating to Local Government, as may be required by the Government;
- (i) evaluation of impact of fiscal transfers on Local Governments and other relevant matters (Section 120-F subsection 3);
- (j) commissioning of special research and studies relating to intergovernmental finance;
- (k) preparation of draft Annual Report;
- (l) publication of Annual Report after approval by the Provincial Finance Commission;
- (m) provision of periodic reports on local government finance to the Secretary.

5. Communication and access to information.- Nothing contained in these rules shall be deemed to impose any limits on the Secretariat to carry out timely communication of information on any matters relating to fiscal transfers to Local Governments, Government agency or any person or in providing access to information to any citizen.

6. Budget. - (1) The annual budget of the Secretariat shall be prepared separately as a part of the budget estimates of the Finance Department.

(2) Separate funds may be allocated for undertaking studies and analysis.

7. Intergovernmental fiscal database. -(1) Intergovernmental fiscal database shall be set up in the Secretariat, subject to the following, in such form as may be possible in view of available technological options and data that may be gathered.

(2) The intergovernmental fiscal database shall comprise of and be maintained for data on revenues and expenditures of the local governments under various heads, for all kinds of fiscal transfers to Local Governments, besides data pertaining to specific issues peculiar to Provincial Finance Commission award for the time being in force, or any data, as otherwise required and listed in Part A of the Second Schedule.

(3) All data shall be updated on a monthly basis, provided that for certain categories, a different period may be observed with the permission of the Secretary.

(4) Intergovernmental database may include, without prejudice to the provisions of sub-rule (2) hereinbefore, all elements as described in Part B of the Second Schedule and reports may be provided to the Provincial Finance Commission for analysis, review, deliberations on

formula options or any other functions, duties and exercise of powers of the Provincial Finance Commission;

(5) Data and reports from the intergovernmental fiscal database may be provided to any Local Government, Governmental agency, person or organization for any academic or other purpose upon request and payment of any fee that may be collected with the express permission of the Secretary.

(6) Such fees as may be collected in accordance with the provisions of sub-rule (5) shall be deposited in the Government Treasury or a special account authorized by the Secretary.

CHAPTER-III

8. Dissemination of formula. - (1) As soon as may be possible, upon notification of a Provincial Government Commission formula under the provisions of Chapter XII-A of the Ordinance, the Secretariat shall make all suitable and necessary arrangements for dissemination of the formula to Government agencies and local governments in the province.

(2) Where grant systems are seeking to achieve specific objectives, through local government action, the Secretariat shall make special arrangements for dissemination and wider understanding of the conditionalities, provisions, incentives in terms of sub-section (5) of Section 111 of Punjab Local Government Ordinance, 2001 (XIII of 2001).

9. Notification of Provincial Consolidated Fund and its distribution. - (1) The Secretariat shall notify the provisional / projected size of the Provincial Consolidated Fund, Provincial Retained Amount and Provincial Allocable Amount in accordance with the Provincial Finance Commission formulae for the time being in force, based on the estimated revenues of the province, in the month of March every year for the following fiscal year.

(2) It shall notify the revised size of the Provincial Consolidated Fund, Provincial Retained Amount and Provincial Allocable Amount for an on-going fiscal year as early as possible and such notification shall be based on the revised estimates.

10. Notification of Shares of Local Governments. - (1) Shares of Local Governments, as determined, shall be notified by the Secretariat upon determination in light of the formula set by or applicable under the decision of the Provincial Finance Commission.

(2) Notification of the shares for the period of the formula shall be made in accordance with the provisional revenues of the province at the beginning of each time period of a formula on the Form.

(3) Notification of the provisional shares as provided under sub-section (2) of Section 111 of the Punjab Local Government Ordinance, 2001 (XIII of 2001) for a fiscal year shall be made in the month of March for the ensuing fiscal year.

(4) Notifications of the shares shall be made in the form annexed to Third Schedule to these rules.

(5) All notifications under this rule shall be published in the official gazette.

11. Copies of Notifications. - Copies of all notifications issued under these rules listed hereinbefore shall be provided, as soon as possible, to Local Governments, members of the Provincial Finance Commission and to any other agency as the Secretary may direct.

12. Authorization of Transfer. - (1) Upon any approval that may be required, the Finance Department shall authorize transfer of the shares as calculated to the Local Governments at the beginning of every calendar month, as early as possible, but not later than the third day of that month, provided that such transfers shall be made on the basis of actual, monthly receipts of the Government.

(2) Authorization shall be communicated to the State Bank of Pakistan Karachi or any other authority responsible for transferring the amount to the Local Governments and a copy of such authorization may be made available to Local Governments.

13. Transfer of the share as calculated. - (1) The share of Local Governments as calculated shall immediately be transferred to their accounts upon issuance of its authorization.

(2) A certification of fiscal transfer as prescribed in form FTR-6 of the Second Schedule to these Rules shall be issued by the Local Government accounts office upon completion of transfer stating the total amount and date, and a copy may also be provided to the Local Government finance office.

(3) A copy of the certification shall be provided to the secretariat and to any other office as may be directed from time to time.

14. Banks. - (1) The Finance Department may notify a bank or banks to undertake functions for making over, holding or reporting of transfers.

(2) Where any functions are given to a bank, it shall provide all such reports as may be required by the Finance Department.

15. Cash Balance. - (1) Cash balance in a local government account shall be communicated to the Secretariat, as and when so required by the Secretary, in the form FTR 7 of Second Schedule to these Rules.

(2) Under no circumstances the cash balance, or any amount thereof in a local government account, shall be transferable to Government account, unless so admissible under the Ordinance.

CHAPTER – IV

16. Expenditure-revenue statement. - (1) The Local Government finance office shall provide monthly expenditure-revenue statement to the Secretariat in accordance with the form given in the Third Schedule.

(2) The Secretary may require quarterly, and the end of year expenditure-revenue statements from the Local Governments which shall provide these statements in accordance with the forms set out in the Third Schedule.

17. Local own source revenues. - (1) A statement of local own source revenues as assessed and collected shall be provided to the Secretariat at the end of each quarter in a fiscal year by the Local Government finance office.

(2) For the purpose of this report the Local Government finance office may take recourse to assessments carried out by any agency, provided that the estimates of assessment are not less than those used in its decision making.

18. Other transfers and amounts received. - Upon receipt of any funds other than the formula based transfers from the province or local own source revenues the Local Government finance office shall report all funds received in their accounts to the Secretariat within a period of three months.

19. Project funds and investments. - Every officer in-charge of special spending arrangement shall report all expenditures incurred through his office to the respective finance office, which shall provide that information to the Secretariat in accordance with form set out in the Third Schedule, provided that the expenditures carried out under the approved budget of the local government shall not form part of this report.

20. Accounts reports. - (1) Local Government accounts offices shall forward appropriation accounts and finance account statements to the Secretariat in forms 14 to 14 (F) of the Third Schedule.

(2) All such reports shall be submitted to the concerned quarters before the end of third quarter of the fiscal year following the year for which reports are being formulated in accordance with the schedule prescribed by the Auditor General of Pakistan in terms of Rules 76(4) of the Local Government Accounts Manual.

(3) In case where certified accounts are pending finalization a report based on draft accounts may be provided.

(4) Where a report is based on draft accounts it shall be mentioned in the report.

(5) Where a report has been provided on the basis of draft accounts, upon certification of accounts a second report shall be provided with an appropriate reference made to the earlier report.

CHAPTER – V

21. Reporting Officers. - (1) Any reporting officer while submitting a report under these rules, unless otherwise provided, shall submit such a report to the Secretariat within the prescribed or required time period if an approval has not been given for such submission in time.

(2) No disciplinary or administrative proceedings shall be admissible against a reporting officer for submission of such a report, unless they be on grounds other than those specified in sub-rule; (1) of this rule.

22. Duties of Local Government Finance and Accounts Offices. - (1) Duties of Local Government finance and accounts offices shall also include maintenance of record of monthly and periodic transfers in prescribed form as set out in the Third Schedule.

(2) A copy of the record shall be provided to the Secretariat at the end of each fiscal year not later than expiry of the first calendar month of the succeeding fiscal year.

23. Responsibility for the validity of the reports. - (1) The Zila Nazim and the District Coordination Officer shall be responsible for the accuracy/authenticity of all reports submitted by the district government offices to the Secretariat.

(2) The Tehsil or Town Nazim and Tehsil or Town Municipal Officer as the case may be, shall be responsible for the accuracy/authenticity of all reports submitted by Tehsil or Town Municipal Administration offices to the Secretariat.

(3) The Union Nazim and the Secretary of Union Administration shall be responsible for the accuracy/authenticity of all reports submitted by the Union Administration to the Secretariat.

24. Responsibility of the Accountant General. - (1) After receipt from the District Accounts Officers the Accountant General shall ensure timely and correct submission of authenticated reports regarding (a) Monthly accounts (b) Appropriation account and (c) Finance accounts to the Secretariat under these rules.

(2) The Director Local Fund Audit, or any other authority designated for the inspection/audit of Tehsil or Town Municipal Administration and Union Administration accounts, shall ensure accurate and timely submission of reports' to the Secretariat.

25. Special Powers of the Secretary. - (1) If so authorized by the Provincial Finance Commission, the Secretary may require any special reports on, or related to local government finance from the Accountant General, Director Local Fund Audit or any other authority designated for administration of Tehsil or Town Municipal Administration and Union Administration accounts relating to their respective administrative Jurisdictions.

(2) The Secretary, in case of reports which are not submitted in time, or are submitted incorrectly or are incomplete, may recommend action to the authority empowered under the law against the local government finance office, local government accounts office or any local government officer in-charge or my other person responsible, as the case may be, provided that in such cases prior notice shall be given to the local executive setting out the reasons for such action.

(3) The authority, to which the action is recommended, in each case, shall undertake proceedings on such recommendations and provide a final report to the Secretary within an appropriate time period.

(4) To ensure carrying out the functions and purposes of the Provincial Finance Commission the Secretary may require any information from any agency carrying out functions in the province relating to local government finance to be laid before the Secretariat.

CHAPTER – VI

26. Discrepancy in the transfer. - (1) A transfer less than the share of a local government as calculated shall be deemed a discrepancy.

(2) Any discrepancy in the transfer made to a local government shall be reported to the Provincial Finance Commission before the end of the quarter by the Secretariat and the Provincial Finance Commission may take any action deemed fit under the law.

27. Delay in the transfer. - (1) Whenever a transfer due to a local government in accordance with the share, as calculated, is not made within the prescribed time period it shall amount to a delay.

(2) Any delay in the transfer for which a local government is eligible in accordance with the notifications, for whatsoever reason, shall be recorded by the Secretariat and reported to the Provincial Finance Commission in the next following meeting, and the Provincial Finance Commission may take any action deemed fit under the law.

CHAPTER – VII

28. Annual Report. - (1) Draft annual report of the Provincial Finance Commission shall be prepared by the Secretariat before the end of the first quarter of each fiscal year, keeping in view the time required for consideration by the Provincial Finance Commission, and present it to the Secretary who shall lay it before the Provincial Finance Commission.

(2) The draft report upon approval by the Provincial Finance Commission shall be finalized by the Secretariat.

(3) Annual report shall be published by the Secretariat and copies shall be provided to each district government and Tehsil or Town Municipal Administration and Union Administration in the province for laying it before the respective Council.

(4) The Annual Report must comprise, but be not limited, to the areas listed below:

- (i) details of how much the respective local governments spend, identifying the source of funds and the respective shares provided by the Federal and sub-national levels of government;
- (ii) details on the financial condition of the province and local governments *i.e.* budget balances, the results of audit, liabilities being carried over, ending balances of the local governments and figures for helping elucidate the level of disparity in overall fiscal health;
- (iii) information to enable policy makers to make comparisons with fiscal policies of other provincial governments, and helping in identification of the disparities in economic growth among the various local governments and regions of the province, and helping policy makers, gauge whether these differences are increasing or decreasing;
- (iv) an analysis of expenditure patterns for each level of government for clear identification of areas of growth/ stagnation, along with public employment levels and patterns;
- (v) an analysis of revenue patterns of each level of government, showing revenue growth by source *i.e.* own source revenues, and an analysis of their dependence on transfers;
- (vi) indicators for impact and analysis of the transfer formula, which shall be used to change and adjust, if required, the intergovernmental fiscal transfer system;
- (vii) special studies on innovative ideas and practices to facilitate the generation of dialogue on subjects such as:
 - (a) equalization evaluation;
 - (b) alternatives for own revenue mobilization;
 - (c) public employment levels and disparities;
- (viii) challenges and issues, in developing an intergovernmental fiscal system that shall match the objectives of the provincial policy; issues such as poor fiscal management by some local governments, growing disparities within the regions and the need to accommodate these, etc; issues of relationship between the Province and the Federal government on matters such as a proposed new revenue sharing scheme, or proposed new legislation on natural resource taxation that might affect the provincial and local government budgets.

29. Time frame for submission of reports.-Reporting officers and other agencies shall be responsible for submission of reports or completion of actions, as the case may be, in accordance with the time frames specified in the First Schedule to these rules.

30. Powers of the Provincial Finance Commission.-Nothing contained in these rules shall be deemed to impose any limits on the powers of the Provincial Finance Commission to require any reports from any Federal, Provincial or a Local Government, or from any authority, corporation, body, or organization established by or under law or which is owned or controlled by any Government or in which any of the Governments has a controlling interest or any other source.

31. Relaxation of rules.-Any of these rules for the reasons to be recorded in writing may be relaxed by the Competent Authority.

32. Redressal of grievances. -The Government or a local government may seek redressal on any matter relating to Fiscal transfers in terms of Section 120-J of the Punjab Local Government Ordinance, 2001 (XIII of 2001). Such grievance shall be addressed to the Secretary of the

Provincial Finance Commission. The Commission shall consider and decide the matter within 90 days of the receipt of the complaint. The decision of the Commission shall be final.

FIRST SCHEDULE

TIMEFRAMES FOR VARIOUS IMPORTANT ACTIVITIES

Sr. #	Activity	Responsibility	Time frame
1.	Preparation of technical briefs for Provincial Finance Commission meetings.	Provincial Finance Commission Secretariat.	As and when required.
2.	Preparation of necessary documents for Provincial Finance Commission meetings.	Provincial Finance Commission Secretariat.	As and when required.
3.	Maintenance and updating of inter-governmental database.	Provincial Finance Commission Secretariat.	On monthly basis.
4.	Carrying out, monitoring of receipt of funds by Local Governments.	Provincial Finance Commission Secretariat.	2 nd week of every month.
5.	Carrying out analysis of Local Government Finance.	Carrying out analysis of Local Government Finance.	As and when required.
6.	Carrying out analysis of Provincial Finances.	Provincial Finance Commission Secretariat.	As and when required.
7.	Preparation and maintenance of data relating to Local Government.	Provincial Finance Commission Secretariat.	As and when required.
8.	Evaluation of impact of fiscal transfers on Local Governments.	Provincial Finance Commission Secretariat.	Annual.
9.	Commissioning of Special Research and Studies relating to Inter-Governmental Finance.	Provincial Finance Commission Secretariat.	Annual.
10.	Preparation of Draft Annual Report.	Provincial Finance Commission Secretariat.	Annual.
11.	Publication of Annual Report of the Provincial Finance Commission.	Provincial Finance Commission Secretariat.	Before the end of first quarter in every fiscal year.
12.	Provision of periodic reports on Local Government Finance to the Secretary.	Provincial Finance Commission Secretariat.	As and when required.
13.	Notification of projected / tentative shares of Local Governments.	Provincial Finance Commission Secretariat.	March (before a fiscal year begins).
14.	Publishing of Notification of Local Governments shares in the official gazette.	Provincial Finance Commission Secretariat.	March (before a fiscal year begins).
15.	Authorization of monthly transfer to LGs.	Provincial Finance Department.	Beginning of every calendar month not later than the 3 rd day of that month.
16.	Communication of Authorization to State Bank of Pakistan.	Provincial Finance Department.	Provincial Finance Department.
17.	Transfer of the share as calculated to LGs.	Provincial Finance Department.	Within three days of the issuance of authorization.
18.	Issuance of certification of transfer.	Local Government Accounts Office.	Upon completion of transfer not later than the last

			working day of the first week of every calendar month.
19.	Provision of copy of the certification to the Secretariat and other offices.	Local Government Accounts Office.	Within three days of the receipt of funds.
20.	Provision of monthly expenditure - revenue statement to the Secretariat.	Local Government Finance Office.	Not later than the 10 th day of the following calendar month.
21.	Quarterly and end of the year expenditure - revenue statements.	Local Governments.	Within 15 days of the end of the quarter to which the statement relates and end of the first quarter of the next fiscal year following the year to which the annual statement relates.
22.	Reporting of all funds received in their accounts to the Secretariat.	Local Government Finance Office.	Not later than the last working day of the first week of every calendar month.
23.	Reporting of all expenditures incurred (through the Local Government Office) to the respective finance office and to the Secretariat.	Local Government Office in-charge.	In the first week after the end of the quarter.
24.	Accounts Reports.	Local Government Accounts Offices.	Before the end of the fiscal year following the year for which reports are being formulated.
25.	Provision of special reports required by the Secretary Provincial Finance Commission related to Local Government Finance.	Accountant General, Director LFA, or any other authority designated for administration of Tehsil or Town Municipal Administration and Union Administration Accounts.	Periodic, within 15 days of request.
26.	Preparation of draft Provincial Finance Commission Annual Report.	Provincial Finance Commission Secretariat.	Before 15 th August of the following fiscal year.
27.	Publication of Provincial Finance Commission Annual Report.	Provincial Finance Commission Secretariat.	Before 15 th September every year.
28.	Provision of copies of the Provincial Finance Commission Annual Report to each District Government and Tehsil or Town Municipal administration and the Union Administrations in the province.	Provincial Finance Commission Secretariat.	Before 30 th September every year.
29.	Maintenance of record of monthly and periodic transfers in prescribed form in accordance with the Third	Local Government Finance and Accounts Offices.	Continuous.

- Schedule.
30. Provision of monthly record of transfers in prescribed form in accordance with the Third Schedule to the Secretariat. Local Government Finance and Accounts Offices. Not later than the 5th of the next month following the month to which the statement relates.
 31. Provision of Annual Report, as prescribed under rule 28 of the rules *ibid* to the Secretariat. Local Government Finance & Accounts Offices. End of each fiscal year not later than 31st July.

SECOND SCHEDULE
DATA THAT SHALL BE MAINTAINED BY THE SECRETARIAT

(Under Rule 7)

Part - A (Rule 7, sub-rule (2))

(Disaggregated by district, tehsil, town and where possible by union)

1. Expenditures of Local Governments, function and object wise;
2. Revenues of Local Governments, Major, Minor & Detailed Head wise or as prescribed;
3. Transfers received by Local Governments, all categories;
4. Data on specific issues in accordance with Provincial Finance Commission Award;
5. Data on implementation of conditionalities that may be attached to any transfers; and
6. Any matter specifically assigned by the Provincial Finance Commission.

Part - B (Rule 7, sub-rule (4))

(Disaggregated by district, tehsil, town and where possible by union, or as otherwise specified by the Secretary)

1. Population, with projected increases over time;
2. Area of Local Governments;
3. Service levels in a Local Government's jurisdiction, all services;
4. Land, by various categories of usage and tillage;
5. Industry and other economic activity;
6. Social indicators;
7. Economic indicators;
8. Estimates of personal and household income and expenditure;
9. Measures of various local tax bases; and
10. Cost of service delivery, by category.

THIRD SCHEDULE FORMS
Form FTR 1
Notification of PCF
(See Rule 9)

GOVERNMENT OF THE PUNJAB
PROVINCIAL FINANCE COMMISSION
SECRETARIAT

Dated Lahore, the _____ 200__

In exercise of powers conferred under Section 120 (D) of the Punjab Local Government Ordinance, 2001 (XIII of 2001), the Governor of Punjab on the recommendation of Provincial Finance Commission is pleased to specify the size of Provincial Consolidated Fund (Divisible Pool) and its distribution into Provincial Allocable and Provincial Retained amounts for the Province of Punjab as under:

Rs. _____

Provincial Consolidated Fund

Provincial Retained Amount

Provincial Allocable Amount

FTR 2
Notification of Projected Share for Three Years
(See Rule 10)

GOVERNMENT OF THE PUNJAB
PROVINCIAL FINANCE COMMISSION
SECRETARIAT

Dated Lahore, the _____ 200__.

In exercise of powers conferred under Section 120 D (6) of the Punjab Local Government Ordinance, 2001 (XIII of 2001), read with Rule 10, the Governor of Punjab, on the recommendations of the Provincial Finance Commission, is pleased to specify the following Award separately indicating the Provincial Allocable and Provincial Retained Amounts and the inter se shares of the local governments for three years starting from _____ (year).

Provincial Retained Amount

Provincial Allocable Amount

Name of Local Government

Districts

Inter-se Share

TMA's

UAs

FTR 3
Notification of estimated Share for three Years
(Sec Rule 10)

GOVERNMENT OF THE PUNJAB
PROVINCIAL FINANCE COMMISSION
SECRETARIAT

Dated Lahore, the _____ 200__

ORDER

In exercise of powers conferred under Section 120 D (6) of the Punjab Local Government Ordinance, 2001 (XIII of 2001) read with Rule 10, the Governor of Punjab, on the recommendation of the Provincial Finance Commission, is pleased to specify the following Award, separately indicating the Provincial Allocable and Provincial Retained Amounts and the inter se shares of the local governments for the year ending June 30th, 20 _____.

Provincial Retained Amount

Provincial Allocable Amount

Name of Local Government

Districts

Inter-se Share

TMA's

UAs

FTP - 4
Authorization of Transfers
(Sec Rule 12)

No.
GOVERNMENT OF THE PUNJAB
FINANCE DEPARTMENT

Dated Lahore, the _____ 200__

To

The Director Accounts Department,
State Bank of Pakistan,
SBP, Banking Services Corporation (Bank),
Head Office, Subsidiary House,
I.I. Chundrigarh Road, P.O. Box # 4202,
Karachi.

Subject: **RELEASE OF FUNDS TO THE DISTRICT GOVERNMENTS**

In pursuance of the Provincial Finance Commission Award Ordered vide No. _____
Dated _____, 20__ sanction is hereby accorded to release an amount of Rs. _____, for
credit to District Fund for the month of 20__ as single line resource transfer to respective
Account IV of each District Government, per contra debit to Punjab Government Account No. 1
(Non-Food).

Sub No.	Name of District	Amount
----------------	-------------------------	---------------

The expenditure involved shall be debatable to the Provincial Account No.1 (Non-Food) under
Grant No.31-Miscellaneous 6-70000-Debt Servicing, Investible Funds and Grants, 6-74000-
Grants and Subventions, 6-74500-Grant to District Governments, 6-74501-Share from Provincial
Allocable Amount-60000 Transfer Payments, 64000-Grants, 64500-District Governments, 64501-
Share from Provincial Allocable Amount.

FTR 4-A
Authorization of Transfers
(Sec Rule 12)

GOVERNMENT OF THE PUNJAB
FINANCE DEPARTMENT

Dated Lahore, the _____ 200__

ORDER

Sanction is hereby accorded to release an amount of Rs. _____ million (Rs. _____) to the extent of the amounts given against each TMA in the enclosed statement. These funds constitute the releases for the month of _____, 20___. On the actual receipts basis in accordance with the Provincial Finance Commission Award dated _____.

2. The release of the future months are subject to the actual revenue receipts of the Provincial Government.

3. The amount as indicated against individual TMAs shall be credited in the bank accounts of the TMAs by the Accountant General Punjab / District Accounts Officers by issuing an authority to this effect to the State Bank/ National Bank of Pakistan as the case may be.

4. The above-mentioned aggregate amounts shall be debitible to Provincial Account No. 1 (Non-food) during the financial year 20__20__ to the head Grant No. 31-Miscellaneous 6-70000 Debt Servicing, Investible Funds and Grants, 6-74000 Grants and Subventions, 6-74600 Grants to Tehsil/Town Administration, 6-74601 Share from Provincial Allocable amount-60000 Transfer Payments-64000 Grants-64600 Tehsil/Town Administration-64601 Special Grants from Provincial Allocable Amount.

FINANCE SECRETARY

NO. & DATE EVEN.

A copy is forwarded for necessary action to:

1. The Accountant General Punjab, Lahore (P.R.12, 13)
a) Budget Section b) Development Section.
2. The Treasury Officer, Lahore.
3. All District Accounts Officers in Punjab.

SECTION OFFICER EXP.(LG)

FTR 4-B
Authorisation of Transfers
(See Rule 12)

GOVERNMENT OF THE PUNJAB
FINANCE DEPARTMENT

Dated Lahore, the _____ 200 ____

ORDER

Sanction is hereby accorded to release an amount of Rs. _____ million (Rupees: _____) as grant in lieu of Goods Exit Tax (GET) for the month of _____ 20____ @ Rs. _____/- (Rupees _____) per month to each Union Administration. In case of Union Administration falling within the jurisdiction of City District Lahore @ Rs.____/- (Rupees:) per month. These funds constitute the releases on the prorata basis in accordance with the Provincial Finance Commission Award dated _____. The aggregate district-wise share of GET of Union Administrations in the Punjab is indicated in the enclosed statement.

2. The release of the future months are subject to the actual revenue receipts of the Provincial Government.

3. Finance Department further agrees for transfer of the said funds to the PLAS (specially opened for this purpose) of all District Coordination Officers in Punjab to the extent the amounts mentioned for each district. The share of each Union Administration shall be disbursed by the District Coordination Officers through a crossed cheque in the name of Union Administration, immediately on transfer of said amounts in the PLAs.

4. The above-mentioned aggregate amount shall be debit to Provincial Account No. I (Non-food) during the financial year 20____20____ to Grant No. 31-Miscellaneous-70000 Debt Servicing, Investible Funds and Grants, 6-74000 Grants and Subventions, 6-74700-Grant to Union Administration-60000 Transfer Payments, 64000 Grants, 64700 Grants to Union Administrations.

FINANCE SECRETARY

NO. & DATE EVEN.

A copy is forwarded for necessary action to:

1. The Accountant General Punjab, Lahore (P.R.12, 13)
a) Budget Section b) Development Section.
4. The Treasury Officer, Lahore.
5. All District Accounts Officers in Punjab.

SECTION OFFICER EXP.(LG)

FTR 5
Notification of Estimated Share for a Year
(Sec Rule 13)

GOVERNMENT OF THE PUNJAB
PROVINCIAL FINANCE COMMISSION
SECRETARIAT

Dated Lahore, the _____ 200__

ORDER

In exercise of powers conferred under Section 120 D (6) of the Punjab Local Government Ordinance, 2001 (XIII of 2001), the Governor of Punjab on the recommendation of the Provincial Finance Commission, is pleased to specify the following calculated share of individual local government for the year ending June 20____20____, based on the estimated size of the Provincial Consolidated Fund.

Provincial Retained Amount

Provincial Allocable Amount

Name of Local Government

Districts

Inter-se Share

TMA's

UAs

Form FTR 6
Certification of Fiscal Transfers
(See Rule 13)

On the basis of statement of Fiscal Transfers provided by the State Bank of Pakistan / National Bank of Pakistan, the bank _____, (name of branch) in respect of _____ (name of) Local Government, it is certified that a sum of Rs. _____, has been credited in the account of the Local Government _____ (name) during the month of _____, 20__.

Signed
District / Tehsil Accounts Officer,
Union Accountant (Stamped)

FTR – 7

Cash Balance as on 30, _____, 20

Local Government _____
(See Rule 15)

Rs.

Opening Balance as on 1st of _____ 20

Add. Receipts during the month

Less. Payments made during the month

Closing Balance as on 30th of _____, 20

(Signed)
Name & Designation of
Budget & Finance Officer),
as the case may be

FORM FTR 8-A
[See Rule

FORM FTR 8-B
Monthly Receipts Report for 20_____
District Government _____

Major/Minor detailed Receipts Previous Months Actual for the month Progressive

A: Receipts from Provincial

Allocable Amount

B: Special Grant

C: Tied Grants

D: Local own Resources

Revenue:

(i) Tax Revenue

(ii) Non-Tax Revenue

Total

Includes all sources of receipts of District government including transfers from Provincial Governments

Transfers in lieu of octroi and zila tax to be shown separately.

Filled by EDO (F&P)

FORM FTR 8-C
Monthly Receipts Report for 20____
District Government _____

Major/Minor detailed Receipts Previous Months Actual for the month Progressive

- A:** Receipts from Provincial Allocable Amount
- B:** Special Grant
- C:** Tied Grants
- D:** Local own Resources Revenue:
 - (i) Tax Revenue
 - (ii) Non-Tax Revenue

Total

Includes receipts from all sources of TMA.

Transfers in lieu of octroi and zila tax to be shown separately.

Filled by EDO (F&P)

FORM FTR 9

(See Rule 16)

Monthly Expenditure Report for 20____
District Government _____

FORM FTR 9-B
(See Rule 16)
Quarterly Receipts Report for 20_____
District Government _____

Major/Minor Detailed Receipts Head

Previous Quarter

Actual for the Quarter

Progressive

Total

Includes all sources of receipts of District government including transfers from Provincial Governments
Transfers in lieu of octroi and zila tax to be shown separately.
Filled by EDO (F&P)

FORM FTR 9-C
(See Rule 16)
Quarterly Receipts Report for 20____
Tehsil Municipal Administration _____

Major/Minor Detailed Receipts Head	Previous month	Actual for the month	Progressive
------------------------------------	----------------	----------------------	-------------

Total

Includes receipts from all sources TMA.

Transfers from Provincial Government to be shown separately.

Filled by TO(F)

FORM FTR 10

FORM FTR 10-A
(See Rule 16)
Monthly Expenditure Report for 20____
Tehsil Municipal Administration _____

Function	Salary of officers 01100	Salary of staff 01200	Regular allowances 02000	Other allowances 03000	Contingencies	Others
Naib Nazim and Council Nazims Offices TMO TO (F) TO (P) TO (Inf) TO (Reg)						

Total

Filled by TO(Finance)

FORM FTR – 10B

[See Rule 16]

Monthly Receipts Report for _____ 20

Tehsil Municipal Administration _____

Major/Minor Detailed Receipts Heads

(Rs.)

Total

Include receipts from all sources of District Government

Receipts from Provincial Government to be shown separately.

Receipts in lieu of Octroi and Zila Tax to be shown separately

Filled by EDO (F&P)

FORM FTR – 10C
[See Rule 16]
Monthly Receipts Report for _____ 20
Tehsil Municipal Administration _____

Major/Minor Detailed Receipts Heads

(Rs.)

Total

Include receipts from all sources of TMA.

Receipts from Provincial Government to be shown separately.

Filled by TO(F)

FORM FTR – 11
[See Rule 17]
Monthly Receipts Report for _____ 20
Local Government _____

Major/Minor Detailed Receipts Heads

Previous Months

Actual for the month

Progressive

Total

Receipts of local government excluding transfer from Provincial Government

Filled in by EDO (F&P) and TO(F)

FORM FTR – 12
[See Rule 18]
Monthly Receipts Report for _____ 20
Local Government _____

Major/Minor Detailed Receipts Heads
Transfer from Provincial Government
(other than grants transferred under PFC)
Grants received from Federal Government

Previous Months

Actual for the month

Progressive

Total

Receipts from Provincial Government other than under PFC award shall be listed.

Receipts from Federal Government to be included also.

FORM FTR – 13
[See Rule 19]
Project Fund and Investment
Local Government _____

Sr. #	Name of Project	Opening Balance	Transferred during the month	Payments made during the month	Balance
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

For vertical project not included in the Local Government Budget.

Filled by EDO(F&P)

[See Rule 20]

Overall Abstract of Accounts

Month _____
Local Government _____

(Rs. In Million)

Opening Balance

Receipts

Receipts District Government Funds

Receipts Public Accounts

Total Receipts

Expenditure

District Government Fund

Current

Development

Public Account

Total Expenditure

Closing Balance

FORM FTR – 14-A
[See Rule 20]
Summary Monthly Account by Receipts
Month _____
Local Government _____

**Major/Minor details
Receipts Heads**

**Budget Estimates for
year**

Previous Month

Actual for the month

Progressive

Total

FORM FTR – 14-B
[See Rule 20]
Summary Monthly Account by Function
Month _____
Local Government _____

Major/Minor detailed Functions	Grant	Budget for year			Previous months			Actual for month			Progressive		
		Charg	Voted	Total	Charg	Voted	Total	Charg	Voted	Total	Charg	Voted	Total

Total

FORM FTR – 14-C
[See Rule 20]
Summary Monthly Account by Grant
Month _____
Local Government _____

Major/Minor detailed Functions	Grant	Budget for year			Previous months			Actual for month			Progressive		
		Charged	Voted	Total	Charged	Voted	Total	Charged	Voted	Total	Charged	Voted	Total

Total

FORM FTR – 14-D
[See Rule 20]
Monthly Account Public Accounts
Month _____
Local Government _____

Major/Minor
Detailed Heads

	Receipts			Disbursements			
Estimate for year	Previous Month	Actual for this month	Progressive	Estimate for year	Previous Month	Actual for this month	Progressive

Total

FORM FTR – 14-E
[See Rule 20]
Monthly Appropriation Account of Expenditure
Month _____
Local Government _____

Detailed Object Codes	Description	Budget Grant for Prev. Month	Addition/ reduction during the Month.	4.1	Budget grant at the end of month (Progressive)	Total Exp. Prev. Month	Exp. during the month	Progressive	Balance (5 – 8)
1	2	3	4	4.1	5	6	7	8	9

Total

FORM FTR – 14F
Monthly Appropriation Account of Development Expenditure
Month _____
Local Government _____

FORM FTR - 15
[See Rule 22]
Funds received from Provincial Government

Sr.#	Months	Share as determined by PFC	Funds received in account	Deviation	Date of Receipt
		1	2	(2-1)	
1.	July				
2.	August				
3.	September				
4.	October				
5.	November				
6.	December				
7.	January				
8.	February				
9.	March				
10.	April				
11.	May				
12.	June				

