



**Government of the Punjab  
Finance Department**

# **BUDGET CALL CIRCULAR 2017-2018**

**URGENT / IMMEDIATE**



B-13(11)/BCC/2017  
**GOVERNMENT OF THE PUNJAB  
FINANCE DEPARTMENT**

November, 18, 2016

From:

Finance Secretary,  
Government of the Punjab,

To:

1. Chairman, Planning & Development Board.
2. Senior Member, Board of Revenue, Punjab.
3. Additional Chief Secretary, S & GA Department.
4. Secretary to Governor Punjab.
5. Secretary to Chief Minister Punjab.
6. Provincial Police Officer, Punjab.
7. All Secretaries to the Government of the Punjab.
8. Military Secretary to Governor Punjab.
9. Registrar, Lahore High Court, Lahore.
10. All Heads of Attached Departments (including all Heads of Irrigation, Health, Higher Education, Livestock and Excise, Taxation and Narcotics Departments).
11. Secretary, Provincial Assembly of the Punjab.
12. Chairman, Chief Minister's Inspection Team.
13. Secretary, Punjab Public Service Commission.
14. Secretary, Provincial Ombudsman, Punjab.
15. Secretary, TEVTA, Government of the Punjab
16. Registrar, Punjab Service Tribunal.
17. All District Coordination Officers in Punjab
18. All Divisional Commissioners in Punjab.

**SUBJECT:- BUDGET CALL CIRCULAR FOR THE YEAR 2017-2018 / MEDIUM TERM BUDGETARY FRAME 2017-2020-FOR PROVINCIAL GOVERNMENT DEPARTMENTS/FUNCTIONS**

Sir

I am directed to refer to the subject cited above and to forward the documents / forms with this Budget Call Circular (BCC) for preparation and submission of the Budget Estimates for the Financial Year, 2017-2018. The Budget Estimates may be prepared as per timelines mentioned in the Budget Calendar attached.

2. While formulating the Budget Estimates for the Financial Year 2017-2018, it may kindly be appreciated that budget is not only an expression of numbers. Essentially, it is a policy statement of government's estimated revenues and proposed expenditures and statement of policy objectives and priorities a department intends to achieve in a financial year. In the recent judgement of Supreme Court of Pakistan dated 18-08-2016 titled "**M/S Mustafa Impex Karachi Versus the Government of Pakistan through Secretary Finance, Government of Pakistan etc. Civil Appeals No.1428 to 1436 of 2016**", supplementary grants can only be sanctioned after prior approval of Provincial Government. The term Provincial Government has been defined in Article 129 of the Constitution of Islamic Republic of Pakistan, 1973. Now Importance of this strategically important management instrument pre supposes that due diligence is required to be exercised at the departmental level in formulating the budget estimates. Reliability, accuracy and completeness of detailed object-wise information provided in the enclosed forms will enable the Finance Department to make informed choices on how best the scarce public resources are allocated for achieving the policy objectives for a particular year and avoid supplementary grant.

3. Finance Department has taken an initiative for discussions with Administrative Departments on Budget Estimates and a separate meetings will be planned separately so that Budget Estimates 2017-2018 may be prepared as per Government priority and policy. Moreover, are budget seminars is also being scheduled in this regard enabling the Principal Accounting Officers to provide maximum support for the purpose.

4. Furthermore, Administrative Departments are advised to send their **Revised Estimates 2016-2017 and Budget Estimates for 2017-2018, "DDO-wise"**, to the Finance Department in the NAM mode as prescribed. While filling in the forms, the following points may be kept in view:

- a) The BCC shall be filled in by the DDO/Collecting Officer, both in the case of Budget Estimates for Current/ Development Expenditure and Receipts Estimates as per the instructions on the subject;
- b) Departments should submit their budget estimates with detailed object wise by carrying out a detailed exercise in order to assess the needs for the next financial year to avoid seeking supplementary or additional grants at the very outset of financial year 2016-2017;

- c) Need for current budget (SNE) for the Project(s) which are likely to be completed during current financial year must be finalized by **November 30, 2016** and a comprehensive proposal on a summary may be sent to Finance Department along-with PC-IV;
- d) Administrative Departments shall scrutinize the SNEs submitted by the District Governments attached departments/sub-offices, and prioritize them before forwarding the same to Finance Department;
- e) In order to avoid distortions in the budget estimates for the next year, the actual expenditures for the current financial year must be indicated along with the estimates for the next year;
- f) Estimates for utilities and other periodical expenditure must be accompanied by statements indicating designation of officers, entitlement of vehicle/telephone, and ceilings for ensuring accurate budgetary allocations;
- g) While formulating budget estimates, Administrative Departments may determine the performance targets for their field offices/attached departments to work out budgetary requirements;
- (h) The budget estimates for development schemes transferred to current side would be considered as temporary status for three years and will be merged thereafter as regular budget, subject to necessary scrutiny;
- (i) The schedule given in the Budget Calendar (**Annex-I**) must be strictly adhered to.
- (j) The Austerity policy issued by Finance Department must be adhered to.
- (k) Administrative Department, at the time of 2<sup>nd</sup> Statement of Excess and Surrenders will ensure the availability of funds at controlling level which have been surrendered in the statement.

5. Finance Department will set out the indicative resource envelope for all departments and make necessary budgetary allocations depending upon the resource availability and in line with the policy framework of the Government. Finance Department may reduce or delete an appropriation if the departments do not meet the prescribed criteria / requirements.

6. The time-schedule for the submission of Revised Estimates **2016-2017** and Budget Estimates **2017-2018** of the Provincial Government is detailed in **Annex-I**. Administrative Departments are requested to consolidate the estimates received from various units under their control on NAM format and submit the consolidated estimates, duly verified, to this Office. Meetings, if considered necessary, will be held to discuss the Estimates as per Schedule attached at **Annex-I**.

7. It is generally agreed that introduction of **Medium Term Budgetary Framework** is not only imperative in removing the existing inadequacies of planning and budgetary systems but is also absolutely vital for improving the overall performance related problems of the government. Accordingly, Provincial Government has introduced Medium Term Budgeting Framework (MTBF) to ensure an effective linkage of policy, planning and resource allocation. Although designing and implementation of medium term perspective to budgeting is only a part of a wider reform agenda for improving public sector resource management, yet the concept of MTBF is underpinned by certain core values such as inculcating financial discipline in government's spending, aiming allocative efficiency with the ultimate objective of improving budgetary outcomes.


8. MTBF Departments are also being provided indicative budget ceilings separately which would help them in formulation of their budget estimates over a period of three years. However, the Departments will have to initiate on their own the process of prioritization of their activities and to purposefully engage their spending units in this process before significantly embarking upon the budget formulation process. It is hoped that a flexible budgetary approach under MTBF will enable the departments to transform their governance structure and help them align operations with policies over a three-year frame work.

9. This Budget Call Circular also prescribes guidelines and budget forms to help the Departments to determine their budget priorities and to ensure distribution of budget ceilings to their respective spending units / DDOs, etc. The Departments are also expected to carry out rationalization of their activities and identify redundancies (if any) to augment the objectives of MTBF implementation. Budget review meetings would be held in later part of the budgetary cycle involving the Finance Department, MTBF Departments and Planning & Development Department (P&DD) in which if required the indicatives budget ceilings would be firmed up.

10. I would personally request the Principal Accounting Officers / Secretaries of the Department (in MTBF mode) to support this reform initiative and do not hesitate to contact the Budget Wing of the Finance Department for any further clarification and assistance.

11. The receipt of this letter may kindly be acknowledged.


Yours Sincerely

  
(KHALID MAHMOOD) 18/11/2016  
Additional Finance Secretary /  
Director (Budget)

**NO. & DATE EVEN**

A copy is forwarded for information and necessary action to:-

1. The Accountant General, Punjab, Lahore.
2. The Regional Director, PIFRA, Lahore.
3. The Director General, Audit, Punjab Lahore.
4. All Additional Finance Secretaries in Finance Department.
5. All Budget/Section Officers in Finance Department, Government of Punjab
6. All District Accounts Officers/Treasury Officers in Punjab
7. Private Secretaries to all Provincial Ministers.

  
(KHALID MAHMOOD)  
Additional Finance Secretary /  
Director (Budget)

Details of enclosed documents / forms with the Budget Call Circular are as follows:

i)	Budget Calendar.	<b>Annex-I</b>
ii)	Instructions / guidelines to fill the forms in respect of Estimates of Receipts.	<b>Annex-II</b>
iii)	Form, BM-1 & BM-2 for the Estimates of Receipts for the financial year 2017-2018, to be filled by the Departments / Attached Departments & Collecting Officers, along with instructions relating to the completion of these forms according to the New Accounting Model (NAM).	<b>Annex-III</b>
iv)	Instructions / guidelines to fill the forms in respect of Estimates of Expenditure.	<b>Annex-IV</b>
v)	Forms BM-1 & BM-2 for Estimates of Expenditure for Regular (permanent) Budget Estimates and SNE ( <i>Fresh and Continued</i> ), to be filled by Drawing & Disbursing Officers, Controlling Officers & Head of Departments, along with instructions relating to the completion of these forms on the principles laid down in the New Accounting Model (NAM).	<b>Annex-V</b>
vi)	Form BM-10 for recording details of sanctioned posts and filled posts.	<b>Annex-VI</b>
vii)	Form for Annual Development Programme.	<b>Annex-VII</b>
viii)	Form for Re-appropriations.	<b>Annex-VIII</b>
ix)	Form for processing the requests of Supplementary Grants.	<b>Annex-IX</b>
x)	Form for Excess and Surrenders.	<b>Annex-X</b>

**BUDGET CALENDAR****SCHEDULE FOR CURRENT BUDGET**

<b>ITEM</b>	<b>B.M. Forms Distributed on</b>	<b>Due date of submission to Finance Department</b>	<b>Examination &amp; Finalization by Finance Department</b>	<b>Communication to Computer Centre</b>	<b>1<sup>st</sup> Proof</b>	<b>2<sup>nd</sup> Proof</b>	<b>Final Proof (Tentative)</b>
Regular Edition	25.11.2016	01.01.2017	28.02.2017	01.04.2017	15.04.2017	25.04.2017	10.05.2017
SNE (Continued & Fresh)		01.02.2017	15.03.2017	05.04.2017	15.04.2017	25.04.2017	10.05.2017
Statement of Excess and Surrenders (including R.E. 2016-17/All Proposals of Re-appropriation)		31.03.2017	30.04.2017	05.05.2017	15.05.2017	25.05.2017	31.05.2017
Supplementary Budget			01.05.2017	10.05.2017	15.05.2017	20.05.2017	25.05.2017

**SCHEDULE FOR RECEIPTS**

<b>ITEM</b>	<b>B.M. Forms Distribution</b>	<b>Due Date of Submission to Finance Department</b>	<b>Examination and Finalization by Finance Department</b>	<b>Review by Finance Secretary</b>	<b>1<sup>st</sup> Proof</b>	<b>Final Proof</b>
Budget Estimates for 2017-2018 including REs 2016-2017	06.11.2016	31.03.2017	01.04.2017 to 30.04.2017	01.05.2017 to 15.05.2017	20.05.2017	31.05.2017
New Taxation Proposals/Review of Existing Taxes/Fee Tariff	DS-R to issue letter as usual	01.01.2017	01.02.2017 to 28.02.2017	01.03.2017 to 05.03.2017 (Meetings)		30.04.2017



**INSTRUCTIONS FOR FORMAT OF BUDGETARY ESTIMATES OF RECEIPTS**

**IMPORTANT:**

The departments should read the following instructions carefully and all estimates should invariably be prepared in the enclosed forms.

**GENERAL INSTRUCTIONS:**

1. Departments/Attached Departments are required to submit details of their budgetary estimates pertinent to receipts.
2. No column should be left blank. In case any column is not applicable it should state **not-applicable**.
3. There is no change as far as routing of Budget Estimates is concerned.

**SPECIFIC INSTRUCTIONS:**

- |                                       |  |
|---------------------------------------|--|
| a) Object Code.                       | Space has been provided for this purpose. You may consult the Chart of Accounts (CoA) and fill all the major, minor and detailed codes carefully for receipts. |
| b) Description                        | Description of the object classification at the detailed level.  |
| c) Budget Estimates / Actual Accounts | Enter the information as required  |

**ENQUIRIES:**

If any further clarification or additional information is required, please do not hesitate to contact the following Officers of the Finance Department:-

- i. **Mr. Khalid Mahmood**  
Additional Finance Secretary / Director (Budget) (042-99211086)
- ii. **Misbah Asghar**  
Budget Officer-I, Finance Department (042-99211087)

# **PART-I**

## **BUDGET PREPARATION FORMS, INSTRUCTIONS AND PROCEDURES**

**for preparation and submission of  
Revised Estimates 2016-2017 and  
Budget Estimates 2017-2018**

## Budget Estimates of Receipts

B.M.1

2017-2018  
PUNJAB

Due with the Controlling Officer ..... 1st December  
 Due with the Head of Department ..... 10th December  
 Due with the Finance Department ..... 1st January

Object Code	Actuals 2015-2016 Rs.	Budget Estimates 2016-2017 Rs.	Revised Estimates 2016-2017 Rs.	BUDGET ESTIMATES 2017-2018		
				Collecting Officer Rs.	Controlling Officer Rs.	Head of Deptt: Rs.
1	2	3	4	5	6	7

Distric

Head of the Department

Controlling Officer

Collecting Officer



**INSTRUCTIONS FOR PREPARATION OF REGULAR BUDGET ESTIMATES / SCHEDULE OF NEW EXPENDITURE**

**IMPORTANT:**

THE DRAWING AND DISBURSING OFFICERS / DEPARTMENTS SHOULD READ THE FOLLOWING INSTRUCTIONS CAREFULLY TO FILL OUT THEIR REGULAR BUDGET ESTIMATES / SNEs IN THE ENCLOSED FORMS

**GENERAL INSTRUCTIONS:**

1. DDOs are required to submit the following estimates separately for each office:
  - a. Regular Budget Estimates
  - b. Revised Estimate and
  - c. Schedule of New Expenditure (SNE) – Continued and Fresh.
2. No Column should be left blank. In case any column is not applicable it should be filled out as “**Not Applicable**”.
3. Shaded portions are NOT required to be filled out by DDOs.
4. There is no change as far as routing of Budget Estimates is concerned.
5. Other forms specific to Departments e.g. Forests, Works etc. shall be filled out as is being done currently

**SPECIFIC INSTRUCTIONS:**

Serial No. 1	Preprinted Budget / Financial year
Serial No. 2	Tick the relevant document – Regular Budget Estimates, Revised Estimate or SNE (Continued or Fresh)
Serial No. 3	Enter the 7 digit <b>Fund Code</b> e.g. PC21015 (Education) and its <b>description</b> (Demand/Grant) i.e. its nomenclature (Refer to the Chart of Accounts).
Serial No. 4	Enter the 4 digit <b>Attached Department</b> and 6 digit sub detailed <b>Function Code</b> and their <b>Description</b> (Refer to the Chart of Accounts).

Serial No. 5	Enter the 6 digit <b>Fund Center / DDO Code</b> and its <b>Description</b> i.e. its nomenclature (Refer to the Chart of Accounts).																		
Serial No. 6	Use this space for writing any other related information. Write " <b>Not Applicable</b> " if it is not applicable.																		
Serial No. 7	Enter the total budget amount.																		
Serial No. 8  <b>A – Employee related expenses</b>  <b>B – Other expenses</b>	<p>This has been bifurcated into the following parts:</p> <table border="1"> <tr> <td>a)</td> <td>Object Code.</td> <td>A space has been provided for the purpose. You are required to consult the New Chart of Accounts and fill out the detailed codes carefully.</td> </tr> <tr> <td>b)</td> <td>Description</td> <td>Description of the object (and Posts)</td> </tr> <tr> <td>c)</td> <td>Sanctioned Posts <b>(A only)</b></td> <td>Enter the existing Post Code, relevant designation and BS for the employees for which budget is required (which should be exactly supported by details in Annexure-IV)</td> </tr> <tr> <td>d)</td> <td>Number of Posts <b>(A only)</b></td> <td>Enter the number of posts sanctioned</td> </tr> <tr> <td>e)</td> <td>Budget/Revised Estimates</td> <td>Mention provision of object item.</td> </tr> <tr> <td>f)</td> <td>Actual Accounts</td> <td>Same as (e) above.</td> </tr> </table>	a)	Object Code.	A space has been provided for the purpose. You are required to consult the New Chart of Accounts and fill out the detailed codes carefully.	b)	Description	Description of the object (and Posts)	c)	Sanctioned Posts <b>(A only)</b>	Enter the existing Post Code, relevant designation and BS for the employees for which budget is required (which should be exactly supported by details in Annexure-IV)	d)	Number of Posts <b>(A only)</b>	Enter the number of posts sanctioned	e)	Budget/Revised Estimates	Mention provision of object item.	f)	Actual Accounts	Same as (e) above.
a)	Object Code.	A space has been provided for the purpose. You are required to consult the New Chart of Accounts and fill out the detailed codes carefully.																	
b)	Description	Description of the object (and Posts)																	
c)	Sanctioned Posts <b>(A only)</b>	Enter the existing Post Code, relevant designation and BS for the employees for which budget is required (which should be exactly supported by details in Annexure-IV)																	
d)	Number of Posts <b>(A only)</b>	Enter the number of posts sanctioned																	
e)	Budget/Revised Estimates	Mention provision of object item.																	
f)	Actual Accounts	Same as (e) above.																	
<b>NOTE:</b>	All officers signing Regular Budget Estimates / SNEs in the Administrative Departments are requested kindly to write down their <i>telephone number</i> clearly on every Regular Budget Estimate/SNE.																		

**ENQUIRIES:**

For any clarification or additional information, please do not hesitate to contact:

**Mr. Khalid Mahmood** Additional Finance Secretary / Director (Budget) Finance Department, Government of the Punjab at Phone No. 042-99211086 and **Ms. Misbah Asghar**, Budget Officer-I, at Phone No.042-99211087.

**FORMAT FOR Permanent Budget / Schedule of New Expenditure****Please Fill in the Following Information**

From: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

To: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Dated \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (DD / MM / YYYY)

1 Budget Year **2017-2018**

2 Type of Document (Tick the Box Applicable)  Regular  REs  SNE(C)  SNE(F)

**Code****Description**

3 Fund / Grant No. \_\_\_\_\_

4 Attached Deptt. / \_\_\_\_\_ / \_\_\_\_\_  
 Sub-Detailed Function \_\_\_\_\_

5 Fund Center (DDO Code) \_\_\_\_\_

6 Notes (if any) \_\_\_\_\_  
 \_\_\_\_\_

7 Total Budget Amount \_\_\_\_\_

**TO BE FILLED ONLY BY CONCERNED BUDGET OFFICER (B&E)**

Diary No. \_\_\_\_\_

Revised Diary No. \_\_\_\_\_

Checked By \_\_\_\_\_

Entered By \_\_\_\_\_

Budget Estimates of Expenditure

B.M-I

2017-2018

GRANT NO. PC \_\_\_\_\_

Due with the Controlling Officer ----- Ist December  
 Due with the Head of Department ----- 10th December  
 Due with the Finance Department ----- Ist January

Function/ Object Code/ Post Code Male/Female	Description	BS	NUMBER OF POSTS		Actual Expenditure 2015-2016 Rs.	Budget 2016-2017 Rs.	BUDGET ESTIMATES 2017-2018		
			Current Year	New Budget			Disbursing Officer Rs.	Controlling Officer Rs.	Head of Deptt: Rs.
1	2	3	4	5	6	7	8	9	10
	Employees Related Expenses	1							
		2							
		3							
		4							
		5							
		6							
		7							
		8							
		9							
		10							
		11							
		12							
		13							
		14							
		15							
		16							
		17							
		18							
		19							
		20							
		21							
		22							

DDO SIGNATURE  
WITH STAMPS



**ANNEX-V (Contd....)****BM-I**

Object Code	Description	Actual 2015-2016 Rs.	Sanctioned Estimates 2016-2017 Rs.	BUDGET ESTIMATES 2017-2018		
				Disbursing Officer Rs.	Controlling Officer Rs.	Head of Deptt: Rs.
1	2	3	4	5	6	7
	<b>Other Expenses</b>					

**DDO SIGNATURE  
WITH STAMPS**







PROFORMA FOR THE PREPARATION OF THE ANNUAL DEVELOPMENT PROGRAMME: (MTDF MODE) 2017 - 2020

SECTOR \_\_\_\_\_ Department \_\_\_\_\_

General Serial No.	Sector Serial No.	Fund Centre / DDO Code of the Scheme	Name of Scheme (with year of initiation)	Location of Scheme		Status of Scheme	Target / Component	Estimated Cost				Expenditure up to June 30 <sup>th</sup> 2016	Allocation for 2016-2017				Revised Estimate for 2016-2017	Provision for 2017-2018					
				District	Tehsil			Local		Foreign Assistance	Total		Local		Foreign Assistance			Local		Foreign Assistance		Total	* Current Expenditure
								Capital	Revenue				Capital	Revenue	Capital	Revenue		Capital	Revenue				
				1	2			3	4	5	6		7	8	9	10		11	12	13	14	15	16
A. Approved funded scheme																							
<b>Total (A)</b>																							
B. Approved unfunded Schemes (in prioritized order)																							
<b>Total (B)</b>																							
C. Unapproved/unfunded schemes (in prioritized order, with concept paper attached)																							
<b>Total (C)</b>																							
<b>Grand Total (A+B+C)</b>																							

\* It includes the total allocations against the schemes at A, B, & C and funds will be provided to the schemes at Sr. No. B&C as and when additional resources are made available by the Finance Department. This refers to the additional current expenditure on account of the portion of the scheme completed.







## Supplementary Budget Statement

1 Budget Year 2016 - 2017

2 Type of Document

Supplementary Grant

Regular     
  Technical     
  Token     
  Other

	<u>Code</u>	<u>Description</u>
3 Fund / Grant yNo.	_____	_____
4 Attached Department / Sub-Detailed Function	_____ / _____	_____
5 Fund Center (DDO Code)	_____	_____
6 Total (Supplementary) Budget Amount	_____	

7 Approval \_\_\_\_\_

**Prepared by:**

**Name:** \_\_\_\_\_ **Telephone No.:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

**SHADED PORTION TO BE FILLED IN ONLY BY FINANCE DEPARTMENT**

Diary Number	_____
Revised Diary Number	_____
Checked by	_____





**Budget Surrender Statement**

1 Budget Year 2016 - 2017

	<u>Code</u>	<u>Description</u>
2 Fund / Grant No.	_____	_____
3 Fund Center (DDO Code)	_____	_____
4 Attached Department / Sub-Detailed Function	_____ / _____	_____
5 Fund Centre (DDO Code)	_____	_____
6 Total Budget Surrender Amount	<b>_____</b>	

7 Approval \_\_\_\_\_

**Prepared by:**

**Name:** \_\_\_\_\_ **Telephone No.:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

**SHADED PORTION TO BE FILLED IN ONLY BY FINANCE DEPARTMENT**

Diary Number	_____
Checked by	_____





**Government of the Punjab  
Finance Department**

**Medium Term Budgetary Framework 2017-  
2020  
Guidelines & Budget Call Circular for FY  
2017-2020**

**Part-II  
*(All MTBF Departments)***

## **PART-II**

# **Medium Term Budgetary Framework 2017-2020 Guidelines & Budget Call Circular for FY 2017-2020**

*For:*

1. *Irrigation Department*
2. *Primary & Secondary Healthcare Department*
3. *Specialized Healthcare & Medical Education Department*
4. *Livestock and Dairy Development Department*
5. *Higher Education Department*
6. *Excise, Taxation and Narcotics Control Department*
7. *Communication & Works Department*
8. *Housing Urban Development & Public Health Engineering Department*



# Table of Contents

## Section I:

### Medium Term Budgetary Framework Guidelines

- I Purpose of the Guidelines
- II What is 'Medium Term Budgetary Framework of MTBF?
- III How is MTBF Different from Traditional Budgeting?
- IV The MTBF Process
- V Budget Call Circular
- VI Indicative Budget Ceilings
- VII Process for Implementation of MTBF
- VIII Estimation for Receipts
- IX Gender Specific Information
- X MTBF Budget Call Circular & Budget Calendar

### Section II: MTBF Budget Call Circular

- XI General
- XII Sequence for filling MTBF Forms

### Annex:

- I - MTBF Process at a Glance
- II - Top-Down Component
- III - Bottom-Up Component
- IV - Flow of MTBF Form
- V - MTBF Forms and Instructions for Spending Units / DDOs (2017-2020)
- VI - Medium Term Budget Statements (2017-2020)
- VII - An outline of a Departmental Strategic Review (DSR)
- VIII - Other Budget Forms (2017-2020)



# Glossary of Terms

Activity	A set of specific tasks undertaken to achieve a specific output (See <i>Output</i> below).
ADP	Annual Development Program
AGPb	Accountant General Punjab
AO	Accounts Officer
B&PC	Budget and Policies/Priorities Committee
Baseline Budget	Baseline Budget for the purpose of these guidelines is defined as three-year's projections of current and development budget estimates assuming that there is no change in 'policy'. Policy means that inputs / resources / initiatives available to the Department are at a constant level, except for unavoidable changes on account of inflation, staff salary enhancements, changes envisaged in PC -1's etc. under implementation and further there is no change in projected strategy or approaches to service delivery or business of the Department. Baseline Budget assumes that no new programs are established.
BE	Budget Estimates
BPOs	Budget Preparing Officials
BPP	Budget Policy Paper
Collecting Units	Officer responsible to collect the receipts – in case of Excise & Taxation Department, a Collecting Unit will be Excise & Taxation Officer who collects taxes, Levies, Duty etc.
CGA	Controller General of Accounts, Pakistan
CoA	Chart of Accounts

Core Team	Team (of officials) established in the MTBF Departments to oversee MTBF implementation
D-1, D-2	Budget Forms included in this Call Circular to be used at Line Department Headquarters to initiate budget formulation process at the DDO level. ("D" stands for (Line Department))
DDO	Drawing & Disbursing Officer
FD	Finance Department
FE	Foreign Exchange
FY	Financial Year
Goal	Goal is a summary of overall objectives for which a Department is aspiring.
Indicative Budget Ceiling	Budget ceilings provided by FD at the start of budget cycle to guide the line departments for formulating budget estimates.
Input	Resource required to undertake an activity that ultimately contributes to an output. For example, personnel engaged, equipment and material used in relation to an activity/output.
LCY	Local Currency
LD	Line Department
MTBF	Medium Term Budgetary Framework: The new concept of budgeting as explained in these guidelines
MTBF BCC	Medium Term Budgetary Framework Budget Call Circular
MTBF Cell	A Cell established in FD to support MTBF implementation. Separate MTBF Cells also exist (with dedicated MTBF Team members) at the MTBF Departments.

MTBF Department(s)	Line Departments of Government of the Punjab which have switched over to MTBF mode of planning and budgeting namely Health Department, Irrigation Department, Livestock and Dairy Development Department, Excise & Taxation Department, Higher Education Department, Communication & Works Department and Public Health Engineering Department
MTDF	Medium Term Development Framework
MTFF	Medium Term Fiscal Framework
Other Departments	Line Departments of Government of the Punjab who have not switched over to MTBF mode of planning and budgeting (all Departments <u>other than</u> Health Department, Irrigation Department, Livestock and Dairy Development Department, Excise & Taxation Department, Higher Education Department, Communication & Works Department and Public Health Engineering Department
Outcome	A result. Some results are immediately measurable and can be directly related to an output. Other outcomes come about after long periods of time and may be the result of other influences. A drop in incidence of childhood diseases as a result of immunization program is an outcome. Similarly, an increase in crop productivity as a result of better irrigation practices is also an example of outcome.
Output	A measurable or quantifiable target that is expected to be achieved through utilization of funds in a specific period. For instance delivering immunization to 1 million children in 12 months is an output.
P&DD	Planning & Development Department
PIFRA	Project to Improve Financial Reporting and Auditing
PRMP	Punjab Resource Management Programme
RE	Revised Estimates

R-1, R-2, R-3	Budget Forms included in this Call Circular for preparing Receipt estimates 2017-2020 by Excise & Taxation Department. (“R” stands for ‘Receipts’ collected by collecting units under E&T Department’)
Regular Budget Call Circular	Budget Call Circular other than MTBF Budget Call Circular
S-1, S-2, S-3, S-4	Budget Forms included in this Call Circular for preparing MTBF estimates 2017-2020. Budget Forms S-1 to S-3 shall be used for preparing current (non-development) budget estimates while Budget Form S-4 shall be used for formulating development budget estimates for three years (2017-2020) (“S” stands for ‘Spending Unit’)
SNE	Schedule of New Expenditure
Sector	Jurisdiction assigned to a Department
Department Strategic Review (DSR)	A structured analysis of a Sector that takes into account the past trends and future requirements of funds. A department strategic review with support from PRMP will be conducted by the MTBF Departments.

# **Section I:**

## **Medium Term Budgetary Framework Guidelines**

### **I Purpose of the Guidelines**

1. Medium Term Budgetary Framework (MTBF) was successfully implemented in the Department of Irrigation (formerly Department of Irrigation and Power) and Department of Health from FY 2009-10 as a pilot project. Moving forward, from FY 2010-11, MTBF has been rolled out to the departments of Livestock & Dairy Development, Higher Education and Excise & Taxation. From FY 2011-12 this was further extended to Departments of Communication & Works and Public Health Engineering Department. This is part of Government's strategy towards rolling out MTBF across all line Departments in a phased manner.
2. The purpose of these Medium Term Budgetary Framework Guidelines (the Guidelines) issued by the Finance Department (FD) is to facilitate and guide those Departments of the Punjab Government which are switching over to a Medium Term Budgetary Framework (MTBF Departments).
3. Along with the Guidelines, MTBF Budget Call Circular is also being issued to MTBF Departments which sets out the forms, form filling instructions and timelines to be used in preparation of MTBF for FY 2017-2020.
4. A MTBF Team has been established to assist MTBF Departments for smooth transition. Core Team has also been nominated separately in these Departments. This team will work closely with all the stakeholders to achieve the desired objective.
5. Issuance of MTBF Budget Call Circular will be followed by a series of specially designed workshops to be organized for Drawing and Disbursing Officers and budget and accounts staff of MTBF Departments and their spending/collecting units in due course of time. Schedules for the workshops will be drawn up and communicated through the Core Team to all concerned. The MTBF Team will provide critical assistance in this respect. This assistance will be further reinforced by visits of the MTBF Team at the respective spending units (on need basis) for hand holding support purposes.

6. The following clarifications may be made to explain the nature of the work being undertaken through the MTBF reforms:
  - a. During FY 2013-2014, MTBF was implemented in seven Departments (MTBF Departments) of the Government of the Punjab. The budget of all other Departments of Government will remain on annual basis till such time that a decision is taken to extend the application to certain other or all departments;
  - b. The Constitution of Pakistan expects that budgetary estimates be brought before the Provincial Assembly for approval of one year. This does not, however, prevent the Provincial Government to estimate the expenditure for 3-5 years and lay that information before the Provincial Assembly for information purposes only, while seeking authorization only for one year;
  - c. MTBF Departments will prepare estimates for 3 years (2017-2020) which will be presented to the Provincial Assembly as additional information. The Provincial Assembly will, however, be requested to approve the estimates for 2017-2020 in respect of MTBF Department along with other Departments.

## **II What is 'Medium Term Budgetary Framework or MTBF'?**

1. MTBF is, as the name implies is a multi year approach to budgeting which links the budget plans of the government to its policy objectives in medium term usually three years. By introducing a medium term horizon to budgetary process, it becomes more strategic and responsive to the priorities of the government. The principal objectives of the MTBF are:
  - a. Linking the availability of estimated resources with Medium Term Fiscal Framework and fiscal / policy indicatives;
  - b. Strengthening financial discipline in the management / execution of the budget;
  - c. Realigning budgetary allocations and expenditures with the policies and priorities of the government; and

- d. Strengthening the process of budgeting and resource management within the departments to ensure efficiency and cost-effectiveness of use of public sector resources by line departments in the delivery of public services.
2. The multi year budget horizon provides Departments the space and flexibility to formulate, plan and implement policies that focus on service delivery or 'outputs'. Furthermore, as the public policy decisions generally take more than one year to implement, therefore, it is important to lay emphasis on multi-year horizon to the budgetary approach.

### **III How is MTBF Different From Traditional Budgeting?**

1. Before making an attempt to implement MTBF, it is crucial for all levels of an implementing Department to understand the basic difference between the existing system of budgeting and the changes that should be part of the MTBF reform.
2. Traditional Budgeting in vogue in the Province has the following features:
  - a. Budgeting is only for one Financial Year (FY);
  - b. Budget is split into a current and a development component;
  - c. For current budget, the basis of estimation of costs is historical or purchase costs which are estimated item by item leading to line totals comprising of number of items e.g. salary estimation of an office is based on rates of different allowances (items) multiplied by the number of people drawing each allowance, all such items being totaled up;
  - d. For Development budget the estimates are developed in PC-1 format and resource needs are worked out over a 3-5 year period depending upon the requirements of project implementation. The quality of estimation varies from project to project. However, actual annual budget allocations may not necessarily follow PC-1 estimates;
  - e. The process of cost estimation is largely on incremental basis;
  - f. The focus is on what resources are needed by the organization or on 'inputs'.
  - g. For receipt budget, the basis of estimation are the targets achieved during the current financial year (2016-2017) and the additional receipts anticipated to be added to the provincial exchequer in the next three years as a result of surveys and government instructions issued from time to time.

3. Traditional budgeting is very common and has following strong points:
  - a. Simple to understand, apply and well embedded in our system;
  - b. Control oriented and provides a basis for the management to control its resources;
  - c. Focus on one year for planning and estimation;
  - d. Employees, especially those assigned the duty to prepare budget documents, are very familiar with it;
  - e. Works well with cash based accounting systems.
  
4. In recent years, following factors have been viewed as a serious limitation to outweigh the advantages of traditional budgeting:
  - a. Public organizations are increasingly expected to clearly define services that they provide to the public;
  - b. Organizations should therefore plan in terms of outputs they will deliver and how they will deliver them. Inputs or budgeted resources are the means to deliver outputs;
  - c. Since the expectations are many but resources are limited, organizations must have clear-cut policies about what services they would provide. This calls for prioritization amongst the different options and the development of strategic plans;
  - d. To implement policy through strategic plans, the period of one year is too short.

#### **IV The MTBF Process**

1. During the implementation of MTBF in the line departments, a number of innovations / changes have been put in place in their budgetary processes. These include the following:
  - a. By use of budgetary ceilings, line departments will be in a better position to plan and prioritize their budget activities. Further, this will also increase the predictability of resource allocation and budgetary outcomes;
  - b. Preparation of Medium Term budget estimates on three year basis will help the departments to plan and think at least on medium term basis;



- c. To meet the departmental policy objectives, there is a greater degree of involvement of senior management in budget making;
- d. Modifications in the format of the budget preparation will improve the planning processes. MTBF will enable line departments to prioritize their budgetary activities and functions and to define outputs which can better contribute towards their target population/sector (thereby starting a process of change in thinking in the direction of output-oriented budgeting in what had previously been an almost entirely input-driven budgetary process);
- e. Preparation of the overall Medium Term Budget Estimates in a document which sets out the higher level objectives of the department and the purposes for which funding is required.

## **V Budget Call Circular**

1. At this point it is also important to clarify that regular Budget Call Circular is being issued to all Departments other than Departments of Irrigation, Health, Livestock & Dairy Development, Higher Education, Excise & Taxation, Communication & Works and Public Health Engineering Department (MTBF Departments). These Departments shall prepare the budget estimates (FY 2017-2018, 2018-2019 and 2019-2020) using the Guidelines provided in this document. The figures for FY 2016-2017 so arrived at will 'feed in' into the regular budgets or SNE's of the Annual Budget (2017-2018) and printed in the Annual Budget Books. The three-year estimates developed by the MTBF Departments will be printed as additional material.

## **VI Indicative Budget Ceilings**

Indicative Budget Ceiling will be communicated separately.

## VII Process for Implementation of MTBF

1. The Departments under MTBF are expected to follow following processes while developing their budgetary estimates. These lay a greater emphasis on empowering the senior management of the MTBF Departments and placing at their disposal MTBF as a tool for improving the public services.

### (A) Review of Departmental Policies and Spending Priorities:

Before initiating detailed budgeting process the MTBF Departments should conduct a review of their Departmental policies and spending priorities. Such assessment will help in determining strategic spending priorities and provide 'guidance' in translating these priorities and subsequently incorporating them into budgetary estimates. This important process should essentially be spearheaded by '**Budget and Policies/Priorities Committee**' established at the Department. B&PC should be chaired by Secretary / Additional Secretary of the Departments and shall comprise of senior management dealing with technical and financial functions of the Department. This Committee shall hold regular meeting to finalize Department's priorities for the upcoming financial year.

The above review process may start before the MTBF Budget Call Circular is officially issued each year; in some years the review will be comprehensive while in others it may update earlier findings. For FY 2011-12, PRMP provided technical assistance in the form of sector experts (Consultant) to carry out '**Departmental Strategic Review**' which assisted B&PC and fed into their work. The Departments are now expected to build their own capacity in performing similar reviews / functions themselves. An outline of '**Departmental Strategic Review**' is provided in Annex VII.

Using '**Departmental Strategic Review**' and based on deliberations by Budget and Policies/Priorities Committee the Departments should fill:

- i. Budget Form D-1 which lists down new initiatives if any which the Department wishes to undertake in the medium term and more importantly provides an opportunity to think how best the Department can rationalize these budget activities by identifying redundancies and diverting resources to more productive initiatives;
- ii. Budget Form D-2 which articulates the Departmental priorities and distributes the Indicative Budget Ceilings (provided by Finance Department) across all Spending Units. This would help translate policy/priorities to actual budget allocations for spending units.

Both Budget Forms D -1 and D -2 should be approved by the Budget and Policies/Priorities Committee and Principal Accounting Officer of the respective MTBF Department. Please refer to Annex-III & IV for diagrammatic explanation of this process and Annex-VI for instructions to fill forms.

**(B) Determine / update budget baselines and preparation of detailed budget estimates by Spending Units**

This essentially would be a 'bottom-up' cum analytical phase of budgeting and mainly relates to the Spending Units. On the basis of ceilings received the Spending Units shall develop detailed budgetary estimates for three years using MTBF Forms S-1, S-2, S-3 for current budgets and S-4 for development budgets. Every effort would be made to ensure that detailed budget estimates developed do not exceed their prescribed ceilings provided by B&PC.

Spending Units shall work on developing / updating budget baselines. MTBF Forms S-1 to S-4 have been designed and will be used by Spending Units for providing baseline estimates and key operational information of their respective organizations. The Spending Units shall determine outputs (or services) that they plan to deliver over the medium term which will be used to developing budget estimates. At this stage, generic forms are given in the MTBF BCC. Once this is issued, these forms are likely to be customized according to the nature and functions of the Departments by their respective Budget and Planning Sections in consultation with MTBF Team.

Information gathered through MTBF Forms (S-1 to S-4) will be consolidated for determination / updation of baseline budgets. For current budget, estimates will be based on outputs planned in the medium term, prior spending trends adjusted for inflation and salary changes. For development budget, projected expenditures according to PC-1's (Medium Term Development Framework) will be used as a 'guiding principle' for estimating expenditure;

Meetings and discussions would be held between MTBF Departments (Head quarters) and Spending Units to review the baseline estimates and for its finalization and approval. Please refer to Process Flow Annex-I, II & III for the diagrammatic presentation of the MTBF process

**(C) Finalization of MTBF estimates**

- i. This would be an interactive phase involving the MTBF Department(s), FD and Planning & Development Department. The interaction will not necessarily be restricted to one meeting but may involve a series of meetings;
- ii. On the basis of updated Baseline Budgets (for 2017-2018; 2018-2019 and 2019-2020) discussions will be held between MTBF Departments, P&DD and FD to determine whether indicative budget ceilings are adequate enough to meet the funding requirements of Departments (albeit with in a resource framework). These discussions would provide both line Departments and central Departments to appreciate the needs and limitations of each other and enter into a constructive budget dialogue. The objective would be to provide the MTBF exercise a firm grounding in reality both in terms of spending capability and funding constraint.
- iii. Once the budget ceilings have been finalized, they would become the Agreed Budget Ceilings. The decisions and agreements will be translated into budget documents in the prescribed formats and budget estimates will be prepared based on the Agreed Budget Ceilings;
- iv. The figures and estimates firmed up by following the above process shall be used for filling in regular/SNE/development budget estimates (2017-2020);
- v. MTBF Statement will also be developed at the completion of the MTBF exercise. The necessary data for the Statement will be captured during the MTBF process. Basic format of the Statement is given in Annex-V.

## **VIII Estimation for Receipts**

1. Of MTBF Departments only Excise & Taxation Department will be preparing their estimates for receipts for FY 2017-2020. Receipts of other Departments shall be brought under MTBF fold in future years and as MTBF further progresses. Provincial tax collection remains consistently weak though potential for tax collection remains high. Therefore, E&T Department shall exercise due care and prudence while estimating their forecast of receipts for FY 2017-2020. Separate MTBF forms have been developed to guide and assist collecting officer(s) i.e., ETO(s) in E&T Departments in preparing these estimates.

## **IX Gender Specific Information**

1. Government of the Punjab is committed for promoting the gender based budgeting in the province. While this subject is being dealt under other initiatives / endeavors of the Government, it is important that MTBF Departments complement such efforts of the Government and as part of implementation of budget reforms under MTBF, ensure collection of gender-specific information / data as far as practical. All MTBF Departments especially Departments of Health and Higher Education are expected to provide gender-specific outputs and related information as part of their budget process. Budget Forms and related instructions as included in this Budget Call Circular have been appropriately designed to cater to this requirement.

## **X MTBF Budget Call Circular & Budget Calendar**

1. Budget Call Circular on MTBF format for MTBF Departments is attached to these Guidelines (Section II). MTBF Cell established in the FD will provide all the necessary assistance and guidance in relation to completing BCC forms and providing explanation whenever sought by the MTBF Departments / spending units.
2. The Calendar of activities for the period between issuance of MTBF BCC and preparation of MTBF Statement is as follows:

**Table 1: Calendar of Activities for Preparation of MTBF Estimates 2017-2020**

No.	Activities	Responsibility	Completion by (Approx.)
1.	Issuance of MTBF Budget Call Circular to MTBF Departments	FD	December 2016
2.	Issuance of Indicative Budget Ceilings for Current and Development Budget	FD/ P&DD	December 2016 / January 2017
3.	Identification of Sector priorities (as part of Rapid Sector Review)	Core Team	1.12.2016
4.	Completion of meetings between FD, P&DD, MTBF Departments/ DDOs and MTBF Team for preparation of MTBF Baseline Budgets.	MTBF Departments, P&DD, FD,	15.01.2017
5.	Submission of scheme-wise and preliminary MTBF Baseline Budgets by the DDOs / Development Schemes to MTBF Departments	Spending Units	31.12.2016
6.	Consolidation of MTBF Baseline Budget proposals at the Planning Section of the MTBF Departments	Budget & Planning Sections of MTBF Departments	10.01.2017
7.	Last date for submission of SNEs (Fresh)	Spending Units/ MTBF Departments	01.01.2017
8.	Determination of MTBF Baseline Budget	MTBF Departments	10.01.2017
9.	Submission of scheme-wise and preliminary MTBF Baseline Budgets by the MTBF Departments to the P&DD	MTBF Departments	20.01.2017
10.	Agreed Budget Ceilings	FD, P&DD, MTBF Departments	15.02.2017

No.	Activities	Responsibility	Completion by (Approx.)
11.	Regular Edition	MTBF Departments	29.02.2017
12.	Second Statement of Excess and Surrenders (Including RE 2016-2017/ All Proposals of Re-appropriation)	MTBF Departments	31.03.2017
13.	Finalization of Development Budget under MTBF/MTDF/ADP	FD, P&DD, MTBF Departments	14.04.2017
14.	Supplementary Budget	MTBF Departments	31.05.2017
15.	Completion of all Budget documents, schedules and summaries for cabinet etc.	FD, P&D	01.06.2017
16.	Presentation of Budget for the next year and MTB Budget to Cabinet	FD, P&DD,	11.06.2017
17.	Preparation of MTBF Statements	FD, P&DD,	30.06.2017

## Section II: MTBF Budget Call Circular

### XI General

1. The MTBF Budget Call Circular primarily represents budget forms, form filling instructions and timelines to be used in preparation of budgets under MTBF mode for FY 2017-2020, whereas MTBF Guidelines (2017-2020) provide the framework and necessary procedures in preparing budgets under MTBF for FY 2017-2020.
2. MTBF Cell at the Finance Department shall provide necessary assistance to MTBF Departments in filling out MTBF Forms. All queries and clarifications should be addressed to:  
  
**Mr. Khalid Mahmood**  
Additional Finance Secretary / Director (Budget)  
Finance Department  
Tel: 042-99211086  
  
**Miss Misbah Asghar**  
Budget Officer-I  
Finance Department  
Tel: 042-99211087
3. The MTBF Departments will prepare their budget estimates using the MTBF Forms attached. In case of Current Budget, NO separate submissions are required on 'Regular' / 'Annual' budget format as this requirement has been done away with. However, Annual Development Program (ADP)/ MTDF Proforma for Development Schemes of the MTBF Department for 2017-2018 will be submitted directly to P&DD according to the usual prevailing procedures.

#### Note:

This MTBF Budget Call Circular is available at the following websites:

1. [www.punjab.gov.pk/finance](http://www.punjab.gov.pk/finance)
2. [www.punjab-prmp.gov.pk](http://www.punjab-prmp.gov.pk)

Budget officials / DDO's / Incharge Programs are encouraged to visit the above websites to download a soft copy of the MTBF BCC.



## **XII Sequence for Filling MTBF Forms**

### **(Department Headquarters)**

1. On receiving MTBF Budget Call Circular and indicative budget ceilings, fill in Budget Form D-1. Identify new initiatives and undertake rationalization of existing operations / activities. Update information on this Form when budget submissions from spending units have been reviewed and finalized and are ready for submission to Finance Department / P&D Department;
2. In Budget Policies/Priorities Committee meeting (and priorities determined in Departmental Strategic Review) discuss and finalize distribution of budget ceilings to spending units / DDOs. Fill in / complete Budget Form D-2 and convey the budget ceilings to all concerned.
3. From MTBF Forms, prepare Medium Term Budget Statements (2017-2020);
4. From MTBF Forms (S-1 to S-4), prepare final budget estimates for (annual) budget 2017-2020;

### **(Spending units)**

1. Receive indicative budget ceilings as distributed by MTBF Department Headquarters. Begin by filling MTBF Forms. Guidelines for filling these forms are given in instructions;
2. From MTBF Forms, Prepare Medium Term Budget Estimates 2017-2020;

### **(Collecting units)**

1. From MTBF Forms (R-1 to R-3), prepare final budget estimates for (annual) budget 2017-2020 as per the guidelines for filling these forms are given in instructions;
2. From MTBF Forms, prepare Medium Term Budget Estimates (2017-2020);

Please refer to flow diagram at Annex-IV.

**Note:** In case of any queries / problems with filling in the prescribed forms please contact MTBF Cell at 042-99211086-042-99211087.

# **Annexes**

# *MTBF Forms and Instructions for Spending Units / DDOs (2017-2020)*

## **Guidelines for Spending Units / DDOs**

*Please read the following instructions carefully before filling the Forms.*

### **A. GENERAL INSTRUCTIONS FOR MTBF LINE DEPARTMENT FORMS (i.e. FORMS D-1&D-2):**

- I. There are **Two** MTBF Line Department Forms D-1&D-2 (“D” for ‘Line Department’):
  - MTBF Form D - 1: New Initiatives and Rationalization
  - MTBF Form D - 2: Priorities and Distribution of Budget Ceiling
- II. Line Department will use the same set of form for both Current and Development budget for 2017-2020.
- III. Line Department will prepare “D-1 New Initiatives and Rationalization” in November/December and will update/revise the form in March/April. “D-2 Priorities and Distribution of Budget Ceiling” will be prepared immediately after the issuance of indicative budget ceiling.
- IV. Department will provide estimated cost of new initiatives in D-1 forms. These initiatives can vary from mere change in departmental policies or priorities to the Chief Minister Directives, which are not part of current or regular budget. These can be of recurring nature or of one-time activity.
- V. Department will also identify major alteration in allocations from one object code/function to another due to change in policy prioritization.
- VI. Line Department will provide major priorities over a medium term period and rank them in order of high, medium and low.
- VII. The main purpose of D-2 is to distribute the current and development indicative budget ceiling at various distribution levels over a period of years according to departmental policies.

**B. GENERAL INSTRUCTIONS FOR MTBF EXPENDITURE FORMS**  
**(i.e. FORMS S-1, S-2, S-3 & S-4 ):**

- I. There are **Four** MTBF budget forms S-1, S-2, S-3, and S-4 for the spending units ("S" for 'spending unit') and have the following titles:

*S-1, S-2 and S-3 for Current Budget*

- MTBF Form S - 1: Budget by Object Classification
- MTBF Form S - 2: Operational Information Form
- MTBF Form S - 3: Justification, Cross References and Basis of Budget Estimates

*S-4 for Development Budget*

- MTBF Form S-4: Budget by Operational information & Object Classification

- II. Current and Development budget spending units will use different set of forms as explained below, for preparing MTBF estimates 2019-2020.

- III. Fill MTBF forms S-1, S-2 and S-3 for Current budget estimates and S-4 for Development Budget Estimates. The following Example attempts to explain this further:

**Example:**

A Hospital located in Rawalpindi has allocation under current budget in year 2015-2018. In addition it has allocations for 2 development schemes in the same year. These schemes are expected to be completed in 3 years time commencing July 2016. These are separately identifiable in the Provincial ADP / MTDF 2017-2020 and are supported by approved PC-1s.

For the purpose of preparing budget estimates under MTBF 2017-2020, the DDO/budget preparing staff of the Hospital will fill-in one set of S Forms (containing all the three forms) for current budget and one S-4 Form SEPARATELY for EACH development scheme.

- IV DDOs/ budget preparing staff should prepare separate forms for Permanent/Regular budget and SNEs. This will facilitate Finance Department in issuing approval for SNE budget for 2017-2020.
- V. The DDOs will provide Functional Classifications, Object Codes and the related description on the Forms.

- VI. The filled forms will be submitted by the spending units to relevant Sections of the MTBF Departments so that Form S-1 appears at the top, followed by Form S-2 and S-3 for current budget and S-4 for development schemes.
- VII. In practice, before undertaking any budget estimation, the DDOs / budget preparing officials are expected to determine their departmental objectives, outputs (or targets) that they aim to deliver and the key inputs that would be used in relation to achieving those targets over the medium term. In other words, practically Form S-2 will be prepared first for current budgets while Serial # 15 of S-4 form will be prepared before finalization of budget estimates. Based on this, the DDOs will then prepare details and justification/basis of budget estimates for which purpose, they would fill in Form S-3 and finally summarize the estimates on Form S-1/ S-4 against respective Object Code classifications.
- VIII. Budget Estimates should be given in Rupees rounded off to the nearest thousand. For this purpose, provision up-to Rs 499 should be taken as zero and provision of Rs. 500 and above as Rs. 1,000.
- IX. In case of Current Budget, the estimates for various items falling under the head 'operating expenditure' should reflect likely effect of inflation (if any).
- X. In preparing budget estimates for Development Schemes, PC-I should be used as the guiding principle. No material deviations should be made from financial phasing given in PC-Is unless such deviations have been approved by a competent forum or if it is felt that the project will fail to achieve its objectives.

C. **GENERAL INSTRUCTIONS FOR MTBF RECEIPT FORMS (i.e. FORMS R - 1, R-2 & R-3) :**

- I. These forms shall be filled in by Collecting Officers i.e., Excise & Taxation Officers of Excise and Taxation department only
- II. There are **THREE** MTBF budget forms for receipts i.e. R-1, R-2 & R-3 ("R" for 'Receipts') with the following titles:
- MTBF Form R - 1: Budget Estimation and Key Outputs
  - MTBF Form R - 2: Justification, Cross References and Basis of Budget Estimates
  - MTBF Form R - 3: Schedule of Arrears

# **MTBF Forms and Instructions**

## Instructions for filling MTBF Form D-1

*The purpose of this Form is to identify new initiatives/plans and to rationalize/reprioritize the departmental functions under Medium Term (i.e. 2017-2020). The Budget Estimates will be prepared at major expenditure level by providing respective Object Codes and description. The form is to be prepared by Budget and Priorities Committee and approved by Secretary of the Line Department.*

### Specific Instructions:

- Serial Number 1: Give full name of the relevant Department (*e.g. Health Department*)
- Serial Number 2: Give the relevant **Budget Year** (*e.g. 2017-2018, 2018-2019, 2019-2020*)
- Serial Number 3: Identify **New Initiatives/Directives** that department is pursuing to take up for the first time (*e.g. introduction of Enterprise Resource Management System in Education Department*). Write down the serial number and description of new initiative along with the cost estimation in relevant years. The estimation is to be provided at major function code level (if possible).
- Serial Number 4: Identify major alteration in allocations from one object code/function to another due to change in policy prioritization. Write down the serial number and description along with the cost estimation in relevant years. The estimation is to be provided at major function code level (if possible).

## Instructions for filling MTBF Form D-2

*The purpose of this Form is to identify departmental priorities and to distribute the issued ceiling under Medium Term (i.e. 2017-2020) in accordance with the departmental prioritization. The form is used for both Development and Non Development Budget. The form is to be prepared by Budget and Priorities Committee and approved by Secretary Line Department.*

### Specific Instructions:

- Serial Number 1: Give full name of the relevant Department (*e.g. Health Department*)
- Serial Number 2: Give the relevant **Budget Year** (*e.g.2017-2018, 2018-2019, 2019-2020*)
- Serial Number 3: Identify departmental policies.
- Serial Number 4: Identify departmental budget priorities and rank them as high, medium or low.
- Serial Number 5: Write departmental ceilings issued by the finance department separately for Non Development and Development Budget for next three years (*2017-2018, 2018-2019, 2019-2020*).
- Serial Number 6A: Write down the serial number.
- Serial Number 6B-E: Write down the name of relevant distribution level (*e.g. Government Postgraduate College for Women Satellite Town Rawalpindi*), Functional classification, Fund center code and DDO code.
- Serial Number 6F: Write down the *type of budget* "C" for Current/Non Development or "D" for Development Budget
- Serial Number 6G: Write down relevant departmental policy number from departmental policy statement as mentioned at serial number 3.



Serial Number 6H: Write down the budget estimates 2016-2017.

Serial Number 6I-K: Distribute the issued ceiling for next three years in accordance with departmental policy objectives (2017-2018, 2018-2019, 2019-2020).

Serial Number 7: Give summary of ceiling distribution for next three years along with budget estimates 2016-2017 in accordance with departmental policy objectives.

## Instructions for filling MTBF Form S-1

*The purpose of this Form is to present Budget Estimates of a spending unit dealing with current budget estimates under Medium Term (i.e. 2017-2020). The Budget Estimates will be prepared at detailed expenditure level by providing respective Object Codes and description. Actual Expenditure, Original Budget and Revised Estimates (where applicable) will also be provided in this Form.*

### Specific Instructions:

- Serial Number 1: Give full name of the relevant Department (*e.g. Health Department*)
- Serial Number 2: Identify **attached department** by giving both Code and the related Description
- Serial Number 3: Give relevant **Grant No.** and Grant Name
- Serial Number 4: Identify **Fund centre code.** (*e.g. LQ3411*)
- Serial Number 5: Identify **Cost Centre / DDO code.** (*e.g. FO4001*)
- Serial Number 6: Write **Functional Classification** (both Code and the related Description) according to the chart of accounts at detailed level, (*e.g. 073101 - General Hospital Services*)
- Serial Number 7: Identify the **spending unit** for which MTBF budget is demanded, (*e.g. DHQ Hospital / Allied Hospital Punjab Medical College Faisalabad*)
- Serial Number 8: State if the budget estimates are prepared as Regular budget or SNE. Tick off the relevant box. For each SNE separate set of forms should be used to facilitate approval from Finance Department and also write its creation date.
- Serial Number 9: Fill object codes from latest version of Chart of Account (CoA) as issued by Project to Improve Financial Reporting & Auditing (PIFRA)/CGA. The object codes in this column will be supplied at major, minor and detailed level (*e.g. A03, A032 & A03201*).

- Serial Number 10: Identify description of relevant object code as given in CoA (e.g. *'Postage and Telegraph 'for Object Code 'A03201'*).
- Serial Number 11: Write down the number of posts for 2016-2017 and 2017-2018 and also distinguish between male and female.
- Serial Number 12: Provide Original Budget Estimates 2015-2016 approved by FD.
- Serial Number 13: Actual Expenditure for all the related account heads for 2015-2016 would be filled here. This would be available from AGPR Reconciliation of June, 2016.
- Serial Number 14: Provide Original Budget Estimates 2016-2017 approved by FD.
- Serial Number 15: Provide Actual Expenditure for last 8 months of 2015-2016 and Actual expenditure for first 4 months of 2016-2017 and total of the two columns.
- Serial Number 16: Give object wise Budget Estimate for 2017-2018. This would be based on spending units' outputs / targets planned to be achieved, as provided in MTBF Form S- 2.
- Serial Number 17: Give object wise Budget Forecast for 2017-2018. This would be based on spending units' outputs / targets planned to be achieved, as given at Serial Number 8 of MTBF Form S- 2.
- Serial Number 18: Give object wise Budget Forecast for 2019-2020. This would be based on spending units' outputs / targets planned to be achieved, as given at Serial Number 8 of MTBF Form S-2.

## Instructions for filling MTBF Form S-2

*The purpose of this Form is to identify and summarize Service Delivery (i.e. Output) Indicators and targets of a spending unit for MTBF period (i.e. 2017-2020) along with input requirements to achieve those outputs. This form will also enable the Department to review the linkages between the Departmental policy objectives and spending unit's Outputs (service delivery). The Form will include 'quantitative' or 'operational' data of the spending unit and will NOT include any budgetary data. Once the required data is collected and summarized on this Form, it will then be used in budget estimation. Operational data will also be provided for actual results of 2015-2016 for comparison purposes.*

### Specific Instruction:

- Serial Number 1: Give relevant **Grant No. and Grant Name.**
- Serial Number 2: Identify **Fund Centre code.** (e.g. LQ3411)
- Serial Number 3: Identify **Cost Center / DDO code.** (e.g. FO4001)
- Serial Number 4: Write **Functional Classification** (both Code and the related Description) according to new chart of accounts at detailed level, (e.g. 073101 - General Hospital Services)
- Serial Number 5: Identify the spending unit for which MTBF budget is demanded.
- Serial Number 6: Mention Policy objective(s) of the Department from policy documents relevant to the spending unit.
- Serial Number 7: Mention Key activities of the spending unit to achieve relevant policy objective(s).
- Serial Number 8: **Key Outputs / Service Delivery of the Spending Unit.** Mention from Sr. 8(A) to 8(H) Outputs that the spending unit would aim to deliver over the medium term (2017-2020) along with current year's progress (2015-2016) and actual results (2015-2016). Please provide only key outputs.

**Note 1:** Departments should prepare standard list of indicators and send it to the Fund Centres along with the Fund Centre forms and the budget ceilings. Fund Centres will provide targets for the relevant indicators. If the Fund Centres cannot find the relevant indicators they can suggest the new ones and provide target as well. MTBF Form S-2 will show the consolidated picture of the indicators and targets.

**Note 2:** Where possible, the Indicators/Measures and Targets should reflect gender. This can be done in two ways. Firstly, indicators relating to individuals can be disaggregated into male and female. For example, primary education being an output (service) of Education Department can have two indicators/measures namely; Number of male students enrolled and Number of female students enrolled. These two can be assigned different targets. Secondly, indicators relating to gender-relevant issues can be included, such as number of deliveries attended by skilled personnel.

**Note 3:** Where possible, Departments should provide indicators and targets that reflect their policy / plan to tackle challenges posed by climate change. For example, number of ADP projects having components related to climate change resilience, enhancement in water storage capacity to tackle floods, number of universities providing degree / master courses in climate change, %age reduction in Co2 emissions, etc.

Serial Number 9: Mention key input requirements for 2017-2020 (separately for each year) along with 2016-2017 & 2015-2016 status that would be required to achieve outputs targets for 2017-2020 (mentioned in Serial Number 8). Please provide only key inputs (e.g. Staff, Vehicles, equipment, etc.)

## Instructions for filling MTBF Form S-3

*The purpose of this Form is to provide detail / break-up of various Budget Estimates along with variance analysis for the MTBF period. Justification for key expenditure items will also be provided on this Form.*

### Specific Instructions:

- Serial Number 1: Give relevant **Grant No. and Grant Name**.
- Serial Number 2: Identify **Fund centre code**. (e.g. LQ3411))
- Serial Number 3: Identify **Cost Centre / DDO code**. (e.g. FO4001)
- Serial Number 4: Identify the spending unit for which MTBF budget is demanded.
- Serial Number A: Fill object codes from latest version of Chart of Account (CoA) as issued by Project to Improve Financial Reporting & Auditing (PIFRA)/CGA. The object codes in this column will be supplied at detailed level (e.g.A03201).
- Serial Number B: Identify description of relevant object code as given in CoA (e.g. 'Postage and Telegraph 'for Object Code 'A03201').
- Serial Number C: Provide Original Budget Estimates 2016-2017.
- Serial Number D: Provide Budget Estimates 2017-2018.
- Serial Number E: Calculate Variance (E=D-C) i.e. (BE 2017-2018 – BE 2016-2017)
- Serial Number F: Calculate percentage variance (F= E/Cx100) i.e. (Variance/BE 2016-2017 x 100)
- Serial Number G: Explain the reasons/Justification of change in budget estimates in the current year from the preceding year.
- Serial Number H: Give object wise Budget Forecast for 2018-2019. As given at Serial Number 17 of MTBF Form S- 1.
- Serial Number I: Give object wise Budget Forecast for 2019-2020. As given at Serial Number 18 of MTBF Form S- 1.
- Serial Number J: Give the basis of calculations with the Costing techniques used for three years separately.

## Instructions for filling MTBF Form S-4

*The purpose of this Form is to present Budget Estimates along with ADP Performance and operational information of development schemes under Medium Term (i.e. 2017-2020). The Budget Estimates will be prepared at detailed expenditure level by providing respective Object Codes and description. Original Budget estimates (where applicable) will be provided in Serial # 16 of this Form.*

*Serial # 15 will identify and summarize Service Delivery (i.e. Output) Indicators and targets of a spending unit for MTBF period (i.e. 2017-2020). This section will include 'quantitative' or 'operational' data of the spending unit and will NOT include any budgetary data. Once the required data is collected and summarized in this section, it will then be used in budget estimation. Operational data will also be provided for year 2015-2016 for comparison purposes.*

### Specific Instructions:

- Serial Number 1: Give full name of the relevant **Department** (e.g. Health Department)
- Serial Number 2: Identify **attached department** by giving both Code and the related Description
- Serial Number 3: Give relevant **Grant No.** and **Grant Name**
- Serial Number 4: Identify **Fund Centre / DDO code.** (e.g. LQ4001)
- Serial Number 5: Write **Functional Classification** (both Code and the related Description) according to the chart of accounts at detailed level, (e.g. 073101 - General Hospital Services)
- Serial Number 6: Identify the **spending unit** for which MTBF budget is demanded, (e.g. DHQ Hospital / Allied Hospital Punjab Medical College Faisalabad)
- Serial Number 7: Identify relevant **Sector / Sub-sector** in which the schemes falls (e.g. Medical Education)
- Serial Number 8: Give **commencement date** of the Scheme as given in latest PC 1
- Serial Number 9: Give **completion date** of the scheme as per latest PC 1

- Serial Number 10: Give **Total** budget releases to-date
- Serial Number 11: Give **annual recurrent cost** after completion of the scheme as per PC-1
- Serial Number 12: Give the **Year** in which the recurrent cost impact will start.
- Serial Number 13: Give **Project Manager's / Director's** name
- Serial Number 14: Annual Development Program Performa
- Serial Number 14(A): Give General **Scheme Number**
- Serial Number 14(B): Give the **Name of Scheme** as per PC-I
- Serial Number 14(C): Give the Name of relevant Tehsil in which scheme will be commenced
- Serial Number 14(D): Give the Name of relevant District in which scheme will be commenced
- Serial Number 14(E): Provide **PC-1 approval date / Revise Date** of the Scheme which ever is applicable.
- Serial Number 14(F): Give foreign aid portion of total cost of the scheme as per PC-I
- Serial Number 14(G): Give total cost of the Scheme as per PC-I
- Serial Number 14(H): Give Major Components of the Scheme during FY 2017-2018
- Serial Number 14(I): Give the Major Targets of the Scheme during FY 2017-2018
- Serial Number 14(J): Actual Expenditure of the scheme up-to June 2016
- Serial Number 14(K - P): Write capital & revenue costs separately for both Local & foreign components along with their totals of the Scheme for 2017-2018



- Serial Number 14(Q): Calculate Grand total (Capital + Revenue of both Local & Foreign Components) for FY 2017-2018
- Serial Number 14(R - S): Give projected cost of the scheme (Both Capital & Revenue portions) for 2018-2019 & 2019-2020
- Serial Number 14(T): Give Throw forward beyond June, 2020 (if applicable)
- Serial Number 15: **Key Outputs / Service Delivery of the Spending Unit.** Mention from Sr. 15(A) to 15(H) Outputs that the relevant development scheme would aim to deliver over the medium term (2017-2020) along with current year's progress (2016-2017) and actual results (2015-2016). Please provide only key outputs.
- Serial Number 16(A): Fill object codes from latest version of Chart of Account (CoA) as issued by Project to Improve Financial Reporting & Auditing (PIFRA)/CGA. The object codes in this column will be supplied at detailed level (*e.g.A03201*).
- Serial Number 16(B) : Identify description of relevant object code as given in CoA (*e.g. 'Postage and Telegraph' for Object Code 'A03201'*).
- Serial Number 16(C - I): Write down the number of posts for 2016-2017 and 2017-2018 and also distinguish between male and female (where applicable)
- Serial Number 16(J): Provide Original Budget Estimates 2016-2017.
- Serial Number 16(K): Give object wise Budget Estimate for 2017-2018.
- Serial Number 16(L): Give object wise Budget Forecast for 2017-2018.
- Serial Number 16(M): Give object wise Budget Forecast for 2019-2020.

## Instructions for filling MTBF Receipt Form R-1

*The purpose of this Form is to present Budget Estimates of a ETO (CO) - Excise and Taxation Officer (Collecting Officer) - under Medium Term (i.e. 2017-2020). The Budget Estimates will be prepared at detailed head level by providing respective Object Codes and description. Actual receipt, Original Budget and Revised Estimates (where applicable) will also be provided in this Form.*

### Specific Instructions:

- Serial Number 1: Give full name of the Department
- Serial Number 2: Identify **CO code**.
- Serial Number 3: Write **receipt head** (e.g. Opium/Property Tax etc.)
- Serial Number 4: Identify the **ETO (CO) name** preparing the receipt budget
- Serial Number 5: Mention Policy objective(s) of the Department relevant to the ETO
- Serial Number 6: **Key Targets/ Outputs of the ETO.** Mention from Sr. 6(A) to 6(G) Outputs/Targets that the ETO would aim to achieve over the medium term (2017-2020)
- Serial Number 7: Provide budget estimates, Actual & Revised Estimates data in Serial No. 8 to Serial No. 16 by Object classification according to Chart of Accounts.
- Serial Number 8: Fill objects codes from latest version of Chart of Accounts (CoA) as issued by Project to Improve Financial Reporting & Auditing (PIFRA)/CGA. The object codes in this column will be supplied at detailed level (e.g.B01301).
- Serial Number 9: Identify description of relevant object code as given in CoA (e.g. 'Ordinary Collection' for Object Code 'B01301').
- Serial Number 10: Actual receipts for all the related account heads for 2015-2016 would be filled here.

- Serial Number 11: Provide Original Budget Estimate 2015-2016.
- Serial Number 12: Provide Original Budget Estimate 2016-2017.
- Serial Number 13: Revised Estimates (Res) 2016-2017. REs should be based on actual receipts for first eight months and anticipated receipts for last four months for 2016-2017.
- Serial Number 14: Give object wise Budget Estimate for 2017-2018. This would be based on ETOs' targets planned to be achieved as determined at serial number 6 above
- Serial Number 15: Give object wise Budget Forecast for 2018-2019. This would be based on ETOs' targets planned to be achieved as determined at serial number 6 above.
- Serial Number 16: Give object wise Budget Forecast for 2019-2020. This would be based on ETOs' targets planned to be achieved as determined at serial number 6 above.

## Instructions for filling MTBF Receipt Form R-2

*The purpose of this Form is to help ETO (CO) – Excise & Taxation Officer (Collecting Officer) - on correlating key targets with the budget estimation.  
Justification/breakup/explanatory notes for receipt items would also be provided on this Form.*

### **Specific Instructions:**

- Serial Number 1: Write receipt head
- Serial Number 2: Identify CO code.
- Serial Number 3: Identify the **ETO (CO) name and designation** preparing the receipt budget
- Serial Number 4: Financial estimation should be based on targets given on Form R-1 and the same targets should be mentioned on Form R-2 with any further breakdown.
- Serial Number 5: A check list has been provided for in order to ensure that each and every figure in the budget estimate as shown in Form R-1 is duly supported accurate and justified. Please supply as much information as is relevant to the ETO (CO). Other explanatory note may also be appended where required.

## Instructions for filling MTBF Receipt Form R-3

*The purpose of this Form is to help ETO (CO) – Excise & Taxation Officer (Collecting Officer) - in estimating the cumulated collection of Arrears of taxes up to June 2016 and the manner how these arrears would be collected quarter wise during next year.*

### Specific Instructions:

- Serial Number 1: Give full name of the Department
- Serial Number 2: Identify the **attached Department** by giving both code and related description
- Serial Number 3: Identify **CO code**
- Serial Number 4: Write Name of collecting unit
- Serial Number 5: Provide collection of Arrears details from serial no. 6 to serial No.12
- Serial Number 6: Fill object codes from latest version of Chart of Accounts (CoA) as issued by Project to Improve Financial Reporting & Auditing (PIFRA)/CGA. The object codes in this column will be supplied at detailed level (*e.g.B01301*).
- Serial Number 7: Give detailed description of relevant Tax/Levy/Duty (*e.g. Property Tax, Motor Vehicle Tax, Excise Duty etc*).
- Serial Number 8: Cumulative Arrears of taxes outstanding up to June 2016 for all the related account heads would be filled here.
- Serial Number 9: Provide Head wise detail of actual arrears collected during first eight months & anticipated arrears during last four months of 2016-2017.
- Serial Number 10: Provide quarter wise target of collection of arrears during 2017-2018.
- Serial Number 11: This will represent the arrears still outstanding as on 30 June 2017. It can be worked out by deducting Columns (9&10) from Column (8).
- Serial Number 12: This column will contain detailed reasons for not achieving the targets relating to collection of arrears set for 2017-2018.

## Medium Term Budget Statements (2017-2020)

### 1. Particulars of the Department

Name of the Department	
Name of the Principal Accounting Officer	
Number of current budgets	
No. of development schemes)	
Number of DDO's	
Staff strength	

### 2. Vision / Mission Statement/ Policy Objectives

### 3. Overview of the Sector

### 4. Organizational Structure and Functions of the Department

### 5. Planning & Budgeting Process

### 6. Budget Allocations vs. Provincial Budget

### 7. Priorities in the Medium Term

### 8. Medium Term Budget Estimates (2017-2020)

	Budget Estimate 2016-2017	Budget Estimate 2017-2018	Budget Forecast 2018-2019	Budget Forecast 2019-2020
Current				
Development				
<b>Total</b>				

### 9. MTBF Allocations by Policy Objectives

Policy No.	Policy Objective	Budget Estimates 2017-2018		Budget Forecast 2018-2019		Budget Forecast 2019-2020	
		Cur	Dev	Cur	Dev	Cur	Dev
	<b>Total</b>						

**10. MTBF Allocations by Object Classification (2017-2020)**

Object Description	2017-2018			2018-2019			2019-2020		
	Cur	Dev	Tot	Cur	Dev	Tot	Cur	Dev	Tot
<b>Total</b>									

**11. MTBF Allocations by Functional Classification (2017-2020)**

Function Description	2017-2018			2018-2019			2019-2020		
	Cur	Dev	Tot	Cur	Dev	Tot	Cur	Dev	Tot
<b>Total</b>									

**12. MTBF Allocations by Cross Classification (2017-2020)**

Functional Classification	Object Classification								
	A01	A02	A03	A04	A05	A06	A09	A13	Total
<b>Total</b>									

**13. MTBF Allocations by Cross Classification (2018-2019)**

Functional Classification	Object Classification								
	A01	A02	A03	A04	A05	A06	A09	A13	Total
<b>Total</b>									

**14. MTBF Allocations by Cross Classification (2019-2020)**

Functional Classification	Object Classification								
	A01	A02	A03	A04	A05	A06	A09	A13	Total
<b>Total</b>									

**15. Summary of Key Inputs, Outputs and Outcomes**

S. No.	Key Inputs	Estimate 2017-18	Forecast 2018-19	Forecast 2019-2020	S. No.	Key Outputs	Target 2017-18	Target 2018-19	Target 2019-2020	Outcome

**16. Recurrent Impact of Development Schemes**

	2017-2018	2018-2019	2019-2020	Beyond 2019-2020



## *An outline of a Departmental Strategic Review (DSR)*

The purpose of a Departmental Strategic Review is to provide a strategic focus and guide the decision making process at the time of budget formulation. It serves as a link between the Department's policy / strategic objectives and its budgets (receipts and expenditures). The Strategic Review is undertaken in the context of budget preparation (or revision) as part of the budget cycle.

DSR primarily involves an assessment on how Department's budget (receipts and expenditures) are performing against policy objectives and its key functions. The core of the Review is an appraisal whether the Department's programs/projects/functions and budget allocations are supporting achievement of Department's policies. It covers receipts, recurrent and development expenditures, looking at the composition of each and assessing the relationships between them.

DSR would assist the senior management of the Department as a guide for the resource distribution process that would eventually help in effectively channeling scarce resources towards more productive functions & strategic objectives over the MTBF period

By now most of the MTBF Departments would have gone through at least one MTBF cycle involving preparation of DSR. Hence, DSR for FY 2017-2020 would in essence involve updating last DSR

An indicative outline for such a review is given below:

1. Departmental overview

- a) Description of sector objectives e.g. sector policy and objectives, mission statement;
- b) A brief overview of key issues and challenges being faced by the sector (including projects/program) in the medium and long term;

2. Departmental budget performance

For each key policy area / strategic objective:

- a) Policy objective: a description of the policy area to be addressed and the specific policy objectives that are intended to be achieved over the MTBF period;

- a) Past budget and expenditures: analysis of budget and expenditure trends for past three years including comparisons of current to development expenditures, wages and salaries to non wage and salaries, the relation of expenditures to outputs;
- b) Brief analysis of budget implementation constraints (if any );
- c) Projection of future trends of recurrent and development budgets based on existing policies, i.e. already approved projects, the transfer of recurrent costs of projects on completion to the recurrent budget;
- d) Tax / receipts collected including analysis between budget, targets and collections (last three years);
- e) Describe current performance including recent and present output levels;

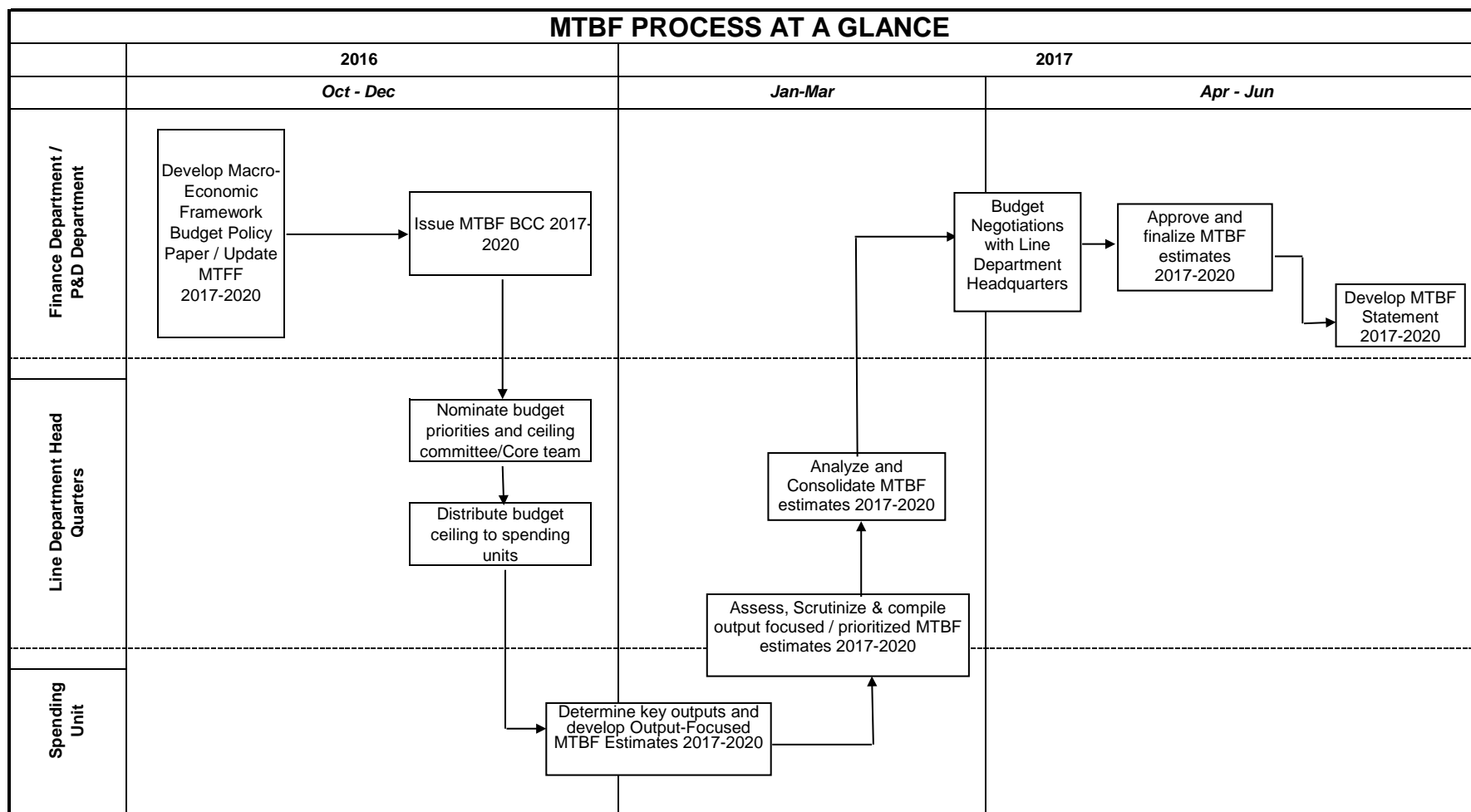
3. Recommendations of the Departmental Strategic Review

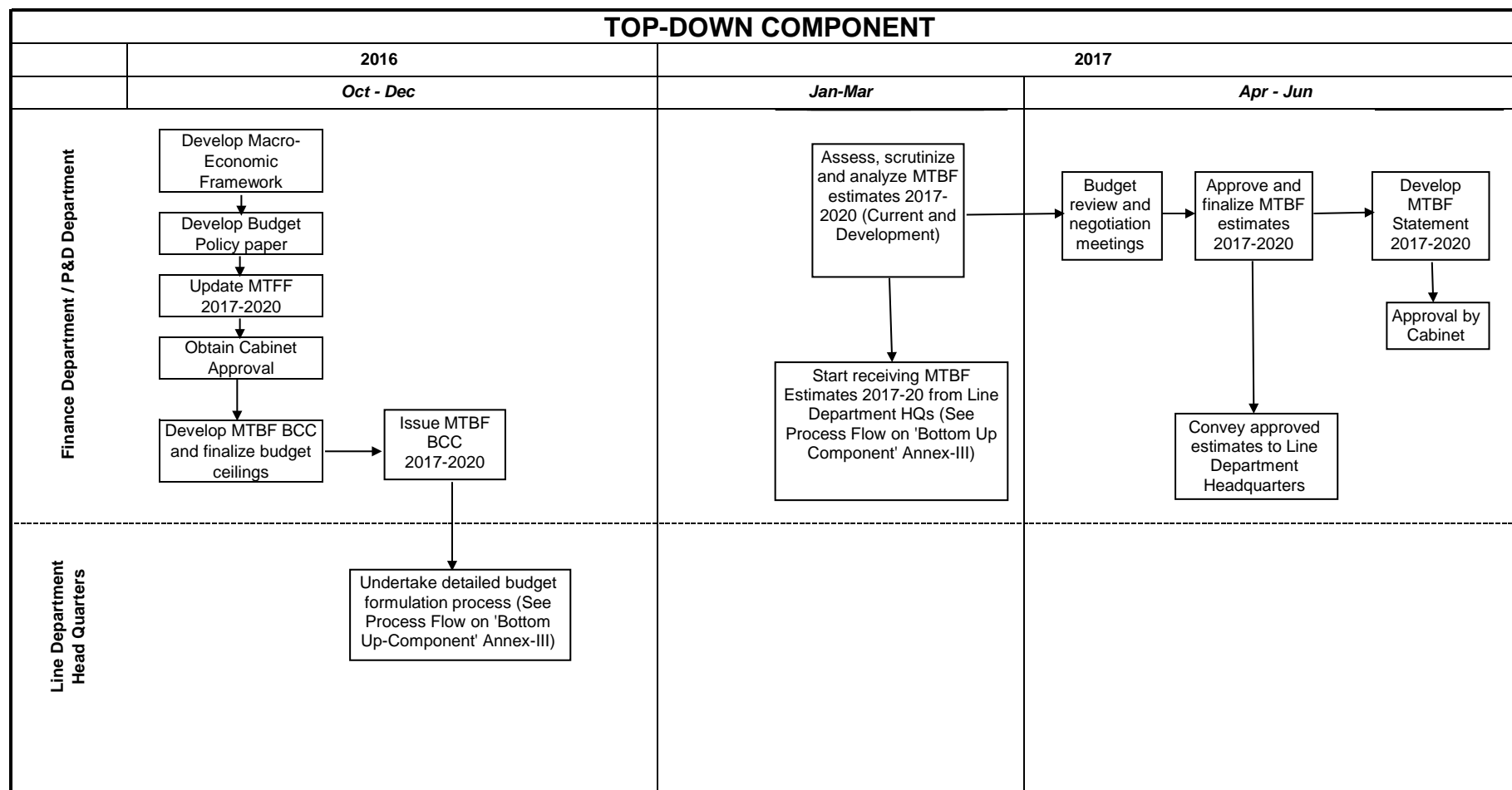
- a) Based on the above analysis, brief commentary on the strategic orientation of expenditures, their fit with policy objectives and the outputs of the Department. In case of Excise and Taxation provide options and suggestions for resource mobilization; and
- b) Propose as an input to strategic budget discussions (MTBF forms for rationalization and prioritization prescribed in MTBF BCC), options for high level reallocations which would be expected to increase the allocative efficiency of expenditure and align expenditures more closely with policies over the period 2017-2020;

Assistance in building capacity of core teams to carry out DSR independently

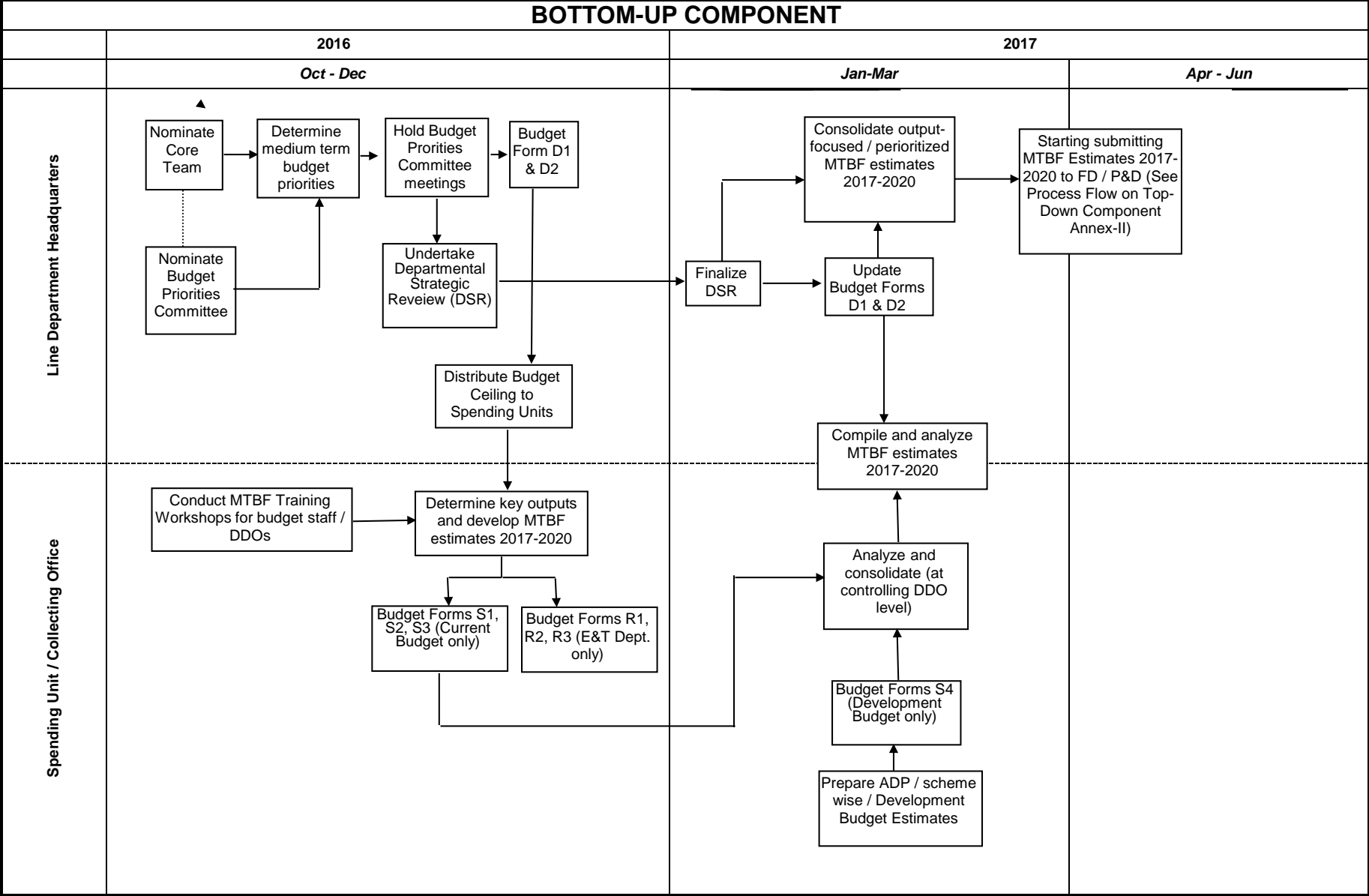
*Other Budget Forms (2017-2020)*

[FROM ANNUAL BUDGET CALL CIRCULAR 2017-2020)

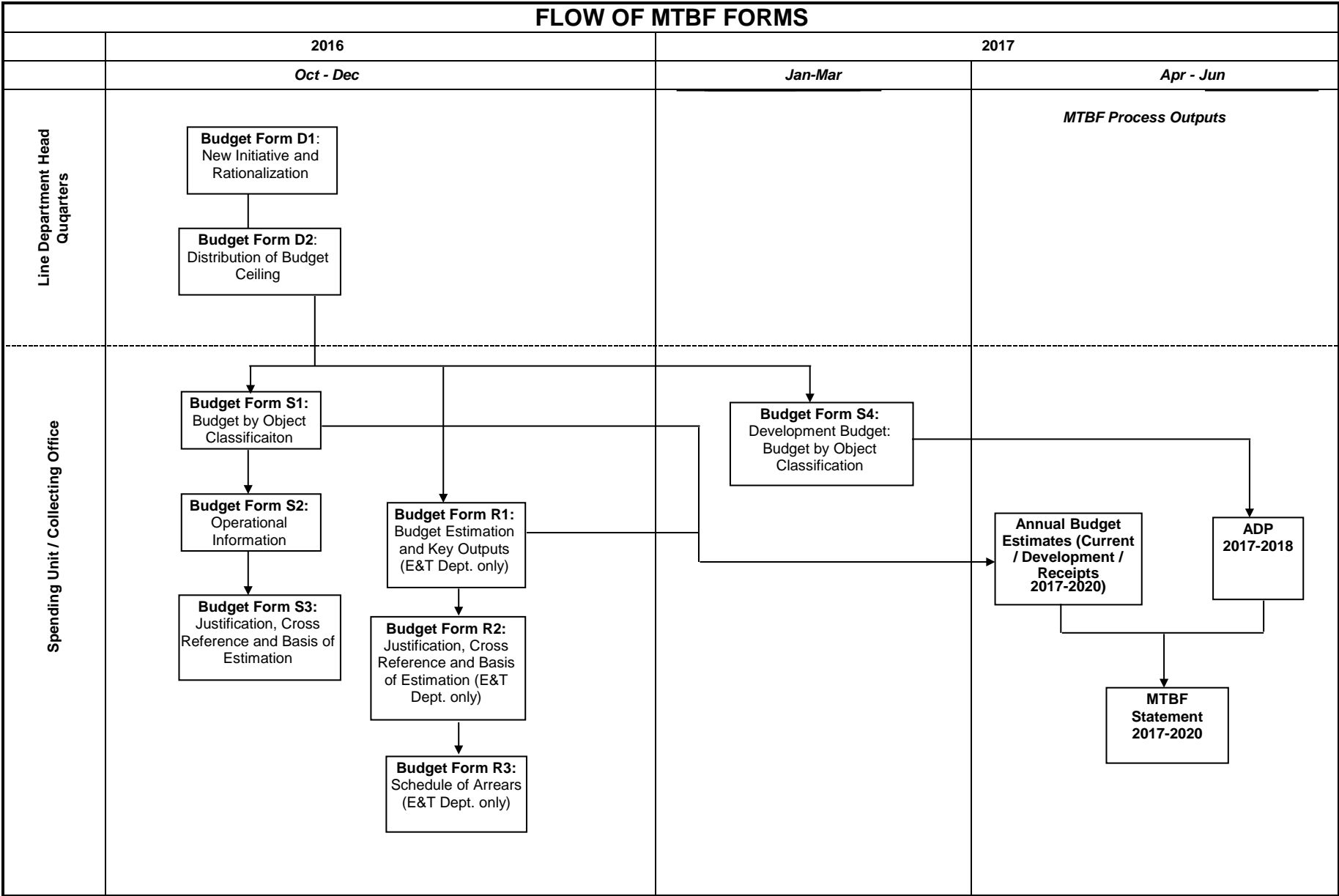




BCC: Budget Call Circular; HQs: Headquarters



DDO: Drawing & Disbursing Officer; ADP: Annual Development Programme;



**GOVERNMENT OF THE PUNJAB**  
**MEDIUM TERM BUDGETARY FRAMEWORK (2017-2020)**  
**NEW INITIATIVES AND RATIONALIZATION**

- (1) Name of Department \_\_\_\_\_  
 (2) Financial Year \_\_\_\_\_  
 (3) New Initiatives / Directives \_\_\_\_\_

Sr.No.	Description	Current / Development (C/D)	Budget Estimates (Rs. in 000)		
			2017-2018	2018-2019	2019-2020

Total

- (4) Rationalization/Reprioritization of Function

Sr.No.	Description	Current / Development (C/D)	Budget Estimates (Rs. in 000)		
			2017-2018	2018-2019	2019-2020

Total

Prepared by (Budget and Priorities Committee)



**GOVERNMENT OF THE PUNJAB  
MEDIUM TERM BUDGETARY FRAMEWORK (2017-2020)  
PRIORITIES & DISTRIBUTION OF BUDGET CEILING**

- (1) Name of Department \_\_\_\_\_  
 (2) Financial Year \_\_\_\_\_  
 (3) Departmental Policy Statement:

Sr.No.	Policy Statement
1	
2	

(4) Departmental Budget Priorities

Sr.No.	Description of Budget Priorities	Priority Ratings		
		High	Medium	Low
a				
b				

(5) Departmental Budget Ceiling

(Rs. in million)

Budget Type	2017-2018	2018-2019	2019-2020
Current			
Development			
<b>Total</b>			

(6) Departmental Budget Ceiling Distribution

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Sr.No.	Distribution Level				Current / Development (C/D)	Relevant Policy Area	Budget Estimates 2016-2017	Proposed Ceiling (Rs. in 000)		
	Name of Spending Unit / Scheme	Functional Classification	Fund Centre Code	DDO Code				2017-2018	2018-2019	2019-2020
					Sub Total					
					Sub Total					
					Sub Total					
					<b>Total</b>					

(7) Summary of Ceiling Distribution by Policy

(Rs. in million)

Policy Area	2016-2017	2017-2018	2018-2019	2019-2020
<b>Total</b>				

Prepared by (Budget and Priorities Committee) \_\_\_\_\_

Approved by (Secretary) \_\_\_\_\_



**GOVERNMENT OF THE PUNJAB  
MEDIUM TERM BUDGETARY FRAMEWORK (2017-2020)  
Non Development (Current) Budget 2017-2020  
Operational Information Form**

1) Grant No. and Name	_____
2) Fund Centre Code	_____
3) Cost Centre / DDO Code	_____
4) Functional Classification	_____
5) Name of Spending Unit	_____
6) Departmental Policy Objectives relevant to Spending Unit	_____

8) Key Outputs / Services delivery by Spending Unit

S.No. (A)	Outputs (B)	Indication (Unit of Measurement (C)	Actual 2015-2016	Exsiting 2016-2017 (E)	Target 2017-2018 (F)	Target 2018-2019 (G)	Target 2019-2020 (H)

9) Key Input Requirements

S.No. (A)	Particulars (B)	Indication (Unit of Measurement (C)	Actual 2015-2016	Exsiting 2016-2017 (E)	Target 2017-2018 (F)	Target 2018-2019 (G)	Target 2019-2020 (H)



**GOVERNMENT OF THE PUNJAB  
MEDIUM TERM BUDGETARY FRAMEWORK (2017-2020)  
Development Budget  
Budget By Operational Information & Object Classification**

1) Department _____																			
2) Attached Department (Where Applicable) _____																			
3) Grant No. and Name _____																			
4) Cost Centre/DDO Code _____																			
5) Functional Classification _____																			
6) Name of Spending Unit _____																			
7) Sector / Sub-Sector _____																			
8) Commencement Date of the Scheme _____																			
9) Completion Date of the Scheme _____																			
10) Total Releases to date _____																			
11) Annual Recurrent Cost _____																			
12) Year in which recurrent impact will start _____																			
13) Project Manager / Director Name _____																			
14) ADP Performa																			
GS.	Name of Scheme	Tehsil	District	Approval / Revision Date	Estiamted Cost		Major Component	Major Targets	Exp: upto 2016-2017	Provision for 2017-2018						G.Total (Cap. + Rev.)	Projection for 2018-2019	Projection for 2020-2021	Throw forward beyond June, 2020
					Foreign Aid	Total				Local		F/Aid		Total					
										Capital	Revenue	Capital	Revenue	Capital	Revenue				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)
15) Key Outputs of the Project/Scheme																			
S.No.	Outputs (B)							Indication (Unit of Measurement (C))	Actual 2015-2016 (D)	Existing 2016-2017 (E)	Target 2017-2018 (F)	Target 2018-2019 (G)	Target 2019-2020 (H)						
16) Budget by Object Classification																			
Object Code	Object Classification	BPS No.	No. of Posts						Budget Estimates 2016-2017	Budget Estimates 2017-2018	Budget Estimates 2018-2019	Budget Estimates 2019-2020							
			2016-2017			2017-2018													
			Male	Female	Total	Male	Female	Total											
<b>G. TOTAL:</b>																			

(Signed) \_\_\_\_\_  
 Name \_\_\_\_\_  
 Designation \_\_\_\_\_  
 Telephone No. \_\_\_\_\_

**GOVERNMENT OF THE PUNJAB  
MEDIUM TERM BUDGETARY FRAMEWORK (2017-2020)  
Budget Estimation and Key Outputs**

1) Department	_____
2) ETO (CO) Code	_____
3) Receipt Head	_____
4) Name of ETO (CO)	_____
5) Departmental Policy Objectives relevant to ETO	_____

6) Key Targets / Output

Sr #	Outputs	Indicators (UOM) (C)	2016-2017 (D)	Target 2017-2018 (E)	Target 2018-2019 (F)	Target 2019-2020 (G)

7) Budget Estimates by Object Classification

(8)	(9)	(10)	(11)	(12)	(13) Revised Estimates			(14)	(15)	(16)
Object Code	Object Classification	Actual Receipts 2015-2016	Budget Estimates 2015-2016	Budget Estimates 2016-2017	Receipts during first 8 months	Anticipated Receipt during last 4 months	Total	Budget Estimates 2017-2018	Budget Estimates 2018-2019	Budget Estimates 2019-2020
					2016-2017	2016-2017	2016-2017			

(Signed) \_\_\_\_\_  
 Name \_\_\_\_\_  
 Designation \_\_\_\_\_  
 Telephone No. \_\_\_\_\_

**GOVERNMENT OF THE PUNJAB  
MEDIUM TERM BUDGETARY FRAMEWORK (2017-2020)  
Justification, Cross References and Basis of Budget Estimates**

1) Receipt Head	
2) ETO (CO) Code	
3) Name and Designation of ETC (CO)	

4) Relationship of targets and financial estimates

Sr. #	Description of Receipts	2017-2018		2018-2019		2019-2020	
		Target	Amount	Target	Amount	Target	Amount

5) Check List for budget submission

		Yes	No
1	Policy objectives have been mentioned on Form R-1		
2	Sub totals, grand totals and cross totals have been verified for accuracy. Formulas (e.g. Sum and multiplication formulas) on MS Excel worksheet have been applied correctly in all MTBF Forms		
3	Account Codes have been accurately provided after checking them with Chart of Accounts		
4	Form R-1 has been signed and stamped by ETO (CO)		
5	Key outputs/targets have been determined according to the goals and planned activities of the department		
6	Explanatory memos have been prepared which are analytical, detailed and supported by necessary documents/workings and are attached with the budget forms. Also explanations for revenue shortfalls (if any) are provided		





**Budget Estimates of Receipts**

**B.M.1**

**2017-2018  
PUNJAB**

Due with the Controlling Officer ..... 1st December  
Due with the Head of Department ..... 10th December  
Due with the Finance Department ..... 1st January

Object Code	Actuals 2015-2016 Rs.	Budget Estimates 2016-2017 Rs.	Revised Estimates 2016-2017 Rs.	BUDGET ESTIMATES 2017-2018		
				Collecting Officer Rs.	Controlling Officer Rs.	Head of Deptt: Rs.
1	2	3	4	5	6	7

District Head of the Department

Controlling Officer

Collecting Officer



## FORMAT FOR Permanent Budget / Schedule of New Expenditure

**Please Fill in the Following Information**

From: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

To: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Dated \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (DD / MM / YYYY)

1 Budget Year **2017 - 2018**

2 Type of Document      
 (Tick the Box Applicable) Regular REs SNE(C) SNE(F)

**Code** **Description**

3 Fund / Grant No. \_\_\_\_\_

4 Attached Deptt. / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Sub-Detailed Function \_\_\_\_\_

5 Fund Center (DDO Code) \_\_\_\_\_

6 Notes (if any) \_\_\_\_\_  
 \_\_\_\_\_

7 Total Budget Amount \_\_\_\_\_

**TO BE FILLED ONLY BY CONCERNED BUDGET OFFICER (B&E)**

Diary No. \_\_\_\_\_

Revised Diary No. \_\_\_\_\_

Checked By \_\_\_\_\_

Entered By \_\_\_\_\_

## Budget Estimates of Expenditure

B.M-I

**2017-2018**

GRANT NO. PC \_\_\_\_\_

Due with the Controlling Officer ----- 1st December  
 Due with the Head of Department ----- 10th December  
 Due with the Finance Department ----- 1st January

Function/ Object Code/ Post Code Male/Female			NUMBER OF POSTS		Actual Expenditure 2015-2016 Rs.	Budget 2016-2017 Rs.	BUDGET ESTIMATES 2017-2018		
Description	BS	Current Year	New Budget	Disbursing Officer Rs.			Controlling Officer Rs.	Head of Deptt: Rs.	
1	2	3	4	5	6	7	8	9	10
	Employees Related Expenses								

# BUDGET ESTIMATES OF EXPENDITURE 2017-2018

B.M-I

Annex-V (Contd...)

Object Code	Description	Actual 2015-2016	Sanctioned Estimates 2016-2017	BUDGET ESTIMATES 2017-2018		
				Disburing Officer	Controlling Officer	Head of Department
1	2	3	4	5	6	7

**OTHER EXPENSES**









PROFORMA FOR THE PREPARATION OF THE  
ANNUAL DEVELOPMENT PROGRAMME: (MTDF MODE) 2017 - 2020

SECTOR \_\_\_\_\_ Department \_\_\_\_\_

General Serial No.	Sector Serial No.	Fund Centre / DDO Code of the Scheme	Name of Scheme (with year of initiation)	Location of Scheme		Status of Scheme	Target / Component	Estimated Cost				Expenditure up to June 30 <sup>th</sup> 2016	Allocation for 2016-2017				Revised Estimate for 2016-2017	Provision for 2017-2018					
				District	Tehsil			Local		Foreign Assistance	Total		Local		Foreign Assistance			Local		Foreign Assistance		Total	* Current Expenditure
								Capital	Revenue				Capital	Revenue	Capital	Revenue		Capital	Revenue				
				1	2			3	4	5	6		7	8	9	10		11	12	13	14	15	16
A. Approved funded scheme																							
<b>Total (A)</b>																							
B. Approved unfunded Schemes (in prioritized order)																							
<b>Total (B)</b>																							
C. Unapproved/unfunded schemes (in prioritized order, with concept paper attached)																							
<b>Total (C)</b>																							
<b>Grand Total (A+B+C)</b>																							

\* It includes the total allocations against the schemes at A, B, & C and funds will be provided to the schemes at Sr. No. B&C as and when additional resources are made available by the Finance Department. This refers to the additional current expenditure on account of the portion of the scheme completed.

Foreign Assistance required during 2017-2018		Source of Foreign Assistance	Rupee Expenditure to be met by reimbursement from Foreign Assistance	Physical Progress		Provision for 2018-2019						Expected Physical Progress during 2018-2019	Provision for 2019-2020						Expected Physical Progress during 2019-2020	Sector Serial No.
Capital	Revenue			Expected Physical Progress during 2017-2018 (in %)	Expected Physical Progress component during 2017-2018 (In Nos. if any)	Local		Foreign Assistance		* Total Development Expenditure	** Current Expenditure		Capital	Revenue	Foreign Assistance		* Total Development Expenditure	** Current Expenditure		
						Capital	Revenue	Capital	Revenue						Capital	Revenue				
										(31+32+33+34)						(38+39+40+41)				
25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45

\* It includes the total allocations against the schemes at A, B, & C and funds will be provided to the schemes at Sr. No. B&C as and when additional resources are made available by the Finance Department.

\*\* This refers to the additional current expenditure on account of portion of the scheme completed.





## Supplementary Budget Statement

1 Budget Year **2016 - 2017**

2 Type of Document

**Supplementary Grant**

Regular

Technical

Token

Other

**Code**

**Description**

3 Fund / Grant yNo. \_\_\_\_\_

4 Attached Department / \_\_\_\_\_

Sub-Detailed Function \_\_\_\_\_

5 Fund Center (DDO Code) \_\_\_\_\_

6 Total (Supplementary) Budget Amount \_\_\_\_\_

7 Approval \_\_\_\_\_

**Prepared by:**

**Name:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_

**Designation:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**SHADED PORTION TO BE FILLED IN ONLY BY FINANCE DEPARTMENT**

Diary Number \_\_\_\_\_

Revised Diary Number \_\_\_\_\_

Checked by \_\_\_\_\_



## Budget Surrender Statement

1 Budget Year 2016 - 2017

	<u>Code</u>	<u>Description</u>
2 Fund / Grant No.	_____	_____
3 Fund Center (DDO Code)	_____	_____
4 Attached Department / Sub-Detailed Function	_____ / _____	_____
5 Fund Centre (DDO Code)	_____	_____
6 Total Budget Surrender Amount	_____	

---

7 Approval \_\_\_\_\_

---

**Prepared by:**

**Name:** \_\_\_\_\_ **Telephone No.:** \_\_\_\_\_

**Designation:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

---

**SHADED PORTION TO BE FILLED IN ONLY BY FINANCE DEPARTMENT**

Diary Number	_____
Checked by	_____

