

Top Priority
Deadline cases

GOVERNMENT OF ORISSA
FINANCE DEPARTMENT

No. 786(225)/F., Dt. 05.01.2008
WM-06/2007

From

Shri R.N. Senapati, IAS,
Principal Secretary to Government.

To

All Principal Secretaries/
Commissioner-cum-Secretaries/Secretaries/
Special Secretaries to Government/
All Heads of Department.

Sub : Deadline for submission of proposals relating to financial sanction and drawal of funds in the remaining part of the current financial year.

Ref : Finance Department Circular No.30857(237)/F, dt.21.7.2007 & 46655(235)/F, dt.1.12.2007.

Sir,

I am directed to say that Finance Department have issued instructions to avoid rush of expenditure towards the fag end of the financial year in the circulars under reference and fixed the following deadlines for issue of allotment, surrender of budgeted provision and drawal of funds:

i) Issue of allotment -By 31.12.2007.

In para 7 of Finance Department Circular No 30857(237)/F, dt.21.7.2007 it was indicated that total allotment including Supplementary provision should be communicated by 31.12.2007 or at the latest by 31.01.2008 in case of re-appropriation or additional allotment. Further it was indicated in para 3(i) of Finance Department Circular

No.46655(235)/F., dt.1.12.2007 that the Budgetary allotment in respect of original Budget provision as well as Supplementary Provision for 2007-08 shall have to be communicated by all Controlling Officers to the concerned D.D.Os by 31.12.2007 and in case of funds augmented through re-appropriation or on account of late receipt of Central Assistance the allotment would be accepted in Treasuries latest by 15.2.2008.

Some Controlling Officers have not been able to stick to the deadline 31.12.2007. **Therefore, it is now decided that the detailed DDO wise Budget allotments should be supplied by the Controlling officers in soft copies by 15th February, 2008 to the Director of Treasuries & Inspection, Orissa, Bhubaneswar for being fed into the Central server.** Budgetary allotments issued after the stipulated deadline shall not be acted upon by the Treasury Officers except under special circumstances.

ii) **Surrender of provision – By 29th February, 2008 .**

It was indicated in para 7 of Finance Department Circular No 30857(237)/F, dt.21.7.2007 and para 2(v) of Finance Department Circular No.46655(235)/F., dt.1.12.2007 that surrender of Budgetary provision should be completed by 29th February,2008. Surrender of Funds linked to Supplementary provision was required to be made by 17th December, 2007 in Para-2(v) of Finance Department Circular No.46655(235)/F., dt.1.12.2007. These deadline are to be followed strictly.

iii) **Last date for submission of bills in Treasury – 10th March/15th March, 2008.**

It was indicated in para 7 of the Finance Department Circular No 30857(237)/F, dt.21.7.2007 that last date for submission of bills to the Treasuries in the financial year 2007-08 would be 10th March, 2008 for

claims under Other Contingency, Machinery, Equipment, Vehicle, Share Capital, Subsidy, Loan and 15th March, 2008 for other claims.

2. Rush of expenditure in the month of March defeats the objective of efficient and economic use of resources. It may also lead to unproductive and wasteful expenditure. In order to check this unhealthy practice it has been decided to ensure **completion of all formalities for sanction and release of funds latest by 15.02.2008** so as to avoid last minute rush and ensure utilization of public funds in a planned and efficient manner.

3. Under the Orissa Treasury Management System (OTMS), all the Treasuries are connected to the Central Location at the Directorate of Treasuries & Inspection, Orissa, Bhubaneswar and the transactions are controlled by the System itself. The OTMS does not provide for any backlog processing of transactions at any stage . As such exactly **after 12.00 Midnight of 31st March 2008, which is technically the end of the current financial year 2007-08 ,the system would automatically disable all the allotments for 2007-08 across the State as a whole for the financial year 2007-08 and it would not be possible at all to carry out any transaction, relating to the budget of 2007-08 after that time, which is to be accounted for in the financial year 2007-08.**

4. It is, therefore, impressed upon all Administrative Departments that the following formalities for sanction/release/drawal of funds should be completed by the deadlines mentioned below so that budgeted expenditure can be processed for drawal by the OTMS within the timeline indicated above.

- i) Sanction orders for release of funds are to be issued by the respective Administrative Department by 15.2.2008 at the latest.

Special care should be taken to ensure that the sanction orders are received by the concerned Controlling Officers and the DDOs in time so that they would be able to complete the formalities like sanction of expenditure for a particular purpose, wherever necessary and submit the bill for drawal in the Treasury/Sub-Treasury within the stipulated deadline.

- ii) **Finance Department will not accept any proposal for sanction of funds and release from Civil Deposit after 20th February, 2008.**
- iii) Requisition for Letter of Credit in respect of the Controlling Officers of the Engineering Departments should be furnished to Finance Department by the respective Administrative Departments **within 15th February, 2008** indicating the requirement of funds for **February, 2008 & March, 2008**. No request for issue of Letter of Credit will be accepted in Finance Department after 15.02.2008, except in very exceptional cases for which the concerned Departments are to furnish convincing reasons.
- iv) The Controlling Officers are to monitor proper utilization of funds released for maintenance and repair of the Roads, Buildings, PH works, Water Supply etc. by preparing a database of the work done and submit Utilization Certificate along with User's certification in terms of instructions contained in Finance Department Circular No.45495(4) dt.26.9.2005.
- v) **Re-appropriation of funds**, if necessary, should be completed by 15.2.2008 as the last date for issue of allotment has been fixed to 15.2.2008 . **Treasuries will not accept any allotment after 15.02.2008.**

- vi) Surrender of the unutilized budgetary provisions should be made **by 29.2.2008.**
- vii) Controlling Officers are to ensure transmission of the soft copies of DDO wise Allotment Data against Budget provision for 2007-08 to Director of Treasuries & Inspection, Orissa **by 15.2.2008.** The concerned Controlling Officers shall be held responsible for any dislocation in Government transactions and lapse of budgeted funds arising out of non-receipt of such data in soft copies by the Director of Treasuries and Inspection, Orissa by 15.2.2008.
- viii) **The last date for submission of bills requiring payment in cash or by transfer credit in respect of claims under Other Contingency, Machinery, Equipment, Vehicle, Share Capital, Subsidy, Loan is fixed to 10th March, 2008 and 15th March, 2008 is the last date for submission of bills relating to other claims involving payment in cash or by transfer credit.**
- ix) **The Administrative Departments and the Controlling Officers should scrupulously adhere to the following expenditure targets :-**
- Non Plan Revenue Expenditure as stipulated by the 12th Finance Commission including the Grants for maintenance of Roads & Bridges, Non Residential & Residential Buildings provided in the Budget of different Departments should be fully spent.
 - Provisions for Non Plan Revenue Expenditure including the Finance Commission Grants for Health & Education Sectors as provided in the budget of 2007-08 should also be utilized fully.

- Grants to Urban Local Bodies and PRIs on the recommendation of 12th Finance Commission should also be transferred to the concerned Local Bodies in full.
 - Under State Plan, the 12th Finance Commission grant for Chilka Lake, Sewerage System for Bhubaneswar, Heritage Conservation and maintenance of Forests should be fully utilized.
 - **Sanction & release of funds for these purposes should be given top priority so as to reach the targeted level of expenditure fixed by the 12th Finance Commission failing which the State Government will stand to lose a substantial amount of grant.**
 - **However, there will be no relaxation in the deadline for issue of allotments, re-appropriation(31.12.2007/15.2.2008)and submission of bills (10.3.2008/15.3.2008) in these cases.** The concerned Department should take advance action in this regard.
- x) The Budgetary provision for **Relief Expenditure** should be released fully in time by issue of allotment according to the deadline fixed i.e. 31.12.2007/15.02.2008. **The drawal of funds as per the allotment issued should be ensured by presentation of bills in the Treasury (by 15.3.2008) and filing of requisition for LC (by 15.2.2008) as per the deadlines stipulated above.**
- xi) **Budgeted funds shall not be allowed to be transferred to Civil Deposit under any circumstances and Civil Deposit is banned at all levels.** The concerned Controlling Officers/DDOs will be held personally liable for unauthorized transfer of funds to Civil Deposit. The Treasury Officers/Sub-Treasury Officers will also be liable for disciplinary action for violation of Government orders in this regard.

- xii)** Money after drawal from Bank/Treasury should not be kept outside Public Account.

5. Timely verification and reconciliation of expenditure for 2007-08

The deadline fixed for verification/reconciliation of expenditure for 2007-08 as indicated in FD Circular No. 46655(235)/F dated 1.12.2007 should be strictly followed.

6. Keeping in view the difficulties faced in the past, observations made in the Reports of Comptroller & Auditor General of India for different years and the concern expressed by Public Accounts Committee on rush of expenditure towards fag end of the financial year, belated surrenders, non release of budgeted funds in time etc., the Action Points and Deadlines have been indicated in the preceding paragraphs to ensure fiscal accountability at all levels. The concerned Controlling Officers are to be held accountable in case of violation of these instructions.

7. Hence, I would request you kindly to take timely steps for sanction, release, re-appropriation, surrender and drawal of funds by the deadlines stipulated above in the interest of fiscal discipline and effective financial management.

Yours faithfully,

Sd/-

Principal Secretary to Government

Memo No. 787(8) /F., Dt. 05.01.2008

Copy forwarded to the Registrar, Orissa High Court/Special Secretary, Orissa Public Service Commission/Secretary, Orissa State Election Commission/Secretary, Staff Selection Commission/ Registrar, Orissa Administrative Tribunal/Secretary, State Human Rights Commission/Secretary, Orissa Electricity Regulatory Commission/Resident Commissioner, Orissa, New Delhi for favour of information & necessary action.

Sd/-

Deputy Secretary to Government

Memo No. 788(45) /F., Dt. 05.01.2008

Copy forwarded to all PSUs/Co-operative Institutions for information and necessary action.

Sd/-

Deputy Secretary to Government

Memo No. 789(170) /F., Dt. 05.01.2008

Copy forwarded to all Treasury Officers/Sub-Treasury Officers for information and necessary action.

Sd/-

Deputy Secretary to Government

Memo No. 790(100) /F., Dt. 05.01.2008

Copy forwarded to all Officers and Branches of Finance Department for information and necessary action.

Sd/-

Deputy Secretary to Government

Memo No. 791 /F., Dt. 05.01.2008

Copy along with a soft copy forwarded to the Head, Portal Group, NIC, Orissa Secretariat for information. He is requested to host a copy of this Circular in the Website of Finance Department.

Sd/-

Deputy Secretary to Government