GOVERNMENT OF ORISSA
FINANCE DEPARTMENT

No. 2857/WM- 15/08

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.20591(225)/F dt.15.04.2008 &
53219(225)/F dt.08.12.2008.

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:


In para 7 of Finance Department Circular No 20591(225)/F, dt.15.04.2008
it was indicated that total allotment including Supplementary provision should
be communicated by 31.12.2008 or at the latest by 31.01.2009 in case of re-
appropriation or additional allotment. Further it was indicated in para 2(ii) of
Finance Department Circular No.53219(225)/F dt.08.12.2008 that the total
Budgetary allotment including Supplementary Provision for 2008-09 shall have to
be communicated by all Controlling Officers to the concerned D.D.Os by
31.12.2008 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 28.02.2009.

The detailed DDO wise Budget allotments should also be supplied by the Controlling officers in soft copies within the deadlines indicated above 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 28th February, 2009.**

It was indicated in para 7 of Finance Department Circular No 20591(225)/F, dt.15.04.2008 and para 2(iii) of Finance Department Circular No.53219(225)/F., dt.08.12.2008 that surrender of Budgetary provision should be completed by 28th February, 2009. These deadline are to be followed strictly.

iii) **Last date for submission of bills in Treasury – 10th March/16th March, 2009.**

It was indicated in para 7 of the Finance Department Circular No 20591(225)/F dt.15.04.2008 and para 2(iv) of Finance Department Circular No.53219(225)/F., dt.08.12.2008 that last date for submission of bills to the Treasuries in the financial year 2008-09 would be 10th March, 2009 for claims under Other Contingency, Machinery, Equipment, Vehicle, Share Capital, Subsidy, Loan and 16th March, 2009 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 28.02.2009** 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 2009, which is technically the end**
of the current financial year 2008-09, the system would automatically disable all
the allotments for 2008-09 across the State as a whole for the financial year 2008-
09 and it would not be possible at all to carry out any transaction, relating to the
budget of 2008-09 after that time, which is to be accounted for in the financial
year 2008-09.

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 28.02.2009 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 28th February, 2009.

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 16th February, 2009
No request for issue of Letter of Credit will be accepted in Finance
Department after 16.02.2009, 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)
v) Re-appropriation of funds, wherever necessary, should be completed by 28.02.2009 as the last date for issue of allotment in respect of original and supplementary provision as well as provision of funds augmented through re-appropriation is now extended to 28.02.2009. Treasuries will not accept any allotment after 28.02.2009.

The detailed DDO wise Budget allotments should also be supplied by the Controlling officers in soft copies within the deadlines indicated above to the Director of Treasuries & Inspection, Orissa, Bhubaneswar for being fed into the Central server. Budgetary allotments issued after the deadline stipulated above shall not be acted upon by the Treasury Officers except under special circumstances. 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 28.02.2009.

vi) Re-appropriation of funds from among the units Pay, DP, DA and HRA may be made at the level of the Administrative Departments without reference to Finance Department for facilitating drawal of revised salary (Current salary for the months of December, 2008 to February, 2009 and 40% of the arrears) under ORSP Rules, 2008 within the current financial year.

vii) Pay and Grade Pay in the Revised Scale of Pay, 2008 should be met from the provision under the unit of appropriation “Pay”

viii) Surrender of the unutilized budgetary provisions should be made by 28.02.2009.

ix) 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 9th March, 2009 and 16th March, 2009 is the last date for submission of bills relating to other claims involving payment in cash or by transfer credit.
x) 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 2008-09 should also be utilized fully.
- Grants to ULB and PRIs on the recommendation of 12th F.C 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 and re-appropriation (28.02.2009) and submission of bills (9.3.2009/16.3.2009). The concerned Department should take advance action in this regard. The Controlling Officers and D.D.Os are advised to avoid submission of bills in the Treasury after the deadlines and ensure encashment of all claims presented in the Treasury /Bank before 31st March, 2009 as the centralized and computerised payment procedure of the Agency Banks under the Core Banking System may not accept last minute transactions.

xi) The Budgetary provision for Relief Expenditure should be released fully in time by issue of allotment according to the deadline fixed i.e. 28.02.2009. The drawal of funds as per the allotment issued should be ensured by presentation of bills in the Treasury (by 16.03.2009) and
filing of requisition for LC (by 16.02.2009) as per the deadlines stipulated above.

xii) **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.

xiii) **Money after withdrawal from Bank/Treasury should not be kept outside Public Account.**

5. **Timely verification and reconciliation of expenditure for 2008-09**
The deadline fixed for verification/reconciliation of expenditure for 2008-09 as indicated in FD Circular No. 53219(225)/F dated 08.12.2008 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, allotment, re-appropriation, surrender and withdrawal of funds by the deadlines stipulated above in the interest of fiscal discipline and effective financial management.

Yours faithfully,

Principal Secretary to Government

[Signature]

[Date: 4/11/09]
Memo No 2858 (8) Dt 14.1.09

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.

Deputy Secretary to Government

Memo No. 2859 (45) Dt 14.1.09

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

Deputy Secretary to Government

Memo No. 2860 (176) Dt 14.1.09

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

Deputy Secretary to Government

Memo No 2861 (100) Dt 14.1.09

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

Deputy Secretary to Government

Memo No. 2862. /F Dt 14.1.09.

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.

Deputy Secretary to Government