GOVERNMENT OF ORISSA
FINANCE DEPARTMENT

***
No. 1310(225)/F Dated 11.1.2010
WM-23/2009

From
Shri J.K. Mohapatra, 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.36080 (225)/F dt.31.07.2009 &
58616(225)/F dt.03.12.2009.

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 31.12.2009.**

In para 7 of Finance Department Circular No 36080(225)/F,
dt.31.07.2009 it was indicated **that total allotment including Supplementary**
**provision should be communicated by 31.12.2009 or at the latest by**
**31.01.2010 in case of re-appropriation or additional allotment.** Further it was
indicated in para 2(ii) of Finance Department Circular No.58616 (225)/F
dt.03.12.2009 that the **total Budgetary allotment including Supplementary**
**Provision for 2009-10 shall have to be communicated by all Controlling Officers**
to the concerned D.D.Os by 31.12.2009 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 31.01.2010. Since 31.01.2010 falls on Sunday the last date for communication of allotment in case of funds augmented through re-appropriation or on account of late receipt of Central Assistance is advanced to 30.01.2010.

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 30.01.2010**

It was indicated in para 7 of Finance Department Circular No 36080(225)/F, dt.31.07.09 that surrender of Budgetary provision should be completed by 27.02.2010. The last date for surrender of budgetary provision was advanced to 31.01.2010 vide para 2(iii) of Finance Department Circular No.58616 (225)/F., dt.03.12.2009 with the objective of accelerating the pace of expenditure and to avoid postponement of expenditure to the fag end of the financial year, 2009-10. Since 31.01.2010 falls on Sunday the last date for surrender of budgetary provision is further advanced to 30.01.2010. This deadline is to be followed strictly.

iii) **Last date for submission of bills in Treasury – 10th March/16th March, 2010.**

It was indicated in para 2(iv) of Finance Department Circular No.58616(225)/F., dt.03.12.2009 that the last date for submission of bills to the Treasuries in the financial year 2009-10 would be 10th March, 2010 for claims under Other Contingency, Machinery, Equipment, Vehicle, Share Capital, Subsidy, Loan and 16th March, 2010 for other claims. These deadlines are to be followed scrupulously.
iv) Last date of submission of bills relating to 12th F.C. recommended grants in Treasury - 10.02.2010

It has been decided that the concerned Administrative Departments have to submit utilization certificate/completion certificate in respect of the budgetary allocation for 2009-10 relating to 12th F.C. recommended grants by 28.02.2010. Sanction, release and drawal of funds for these purposes should be made sufficiently ahead. Hence, the concerned Administrative Departments are to submit bills relating to 12th F.C. recommended grants to the Treasuries by 10.02.2010. The Treasuries will not accept bills relating to 12th F.C. recommended grants after 10.02.2010.

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 30.01.2010 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 2010, which is technically the end of the current financial year 2009-10, the system would automatically disable all the allotments for 2009-10 across the State as a whole for the financial year 2009-10 and it would not be possible at all to carry out any transaction, relating to the budget of 2009-10 after that time, which is to be accounted for in the financial year 2009-10.

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.
i) Sanction orders for release of funds are to be issued by the respective Administrative Department by 30.01.2010 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 30.01.2010**

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 30.01.2010** indicating the requirement of funds for **February, 2010 & March, 2010**. No request for issue of Letter of Credit will be accepted in Finance Department after 30.01.2010, except in very exceptional cases for which the concerned Departments are to furnish convincing reasons.


v) **Re-appropriation of funds, wherever necessary, should be completed by 30.01.2010 as the last date for issue of allotment in respect of funds augmented through re-appropriation is 30.01.2010. Treasuries will not accept any allotment after 30.01.2010.** 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 30.01.2010.

vi) Surrender of the unutilized budgetary provisions should be made by 30.01.2010.

vii) 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, 2010 and 16th March, 2010 is the last date for submission of bills relating to other claims involving payment in cash or by transfer credit.

viii) The last date for submission of bills relating to 12th Finance Commission recommended grants is fixed to 10th February, 2010.

ix) As 2009-10 is the last year of the award period of 12th Finance Commission, the grants recommended by 12th F.C. will lapse after March, 2010. Governments of India vide their letter No. F(10/1)-FCD/2009 dated 23.04.2009 have directed to utilize the grants recommended by 12th F.C. and furnish the required U.C./completion certificates to them latest by 01.03.2010 in order to facilitate final release of 12th F.C. grants under different sectors by the end of current financial year. It may be noted that Government of India will not release the final installment of grants unless the required U.C./completion certificates are submitted by the stipulated date and the State would stand to lose a substantial amount of grants. In view of this, all the implementing Departments were instructed to ensure submission of U.C./Completion
certificates latest by 15.1.2010 for onward transmission to Government of India in F.D. letter No. 22240(11)/F dated 24.4.2009 and 24507(11)/F dated 12.5.2009. In course of review of expenditure relating to 12th F.C. recommended grants, in the meeting of HLMC held on 02.01.2010 it was found that most of the implementing Departments are lagging behind the expenditure schedule. Taking into consideration, the difficulties faced by the implementing Departments in adhering to the schedule fixed earlier, it was decided that the implementing Departments should furnish utilization certificate/completion certificate in respect of budgetary allocations relating to 12th F.C. recommended grants for the years 2005-06, 2006-07, 2007-08 and 2008-09 by 30.01.2010. The utilization certificate/completion certificate in respect of budgetary allocations relating to 12th F.C. recommended grants for the year 2009-10 are to be submitted latest by 28.02.2010. The Administrative Departments should strictly adhere to the above revised deadlines failing which the State may stand to lose substantial amount of 12th F.C. recommended grants and in that case, the implementing authorities will be personally held responsible for such loss.

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 for the year 2009-10 should be fully spent by 28.02.2010.

➢ Provisions for Non Plan Revenue Expenditure including the Finance Commission Grants for Health & Education Sectors as provided in the budget of 2009-10 should also be utilized fully by 28.02.2010.
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 Chilika Lake, Sewerage System for Bhubaneswar, Heritage Conservation and maintenance of Forests should be fully utilized by **28.02.2010** and **UC/CC submitted**.

The last date of submission of bills relating to 12th F.C. recommended grants to the Treasuries is **10.02.2010**.

xi) 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, 2010 as the centralized and computerized payment procedure of the Agency Banks under the Core Banking System may not accept last minute transactions.

xii) The Budgetary provision for **Relief Expenditure** should be released fully in time by issue of allotment according to the deadline fixed i.e. **30.01.2010**. The drawal of funds as per the allotment issued should be ensured by presentation of bills in the Treasury (by 16.03.2010) and filing of requisition for LC (by 30.01.2010) as per the deadlines stipulated above.

xiii) **Budgeted funds shall not be allowed to be transferred to Civil Deposit under any circumstances and transfer of money drawn from Treasury to 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.

xiv) Money after drawal from Bank/Treasury should not be kept outside Public Account.
5. **Timely verification and reconciliation of expenditure for 2009-10**

The deadline fixed for verification/reconciliation of expenditure for 2009-10 as indicated in FD Circular No. **58616(225)/F dated 03.12.2009** 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 drawal of funds by the deadlines stipulated above in the interest of fiscal discipline and effective financial management.

Yours faithfully,

[Signature]

Principal Secretary to Government
Memo No 1311 (8) F Dt 11.1.2010

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.

Joint Secretary to Government

Memo No. 1312 (45) F Dt 11.1.2010

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

Joint Secretary to Government

Memo No. 1313 (170) F Dt 11.1.2010

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

Joint Secretary to Government

Memo No 1314 (120) F Dt 11.1.2010

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

Joint Secretary to Government

Memo No 1315 F Dt 11.1.2010

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

Joint Secretary to Government