GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

***

OFFICE MEMORANDUM

No. 13081 /F., Bhubaneswar, dated 11 th April, 2014
FIN-WM-CMS-0001-12

Sub : Guidelines for timely spending of budgetary grants out of the Vote On Account Budget for the year 2014-15 through implementation of Cash Management System in the selected Departments through Quarterly Expenditure Allocation (QEA) and Monthly Expenditure Plan (MEP) from April to July 2014.

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility & Budget Management Act, the State Government do hereby lay down the following Guidelines for timely spending of budgetary grants through the **Cash Management System out of the Vote On Account Budget for the year 2014-15 i.e from April to July 2014**. It is formulated on the lines of modified exchequer control based expenditure management and restrictions on expenditure during the last quarter of the financial year, being implemented in the Ministries of Government of India.

Objectives of the Cash Management System

2. The **Cash Management System** has the following objectives:-

i. Even pacing of expenditure within the financial year.
ii. Reduce rush of expenditure during the last quarter especially in the last month of the financial year.
iii. Front loading of expenditure in the 1st three quarters of the financial year so that corrective measures can be taken in the mid-year to achieve the fiscal objectives.
iv. Curb the tendency of parking of funds outside Government Account.
v. Effective monitoring of the expenditure pattern.
vi. Improve the quality of expenditure.
vii. Better Ways & Means Management.

Scope of the Cash Management System

3. The system was initially adopted in respect of the 10 Demand for Grants administrated by large spending Departments during the financial year 2010-11 and extended to 5 more Departments during 2011-12. It was further extended to 3 more Demands for Grants in 2012-13. All these 18 Departments will continue to remain under the purview of Cash Management System in 2014-15. The list of these 18 Departments and the Demand for Grants is furnished in **Annexure-I**.

4. The broad features of the Cash Management System is indicated hereafter:-

In respect of each Demand for Grant, Quarterly Expenditure Allocation (QEA) for the first Quarter and Monthly Expenditure Plan (MEP) for the month of July for State Plan, Central Plan, Centrally Sponsored Plan and Non-Plan is worked out and indicated in **Annexure-II(A) & (B).** The minimum QEA of the Engineering, Forest and Agriculture Departments for the first quarter and Monthly Expenditure Plan (MEP) for the month of July has been fixed in accordance with their working season. The Monthly Expenditure Plan (MEP) for the first quarter may be worked on the basis of the Quarterly Expenditure Allocation by the concerned Department in the format at **Annexure-III** in accordance with the broad principles indicated in para 6. **The limit of expenditure indicated in Annexure-II (A) & (B) for the first quarter and for the month of July is the minimum; however, the Administrative Departments are free to enhance the MEP & QEA for their respective Departments within the overall provision made in the On Account Budget for 2014-15 and in line with the broad principles outlined in Finance Department Circular No. 9425/F dated 31.03.2014 on Regulation of Expenditure out of the Vote on Account Budget for the year 2014-15.**

QEA for the 1st Quarter & MEP for July, 2014

5. The Quarterly Expenditure Allocation (QEA) for the first Quarter and MEP for the month of July should not be modified by the Administrative Departments without prior approval of Finance Department in Ways & Means Branch. The Quarterly Expenditure Allocation (QEA) for the first Quarter and MEP for the month of July **is furnished in Annexure - II (A) & (B) for all the 18 Demand for Grants which may be modified, if necessary, by the Administrative Departments in accordance with their work plans/programme implementation schedule** within the overall provision made in the On Account Budget for 2014-15 and in line with the broad principles outlined in Finance Department Circular No. 9425/F dated 31.03.2014 on Regulation of Expenditure out of the Vote on Account Budget for the year 2014-15 **and submitted to Finance Department by 30.04.2014 for approval.**

Features of the Cash Management System

6. **(i) (a)** The Administrative Departments are authorized to sanction expenditure under Non-Plan, State Plan, Central Plan and Centrally Sponsored Plan Schemes up to the limit of QEA for the first Quarter and MEP for the month of July indicated in **Annexure-II(A) & (B)** including expenditure for grants and subsidies.

(b) The Administrative Departments are to fix the QEA and MEP of Controlling Officers based on the QEA and MEP for the Demand for Grant and the Controlling Officers in turn may ask the DDOs to spend the provision in accordance with their own QEA and MEP.

(ii) Restructuring of CSS and inclusion in State Plan : Consequent upon the restructuring of existing Centrally Sponsored Schemes (CSS) to 66 CSS and decision of the Planning Commission to Classify Central Assistance / Central Share of these CSS as Central Assistance for State Plan, the 66 CSS now form a part of State Plan outlay. Accordingly provision has been made for these 66 CSS under State Plan. The Administrative Departments are authorized to sanction expenditure for these schemes in accordance with the Quarterly Expenditure Allocation (QEA) for the first Quarter and MEP for the month of July without waiting for receipt of Central Assistance.

Old CSP Schemes: However, there are some CSS Schemes proposed by the Administrative Departments for provision in the B.E., 2014-15 outside the 66 CSS which are funded by Ministries / Departments of Government of India and Central Autonomous Bodies. Central share of these schemes are provided under CSP and State share is provided under State Plan as per prevailing practice. Expenditure against these schemes is to be made only against availability of Central Assistance.

(iii) In case of EAPs in the pipe line, expenditure should be incurred only if agreement with the Donor Agency has been signed and the date of effect of the agreement has been notified.

(iv) The Administrative Departments would obtain approval of Project Approval Committee/Empowered Committee for sanction of the entire provision made in their Demand for Grant for share capital/loan/Grant in Aid/Subsidy to PSUs and Co-operatives, in one go, **by June, 2014** and then release the amount at their level subject to recovery of outstanding Government dues and opening of Escrow Account.

(v) Release of funds in respect of schemes/provisions reserved for Post Budget Scrutiny would require prior approval of Finance Department/ Planning & Coordination Department as the case may be.

(vi) Works Expenditure against Budget provision, N.H. Credit and Deposits based on budgetary allotment and accounts of the Division/ Project would continue to be routed through Works Expenditure module of the Treasury Portal and regulated by Finance Department Circular No. 28777(6)/F dated 24.06.2011. **The Controlling Officers are advised to distribute allotment in respect of works expenditure to the Divisions/Projects, through Works Expenditure module of the Treasury Portal.**

(vii) Guidelines for utilization of provisions made for different works under plan schemes of Works, Rural Development, Housing & Urban Development and Water Resources Department and construction of buildings issued vide Finance Department O.M No. 15744/F dated 05.04.2012 should be followed scrupulously.

Model Code of Conduct for Election, 2014

(viii) While sanctioning funds out of the Vote On Account provision, the Administrative Departments should adhere to the stipulations contained in

the Model Code of Conduct till completion of the Election -2014 process and seek the permission of CEO, Odisha, where ever required.

7. The Administrative Departments can sanction expenditure on existing schemes when the scope of the scheme is proposed to be substantially altered and /or cost estimate of projects/schemes are to be revised, only after completion of the process of appraisal and approval by the competent authority as prescribed in Finance Department O.M. No.1068/F dated 10.01.2013 read with Rule-17-A of the Delegation of Financial Power Rules, 1978. The same shall also be subject to the restrictions contained in the Model Code of Conduct till completion of the Election-2014 process and permission of CEO, Odisha, will be obtained where ever required.

8. The limits indicated in the QEA and MEP have been calculated at the Demand for Grant level as a whole allowing inter-se variations between months within a quarter and across the sectors i.e., Non-Plan, State Plan, Central Plan and Centrally Sponsored Plan within the broad parameters indicated in Para-6. The Administrative Departments and the Controlling Officers should distribute allotment under each sector among the DDOs broadly in accordance Quarterly Expenditure Allocation (QEA) for the first Quarter and MEP for the month of July.

9. Savings if any, under the QEA would not be allowed to be carried over to the next quarter. However, the Administrative Departments requiring modification of MEP, which affects QEA, should obtain concurrence of Finance Department in Ways & Means Branch but they would be free to adjust the spillover of MEP in the next month if it is not inconsistent with QEA.

10. In case Finance Department in Ways & Means Branch do not consider the request for modification of MEP and QEA within 15 days it will be deemed to have been granted.

11. The Monthly Expenditure Plan and Quarterly Expenditure Allocation may be made in gross terms.

12. Funds should not be drawn from the Treasury/Bank without immediate requirement for payment. As such no drawal should be made to make advance payments except in terms of valid agreements in order to meet the monthly/quarterly expenditure targets.

13. Provisions under SR 242 of Orissa Treasury Code, Vol. I stipulate that money should not be drawn from the Treasury unless it is required for immediate disbursement. It is, however, observed that some of the DDOs/Controlling Officers are drawing funds from the Treasury and depositing in various Banks or keeping funds un-utilized in form of cash, Bank Draft, DCR etc. **If in future, such un-authorized parking of money is noticed, the concerned DDO shall be personally liable for recovery from his personal entitlements including his retirement benefits and he shall be liable for disciplinary action under Rule – 15 of the OCS (CC & A) Rules, 1962**.

14. Sanction of funds out of **Vote On Account Budget for the year 2014-15 i.e. from April to July, 2014** would be regulated in terms of the provisions of the preceding paragraphs.

15. The gross provision in the respective Demand for Grant and minimum indicative limit of Quarterly Expenditure Allocation (QEA) for the first Quarter of 2014-15 and MEP for the month of July 2014 is furnished at **Annexure-II(A) & (B)** for guidance. The Administrative Departments are free to enhance the QEA for the first Quarter and MEP for the month of July in accordance with the instructions contained in the preceding paragraphs and furnish the same to Finance Department by 30.04.2014.

The Administrative Departments concerned should issue suitable instructions to the Controlling Officers to implement the **Cash Management System** and help improve the public expenditure management.

By order of Governor

11/4/2014

Additional Chief Secretary to Government

Memo No. 13082 **/F., Dt.** 11. 4. 14

Copy forwarded to the Private Secretary to Chief Minister / Minister, Finance for kind information of Hon'ble Chief Minister/ Minister, Finance.

Rndas 11/4/14
Deputy Secretary to Government

Memo No. 13083 **/F., Dt.** 11. 4. 14

Copy forwarded to the Private Secretaries to Chief Secretary/D.C.-cum-Additional Chief Secretary/Additional Chief Secretary, Finance Department for kind information of Chief Secretary/D.C.-cum-Additional Chief Secretary/ Additional Chief Secretary , Finance Department.

Rndas 11/4/14
Deputy Secretary to Government

Memo No. 13084 **/F., Dt.** 11. 4. 14

Copy forwarded to the Principal Secretaries / Commissioner-cum-Secretaries / Secretaries to Government of (Works, School & Mass Education, ST & SC Development, Health & Family Welfare, Housing & Urban Development, Panchayati Raj, Industries, Water Resources, Forest & Environment, Agriculture, Rural Development, Energy, Handloom, Textile & Handicrafts, Fisheries & Animal Resources Development, Women & Child Development, Higher Education, ETET and MSME) Departments for kind information & necessary action.

Rndas 11/4/14
Deputy Secretary to Government

Memo No. 13085 **/F., Dt.** 11. 4. 14

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

Rndas 11/4/14
Deputy Secretary to Government

Memo No. 13086 **/F., Dt.** 11. 4. 14

Copy forwarded to Director of Treasuries and Inspection, Orissa, Bhubaneswar for information and necessary action.

Rndas 11/4/14
Deputy Secretary to Government

ANNEXURE-I

Sl. No.	Demand No.	Name of the Department
1	07	Works
2	10	School & Mass Education
3	11	ST & SC Development
4	12	Health & Family Welfare
5	13	Housing & Urban Development
6	17	Panchayati Raj
7	19	Industries
8	20	Water Resources
9	22	Forest & Environment
10	23	Agriculture
11	28	Rural Development
12	30	Energy
13	31	Handloom, Textile & Handicrafts
14	33	Fisheries & Animal Resources Development
15	36	Women & Child Development
16	38	Higher Education
17	39	Employment and Technical Education & Training
18	40	Micro, Small and Medium Enterprises

ANNEXURE-II (A)

DEMAND-WISE GROSS PROVISION AND QEA FOR THE 1ST QUARTER AND MEP FOR JULY, 2014 OF THE DEPARTMENTS INCLUDED IN THE CASH MANAGEMENT SYSTEM DURING 2014-15.

(₹ in Crore)

D. No.	Deptt.	GROSS BUDGET PROVISION — Budget Estimate, 2014-15					FIRST QR. (15% OF GROSS PROVISION IN THE B.E.) — Quarterly Expenditure Allocation (QEA) for the 1st Quarter i.e. from April to June, 2014				
		Non Plan	State Plan	Central Plan	C.S.P.	Total	Non Plan	State Plan	Central Plan	C.S.P.	Total
1	2	3	4	5	6	7	8	9	10	11	12
10	S&M Edn.	5369.19	3630.26	0.00	0.00	**8999.45**	805.38	544.54	0.00	0.00	**1349.92**
11	ST & SC Dev.	776.69	1228.18	149.98	1.25	**2156.10**	116.50	184.23	22.50	0.19	**323.42**
12	H & FW	1544.42	1578.46	282.19	1.02	**3406.09**	231.66	236.77	42.33	0.15	**510.91**
17	PR	1685.34	4165.50	0.06	1.13	**5852.03**	252.80	624.83	0.01	0.17	**877.80**
19	Industries	2.59	16.28	0.00	0.00	**18.87**	0.39	2.44	0.00	0.00	**2.83**
30	Energy	16.08	986.75	0.00	0.00	**1002.83**	2.41	148.01	0.00	0.00	**150.42**
31	Handl, Tex & HC	47.09	99.63	0.00	0.00	**146.72**	7.06	14.94	0.00	0.00	**22.01**
33	F & ARD	264.21	171.09	5.59	0.00	**440.89**	39.63	25.66	0.84	0.00	**66.13**
36	W & CD	384.82	3394.28	0.00	0.00	**3779.10**	57.72	509.14	0.00	0.00	**566.87**
38	Higher Edn.	1196.09	593.38	0.45	0.00	**1789.92**	179.41	89.01	0.07	0.00	**268.49**
39	E & TE & T	135.02	235.64	0.80	0.17	**371.63**	20.25	35.35	0.12	0.03	**55.74**
40	MSME	48.33	46.43	0.00	0.20	**94.96**	7.25	6.96	0.00	0.03	**14.24**
	TOTAL	**11469.87**	**16145.88**	**439.07**	**3.77**	**28058.59**	**1720.48**	**2421.88**	**65.86**	**0.57**	**4208.79**

D. No.	Deptt.	GROSS BUDGET PROVISION — Budget Estimate, 2014-15					MEP for JULY (5% OF GROSS PROVISION IN THE B.E.) — Monthly Expenditure Plan (MEP) for the month of July, 2014				
		Non Plan	State Plan	Central Plan	C.S.P.	Total	Non Plan	State Plan	Central Plan	C.S.P.	Total
1	2	3	4	5	6	7	8	9	10	11	12
10	S&M Edn.	5369.19	3630.26	0.00	0.00	**8999.45**	268.46	181.51	0.00	0.00	**449.97**
11	ST & SC Dev.	776.69	1228.18	149.98	1.25	**2156.10**	38.83	61.41	7.50	0.06	**107.81**
12	H & FW	1544.42	1578.46	282.19	1.02	**3406.09**	77.22	78.92	14.11	0.05	**170.30**
17	PR	1685.34	4165.50	0.06	1.13	**5852.03**	84.27	208.28	0.00	0.06	**292.60**
19	Industries	2.59	16.28	0.00	0.00	**18.87**	0.13	0.81	0.00	0.00	**0.94**
30	Energy	16.08	986.75	0.00	0.00	**1002.83**	0.80	49.34	0.00	0.00	**50.14**
31	Handl, Tex & HC	47.09	99.63	0.00	0.00	**146.72**	2.35	4.98	0.00	0.00	**7.34**
33	F & ARD	264.21	171.09	5.59	0.00	**440.89**	13.21	8.55	0.28	0.00	**22.04**
36	W & CD	384.82	3394.28	0.00	0.00	**3779.10**	19.24	169.71	0.00	0.00	**188.96**
38	Higher Edn.	1196.09	593.38	0.45	0.00	**1789.92**	59.80	29.67	0.02	0.00	**89.50**
39	ETET	135.02	235.64	0.80	0.17	**371.63**	6.75	11.78	0.04	0.01	**18.58**
40	MSME	48.33	46.43	0.00	0.20	**94.96**	2.42	2.32	0.00	0.01	**4.75**
	TOTAL	**11469.87**	**16145.88**	**439.07**	**3.77**	**28058.59**	**573.49**	**807.29**	**21.95**	**0.19**	**1402.93**

Note - Variations if any, in the figures shown in this statement and in the Budget document are due to rounding off.

ANNEXURE-II (B)

DEMAND-WISE GROSS PROVISION AND QEA FOR THE 1ST QUARTER AND MEP FOR JULY, 2014 OF THE DEPARTMENTS INCLUDED IN THE CASH MANAGEMENT SYSTEM DURING 2014-15.

(₹ in Crore)

GROSS BUDGET PROVISION							1ST. QR. (25% OF GROSS PROVISION IN THE B.E.)				
D. No.	Deptt.	Budget Estimate, 2014-15					Quarterly Expenditure Allocation (QEA) for the 1st Quarter i.e. from April to June, 2014				
		Non Plan	State Plan	Central Plan	C.S.P.	Total	Non Plan	State Plan	Central Plan	C.S.P.	Total
1	2	3	4	5	6	7	8	9	10	11	12
7	Works	1506.06	2056.52	1.00	0.00	**3563.58**	376.52	514.13	0.25	0.00	**890.90**
13	H & UD	1249.57	1608.53	12.79	0.00	**2870.89**	312.39	402.13	3.20	0.00	**717.72**
20	WR	1152.89	3413.99	0.00	0.00	**4566.88**	288.22	853.50	0.00	0.00	**1141.72**
22	Forest & Env.	381.17	306.21	25.00	0.00	**712.38**	95.29	76.55	6.25	0.00	**178.10**
23	Agriculture	498.57	1734.00	0.00	0.00	**2232.57**	124.64	433.50	0.00	0.00	**558.14**
28	RD	1129.61	2460.90	0.00	0.00	**3590.51**	282.40	615.23	0.00	0.00	**897.63**
TOTAL		**5917.87**	**11580.15**	**38.79**	**0.00**	**17536.81**	**1479.47**	**2895.04**	**9.70**	**0.00**	**4384.20**

GROSS BUDGET PROVISION							MEP for JULY (5% OF GROSS PROVISION IN THE B.E.)				
D. No.	Deptt.	Budget Estimate, 2014-15					Monthly Expenditure Plan (MEP) for the month of July, 2014				
		Non Plan	State Plan	Central Plan	C.S.P.	Total	Non Plan	State Plan	Central Plan	C.S.P.	Total
1	2	3	4	5	6	7	8	9	10	11	12
7	Works	1506.06	2056.52	1.00	0.00	**3563.58**	75.30	102.83	0.05	0.00	**178.18**
13	H & UD	1249.57	1608.53	12.79	0.00	**2870.89**	62.48	80.43	0.64	0.00	**143.54**
20	WR	1152.89	3413.99	0.00	0.00	**4566.88**	57.64	170.70	0.00	0.00	**228.34**
22	Forest & Env.	381.17	306.21	25.00	0.00	**712.38**	19.06	15.31	1.25	0.00	**35.62**
23	Agriculture	498.57	1734.00	0.00	0.00	**2232.57**	24.93	86.70	0.00	0.00	**111.63**
28	RD	1129.61	2460.90	0.00	0.00	**3590.51**	56.48	123.05	0.00	0.00	**179.53**
TOTAL		**5917.87**	**11580.15**	**38.79**	**0.00**	**17536.81**	**295.89**	**579.01**	**1.94**	**0.00**	**876.84**

Note - Variations if any, in the figures shown in this statement and in the Budget document are due to rounding off.

ANNEXURE-III

Monthly Expenditure Plan for the first Quarter of 2014-15 and MEP for the month of July 2014.

(Vote On Account Budget for the year 2014-15)

(₹ in Crore)

Month	Non-Plan	State Plan	Central Plan	Centrally Sponsored Plan
April				
May				
June				
July				