

**GOVERNMENT OF ORISSA
FINANCE DEPARTMENT**

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NO.TRB-4/2008/9459(240)/F Dated 1/3/2008

From

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

To

**All Principal Secretaries/
Commissioner-cum-Secretaries/
Secretaries to Government
All Heads of Departments.**

Sub : Measures to prevent rush of expenditure towards the fag end of the financial year 2007-08

Sir,

I am directed to say that Finance Department have earlier intimated all Departments of Government/all Heads of Department to avoid rush of expenditure towards the fag end of the financial year and stick to the deadlines fixed for sanction, issue of allotment, re-appropriation and surrender of funds, submission of bills in the Treasuries and reference of proposal to Finance Department for release of funds in letter No.6981 (237)/F Dt.18.02.2008.

2. Sanction and release of funds:-

Keeping in view the difficulties faced by different Departments and the time required for feeding of allotment in OTMS to exercise checks against provisions of funds, the following deadlines have been revised vide Finance Department letter No.6981(237)/F Dt.18.02.2008 are further extended as follows :-

Sl. No.	Items	Deadlines indicated in F.D.Letter No.6981(237)/F dt.18.02.2008	Extended Deadlines
1	Issue of Sanction Orders and release of funds.	29.02.2008	10.03.2008
2	Concurrence of F.D. for release of funds from Civil Deposit.	29.02.2008	10.03.2008
3	Requisition for Letter of Credit (L.C).	29.02.2008	15.03.2008
4	Re-appropriation of funds and issue of allotment.	29.02.2008	10.03.2008
5	Surrender of un-utilised funds.	05.03.2008	10.03.2008
6	Submission of Soft copies of Allotment Data to DT &I (O)	29.02.2008	10.03.2008

3. Presentation of bills in the Treasuries :-

The last date for submission of bills in the Treasuries has been intimated in advance in Finance Department Circular No.30857(237)/F dated 21.07.2007 and No.786(225)/F dated 05.01.2008. In the meantime, requests for allowing drawal of funds till 31.03.2008 have also been received. **However, it will not be possible to allow submission of bills till 31.3.2008. 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.** Keeping in view the difficulties of different Departments and the necessity to regulate the submission of different kinds of bills/claims in the Treasuries in a phased manner, the earlier deadlines for presentation of bills/claims in the Treasuries are modified as enumerated below:-

Sl.	Item	Previous Deadline	Deadline now prescribed
(i)	All bills pertaining to claims under the unit "Other Contingencies" and purchase of Machinery, Equipment & Vehicles, Share Capital Investment, Budgetary support in favour of Cooperatives, Industrial Enterprises, Public Sector Undertakings in shape of loan or Share Capital Investment and subsidy.	10.03.2008 as in Para-7 of F.D. Circular No.30857(237)/F dt.21.7.2007 and Para-4(viii) of F.D. Circular No.786(225)/F dt.05.01.2008.	10.03.2008. No Treasury shall entertain any of these Bills, after 10.03.2008 on any account.
(ii)	Resubmission of bills/cheques after due compliance, in respect of items as mentioned at (i) above which were objected to earlier.	Not indicated earlier	15.03.2008

Sl.	Item	Previous Deadline	Deadline now prescribed
(iii)	All other bills/cheques except the categories enumerated at (i) above.	15.03.2008 as in Para-7 of F.D. Circular No.30857(237)/F dt.21.7.2007 and Para-4(viii) of F.D. Circular No.786(225)/F dt.05.01.2008.	15.03.2008 Extension of this deadline would not be allowed on any account whatsoever.
(iv)	Resubmission of bills/cheques, after due compliance except those mentioned at (i), which were objected to earlier.	Not indicated earlier	20.03.2008
(v)	<p>Presentation of fresh bills involving payment in cash/bank draft relating to :-</p> <ul style="list-style-type: none"> ➤ <i>Relief expenditure,</i> ➤ <i>Energy charges,</i> ➤ <i>Telephone charges,</i> ➤ <i>House Building Advance,</i> ➤ <i>Vehicle Advance,</i> ➤ <i>Old age pension,</i> ➤ <i>Mid-day meal,</i> ➤ <i>Police Organisation,</i> ➤ <i>Jails,</i> ➤ <i>Home Election,</i> ➤ <i>State Election Commission,</i> ➤ <i>Non-plan revenue expenditure under the Major Heads of Account –</i> ✓ <i>3054-Roads and Bridges,</i> ✓ <i>2059-Public Works,</i> ✓ <i>2216-Housing,</i> ✓ <i>2202-Education,</i> ✓ <i>2210-Medical&Public Health,</i> ✓ <i>2211-Family Welfare,</i> <p>as recommended by the 12th Finance Commission.</p> <ul style="list-style-type: none"> ➤ 12th Finance Commission Grants for <ul style="list-style-type: none"> ▪ <i>Urban Local Bodies and PRIs</i> ▪ <i>Chilka Lake,</i> ▪ <i>Sewerage system for Bhubaneswar,</i> ▪ <i>Heritage Conservation</i> ▪ <i>Maintenance of Forests</i> <p>The State would lose a large amount of 12th Finance Commission grant for maintenance of Roads & Bridges and Buildings, Education and Health, if there is any</p>	15.03.2008 as in Para-7 of F.D. Circular No.30857(237)/F dt.21.7.2007 and Para-4(viii) of F.D. Circular No.786(225)/F dt.05.01.2008.	24.03.2008

Sl.	Item	Previous Deadline	Deadline now prescribed
	surrender of the provision for Non-Plan Revenue Expenditure (including 12th Finance Commission grant) for these areas. The Controlling Officers and the Drawing & Disbursing Officers are to guard against this eventuality at any cost.		
(vi)	Bills relating to SGRY, IAY, SGSY and ITDP to be paid by transfer credit to the P.L. Account of the concerned DRDAs/ITDAs and all other bills which are passed for payment by transfer credit to deposit heads.	15.03.2008 as in Para-7 of F.D. Circular No.30857(237)/F dt.21.7.2007 and Para-4(viii) of F.D. Circular No.786(225)/F dt.05.01.2008.	24.03.2008

4.

(i) Budgetary funds should not be transferred to Civil Deposit.

(ii) No bill/cheque/claim of any kind should be presented to the Treasury/Spl. Treasury/Sub-Treasury if the money to be withdrawn cannot be spent on or before 31.3.2008. Where the provision is not likely to be spent by 31.3.2008, the provision shall be surrendered under appropriate intimation to Finance Department in time. **Un-spent balance of funds drawn out of the budget provision for the year 2007-08 should be deposited in Government Account within 31.03.2008. Such un-spent balances should, on no account be carried over to the next financial year, as it will deflate the expenditure of the subsequent year on its refund to Government Account.**

(iii) Sufficient care should be taken to present the bills relating to Energy Charges, Expenditure on Relief, Schemes funded by ACA for KBK, Externally Aided Projects, Rural Electrification, BKVY, Dietary charges of Hospitals and Jails, Old Age Pension and 12th Finance Commission Award before the deadline i.e. 15th March/24th March as the case may be.

(vi) Under no circumstances should money be drawn and kept in D.C.R., Term Deposit, Bank Draft or in sealed bag or in any other form. Any such instance coming to notice would be treated as temporary misappropriation except when specifically authorized by Finance Department in writing.

5. The time schedule set out above must be adhered to without any deviation. Under no circumstances shall the accounts of any Treasury/Spl. Treasury/Sub-

Treasury be kept open beyond 31.03.2008 with a view to accommodating transactions of the current financial year. Collectors as heads of the Treasury administration in the Districts will enforce these restrictions in the interest of financial discipline as any deviation from the prescribed time schedule will cause undue delay in submission of the accounts to the Accountant General, Orissa.

6. As envisaged under S.R. 242 of O.T.C.Vol-I, money should not be drawn from the Treasury unless it is required for immediate disbursement. Instances have come to the notice of Govt. that money drawn by the D.D.Os. is being kept unutilized for indefinite period. This adversely affects the Ways and Means position of the State. Drawal and retention of funds results in deferment/deprivation of the expenditure on priority items which are linked with developmental activities. In order to prevent drawal of money and retention thereof in shape of cash/bank draft, the D.D.Os. must record a certificate on the body of the bills presented after 31st March, 2008 as follows :

- (i) That “the money drawn in cash/bank drafts upto the period 31.03.2008 has been disbursed by now except Rs. _____ which would be disbursed by 30.04.2008 at the latest. Similarly, while presenting the pay bill for April, 2008 to be paid on or after 01.05.2008, the D.D.O. must record a certificate that “all moneys drawn in cash/bank draft up to the period 31.03.2008 have been fully disbursed and no amount is lying un-disbursed with him”.
- (ii) While presenting the pay bill for the month of **May, 2008** onwards, the D.D.O. must record a certificate to the effect that “the money drawn in shape of cash/bank draft through the bills presented during the previous months has been disbursed except the money drawn in A.C. bills and the amount now proposed for withdrawal in this bill in shape of Cash/Bank draft shall be disbursed within a period of 15 days from the date of actual drawal from the Bank/Treasury”.

7. It is observed that the cash balance Certificate is being furnished in a routine manner although huge amounts remain un-disbursed for a long period, which seriously affects the Ways & Means position. The DDOs shall therefore furnish a cash balance report as on 15.04.2008 in the enclosed proforma (at Annexure-‘A’) to the Collector of the District by 21.04.2008 and the Collector in turn will report directly to Finance Department (Ways &

Means Branch) the name of DDOs who have drawn money up to 31st March 2008 but have not disbursed it by 15.04.2008. A copy of such report should also be endorsed to the concerned Heads of Department.

8. Instruction issued vide F.D. letter No. 27397 (425)/F dt.25.6.92 and Memo No.53931 (442)/F dt.19.12.92 regarding restrictions on heavy withdrawal of money at a time and its retention in unauthorised Bank accounts must also be strictly followed. It is reiterated that in case any D.D.O. is found to have kept Govt. money in the Bank or Post office after drawal from Treasury/Bank without specific prior approval of the Govt. in F.D., he/she shall be held personally liable. While scrutinising the bills to be presented during 2008-09, the Treasury Officers must check and ensure that a certificate is recorded on the body of the bill by the D.D.O. concerned to the effect that no amount of money drawn from Treasury/Bank has been kept in deposit account without specific prior approval of Finance Department.

9. The D.D.Os under the administrative control of the Departments may be instructed to strictly follow these instructions.

10. All the D.D.Os are requested to furnish to the Finance Department the balance in Civil Deposits as at the end of 2007-08 in the proforma enclosed as in Annexure-I & II by 21st April, 2008.

11. I would, therefore, request you kindly to take timely steps for sanction, release, re-appropriation, surrender and drawal of funds by the revised deadlines stipulated above in the interest of fiscal discipline and effective financial management. It should be noted that there will not be any further relaxation in the deadlines indicated above under any circumstances whatsoever.

Yours faithfully,

Sd/-

Principal Secretary to Government

Memo No. 9460(50)/F., dt. 1.3.2008

Copy forwarded to All Revenue Divisional Commissioners/All Collectors/Director of Treasuries and Inspection, Orissa, Bhubaneswar/Financial Adviser and Chief Accounts Officer, Balimela/Rengali (Left Bank)/Rengali (Right Bank)/Upper Kolab/Indravati/Subarnarekha/ Samal/ Mahanadi-Birupa Barrage Project/Kanupur Irrigation Project/Lower Indra/Lower Suktel/Anandapur Barrage Project/Asst. Financial Adviser & Chief Accounts Officer, Hirakud for information and necessary action.

Sd/-
Deputy Secretary to Government

Memo No 9461(4)/F., dt. 1.3.2008

Copy forwarded to Principal, Secretariat Training Institute, Bhubaneswar/Principal, Orissa Shorthand & Typewriting Institute, Bhubaneswar/Director, Madhusudan Das Regional Academy of Financial Management, Bhubaneswar/Director General, Gopabandhu Academy of Administration, Bhubaneswar for information and necessary action.

Sd/-
Deputy Secretary to Government

Memo No 9462(120)/F., dt. 1.3.2008

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

Sd/-
Deputy Secretary to Government

Memo No 9463(15)/F., dt. 1.3.2008

Copy forwarded to Chief General Manager, State Bank of India, Bhubaneswar/Regional Manager, State Bank of India, Bhubaneswar/Berhampur/Sambalpur/Deputy General Manager, United Bank of India, Bapuji Nagar, Bhubaneswar/Asst. General manager, UCO Bank, 25-A, Janapath, Unit-III, Bhubaneswar/Regional Manager, Central Bank of India, Janapath, Unit-III, Bhubaneswar/Zonal Manger, Bank of India, 12, Satyanagar, Bhubaneswar/Regional Manager, Indian Bank, Red Cross Building, Bhubaneswar/Regional Manager, Allahabad Bank, 150, Bapuji Nagar, Bhubaneswar/Assistant General Manager, Andhra Bank , 320-B, Sahid Nagar, Bhubaneswar for information and necessary action.

Sd/-
Deputy Secretary to Government

Memo No 9464(167)/F., dt. 1.3.2008

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

The instructions and stipulations indicated above should be enforced strictly and any deviation noticed will be viewed seriously.

Further, they are requested to furnish the information in the enclosed proforma-I & II (Department wise) by 21.4.2008 positively concerning Civil Deposit only. The Special Treasuries will furnish their information directly to Finance Department. The District Treasuries will furnish their information incorporating the information of Sub-Treasuries under their control.

Sd/-
Deputy Secretary to Government

ANNEXURE-I

**K-Deposits and advances-(b) Deposits not bearing Interest-8443-
Civil Deposits-800-other Deposits (Information be furnished Department-wise)**

Name of the Department	Balance as on 1.4.2007	Amount deposited from 1.4.2007 to 29.2.2008	Amount deposited during March, 2008	Total deposit during 2007-08 (3+4)	Total deposit up to the end of 2007-2008 (2+5)	Released during 2007-08	Balance of Civil Deposit as on 1.4.2008 (6-7)
1	2	3	4	5	6	7	8

ANNEXURE-II

(Information be furnished Department-wise)

Name of the Department	Name of the D.D.O.	Head of Account from which amount drawn and kept in Civil Deposit.	Amount	Nature of Claim	Whether drawn in A.C. Bill or D.C. Bill	Challan No. & Date of Credit to Civil Deposit
1	2	3	4	5	6	7

Annexure-‘A’
Cash Balance Report of DDOs. As on 15.04.2008

Name & Designation of the D.D.O.	Name of the Heads of Department/Administrative Department	Un-disbursed amount out of money drawn before 1.3.2008	Un-disbursed amount out of money drawn in March 2008	Total amount of un-disbursed money	Break up of the un-disbursed amount i.e. whether kept in cash/B.D./Banker's Cheque/DCR or in unauthorized Bank Account.	Reasons for drawal & retention of the un-disbursed amount in violation of SR 242 of OTC Vol-1.
1	2	3	4	5	6	7

Signature
Designation of D.D.O