

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 21608, dated 31.07.2024
FIN-WM-BT-0001-2024

From

Saswat Mishra, I.A.S.,
Principal Secretary to Government.

To

**The Additional Chief Secretaries/
Principal Secretaries/
Commissioner-cum-Secretaries/
Secretaries to Government/
All Departments
All Heads of Departments**

Sub: Regulation of Expenditure out of the Vote on Account for two months of the year 2024-25 beginning from 1st August, 2024 to 30th September, 2024.

Madam/Sir,

I am to say that keeping in view the General Election, 2024, the Vote on Account was taken for the first four months of the financial year 2024-25 and is valid till end of July, 2024. Completing legislative process for getting appropriation of the full budget would require time. Hence, in order to continue the expenditure for the ongoing activities during August and September, 2024, there will be Vote on Account appropriation for the month of August and September, 2024. The Administrative Departments will be authorized to incur expenditure for two months of the Financial Year 2024-25 beginning from 1st August, 2024 to 30th September, 2024 as soon as the Appropriation (Vote on Account No.2) Bill for 2024-25 is passed by the State Legislature and enacted.

*Classification
of Budgetary
provision &
expenditure*

2. The Budgetary provision and expenditure of the State Government have been classified into the following four broad categories.

A. Administrative Expenditure:

- (i) Establishment, Operations & Maintenance (EOM) Expenditure
- (ii) Debt Servicing Expenditure

B. Programme Expenditure:

- (i) State Sector Schemes
- (ii) Central Sector Schemes
- (iii) Centrally Sponsored Schemes

C. Disaster Response Fund:

- (i) State Disaster Risk Management Fund (SDRMF)
- (ii) National Disaster Risk Management Fund (NDRMF)

D. Transfers from State:

- (i) Union Finance Commission Transfers to Local Bodies
- (ii) State Finance Commission Transfers to Local Bodies
- (iii) Other Transfers

3. The Departments should carefully chalk out their work programme from beginning of the month of August of the financial year and make available the provision made in the Demand for Grants and Appropriations within the overall limit indicated in the Voted, Charged, Revenue and Capital section of the Vote on Account under column (5) and (6) of the Vote on Account, 2024-25 to the spending Units. The guiding principles and modalities for sanction and release of funds in terms of the Vote on Account for two months of the 2024-25 beginning from 1st August, 2024 to 30th September, 2024 are specified below.

*Guiding
Principles for
implementation
of Budget*

4. While sanctioning funds, the following guidelines are to be observed by all the Departments including the 20 Departments covered under the Cash Management System.

(i) Expenditure on creation of capital assets and completion of projects; economy in Administrative Expenditure on establishment, operations and maintenance should be given top most priority.

(ii) Funds should be released according to a definite action plan for achieving the quantifiable physical target fixed for the year. **The Secretaries of Administrative Departments are to review physical achievement against expenditure by 15th of every month against monthly/quarterly targets.**

(iii) **Central Sector Schemes and Centrally Sponsored Schemes:**

(a) **Normally, expenditure for these schemes is to be made against availability of Central Assistance only during 2024-25.** Instances have come to notice of Finance Department that the Administrative Departments are presenting bills in the treasuries for drawal of fund only on the basis of sanction order issued by the respective Line Ministry of Government of India without checking the position of receipt of

central assistance by the State Government. The position of receipt of central assistance is updated every day in the Finance Department website (<https://finance.odisha.gov.in/important-links/receipt-central-assistance>). **The concerned scheme officer and Financial Advisor/ Assistant Financial Advisor should check position of receipt of CA from the website of Finance Department before sanction/release/drawal of funds.**

- (b) However, in case of urgent necessity for release of funds for continuing Central Sector Schemes and Centrally Sponsored Schemes, the Administrative Departments can incur expenditure to the extent of 50% of the provision under the respective scheme or 50% of the annual allocation made by the concerned line Ministry of Government of India whichever is less, during August to September, 2024 pending receipt of Central Assistance under these schemes with concurrence of the Financial Advisor/Assistant Financial Advisor. Further, in case of continuing schemes, the Administrative Departments can incur expenditure on the salary component up to 50% of the provision, during August to September, 2024 in anticipation of receipt of Central Assistance up to 30.09.2024 without concurrence of Finance Department **subject to the overall limit indicated in the Voted, Charged, Revenue and Capital section under column (5) and (6) of the Vote on Account, 2024-25.** *However, calculation of such threshold expenditure will include the previous expenditure incurred up to July, 2024.* On receipt of Central Assistance, it will be first adjusted towards the advance release made by the State Government.
- (c) The Administrative Departments should furnish Utilisation Certificate and Statement of Expenditure in time to the respective line Ministries of Government of India in order to obtain the Central Assistance due.
- (d) Ministry of Finance, Government of India have issued detailed procedure and guidelines for release of funds to the States under the Centrally Sponsored Scheme. Besides, they have introduced an alternative fund flow mechanism named **SNA-SPARSH Model** for “just-in-time” release of Centrally Sponsored Schemes (CSS) funds through an integrated framework of PFMS, State

IFMIS and e-Kuber platform of Reserve Bank of India (RBI) in a progressive manner. The names of schemes and States to be covered under the SNA-SPARSH model are to be notified by them from time to time. Accordingly, Government of Odisha has adopted the alternative fund flow mechanism i.e. **SNA-SPARSH Model** to bring about more efficiency in cash management in the State. The detail procedure and guidelines issued by Government of India and State Government for release of funds under CSS as well as for implementation of SNA SPARSH Model shall be strictly followed by all the concerned Departments.

(iv) 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.

(v) The Administrative Departments would obtain necessary approval of Project Approval Committee/Empowered Committee for sanction of the provision made in their Demand for Grant for share capital/loan/Grant in Aid/Subsidy to PSUs and Co-operatives following due process and procedure.

(vi) In case any Administrative Department intends to grant any relief to any PSU/Co-operative in recovery of outstanding Government dues while releasing Share capital/loan or subsidy, prior concurrence of Finance Department would be necessary.

(vii) Statutory dues viz. Sales Tax/VAT, GST, Municipal Tax, compensation for land acquisition etc. as well as electricity dues, water charges and Rents, Rates & Taxes, both current and arrears, should be cleared on the basis of provision made in the Budget after verification and scrutiny and rebate where-ever available should be availed. **If any delayed payment surcharge is levied, it would be the personal responsibility of the concerned Head of Office/DDO.** The DDOs shall use the online system i.e. Government Consumer Revenue Collection System (GCRCS) for electronically receiving electricity bills, making payment and periodic monitoring of pending bills. However, they are required to record a certificate on the body of the bill to be presented in Treasuries in respect of electricity dues that **"the payment relates only to the official use/ consumption and does not include any dues related to residential connection"**.

(viii) 30% of the annual allocation under M.V., Telephone, T.E. and Office Expenses should be distributed in such a manner so that it

will meet the requirement for two months of the Financial Year 2024-25 beginning from 1st August to 30th September, 2024.

(ix) The maintenance expenditure under **Administrative Expenditure {Establishment, Operations and Maintenance (EOM) Expenditure}** for Roads & Bridges, Buildings, Urban Water Supply, Rural Water Supply, Major, Medium & Minor Irrigation, Flood Control Work etc. should be limited to 30% of the Annual Provision and spent according to the Annual Maintenance Plan formulated by the concerned Administrative Department in consultation with Finance Department. However, the allocation for O & M expenditure in respect of Urban Water Supply, Rural Water Supply, Major, Medium & Minor Irrigation, Flood Control Work etc. may exceed the limit of 30% of Annual Provision in case of necessity in consultation with Financial Advisors of the Departments **subject to the overall limit indicated in the Voted, Charged, Revenue and Capital section under column (5) and (6) of the Vote on Account, 2024-25**. While exceeding the expenditure limit of 30% of Annual provision, the Administrative Departments shall ensure that the expenditure already incurred under the respective unit from 1st April, 2024 to 31st July, 2024 is included and in no case the *total expenditure so incurred* exceeds the Annual provision. Distribution of allocation among the administrative units must be in accordance with the approved Annual Maintenance Plan. The Financial Adviser/A.F.A. of the concerned Department shall be Nodal Officer for the purpose, who shall coordinate with the line agencies and compile the Annual Maintenance Plan. Expenditure for maintenance of capital assets should be made only as per the Annual Maintenance Plan duly vetted by Finance Department.

(x) **Creation of posts would require prior concurrence of Finance Department.** Proposals for creation and filling up of posts should be made only if the posts are essential for delivery of public services or developmental needs. Proposals for creation of new posts should be accompanied with detail position of sanctioned strength, men in position and vacancy of all categories of posts of the concerned Department. Before processing such proposals, the Administrative Department should make an assessment of the redundant posts available in their Department which can be abolished in lieu of creation of the new posts. In case men are in position against the redundant posts, the Administrative Department may also propose for suitable redeployment of such personnel. Proposals for creation of new posts shall not be considered by Finance Department unless the same is accompanied with an

assessment of available redundant posts. Besides, creation of new posts would be considered by Finance Department only if at least 85% of the sanctioned posts of the relevant category have been filled up. Permission of the Empowered Committee constituted in terms of Finance Department Resolution No. 22989/F, dated 05.08.2014, would be required for filling up of base level vacant posts meant for direct recruitment. While submitting such proposals, the Administrative Department are to prepare Memorandum as stipulated at (III) of the above-mentioned Finance Department Resolution along with information required in Annexure-I, II and III thereof including assessment of redundant posts for abolition/re-deployment.

(xi) Finance Department encourages hiring of private vehicles in place of Government owned vehicles. In terms of Finance Department Office Memorandum No.22924/F, dated 14.08.2023, the Administrative Departments shall be competent to take a decision at their level for hiring of private vehicle for official use in substitution of existing Government vehicle after completion of the process of condemnation and scrapping of old vehicle. However, hiring sought without condemnation of existing vehicles and hiring of vehicles for new offices will require prior concurrence of Finance Department. The concerned Administrative Departments are required to strictly follow the instructions issued vide Finance Department letter No.5421/F, dated 14.02.2020 read with Finance Department Office Memorandum No.10335/F, dated 31.03.2023 for purchase of new vehicles.

(xii) Concurrence of Finance Department would not be necessary for purchase of machinery and equipment if it is within the overall limit of sanction of the Administrative Departments as well as overall limit indicated in the Voted, Charged, Revenue and Capital section under column (5) and (6) of the Vote on Account, 2024-25.

(xiii) **State Compensatory Afforestation Fund:** Provision has been made towards 'State Compensatory Afforestation Fund' in Demand No.22 in the Vote on Account, 2024-25. However, availability of provision in the Budget does not automatically entitle the Administrative Department for drawal of funds. It is contingent upon availability of balance in the State Fund. In other words, expenditure out of the Budget provision can only be made to the extent of the amount available in the State Fund. The Financial Adviser/AFA of Forest, Environment & Climate Change Department shall check availability of balance in the State Fund while processing proposals for sanction/drawal of funds out of Vote on Account, 2024-25.

Besides, the Forest, Environment & Climate Change Department is required to furnish copy of monthly breakup of estimated expenditure from 1st August, 2024 to 30th September, 2024 to Finance Department by 14th August, 2024.

*Sanction &
Release of
Funds from
Vote on
Account*

5. Expenditure to be incurred for new schemes or new services, existing establishments and ongoing schemes and programmes.

Sanction of expenditure for new schemes or new services, existing schemes where scope of the scheme is proposed to be altered substantially can only be made after completion of the process of appraisal and approval by competent authority subject to the provision made in the Vote on Account, 2024-25. Accordingly, the Administrative Departments are requested to follow the instructions mentioned below, while allocating funds and incurring expenditure in respect of each unit of appropriation out of the provision made in the Demand for Grants and Appropriations and limit indicated in the Vote on Account 2024-25.

(I) The Vote-on-Account appropriation for two months include 30% of Annual Provision for revenue expenditure, 40% for capital expenditure and 100% for disaster management, social security pension, judiciary and election related expenditure. **Expenditure under a minor head during 1st August , 2024 to 30th September, 2024 should ordinarily be limited to the provision under Administrative Expenditure, Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes) and Transfers from State made for the financial year, 2024-25, in the Demand for Grants and Appropriations.** However, the expenditure can be exceeded in the functional major/minor heads subject to the overall limit indicated in the Voted, Charged, Revenue and Capital section under column (5) and (6) of the Vote on Account, 2024-25, with prior concurrence of Financial Advisor/A.F.A of the Department. While exceeding the expenditure limit of the Annual provision, the Administrative Departments shall ensure that the expenditure already incurred under the respective unit from 1st April, 2024 to 31st July, 2024 is included and in no case the total expenditure so incurred exceeds the Annual provision.

(II) Detail unit of appropriation like Pay, DA, HRA etc. have been indicated below the minor head. The details of the

provision below the minor head up-to the unit of appropriation has been made available through the Budget Interface and Works expenditure module and placed in the Treasury portal (<http://www.odishatreasury.gov.in/www.ifmsodisha.gov.in>). Accordingly, the Administrative Departments/Controlling Officers need to assess their requirements under each unit of appropriation and issue allotment order to concerned DDOs. For assessment of the requirement under different units of appropriation, the following procedure shall be adopted.

a) **Allotments should be distributed to meet the requirement for a period of two month only for each unit of appropriation.**

b) For salary components, calculation should be made as follows:

i. Pay - 30% of the provision for 2024-25 should be distributed.

ii. **D.A at the prevailing rate should be worked out, on the requirement under Pay.**

iii. H.R.A. - As per the admissible rate for *two* months.

iv. Un-utilized leave salary of retired Government Servants and those retiring between 01.08.2024 to 30.09.2024 should also be paid in full.

(c) For non-salary components unit-wise provision should be calculated by taking 10% increase over the expenditure made in the year 2023-24 excluding the provision for non-recurring expenditure like purchase of vehicles and contingencies etc. The recurring expenditure under non-salary components is to be considered while calculating 30% of the unit-wise provision for the year 2024-25 for distribution.

i) The sectoral allocation i.e. provision made under Administrative Expenditure, Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes) and Transfers from State should be calculated separately keeping in view the limit of 30% of Annual Provision for revenue expenditure, 40% for capital expenditure and 100% for disaster management, social security pension, judiciary and election related expenditure.

- ii) Expenditure for the continuing Central Sector Schemes/Centrally Sponsored Schemes out of the Vote on Account, 2024-25, only should be considered, subject to the limit of Vote on Account and receipt of Central Assistance. The state share is to be released in accordance with receipt of Central Assistance. **However, in case of urgent necessity for release of funds,** the Administrative Departments can incur expenditure to the extent of 50% of the provision under the respective scheme or 50% of the annual allocation made by the concerned line Ministry of Government of India whichever is less, during August to September, 2024 pending receipt of Central Assistance under the scheme with concurrence of the Financial Advisor/A.F.A of the Departments. **Further, in case of continuing schemes, the Administrative Departments can incur expenditure on the salary component** up to 50% of the provision, during August to September, 2024 in anticipation of receipt of Central Assistance up to 30.09.2024 without concurrence of Finance Department with a stipulation that the expenditure already incurred under the respective unit from 1st April, 2024 to 31st July, 2024 is included and in no case the expenditure so incurred exceeds the Annual provision

Illustration :

*In case of a Centrally Sponsored Schemes with financing pattern of CS:SS - 60:40, if the budget provision is Rs.100.00 crore, on receipt of CS of Rs.30.00 crore, CS of Rs.30.00 crore together with SS of Rs.20.00 crore can be released, **subject to the overall limit indicated in the Voted, Charged, Revenue and Capital section under column (5) and (6) of the Vote on Account, 2024-25.***

Priority areas of expenditure

6. While releasing funds, priority should be given for programmes/schemes where expenditure is reimbursable, completion of the incomplete projects under the Zero Based Investment Review and State's Own Flagship Programme e.g.-
 (i) EAP, RIDF, LTIF and other Resource Tied up schemes under Programme Expenditure, (ii) Central Sector Schemes and Centrally Sponsored Schemes, (iii) State Sector Schemes under Programme Expenditure like ABADHA, BASUDHA,

Madhubabu Pension Yojana, Mission Shakti, MAMATA, Setu Bandhan Yojana, Parvati Giri Mega Lift, Gopabandhu Jana Arogya Yojana, Mukhyamantri Swasthya Seva Mission etc. (iv) Disaster Risk Management Funds.

*Submission of
Utilisation
Certificate*

7. While scrutinizing proposals for sanction of expenditure during 1st August, 2024 to 30th September, 2024 of the year 2024-25, the progress of submission of Utilization Certificate in respect of expenditure incurred up to the preceding month and expenditure incurred during 2023-24 should be reviewed by the Administrative Departments. It should be ensured that the implementing agencies utilize the scheme funds transferred to them. Before releasing money to the implementing agencies, it should be ensured that the implementing agencies have utilized the funds transferred to them in the previous years and the same is not lying unutilized and parked by the implementing agencies in Bank Account. **The Financial Adviser/AFAs of Administrative Departments and Financial Advisers and Chief Accounts Officer/Accounts Officers of Heads of Departments and other offices should strictly adhere to the instructions laid down in Finance Department letter No.23583/F, dated 10.07.2019.**

The following certificate shall be recorded in the Sanction Order for release of fund to implementing agency:

"the amount released to the implementing agency during 2023-24 has been utilized and the amount released prior to that has been fully utilized and the same is not lying unutilized & parked in bank account."

The time limit for submission of Utilization Certificate in respect of grant in aid provided by State Government and grants received from Government of India as enshrined in Odisha General Financial rules (OGFR), 2023 is to be scrupulously adhered to. The Financial Advisers and Assistant Financial Advisers are required to enforce the discipline while concurring in the proposal for sanction of grant-in-aid.

However, the Departments are required to strictly follow the revised guidelines issued by Department of Expenditure, Ministry of Finance, Government of India for release of funds under the Centrally Sponsored Schemes (CSS) and Central Sector Schemes.

*Even pacing of
expenditure*

8. (i) The flow of expenditure should be evenly paced and commensurate with the revenue receipts. Therefore, it is necessary to formulate quarterly and monthly expenditure plans from the beginning of the year to avoid rush of expenditure towards the year-end. In order to achieve this objective, completion of the

formalities relating to sanction and release of funds in the early part of the financial year would accelerate the pace of expenditure in the 1st three quarters. The expenditure in the last quarter of the financial year and in the month of March ought to be within 40% and 15% respectively of the Annual Budget provision.

(ii) **The system of Global Allotment regarding personal entitlements has been introduced vide Finance Department letter No. 9755/F dated 18.03.2020 by which the fund in respect of Budgetary units mentioned therein are to be allotted to the respective Controlling Officer by the Administrative Departments and the Drawing and Disbursing Officers (DDOs) have been allowed to draw funds as per the requirement from the central allocation available with the respective Controlling Officers.** There would be no need for distribution of allotment in respect of personal entitlements under the specified Heads/Units of expenditure below the level of Controlling Officer. Hence, the Administrative Departments will have to release the allotment relating to personal entitlements under the specified Heads/Units at one go **subject to the overall limit indicated in the Voted, Charged, Revenue and Capital section under column (5) and (6) of the Vote on Account, 2024-25.** In this regard, guidelines enshrined in Finance Department letter No.9755/F dated 18.03.2020 may be scrupulously followed.

(iii) **Similarly, the system of Global Allotment has also been introduced for Festival Advance and interest bearing advances like House Building Advance and Advance for purchase of Motor Car/Motor Cycle.** The budgetary allocation in respect of these advances is provided in Demand No.5-Finance Department centrally. Henceforth, it will not be required to make specific allotment of funds to the DDOs in respect of these advances which can be drawn following the detail procedure enshrined in Finance Department letter No. 33907/F dated 03.10.2019 and letter No. 9755/F dated 18.03.2020 **subject to the overall limit indicated in the Voted, Charged, Revenue and Capital section under column (5) and (6) of the Vote on Account, 2024-25.**

Online
distribution of
allotment to
DDOs through
Treasury
Portal

9. (i) **Instructions will be issued to all Departments to complete the process of distribution of allotments to the D.D.Os within the limit of expenditure mentioned in the Vote on Account, 2024-25 through Odisha Treasury Portal (<http://www.odishatreasury.gov.in/> www.ifmsodisha.gov.in).** The detailed DDO-wise Budget Allotments is to be distributed through Odisha Treasury Portal - (<http://www.odishatreasury.gov.in/> www.ifmsodisha.gov.in), in order to enable the Treasuries/Special Treasuries/Sub Treasuries

to check the bills against budgetary allotment through IFMS. **However, the budgetary units of appropriation which are covered under Global Allotment System need not be allocated to the DDOs by the respective controlling Officers.**

The detailed provision made in the Demand for Grants and Appropriations and the limit of expenditure indicated in the Vote on Account, 2024-25 will be made available in the Budget Interface and works expenditure module of IFMS Portal (<http://www.odishatreasury.gov.in> /www.ifmsodisha.gov.in) enabling Administrative Departments to distribute the allotments within the limit of expenditure mentioned in the Vote on Account.

Accordingly, the Treasury Portal should capture the unit-wise expenditure allowed against the provision made in the Demand for Grants and Appropriations and the limit of expenditure indicated in Vote on Account, 2024-25 and account for the expenditure against these units against the provisions made for the whole year after the Annual Budget, 2024-25 is passed by the Legislative Assembly and the related Appropriation Bill is enacted. The Treasuries and Sub-Treasuries should, therefore, **insist on full accounting classification i.e. detailed description from Major Head to Unit of appropriation in the Bills presented for drawal.**

(ii) Allotment for Works Expenditure of Forest, Environment & Climate Change, Rural Development, Water Resources, Housing & Urban Development, Energy & Works Department against Budget provision, N.H. Credit and Deposits based on budgetary allotment and accounts of the Division/Project, drawn through cheques, 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 budgetary allotment in respect of works expenditure to the Divisions/projects through Works Expenditure module of the Treasury Portal.

(iii) Separate expenditure sanction would also be necessary in case of Works expenditure/projects governed by Public Works Department Code, in terms of the provisions contained in Rule-17 (d) of the Delegation of Financial Powers Rules, 1978 as amended from time to time.

(iv) Guidelines for utilization of provisions made for different works under Programme Expenditure 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 for release of the budgetary allocation for these works.

10. Budgetary funds will in no case be transferred to Civil Deposit.

*Cash Management
System for 20
Departments*

11. Cash Management System is in operation in 20 key spending Departments. **For all these 20 Departments, the minimum level of expenditure up to the 3rd quarter i.e. 60%, not only under Administrative Expenditure, Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes) and Transfers from State taken together but also under Programme Expenditure alone is non-negotiable. Failure to reach the prescribed level of expenditure will result in resumption of the shortfall by Finance Department. Separate instructions will be issued by Finance Department in this regard**

(ii) Enhanced delegation for sanction of funds by the Administrative Departments covered under the Cash Management System : The Administrative Departments are authorized to sanction expenditure under Administrative Expenditure, Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes) and Transfers from State up to the limit of Monthly Expenditure Plan for the month of August and September, 2024 subject to the procedure and limit of expenditure indicated in paragraph-5 in respect of sanction and release of funds from Vote on Account including expenditure for grants and subsidies, subject to the stipulations prescribed in paragraph 4.

*General
limit of
sanction*

12. (I) General limit of sanction : The Administrative Departments not covered under the Cash Management System are authorized to sanction expenditure up to Rs.1500.00 lakh at a time under **Administrative Expenditure & Transfers from State** and Rs.3000.00 lakh under **Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes)** subject to the procedure and limit of expenditure indicated in paragraph-5 in respect of sanction and release of funds from Vote on Account. Sanction of expenditure exceeding these limits would require prior concurrence of Finance Department.

(II) Full power for sanction of expenditure in specific cases: Notwithstanding the limits indicated at Sub-Para (I) above but subject to the procedure and limit of expenditure indicated in paragraph-5 in respect of sanction and release of funds from Vote on Account, the Administrative Departments are fully empowered to sanction expenditure for:

- (a) Provisions made under **Disaster Risk Management Funds** against Relief expenditure and provisions made under **Administrative Expenditure and Programme Expenditure** towards Grant-in-aid (salary) for Aided Educational Institutions, Scholarship and Stipend to SC & ST Students, SOAP, NOAP, ODP, Modernization of State Police Force (including advance payment to Ordnance Factories for procurement of arms and ammunitions), judiciary, election and other Security Related Expenditure.
- (b) All resource-tied up schemes and State's Own Flagship Programmes like BASUDHA, Madhubabu Pension Yojana, Gopabandhu Jana Arogya Yojana, Mukhyamantri Swasthya Seva Mission, Setu Bandhan Yojana, under **Programme Expenditure**.

13. All Administrative Departments including those covered under the Cash Management System would be required to obtain prior approval of Finance Department/Planning and Convergence Department as the case may be before releasing funds in respect of schemes/provisions reserved for **Post Budget Scrutiny**.

14. (i) As stipulated in Subsidiary Rule 242 of OTC, Volume-I, money should not be drawn from the Treasury unless it is required for immediate disbursement. Besides, it is stipulated in Rule-25 (1) of O.G.F.R, 2023 that unless otherwise expressly authorized by any law or rule or order having the force of law, moneys may not be removed from the Government Account for investment or deposit elsewhere without the consent of the Finance Department. Further, Rule-141 (3) of Odisha Budget Manual provides that no money should be drawn from the Treasury unless it is required for immediate payment. It is not permissible to draw money from the Treasury and keep them in Banks without sanction of Finance Department. Money should not be drawn from the Treasury simply on the ground that the charges have been sanctioned by competent authority. Nor is it permissible to draw money from the Treasury and then place it in deposit in order to avoid lapse of allotment. The system of electronic disbursement of Government payments directly to the beneficiary account has been introduced vide Finance Department O.M. No. 27444/F, dated 26.7.2012 with the objective of direct payment to the beneficiaries and vendors and to prevent parking of funds in bank accounts by the DDOs. However, instances have come to the notice of Government that money drawn by the DDOs 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, instructions have been issued vide Finance Department letter No.8393, dated 28.03.2024 that the DDOs must record a certificate on the body of the bills presented after **31st March, 2024** as follows:

"the money drawn in cash/bank drafts/ deposited in current account up to the period 31.03.2024 has been disbursed by now except Rs. _____ which would be disbursed by 30.04.2024 at the latest".

Similarly, it was instructed that while presenting the pay bill for **April, 2024** to be paid on or after 01.05.2024, the D.D.O must record a certificate that:

"all money drawn in cash/bank draft/ deposited in current account up to the period 31.03. 2024 have been fully disbursed and no amount is lying un-disbursed with him".

(iii) Besides, it was further indicated that while presenting the pay bill for the month of **May, 2024** onwards, the D.D.O. must record a certificate to the effect that:

"the money drawn in shape of cash/bank draft / deposited in current account 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".

(iv) It was also instructed that while scrutinizing the bills to be presented during 2024-25, 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. This should be strictly followed.

(v) It is observed that though the cash balance Certificate is being furnished in a routine manner still huge amounts remain undisbursed for a long period, which seriously affects the Ways & Means position. **The DDOs were instructed to furnish a cash balance report as on 30.04.2024 in the enclosed proforma (at Annexure) to the Collector of the District by 08.05.2024. The Collector in turn was required to report directly to Finance Department (Ways & Means Branch) by 15.05.2024, the name of DDOs who have drawn money up to 31st March 2024 but have not disbursed it by 30.04.2024. A copy of such report should**

also have been endorsed to the concerned Heads of Department".

However, it is seen that the cash balance report has not been received in Finance Department from any Collector. The concerned DDOs and Collector of the respective districts are once again requested to submit the cash balance report to Finance Department (Ways & Means Branch) forthwith.

(vi) Instructions have been issued vide Finance Department letter No.23583/F, dated 10.07.2019 and letter No.32215/F, dated 21.11.2014 that money should not be drawn from the Treasury by the DDOs unless it is required for immediate disbursement. Unauthorized parking of Government money in Bank Account in contravention of financial rules and instructions issued by Finance Department is strictly prohibited. **It has been stipulated in the above mentioned circulars of Finance Department that if any such instance of un-authorized parking of money is noticed, the concerned DDO shall be liable for disciplinary action under Rule -15 of the OCS (CC&A) Rules, 1962.** As per instructions issued vide Finance Department Circular No. 32215/F, dated 21.11.2014, the Heads of Department and Collectors shall cause enquiry into the matter of unauthorized parking of Government money in bank accounts after obtaining information from the Treasury Officers/ Drawing and Disbursing Officers/Autonomous Agencies of the Districts. In case, instances of irregularity are found, the matter should be reported to respective Heads of the Department/ Administrative Department. **They should take disciplinary action against the concerned sanctioning authority as well as the DDO, committing such irregularity, under intimation to Finance Department and ensure that funds are drawn and transferred to implementing agencies only for actual expenditure and not for parking in Bank Account. The sanctioning authority and the Drawing & Disbursing Officers shall strictly follow these instructions.**

Administrative Departments are to sanction and release funds for expenditure out of the Vote on Account, 2024-25 in accordance with the aforesaid instructions.

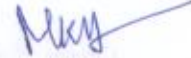
Yours faithfully,



Principal Secretary to Government

Memo No. 21609 /F, **dated** 31.07.2024

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



Joint Secretary to Government

Memo No. 21610 /F, **dated** 31.07.2024

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



Joint Secretary to Government

Memo No. 21611 /F, **dated** 31.07.2024

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



Joint Secretary to Government

Memo No. 21612 /F, **dated** 31.07.2024

Copy forwarded to all Public Sector Undertakings/Cooperative Institutions for information & necessary action. The aforesaid guidelines should be scrupulously followed.



Joint Secretary to Government

Memo No. 21613 /F, **dated** 31.07.2024

Copy forwarded to all Collectors/all Controlling Officers for information and necessary action.

Nem

Joint Secretary to Government

Memo No. 21614 /F, **dated** 31.07.2024

Copy forwarded to the Director of Treasuries & Inspection, Odisha, Bhubaneswar / all Treasury Officers / Sub-Treasury Officers for information and necessary action.

Nem

Joint Secretary to Government

Memo No. 21615 /F, **dated** 31.07.2024

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

Nem

Joint Secretary to Government

Annexure**CASH BALANCE REPORT OF DDOS AS ON 30.04.2024**

Name & Designation of the D.D.O.	Name of the Heads of Department/ Administrative Department	Un-disbursed amount out of money drawn before 01.03.2024	Un-disbursed amount out of money drawn in March, 2024	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.