

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. **8832** _____/F.,

Dt. **12.03.2019**

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From

**Shri A. K. K. Meena, IAS
Principal Secretary to Government.**

To

**The Additional Chief Secretary/
Principal Secretary/
Commissioner-cum-Secretary
(All Departments)**

Sub: **Opening of Bank Accounts and Parking of Funds by DDOs.**

Madam/Sir,

This has come to notice that the DDOs are opening Bank Accounts and parking idle funds in different banks without following any norms. As per prudent financial propriety as mandated in SR- 242 of Odisha Treasury Code, Volume -I, no money should be drawn from the treasury without immediate requirement. Instructions were issued to all Administrative Departments to avoid drawl of scheme/programme funds without immediate requirement and parking money in Bank Accounts vide FD letter No. 32215/F., dated 21.11.2014(Copy enclosed) Whenever there is a need to do so, it must be ensured that the schematic funds should be deposited in a single account for a particular scheme and not in multiple accounts. The amounts should be kept in a bank empanelled by Finance Department and located in the same headquarters or within the territorial jurisdiction of the concerned DDO. In case of unbanked GPs, the funds should be deposited in the bank branch in any nearby GP within the Block or at the Block headquarters. In no case, the funds should be deposited in any bank outside the jurisdictional area of the DDO concerned. No new account should be opened in any bank unless and otherwise it is necessitated nor should the deposit be withdrawn from one bank and deposited in the other without any valid reason.

2. When there is any surplus fund, which is not likely to be spent in the immediate future or during the same financial year, it should be kept in a flexi account or in term deposits. In such cases, quotations may be called for from the banks operating within the jurisdictional area of the DDO and the bank offering higher rate of interest should be preferred. Where the scheme guidelines prescribe for deposit of the amount in the current account, this condition will not apply. However, this should apply to all PSUs and Agencies under the State Government.
3. The DDOs must ensure reconciliation of the bank deposits with the cash book at the end of each month to cross check the accuracy of the transactions and avoid any possible error or omission.
4. Any bank account being operated by any DDO contrary to the above principles should be closed forthwith and the funds should be kept in the bank strictly in light of these instructions.
5. Violation of these instructions by any DDO will be treated as a financial irregularity and the DDO will be held personally responsible for such lapses.

Principal Secretary to Government