

**GOVERNMENT OF ORISSA
FINANCE DEPARTMENT**

No. WM-14/2005/19274(225)/F., Dt. 25.04.2007

From

**Shri R. N. Senapati, I.A.S.,
Principal Secretary to Government.**

To

**All Principal Secretaries/ Secretaries to Government
All Heads of Departments.**

Sub : Procedure for regulating release of funds from Civil Deposit during 2007-2008.

Sir/Madam,

I am directed to say that in many cases, funds which were sanctioned for expenditure could not be drawn in cash and were kept in Civil Deposit under the Head of Account "8443-Civil Deposit-800 other deposits". These funds should be withdrawn and utilized for the purpose for which those were sanctioned in a gradual manner so as not to affect the ways & means position as well as implementation of budgeted programmes of the Government in 2007-08. Civil Deposit releases would have direct effect on liquidity and resources as these are carried over expenditure from earlier financial year. **The balance available in Civil Deposit should not be treated as free resource available for expenditure and no drawal or expenditure commitment shall be made in violation of the instructions contained herein.** In order to regulate withdrawal of funds from Civil Deposit so as not to strain the Ways & Means position of the State Government, the following guidelines should be followed by all Departments and Sub-ordinate offices during the year 2007-2008.

2. i) Withdrawal of advance compensation money deposited by Collectors under the Minor Heads – "111- Other Departmental Deposits" and "117-Deposits for Work Done for Public Bodies or Private Individuals" under the Major Head "8443-Civil Deposit" will be made by the depositor.

ii) In case of all other claims the procedure of drawal shall be as follows:

a) Where the amount of Civil Deposit in a particular case does not exceed Rs.10.00 lakh, the Head of Department may sanction withdrawal from Civil Deposit without referring to the Administrative Department for approval.

b) Where the amount of Civil Deposit exceeds Rs.10.00 lakh but does not exceed Rs.200.00 lakh, the Administrative Department may sanction withdrawal from Civil Deposit without referring the matter to the Finance Department.

c) Where the amount of Civil Deposit exceeds Rs.200.00 lakh, the sanction of withdrawal from the Civil Deposit would be accorded by the Administrative Department only after obtaining concurrence of the Finance Department.

d) However the restriction at clause (c) above will not apply to withdrawal from Civil Deposit made out of the budgetary provisions for ACA for KBK, Centrally Sponsored Non plan Scheme for Mordernisation of State Police Force/

Mordernisation of Prison Administration/OBB/Extended OBB Schemes and programmes / schemes under grants recommended by the 12th Finance Commission. The Administrative Departments are authorized to allow release of funds for these schemes/programmes with the concurrence of their Financial Advisors/Asst. Financial Advisors. Health and Family Welfare Department is authorized to draw the fund from civil deposits without referring to Finance Department in respect of civil deposit made in 2005-06 and 2006-07 for Equipment, Medicine, Bedding, Clothing etc.

e) The above authorization under clauses (a) and (b) does not cover cases where funds have been drawn and kept in Civil Deposit by augmenting provision through re-appropriation. Similarly such authorization is not applicable to cases where Finance Department had made some specific stipulations while concurring in the proposal to keep the amount in Civil Deposit. In all such cases, prior concurrence of the Finance Department would be necessary.

f) Release of funds relating to Central Plan Schemes and Centrally Sponsored Plan Schemes from Civil Deposit shall in all cases be referred to the Finance Department, irrespective of the amount involved. While referring such cases the Administrative Department should specifically indicate if Central Assistance due has been released by the Government of India in respect of the CP/CSP Schemes. Further it should be indicated by the Administrative Deptt. if the withdrawal sought for will ensure further release of central assistance/central share under the respective central plan/centrally sponsored plan schemes. All such proposals for release must also indicate the upto date position of Central Assistance received, expenditure incurred and U.C. submitted.

g) In case of deposits made out of funds sanctioned under State plan (EAP), it should be indicated if the proposed withdrawal will bring in additional central assistance under the scheme.

h) Notwithstanding anything contained hereinbefore, funds which are lying in Civil Deposit for more than three years should not be drawn without concurrence of Finance Deptt. Such unspent balances lying for more than three years should be allowed to lie over. No expenditure commitment should be made for such funds. However, funds relating to ACA for KBK, Modernization of State Police Force, Modernization of Prison Administration and OBB/Extended OBB Schemes may be released from Civil Deposit by the Administrative Departments with the concurrence of their Financial Advisors/AFAs even if the deposits are more than three years old.

3. It has been noticed that some Departments in anticipation of concurrence of Finance Department for release of funds from Civil Deposit have gone ahead with contracts/work orders. They should not create any liability on these accounts without seeking permission for withdrawal.

4. Proposal for sanction of withdrawal from Civil Deposit shall in all cases be accompanied by detailed information as indicated in Annexure. The Drawing Officer while furnishing proposal must record a certificate to the effect that he has personally verified the correctness of deposit and that he shall be personally responsible for any double drawal or wrong drawal. Such certificate shall be recorded while furnishing information by the DDO in Annexure, as well as on the body of the bill to be presented to the Treasury. In the

sanction/release order, it is to be clearly mentioned as to whether the same has been duly concurred in by the Head of the Department/Administrative Department/Finance Department, as the case may be, in which case the Memo No./UOR No. is to be invariably quoted.

5. All proposals of release from Civil Deposit when referred to Finance Deptt. should invariably have the detailed comments of the F.A./A.F.A. of the Administrative Department. They should always ensure that the amount proposed for withdrawal from Civil Deposit is to be utilized for the purpose for which it was sanctioned. No deviation should be made from this cardinal principle of public expenditure. The F.A./A.F.A. of the Deptt. should indicate in the file the amount lodged in Civil Deposit, the amount withdrawn earlier, the balance left un-drawn and urgency of release. Besides, it should be stated if the amount will be utilized for the purpose it was sanctioned. Similarly the delegation made vide para 2 (ii) (a) & (b) may be exercised in consultation with the F.A./A.F.A. or F.A. and C.A.O. as the case may be.

6. It may kindly be noted that each deposit is a separate case for withdrawal from Civil Deposit and cases of deposits should not be clubbed together while referring the file to Finance Department. As each deposit is identified by a Treasury Challan Number, the amount to be withdrawn should always be mentioned with reference to the particular Treasury Challan number in the proposal for withdrawal which should also be quoted invariably in the release order.

7. Withdrawal from Civil Deposit should not be made unless money is immediately required for disbursement. Heads of Departments and the Administrative Departments should permit release from Civil Deposit considering the urgency and necessity of withdrawal in each case and after ascertaining that all procedures necessary to be completed before incurring expenditure have been duly completed. If after drawing fund from civil deposit, the money has been kept idle for more than 7 days, the concerned DDO shall be personally liable for recovery of the loss sustained by Government from his personal entitlements including his retirement benefits.

8. It is hereby made clear that it is the full responsibility of the authorities sanctioning withdrawal of funds from Civil Deposit with regard to its correctness, genuine necessity of drawal and observance of prescribed procedure. Concurrence of Finance Department is with reference to the monetary limit for drawal, but Finance Department has no material at their end to dispute the claim made by the Administrative Department regarding the correctness and genuineness.

9. This supersedes all previous instructions issued by Finance Department relating to release of funds from Civil Deposit.

10. All Drawing and Disbursing Officers under your administrative control may be instructed accordingly.

Yours faithfully,

**Sd/-
Principal Secretary to Government**

Memo No. 19275(45)/F., Dtd.25.04.2007

Copy along-with Annexure forwarded to all Officers of Finance Department for information and necessary action. Proposals may be scrutinized keeping in view the necessity of the expenditure and completion of all required formalities etc. Clearance of Ways & Means Branch may be taken in the matter of release of funds from Civil Deposit. It is requested that the proposals may be scrutinized keeping in view the desirability and necessity of purchase and completion of the formalities etc. before recommending the release to Ways & Means Branch of Finance Department.

Sd/-
Deputy Secretary to Government

Memo No. 19276(61)/F., Dtd.25.04.2007

Copy alongwith Annexure forwarded to all Branches of Finance Department for information & necessary action.

Sd/-
Deputy Secretary to Government

Memo No. 19277/F., Dtd.25.04.2007

Copy alongwith Annexure forwarded to the Director of Treasuries and Inspection, Orissa for information & necessary action.

Sd/-
Deputy Secretary to Government

Memo No. 19278(210)/F., Dtd.25.04.2007

Copy alongwith Annexure forwarded to all Treasuries/Special Treasuries/Sub-Treasuries for information & necessary action.

Sd/-
Deputy Secretary to Government

