

# The Orissa General Financial Rules



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**GOVERNMENT OF ORISSA**

**THE ORISSA GENERAL FINANCIAL RULES**

**VOLUME I**

**THIRD**

**EDITION**

(Corrected up to 31<sup>st</sup> August 2000)

**FINANCE DEPARTMENT**

## PREFACE

The Orissa General Financial Rules follows generally the provisions contained in the General Financial Rules of the Government of India so far as they could be adapted for application to the financial transactions of the State Government. The Financial Rules contained in the Bihar and Orissa Account Code, in the Civil Account Code and in other general orders and instructions have also been taken into account in the new compilation, Special Rules relating to the Works and Forest Departments contained in the Bihar and Orissa Account Code have, however been excluded from this book for inclusion in the Codes of the Departments concerned. Matters relating to the Treasury procedure which were included in the Bihar and Orissa Account Code do not find place in this publication as those will be found in the Orissa Treasury Code.

Most of the Appendices and forms contained in Vol. II of the Government of India General Financial Rules have also been adapted with such modification as are considered necessary.

2. These rules should be observed by all Departments and authorities under Government supplemented by such special orders and instructions if any, contained in any departmental regulations. They supersede all previous rules and orders issued on the subject.

3. An explanatory memorandum showing the source of each of the rules and a reference table indicating each of the old rules and corresponding new rule in the publication has been added at the end of Vol. I for facility of reference.

4. The forms Prescribed in these rules have been distinguished by being grouped in a series marked "O.G.F.R." and will be obtained from the Superintendent, Government Press, Cuttack, in accordance with the procedure prescribed by Government for obtaining forms from the Government Press.

5. These rules shall come into force with effect from the 1<sup>st</sup> April 1959.

Cuttack  
The 23<sup>rd</sup> August 1957

R.P. PADHI  
Secretary to Government  
Finance Department

## **PREFACE TO THE FIRST EDITION (FIRST REPRINT)**

The Orissa General Financial Rules were published in two volumes (Volume I and II) in the year 1959. In the meantime several amendments have been made to these rules. Besides, the stocks of the publication having been exhausted difficulties are being experienced in conducting official business. It has, therefore, been decided to reprint the publication with amendments issued up to 10<sup>th</sup> December 1971.

Bhubaneswar  
The 11<sup>th</sup> December 197

J.S. BAIJAL  
Secretary to Government  
Finance Department

## **PREFACE TO THE SECOND EDITION**

Report of First Edition of the Orissa General Financial Rules, Volume I containing amendments issued up to the 10<sup>th</sup> December, 1971 was last published in 1972. Several amendments have since been made for which a fresh edition of the publication has been found necessary. Additions and alternations made up to the 31<sup>st</sup> October 1987 have been incorporated in this edition.

Any error or omission noticed in the publication may be brought to the notice of Finance Department.

Bhubaneswar  
The 23<sup>rd</sup> November 1987

R.N. DAS  
Commissioner-cum-Secretary to Government  
Finance Department

## **PREFACE TO THE THIRD EDITION**

The Orissa General Financial Rules, Volume I was first published in the year 1959 and subsequently reprints were published in 1972 and 1987. In the meantime several amendments have been made to these rules and copies have also become scarce. This reprint is being brought out to meet the demand for an updated version incorporating all amendments issued up to the 31<sup>st</sup> August 2000.

Any error or omission noticed in the publication may be brought to the notice of Finance Department (Codes Branch)

Bhubaneswar  
The 1<sup>st</sup> September 2000

A.S. SARANGI  
Commissioner-cum-Secretary to Government  
Finance Department  
Orissa, Bhubaneswar

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**THE ORISSA GENERAL FINANCIAL RULES**  
**VOLUME 1**

**CHAPTER 1**

**INTRODUCTORY**

1. The rules contained in this volume, which are essentially executive orders of the Governor, describe primarily the financial powers of different authorities subordinate to the State Government and the procedure prescribed by the Governor which should be followed by them in the securing and spending of funds necessary for the discharge of these functions entrusted to them. In the matter of receipt, custody and disbursement of Government moneys, these rules are supplementary to the rules in the Orissa Treasury Code and should be applied in conjunction with them. Departmental authorities should follow these rules, supplemented or modified by the special rules and instructions, if any, contained in their departmental regulations and other special orders applicable to them.

**DEFINITIONS**

2. Unless there is anything repugnant in the subject or context, the terms defined in this chapter are used in these rules in the sense hereby explained.

(i) **Accountant - General** - means the head of the office of audit and accounts subordinate to the Comptroller and Auditor- General of India who keeps the accounts of the State and exercises audit functions on behalf of the Comptroller and Auditor- General of India.

(ii) **Appropriation** - means the assignment to meet specified expenditure of funds at the disposal of the assigning authority.

(iii) **The Bank** - means the Reserve Bank of India or any office or agency of the Reserve Bank of India and includes any branch of the State Bank of India acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (Act II of 1934).

(iv) **Comptroller and Auditor- General-** means the Comptroller and Auditor-General of India appointed under Article 148 of the Constitution of India.

(v) **Consolidated Fund Account-** means the Account of the State into which the revenues received by the Government, loans or ways and means advances taken by the Government, moneys received by the Government in repayment of previous loans and receipts by issue of treasury bills, are credited and from which the expenditure of the Government, when so authorized by the State Legislature, is met.

(vi) **Contingency Fund Account-** means the account of the moneys placed at the disposal of the Governor to enable advances to be made by him, for meeting unforeseen expenditure pending authorization of such expenditure by the State Legislature under appropriations made by law.

(vii) **Competent authority-** means Government or any other authority to which the relevant powers may be delegated by Government.

(viii) **Constitution-** means the Constitution of India.

(ix) **Controlling Officer-** means a Head of a Department or other Departmental officer who is entrusted with the responsibility of controlling the incurring of expenditure and or the collection of revenue by the authorities subordinate to the Department.

(ix-a) **Drawing and Disbursing Officer-** means a Departmental officer who is entrusted with the responsibility of drawing and disbursing funds of the Government.

NOTE- Administrative Departments/ Heads of the Departments shall be competent to declare Gazetted Officers under their Administrative Control as Drawing and Disbursing Officer in respect of specific establishments.

(F.D.O.M. No.- Codes 92/76-57970/F, dated the 9<sup>th</sup> December, 1976)

(x) **Finance Department-** means the Finance Department of the Government of Orissa

(xi) **Financial year-** means the year beginning on the 1<sup>st</sup> of April and ending on the 31<sup>st</sup> of March following.

(xii) **Government or State Government-** means the Government of Orissa

NOTE- In matters relating to exercise of financial powers, see rule 39 (F.D.G.O. No. G.P.A. 10/65-246/97-F., dated the 29<sup>th</sup> June 19650).

(xiii) **Governor-** means the Governor of the State of Orissa

(xiv) **Government Account-** means the total of the Consolidated Fund Account, Contingency Fund Account and the Public Account of the State.

(xv) **Head of a Department-**(i) means any authority declared to be such by the competent authority with reference to Rule 20 of the Orissa Service Code, Vol. 1, if the declaration is made in general terms, and not with reference to certain specified rules only and (ii) includes any other officers, declared to be such by the competent authority.

(Xv-a) **Head of an Office-** means any authority declared to be such by the Administrative Department of Head of Department; if the declaration is made in general terms and not with reference to specified rules, the Head of an office may exercise all powers vested in him not only under these rules, but also other financial rules e.g. the Orissa Service Code, the Orissa Travelling Allowance Rules, General Provident Fund (Orissa) Rules, the Orissa Treasury Code, the Contriturory Provident Fund (Orissa) Rules,

(F.D.O.M. No.- Codes 92/76-57970/F, dated the 9<sup>th</sup> December, 1976)

(xvi) **Non-recurring Expenditurte-** means expenditure sanctioned as lump sum charge whether the money be paid as a lump sum or by instalments.

(xvii) **Primary unit of Appropriation-** means a lump sum of money placed by the Government at the disposal of a subordinate authority by the method prescribed in rules contained in Chapter II of the Orissa Budget Manual.

(xviii) **Public Account of Public Account of the State-** means the Account into which all moneys other than those mentioned in the Consolidated Fund Account and the Contingency Fund Account, received by or on behalf of the Government are credited and from which disbursements are made in accordance with the prescribed rules.

(xix) **Public Works-** means Civil Works, Public Health Engineering Works, Irrigation, Navigation, Embankment and Drainage Works and Electricity Works.

(F.D.O.M.No.- Codes 23/72-7005/F, dated the 25<sup>th</sup> February, 1973)

(xx) **Public Works Department-** means the Department of the State Government in administrative charge of Public Works.

(F.D.O.M. No.-Codes 23/72-7005/F, dated the 25th February.)

(xxi) **Re-appropriation-** means the transfer of funds from one unit of appropriation to another such unit.

(xxii) **Recurring expenditure-** means all expenditure which is not non-recurring

(xxiii) **Reserve Bank-** means the reserve Bank of India

(xxiv) **State-** means the State of Orissa

(xxv) **Subordinate authority-** means a Department of the State Government or any authority subordinate to it.

(xxvi) **Treasury Rules-** means the Treasury Rules, of the State Government of Orissa embodied in the Orissa Treasury Code.

## **CHAPTER 2**

### **GENERAL SYSTEM OF FINANCIAL MANAGEMENT AND CONTROL**

#### **SECTION I-RECEIPT OF MONEY**

##### **GENERAL**

3. All transactions to which any officer of Government is a party in his official capacity must be brought to account without delay.

4. Moneys received as dues of Government or for deposit in the custody of Government should be credited into the Government Account in accordance with Treasury Rules.

5. If a Government officer receives in his official capacity moneys which are not Government dues or the deposit of which in the custody of Government has not been authorized by Government, he must open an account with a bank for their deposit. Such accounts may be opened without special sanction with a branch of the State Bank of India or with a Post Office Savings Bank. The Prior approval of Government is required to their deposit in any other bank. The Government officer receiving such moneys is personally responsible for seeing that they are disbursed in strict conformity with the rules, regulations or orders governing the fund to which the moneys appertain, that a precise record of all the transactions is kept in form complying with the regulations of the fund concerned and that the accounts are subjected to proper audit checks.

##### **WITHDRAWAL OF MONEYS FROM THE GOVERNMENT ACCOUNT**

6. 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.

##### **ASSESSMENT, COLLECTION AND CHECK OF REVENUES**

7. Subject to such general or specific instructions as may be issued by Government in this behalf, it is the duty of the controlling officer concerned to see that the dues of Government are correctly and promptly assessed, collected and paid into the treasury. Detailed instructions on the subject are contained in Chapter 3.

#### **SECTION II- EXPENDITURE AND PAYMENT OF MONEYS**

##### **ESSENTIAL CONDITIONS GOVERNING EXPENDITURE FROM CONSOLIDATED FUND AND CONTINGENCY FUND**

8. As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from Consolidated Fund and Contingency Fund until the expenditure has been sanctioned by general or special orders of the Government or by authority to which power has been duly delegated in this behalf and the expenditure has been provided for in the authorized grants and appropriations for the year.

##### **STANDARD OF FINANCIAL PROPRIETY**

9. Every officer incurring or authorizing expenditure from public moneys or stores should be guided by high standards of financial propriety. Among the principles on which emphasis is generally laid are the following:-

- (i) Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- (ii) The expenditure should not be prima facie more than the occasion demands
- (iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (iv) Public moneys should not be utilized for the benefit of a particular person or sanction of the community unless-
  - (1) the amount of expenditure involved is insignificant, or
  - (2) a claim for the amount could be enforced in a court of law, or
  - (3) the expenditure is in pursuance of a recognized policy or custom.
- (iv) The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.

### **CONTROL OF EXPENDITURE**

**(10)** Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

(See also rules 315 to 324)

**(11)** A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. In order to maintain a proper control, he should arrange to be kept informed, not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it. He must be in a position to assume before Government and the Public Accounts Committee, if necessary, complete responsibility for departmental expenditure and to explain or justify any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise. Expenditure in excess of the amount of grant or appropriation, as well as expenditure not falling within the scope or intention of the grant or appropriation, unless regularized by Supplementary grant, will be treated as unauthorized expenditure within the meaning of Article 204 (3) of the Constitution.

### **INTERNAL CHECK AGAINST IRREGULARITIES, WASTE AND FRAUD**

**12.** In the discharge of his ultimate responsibilities for the administration of an appropriation or part of an appropriation placed at his disposal, every controlling officer must satisfy himself not only that adequate provisions exist within the departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of his subordinate officers and to guard against waste and loss of public money and stores, but also that the prescribed checks are effectively applied.

### **DELAYS IN PAYMENT**

**13.** Delay in the payment of money indisputably due by Government is contrary to all rules and budgetary principles and should be avoided. (Vide also rule 96 the Orissa Budget Manual).

## SECTION III-DUTIES AS REGRADS ACCOUNTS

### MAINTENANCE OF ACCOUNTS

**14.** Every Officer whose duty is to prepare and render any accounts or returns in respect of public money or stores is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date.

**15.** An officer who signs or countersigns a certificate is personally responsible for the facts certified to, so far as it is his duty to know or to the extent to which he may reasonably be expected to be aware of them. The fact that a certificate is printed is no justification for his signing it unless it represents the facts of the case. If in its printed form it does not represent the facts, it is his duty to make any necessary amendment which will call attention to the deviation and so to give the authority concerned the opportunity of deciding whether the amendments cover requirements.

### DEMAND FOR INFORMATION BY AUDIT

**16.** It is the duty of every Departmental and controlling officer to see that the Accountant-General is afforded all reasonable facilities in the discharge of his functions and furnished with the fullest possible information for which he may ask, for preparation of any account or report, which is his duty prepare. No such information nor any books or other documents to which the Comptroller and Auditor-General has a statutory right of access may be withheld from the Accountant-General.

## SECTION IV- CONTRACTS

### GENERAL PRINCIPLES

**17.** No contracts may be entered into by any, authority which has not been empowered to do so by or under the orders of the State Government.

The general procedure prescribed with regard to contracts, such as, calling for and or acceptances of tenders, etc. are laid down in the appropriate departmental regulations

NOTE- A list of officers authorized to execute deeds, contracts and other instruments on behalf of the State Government is given in Appendix 1.

**18.** The following general principles have been laid down for the guidance of authorities which have to enter into contracts or agreements involving expenditure from Consolidated Fund:-

- (i) The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.
- (ii) As far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into.
- (iii) Standard forms of contracts should be adopted, wherever possible the terms to be subject to adequate prior scrutiny.
- (iv) The terms of a contract once entered into should not be materially varied without the previous consent of the authority competent to enter into the contract as so varied. No payments to contractors by way of compensation or otherwise out side the strict terms of the contract or in excess of the contract rates may be authorized without the previous approval of the Finance Department.

- (v) No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the Finance Department.
- (vi) Whenever practical and advantageous, contract should be placed only after tenders have been openly invited and in cases where the lowest tender is not accepted, reasons should be recorded. No such reason need be given for tenders below Rs. 500.
- (vii) In selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.
- (viii) Even in cases where a formal written contract is not made, no order for supplies, etc., should be placed without at least a written agreement as to the price.
- (ix) Provision must be made in contracts for safeguarding Government property entrusted to a contractor.
- (x) When a contract is likely to endure for a period of more than 5 years it should, wherever feasible, include a provision for an unconditional power of revocation or cancellation by Government at any time on the expiry of six months notice to that effect.
- (xi) While awarding contracts or entering into an agreement, consideration should be given by the competent authority to the element of foreign exchange involved therein and subject to other conditions being equal, the offer involving the least expenditure on foreign exchange should be preferred.

(F.D.O.M. No.27045-F-Codes-56/79- Dt. 23-5-1979)

- (xii) Copies of all contracts and agreements whether for purchases or rate and running contracts of and above the value of Rs.70, 000 entered into by Civil Departments of the Government should be supplied to the Accountant-General.

(F.D.O.M. No. 48948-F/Codes-27/79-, Dt. 24-10-1979)

#### SECTION V- DEFALCATIONS, LOSSES, ETC.

#### REPORT OF LOSSES

**19.** (1) With the exceptions noted below, any loss of public money, departmental revenue or receipts, stamps, opium, stores or other property held by or on behalf of Government, caused by defalcation or otherwise, which is discovered in treasury or other office or departments, should be immediately reported by the officer concerned to his immediate official superior as well as to the Accountant-General even when such loss has been made good by the party responsible for it. Such reports must be submitted as soon as a suspicion arises that there has been a loss; they must not be delayed while detailed enquiries are made. When the matter has been fully investigated, a further and complete report should be submitted of the nature and extent of the loss showing the errors or neglect of rules by which such loss was rendered possible and the prospects of effecting a recovery.

(2) If the irregularity be detected by Audit in the first instance, the Accountant-General will report it immediately to the Administrative authority concerned, and if he considers necessary, to Government as well.

Exception- Petty cases, that is, cases involving losses not exceeding Rs.500 each, need not be reported to the Accountant-General, unless there are, in any case important features which merit detailed investigation and consideration.

(F.D.O.M. No. 54201- Codes-119/72-F., dated 9<sup>th</sup> December 1972)

**20.** The officer receiving a report submitted to him under rules 19 must forward it forthwith to Government through the usual channel with such comments as may be considered unnecessary. He should also submit a detailed report, after completing such departmental investigation as may be necessary or expedient, on the causes or circumstances which led to the defalcation or loss, the steps taken to prevent its recurrence and the disciplinary or any other action proposed as regard the persons responsible.

### **ACCIDENTS**

**21.** Any serious loss of immovable property, such as, buildings, communications, or other works caused by fire, flood, cyclone, earthquake or any other natural case, should be reported at once by the Departmental officer to the Head of the Department and by the latter to Government. When a full enquiry as to the cause and extent of the loss has been made, the detailed report should be sent by the Departmental officer concerned to the Head of the Department a copy of the report or an abstract thereof being simultaneously forwarded to the Accountant- General.

### **RESPONSIBILITY FOR LOSSES, ETC.**

**22.** Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

NOTE- The procedure prescribed for the conduct of Departmental proceedings and prosecution for the enforcement of responsibility is as laid down in the instructions embodied in Appendix 2 of the Orissa General Financial Rules, Volume II and those issued by the General Administration Department from time to time.

(F.D.O.M. No. 26913-F/Codes 91/69-, dated the 30<sup>th</sup> July 1969)

### **WRITE OFF OF LOSSES, ETC.**

**23.** The powers delegated to different authorities to write off the irrecoverable value of public money or stores lost through fraud or negligence of individual or other causes are indicated in Chapter 4.

### **SECTION VI- DEPARTMENTAL REGULATION**

**24.** All departmental regulations in so far as they embody orders or instructions of a financial character, or have important financial hearing should be made by, or with the approval of, the Finance Department.



## CHAPTER 3

### REVENUE AND OTHER RECEIPTS

#### SECTION 1- GENERAL

**25.** Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the Departmental controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly recredited in the Government Account. They should accordingly arrange to obtain from their subordinates monthly accounts and returns in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statements of treasury credits furnished by the Accountant-General, in case where this arrangement has been agreed to between the Government of Orissa and the Accountant-General, Orissa, to see that the amounts reported as collected have been duly credited in the Government Account.

If wrong credits thus come to the notice of the controlling officer, he should at once inform the Accountant-General with a view to the correction of the accounts. If any credits are claimed but not found in the accounts, enquires should be made first of the responsible Departmental officer concerned.

NOTE 1- For this purpose, the Accountant- General will sent to the Departmental controlling officer, an extract from his accounts showing the amounts brought to credit in them in each month.

NOTE 2- It is essential that the Departmental accounts of revenue should not be compiled from the returns prepared by the treasury. But the Treasury Officer may be required, where necessary, to verify the returns prepared for submission to the Departmental controlling authority.

NOTE 3- In order to minimize the differences between the treasury figures and the Departmental figures, it is essential that the challans with which money is remitted to the treasury should bear full and correct accounts classification.

**26.** Detailed rules and procedure regarding assessment, collection, remission, etc. of revenue should be laid down in the Departmental regulations of the revenue and collecting Departments concerned.

NOTE- In Departments in which officers are required to receive moneys on behalf of Government and issue receipts therefore, in Form No. O.T.C. 5 of the Orissa Treasury Code, the Departmental regulations should prescribe the procedure rules for the maintenance of a proper account of the receipt, and issue of the receipt books, the number of receipt books to be issued at a time to each officer's and check with the officer's accounts of the used books when returned.

**27.** No amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

**28.** Unless specially authorized by any rule or order made by a competent authority, no sums may be credited as revenue by debit to a suspense head; the credit must follow and not precede actual realization.

**29.** Heads of Department in-charge of important sources of revenue should keep the Finance Department fully informed of the progress of collection of revenue under their control and of all important variations in such collections as compared with the budget estimates.

## SECTION II- SPECIAL RULES FOR PARTICULAR CLASSES OF RECEIPTS

### RENTS OF GOVERNMENT BUILDINGS, LANDS, ETC.

**30.** The detailed rules and procedure regarding the demand and recovery of rents of Government buildings and lands are contained in the Departmental regulations of the Departments in-charge of those buildings.

When the maintenance of any rentable building is entrusted to a civil Department other than the Public Works Department, the Head of the Department concerned will be responsible for the due recovery of the rents thereof. The procedure for the assessment and recovery of the rents of such buildings will be regulated generally by the rules applicable to residences under the direct charge of the Works Department.

### FINES

**31.** It is the duty of every court or authority having the power to fine to see that the money realized reaches the treasury and that adequate precautions are taken against double refunds of fines or refunds of fines not actually paid into the treasury. Detailed rules in regard to the duty of realizing fines and of checking the receipts and refunds are laid down in Appendix 3.

**32.** The duty of realizing fines and of checking the receipts and refund rests with the Departmental officers. Each Court, Civil or Criminal, is required to submit to the District Judge or to the District Magistrates, as the case may be, on the last working day of each calendar month, a statement in a form showing the demand, collection and balance of fines levied and written off by it as well as of the refunds there from, the statement being made up for the account month of the treasury or sub-treasury with which the Court deals. The District Judge and the District Magistrate should each consolidate these returns into a monthly fines statement for the courts under him and for his own and forward it to the Treasury Officer, as soon as possible after the beginning of the month, for verification of the amounts shown as remitted into the treasury with the credit appearing in the treasury account. The Treasury Officer should certify to the correctness or otherwise of these amounts. Where there is any discrepancy between a consolidated statement and the treasury account, the Treasury Officer may, if necessary, before giving his certificate, request the District Judge or the District Magistrate, as the case may be to explain the discrepancy.

NOTE 1- The statement should exhibit the amounts under each head of accounts, e.g., Magisterial fines, fines under the Prevention of Cruelty to Animals Act, etc. separately.

Compensation fines due to an injured party which are creditable to deposits and fines which under the orders of competent authority are creditable to a municipal or local fund, should be excluded from this statement.

NOTE 2- When fines are received in another district, intimation should be given by the recovering officer to the officer concerned, who should note the fact in his monthly fine statements.

### CONVICT CHARGES RECOVERABLE FROM OTHER STATES

**33.** Where other States are responsible for the cost of maintenance of convicts imprisoned in Orissa Jails for offences committed in such States, the Jail official should communicate to the Accountant-General any amount recoverable on this account and the Accountant-General will then see to it due recovery.

## MISCELLANEOUS DEMANDS

34. Realization of miscellaneous demands of Government not falling under the ordinary revenue administration will be watched by the Accountant-General. Such are payments due from other States, local funds, contractors and others towards establishment charges, etc.

### SECTION III- REMISSION OF AND ABANDONMENT OF CLAIMS TO REVENUE

35. The sanction of the competent authority is necessary for the remission of and abandonment of claims to revenue.

NOTE- The powers of subordinate authorities to sanction the write off of loss of revenue are indicated in the Book of Financial Delegations of the State Government.

36. Heads of Department should submit annually on the first of June to the Accountant-General, statements showing the remissions of revenue and abandonment of claims to revenue sanctioned during the preceding year by competent authorities in exercise of the discretionary powers vested in them, otherwise than by law or rule having the force of law. For inclusion in these statements remissions and abandonment should be classified broadly with reference to the grounds on which they were sanctioned and a total figure should be given for each class. A brief explanation of the circumstances leading to the remission should be added in the case of each class.

Subject to any general or special orders issued by Government, individual remissions below Rs.100 need not be included in the statement.

NOTE- the State Government may make rules in consultation with the Accountant-General defining remission and abandonment of revenues for the purpose of this rule.

### SECTION IV- AUDIT OF RECEIPTS

37. When the audit of the receipts of any Department of Government is entrusted to the Comptroller and Auditor-General of India under the provisions of paragraph 13 (2) of the Government of India (Audit and Accounts) Order, 1936, it will be conducted in accordance with the rules and regulations contained in Appendix 3.

NOTE – The audit of receipts accruing under Debt and Remittance heads and of those included in the subsidiary accounts of Government Commercial under takings devolve on the Auditor-General under Para. (13)(1) Of the Government of India (Audit and Accounts) Order, 1936, and is conducted in such manner and to such extent as may be prescribed by him.

**CHAPTER 4**  
**POWERS OF SANCTION**

**SECTION 1- GENERAL**

**38.** The more important of the powers to sanction expenditure, which are exercised by Heads of Departments and other officers, are detailed in the Orissa Book of Financial Delegations.

**39.** The financial powers of the State Government, which have not been delegated to any other Department or authority vest in the Finance Department.

**40.** Unless otherwise provided by any special rule or order of Government a higher authority may exercise the powers delegated to an authority subordinate to it.

**SECTION II- POWERS IN REGARD TO CERTAIN SPECIAL MATTERS**

**GRANT OF LAND, ASSIGNMENTS OF REVENUE AND OTHER CONCESSIONS, ETC.**

**41.** No Department or authority may without previous consent of the Finance Department, issue any orders (other than orders in pursuance of general delegations made by or with the approval of the Finance Department) which-

- (i) involve any grant of land, or assignment of revenue or concession, grant, lease, or license of mineral or forest rights, or right to water power, or any easement or privilege in respect of such concessions; or
- (ii) in any way involve any relinquishment of revenue.

NOTE- The powers to execute instruments are government by the orders given in Appendix-1 (Execution of deeds, contracts, and other instruments) and other Departmental and local orders on the subject.

(See also rule 10 of the Orissa Government Rules of Business)

**WRITE OFF OF LOSSES**

**42.** (a) Subject to the limits and conditions specified in the delegations of powers the irrecoverable value of stores or Government money lost by fraud or negligence of Individuals or other causes may be written off finally by Government.

Where Government money or stores are lost by fraud or through culpable negligence of any Government servant or servants, Government will not agree to write off the loss without a definite expression of the opinion of the Departmental authorities concerned regarding the desirability of recovering the whole or part of the loss from the Government servant or Government servants through whose negligence the loss occurred. Any proposal to remit part or whole of the sum lost in such cases must be supported by full reasons and will require the special orders of the State Government.

Heads of Departments or the other subordinate authorities have power to write off losses in accordance with the orders of delegation passed in this behalf, subject to the conditions-

- (i) that the loss does not disclose a defect of system the amendment of which requires the orders of Government, and
- (ii) that there has not been any serious negligence on the part of some individual Government servant or Government servants which might possibly call for disciplinary action requiring the orders of higher authority.

- (b) All sanctions to write off should be communicated to the Accountant-General, Orissa, for scrutiny in each case and for bringing to notice any defect of system which appears to require attention.

These orders apply also to the writing off of losses of revenue, irrecoverable loans and advances and of deficiencies, depreciation, etc. in the value of stores included in the stock and other accounts.

NOTE- The expression "Value of Stores used in this sub-para should be interpreted as meaning Book Value" where prices accounts are maintained and "Replacement Value" in other cases.

43. The orders contained in the preceding rule do not apply to loss of cash in treasuries, whether in the course of remittance or out of treasury balance, small coin depot or currency chest, individual cases of such losses should be reported to the Finance Department and its specific approval obtained before any item can be written off in the accounts of the State Government.

NOTE- The Government of India have decided with the concurrence of the State Government and the Comptroller and Auditor-General that, in general losses sustained by the Union Government through the negligence of culpability of the staff paid for by a State Government and vice-versa, should be borne as they occur, i.e. by the Union Government, if the loss occurs in connection with Central transactions and by the State Government, if it is on account of all State transaction.

In cases where recoveries are made in cash e.g. by deductions from pay or otherwise, from the persons responsible for a loss, the entire amount recovered should be credited to the Government which under the above arrangement, would bear the loss for this purpose. Recoveries made indirectly e.g. by stoppage of increment or promotion as a measure of punishment, should not be treated as recoveries made in cash. Where the staff is paid for by one Government and the loss is borne by another Government, a copy of the orders regarding the action taken against the persons responsible for the loss should be communicated by the former to the latter.

#### **REMISSION OF DISALLOWANCES BY AUDIT AND WRITING OFF OF OVER-PAYMENTS MADE TO GOVERNMENT SERVANTS**

44. (a) (1) The State Government may, for reasons to be recorded, waive the recovery of an amount placed under objection by the Accountant-General or otherwise found to have been over-paid to Government servant if-

- (i) the amount disallowed has been brawn by the Government servant concerned under a reasonable belief that he was entitled to it;
- (ii) the enforcement of the recovery will, in the opinion of State Government, cause under hardship or it will be physically impossible to effect the recovery; and
- (iii) in the case of disallowances of emoluments of the nature of pay and defined in Orissa Service Code, Rule 33, made within one year of the date of Payment-
  - (1) the Government servant is not in receipt of pay exceeding Rs. 12,000 a year or, in case of others, the over-drawl has not the effect of raising the Government servant's pay beyond Rs.12,000 in any year; and
  - (2) the over-drawl has not been occasioned by delay in notifying a promotion or reversion

(b) All sanctions to forego recovery under the foregoing rule should be communicated to the Accountant- General, Orissa. It is open to the Accountant-General to require that the action taken in any case should be reported to the Finance Department for order.

(It is open to the Accountant-General to require that the action taken in any case should be reported to the Finance Department for orders).

### **SECTION III- COMMUNICATION OF SANCTIONS**

**45.** All financial sanctions and orders issued by a competent authority shall be communicated to the Accountant- General in accordance with the procedure as indicated below:

- (i) All financial sanctions and orders issued by a subordinate authority within its own financial powers should be communicated by that authority directly to the Accountant-General.
- (ii) All financial sanctions issued by a Department of State Government which relate to a matter concerning the Department and on the basis of which payment is to be authorized by the Accountant-General should be addressed to him. In other case, i.e., where no payment is to be authorized but the sanction is required by the Accountant-General to fulfill his post-audit responsibilities (e.g. sanction for the grant of advances to non-Gazetted Government servants: sanction for the creation of non-Gazetted posts: sanctions for the write off of servants: losses; etc.), the sanction should be accorded either in the form of an order which need not be addressed to any authority or in the form of a letter addressed to the Head of Department concerned, and in either case a copy of such sanction should be endorsed to the Accountant-General. A similar procedure should be followed in the case of sanctions issued by the Heads of Departments in respect of their own and subordinate establishments.
- (iii) Financial sanctions to the write off of irrecoverable balances of sales tax, royalty and other revenue demands etc. should be communicated to the Accountant-General by including such balances in the statement required to be submitted under rule 36.
- (iv) All financial sanctions and orders issued by a Department of the State Government with the concurrence of the Finance Department should be communicated to the Accountant-General by the Department direct indicating in such sanctions, the number and date of the U.O.R. or the letter of the Finance Department, conveying their concurrence. One extra copy of such sanction should be sent to the Accountant-General. This extra copy will not be signed in ink by the Officer of the Department issuing the sanction and will be marked prominently 'Duplicate Not for payment'. It will be sent to the Accountant-General by designation and enclosed in the same cover along with the signed copy of the sanction meant for payment by the Audit Officer. The procedure will apply, mutatis mutandis, in respect of sanctions of the staff of the Finance Department issued with the concurrence of the Home Department of General Administration Department as the case may be. Such an extra copy is to be sent only in the case of sanction issued with the concurrence of the Finance Department (or the Home Department, General Administration Department, as the case may be) and not in the case of a sanction issued by a Department of Government or a subordinate authority within its own financial powers.

- (v) Where a Department refers a proposal to the Finance Department for concurrence, the proposal should be sent along with a draft sanction order duplicate proposed to be issued with the concurrence of the Finance Department. After concurrence in the proposal and draft sanction order, the Finance Department will retain a copy of the draft sanction order for scrutiny with the final sanction order issued order by the Department.
- (vi) All financial sanctions and orders in respect of establishment of the Finance Department issued with the concurrence of the Home Department or General Administration Department should be communicated to the Accountant-and the fact that such sanctions or orders are issued with the concurrence of the Home Department or General Administration Department should be mentioned therein.
- (vii) All orders conveying sanctions to expenditure of a definite amount or up to a specific limit, should express the amount of expenditure sanctioned both in words and figures.
- (viii) All financial sanctions and orders including those intended for audit shall be signed in ink or ball pen.

(F.D.O.M. No. Codes-75/79-9609/F., dated the 28<sup>th</sup> February 1980)

- (ix) If a Financial Sanction or order is issued with the concurrence of the Accountant General, the fact should be mentioned therein.
- (x) Sanctions accorded by a Head of Department may be communicated to Audit by an authorized Gazetted Officer of his office duly signed by him for the Head of Department or conveyed in the name of the Head of Department.
- (xi) All financial sanctions and orders for provisional payment should be communicated to the Accountant-General by an authority, which is competent to finally sanction the payment. The period for which payment should be passed provisionally should be indicated.
- (xii) A copy attested in each page of sanction containing formal agreements, contracts, schedules of rates and charges, itemized specifications, etc. Should be supplied to the Accountant-General whenever he demands it.
- (xiii) Copies of all sanctions issued by the Departments of State Government with the concurrence of Finance Department should be sent to the Finance Department for scrutiny and record.

(F.D.O.M. No.27213/F-Codes-19/74, dated the 17<sup>th</sup> July 1974)

**46.** All orders conveying sanction to the grant of additions to pay, such as special pay and compensatory allowance, should contain a brief but clear summary of the reasons for the grant of the addition so as to enable to the Accountant-General to see that it is correctly classified as special pay or compensatory allowance as the case may be. In cases in which an official record in an open letter is considered undesirable, the reasons for the grant of such additions to pay should be communicated confidentially to the Accountant-General. A similar procedure should also be followed in all other cases in which the rules require that reasons for the grant of special concessions or allowances should be recorded.

**47.** Sanctions accorded by Government to grants of land and alienations land revenue, other than those in which assignments of land revenue are treated as cash payment, should be communicated to the Accountant-General in a consolidated monthly return giving the necessary details for enabling the Audit Officer to audit the sanctions accorded.

**48.** When proposals for a new scheme or a new service not contemplated in the budget are placed at a meeting of the Council of Ministers, details should be furnished showing the purpose of the scheme and the exact nature of the conditions on which it is proposed to be made. To enable the Accountant-General to compare the details and conditions with those enumerated by the sanctioning authority in its subsequent orders of sanction, the Accountant-General should be supplied, when the sanction is conveyed to him under rule 45 with relevant extracts from the proceedings of the meeting of the Council of Ministers.

#### SECTION IV- INDICATION OF THE SOURCE OF APPROPRIATIONS IN THE

##### SANCTION TO EXPENDITURE

**49.** In all applications for sanction to expenditure it should be distinctly stated whether provision for the proposed charge has, or has not, been made in the budget estimates of the year, and, if it has not been made, whether the funds can be found by valid reappropriation.

**50.** Authorities which sanction new expenditure after funds have been communicated should be careful to indicate the source of appropriation.

Where it is desired to sanction expenditure before funds have been communicated, as may be necessary in order to avoid delay in starting work at the beginning of a new financial year or to prevent duplication of orders, the authority which does so should be careful to add the words "subject to funds being communicated in the budget of the year".

NOTE- Vague expressions such as "Subject to budget provision" should be carefully avoided in conveying sanctions to expenditure.

#### SECTION V- DATE OF EFFECT OF SANCTION

**51.** Unless otherwise specially provided in the orders or rules themselves the executive orders of Government should take effect from the date of issue of the letter or telegram in which sanction is conveyed, and statutory rules from the date on which they were passed. Similarly sanctions or subordinate authorities will have effect from the date of the orders conveying them.

The general principal in all such cases should be-

Sanction to any given expenditure become operative as soon as funds have been appropriate to meet the expenditure, and does not become operative until funds have been so appropriated.

Sanction to recurring expenditure covering a specified term of years becomes operative when funds are appropriated to meet the expenditure of the first year, and remains in operation for each year of the specified term subject to appropriation in such year.

NOTE- Orders sanctioning the creation of temporary posts should in addition to the sanctioned duration of the post, invariably specify the date from which it is to run, whether it be the date of entertainment or otherwise.

#### SANCTION VI- RETROSPECTIVE SANCTION

**52.** All authorities which are competent to sanction revision of pay or the grant of concessions to Government servants should bear in mind that retrospective effect should not be given to financial sanctions, except in exceptional circumstances, without the special approval of Government.

NOTE- If retrospective effect to financial sanctions evolving revision of pay, allowances, etc., is allowed, the sanctioning authority should ensure that requisite appropriations exist or steps have been taken to provide additional appropriations to cover the expenditure.

#### SECTION VII – LAPSE OF SANCTION

**53.** A sanction for any fresh charge which has not been acted on for a year must be held to have lapsed, unless it is specifically renewed with necessary provision in the budget estimates.



NOTE 1- The period of one year under this rule is to be reckoned from the date of issue of the sanction. A sanction is to be considered to have been acted on if payment in whole or in part is made in pursuance of the sanction within 12 months from the date of its issue. The cases in which part payment is made within the stipulated period, the subsequent payment of the balance may, subject to the existence of budget provision, be made without a fresh expenditure sanction. The bill for the subsequent payment, besides containing a reference to the expenditure sanction, should also contain a reference to the number and date of the voucher under which the first payment was made.

NOTE 2- A sanction in which there is specific provision that the expenditure is to be made from the budget provision of a specified financial year, such sanction lapses on the expiry of the specified financial year.

NOTE 3- This rule does not apply to a case where an allowance sanctioned for a post or a class of Government servants has not been drawn by a particular incumbent of the post or a particular set of Government servants nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by competent authority.

NOTE 4- This rule does not apply to case of sanction of advances from General or Contributory Provident Fund Accounts, in such cases, the sanction of advance shall remain operative for a period of three months with effect from the date of issue of the order of sanction. Beyond this it shall be deemed to have lapsed unless specifically renewed by issue of fresh orders of Government.

(Finance Department Memo.No.F.-63/61-31106 (101)-F., dated the 7<sup>th</sup> September 1961)

NOTE 5- In cases of purchase of Stores, a sanction shall be deemed to have been acted upon if quotations of tenders have been accepted (in the case of local or direct purchase of stores) or the indent has been placed (in the case of Central Purchase) on the Central Purchasing Organization with the prescribed period of one year of the date of the issue of that sanction even if the payment in whole or in part has not been made during the said period.

(Finance Department Memo. No.Codes – 49/61-41101 (119)-F., dated the 1<sup>st</sup> December 1961)

#### **SECTION VIII- SPECIAL RULES FOR WORKS EXPENDITURE**

**54.** The sanction to an estimate for a public work will ordinarily cease to operate after a period of five years from the date upon which it was accorded, but the acceptance by competent authority of a budget estimate which includes specified provision for expenditure upon a work which is in progress may be regarded as reviving, for the year in which the provision is made, the sanction to the estimate.

**CHAPTER 5**  
**BUDGET**  
**RESPONSIBILITY FOR THE PREPARATION OF BUDGET ESTIMATES**

**55.** The responsibility for the preparation of the statement of estimated revenue and expenditure under Article 202 of the Constitution of India which is laid before the legislature in each year, as well as any supplementary estimates or demands for extra grants, lies with the Finance Department. The date on which such estimates are based is obtained by that Department from the Departments concerned, which are responsible for the correctness of the data. The Accountant- General is, however, responsible for rendering such assistance in the preparation, check and the consolidation of Budget Estimates and Demands for Grants as may be settled by the Finance Department in consultation with him and shall supply such information in connection with the budget estimates as he is in a position to furnish.

The Heads of Departments and other subordinate authorities are responsible for the submission of correct detailed estimates punctually on the dates fixed by the Finance Department.

**56.** Detailed rules regulating the preparation of budget estimates are embodied in the Orissa Budget Manual separately published.

## CHAPTER 6

### ESTABLISHMENT

#### SECTION I-ALTERATIONS OF ESTABLISHMENT

**57.** No permanent post under Government can be created without the sanction of Government and due provision for funds. In respect of temporary posts certain as embodied in the Orissa Book of Financial Delegations are delegated to departments of Government, Heads of Departments and subordinate officers within specified limits.

All proposals for additions to establishment whether permanent or temporary, or for any increase in the emoluments of existing posts, should be scrutinized with the greatest care by giving the fullest justification by Heads of Departments and other authorities concerned. In submitting such proposals the instructions contained in the following rules should be carefully observed.

**58.** When the entertainment of a new establishment or a change, temporary or permanent, is proposed in an office, a letter fully explaining the proposal and the conditions which have given rise to them, together with the proposition statement, if necessary under rule 60, should be submitted to the competent authority. In this letter should be set out inter alias-

- (i) the present cost, either of the section or sections affected, or of the total establishment as the circumstances of the case may indicate to be necessary;
- (ii) detailed of the pay of the post or posts and the number of posts which it is proposed to add or modify; and
- (iii) as accurate an estimate as possible of the extra cost involved.

NOTE1- In determining the extra cost, allowance, whether fixed or variable, should be included.

NOTE 2- The authorities submitting the proposals should take into account any claim to pensions that may arise in consequence of their proposals with reference to Article 429 of the Civil Service Regulations and certify to their having done so in their proposals.

NOTE 3- It should also be specified whether there is any effect on any other branch of the Department in implementing the proposal.

**59.** If the expenditure is proposed to be incurred in the current year, the proposals should show clearly whether it can be met within the grant or appropriation of the year. If the expenditure can be met by reappropriation, a reappropriation statement in Schedule LIII- Form No. 212 (B.M. Form No.1) as prescribed in Para. 113 of the Orissa Budget Manual should be submitted with the proposals.

**60.** Whenever any large scale or complicated proposals are made for the revision of existing or the creation of new establishments, the letter explaining the proposals should be accompanied by a proposition statement in duplicate in form O.G.F.R.I and submitted through the Accountant-General who will verify the correctness of the statement.

**61.** The details to be shown in proposition statements should be determined by the following principles:-

- (i) The proposition statement should relate strictly to the section or part of the office affected by the proposals. As regards the other parts or sections of the office, neither details nor figures of total cost need be included.
  
- (ii) Where a section consists of both inferior and superior servants, details need be given only of the class affected, if a saving labour will result from the adoption of this procedure.

- (iii) Where the pay of any post, existing or proposed, rises from a minimum to a maximum by periodical increments, the average monthly cost, and not the actual or the commencing cost, must be given. The average monthly cost for the purpose of this rule should be calculated in accordance with formula 1 to 4 in Group a below. Formula 1 to 4 in Group B which has been prescribed by the Government of India should be adopted only for the calculation of average costs in cases in which estimates of average costs are required to be submitted to the Government of India.

**FORMULA FOR CALCULATING AVERAGE COST OF  
TIME SCALES OF PAY  
GROUP A  
Formula (1)**

When the increment is annual and the period of rise is five years-

The average monthly cost will be taken in the case of ministerial posts at the minimum plus three-fourths and in the case of other than ministerial posts at the minimum plus two-third of the difference between the minimum and the maximum.

**Formula (2)**

When the increment is annual or biennial or longer and the period or rise is above five years-

- (a) In the case of ministerial posts-

$$\text{Value} = \text{Minimum} + \left( \frac{3}{4} - \frac{x}{60} \right) \text{ of the difference between the maximum and the minimum.}$$

- (b) In the case of other than ministerial posts-

$$\text{Value} = \text{Minimum} + \left( \frac{2}{3} - \frac{x}{90} \right) \text{ of the difference between the maximum and the minimum.}$$

Where X represents the excess in the period of rise in years over five years when the increments are annual or over four years when the increments are biennial or longer.

**Formula (3)**

When the period is less than five years-

- (a) In the case of ministerial posts-

$$\text{Value} = \text{Minimum} + \left( \frac{3}{4} - \frac{x}{20} \right) \text{ of the difference between the maximum and the minimum.}$$

- (b) In the case of other than ministerial posts-

$$\text{Value} = \text{Minimum} + \left( \frac{2}{3} - \frac{x}{15} \right) \text{ of the difference between the maximum and the minimum.}$$

Where X represents the difference between 5 and the number of years required to reach the maximum.

**Formula (4)**

When the increments are other than annual, or biennial, e.g., half-yearly-

The value shall be taken at the average of 12 years in the case of ministerial posts and of 9 years in the case of non-ministerial posts as illustrated below-

Ministerial post- Rs.300 – 10 - 400 where increment is every half-year-

$$\text{Value} = (\text{Rs.}300 + 310 + 320 + 330 + 340 + 350 + 360 + 370 + 380 + 390 + 400 + 400 + 400 + 400 + 400 + 400 + 400 + 400 + 400 + 400 + 400 + 400 + 400 + 400) \div 24 = 9050 \div 24 = 377 \frac{1}{12}$$

NOTE-If, in these cases, the maximum cannot be reached before the expiry of the 12<sup>th</sup> year in the case of ministerial posts and before the expiry of the ninth year in the case of non-ministerial posts. The average value shall be taken at the mean between the maximum and the minimum.

**GROUP B**  
**Formula (1)**

$$\text{Average pay} = \frac{A + B}{2} + \frac{B - A}{2} \left[ 1 - \frac{R}{F - E} + \frac{1 - 0.014R}{F - E} \right]$$

**Formula (2)**

$$\text{Average pay} = \frac{A + B}{2} + \frac{B - A}{2} \left[ 1 - \frac{R}{F - E} + \frac{1 - 0.015R}{F - E} \right]$$

In the formulae (1) and (2)

A= Minimum pay,

B=Maximum pay,

R=period of rise

E=Average age at entry in the grade, and

F= Average age at retirement on superannuation pension. This may be taken to be 55 in almost every case unless there are special reasons to take it either at a lower or higher figure.

**Formula (3)**

$$\text{Average pay} = \frac{A + C}{2} + \frac{C - A}{2} \left[ 1 - \frac{S}{G - E} + \frac{1 - 0.004S}{G - E} \right]$$

In formula (3),  
A= Minimum pay,  
C= Pay just before promotion to the second grade,  
S= Period of rise from A to C,  
E= Average age at entry in the first grade, and  
G= Average age at the time of promotion to the second grade.

#### Formula (4)

Average pay =  $\frac{1}{2}(A + W_1 B_1 + W_2 B_2 + X_1 C_1 + X_2 C_2)$

Where A= the initial pay of the scale.

B<sub>1</sub>, B<sub>2</sub>, = the maximum pay of the different sections of the scale as the ordinary scale, the scale for passed clerks.

W<sub>1</sub>, W<sub>2</sub>, = the proportion of the establishment which would normally each the maximum of B<sub>1</sub>, B<sub>2</sub>, respectively.

C<sub>1</sub>, C<sub>2</sub>, = the pay at the different efficacy bars, and

X<sub>1</sub>, X<sub>2</sub>, = the proportion of the establishment which would normally be detained at C<sub>1</sub>, C<sub>2</sub>, Respectively.

NOTE- Formula (1) is to be used in the case of gazetted appointments while formula (2) in the case of non-gazetted posts. In cases, where one grade is the channel or promotion to another grade, that is to say, where everybody in the first grade is ultimately promoted to the second grade, formula(3) may be adopted to find the average cost of appointment in the first grade. The use of formula (4) should be restricted to cases involving an elaborate scale, consisting of two or more sections with efficiency bars at one or more stages.

#### SECTION II-VARIATION IN SANCTIONED PAY OF A POST

**62.** The head of an office is not at liberty to read just the pay of Government servants by giving one Government servant more and another less than the sanctioned pay of his post; nor may he distribute the pay of an absentee otherwise than as provided in the rules governing the service to which the Government servant belongs. But, in the case of non-gazetted establishments divided into separate units or cadres carrying different scales of pay, there is no objection to excess appointments being made in a lower unit or cadre against an equal or greater number of vacancies left unfilled in the higher. In the case of gazetted establishments similar procedure may also be adopted in the exigencies of public service, provided that such adjustment shall not be made for a period exceeding six months. If the higher post has to remain vacant even after six months, it should be formally down-graded by the authority competent to create the higher post since the need for the post is not established.

(F.D.O.M.No. Codes 30-87-53611/F., dated the 30<sup>th</sup> October 1987)

#### SECTION III- TRANSFER OF OFFICE

**63.** Every transfer of a gazetted or non-gazetted officer shall be reported to the Heads of Offices, from whose establishment he is relieved and to which he has been transferred. The report shall be made in Form O.G.F.R. 2 and signed both by the relieved and the relieving officers. Reports in respect of officers transferred from one department in the secretariat to another or from the office of Head of Department to another shall likewise be sent to the Secretary of the Department or the Head of the Department, as the case may be. Where the authorities, as aforesaid, are not appointing authorities, a copy of the report shall be sent to the appointing authority.

(F.D.O.M. No. Codes -5/80-29593, dated the 5<sup>th</sup> August 1981)

**64.** In cases in which the transfer of charge involves assumption of responsibility for cash, stores, etc., the following instructions should be observed:-

- (i) The cash book or imprest account should be closed on the date of transfer and a note recorded in it over the

signature of both the relieved and the relieving officers, showing the cash and imprest balances, and the number of unused cheques, if any, made over and received by them respectively.

- (ii) The relieving officer in reporting that the transfer has been completed should bring to notice anything irregular or objectionable in the conduct of business that may have come officially to his notice. He should examine the accounts, count the cash, inspect the stores, count, weigh and measure certain selected articles in order to test the accuracy of the returns. He should also describe the State of the account records.
- (iii) In the case of any sudden casualty occurring or any emergent necessity arising for an officer to quit his charge, the next senior officer of the Department present will take charge. When the person who takes charge is not a gazetted officer, he must at once report the circumstances to his nearest Departmental superior, and obtain orders as to the cash in hand, if any.

NOTE- The special procedure to be followed when there is a change in the incumbency of independent charge of treasury is laid down in the subsidiary rule 7 of the Orissa Treasury Code.

**65.** Every person on entering Government service shall declare his/ her date of birth which shall not differ from any such declaration expressed or implied for any public purpose before entering service. The date of birth shall be supported by documentary evidence such as Matriculation Certificate, Municipal Birth Certificate and entered in his/her service record. No alteration of the date of birth of Government servant shall be made except in case of clerical error without prior approval of the State Government. An application for effecting a change in the date of birth shall be summarily rejected if-

- (a) filled after five years of entry into Government service, or
- (b) the change would so lower the applicants age that he/ she would have been ineligible to appear in any of the academic or recruitment examinations in which he/she had appeared or for consideration for appointment to any service or post under the Government.

(F.D.O.M. No. Pen-65/92-42151/F., dated the 28<sup>th</sup> September 1992)

**66.** (1) If a Government servant is unable to state his exact date of birth but can state the year, or year and month of birth, the 1<sup>st</sup> July or the 16<sup>th</sup> of the month respectively, may be treated as the date of his birth.

(2) If he is only able to state his approximate age, his date of birth may be assumed to be the corresponding date after deducting the number of years representing his age from his date of appointment.

(3) When a person who first entered Military employ is subsequently employed in a civil Department, under the State Government, the date of birth for the purpose of the civil employment should be the date stated by him at the time of attestation, or if at the time of attestation he stated only his age, the date of birth should be deduced with reference to that age according to the method indicated in sub-para. (2) above.

NOTE- Cases in which the date of birth has been deduced from the age at appointment or attestation by any other method, need not be reopened.

#### SECTION V- LEAVE APPLICATION

**67.** Subject to any special rules or orders issued by the competent authority, all applications for leave should be submitted to the sanctioning authority concerned in Form O.G.F.R.3.

#### SECTION VI- ANNUAL RETURNS OF NON-GAZETTED ESTABLISHMENT

68. Deleted.

(F.D.O.M. No Codes – 174/68-12049-F., dated the 1<sup>st</sup> April 1968)

### SECTION VII- SERVICE BOOKS

69. Detailed rules regarding maintenance of service books are contained in Appendix II, rule 11 to the Orissa Service Code, Vol.1.

70. (1) In July every year the service books should be taken up for verification by the head of the office who, after satisfying himself that the services of the Government servant concerned are correctly recorded in each service book, should record in it a certificate in the following form over his signature:-

“Service verified up to (date) from (the record from which the verification is made)”

NOTE- The verification of service referred to above should be in respect of all services qualifying for pension whether permanent, provisional, temporary, or officiating.

(2) The head of the office in recording the annual certificate of verification should, in the case of any portion of service that cannot be verified from office record, distinctly state that for the excepted periods (naming them) a statement in writing by the Government servant, as well as a record of the evidence of his contemporaries, is attached to the book.

When, however, a non-Gazetted Government servant is transferred from one office to another, the head of the office under whom he was originally employed should record in the service book under his signature the result of the verification of service, with reference to pay bill and acquaintance rolls, in respect of the whole period during which the Government servant was employed under him, before forwarding the service book to the office where the services are transferred.

(3) When non-Gazetted government servants are officiating in gazetted posts, their service books should be kept by the head of the office to which each such Government servant permanently belongs, but when they are confirmed in such posts, their service books should be forwarded to the Accountant-General’s office for record.

### SERVICE ROLLS

71. Service rolls for Government servants, when they are maintained under rule 11 of Appendix II to the Orissa Service Code, should be taken up every year for verification of service and record of necessary certificate in the manner laid down in rule 70.

### SECTION VIII-ARREAR CLAIMS

72. (i) Save as provided in Subsidiary Rule 97 of the Orissa Treasury Code, Vol. I. arrear claims up to Rs. 500 for 3 years and above Rs.500 up to one year shall be sanctioned by the Drawing and Disbursing Officer.

(F.D.O.M. No.Codes-71/92-39033/F., dated the 8<sup>th</sup> September 1992)

(ii) Arrear claims exceeding Rs.500 of more than one year and less than three years old and arrear claims of more than three years old and less than six years old will be sanctioned by Heads of Department on the basis of their records.

(F.D.O.M. No. Codes-16/95-19914/F., dated the 12<sup>th</sup> May 1995)

NOTE- For the purpose of this Rule, the date on which the claim is presented at the Treasury or any other office of disbursement shall be considered to be the date of which it is preferred.

(F.D.O.M. No. Codes-71/92-39033/F., dated the 8<sup>th</sup> September 1992)



**73.** Arrear claims above 6 years old are ordinarily not to be entertained. In exceptional cases where, however, such delay is not due to the fault of the Government employee the Drawing and Disbursing Officer will furnish a certificate that he is satisfied that the amount has not been drawn previously. He should also furnish an undertaking that in case of over or double payment detected later the same will be recovered. The proposal should be sent along with detailed justification to the Administrative Department for sanction.

NOTE- Department of Government shall exercise full powers to sanction arrear claims subject to the restrictions laid down in Rules 74 and 75.

(F.D.O.M. No. Codes-71/92-39033/F., dated the 8<sup>th</sup> September 1992)

**74.** Claims against Government which are barred by time under the provisions contained in section 3 read with the First Schedule of the Indian Limitation Act of 1963 or under any other provisions of law relating to limitations should ordinarily be refused and no claim on account of such a time-barred item should be paid without the sanction of Government. The onus is upon the claimant to establish a claim to special treatment for a time-barred item and it is the duty of the authority against which such a claim is made to refuse the claim until a case for other treatment is made out. All petty time-barred claims are to be rejected forthwith and only important claims of this nature considered.

(F.D.O.M. NO. Codes-71/92-39033/F., dated the 8<sup>th</sup> September 1992)

**75.** All petty claims of a Government servant more than three years old other than those that affect his pension, and all such claims for whose delayed submission and adequate explanation is not forth coming, should be rejected forthwith. In considering old claims recommended for sanction, the authority concerned will also take into account the fact that it is normally not possible owing to the limited period of preservation of records to audit claims more than six years old.

**76.** The authority competent to authorize the investigation of a belated claim should be told why the claim was not submitted when it became due.

In respect of pay and allowances drawn on establishment bills by the Heads of Offices, the responsibility for making claims rests on them and they should invariably see that all claims are presented within six months of their falling due.

The time limits prescribed in these instructions should be calculated from the date on which the charge becomes payable. In the case of sanction accorded with retrospective effect, the charge does not become payable before it is sanctioned; the time limits should, therefore, be calculated from the date of sanction and not from the date from which the sanction takes effect.

(F.D.O.M. No. Codes-71/92-39033/F., dated the 8<sup>th</sup> September 1992)

## CHAPTER 7

### CONTINGENCIES

#### SECTION I –INTRODUCTORY

**77.** The rules in this Chapter are supplementary to the general rules of procedure prescribed in Section V of Chapter IV of Part II of the Orissa Treasury Code and have to be applied, where necessary, in conjunction with them.

Special rules applicable to particular Departments are contained in the Manuals, Codes, etc., of the Departments concerned.

**78.** The different classes into which contingent charges incurred on the public service are divided, and the conditions governing them are laid down in Section V of Chapter IV of Part II of the Orissa Treasury Code. The classification to be adopted in each Department or office is regulated by general or special orders of Government.

NOTE- Contingent charges are to be recorded and treated in the accounts and charges of the month in which they are actually disbursed from treasury.

**79.** Subject to any general or specific rules or orders, such as those contained in Appendix 5 restricting their general financial powers to sanction expenditure, Departments of Government are authorized to exercise full powers in respect of contingent charges of offices, directly subordinate to them.

#### SECTION II-POWERS OF SUBORDINATE AUTHORITIES

##### TO SANCTION CONTINGENT CHARGES

**80.** (1) The financial powers of subordinate authorities to sanction contingent expenditure are regulated by the Provisions of the Delegation of Financial Powers Rules, 1978.

(2) The Head of an Office exercising financial powers under the Delegation of Financial Power Rules, 1978, may authorize a Gazetted Officer of his office to exercise such of the said powers, to such extent and in such manner as he may, by general or special order, specify.

(F.D.O.M. No. Codes-31/80-23897-F., dated the 29<sup>th</sup> April 1980)

**81.** In the case of non-recurring contingencies, the competent authority may, where this course is more convenient, accord sanction by signing or countersigning the bill or voucher whether before or after the money is drawn instead of by a separate sanction.

#### SECTION III- PERMANENT ADVANCES

**82.** Heads of Department may sanction the grant of permanent advances for offices subordinate to them calculated in accordance with the provisions under this Rules subject to a limit of Rs.1, 000 for each subordinate office. Permanent Advance exceeding Rs. 1,000 but not exceeding Rs.10, 000 for any office subordinate to a Head of Department and permanent advances for offices of Heads of Departments or Departments of Government not exceeding Rs. 10,000 may be sanctioned by the concerned Administrative Department of Government. In other cases, such advances may be sanctioned by the Administrative Department of Government in consultation with Finance Department. While sanctioning the quantum of the advance, the sanctioning authority shall observe the following conditions:-

- (i)(a) The advance should be based on the average monthly contingent expenditure of the office for the preceding twelve months. The applications for permanent advance by an office/organization should be accompanied by a statement for the preceding twelve months, showing the amounts of contingent bills based with classified details of items of expenditure for each month. In case of a new office/organization, the amount of advance may be fixed keeping in view the advances sanctioned to similar office/organization, subject to review after six months to ensure justification for the amount of advance.
- (b) As these advances involve permanent retention of money outside the Treasury, the amount of such advance must not be large than what is absolutely necessary.
- (ii) The advance is primarily intended for meeting emergent contingent expenditure, but advances to Government servants who are entitled to draw advance Traveling Allowance for money on tour may be paid from the permanent advance where it is not possible to draw advance Traveling Allowance from the Treasury.

- (iii) The advances on account of emergent contingent expenditure should be recouped at least twice a month, but the advance on account of Traveling Allowance should be recovered from the Government servant immediately on encashment of his T.A. Bill.
- (iv) The accountability of the amount shall be the responsibility of the holder of the Permanent Advance.
- (v) In the case of transfer of charges and yearly on the 15<sup>th</sup> April, each officer in whose favour the permanent advance is sanctioned shall send an acknowledgement of the amount due from and accountable for by himself on the 31<sup>st</sup> March preceding to the authority which sanctioned the permanent advance, viz., Department of Government or Heads of Department as the case may be and the said authority will maintain suitable record to watch receipt of such acknowledgements.

(F.D.O.M. No. Codes-24/77-59595-F., dated the 23<sup>rd</sup> November 1977)

- (vi) The Departments of Government and Head of Department shall furnish to the Finance Department by the 30<sup>th</sup> April each year in form O.G.F.R.-36, a statement of permanent advance retained by their Drawing & Disbursing Officers as on the 31<sup>st</sup> March of the preceding financial year”.

(F.D.O.M. No. Codes-40/88-47397-F., dated the 26<sup>th</sup> December 1988)

See Rule 262, Chapter 14

#### **SECTION IV- CONTROL OF EXPENDITURE**

**83.** No charge which binds Government beyond a single payment may be incurred without the sanction of the State Government after consideration in the Finance Department.

NOTE- Government servants entitled to draw contingent bills may incur recurring contingent charges up to Rs. 25 a month and for a period not exceeding six months, subject only to the existence of the necessary budget proviso and to any restrictions imposed by the State Government.

**84.** For purposes of control and audit, Government will issue orders specifying the nature or object of contingent charges of particular disbursing officers which should be classed as countersigned contingent charges to be drawn and accounted for in accordance with the procedure prescribed, in Subsidiary Rules 260 *et seq.* of the Orissa Treasury Code, Vol.1.

Expenditure incurred by a Disbursing Officer on objects classed as countersigned contingencies must come under the direct supervision and scrutiny of the head of the Department or the Controlling Officer who will sign the detailed bills relating to them. Monthly detailed bills in respect of countersigned contingent charges incurred by each officer should be submitted to the controlling authority concerned for detailed scrutiny and transmission after countersignature to the Accountant-General. Full details of such charges need not be entered in the abstract bills presented for payment at the treasury. A competent authority may in respect of specified items of countersigned contingent charges require the detailed contingent bills to be sent to the Controlling authority for scrutiny and countersignature before it is presented for payment at the treasury.

NOTE- The provisions of this para do not apply to contingent charges of heads of Departments and other controlling authorities, which will be drawn and accounted for in accordance with the procedure laid down in the following para.

**85.** No detailed bills need be submitted to a higher authority for contingent charges which are not classed as countersigned contingencies; each bill presented at a treasury should, therefore, contain full details of the expenditure, supported by necessary sub-vouchers for individual payments included in the bill.

**86.** The duties and responsibilities of disbursing and controlling officers with regard to contingent expenditure incurred on the public service are defined in Subsidiary Rules, 247 and 248 of the Orissa Treasury Code, Vol.1. The Head of each Department should issue such subsidiary instructions as may be necessary for the guidance of controlling and disbursing officers subordinate to him.

**87.** Chapter 16 of these rules contains detailed instructions as to the general procedure for the control of expenditure against appropriation. The following special instructions are laid down for the control of contingent expenditure:-

- (i) Where the appropriation for contingent charges covers expenditure on a number of distinct and individually important objects or class of expenditure, such appropriation should be distributed by the controlling authority among important items comprised in it if some of the items are not important, those items taken as a whole may be treated as a single important item for these purpose. The expenditure on each important item should be watched and controlled separately against the allotment for it, especially when the charges are of a fluctuating nature. The contingent register prescribed in subsidiary Rule 250 of the Orissa Treasury Code should be so designed that this can be done conveniently.
- (ii) For countersigned contingencies the monthly detailed bills provide all the information required by the controlling authority for checking the expenditure against the appropriation. If in any month, the expenditure exceeds the monthly proportion of the appropriation for the year, the disbursing officer should send a report to the controlling authority along with the detailed bill, furnishing special reasons for incurring the excess expenditure.
- (iii) For non-countersigned contingencies, the controlling authority should get periodical statements from each disbursing officer (monthly or at least quarterly) of the progressive expenditure compared with the allotment under each item for which there is a specific appropriation or allotment. If the expenditure is progressing too rapidly, he should instruct the disbursing officer to curtail it to the necessary extent. He should also, during his local inspections, scrutinize the contingent registers of the offices under his control and satisfy himself generally that the charges are necessary and not excessive, the rates correct, the sanction obtained adequate, etc.

## SECTION V- SPECIAL RULES RELATING TO PARTICULAR KINDS OF CONTINGENCIES

### CONTRACT CONTINGENCIES

**88.** When under any special order of competent authority a lump sum is placed annually at the disposal of a disbursing officer for expenditure on specified items of contingencies without further restrictions, the officer incurring expenditure against the lump sum allotment should be held entirely responsible for the regularity of such expenditure, and for any expenditure in excess of such allotment until the excess is sanctioned by competent authority.

NOTE1- Disbursing Officers are expected to make earnest endeavors not to exceed the sanctioned allotments. The Accountant-General will bring to the notice of the Controlling Officers whenever the expenditure progresses rapidly and there is likelihood of an excess over the sanctioned grant. As soon as an excess is anticipated steps should be at once be taken to scrutinize the individual items and the rate of expenditure should be reduced where possible. An application for an extra grant should be made only as a last resort when all attempts to avoid an excess have failed when reappropriation is needed for an extra grant the application should be accompanied by a suggestion for reappropriation with the budget grant of the officer concerned.

NOTE 2- For any excess expenditure the disbursing officer is personally responsible. Ordinarily the contracts are made for a term of 5 years. During the period of each contract the savings effected in any year are regranted and added to and the excesses deducted from the next year's grants. The necessary additions and deductions should not however be made until receipt of the Government orders on the report of the Accountant-General on those savings and excesses, a copy of which report is also sent to the contracting officer concerned. The savings and the excesses in the last year of the contract lapse to Government and are not carried forward to the next year.

Saving in additional grants sanctioned for special purposes are not re-granted.

### **CONTINGENCIES REGULATED BY SCALES**

**89.** Contingencies regulated by scales include such charges as liveries to fourth grade Government servants, rewards for destruction of wild animals, batta to witnesses and the like. The State Government may lay down conditions precedent to the application of the scale and may make it clear whether the bills must be countersigned before or after payment and what certificates, if any, should support the bills. It should be the duty of the controlling officers to see that the charges incurred are in accordance with the prescribed scales and the conditions which govern them.

### **SECTION IV- EXPENDITURE FOR OTHER OFFICERS**

**90.** The conditions under which a Department of Government may make charges for services rendered or articles supplied by it and the procedure to be observed in dealing with such charges are laid down in the Comptroller and Auditor- General's Account Code, Volume 1 and in Subsidiary Rule 269 of the Orissa Treasury Code. When a Government officer makes purchases or incurs expenditure through an officer in another district and the amount to be paid on account of contingent expenditure incurred in this way is not less than Rs.50, payment may be made by Government Drafts, but otherwise every public officer who incurs expenditure in this way must treat it as expenditure of his own office, and not demand recoupment from the officer at whose request he, as an agent, incurs the expenditure. The charge must, however, be taken as expenditure of the Department to which the officer requiring the expenditure is attached and therefore an officer should address his applications for any service to the principal officer of his Department in the district indented on e.g., a police officer should ask the District Superintendent, not the Magistrate, to purchase blankets for him. The Magistrate in such a case would pass on the indent, or the voucher if he has supplied any articles, to the police officer, who would deal with the charge if it is less than Rs.50 as a final one of his own office, applying to the proper authority for an extra appropriation, if his own should fall short before the end of the year. The responsibility for obtaining proper sanction should always rest with the originating officer.

NOTE1- This rule is not applicable when purchases are effected in the capital town of the State, the cost may then be sent by Government Drafts if it is not less than Rs.25, and by Postal Money-order if it is less than Rs.25.

NOTE 2- This rule does not also apply to expenditure chargeable to local funds, or to Government servants in another State, which should always be recovered in the absence of mutual agreement between the Governments concerned.

### **SECTION VII- ARREAR CLAIMS OF STAFF PAID FROM CONTINGENCIES**

**91.** (a) Contingent bills containing arrear pay of staff paid from contingencies requiring pre-audit before payment under Subsidiary Rule 97 of the Orissa Treasury Code, Vol. 1 should be sent to the Accountant-general for pre-audit by the drawing officer together with (1) an explanation in regard to the delay in the submission of the claim and (2) a certificate to the effect that the claim has not been drawn and paid previously.

(b) Such arrear bills do not require the sanction of the competent authority for investigation of arrear claims when it is over one year old and may be sent direct to the Accountant- General for pre-audit.

**CHAPTER 8-STORES**  
**SECTION I-INTRODUCTORY**

**92.** This chapter contains the general rules applicable to all Departments, regarding stores required for use in the public service. They shall be applied in conjunction with the special rules, if any, applicable to particular Departments, e.g., Works and Forest Department, etc.

NOTE- The term “Stores” used in this chapter applies generally to all articles and materials purchased or otherwise acquired for the use of Government, including not only expendable and assumable articles in use or accumulated for specified purposes, but also articles of dead stock of the nature of plant, machinery, instruments, furniture, equipment, fixtures, etc.

**93.** The Works Department and certain other Departments of Government viz., Jails, Agriculture, etc., obtain large amounts of stores for consumption, manufacture or otherwise. The Departmental officers entrusted with the care use or consumption of these stores, are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them.

**94.** Expenditure on stores incurred in the civil Departments is included under contingent expenditure (except where it is treated otherwise, e.g., stores relating to works), and subject to what is provided in the following rules, governed generally by the rules which apply to such expenditure.

**SECTION II- PURCHASE AND ACQUISITION OF STORES**

**95.** (1) Subject to any special rule or order, applicable to any Department and subject also to the powers delegated under the Delegation of Financial Powers Rules, 1978, and authority competent to sanction contingent expenditure may sanction purchase of stores in accordance with the rules hereinafter following.

(2) Unless provided otherwise in any Departmental regulation or order of Government, the sanction of a competent authority for execution of any work carries with it sanction for purchase of stores required for the work

(F.D.O.M. No. Codes- 31/80-23897-F., dated the 29<sup>th</sup> April 1980)

**RULES AND INSTRUCTIONS GOVERNING THE PURCHASE OF STORES**

**96.** All purchases of stores for use in the public service should be regulated in strict conformity with the Store Rules given in Appendix 6.

**97.** Purchases must be made in the most economical manner in accordance with the definite requirements of the public service. Stores should not be purchased in small quantities. Periodical indents should be prepared and as many articles as possible obtained by means of such indents. At the same time, care should be taken not to purchase stores much in advance of actual requirements, if such purchase is likely unprofitable to Government.

Where sales c, consumption or limits of stores have been laid down by competent authority, the officer ordering a supply certify on the purchase order that the prescribed scales or limits are not exceeded.

**98.** Purchase orders should not be split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

**99.** (1) All indents placed on the Director-General of Supplies and Disposals, New Delhi (whether by formal indent letter or telegram) should state clearly and accurately the grant number and the head of account to which the cost of the stores is debitable, the amount of appropriation provided and an estimate of cost of each item.

The indents should be prepared in such form and in accordance with such general or special instructions as may be issued by the Director-General of Supplies and Disposals, New Delhi, in the behalf.

(2) Indents should not be sent out so late in the financial year that they cannot possibly be complied with and paid for within that year. If the Director-General receives any indents which he cannot possibly comply with before the end of the financial year, he will carry it over to the following financial year under intimation to Government.

(3) If it is essential to place an indent on the Director-General of Supplies and Disposals, New Delhi, before the sanctioned appropriation has been communicated to the authority concerned, the consent of the Finance Department should be obtained if the estimated amount exceed £ 200 or such other limit as may be prescribed by Government in this behalf. In such cases the words "The Finance Department has agreed to indent being executed' should be written on the indent.

(4) The purchasing officer should distinguish very carefully between stores to be bought through the agency of the Director-General, India Store Department, London and the India Supply Mission, Washington, by indent on the Director-General of Supplies and Disposals, New Delhi and stores merely to be delivered to them for despatch and shipment.

### **RECEIPT OF STORES**

**100.** All stores received should be examined, counted, measured, or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government Officer who should see that the stores are of requisite quality and quantities thereof are correct and record a certificate to that effect on the back of the respective invoice in duplicate or triplicate as the case may be. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register.

### **ISSUE OF STORES**

**101.** When materials are issued from stock for Departmental use, manufacture, sale, etc., the officer-in-charge of the stores should see that an indent in the prescribed form has been made by a properly authorized person, examine it carefully with reference to the orders, rules or instructions for the issue of stores and sign it, after making suitable alternations under his dated initials in the description and quantity of material, if he is unable to comply with the requisition in full. He should then prepare and sign the form of the invoice attached to the indent according to the supply actually made. The indent should be returned at once to the requisitioning officer for signature. When the materials are issued; a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched, or from a duly authorized agent.

In case of stores issued to a contractor, the cost of which is recoverable from him, the acknowledgment should give full particulars of the materials issued, including the recovery rates and the total value chargeable to the contractor.

### **TRANSFER OF CHARGE OF STORES**

**102.** In cases of transfers, the officer-in-charge of stores should see that the stores in his custody are made over correctly to his successor and a proper receipt taken from him.

Every Departmental officers is bound to take over charge of Departmental stores which, from the death or departure of the person lately incharge or from any other cause, may be left at or near his station without adequate protection. For detailed instruction see rule 64.

## SECTION III- CUSTODY AND ACCOUNTS OF STORES

### GENERAL

**103.** The head of an office or any other officer entrusted with stores of any kind should take special care for arranging for their safe custody, for keeping them in good and efficient condition and for protecting them from loss, damage or deterioration. Suitable accommodation should be provided more particularly for valuable and combustible stores. He should maintain suitable accounts, inventories and prepare correct returns in respect of the stores in his charge with a view to preventing losses through theft, accident, fraud or otherwise and to making it possible at anytime to check the actual balances with the book balances and the payment to suppliers, etc.

**104.** The form of stock accounts mentioned in the preceding rule should be determined with reference to the nature of the stores, the frequency of the transaction and the special requirements, of each Department of office in which they are used. The general and essential principles in accordance with which such accounts are to be kept are laid down in the following rules.

It is not, however, intended that these rules should replace the detailed stores accounting rules prescribed in the Departmental regulations of various Departments or in any special orders which apply to any particular Department, unless a competent authority has held that the existing rules are defective and should be brought into harmony with the general principles laid down below where Audit of the accounts stores and stock has been undertaken by the Comptroller and Auditor-General of India, the Accountant-General will bring to notice cases in which there is a hiatus to be filled in by the application of these rules and in which losses to Government could have been avoided by the use of these rules.

**105.** Separate accounts should be kept of-

- (i) "Dead Stock" such as plant, machinery, furniture equipment, fixture; and
- (ii) Other stores

### DEAD STOCK

**106.** An inventory of the dead stock should be maintained in all Government offices in form O.G. F.R. 6 showing the number received, the number disposed of (by transfer, sale, loss, etc.) and the balance in hand for each kind of article. The instructions given below should be carefully observed by all concerned:

- (i) The inventory should be priced whenever the items have to enter into the block account maintained for a Government commercial undertaking or the values of the items is necessary in order to enable Government to calculate the charge to be levied upon private persons or bodies. As regards other items, a numerical inventory would suffice, except for articles costing above Rs.25.

NOTE- For the purpose of numerical inventory, articles, of similar description such as tables, durries, carpets etc., should be put into separate categories, each category comprising articles of the same measurement and make and manufactured with the same metal or wood or other material.

- (ii) The inventory should ordinarily be maintained at the site of the dead stock. Whether it is desirable, in any particular case, to depart from this general principle or to maintain additional consolidated inventories elsewhere should be decided on the merits of each case.
- (iii) The inventory should be checked by the competent administrative authority once a year and a certificate of the result of check recorded.
- (iv) Articles of dead stock should be verified at least once a year and the result of verification recorded on the inventory. All discrepancies noticed must be properly investigated and brought to account immediately so that the inventory may represent the true account.
- (v) When articles of dead stock, e.g., tools and plant are lent to local bodies, contractors and others the hire and other charges as determined under rules prescribed by competent authority should be recovered regularly.
- (vi) Government libraries and museums should maintain up-to-date catalogues as well as prescribed stock accounts



and inventories.

## OTHER STORES

**107.** A reliable list, inventory or account of all stores in the custody of Government servants should be maintained, in form O.G.F.R. 6 to enable a ready verification of stores and check of accounts at any time, and transactions must be recorded in it as they occur.

**108.** Price lists, recording both quantities and values, should be maintained in cases where the stores are intended to be converted into money or where it is desired to distribute their cost over the works, items or objects on which they are actually used.

In such cases, the expenditure on stores must be charged to a Stores suspense head in the first instance.

**109.** Purely numerical inventories, i.e., recording quantities only, will suffice for articles costing up to Rs.25 when the articles are intended solely for the service of the Department keeping them and it is not desired to distribute their cost. In such cases the expenditure on stores must be charged off finally to the service head concerned.

NOTE- In some cases it may be found necessary to show prices and measurements, etc., vide note below rule 106 (I) against some articles, say, when for facility of identification or other reason, it is desirable to distinguish costly articles from cheap articles bearing the same general description otherwise.

**110.** The lists, inventories or accounts of stores should in all cases be subject to such internal check as may be prescribed by State Government, whether or not they are subject to any check by the Accountant-General.

**111.** A physical verification of all stores should be made at least once in every year by the Head of office concerned or such other officer as may be specially authorized by him in this behalf subject to the condition that the verification is not entrusted to a person-

- (i) Who is the custodian, the ledger-keeper or the accountant of the stores to be verified, or who is a nominee of, or is employed under, the custodian, the ledger-keeper or the accountant; or
- (ii) Who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified.

The verification should never be left to low-paid subordinates and in the case of large and important stores; it should be, as far as possible entrusted to a responsible officer who is independent of the superior executive officer in charge of the stores.

NOTE- The various Departments concerned have their own detailed rules, prescribed by the State Government for the maintenance of stock accounts of different classes of materials and for submission of periodical returns for review by higher authorities.

**112.** A certificate of verification of stores with its results should be recorded on the list, inventory or account, as the case may be, where such verification is carried out.

**113.** In making a physical certification, the following instructions should invariably be observed:-

- (i) Verification must always be made in the presence of the officer responsible for the custody of the stores or of a responsible person deputed by him.
- (ii) all discrepancies noticed should be brought to account immediately so that the stores account may represent the true state of the stores; and
- (iii) shortages and damages, as well as unserviceable stores, should be reported immediately to the authority competent to write off the loss.

**114.** Balances of stores should not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. In order to ensure the observance of this rule, a periodical inspection should be made by a responsible officer,

who must submit a report of surplus and obsolete stores to the authority competent to issue orders for their disposal (See rule 120). The inspection should, unless there is good reason to the contrary, be made six monthly in the case of perishable stores and once a year in the case of other stores. Stores remaining in stock for over a year should be considered surplus unless there is any good reason to treat them otherwise.

**115.** Where a priced inventory is maintained, it is essential that the values recorded therein shall not be materially in excess of the market value of the stores. The head of the Department concerned must issue instructions to govern-

- (i) the fixation of prices with reasonable accuracy;
- (ii) the periodical review and revision of rates; and
- (iii) the agency to be employed in periodical revaluation.

NOTE- The "market value" of an article, for this purpose, means the cost per unit at which the article or an article of a similar description can be procured at a given time at the Stores Godown, from some suitable public markets.

**116.** All profits and losses due to revaluation, stocktaking or other causes should be duly recorded and adjusted where necessary. Formal sanction of competent authority should be obtained in respect of losses even though no formal correction or adjustment in the accounts is involved.

**117.** (1) Losses, due to depreciation should be analyzed and recorded under following heads according as they are due to :-

- (i) normal fluctuation of market prices;
- (ii) fair wear and tear;
- (iii) lack of foresight in regulating purchases;
- (iv) neglect after purchase;

(2) Losses not due to depreciation should be grouped under the following heads:-

- (i) losses due to theft or fraud;
- (ii) losses due to neglect;
- (iii) losses due to an act of God and other calamities such as fire, enemy action, etc.;
- (iv) anticipated losses on account of surplusage of obsolete stores or of purchases in excess of requirements;
- (v) other losses due to damage , etc.

### **STOCK ACCOUNTS OF OFFICE FURNITURE AND STORES**

**118.** Every head of an office should maintain a stock account of furniture, all other office stores (except books, forms and stationery) in Form O.G.F.R. 7 showing the number received, the number disposed of (by transfer, sale, loss, etc.) and the balance in hand for each kind of article separately. When an office is large and the furniture, etc. is kept in several rooms, the head of the office may have an inventory of the furniture, etc. kept in each room hung up in the room and kept up-to-date in order to facilitate the annual verification of stock and fix the responsibility for any loss that may occur.

Every Head of an office should also maintain stock accounts for forms and stationery in accordance with the rules in the Stationery Manual, and also a register of books belonging to the office.

### **DISCREPANCIES FOUND ON VERIFICATION OF STORES**

**119.** A deficiency detected during a verification of stores may be due to-

- (1) incorrect or careless accounting,

- (2) loss arising from fraud, theft or negligence, or
- (3) an unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them. The Head of the office or institution concerned should fully investigate the causes of any deficiency and send a full report on it to the controlling authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servants concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The controlling authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the competent authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts, with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stocktaking should, after investigation, be entered in the stock accounts at once as a receipt with the remarks "excess found on stock verification." No special orders are necessary for this.

### **SALE AND DISPOSAL OF STORES AND WRITE OFF OF STORES**

**120.** No loss, deficiency or depreciation in value of stores shall be written off and no store, furniture, fixture, tool, plant, machinery or vehicle condemned without previous sanction of the competent authority.

**121.** Subject to special Rules or Government orders, if any, the authority competent to sanction purchase of stores, equipment, tools, plants etc. may condemn and dispose of or cause to be disposed of obsolete surplus or unserviceable stores, equipment, tools, plant, machinery and vehicles by sale or otherwise. The order, in each case, shall stipulate the up-set price and the date, venue and mode of disposal. Disposal of Government property through public auction shall be given wide publicity by notifying the particulars in the locality as well as out-stations. Where the reserved price exceeds Rs. 25,000 an advertisement shall ordinarily be made in a local Newspaper at least seven days before the date of auction.

**122.** Where stores or other articles are transferred to a Government Department, costing there of shall be based on their book value.

(F.D.O.M. No Codes-75/79-9609-F., dated the 28<sup>th</sup> February 1980)

### **OPIUM STOCK IN THE CUSTODY OF TREASURY OFFICERS**

**123.** The opium in store must be kept in the treasury strong room and not elsewhere and all receipts into and issue from stock should be entered in a store register maintained for the purpose over the initials of the Treasury Officer. The Treasury Officer should give out opium to the Treasurer as required for sale to the public, an account of opium so issued to and sold by him being kept by the treasurer in a sub-register in suitable form to be determined by Treasury Officer. The Treasury Officer should see that all issues to the treasury are entered up in the register and the proceeds of opium sold are duly credited in to the treasury account. The balance of opium in the hands of the treasurer should be checked by the Treasury Officer at least once in every month. No more opium should be issued to the treasurer than is necessary to meet current demands

### **AUDIT OF STORES AND STOCK ACCOUNTS**

**124.** When audit of the accounts of stores and stock kept in any office or Department is undertaken by the Comptroller and Auditor-General, India, it will be conducted in accordance with the regulations embodied in Appendix 7.

### **PURCHASE FOR LOCAL BODIES, ETC.**

**125.** In the absence of special orders to the contrary, the cost of all stores, purchased for Local Bodies, etc., must be prepaid in cash. In the case of purchases made in England through the Director-General of Supplies and Disposal, New Delhi the rupee deposits made on account of stores specially imported for them should be converted at the rate of 1s. 6d. per rupee and the cost in

sterling of the stores supplied (including sea freight payable in England), together with the extra charges mentioned in paragraph 172 of the Government of India General Financial Rules should be adjusted month by month against the deposit.

## CHAPTER 9- WORKS

### SECTION I-INTRODUCTORY

**126.** Subject to any general or special rule or order of Government to the contrary, the term “administrative control” as applied to works implies inter alia the assumption of full responsibility for the construction, maintenance and upkeep of buildings and other works and the provision of funds for the execution of those functions (See Article 33 of the Account Code. Volume 1).

**127.** Subject to the observance of the following general rules, the initiation authorization and execution of works allotted to particular Departments should be regulated by detailed rules and orders contained in the respective Departmental regulations and by other special orders applicable to them.

### SECTION II- GENERAL RULES

**128.** (a) Except in cases covered by any special rules or orders of Government no work should be commenced or liability incurred in connection with it until:-

- (i) administrative approval has been obtained from the authority appropriate in each case;
- (ii) sanction, either special or general, of competent authority has been obtained authorizing the expenditure ;
- (iii) a properly detailed design and estimate has been sanctioned ;
- (iv) funds to cover the charge during the year have been provided by competent authority; and
- (v) orders for its commencement have been issued by the competent authority.

NOTE 1- Permission granted by Government in orders on a Budget Estimate for the retention of an entry of proposed expenditure during the year on a work, conveys no authority for the commencement of outlay. Such permission is granted on the implied understanding that, before any expenditure is incurred the above conditions will have been fulfilled.

NOTE 2- The sanction of a design and estimate by the competent authority conveys no permission for the commencement of expenditure on the work unless such expenditure has been provided for in the Budget Estimate of the year or provision has been made for the outlay within the official year either by supplementary demand, reappropriation or out of some lump sum grant allotted for the head of classification under which the service falls or otherwise.

NOTE 3- Under the third Para. of Rule 81 of Orissa Budget Manual a sanction becomes operative only when funds are appropriated to meet it and when funds are to be provided by reappropriation which requires the sanction of higher authority, expenditure should not be incurred in anticipation of sanction to the reappropriation.

Exceptions to the above fundamental rules-

- (i) Works for which specific orders are received from Government for the commencement of work prior to sanction of estimate and or allotment of funds.
- (ii) Works such as breaches in embankments or storm damage to buildings or roads or damage to plant and machinery or transmission line due to fire or accident or break down of supply due to storms or lightning strokes, etc., or other works where immediate action is essential.

(b) If, in any case, whether on grounds of urgency or other wise, an executive officer is required by superior authority to carry out a work or incur a liability which involves an infringement of these fundamental rules, the orders of such authority should be conveyed in writing. On receipt of such written orders or, in cases of emergency, on his own responsibility, the officer may proceed to carry out the necessary work, subject to the condition that he immediately intimates to the Accountant- General, Orissa and to Government through proper channel that he is incurring an unauthorized liability and states approximately the amount of the liability which he is likely to incur. In such cases, the concerned superior authority and the concerned Chief Engineer, in the case of Works Department, should see that necessary administrative approval or technical sanction to the estimate, as the case may be, is accorded by the competent authority within three months from the date of commencement of work.

NOTE- The officers of the Public Works or Electrical Branch of the Department should not comply with the requests of the Civil Officers to execute works in anticipation of fulfillment of the above fundamental rules, unless in the requisition of the Civil Officer it has been clearly stated that approval of the Finance Minister through Finance Secretary in respect of works in connection with residential buildings and of Finance Department in respect of others has been obtained for starting work in anticipation of the necessary preliminaries.

**129.**(1) The powers delegated to various subordinate authorities to accord administrative approval and to sanction expenditure upon works are regulated by the orders contained in the Orissa Book of Financial Delegations, Orissa P.W.D. Code and other special orders contained in the respective Departmental regulations.

For purposes of approval and sanctions, a group of works which forms one project should be considered as one work, and the necessity for obtaining the approval or sanction of higher authority to a project which consists of such a group of works is not avoided by the fact that the cost of each particular work in the project is within the powers of approval or sanction of any authority subordinate thereto.

NOTE- While no officer may sanction any estimate for a work which cannot be fully efficient unless other works are also sanctioned if the cost of all such works collectively exceeds his power of sanction, it is not the intention that two or more works should be regarded as forming part of group of works merely because they are of the same nature, if they are otherwise mutually independent.

**130.** The authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project should not, without special authority, be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

Savings due to the abandonment of a substantial portion of any project the estimated cost of which will not be less than 5 per cent of the total sanctioned cost of the entire project administratively approved by any authority are not to be considered as available for work on other sections without the further approval of that authority.

**131.** Any development of a project though necessary while a work is in progress, which is not fairly contingent on the proper execution of the work as first sanctioned, should be covered by a supplementary estimate, accompanied by a full report of the circumstances which render it necessary. The abstract must show the amount of the original estimate and the total of the sanction required including the supplementary amount.

NOTE- Applications for sanction to supplementary estimates should show the amount of the original estimate and the total amount including the supplementary estimate for which sanction is sought and also of the supplementary estimates sanctioned previously in respect of the same work.

**132.** To facilitate the preparation of estimates as also to serve as a guide in settling rates in connection with contract agreements, a schedule of rates for each kind of work commonly executed in the area duly approved by the Superintending Engineer should be maintained in the division and kept up-to-date. It should be prepared on the basis of the rate prevailing in each locality and necessary analysis of the rates for each description of work and for the varying conditions thereof should, as far as may be practicable, be recorded.

The rates entered in estimates should generally agree with the scheduled rates but where, from any cause, the latter are not considered sufficient or is in excess, the deviation should be explained in detail in the report on the estimate showing the manner in which the rate used in it is arrived at.

When rates and prices are changing rapidly the Superintending Engineer should issue orders at any time, that a certain percentage should be added to or deducted from all the rates or from certain specified rates or from rates for certain specified classes of items, e.g., for materials or for labour. In the data accompanying the schedule of rates for works, the contractors' profit should be shown as a separate item.

**133.** When works are given out on contract, the general principles laid down in rules 17 and 18 of the Rules should be carefully borne in mind.

**134.** The preparatory stages of a major work may take anything from three months to a year and attempts to expedite the execution of works contrary to Code rules lead to bed estimating and computing and to actual losses of money. These unfortunate

results have been commented upon adversely by the Public Accounts Committee on various occasions, and it is desirable that the tendency to rush the preparatory stages for works should be checked. The Chief Engineer and his subordinate officers should accordingly take, in all cases, such time as is considered necessary, for the preparation of proper estimates, the grant of technical sanction and the invitation and examination of tenders and refrain from entertaining requests from Administrative Departments for special treatment. In emergent cases, however, where circumstances warrant a departure from methods laid down by the Codes, the Works Department may issue special instructions on a reference received from the Administrative Department concerned.

### SECTION III- WORKS UNDER THE ADMINISTRATIVE CONTROL OF THE WORKS DEPARTMENT

**135.** Provision for expenditure on all buildings (other than the residences of the Governor Communications and other works required by Civil Departments, which Government has not specifically allotted to such Departments, should be included in the grant for “Civil Works” to be administered and accounted for by the Works Department. No such work may be financed partly from funds provided in a Departmental budget and partly from the budget for Civil Works.

The term “Civil Works” used in this rule embraces all works chargeable to the heads “50-Civil Works”, and “81-Capital Account of Civil Works outside the Revenue Account”.

NOTE 1- Buildings of the Forest Department have been assigned to that Department

NOTE 2- Separate grants are obtained for expenditure on irrigation, Navigation, Embankment and Drainage works in charge of Works Department.

**136.** The financial powers of different authorities responsible for or concerned in the execution of works and appropriating and reappropriating funds allotted for expenditure upon such works are laid down in the Orissa Public Works Department Code, the Central Public Works Account Code and other special rules made by Government for application to special classes of works, e.g., rules for the management of Governor’s residence.

**137.** Where for administrative or economic reasons the maintenance of any State building in charge of the Works Department is entrusted to any other civil Department by a mutual understanding between the Works Department and the Department concerned, original works and special repairs costing Rs. 10,000 or less and all ordinary repairs irrespective of cost, in respect of such buildings may be carried out by the Head of the Department concerned in accordance with such special instructions as may be issued to him by the Works Department . Provision for expenditure on such works should be made in the budget for “50-Civil Works” under a special sub-head “Petty construction and repairs by Civil Departments,” subdivided into the secondary units (i) works and (ii) repairs, from which allotments will be made by the Works Department to heads of civil Departments carrying out the works and while full budgetary and financial control in respect of such works will remain with the Works Department, the charges incurred by the civil Departments may be drawn under the rules and procedure governing contingent expenditure.

The head of the civil Department should forward to the Executive Engineer concerned an annual statement of the amount spent by the civil Department on each building, road, etc. whether on ordinary or special repairs to enable the Public Works Department to keep a check on the amount and also to see that the buildings are not neglected for years together.

NOTE1- The system should not be adopted in the case of jail works costing over Rs. 10,000. Such works should be carried out by the Public Works Department itself. But in giving out works on contract, Public Works Department officers should exclude from the scope of the contract such items of works as required no skilled labour or skilled supervision and allot them to the Jail department for execution.

NOTE 2- While entrusting works to other Departments, it should be the Endeavour to entrust the works, as far as possible, to Departments which have engineering personnel under their control.

(F.D.O.M. No. Codes 16/2000 – 33997/F, Dated the 18<sup>th</sup> August 2000)

**138.** In cases in which a civil Department is entrusted with the execution of Public works the Departmental officer carrying out the work should act as a Public Works disburser and be guided generally by the rules and procedure which apply when works are carried out by the Works Department. The charges in connection with such works are debitable to the works grant.

## SECTION IV- WORKS UNDER THE ADMINISTRATIVE CONTROL OF OTHER

### CIVIL DEPARTMENTS

**139.** Save where any particular Department (e.g., the Forest Department) has been authorized by Government to execute all or specified classes of Departmental works without reference to the Works Department and subject to any special rule or order issued by Government to apply to special classes of works, all original works and special repairs costing more than Rs.10,000 relating to buildings and other works, the administrative control of which vests in other civil Departments, should be executed through the agency of the Works Department. In exceptional cases in which the Works Department is not Employed for the execution of such works or repairs, the Accountant-General should invariably be consulted at the initial stage, i.e. prior to an agreement being entered into with an architect or contractor, so that suitable provision may be made as far as possible for normal audit and financial control.

(F.D.O.M. No. Codes 16/2000-33997/F, Dated the 18<sup>th</sup> August 2000)

### EXECUTION OF WORKS

**140.** When works allotted to a civil Department other than the Works Department are executed Departmentally, whether direct or through contractors, the form and procedure relating to expenditure on such works should be framed in consultation with the Works and the Finance Departments and the Accountant- General generally on the principles underlying the financial and accounting rules prescribed for similar works carried out by the Works Department. The guiding principles regarding accounting of such expenditure are given in Appendix 8. The subsidiary rules framed for regulating expenditure on construction and repairs, executed by Civil Officers, of buildings assigned to their Departments, are given in Appendix 9.

NOTE 1- Expenditure on works of petty constructions and repairs costing Rs. 10,000 or less, relating to building under the administrative control of a civil Department, other than the Works Department, may be drawn and charged as contingent expenditure of the Department concerned, provided that where any individual item of such petty works costing Rs. 10,000 or less forms part of a bigger programme, the expenditure should be treated as “Works expenditure” of the Department carrying out the works.

NOTE 2- In South Orissa the works of petty construction and repairs of all buildings which are borne on the books of the Works Department and which are for petty constructions and repairs assigned to other Departments using or requiring them shall be carried out by the civil Departments concerned as Works disburser’s funds for their repairs etc., being provided in the Works Department Budget until such time as it may be convenient for the Works Department to take over the execution of such works.

NOTE 3- Civil Officers should not incur any expenditure out of the funds placed at their disposal for “Petty construction and repairs”, on buildings borne on the books of the Works Department, either residential or non-residential, except on account of petty repairs of fixtures and the replacement of broken glass in doors and windows in non-residential buildings required at the intervals between periodical repairs done by the Works Department.

(F.D.O.M. No Codes 16/2000-33997/F, Dated the 18<sup>th</sup> August 2000)

**140-A.** Provisions regarding advance to contractors, maintenance of muster rolls and measurement books, test check of measurements, enforcement of terms of contracts, etc., for execution of works by the Works Department are contained in the Orissa P.W.D. Code. When other civil Departments execute work they shall follow closely the provisions contained in the Orissa P.W.D. Code until separate rules are framed for execution of works by the officers of other civil Departments. Where there are special Departmental rules (e.g., special rules for execution of Local Development Works and Community Projects, and Minor Irrigation Works, etc., executed by the Revenue Department) they will follow those special rules for the execution of works concerned. (Vide Appendix 9-A containing Paras. 123, 150, Paras. 220 to 228 with Appendix and Paras. 236 to 241 of the Orissa P.W.D. Code).

## SECTION V- SPECIAL RLES FOR SANITARY, WATER-SUPPLY AND ELECTRIC INSTALATION TO GOVERNMENT BUILDINGS, ETC.



**141.** Subject as hereinafter provided, all works and repairs in connection with sanitary, water-supply and electric installations to Government buildings where such buildings are not in charge of the Military Engineer Services or of Railways, should be carried out by or through the agency of the Works Department, except in special cases under the orders of Government.

NOTE- The rules relating to the assessment of rent account of these installations in Government buildings occupied as residences are laid down in Rules 109 and 111 of the Orissa Service Code.

**142.** Expenditure incurred by civil Departments in connection with these installations, where it does not exceed Rs. 10,000 may be charged as contingent expenditure of the Department carrying out the work.

(F.D.O.M. No. Codes 16/2000-33997/F, Dated the 18<sup>th</sup> August 2000)

## SECTION VI-MISCELLANEOUS RULES

### NON-GOVERNMENT WORKS

#### (a) Estimates

**143.** For every non-Government works there must be a duly sanctioned detailed estimates or requisition, as the case may be, in the same way as for a Government work.

The design and estimate will, in the first instance be drawn up in communication with the party or parties depositing or administering the funds and must be submitted for the approval of such higher local Departmental authority as the extent of the estimate would require in the case of an ordinary public work.

**144.** Outlay on Deposit Works is required to be limited to the amount of deposit received.

Any expenditure on Deposit Works incurred in the Works Department in excess of the amount deposited is chargeable to Miscellaneous P.W. Advances pending recovery, to effect which action should be taken at once.

#### (b) Local loan works

**145.** (a) No public Department or public officer may incur any expenditure of liability against local loan funds, unless a statement in writing is first obtained from the Accountant-General, Orissa, that the amount is available out of the loan funds, and has been placed in a separate account by the Accountant-General so as to be available for the proposed expenditure. The amount so placed should be treated as the appropriation for the work, and should not be exceeded without special orders.

(b) Funds so spent under the above rule shall reckon for interest as if they were drawn on the last day of the month in the accounts of which they were included by the spending Department or Government servant.

**146.** The limit of funds set aside for expenditure on a work during the year should be ascertained from the Accountant – General, by the Government servant authorizing the expenditure and communicated to the Divisional Officer for guidance. This limit should be treated as the appropriation for the work and should not be exceeded without special orders.

## TAKAVI WORKS

### (I) Provision of Funds

**147.** It is not imperative, as in the case of a Deposit work, that the estimated cost of a Takavi work shall be deposited by the person or persons interested in the work before any expenditure is incurred on it, as if the amount due is not received in cash direct from them, it is recoverable through the District and revenue authorities in the same way as arrears of land revenue. Endeavour should, however, be made to effect direct and prompt recoveries of the probable cost of Takavi works, as recoveries through the District and Revenue authorities cause considerable trouble and delay in adjustment.

## **(ii) Recovery through the Civil Department**

**148.** The following procedure is prescribed for effecting recoveries, through the District and Revenue authorities, on account of the cost of individual Takavi works, executed in the Works Department, not covered by cash deposits received direct from the cultivators concerned:-

- (a) A certificate showing (1) the full name of the work, (2) the name and address of the responsible cultivator of cultivators, (3) the authority for undertaking the work, (4) the total expenditure incurred, (5) the amount (with full particulars), if any, recovered in cash and (6) the net amount still recoverable, should be prepared, in duplicate, by the Divisional Officer on the completion of the work and submitted to the Collector or Deputy Commissioner of the district concerned.
- (b) On receipt back of the duplicate copy, duly accepted, the amounts accepted should be credited, on the authority of it to the Takavi Works Advances account by debit to the head "P-Loans and Advances by the State Government-Advances to Cultivators" in the Schedule of Debits of Miscellaneous heads of Account, Form 76 of the C.P.W.A. Code, as the District and revenue authorities will thereafter be responsible for effecting necessary recovery.

## **PUBLIC BUILDINGS**

**149.** The term "Public Buildings" as used in these rules applies to buildings borne on the books of the Works department and maintained from the appropriation for Public Works in charge of Works officers.

### **(i) Fixtures and Furnitures**

#### **(a) Fixtures**

**150.** Every public building should be provided with all necessary fixtures. The periodical repair of these fixtures should be carried out by the Works Department and charged to the repair estimate of the building. All petty repairs of fixtures and replacement of broken glass in doors and windows required in non-residential buildings at the intervals between the periodical repairs should be carried out by the Department in occupation of the building and charged to the contingent accounts of that Department.

NOTE- Subject to such exception as may be prescribed by Government punkha includes its suspending ropes, tubes, pulleys and its pole or board and the flap attached thereto. It does not include covering for the flap, frills or pulling rope.

#### **(b) Furniture**

**151.** The Executive Engineer will not supply or repair furniture, screens, purdahas, or tatties nor will he perform any of the duties specified above as developing on the Departmental officer-in-charge. Furniture for new offices may, however, be supplied by the Executive Engineer provided the cost of such furniture is included in the estimates of the offices concerned. This rule does not apply to furniture of travelers, rest houses staging, bungalows or circuit houses, Dak Bungalows or rest houses in charge of Civil Officers the outlay on the supply and repair of which will be treated as charges of the Civil Department. For Public works inspection bungalows, and rest sheds, the furniture should be supplied and repaired at the cost of the Works Department.

**152.** The Administration of the furniture grant of the official residence of the Governor, including the upkeep of stock list and the purchase, repair, and maintenance of furniture shall be conducted in accordance with the rules, contained in the Orissa P.W.D. Code and separate rules, if any, framed by Government in that connection.

### **(ii) Transfer, Purchase and Sale of Government Buildings**

(a) Transfer of Buildings

**153.** When it is proposed to transfer a building from one Department to another a descriptive statement of the building with information regarding title to the land, rent of the land, cost of the land, reason for the transfer, present condition and a plan of the land and building must invariably accompany the proposal.

**154.** The proposal should be finally sanctioned in the Department from which the building is transferred with the consent of the Department to which the transfer is made and the buildings assigned to a Department shall be borne in the books of that Department.

(b) Purchase of Buildings

**155.** No buildings may be purchased for the public purposes without the orders of the State Government, to whom a survey and valuation report by the Executive Engineer of the division should, in all cases, be submitted through proper channel.

(c) Sale and Dismantlement of Buildings

**156.** Permanent public buildings, whatever be their book value, constructed from State funds may be sold or dismantled under the orders of the State Government to whom a survey and valuation report by the Executive Engineer of the Division should, in all cases, be submitted through proper channel. The limits and conditions on which sale and dismantlement may be conducted by subordinate authorities are regulated by special orders of delegation in this behalf.

Temporary buildings erected during the construction of a work may, under the sanction previously obtained from the Superintending Engineer, be sold or dismantled on the completion of the work or when the purpose for which they were erected has been served. It is the duty of the Executive Engineer to report when in his opinion, any building or other property of Government in his charge ought to be sold or dismantled.

Superintending Engineers including Public Health Engineer have been empowered to the sanctioned dismantling and sale of public buildings, the book value of which does not exceed Rs. 5,000, after ascertaining from the local Civil Officers that the building can not be put to any other use.

NOTE 1- Approval of the Collector has to be taken before any building is ordered to be sold.

NOTE 2- No building should be demolished unless it is a dangerous condition and past repairs

NOTE 3- The power will not extend to the sale or dismantlement of several individual buildings situated in a compound, the total cost of which exceeds Rs. 5,000.

NOTE 4- When it is proposed to sell or dismantle a portion of the building, the value of the entire building and not a portion shall be taken for the purpose of determining the authority competent to sanction it.

NOTE 5- Concurrence of the Revenue and Finance Department is to be obtained for the sale of sites.

**(iii) Hire of office accommodation**

**157.** (a)1. When no suitable Government building is available, private buildings may be hired for public purposes, the rent being paid by the office or Department occupying it. When the building is entirely used for office accommodation, the rent is wholly chargeable to Government. When, however, it is partly used for office purposes and partly for residential purposes, the Government servant shall, for the portion occupied for his residential purposes, be liable to pay rent calculated on the basis of the plinth area occupied for his residential purposes or at the rate of ten percent of his monthly pay, whichever is higher subject to a maximum of 50 per cent of the total rent of the house. The plinth area occupied for residential purposes will have to be certified initially by the competent authority giving the fair rent certificate for the building hired for public purposes. The certificate so produced should be subject to annual verification for facility of check so that in due course, the proportion between residential and official portions is not unduly disturbed.

2. The certificate of non-availability of Government accommodation shall be obtained from the concerned Departmental authorities who are in charge of Government buildings available in the locality. In the case of accommodation sought at the New Capital the certificate should be obtained from the Estate Officer, General Administration Department. The certificate of fairness of rent shall be given by an officer not below the rank of Assistant Engineer, in accordance with the principles prescribed by Government from time to time. The rent fixed for the building taken on hire shall not exceed the fair rent as certified by the officer except under special orders of the State Government.

(F.D. Memo. No Codes 272-6-1322 (34)-F., dated the 12<sup>th</sup> January 1967)

(b) The Municipal tax or Union tax assessed on the annual value of buildings in which office accommodation is provided, or on the land appertaining to them, should be treated as separate from the rent. At the time of hire of the building it should be decided who will pay such tax on the building, in case, where Government is to pay the tax, the Government share of tax will be proportionate to the rent payable by Government.

#### **(iv) Residences for Government Servants**

**158.** Residences for public servants may be built or purchased by Government-

- (i) When it is the recognized duty or established custom of the Government to provide quarters at Government expenses.
- (ii) When it is necessary on public ground for the officer to reside in, or close to the locality in which his duties are performed such as a jail, a police than a, a school, a factory, a mint, etc.;
- (iii) When it is necessary to provide residence in parts of the country where no civil station or cantonment exists, and where a lengthened term of residence would render camp accommodation unsuitable, e.g., buildings along lines of roads or canals or Transmission Lines for the housing of officials employed on their construction or maintenance;
- (iv) When it is shown to the satisfaction of the State Government that suitable house accommodation for officers whose appointment are permanent in respect of locality is not available in the vicinity or is available only in circumstances which will be likely to place such officers in an undesirable position in relation to house proprietors.

**159.** In respect of building available for occupation as residences, capital and revenue accounts are prepared periodically by the Accountant-General in accordance with the directions given in the Account Code, Volume IV issued by the Comptroller and Audit- General of India and any further orders that the State Government may issue in this behalf. All officers concerned should furnish the Accountant-General annually with the necessary data in respect of such buildings in such form as may be prescribed by the Accountant-General.

### **LEASING**

**160.** (I) Before recommending the construction or purchase of a residence for a Government official, local and Departmental officers should always consider whether the requisite accommodation cannot more conveniently and economically be provided by taking an existing building on less for such a term and on such conditions as may be appropriate, no such lease can, however, be entered into without the express sanction of the State Government. The present and future incumbents for whom accommodation is leased should pay as rent-

- (a) the sum payable annually to the lessor;
- (b) when repairs are executed by Government, the estimated annual charge for repair and maintenance;
- (c) if Government are liable to pay Municipal taxes, the amount of such taxes.

Subject to the maximum of 10 per cent of the emoluments of the occupant or such lower percentage thereof as may be fixed by the State Government. He shall also pay municipal taxes which by local rule or custom are levied on the occupant, in addition to the rent payable to Government.

**(II)** Leases should ordinarily provide that the lessor will execute all structural repairs before the building is occupied and will

carry out such additions, alternations and repairs as are necessary to render the building habitable and suitable for the purpose for which it is required. In the event of any addition or alteration to the building being made subsequent to the signing of the lease at the request of the occupant and at Government expenses, the consent of the owner must first be obtained in writing unless the work is considered by the State Government to be essential for sanitary reasons and a written undertaking from the Government servant who requires the addition or alteration is taken to the effect that he will pay increased rent for such additions and alterations as under the following rules:-

- (i) If the lessor agrees to take over the work done on the expiry of the lease and to pay to Government the original cost of that work, less an allowance for deterioration, which should be fixed before the work is done, the occupant will be required to pay the following additional charges:-
  - (a) six percent on the capital cost of the additional work;
  - (b) the percentage or amount fixed for deterioration;
  - (c) the annual estimated charges for maintenance and repairs of the additional work (if repairs are executed by Government); or
- (ii) If the landlord refuses to accept any liability for additional work, the rent payable by the occupant will be increased by a sum sufficient to cover during the period of the lease:-
  - (a) the capital sum expended, including interest at 6 percent;
  - (b) the annual estimated charges for maintenance and repairs of the additional work.

The amount to be recovered monthly from the tenant should be fixed when the work is completed, and should be distributed equally throughout that remaining period of the lease.

In case (I) the capital cost will be held to be the total expenditure less half the amount which will be recovered on account of deterioration.

In case (II) interest will be calculated on behalf the amount of the outlay.

**(III)** Capital expenditure under sub-clause (ii) of clause II should only be incurred when absolutely necessary, and capital expenditure under either sub-clause should not ordinarily be incurred which will raise the rent of the leased building to an amount in excess of 10 percent of the emoluments, if any, of the class of official who will usually occupy the building.

NOTE- This supplements rule 110 (a) of the Orissa Service Code, see also rule 111 of the Orissa Service Code for definition of emoluments and for application of percentage limit.

#### **(v) Rent rules for Government buildings used as residences**

**161.** When a building is rendered uninhabitable by reason of extensive repairs being in progress or for any other cause, partial or total remission of rent may be sanctioned by the State government on the recommendation of the Chief Engineer, provided that the occupant at once reports the circumstances to the Executive Engineer. The Executive Engineer will at once inspect the building or, where this is impossible, will depute a responsible officer to do so, and will submit a full report of the inspection to the Superintending Engineer, who will take any action, considered necessary, and will then submit the case with his recommendations to Government through the Chief Engineer. Special responsibility for avoiding delay attaches to cases in which an incoming tenant refuses to enter into occupation on the plea that whitewashing or repairs are necessary before he can do so.

Inconvenience caused by petty or ordinary annual repairs is insufficient to warrant remission of rent, which should be granted only when extensive structural repairs, justifying in the opinion of the State Government, the vacation of the building, are carried out.

**162.** Official residences may be sublet under the following conditions:-

- (i) the sublet should be to a tenant approved by the Superintending Engineer;
- (ii) the officer will still remain personally responsible for the rent and for any damage caused to the building beyond fair wear and tear;
- (iii) Government will not recognize the sub-tenancy;
- (iv) the rent to be charged by the officer to his tenant should not except with the sanction of the State Government in special circumstances exceed the rent paid by the officer to Government;
- (vi) the sub-tenancy should continue only for so long as the officer who makes the arrangement holds the appointment for which the official residence is provided.

NOTE – Compare rule III (d)(ii) (4) and (5) of the Orissa Service Code and see S.R. 4 under Fundamental Rule 45.

**163.** Government may sanction expenditure on ceremonies connected with the inauguration of important public works, e.g., the laying of foundation stone of public buildings, the opening of canals, the opening of bridges, other than those constructed from railway funds, etc., up to the limit of Rs. 2,500 in each case.

NOTE- The expenditure on such functions should be limited to the minimum absolutely necessary and the Finance Department should be afforded full justification for any such contemplated outlay before any commitments are entered into with regard to it.

#### **(vi) Lapse of Sanction**

**163-A-** The approval of sanction to an estimate for any public work other than annual repairs will, unless such work has been commenced, cease to operate after a period of five years from the date on which it was accorded. If a project fails to secure funds during the five consecutive financial years following that in which it was administratively approved, it will not be considered for a schedule to compete for funds until fresh administrative approval is accorded. For the purpose of presenting a schedule the estimate with reference to which administrative approval was originally given should be examined on a broad basis with reference to current schedule rates to see whether fresh administrative approval is necessary or not and action taken accordingly.

In case of a work which has been started and is either required to be abandoned or its further execution deferred under order of competent authority, the contract should be terminated under proper notice without loss of time and the accounts of the work closed. When an abandoned work is required to be taken up again, fresh administrative approval and provisions of funds will be necessary, but in case of a work, the execution of which was deferred, the work can be restarted on receipt of instructions from the competent authority without fresh administrative approval within five years from the date of its original approval, provided budget provision exists and the estimate does not otherwise require revised administrative approval on account of increase in rates or modification of the original proposal or design.

NOTE (1) - For repair works, see paragraph 96 of the Orissa P.W.D. Code.

(2) The works abandoned should be promptly reported to watch that further expenditure on those abandoned works is not incurred without proper authority.

## CHAPTER 10- MISCELLANEOUS EXPENDITURE

### SECTION 1- GENERAL

**164.** The term “miscellaneous expenditure” applies generally to all expenditure in the civil Departments, which does not fall under the category of pay and allowances of Government servants, pensions, contingencies, grant-in-aid, contribution, stores or works.

Without specific sanction of Government no subordinate officers are authorized to sanction items of miscellaneous expenditure as defined above, unless special power, scale or limit has been prescribed for such expenditure by any Act, rule, code or order of the State Government.

NOTE- Grant-in-aid and contributions have, however, been dealt with in this Chapter for the sake of convenience.

**165.** Miscellaneous expenditure is subject generally to the rules of procedure which apply to contingent expenditure, except in so far as it may be governed by any special rules or orders made by competent authority.

### SECTION II- REFUNDS OF REVENUE

**166.** Refunds of revenue are broadly classified as-

- (i) refunds to which the claimants are legally entitled; and
- (ii) refunds to which are made ex gratia, government being under no legal obligation to make them.

NOTE 1- Refunds of revenues are not regarded as expenditure for purposes of grants or appropriation.

NOTE 2- Remissions of revenue allowed before collection are to be treated as reduction or demands and not as refunds.

**167.** Remissions of irrigation revenue allowed before collection should be treated as reductions of demands and cash repayments of such revenue after collection as outlay against the appropriation for the head “Deduct-Refunds” subordinate to direct receipts. All other refunds of revenue and repayments of “Receipts and Recoveries on capital Account” should be taken in reduction of the receipts under the heads concerned.

**168.** Subject to the provisions of the relevant Acts and rules made there-under, the sanction necessary for refunds of revenue will be regulated by the orders of the State Government and by departmental rules and orders contained in the departmental manuals, etc.

The sanction may either be given on the voucher itself or quoted in it, a certified copy being attached when such orders are not separately communicated to the Accountant-General.

The general procedure for refunds of revenue is prescribed in subsidiary rules 345 to 349 of the Orissa Treasury Code. The authorities competent to sanction refunds in certain cases are given in an Appendix I of Volume II, of the Orissa Treasury Code.

**169.** Before a refund of any kind, otherwise in order, is allowed, the original demand or realization as the case may be, must be traced and a reference to the refund should be so recorded against the original entry in the cash book, or other documents as to make the entertainment of a double or erroneous claim impossible. Any acknowledgement previously granted should, if possible, be taken back and destroyed and a note of the repayment recorded on the counterfoil of the receipt.

(See also subsidiary rule 346 of the Orissa Treasury Code)

### SECTION III-GRANTS-IN-AID, CONTRIBUTIONS, ETC.,

#### GRANTS TO PUBLIC BODIES, INSTITUTIONS, ETC.

**170.** The sanction necessary for payment of grant-in-aid or contributions to educational and other institutions, local bodies and Co-operative Societies and of educational scholarships is regulated by departmental rules or orders. A few rules on the subject are contained in Appendix 10. The procedure regarding disbursement of grants-in-aid contributions, scholarships, etc., at the treasury is contained in Subsidiary Rules 350-354 of the Orissa Treasury Code, Volume I and orders of Government issued from time to time. Certain essential instructions supplementing the rules in the Orissa Treasury Code are given in Appendix 10. The following instructions are issued for the general guidance of subordinate authorities in the matter of according sanctions for grants-in-aid.

**171.** (1) (a) Before any grants-in-aid is sanctioned by any Department of Government in favour of any private individual or local body or institution for specific purposes, the Administrative Departments should, well in advance, take steps to provide funds, such provision for all non-recurring grants of Rs.5, 000 or above in each individual case and for all recurring grants irrespective of the amount, being made with the approval of the Legislature.

(b) Grants should be made available as far as possible on the basis of specific schemes drawn up in sufficient detail and duly approved by Government. Periodical reports indicating the expenditure on each of the objects as detailed in the scheme should be called for and scrutinized in order to check whether there is variation or unauthorized diversion of funds.

(c) Unless any case Government direct otherwise, every order sanctioning a grant should specify clearly the object for which it is given and the conditions, in any, attached to the grant. In the case of non-recurring grants for specified objects the order should also specify the time-limit within which the grant of each installment of it is to be spent.

(d) Before sanctioning grants-in-aid for any specific purpose, an undertaking should be obtained from the grantee to the effect that no such grant has been received from any other source for the same purpose.

(e) Every sanction order should indicate clearly (I) whether the grant has been sanctioned on a recurring or non-recurring basis and (ii) the designation of the countersigning authority.

(2) Unless it is otherwise ordered by Government every grant made for a specific subject to the implied conditions:-

(i) that the grant will be spent upon the object within a reasonable time, if no time-limit has been fixed by the sanctioning authority; and

(ii) that any portion of the amount which is not ultimately required for expenditure upon that object should be duly surrendered to Government.

(3) (a) The expression 'reasonable time' occurring in sub-rule (2) above should ordinarily be interpreted to mean one year from the date of issue of the letter sanctioning the grant even though the period extends beyond the financial year. However, except in respect of sanction, which require the entire grant to be utilized during a financial year, only so much of the grant should be paid during the financial year as is likely to be expended during that year but the amount remaining unspent at the end of the year need not be refunded at the close of the financial year. Immediately on the expiry of the period of one year from the date of sanction, any unspent balance out of the grant should be duly surrendered to Government. In respect of sanctions which require the grant to be utilized during a financial year, the unspent balance thereof should be surrendered to Government at the end of the financial year, or may be adjusted by the sanctioning authority against the next year's grant, if any. In cases where grants are in the nature of reimbursement of expenditure already incurred, the expenditure incurred within a period of one year prior to the date of issue of the sanction should only be taken into account in sanctioning the grant. When recurring grants-in-aid are sanctioned to the same institution for the same purpose, it should be clearly stated in each sanction order that the unspent balance of the previous year's grant has either been surrendered to Government or that it has been taken into account in sanctioning the subsequent grant. The procedure to be followed in sanctioning grants-in-aid to small institution which are entirely or mainly financed by Government and to local bodies is contained in Appendix 10.



(b) The authority signing or countersigning a bill for grants-in-aid under subsidiary rule 351 of the Orissa Treasury Code should see that the money is not drawn in advance of requirements. There should be no occasion for a rush for payment of these grants in the month of March.

(4) Before a grant is paid to any public body or institution, the sanctioning authority should, as far as possible, insist on obtaining an audited statement of the account of the body or institution concerned in order to see that the grants-in-aid is justified by the financial position of the grantee and to ensure that any previous grant was spent for the purpose for which it was intended. It is not essential for this purpose, however, that the accounts should be audited in every case by any of the audit agencies of the State Government of the Accountant –General, Orissa, and it will be sufficient, therefore, if the accounts are certified as correct by a Registered Accountant or other recognized body of auditors. In the case of small institutions, which cannot afford to obtain the services of a Registered Accountant or other registered body of auditors, the sanctioning authority may exercise its discretion of exempting any such institution from submission of accounts audited in this manner.

The authority sanctioning a grant while communicating the sanction to the Accountant-General should state whether the audited statement of accounts has been received when required or whether the grantee has been exempted from submitting the statement.

NOTE 1- This order applies both to the non-official and to semi-official institutions such as public clubs, etc.

NOTE 2- A target date should be prescribed for submission of audited statements of accounts by the grantee-institutions to the sanctioning authorities concerned and for submission of utilization certificate to the Accountant-General.

(5) The following conditions should be observed in the matter of sanction of grants-in-aid which result in the creation or acquisition of permanent or semi-permanent assets:-

- (i) The grantee institutions should maintain a register in form No., O.G.F.R. 30-A of the permanent and semi-permanent assets acquired wholly or substantially out of Government grants. The register should be maintained by the grantee institutions separately in respect of each sanctioning authority and a copy thereof furnished to the sanctioning authority annually.

(F.D.O.M. No. Code-55/80-55088-F., - dated the 30<sup>th</sup> October 1980).

- (ii) The sanctioning authorities should also maintain block accounts of permanent and semi-permanent assets acquired wholly or substantially out of Government grants in Form No. O.G.F.R. 31. This record is of a permanent nature and should be posted from the annual return furnished by the grantee institutions.
- (iii) The Register of Assets and the Register of Block Accounts maintained by the grantee institutions and the sanctioning authorities respectively should be open to scrutiny by audit.
- (iv) An undertaking should be obtained by the sanctioning authorities from the grantee institutions to the effect that they (the institutions) agree to be governed by the conditions of the grants which result in the creation or acquisition of permanent or semi-permanent assets.

- (v) In respect of grants to non-Government or quasi-Government bodies or institutions the assets should not, without prior sanction of Government be disposed of encumbered or utilized for purpose other than those for which grants are sanctioned. This condition may be laid down in the orders sanctioning grants-in-aid.

NOTE- Assets for the above purpose should mean (a) immovable property and (b) movable property of a capital nature where the value exceeds Rs. 1,000.

(6) With regard to the accounts of all institutions the audit of which is conducted by the Examiners of Local Accounts, Orissa, either under the provisions of Local Fund Audit Act, 1948 or under any other law in force or under specific orders of Government, the Examiner, Local Accounts concerned will be the only competent agency responsible to issue audit certificate to the respective Accountant-General irrespective of the extent of amounts of grants received by those institutions. Where the accounts are not audited by the Examiner, Local Accounts but by another Head of the Audit Organization under the State Government, the latter will be responsible to furnish the certificate.

Before sanctioning grants-in-aid to private institutions of sum of Rs. 10,000 or more, the sanctioning authority should ensure that proper arrangement is made for the audit of the accounts of the grantee by the Examiner, Local Accounts or the internal Audit Organization-in-charge, if any, as the case may be.

**172.** (a) The accounts of institutions who received grants-in-aid in excess of Rs.50,000 recurring or Rs.1,00,000 non-recurring during a year will be open for a test check by the Accountant-General, Orissa at his discretion. All sanctions to grants-in-aid should therefore, be issued by the competent authorities with the specific conditions laid down therein that the accounts of the grantee receiving the grant together with all relevant papers should be open for a test check by the Accountant-General at his discretion if the total amount received by way of grants-in-aid during a year exceeds the limits as above.

This however, shall not be construed to mean that the accounts of such institutions would not be checked by any internal audit agency of the State Government, or a Registered Accountant of other registered body of auditors as may be required under the rules and orders issued by the Government.

(F.D.O.M. No. Codes-148/65-20551/F., (1st) dated the 24<sup>th</sup> May 1965)

(b) With a view to enable the Accountant-General to decide whether to take up an audit in a particular case or not copies of all audit reports on the Accounts of the institutions receiving grants (both conditional and unconditional) or extracts thereof relating to grants-in-aid should be furnished to the Accountant-General by the authorities concerned.

Even in respect of unconditional grants-in-aid Government reserve the right to have the accounts of the recipient body audited by the Accountant-General on their own initiative, if and when occasion demands, to satisfy themselves generally regarding the manner in which the affairs of the recipient body are being managed.

Any audit in pursuance of these provisions will be undertaken by the Accountant-General in consultation with the Administrative Department concerned who will make necessary arrangements with the institution for the conduct of such audit.

(c) The monetary limits prescribed above shall not, however, be treated as in any way fettering the discretion of the Accountant-General in approaching the State Government, if in any very special case he considers that an audit of the recipients, books, even when the amount is less, is called for.

(d) Grants-in-aid sanctioned in favour of Panchayat Samitis and Zilla Parishads irrespective of the amount of grant will be subject to test check by the Accountant-General.

(F.D.O.M. No. Codes-20/72-6475-F., dated the 22<sup>nd</sup> February 1972)

**173.** In cases in which conditions are attached to the utilization of a grant in the form of specification of particular objects of expenditure or the time within which the money must be spent, or otherwise, the Departmental officer on whose signature or counter-signature the grants-in-aid bill was drawn should be primarily responsible for certifying to the Accountant-General, where necessary, the fulfillment of the conditions attaching to the grant, unless there is any special rule or order to the contrary. The certificate should be furnished in duplicate in Form O.G.F.R. 74 so as to reach the Administrative Department by the 1<sup>st</sup> June of the succeeding year of expenditure. One copy of the certificate shall be retained in the Administrative Department and another copy shall be sent to Accountant-General, Orissa, by the 30<sup>th</sup> June of that year. Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such reports, statements, etc. in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report, as the case may be will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the reaches of those conditions. Extracts of such inspection or Audit reports should invariably be sent to the respective Heads of Departments and the Administrative Departments of Government and to the Accountant-General, Orissa by the Head of the Audit Organization concerned.

(F.D.O.M.No. Codes-23/63-19937-F., dated the 31<sup>st</sup> May 1963)

### **EXPENDITURE FROM DISCRETIONARY GRANTS**

**174.** When under orders of competent authority, an allotment for discretionary grants is placed at the disposal of a particular officer, the expenditure from such grants will be regulated by general or special orders of the State Government, specifying the objects for which the grants can be made and any other condition what should apply to them. Such grants must be non-recurring, i.e. not involving any future commitments.

NOTE- the General orders in respect of expenditure from discretionary grants are give in Appendix 12.

### **OTHER GRANTS**

**175.** Grants, subventions, etc., other than those dealt with in the foregoing rules, can be made only under special orders of Government.

## **SECTION IV- COMPENSATION TO CIVIL OFFICERS FOR LOSS OF PROPERTY**

### **(a) DUE TO SERIOUS INTERNAL DISTURBANCES DIRECTED AGAINST GOVERNMENT**

**176.** (1) Compensation will be restricted to cases of loss or damage or destruction of the property of a Government servant on duty where such loss, damage or destruction has arisen out of internal disturbances directed against Government. Where such loss, damage or destruction is not so connected no compensation will be payable.

(2) Where the loss, damage or destruction has happened partly on account of such disturbances against Government and partly through other agencies compensation should still be paid where the main cause of loss, damage or destruction was on account of the anti-Government disturbances. Cases might occur where, in pursuance of the anti-Government demonstration, the property has been removed by the demonstrators to another place and destroyed by accident or by a third party. In such cases compensation will only be paid so long as the damage or destruction arises out of events connected with the disturbances. The sanctioning authority should also satisfy itself that the officer concerned had taken steps for the proper protection of his property as far as possible under the circumstances.

(3) All claims for compensation should be enquired into by a gazetted officer of rank higher than that of the claimant.

(4) In order to accelerate payment of compensation, the Inspector-General of Police, Orissa, is empowered to grant compensation to officers of the Police Department and the Board of Revenue to the Magistracy and to Officers of the Excise Department up to the limit of Rs.250 in each individual case without reference to Government.

(5) Cases where the amount exceeds Rs. 50 or where it is doubtful whether the loss could be attributed to disturbances of the kind contemplated and cases arising in departments other than those referred to in the preceding Para, should be referred to Government in the Finance Department for orders through the administrative department concerned.

### **(b) DUE TO CAUSES OTHER THAN THOSE MENTIONED IN RULE 17**

**177.** (1) all cases of the kind mentioned below in which it is proposed to grant compensation to any civil officer for the accidental loss of his property should also be referred to Government in Finance Department through the Administrative Department concerned.

(2) Compensation will not ordinarily be granted to a Government servant for any loss to his property, which is caused by an act of God as, earthquake, floods, etc., or which is due to an ordinary accident, which may occur to any citizen, e.g., loss by theft or as the result of railway accident, fire. etc. The mere fact that, at the time of the accident, the Government servant is technically on duty or is living in Government quarters in which he is forced to reside for the performance of his duties will not be considered as a sufficient ground for the grant of compensation.

(3) (a) Claims to compensation made by civil officers will ordinarily be considered only in cases in which-

(i) the exposure of the property to risk is directly connected with the duties on which the officer is employed at the time, e.g., when the action of an enemy or insurgents or of raiders or wild tribes causes the loss of the property of an officer employed in the area effected, or

(ii) the property is lost in consequence of endeavors on the part of the officer to save the property of Government which was also endangered at the time, or

(iii) the property is destroyed under the orders of competent authority.

(b) No compensation will be paid in respect of any loss which is due, in any way to negligence or other default on the part of the claimant. Compensation will not also be granted when, as a matter of ordinary prudence, the Government servant who owned the property could and should have insured it. The question whether the property should have been insured is question of fact to be decided by Government.

(c) Compensation may be paid in respect of animals- (1) which are killed, captured or stolen by the enemy; (2) which are destroyed by order of competent authority to prevent the spread of infectious or contagious disease; or (3) when the loss of the animal is due to exposure or excessive work necessitated by syc in the public service or to an accident directly due to such use. When an animal belonging to a Government servant is destroyed under the orders of a competent authority to prevent the spread of an infectious or contagious disease, the amount of compensation which may be sanctioned should not exceed the amount payable to a private person in similar circumstances.

(4) When any one of the three conditions mentioned in instruction (3) (a) is satisfied, compensation may be granted to the Government servant concerned as an act of grace up to the value at the time of loss of the necessaries lost by him. The Head of the Department should examine the question whether the articles lost are “necessaries” within the meaning of this instruction with reference to the Government servant’s personal standing and circumstances.

(5) Heads of Departments should bear in mind the above points while submitting proposals to Government.

### **COMPENSATION FOR LAND ACQUISITION**

**178.** The procedure to be observed for the payment of compensation for land acquired for public purpose under the Land Acquisition Act, 1894 (India Act 1 of 1894), is regulated by the rules in Appendix 7 of the Orissa Treasury Code, Volume II.

For land acquired by private negotiations the officer who settle the price, etc., should draw up form A prescribed for use in the case of an award, and this should be made the basis of the subsequent payments.

Acquisition of land for railway purposes is governed by the special rules issued by the Railway Board.

## CHAPTER 11-DEBT AND MISCELLANEOUS OBLIGATIONS OF GOVERNMENT

### SECTION I-RUPEE DEBT

**179.** In pursuance of resolutions passed by all State legislature the consolidation and amendment of the law relating to securities issued by the State Government and the management by the Reserve Bank of India of the Public Debt of the State is regulated by an Act of the Union Parliament, the Public Debt (Central Government) Rules, 1946 as amended.

The management of the Public Debt of the State and the maintenance of accounts relating thereto are vested in the Central Public Debt Office, which is managed on behalf of Government by the Reserve Bank. Certain functions of the Central Public Debt Office are entrusted to the Public Debt Offices at Madras, Bombay and Delhi which are managed by the local offices of the Reserve Bank. A substantial part of the work however falls on Treasuries and Sub-Treasuries.

**180.** The procedure to be followed in Treasuries and other Government offices in dealing with securities of rupee loans issued by Government and in making payment of interest in respect thereof is regulated by the Provisions of the Public debt (Central Government) Act, 1944 as amended from time to time, and the Statutory Rules Public Debt (Central Government) Rules, 1945 and amendments issued there under. Detailed rules, based mostly on the Statutory Rules referred to above, and the supplementary orders issued by Government from time to time are to be found in the Government Securities Manual issued by the Reserve Bank under the authority of the Government of India.

NOTE- The Governor has decided that unless there be anything repugnant in the subject or context, and without prejudice to the provisions of the law and the Statutory rules mentioned above, the rules in the Government Securities Manual issued by the Central Government in so far as they deal with the procedure relating to disbursement of money from, and payment of money into, the Government Account are to be regarded as rules framed under Article 283 of the Constitution of India. Likewise, the rules in the Manual which prescribe the form of initial accounts to be kept at Treasuries in respect of payment interest on Government Securities, repayment of principal of terminable loans, receipt of subscription to new loans and of other allied transactions and the form in which the account of such transaction are to be rendered to the Accountant-General, should be regarded as directions given by the Comptroller and Auditor-General of India with the approval of the President of India and will be subject to any directions contained in this behalf in Volume II of the Account Code.

**181.** Treasury Bills, National Saving Certificate, etc., are special form of Government Securities Which are issued and repaid under special rule and orders made by Government in this behalf.(See also rules 657 and 658 of the Orissa Treasury Code.)

### SECTION II- PROVIDENT FUNDS

**182.** The procedure relating to the recovery of subscriptions to, and withdrawals from the Provident Funds shall be regulated strictly in accordance with the provisions of the respective Provident Fund Rules.

NOTE 1- Subsidiary instructions in this regard are contained in Section III of Chapter XII of Orissa Treasury Code, Volume 1.

NOTE 2- The term "Provident Funds" in Para. 182 is strictly applicable to all "Provident Funds" within the meaning of the Provident Fund Act, 1925 (XIX of 1925) as amended, which have been constituted for the benefit of Government servants.

**183.** The following instruction should be carefully observed by Heads of Office with a view to the correct preparation of the Fund Schedules referred to in Subsidiary Rule 666 of the Orissa Treasury Code, Volume 1.

- (i) A complete list of subscribers to each Fund should be maintained in each disbursing office in the form of the Schedule.
- (ii) Each new subscriber should be brought on this list and any subsequent changes resulting from his transfer or in the rate of subscription etc., clearly indicated in the schedule.
- (iii) When a subscriber dies, quits service or is transferred to another office, full particulars should be duly recorded in the list.
- (iv) In case of the transfer of a subscriber to another office, the necessary note of transfer should be made in the list of both the offices.

- (v) From this list the monthly schedule to be appended to the pay bill should be prepared and tallied with the recoveries made before the submission of the bill to the Treasury for payment.

(F.D.O.M. No Codes-16/69-27078-F., dated the 1<sup>st</sup> August 1969)

### SECTION III-SERVICE FAMILY PENSION FUND

#### SUPERIOR SERVICES (INDIAN) FAMILY PENSION FUND

#### INDIAN CIVIL SERVICE (NON-EUROPEAN MEMBERS) PROVIDENT

#### FUND, POSTAL INSURANCE FUND

**184.** Contributions, donations, etc., recoverable, and pensions and other benefits payable, in respect of the funds specified above will be regulated in accordance with the rules of the respective funds and the subsidiary instructions contained in Section III, Chapter XII and rule 664 of the Orissa Treasury Code.

**185.** Subscriptions to Family Pensions or other fund not under Government management may not be received in cash or by deduction from pay or pension bills except under special orders of Government. (See rule 665 of the Orissa Treasury Code).

Note- It must be distinctly understood that in the case of the General Family Pension Fund the Hindu family Anndity Fund and the Bengal Christian family Pension Fund, Government exercises no supervision over the management of the funds and is in no way responsible for their solvency.

**186.** A detailed list of the subscriptions realized in cash on behalf of each fund showing the date and amount of each receipt and the name of the person on whose behalf it is paid in, should be submitted by the Treasury Officer to the Accountant-General with the cash account of each month. This list will be a copy of a register maintained in the treasury.

**187.** The deposit accounts of these funds on the Government book will be credited with interest at such rates and at such intervals as may be prescribed by Government in each case.

Note- Except in the case of the Bengal unconvenanted Service family Pension Fund an important difference with regard to interest is made between subscription paid by deduction from pay bill and subscriptions paid in cash, no interest being allowed for the month of payment on cash subscriptions received after the 4<sup>th</sup> of the month, whereas subscription deducted from a bill bear interest as though they had been received on the 1<sup>st</sup> of the month.

#### POSTAL LIFE INSURANCE

**187-A.** - List of subscribers to Postal Life Insurance shall be maintained in a Register in Form No. O.G.F.R. 35 and not in the Form O.T.C. 78.

The Register should be preserved for a period of ten years after the close of the year to which it relates. 187-B (1). All Drawing Officers shall maintain in a Register in the Form No.O.G.F.R. 35, corrected and up-to-date, a list of policy holders should be noted in alphabetical order of their surnames, leaving sufficient space between two entries to enable insertion of names of new-comers on the right place. A separate entry should be made in the register for each policy in the case of policy-holder having more than one policy. On receipt of an intimation from the Director, Postal Life Insurance, Calcutta, about the issue of a policy in favour of a subscriber and authorizing the drawing officer to commence recovery from pay or on receipt of a last pay certificate in respect of the subscriber, transferred from another office, the drawing officer should make a note of the particular of the policy in the register. The name of the office from which the subscriber has been transferred should invariably be noted in the remarks column. Whenever a subscriber is transferred to another officer or his policy is discharged, his name should be out struck off the register and appropriate remarks regarding discharge of policy of the office to which the subscriber has been transferred, as the case may be, shall be entered in the register.

2. After the preparation of the monthly bill but before its encashment, the recoveries shown in the bills on account of Postal Life Insurance should be cross-checked with the register, to ensure that recovery has been made from all subscribers and the correct amount has been recovered. This check will lead to discovery of cases of omissions to make recovery, as well as cases of nothing of P.L.I. recoveries in a wrong column of the pay bill. Recoveries shown in the bills should be posted in the monthly column in the register with correct reference to the bills or the vouchers, reasons for short, excess or non-recovery being briefly noted in the remarks column. Extracts of this register should then be made out in the schedules, which should be attached to the relevant bills in support of the recoveries.

3. While taking extracts, the names of subscribers from whom recoveries were made in the previous months but no recoveries have been made during the current month either on account of transfer or discharge of the policy or on account of leave salary not being drawn or the official being on leave without pay, should be included in the current month's schedule with necessary remarks, against their names. Similarly the remark "new policy" "Transferred from.....Office" should be given in the schedule against the names of subscriber entered for the first time in the scheduled for the current month. Reasons for short or excess recovery should be noted briefly in the remarks column. In short, schedule of Postal Life Insurance recoveries to be attached to the bills, would be a record not only of those from whom the recovery has actually been effected but also of those from whom recovery was being affected previously but has not now been effected.

In case of double recoveries or late recoveries, the reasons for late drawl of pay or pension together with an indication of the month of pay or pension from which premium has been recovered, should be recorded in remark column. This information is absolutely necessary to determine the liability of the subscriber to pay fine or interest and the currency of the policy.

Though each policy of the subscriber will be entered separately in the register and the schedule, the total amount recoverable monthly from each policy-holder on account of all policies should be shown in the register by bracketing all the policies. This will serve as a guide for preparation of monthly bills where recoveries in respect of each policy cannot be shown separately. This total in the register should be kept corrected up-to-date in additions of new policies and discharge of old ones.

(Finance Department O.M. No. 124/70-45463-F., dated the 19<sup>th</sup> October 1970)



## **CHAPTER 12- LOCAL FUNDS**

### **INTRODUCTORY**

**188.** (1) The transactions of local funds (as defined in subsidiary rule 467 of the Orissa Treasury Code) are not included as such in the Public Account, except in so far as their cash balance may be deposited with Government under subsidiary rule 468 of the Orissa Treasury Code and accounted for under the deposit head "Deposits of Local Funds". The function of Government in regard to such deposits is that of a bank.

(See Subsidiary Rule 469 of the Orissa Treasury Code)

(2) The main classes of local funds are:-

- (i) District Funds
- (ii) Municipal Funds
- (iii) Port and Marine Funds
- (iv) Education Funds
- (v) Medical and Charitable Funds
- (vi) Village Panchayat Funds
- (vii) Other Miscellaneous Funds
- (viii) P.W. Funds

**NOTE-** The expression "local body" as used in the Chapter means the authority legally entitled, or specially empowered by Government, to administer a local fund.

**189.** The financial transactions between Government and local bodies will be regulated by the following rules and by such other general and special orders as may be issued by Government in this behalf.

### **GRANTS TO LOCAL BODIES**

**190.** The payment of the various classes of grants to local bodies will be governed by general instructions contained in rules 170 to 173 and by such special orders as may be issued by Government in regard to each class of grant.

### **LOANS TO LOCAL BODIES**

**191.** The detailed procedure to be followed in connection with the grant of loans to local bodies will be regulated by the provisions of the Local Authorities' Loans Act and other special Acts and by rules made hereunder (See also rule 202).

### **CHARGES RECOVERABLE FROM LOCAL BODIES**

**192.** Unless any of the following arrangements have been authorized by Government, a local fund should be required to pay in advance the estimated amount of charges to be incurred or cost of services to be rendered by Government on account of the Fund:-

- (i) Payments as made by Government may be debited to the balances of the deposits of the local fund in Government books.
- (ii) Recovery from the local fund may be postponed till the time when Government has to make payment for the charges.

- (iii) Payments may be made as advances from Government funds in the first instance, pending recovery from the local fund.

NOTE- In case where a local fund has to pay for medicines supplied but its liability cannot be accurately known within the year owing to the account of supplies not being available from the Supplying Department by the 31<sup>st</sup> March the local fund concerned should be required to pay during March a sum roughly estimated as the value of the medicines, any short or excess recovery being re-adjusted in the following year.

**193.** Any amount due to Government by a local body, including any amount overdue for payment in respect of a loan, is subject to recovery by adjustment from any non-statutory grant sanctioned for payment to it. The authority signing or countersigning a bill for such a grant should see that this rule is observed as far as practicable.

#### **REVENUE COLLECTED ON BEHALF OF LOCAL BODIES**

**194.** Unless it be expressly authorized by law, proceeds of taxes, fines or other revenues levied or collected by Government may not be appropriated direct to a local fund without passing them through the general revenue account of Government, whether or not such taxes, fines etc., are earmarked from the start for the purpose of the fund.

**195.** Subject to the provisions of relevant Acts and rules made there under, adjustments with local bodies in respect of revenue and other moneys raised or received by Government on their behalf will be made in such a manner and no such dates as may be authorized by general or special orders of Government.

#### **USE OF SERVICE POSTAGE STAMPS**

**196.** Service postage stamps may not be used by a local fund officer or any Government officer acting in a capacity connected with a local fund (such as, President, Executive Officer, Chairman of Secretary of a Local Fund Committee), but they may be used on the correspondence of a public officer acting as such, even though the correspondence relates to the affairs of a local body.

Note – Telegraphic messages, the charges for which are to be borne by local funds, should be classified as “Private” and not as “State”.

#### **AUDIT OF ACCOUNTS**

**197.** Subject to the provisions of any law or rule having the force of law, the accounts of local bodies will be audited by the Local Fund Audit Staff of the State Government. The audit extends also to the accounts of other non-Government bodies or institution, which, under any general or special order of Government, have to be audited through Government agency.

**198.** Audit fees on the basis of daily rates prescribed by Government from time to time will be charged for the audit by the State Government of the accounts of local and other non-Government funds, excluding the funds for the audit of which the rates of fees recoverable are prescribed by law or by rules having the force of law.

Nothing contained in this rule shall be held to override any special instructions of Government exempting any particular local body or institution wholly or partly from the payment of audit fees.

#### **“ELIMINATION OF AMOUNTS LESS THAN FIFTY PAISE**

**199.** Except in respect of dues fixed by or under any law or under any special order of Government, financial transactions between Government and local bodies shall be rounded off to the nearest rupee, i.e., fractions of 50 paise and above to be rounded off to the next higher rupee and the fractions of less than 50 paise to be ignored.

NOTE- Instructions for rounding off transactions in Government Accounts are contained in S.R.99 of Treasury Code, Vol.1”.

(F.D.O.M. Codes No. 38/91-21321-F., dated the 29<sup>th</sup> May 1991)

## CHAPTER 13- LOANS AND ADVANCES

### SECTION I-INTRODUCTORY

**200.** Loans and advances made by the State Government fall under the following main heads:-

A. Loans and advances bearing interest.

(i) Loans to Local Funds, Private individuals, etc.

These comprise-

(1) Loans to Major Port Trust,

(2) Loans to Municipalities.

(3) Loans to District and other Local Fund Committee,

(4) Loans to Land-holders and other Notabilities,

(5) Advances to cultivators under various Acts,

(6) Advances under special laws,

(7) Miscellaneous loans and advances,

(ii) Advances to Government servants of house-building, purchase of conveyances, etc.

B-Interest-free advances-

(i) Advances repayable-Comprising mostly miscellaneous advances to Government servants for various public purposes.

(ii) Permanent advances.

NOTE- Although advances to Government servants for journeys on tour and for other miscellaneous purposes specified in rule 264, are debited to the service heads concerned, they have been dealt with in this and the following chapter for the sake of convenience.

**201.** The rules in this Chapter should be observed generally by all Departments, etc., in making loans and advances of public money, unless there is any special rule or order of Government for the contrary.

### SECTION II-GENERAL RULES

#### SANCTION

**202.** Except as otherwise provided in any Departmental rules or orders, loans and advances to local funds and private individuals under clause A (1) of rule 200 require the sanction of Government. Loans and Advances to Government servants are regulated by the orders contained in rules in Chapter 14 of these rules. Details rules relating to permanent advances are contained in rule 82.

#### ESTIMATES

**203.** Provision should be made in the budget for all loans and advances which can be foreseen. Estimating and Controlling Officers should make timely estimates both of the gross advances and recoveries for the coming year and include them in their annual estimates for submission to the proper authorities concerned.,

#### CONDITIONS OF REPAYMENTS

**204.** Recovery of the amounts advanced to Government servants is governed by detailed instructions laid down in rules 219 and 238 et seq.

**205.** The following general instructions shall apply to repayment of loans and advances to public Undertakings, Local Bodies, etc.

- (i) No loan or advance shall be sanctioned before the loanee furnishes a written undertaking of the acceptance of its terms.
- (ii) Repayment of each loan or advance with interest shall be subject to a specific term.
- (iii) The term of repayment shall commence from the date on which the loan is fully availed of or declared by the competent authority as closed.
- (iv) Where repayment is stipulated in installments, the dates thereof shall ordinarily be fixed at half-yearly intervals.
- (v) Unless otherwise stipulated, interest shall be the first charge on repayment.

(F.D.O.M. No. Codes-75/79-9609-F., dated the 28<sup>th</sup> February 1980)

**206.** When a loan of public money is taken out in installments, the first half-yearly repayment should not be demanded until six months after the last installment is taken; meanwhile simple interest only should be realized. But should it appear that there is an undue delay on the part the debtor in taking out the last installment of a loan, the authority sanctioning the loan may at any time declare the loan closed, and order repayment of capitals to begin. The Accountant-General will bring to notice any delay that appears to him to require this remedy and he will take this step whether there are any dates fixed for taking of installments or not.

NOTE 1- If, in any case particular dates have been fixed for the payment of interest, or the repayment of installments of a loan, than such repayments should not being until the second of the half-yearly dates so fixed, after the loan has been completely taken up, simple interest only being recovered on the first half-yearly date after the completion of the loan. For example, supposing a loan the interest on which is recoverable half-yearly to be completely taken up on 31<sup>st</sup> March and the interest to be payable on 30<sup>th</sup> June and 31<sup>st</sup> December, the first half-yearly installment in repayment of principal will not be due until 31<sup>st</sup> December following, simple interest only will be due on the intermediate 30<sup>th</sup> June.

NOTE 2- These instructions are applicable mutatis mutandis, to loans the repayments of which are made by other than half-yearly installments.

NOTE 3- It must be remembered that the calculation fixing the amount of equal periodical installments, by which an advance is repaid with interest, pre-supposes punctual payment of the installments, and that, if any installment is not punctually repaid, the fixed installment will not in the end discharge the loan.

**207.** Borrowers should be required to adhere strictly to the terms settled for the loans made to them. Modifications of these terms in their favour can be made subsequently only for very special reasons.

### **INTEREST**

**208.** (1) Interest should be charged at the rate prescribed by Government for any particular loan or for the class of loans concerned. The State revenue is credited with the full amount of interest received on these loans and advances.

- (2) A loan bears interest for the day of advance, but not for the day of repayment. Interest for any shorter period than a complete half-year should be calculated as  $\frac{\text{number of days} \times \text{yearly rate of interest}}{365}$  unless any other method of calculation is prescribed in any particular case or class of cases.

### **DEFAULTS IN PAYMENTS**

**209.** (1) any default in the payment of interest upon a loan or advance, or in the repayment of the principal, will be promptly reported by the Accountant-General to the authority which sanctioned the loan or the advance. On receipt of such a report, the authority concerned should immediately take steps to get the default remedied.

NOTE-The responsibility of the Accountant-General under this rule refers only to the loans the detailed accounts for which

are kept up by him (See rule 213).

(2) The authority which sanctions a loan may, in so far as the law allows, enforce a penal rate of compound interest upon all overdue installments of interest of principal and interest. If a penal rate is enforced, it should be, except under special orders of Government, two percent above the rate of ordinary interest on the loan subject to a minimum of 6 percent per annum.

### **REVENUE DEPARTMENT RETURNS**

**210.** (a) With every return of revenue advances made to the Revenue authorities a memorandum should be submitted setting forth the figures of the treasury plus and minus account and agreeing them with the figures of the return.

(b) The Accountant-General will periodically send to the Board of Revenue a return in such form as may be agreed on, showing the figures that pass upon his books in respect of revenue advances. The object of the statement is to enable the Board of Revenue to check the reconciliation prescribed in clause (a).

### **IRRECOVERABLE LOANS AND ADVANCES**

**211.** A competent authority may remit or write off any loans or advances owing to their irrecoverability or otherwise (See rule 42).

**212.** In respect of Revenue and other advances, for the detailed control accounting and supervision of which Departmental officers are responsible, it is the duty of the Departmental authorities concerned, as soon as any such advance is ascertained to be irrecoverable, to take the necessary steps to get it written off the accounts under the sanction of competent authority, and to advise the Accountant-General, in order that he may make the necessary adjustment in the accounts. Irrecoverable advances written off should nevertheless be registered by the Departmental authorities in a separate account or record, in order that any possible eventual recovery may be made.

NOTE- All amounts affecting loans and advances written off by competent authorities should be adjusted by drawing them from the treasury on simple vouchers by debit to "57-Miscellaneous- Miscellaneous- Miscellaneous- Irrecoverable temporary loans and advances written off" and transfer credit to the loans or advance head concerned so that the transaction may actual pass through the treasury accounts and necessary entries may be made in the registers of Departmental officers and in the treasury plus and minus memoranda.

### **ACCOUNTS AND CONTROL**

**213.** (1) Subject to the general or specific instructions of the Comptroller and Auditor General, detailed accounts of individual loans and advances, other than those mentioned in sub-rule (2) shall be maintained by the Accountant-General, who shall also watch compliance of the conditions of sanction and recovery.

(2) The accounts of advances for bi-cycles trade-deposit, festivals, flood and cyclone and Revenue and Departmental advance referred to under Subsidiary Rules 505 and 509 or the Orissa Treasury Code, shall be maintained by Departmental authorities, namely, Drawing and Disbursing Officers and Controlling Officers, who shall watch their recovery. It shall also be their responsibility to watch payment of loans and advances granted to public and quasi-public bodies and individuals and review the progress of repayments periodically to avoid delays and irregularities.

(3) Drawing and Disbursing Officers shall furnish to the Accountant-General and the Controlling Officers annual returns of loans and advances in forms O.G.F.R. 9-A and 9-B by the 31<sup>st</sup> of May each year. In respect of loans, advances or grants of rupees five lakhs and more sanctioned in favour of public or quasi-public bodies authorities, a statement indicating the particulars of each sanction shall also be furnished to the Accountant-General and the Controlling Officer in form O.G.F.R. 9-C by the date.

(F.D.O.M. NO. Codes-57/80-26286-F., dated the 25<sup>th</sup> June 1981)

### **ANNUAL RETURNS**

**214.** The Accountant-General will submit to Government for purposes of review an annual statement showing the details of outstanding loans and advances borne on his books under the head "P-Loans and Advances by State Government". The statement is to be submitted in Form O.G.F.R. 10 not later than the 30<sup>th</sup> September of the following year.

## CHAPTER 14-ADVANCES TO GOVERNMENT SERVANTS

### SECTION 1-GENERAL

**215.** The following rules regulate the grant of advances to Government servants and others. In cases not covered by these rules or by the rules in Chapter 13, advances cannot be made except under the special orders of the State Government.

**216.** It is not permissible to sanction a loan or advance to a Government servant which involves a breach of any of the basic principles laid down in rule 9. In any case where a cash grant would be within the powers of sanction of a particular authority, the grant of an advance not exceeding the cash grant will not require the sanction of a higher authority.

**217.** Simple interest at the rate fixed by Government for the purpose will be charged on advances granted to Government servants for house building; purchase and repair of houses and for the purchase of motor cars, motor cycles and other conveyances and for purchases of type-writers. The interest will be calculated on balances outstanding on the last day of each month. The amount of interest so calculated will be recovered in one or more installments, each such installments being not appreciably greater than the installments by which the principal was recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

NOTE 1- In cases, where pay bills for a month are disbursed before the end of the month, an installment in repayment of an advance received through the pay bill will be taken as having been refunded on the first of the following month the normal date for the disbursement of pay.

NOTE 2- In case Government servants are unable to present their claims in time for certain administrative reasons or for want of pay slip from Audit Office, the deductions should be deemed to have been made in the month following the month to which the pay leave salary relates, irrespective of the actual date of drawl and interest be calculated on that basis.

(F.D.O.M. No. 37979-Codes-143/75-F., dated the 11<sup>th</sup> September 1975)

NOTE 3- If in any particular case any advance is drawn in more than one installment, the rate of interest recoverable will be determined with reference to the date on which the first installment is drawn.

NOTE 4- (i) No interest shall be charged on the amount of advance outstanding against a Government servant for recovery beyond the date of his retirement/death before retirement.

- (ii) In case of retirement amount of advance or amount of interest or both outstanding for recovery will be set off by adjustment from the gratuity/death-cum-retirement gratuity/arrears of pay/leave salary, payable after the date of retirement.
- (iii) In case of death of a Government servant before retirement, the amount of advance if any, outstanding for recovery should be set off by adjustment from the Gratuity/D.C.R.G./ Arrears of Pay/Leave salary payable after death of the Government servant.
- (iv) The amount of interest on the advance if any, not already recovered and outstanding for recovery shall not be recovered and recovery of the same shall be deemed to have been waived.

(F.D.O.M. No.17325-Codes-17/85, dated the 22<sup>nd</sup> April 1985)

**218.** Rules 220 to 263 do not ordinarily apply to Government servants who are not in permanent Government employ. As the pay of such Government servants does not constitute adequate security for a loan, advances should not ordinarily be granted to them. In special cases, however, if the circumstances admit of provision of adequate security, advances may be granted in accordance with the terms of these rules to officiating or temporary Government servants without any substantive appointment under general or special sanction of Government in the Finance Department.

**219.** All advances are subject to adjustment by the Government servants receiving them in accordance with the rules applicable to each case. When an advance is adjustable by recovery, the amount to be recovered monthly should not be affected by the fact of the borrowing Government Servant going on leave of any kind with leave salary or his drawing subsistence grant. The sanctioning authority may in exceptional cases order a reduction in the amount of the monthly installment, provided that in the case if interest-bearing advances to Government servants, the whole amount due should be completely recovered within the period originally fixed.

**SECTION II- INTEREST- BEARING ADVANCES**  
**SUB-SECTION (1) HOUSE BUILDING ADVANCES**

**220.** “Government may issue instructions laying down the principles to regulate the grant of advance to Government servants for building etc., of houses”.

NOTE- The exiting instructions in this connection are contained in the Finance Department Resolution No.21246-Codes-22/59-F., dated the 22<sup>nd</sup> June 1959 and Resolution No.6251-Codes-22/59-F., dated the 4<sup>th</sup> March 1960.

(F.D.O.M. No. 45579-Codes-78/71-F., dated the 8<sup>th</sup> December 1971)

**221-236.** Deleted

(F.D.O.M. No.45579-Codes-78/71-F., dated the 8<sup>th</sup> December 1971)

**SUB-SECTION (2)-ADVANCE FOR PURCHASE OF MOTOR CARS/PERSONAL COMPUTERS**

**237.** The State Government may in the Public interest sanction an advance for purchase of a Motor Car or Personal Computer to a Government servant whose monthly basic Pay is not less than Rs.3, 000 as per the Revised Scales of Pay Rules, 1989:

Provided that the Officers belonging to All India Services and other State Government officers whose monthly basic pay is not less than Rs.1,500 in the prervised scales (1985) shall also be eligible for the aforesaid advance, till they come over to their respective revised scales of Pay:

Provided further that Officers belonging to permanent All India Service allotted to the State but on deputation to Central Government for not more than six years shall also be eligible for the aforesaid advance.

NOTE:-“Basic Pay” means ‘Pay’ as defined in rule 33 (a) (1) of Orissa Service Code.

(F.D.O.M. No.42918-Codes-57/93-F., dated the 30<sup>th</sup> September 1993)

**238.** The amount of advance admissible to a Government Servant for purchase of Motor Car or Personal Computer and the manner of its recovery shall be prescribed by Government from time to time. If the actual price paid, excluding, save as provided in rule 240 (2) below, the cost of insurance, transportation from the place of purchase or subsequent repairs is less than the advance taken, the balance shall forthwith be refunded to Government, though the Mortgage bond should be for the full amount drawn from the Treasury.

NOTE 1- Advance for the purchase of Motor Car or Personal Computer will be admissible to a Government Servant once in four years. The period of four years shall count from the date of drawl of the last advance.

NOTE-II- The Government Servant who has already drawn an advance for the purchase of a Motor Car/ Personal Computer and the period of 4 years has not elapsed from the date of drawl of the advance, and who fails to furnish a No Demand Certificate from the Accountant-General, Orissa, shall not be eligible for the grant of subsequent advance for the purchase of a Motor Car/ Personal Computer.

(F.D.O.M. No 42918-Codes-57/93-f., dated the 30<sup>th</sup> September 1993)

**239.** Except in special circumstances, Ministers and Deputy Ministers of the State may be given advances only once during their incumbency. The maximum limit of the advance will be as prescribed by Government from time to time. The maximum period of repayment shall be five years. During the period of repayment the vehicle/Personal Computer will be hypothecated to Government. If a Minister or a Deputy Minister resigns before the complete repayment of the advance and interest accrued thereon, he will pay up the outstanding amount in one installment or surrender the car/Personal computer to Government. The same procedure will apply in the case of the Speaker of the Orissa Legislative Assembly. (F.D.O.M. No. Codes-78/71-45579/F., dated 8<sup>th</sup> December 1971).

(F.D.O.M. No. 42918-Codes-57/93-F., dated the 30<sup>th</sup> September 1993)



**240.** (1) A Government servant who is on leave or about to proceed on leave in India for which an advance has been approved by the State Government will not be allowed to draw the advance earlier than a week before the expiry of the leave; but a Government servant who is on leave elsewhere than in India, Burma, Nepal, Ceylon, Pakistan and Aden or is about to proceed on such leave may be allowed to take it from the High Commissioner for India six weeks before his departure for India.

(2) A Government servant taking an advance from the High Commissioner for India within six weeks of his departure for India under sub-clause (1), may include in the amount of the advance required charges separately estimated on account of freight on the motor car/ Personal Computer to an Indian port and of the customs duty thereon payable in India, as also the cost of its insurance during the voyage. In the case of an officer who purchases a car/Personal Computer in Europe prior to six weeks of his departure back to India, no advance will be allowed to be drawn in England, but on bringing the car/ Personal Computer into India such a Government servant may apply for an advance to cover the price of the car/ Personal Computer as valued on landing in India for customs purpose (which will include the freight), and the cost of insurance, plus the customs duty paid on the car/ Personal Computer. The customs receipt should be produced in both cases.

NOTE- A Government servant who purchases a car/ Personal Computer in Europe prior to six weeks of his departure back to India and who does not hold a post for which a motor car/ Personal Computer has been definitely recognized by Government to be necessary, should, if he proposes to apply for an advance on return to India, inform the State Government of his intention and obtain their consent before he brings a car/ Personal Computer to India.

The clause relating to drawal of a motor car/ Personal Computer advance from the High Commissioner of India, London, should be treated as having been held in abeyance until further orders.

(Government of India, Ministry of Finance No. F.-50(13) EV/152, dated the 6<sup>th</sup> June 1952)

(F.D.O.M. No.42918-Codes-57/93-F., dated the 30<sup>th</sup> September 1993)

**241.** Recovery of the advance will be made by deducting monthly installments from the pay bill of the Government servant at such rate as may be prescribed by Government either by general or special order. It will commence with the first issue of pay after the advance is drawn. A Government servant may, however, if he so desires are permitted to repay the advance in a smaller-number of installment or he may pay more than one installment at a time. The amount of interest calculated in accordance with rule 217 will be recovered in one or more installment, each such installment being not appreciable greater than the installments by which the principal was recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

NOTE- The amount of the advance to be recovered monthly should e fixed in whole rupees except in the case of the last installment when the remaining balance including any fraction of a rupee should be recovered.

(F.D.O.M. No.45579-Codes-78/71-F., dated the 8<sup>th</sup> December 1971)

**242.** Except when a Government servant proceeds on leave not being leave on average pay not exceeding four months (or privilege leave, earned leave not exceeding 120 days or any other leave which is treated as equivalent to leave on average pay not exceeding four months) or retires from the service or is transferred to an appointment the duties of which do not render the possession of a motor car/Personal Computer necessary, the previous sanction of the State Government is necessary to the sale by him of a car/ Personal Computer purchased with the aid of an advance which, with interest accrued, has not been fully repaid. If a Government servant wishes to transfer such a car/ Personal Computer to another Government servant who performs the duties of a kind that renders the possession of a motor car/ Personal Computer necessary, the State Government may permit the transfer of the liability attaching to the car/ Personal Computer to the later Government servant, provided that the records a declaration that he is aware that the car/ Personal Computer transferred to him remains subject to the mortgage bond and that he is bound by its terms and provision.

(F.D.O.M. No. Codes-78/71-45579-F., dated the 8<sup>th</sup> December 1971)

(F.D.O.M. No. Codes-57/93-42918-F., dated the 30<sup>th</sup> September 1993)

**243.** In all cases in which a car/ Personal Computer is sold before the advance received for its Purchase from Government with interest accrued thereon has been fully repaid, the sale-proceeds must be applied, so far as may be necessary towards the repayment of such outstanding balance, provided that when the car/ Personal Computer is sold only in order that another car/ Personal Computer may be purchased, the State Government may permit a Government servant to apply the sale-proceeds towards such purchase, subject to the following conditions:-

- (a) the amount outstanding shall not be permitted to exceed the cost of the new car/ Personal Computer.
- (b) The amount outstanding shall continue to be repaid at the rate previously fixed;
- (c) The new car/ Personal Computer must be insured and mortgaged to Government as required by these rules.

(F.D.O.M. No. Codes-57/93-42918-F., dated the 30<sup>th</sup> September 1993)

**244.** When a Government servant has once paid the price of a car/ Personal Computer, Government may not permit him to recoup himself (i) unless he applies within a reasonable time and (ii) unless they are satisfied that it was his intention when he paid the price to apply for an advance and that he was prevented by sufficient reason from applying for it before the price was paid.

(F.D.M.O. No. Codes-57/93-42918-F., dated the 30<sup>th</sup> September 1993)

**245.** A Government servant who draws an advance in India for the purchase of a motor car/ Personal Computer is expected to complete his negotiations for the purchase and to pay finally for the car/ Personal Computer within one month from the date on which he draws the advance; falling such completion and payment; the full amount of the advance drawn, with interest thereon for one month must be refunded to Government. This condition should always be mentioned in letter sanctioning such advances.

(F.D.O.M. No. Codes-57/93-42918-F., dated the 30<sup>th</sup> September 1993)

**246.** (i) At the time drawing the advance the Government servant will be required to execute an agreement in Form O.G.F.R. 19 and on completing the purchase he will further be required to execute a mortgage bond in Form O.G.F.R. 20 hypothecating the car/ Personal Computer to the Governor of Orissa as security for the advance. Full specification of the car/ Personal Computer purchased including the cost price should be entered in the schedule of specifications attached to the mortgage bond.

(2) In the case of advance drawn in England, a similar agreement and a personal security bond in the prescribed form will be executed at the time of drawing the advance and at the time of purchase respectively.

(F.D.O.M. No. Codes-57/93-42918-F., dated the 30<sup>th</sup> September 1993)

**247.** The order sanctioning an advance will remain valid for one month from the date of 'issue'

(F.D.M.O. No. Codes-78/71-45579-F., dated the 8<sup>th</sup> December 1971)

**248.** A Government servant to whom an advance is sanctioned, shall before drawl of the advance, execute and furnish an agreement in form O.G.F.R. 19 to the Drawing and Disbursing Officer for signature for and on behalf of the Governor. The Drawing and Disbursing Officer shall record a certificate of execution of agreement on the bill and after disbursement of the advance to the concerned officer; return the agreement to the sanctioning authority, indicating the date of drawl and disbursement. The sanctioning authority shall thereafter inform the Accountant-General that the sanctioned advance has been paid to the Officer on execution of a proper agreement.

(F.D.M.O. No. Codes-39/80-27459-F., dated the 17 the May 1980)

**249.** The mortgage bond referred to in Rule 246 should be executed within one month from the date of drawl of the advance and submitted to the sanctioning authority for safe custody. When the advance has been fully repaid the bond should be returned to the Government servant concerned, duly cancelled after obtaining a No Demand Certificate, from the Audit Officer.

(F.D.M.O. No. Codes-44/77-14242-F., dated the 24<sup>th</sup> March 1977)

**250.** (1) The car/ Personal Computer must be insured against full loss by fire, theft, accident or disturbances. Insurance on owner-driven or other similar qualified terms is not sufficient for the purpose of this rule. Insurance policies at a reduced rate of premium shall, however, be accepted as adequate in cases where-

- (a) the owner of the car/ Personal Computer undertakes to meet the first Rs.50 or so of a claim preferred against an insurance company in the event of an accident, or
- (b) the car/ Personal Computer is not insured against accident for any season of the year during which it is not in the use but is stored in a garage.

(2) Such insurance should be effected within one month from the date of purchase of car/ Personal Computer. A Government servant drawing a similar advance in England is required to effect insurance within one month of his arrival in India, unless an insurance policy is already in existence.

(3) A clause as in Form O.G.F.R. 21 should be inserted in all policies of insurance in respect of motor car/ Personal Computer purchased by Government servant with the help of advances taken from Government. All officers of Government taking advances for purchase of Vehicles/ Personal Computer should disclose to the insurer the fact of the vehicles Personal Computer having been purchased with the help of such advances and also have the clause referred to insert in the policies of insurance of such vehicles Personal Computer. The vehicles/ Personal Computer should in no case be insured with Insurance Companies which do not agree to include the clause in the Policy.

(F.D.O.M. NO.Codes-78/71-45579-F., dated the 8<sup>th</sup> December 1971)

(4) On receipt of the certificate prescribed in rule 248, the Accountant-General will obtain from the Government servant drawing the advance, a letter in Form O.G.F.R. 22 to the Motor Insurance Company with whom the motor car/ Personal Computer is insured to notify to them the fact that the State Government are interested in the insurance policy secured. He will himself forward this letter to the Company and obtain their acknowledgement. In the case of insurances effected on annual basis, the process prescribed above shall be repeated every year until the advance has been fully repaid to Government. The conveyance mortgaged to Government should not be sold without the previous sanction of Government.

(5) If the motor car/ Personal Computer purchased has not been insured within the prescribed period or has not been re-insured before the expiry of period of policy, the Accountant-General will call upon the officer either to refund the outstanding balance at once or to produce evidence of insurance or re-insurance as the case may be within ten days of receipt of notice which will be sent by the Accountant –General. The amount for which the car/Personal Computer is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount due is completely repaid. If, at any time and for any reason, the amount insured under a current policy is less than the outstanding balance of the advance, including interest already accrued, the officer should refund the difference to Government. Amount to be refunded must be recovered in not more than three monthly installments.

(F.D.O.M. No. Codes-57/93-42918-F., dated the 30<sup>th</sup> September 1993)

**251.** Advances for the purchase of motor cars/ Personal Computer to Government servants in foreign employ should be granted from the funds of the foreign employer and when the latter desires to make such an advance, he should apply to the State Government for the necessary sanction. If the sanction is accorded it will be subject to the proviso that the advance by the foreign employer shall be regulated by the same conditions as would apply if the Government servant were serving directly under Government. In special cases, however, where a Government servant's services have been lent to a Municipality whose financial position will not permit of the advance being made from its funds, the advance may under the special orders of the State Government be met from Government funds provided the Government servant's duties are such as to render the possession of a motor car / Personal Computer practically a necessity.

(F.D.O.M. No. Codes-57/93-42918-F., dated the 30<sup>th</sup> September 1993)

**252.** The grant of an advance for the purchase of a motor car / Personal Computer to a Government servant who proceeds on deputation out of India and desires a motor car / Personal Computer for use during his deputation is not admissible.

(F.D.O.M. No Codes-57/93-42918-F., dated the 30<sup>th</sup> September 1993)

### **SUB-SECTION (3)- ADVANCES FOR PURCHASE MOTOR CYCLE**

**253.** (1) The State Government may in the public interest, sanction an advance for purchase of a Motor Cycle/ Scooter to a Government Servant whose monthly basic pay is not less than Rs.1,500 as per the Revised Scales of Pay Rules, 1989:

Provided that the officers belonging to All-India Service, Divisional Accountants and other State Government Officers whose monthly basic pay is not less than Rs. 550 in the pre-revised scales, 1985, shall also be eligible for such advance till they come over to their respective revised scales of pay.

NOTE-“Basic pay” means ‘Pay’ as defined in rule 33 (a) (i) of the Orissa Service Code.

(F.D.O.M. No. Codes -50/86-1861-F., dated the 16<sup>th</sup> January 1987 &

F.D.O. M No. Codes-64/92-23892-F.,dated the 27<sup>th</sup> May 1992)

(2) The State Government may, in the public interest, sanction an advance to a Government Servant for purchase of a Moped.

(F.D.O.M. No. 42856-Codes-58/89-F., dated the 2<sup>nd</sup> December 1989)

**253-A.** The amount of advance for purchase of Motor Cycle and the manner of its recovery shall be prescribed by Government from time to time. If the actual price paid; excluding the cost of insurance, transportation from the place of purchase or subsequent repairs is less than the advance taken, the balance shall forthwith be refunded to Government.

NOTE- Advance for purchase of Motor Cycle will be admissible to a Government servant once in four years. The period of four years shall count from the date of drawal of the last advance.

(F.D.O.M. No.52623-Codes 81/79-F., dated the 15<sup>th</sup> November 1979)

(F.D.O.M. No. 10171-Codes-19/73-F., dated the 5<sup>th</sup> March 1973)

**253-B.** The amount of advance admissible to a Government servant for purchase of Mopeds and the manner of its recovery shall be prescribed by Government from time to time. If the actual price paid excluding the cost of insurance, transportation from the place of purchase or subsequent repairs is less than the advance taken, the balance shall forthwith be refunded to Government.

NOTE-Advance for purchase of Mopeds will be admissible to a Government servant once in four years. The period of four years shall count from the date of drawl of the last advance.

(F.D.O.M. No.17106-CA-1-77/85-F., dated the 19<sup>th</sup> April 1985)

**254.** The general rules and conditions prescribed in sub-section (2) above relating to advances for purchase of motor cars apply mutatis mutandis to advances for purchase of motor cycles as well.

**254-A.** The general rules and conditions prescribed relating to advances for purchase of motor cars/ cycle shall apply mutatis mutandis to advances for purchase of mopeds as well.

(F.D.O.M. No.17106-CA-1-77/85-F., dated the 19<sup>th</sup> April 1985)

#### **SUB-SECTION (4) - ADVANCES FOR PURCHASE OF BICYCLE AND OTHER**

##### **CONVEYANCES**

**255.** All Heads of Departments, Departments of Government and Heads of Offices are authorized to sanction advances to Government servants under their control for purchase of bicycle subject to the following conditions and restrictions:-

- (i) The advance will be admissible to all non-gazetted Government servants including Class IV Government servants.
- (ii) The total amount of advance admissible for the purpose and the manner of recovery of the same shall be such as is prescribed by Government from time to time.
- (iii) The amount of the advance to be recovered monthly should be fixed in whole rupees, except in the case of the last installment, when the remaining balance including any fraction of a rupee should be recovered.
- (iv) The bicycle with the cash memo, showing the actual price of the cycle purchased with the advance should invariably be produced by the Government servant obtaining the advance before the sanctioning authority or any other officer selected by him. If the cash receipt along with the details of the purchase is not produced within one month of the drawl, the full amount of advance together with the interest thereon for one month shall be refunded forthwith.
- (v) The bicycle purchased with the advance will be considered to be the property of Government until the advance with interest accrued thereon is fully repay
- (vi) An advance for the purchase of bicycle will be admissible to a Government servant not more than once in 3 years. The period of 3 years will be reckoned from the date of drawl of advance.

(F.D.O.M. No. 10373-Codes-34/73-F., dated the 5<sup>th</sup> March 1973)

- (vii) The advance will be interest bearing and interest will be charged at the rate prescribed by Government from time to time.
- (viii) The amount of interest recoverable under rule 217 shall be recovered in one installment after the principal has been repaid.

- (ix) Sanction of this advance to temporary Government servants shall be subject to the following further restrictions, namely:-
- (a) The sanctioning authority should satisfy himself and certify that the applicant is likely to continue in service till the full recovery of the advance with interest accrued thereon is effected.
  - (b) The applicant should furnish a personal surety for the full amount of advance from a permanent Government servant.
  - (c) Temporary Class IV Government servants, who have not completed 3 years of service under the State Government, will not be eligible for such advance.

(F.D.M.O. No.45579-Codes-78/71-F., dated the 8<sup>th</sup> December 1971)

#### **AVAILABILITY OF FUNDS**

**256.** In respect of advances under rules 220 to 255 and rule 258, the sanctioning authority when issuing the order should warn the Government servant to whom the advance is granted not to ask for the pay order till he actually requires the money and also not to commit himself on the assumption that funds will be available. When he wishes to draw the advance, he should write to the Accountant-General for authority to draw the amount sanctioned. The authority will be issued only when there are sufficient funds to meet the charge and will remain valid for a fortnight from the date of issue and if not acted upon within this period it would require a fresh reference to the Accountant-General. The sanctioning orders for these advances remain current for a period of six months. If the sanctioning authority, reports that practical difficulties will be caused if the payment is withheld for want of funds, the Accountant-General will issue the necessary authority and take action for obtaining additional funds.

#### **SUB-SECTION (5)- PSSAGE ADVNCES**

**257.** Deleted.

(F.D.O.M. No. 16528-Codes-17/59-F., dated the 28<sup>th</sup> April 1969)

#### **SUB-SECTION (6)-ADVANCE FOR PURCHASE OF TYPEWRITERS**

**258.** Departments of Government may sanction advances for the purchase of typewriters to a Gazetted Government Servant, who desires to purchase a machine for himself for use for Government work subject to the following conditions:-

(1) The application for the advance should be sent through the Head of Department concerned.

(2) The advance granted shall not exceed Rs.350 or the amount at which it could be purchased from a recognized company whichever is less. If the actual price is less than the advance taken the balance should forthwith be refunded to Government. Recovery of the advance will be made in 24 monthly installments by deduction from the pay of the officer for whom the machine is purchased who will be held responsible for its maintenance in good order. The first installment of recovery will be made from the pay of the month in which the advance is made. Interest will be recovered as indicated in rule 217.

NOTE- The amount of the advance will be recovered in equal monthly installments, except in the case of last installment, when the remaining balance including any fraction of a rupee should be recovered.

The article purchased with the advance will remain as the property of Government till the advance with interest accrued thereon is fully repaid.

(3) If the officer for whom a machine has been purchased by means of an advance leaves Government service or retires before the advance has been fully repaid, he may be allowed the option of removing the typewriter on payment in full of the outstanding installments with interest, or of transferring it, together with the obligation to meet outstanding installment with interest to his successor on receipt from the latter of a sum of money calculated on fair valuation of the machine.

## SECTION III-INTEREST FREE ADVANCES

### SUB-SECTION (1) ADVANCES ON TRANSFER

**259.** (1). An advance may be allowed to a Government servant under orders of transfer up to an amount not exceeding one month's substantive pay plus the traveling allowance to which he may be entitled under the rules in consequence of the transfer. The advance may be sanctioned by the Head of office or by a Gazetted Officer authorized by him in that behalf. The advance drawn by or paid to the Government servant should be recorded in this last pay certificate.

The advance of pay should be recovered from the pay of the Government servant is not more than three monthly installments, commencing from the month in which he draws full months pay or leave salary and joining his new appointment. Where a second advance of pay is sanctioned to Government servant before the recovery of the previous advance, the unrecovered balance of the previous advance should be added to the advance next sanctioned and instalments of recovery, not exceeding three, should be fixed with reference to the consolidated amount. A Government servant who having drawn an advance of pay or having been paid such advance, does not proceed on transfer within a period of one month from the date of drawl or payment, as the case may be, should refund the entire advance forthwith, failing which it should be recovered from his next pay bill in one installment.

The advance of traveling allowance should be recovered in full on submission of the Government servant's traveling allowance bill. The bill for traveling allowance should be submitted by the Government servant within one month from the date of completion of the journey failing which the full amount of advance should be deducted from his pay bill.

(F.D.O.M. No.29686- Codes-57/59-F., dated the 20<sup>th</sup> June 1979)

NOTE 1- Authorities competent to sanction advances under this rule may sanction such advances for themselves also.

NOTE 2- An advance under this rule is also admissible to a Government servant who receives orders of transfer during leave.

NOTE 3- This rule does not preclude the grant of second advance to a Government servant to cover the traveling expenses of any member of his family who follows him within six months from the date of his transfer and in respect of whom an advance of traveling allowance has not already been drawn.

NOTE 4- When a single lump sum advance is drawn to cover the traveling expenses both of the Government servant himself and of his family, it may be adjusted by the submission of more than one bill if it so happens that the members of the Government servant's family do not actual make or complete the journey with him. In such a case, the Government servant should certify on each adjustment bill submitted by him that a further bill in respect of traveling allowance of the members of his family (to be specified) who have not yet completed the journey will be submitted in due course and is expected to include an amount not less than the balance of the advance left unadjusted in this bill.

NOTE 5- The advance of pay under this rule may be allowed to be drawn at the new station soon after the arrival of the Government servant there, on production of the last pay certificates showing that no advance was drawn at the old station.

NOTE 6- The amount of the advance to be recovered monthly should be fixed in whole rupees, the balance being recovered in the last instalment.

NOTE 7- No advance pay and traveling allowance will be allow to a Government servant who is transferred and posted in the same headquarters.

(F.D.O.M. No.45579-Codes-78/71-F., dated the 8<sup>th</sup> December 1971)

(2) A temporary or officiating Government servant with no permanent appointment under Government may be granted advances of pay and traveling allowance on the general conditions in the above rule and also subject to further restrictions mentioned below:-

- (1) An advance not exceeding one month's pay may be granted in such cases only where the period of employment is likely to be longer than the period within which recovery can be effected.
- (2) An advance of traveling allowance up to the amount admissible may be given in all cases where traveling allowance on transfer would be admissible. The bills for such advances should be submitted by the Government servant within one month from the date of completion of the journey beyond which date the advance traveling allowance should be deducted from his pay bill.
- (3) Where traveling allowance on transfer is not admissible, the temporary Government servant may in addition to the advance of one month's pay referred to in (1) above be given his pay up to the date of transfer provided the disbursement of pay before the end of the month is permissible under Subsidiary Rule 175 (ii) of the Orissa Treasury Code, Vol.1.
- (4) A Government servant without a substantive appointment while officiating in a post, transferred to another post at a different station in the same cadre, may also be granted advance of pay not exceeding one month's officiating pay and also of traveling allowance on the same conditions as are prescribed above.
- (5) Both temporary and officiating Government servants, in whose favour advances of pay and traveling allowance are sanctioned shall be required to furnish personal sureties from permanent Government servants in Form O.G.F.R. 23.

NOTE – In no circumstances an advance should be granted to a temporary or officiating Government servant who is transferred to another State.

- (3) (i) Advance pay and traveling allowance to Government servants on transfer to foreign service may be sanctioned as per rules by the authority competent to sanction such transfer.  
(ii) In case of transfer of Government servant to different Government/Foreign Service, any advance towards Pay and T.A. paid by the Government would be finally booked as revenue expenditure. Recovery/adjustment of these advances from the officer's pay/T.A. bill will be watched through the Last Pay Certificate and credit/net debit would be accounted for in the same manner in the books of borrowing Government/Foreign Employer. The same procedure will operate in reverse when the Government servant reverts to the parent Government/Department.

(F.D.O.M. No.45579-Codes-78/71-F., dated 8<sup>th</sup> December 1971)

(F.D.O.M. No.1859-Codes-122/86-F., dated 16<sup>th</sup> January 1987)

#### **SUB-SECTION (2) – ADVANCES ON ARRIVAL IN INDIA ON FIRST**

#### **APPOINTMENT OR ON RETURN FROM LEAVE OR DEPUTATION OUT OF INDIA**

**260.** Advances may be granted to a Government servant not subject to Military rules-

- (i) On arrival in India on first appointment, of an amount not exceeding two month's substantive pay less the amount of any advance made in England.

NOTE- When a Government servant on arrival in India asks for an advance and produces no last pay certificate, an advance may be granted by the Accountant-General concerned, on the Government servant furnishing a declaration that he has not received any advance in England.

- (ii) On return from leave or deputation elsewhere than in India, Ceylon, Nepal, Burma, Aden, Pakistan and foreign possessions in India, of an amount not exceeding two months substantive pay or Rs.1, 000 whichever is less, in addition to any advance made in England, provided that the leave was not leave on average pay not exceeding four months or any other leave equivalent thereto (See rule 242) and that no advance has been drawn under rule 259 (1).



**261.** These advances may be drawn on the authority of the Accountant-General from any treasury in Orissa specified by him in such orders. If payment of an advance is required at a treasury outside the State the advance will be drawn under the orders of the audit officer concerned. Such advances as well as similar advance made in England are recoverable by monthly installments of one-third of pay fixed in whole rupees.

NOTE- The recovery of an advance made under the Military Leave Rules to a Military Officer in Civil employ subject to the Military Leave Rules is regulated by those rules.

### **SUB-SECTION (3)-ADVANCES FOR JOURNEYS ON TOUR**

**262.** Advances for journeys on tour may be made under the rules specified below:-

- (i) To a Government servant, other than an inspecting officer, proceeding on tour, up to an amount sufficient to cover for a month his contingent charges, such as those for the hire of conveyances or animals for the carriage of records, tents or other Government property, subject to adjustment upon the Government servant's return to headquarters or 31<sup>st</sup> March, whichever is earlier.

NOTE- Advances under this sub-clause may be granted by heads of office but they should not be applied to the expenditure of any Gazetted Government servant for his Traveling Allowance.

(F.D.O.M. No.55552-Codes-77/77-F., dated 2<sup>nd</sup> November 1977)

- (ii) To non-Gazetted Government servants or Class IV Government servants accompanying officers on tour or proceeding on inspection or other special work, by the head of their office, of an amount sufficient to cover their personal traveling expenses for a month, subject to adjustment on return to headquarters or 31<sup>st</sup> March, whichever is earlier.

NOTE- As a temporary measure the concession has been extended to the above Government servants on tour even though they do not accompany an officer.

- (iii) To Gazetted Government servants proceeding on tour subject to the following conditions:-

- (1) The advance should not exceed the railway mileage or the traveling allowance admissible for journey by air, as the case may be.
- (2) The advance should be adjusted in full from the traveling allowance bill of the Government servant which should be submitted by him within one month from the date of completion of the journey. No subsequent advance will be admissible till the previous advance has been fully adjusted.

(F.D.O.M. No.25129-Codes-10/81-F., dated the 29<sup>th</sup> may 1981)

- (iv) Government servants with no substantive appointment under Government may be allowed such advances subject to the conditions mentioned in this rule and in clause (5) or rule 259 (2).
- (v) To the Speaker and Deputy Speaker of the Assembly, the Ministers and Deputy Ministers, the Advocate General, and the Parliamentary Secretaries of traveling allowance required by them to meet their traveling expenses for journeys on tour subject to the conditions:-

- (1) that the advance is limited to the traveling expenses actually required for a particular tour subject to adjustment on completion of the tour or 31<sup>st</sup> March whichever is earlier, and

- (2) that no subsequent advance is drawn when a previous advance still remains unadjusted.
- (vi) To non-officials who are entrusted with State work which involves prolonged tours outside the State of traveling allowance subject to the conditions:-
- (1) The advance will be granted only in special cases to meet expenses for long and extensive tours outside the State.
  - (2) The amount of advance will in all cases be not less than 15 per cent below the minimum which will be required for the journey inclusive of half.
  - (3) Each advance will be sanctioned by the concerned Department of Government only when it is essential and after a careful consideration of the merits of each case.
  - (4) The non-officials concerned should sign a statement declaring that in case the advance is not adjusted in full through detailed bill immediately on the completion of their tour, they undertake to repay it in cash. In cases where advances are paid to members of the Legislative Assembly who are entitled to salary, they should likewise give a declaration consenting to the recovery of the advance from their salaries, if it is not adjusted through detailed bill immediately on completion of the tour.
  - (5) No advance will be granted until the previous advance, if any, has been adjusted.

#### **OTHER ADVANCES**

**263.** Advances may be granted by the Collector to Treasury Officer or Superintendent of Police for expenses connected with a remittance of treasury to be adjusted when the duty is completed.

**264.** Advances are permissible for expenditure on law-suits in which Government is a party. Such advances are sanctioned by the Legal Remembrances and Commissioners of Divisions and other officers empowered to do so. The expenditure on law-suits is regulated by rules 10 to 121 of the Bihar and Orissa Practice and Procedure Manual, 1939.

NOTE-Advances under this rule and under rule 262 are treated as final charges and not as advances recoverable and are to be shown as "contingent charges" and "Traveling allowances", respectively.

**265.** An advance of half a month's pay is permissible to each accepted recruit of the Police Department under the rules of the Police Manual. No special sanction of the State Government or the Inspector-General of police is necessary. The advance is recoverable from the pay of the recruit in two monthly installments. (The above concession applies also to recruits for the Orissa Military Police).

#### **ADVANCES FOR ANTI-RABIC TREATMENT**

**266.** Advances to Government servants and others proceeding to a Pasteur institute for anti-rabic treatment should be regulated by the rules contained in the Orissa Service Code, Volume-II.

#### **SPECIAL ADVANCES**

**267.** Interest-free advances to Government officers and others for special departmental purposes will be regulated by special orders issued by Government.

NOTE- In cases of advances regulated under this rule, sanctions to be issued by the competent authority/agreements to be executed at the time of drawing of advance should stipulate that no interest shall be chargeable if the conditions attached to the sanction, including those relating to the recovery of amount are complied with fully to the satisfaction of the competent authority. However in cases of default, interest shall be charged @ 2<sup>1</sup>/<sub>2</sub>% on above the prescribed rate of interest in the following cases.

- (i) In cases where the advance is not utilized fully but the adjustment bill is submitted in time interest may be charged at the rate prescribed for advances for purchases of Motor conveyance (other than Motor Car) plus 2<sup>1</sup>/<sub>2</sub>% on the unutilized portion of the advance from the date of drawl of advance to the date of refund of advance.
  
- (ii) In cases where the adjustment bill is not submitted within the prescribed time, the entire amount of advance may be recovered in one lump sum immediately on expiry of such time limit. In such cases interest may be charged at the rate of interest prescribed at (1) above on the entire amount of advance from the date of drawl to the date recovery of amount. The claim of the Government servant for re-imburement would, however, not be forfeited merely on account of recovery of advance. Heads of Offices may, however, waive such recovery on charging of interest thereon, in cases where non-submission of adjustment bill can be attributed to genuine difficulties.

The amount of penalty recovered shall be credited to the receipt head corresponding to the expenditure head to which the advance was debited.

(F.D.O.M. No. Codes-15/87-6915-F., dated the 24<sup>th</sup> February 1987)

## CHAPTER 15- MISCELLANEOUS SUBJECTS

### SECTION 1- SECURITY DEPOSITS

**268.** Rules regarding the security of Treasures in district treasuries and the form of security bond to be executed by treasuries are given in Subsidiary rules 20 and 21 of the Orissa Treasury Code. The following instructions apply generally to securities to be taken from other officials entrusted with the custody of cash or stores.

**269.** Subject to any special rules or order made by Government in this behalf every cashier, store-keeper and other subordinate who is entrusted with the custody of cash or stores should be required to furnish security, the amount being regulated according to circumstances and to local conditions in each case under the sanction of competent authority and to execute a security bond setting forth the conditions under which Government will hold the security and may ultimately refund or appropriate it.

The competent authority will determine whether the amount of security shall be paid in a lump sum or by deduction from pay.

When promissory notes are deposited as security their realizable cash value should approximate to the amount of the security required.

NOTE1-Competent authorities referred to in this rules means Administrative Department, Head of Department and Head of office.

(F.D.O.M. No. 1855- Codes-18/86-F., dated the 16<sup>th</sup> January 1987)

NOTE 2- No security deposit need to taken from the Custodian of office furniture, Stationery and other articles required for office management as such provided that the Head of office is satisfied about the safeguards against losses through pilferage etc.

NOTE 3- No security deposit need be taken from Librarians of Library staff.

NOTE 4- The above rule does not make any distinction between Gazetted and non-Gazetted officers so far as furnishing a security by officers entrusted with the custody of cash stores is concerned. In all cases where security is to be taken under this rule it should be taken from all officers irrespective of the fact whether they are Gazetted or non-Gazetted in status.

The question as to whether as a security should be taken or not (either from the Gazetted or non-Gazetted Officer) however, depends on whether the officer concerned handles cash/ stores or is merely jointly responsible for custody of cash balanced stores. For example, although the Treasury Officer under Orissa Treasury Code is jointly responsible with the Treasurer for the custody of cash balance, as clear he does not handle the cash, no security is required to be taken from him but security is to be taken from the Treasurer who only handles the cash.

(Finance Department O.M. No. 2574-Tr.A-27/61-F., dated the 28<sup>th</sup> January 1961)

NOTE 5- The security bond from the Government servants handling cash/ stores may be taken in the form given in Appendix 17 A of Orissa General Financial Rule, Volume II.

(Finance Department O.M. No.5371-Tr.A-72/62-F., dated the 10<sup>th</sup> February 1962)

NOTE 6- The amount of security to be obtained under rule 269 from a Government servant, entrusted with the custody of cash, should be determined on the basis of actual cash handled and should not include account payee cheques or drafts, the cash of which is not handled by him.

(F.D.O.M. No. 39077- Codes -110/73-F., dated 25<sup>th</sup> August 1973)

**270.** When a Government servant who has furnished security takes regular leave or is deputed to other duty, the Government servant who is appointed to officiate for him should be required to furnish the full amount of security prescribed for the post, unless the competent authority concerned has authorized a relaxation of the rules regarding security applicable to his case.

**271.** Whenever a private person of firm contracts with Government to supply stores or execute a work he or it should, unless exempted in very exceptional cases by the department concerned, be required to give security for the due fulfillment of the contract in the manner and subject to the condition as indicated below and suitable provisions regarding the security should be incorporated in the agreement.

National Savings Certificates, Post Office Saving Bank Account, Post Office Time Deposit Account, Kisan Vikas Patra

National Savings Certificates, Post Office Time Deposit Account, Kisan Vikas Patra should be formally transferred to the Departmental Authority who accepts the security with the sanction of the Postmaster and should be accepted at their surrendered value when tendered. The pledging of the deposits should be in accordance with the procedures laid down in the respective rules.

(F.D.O.M. No 25581-Codes- 40/95-F., dated the 23<sup>rd</sup> June 1995)

**272.** The security taken from a Government Officer should be in one of the following forms subject to the conditions noted against each, or partly in one and partly in another of these forms, when this is specially permitted by the Departmental authority, authorized to accept the security.

Forms	Conditions
(i) Cash	Government will not pay any interest on any deposit held in form of cash.
(ii) Promissory notes and Stock Certificates Of the Central Government or State Government, Municipal Debentures or Port Trust Bonds or Bonds and/ or Debentures issued by State Financial Corporations.	These securities should be accepted at five percent below the market price or at the face value whichever is less and should be dealt with in accordance with the rules in Chapter IX of the Government Securities Manual.
(iii) Post Office Savings Pass Books	A Pass Book for a deposit made under Post Office Savings Bank Rules may be accepted as security provided that the depositor has signed and delivered to the Post Master a letter in the prescribed form as required by those rules.
(iv) National Savings Certificates, Post Office Time Deposit Account, 10 Years Social Security Certificates and Kisan Vikas Patras.	National Savings Certificates, Post Office Time Deposit Account, 10 Years Social Security Certificates and Kisan Vikas Patras should be formally transferred to the departmental authority who accepts the security with the sanction of the Post Master and should be accepted at their surrender value at the time tendered. The pledging of these deposits should be in accordance with the procedures laid down in the respective rules.

(v) Deposit receipts of Scheduled Banks specified in the Reserve Bank of India Act, 1934 and Deposit Receipts of Regional Rural Banks.

(a) Deposit Receipt should be made out in the name of the pledge. If it is made out in the name of the pledger, the Bank should certify that the deposit can be withdrawn only on the demand or with the sanction of the pledge.

(b) The Bank should agree that on receipt of signed Treasury Chalan and withdrawal order from the pledge in respect of the deposit or any part thereof, it will at once remit the specified amount into the nearest Treasury along with the Chalan and send the Treasury receipt to the pledgee.

(c) The responsibility of the pledge in connection with the deposit and interest on it will cease when he issues a final withdrawal order to the depositor and sends intimation to the Bank to that effect.

(vi) Fidelity Bonds from Nationalized Insurance Companies.

A fidelity bond may be accepted as security from a Government Officer but not from a private party.

(F.D.O.M., No.25581-Codes-40/95-F., dated the 23<sup>rd</sup> June 1995 and

No. 46984- Codes -62/91-F., dated the 19<sup>th</sup> December 1991)

(vii) Other forms of security specifically Approved by Government for acceptance In any Department, e.g., mortgages on Real property personal security, etc.

Security in any such form may be accepted only in accordance with the terms and conditions laid down in the relevant Government regulations

(F.D.O.M. No. 29744-Codes-56/79-F., dated the 20<sup>th</sup> June 1979)

(F.D.O.M. No.36785-Codes-66/84-F., dated the 1<sup>st</sup> September 1984)

**273.** Security furnished in cash by a Government officer may be converted, at the cost of the depositor, into any of the interest-bearing forms of security mentioned in items (ii) to (v) of the preceding rule, provided-

- (i) that the depositor has expressly requested in writing that this be done, and
- (ii) that the acceptance of the form or forms of security is permissible under the rules and under the terms of the agreement or bond.

NOTE 1- Cash actually received or recovered may be converted into an interest-bearing form of security even when it forms part of deposits which is being paid in installments and has not yet been realized in full.

(F.D.O.M. No.26424-Codes-13/81-F., dated the 29<sup>th</sup> June 1981)

(F.D.O.M. o 23191-W.M.-155/65(Part-IX)-F., dated the 8<sup>th</sup> July 1966)

(F.D.O.M. No.25581-Codes-40/95-F., dated the 23<sup>rd</sup> June 1995)

**274.** When a Government servant has furnished security in the form of fidelity bond, the departmental authority receiving the bond should see that the Government servant pays the premia necessary to keep it alive on the due dates and continues to do so until a period of six months has elapsed since he vacated his office. If the Government servant fails to deliver the premium receipt to the departmental authority in time, he should be removed from his post at once.

NOTE – The Treasurers in the Treasuries of the State who furnish fidelity bond as additional security under Subsidiary Rule 21 of the Orissa Treasury Code shall be reimbursed annually with the amounts of the premium paid by them in this regard to the Insurance Companies, approved by the State Government.

**275.** Subject to any rule or order made by Government in this behalf the form of the security bond to be executed at the time of furnishing security should be determined under orders of the Head of the Department according to the kind of security furnished. When a Government officer is specially permitted to furnish security partly in one and partly in another of the forms of security specified in rule 272 he should execute separate bonds for the different kinds of security.

NOTE- The model form of security bond to be taken from Treasurers in district treasuries is given in Form No. O.T.C.2.

**276.** (1) Post Office Savings Bank Pass Books, deposit receipts of banks fidelity bonds and security bonds or agreements should be kept in the safe custody of the departmental authority which takes the security.

NOTE 1- All the Post Office Savings Bank Pass Books should be sent to the Post Office as soon as possible after the 15<sup>th</sup> June of each year, so that the necessary entries on account of interest may be made in them.

In the case of deposit receipts of banks, the depositor should receive the interest, when due, direct from the bank on a letter from the pledge authorizing the bank to pay it to him.

NOTE 2- The security bonds of Government officers employed in treasuries should be kept in a locked box in the double-lock strong room of the district treasury. The Treasury Officer will be responsible for the safe custody of the bonds and should keep the key of the box in his personal custody.

(2) Government Promissory Notes, Post Office Certificates and Defense Savings or National Savings Certificates, Municipal debentures and Port Trust bonds deposited as security should be lodged for safe custody with the Manager of the Reserve Bank at Places where there are offices of that Bank and with the district treasury in other places in accordance with the rules in Chapter IX of the Government Securities Manual.

**277.** A security deposit taken from a Government Officer should be retained for at least six months from the date when he vacates his post, but a security bond should be retained permanently or until it is certain that there is no further necessity for keeping it.

**278.** Without the special orders of the competent authority no security deposit should be repaid or re-transferred to the depositor, or otherwise disposed of, except in accordance with the terms of his security bond or agreement. A departmental authority on returning any security to the depositor should be invariably obtaining his acknowledgement duly signed and witnessed. When an interest-bearing security is returned or re-transferred, the acknowledgement should set forth full particulars of the security.

**279.** The percentage deductions from bills held as security in connection with contracts to execute works should not be refunded till the final bill has been prepared and passed.

## SECTION II- TRANSFER OF GOVERNMENT LANDS AND BUILDINGS

**280.** Save as otherwise provided in any law, rule or order relating to the transfer of Government land, no land belonging to the Government shall be sold or made over to a local authority, body or any person or institution without previous sanction of the Government.

**281.** When any immovable public property is made over to a local authority for public, religious, educational or any other purposes, the grant should be made expressly on the conditions in addition to any others that may be settled, that the property shall be liable to be resumed by Government if used for purposes other than the specific purposes for which it is granted and that should the property be at any time resumed by Government, the compensation payable therefore shall in no case exceed the amount, if any, paid to Government for the grant together with the cost of any buildings erected, or other works executed, on the land by the local authority or their present value, whichever may be less.

NOTE- The orders regarding the alienation of land and assignment of land Revenue, which is to be distinguished always from the alienation of the land itself, are contained in Orissa State Urban Land Settlement Rules, 1959.

(F.D.O.M. No.41546-Codes-81/71-F., dated the 3<sup>rd</sup> November 1971)

**282.** All land, the property of Government, should ordinarily be sold when necessary through the Revenue Department.

**283.** (1) when any land or building is transferred from one Department to another of the State Government, the transfer shall be free of all charges.

(F.D.O.M. No. 26279- Codes-11/99-F., dated the 9<sup>th</sup> June 1999)

(2) The transfer of land and buildings between the Union and the State Government is regulated by the provisions of Articles 294, 295, 298, and 299 of the Constitution of India and subsidiary instructions issued by the Central Government which are reproduced in Appendix 18 (Transfer of Lands and Buildings between the Central and the State Governments).

**284.** If any dispute arises in the application of this rule, the matter should be referred to the Finance Department.

(Finance Department O.M. No.41546-Codes-81/71-F., dated the 3<sup>rd</sup> November 1971)

## SECTION III- INSURANCE OF GOVERNMENT PROPERTY

**285.** The normal police of Government are not to insure its properties and no expenditure should be incurred without the prior consent of the Finance Department on the insurance of any Government property.

## SECTION IV- CHARITABLE ENDOWMENTS AND OTHER TRUSTS

**286.** General instructions relating to Charitable Endowments and other Trust are published separately.

## SECTION V- MISCELLANEOUS

### PAYMENT OF ARREAR CLAIMS TO PERSONS NOT IN GOVERNMENT

#### SERVICE

**287.** (1) The provisions of rule 72 et seq apply mutatis mutandis to old claims preferred against Government by persons not in Government service.

(2) Claims of Government against railway for overcharges and claims of Railways against Government for under-charges will be recognized and admitted, if they are preferred within six months-

- (i) in the case of cash payment- from the date of payment: and
- (ii) in the case of warrants and credit notes from the date of presentation of bill by the Railway Administration.



Explanation- The terms “overcharges” and “undercharges” mean overcharges and under-charges of railway freight and fares only. They refer to shortages and excesses in the items included in a bill which has already been rendered. The omission of an item in a bill is not an “undercharge” nor is the erroneous inclusion of an item in “overcharge.”

### **SUPPLY OF FORMS**

**288.** The Superintendent, Government Press, Cuttack maintains stocks of the standard forms which are prescribed for use by Government offices, and which are to be printed and supplied by Government. Heads of offices and other Government servants should send their indents to him, subject to the observance of the procedure prescribed in the “Rules for Supply and Custody of Printed forms in Bihar and Orissa, 1930.”

### **DESTRUCTION OF OFFICIAL RECORDS CONNECTED WITH ACCOUNTS**

**289.** Subject to any general or special rules or orders applicable to particular departments as prescribed in their departmental manuals, no Government record connected with accounts shall be destroyed except in accordance with the provisions of Appendix 19.

(Finance Department O.M. No. Codes 103/69-31236-F., Dated the 30<sup>th</sup> August 1969)

### **SUPPLY OF FURNITURE IN RESIDENCES OF HIGH OFFICIALS**

**290.** The general rules on the subject are incorporated in Appendix 20.

## CHAPTER 16- GOVERNMENT ACCOUNTS

### SECTION 1- GENERAL

#### FORM OF ACCOUNTS

**291.** The form in which and the general principles and methods according to which the accounts of the Government should be kept have been prescribed by the Comptroller and Auditor-General of India with the approval or the President of India and the main directions in respect thereof are contained in Volume 1 of the Account Code. Volumes II and III of that Code embody the directions of the Comptroller and Auditor-General of India regarding the form of initial and subsidiary accounts to be kept in treasuries and by Officers of the Public Works and the Forest Departments. Detailed rules and instructions relating to the forms of the initial and subsidiary accounts to be kept and rendered by officers of the technical departments whose accounts are not finally settled through the treasury accounts may be laid down in the departmental regulations relating to the departments concerned.

#### MAJOR, MINOR AND OTHER HEADS OF ACCOUNTS

**292.** The structure of the accounts consists mainly of the following divisions-

- (a) Major heads
- (b) Minor heads
- (c) Sub-heads
- (d) Primary units
- (e) Secondary units
- (f) Detailed heads

Intermediate heads of account known as sub-major heads are sometimes introduced between a major head and minor head under it when the minor heads are numerous and can conveniently be grouped together under such intermediate heads. In similar circumstances minor heads are divided into sub-heads (group heads).

**293.** A list of authorized major and minor heads of account is given in Appendix 2 to the Account Code, Volume 1. The introduction of any new major and minor head as well as the abolition or change of nomenclature of any of the existing heads requires the approval of the Comptroller and Auditor-General of India who will obtain the requisite sanction where necessary.

The opening of a new sub-head or a detailed head in the demands for grants will be sanctioned by the Finance Department according to administrative requirements after consultation with Accountant-General. As regards heads of expenditure, the subdivisions of minor heads will follow as far as possible the sub-heads and other units of appropriation selected by the Finance Department for Demand for grants and Appropriation Accounts.

**294.** In the matter of accounting and for control of expenditure, the nomenclature of the budget-cum-accounts heads should be strictly followed by departmental officers. Provision made in the estimates of receipt and expenditure framed by Government or in any order of appropriation should ordinarily conform to the prescribed rules of classification. Where there is divergence the corresponding receipt or expenditure shall be brought to account under the appropriate major head or minor head or other unit of classification as prescribed by the Governor on the advice of the Accountant-General, Orissa.

NOTE- If provision of receipts or expenditure in any budget document or in any order of appropriation does not conform to the prescribed accounting classification, the discrepancy should be rectified in consultation with the Finance Department at the earliest or at the stage of Revised Estimates and this should not be feasible for any wherever necessary, explaining the discrepancy.

(Finance Department O.M. No. 32157- Codes-83/81-F., dated the 8<sup>th</sup> July 1982)

**295.** Changes in nomenclature of account or budget heads or in the classification of receipts or expenditure will not be introduced in the course of a financial year except under special orders of Government.

### **RESPONSIBILITY OF DEPARTMENTAL OFFICERS**

**296.** Every officer responsible for the collection of Government dues or expenditure of Government money should see that proper accounts are maintained in such form as may have been prescribed for all financial transactions of Government with which he is concerned and render accurately and promptly all such accounts and returns relating to them as may be required by Government, the Accountant-General or the controlling authority concerned. It is essential that all accounts should be so kept and the details so fully recorded and that the initial records of payment, measurement and transactions in general are so clear, explicit and self-contained as to be produceable, where necessary, as satisfactory and convincing evidence of facts.

NOTE 1- The classification on bills should be recorded by the drawing officers, similarly, the classification on chalans should be recorded by the officers responsible for the collection of Government dues and making the remittance to the treasuries. In cases of doubts, the classification in the accounts may at the outset follow the budget, but the matter should be referred to Government for orders in any case of doubt.

NOTE 2- The responsibilities of disbursing officers, controlling officers and Heads of departments in regard to the control over expenditure incurred against the grants allotted to them are laid down in rule 315 et.seq. and in the Orissa Budget Manual.

### **SECTION II- CAPITAL AND REVENUE ACCOUNTS**

#### **GENERAL RULES**

**297.** Expenditure of a capital nature is broadly defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character. Expenditure on a temporary asset can not ordinarily be considered as expenditure of a capital nature.

(F.D.O.M. No. 22200-Codes 36/91-F., dated the 5<sup>th</sup> June 1991)

**298.** Expenditure of a capital nature as defined above, incurred upon a scheme of project may not, however, be classed as capital expenditure in the Government accounts unless the classification has been expressly authorized by general or special orders of Government. Ordinarily, such classification will not be permitted unless-

(i) it is essential for the exhibition of financial results of any special service or undertaking on the basis of generally accepted commercial principles, or in some other conventional manner, either that the cost of the service or undertaking may be ascertained on that the full implication of any policy may be clearly demonstrated, or

(ii) The expenditure involved is so large that it cannot reasonably be met from ordinary revenues.

NOTE- The term "ordinary revenues" is applied to revenues derived from taxes, duties, fees fines and similar items of current Government income including extraordinarily receipts, if any, as distinct from receipts that are of a capital, or debt, deposit and banking character.

**299.** When it has been decided by Government that the expenditure on a scheme for the creation of a new or additional asset should be classed as capital expenditure and that separate capital and revenue accounts should be kept of such a scheme the allocation of expenditure to capital and revenue should be determined in accordance with such detailed rules as may be prescribed by Government according to the circumstances of the department or undertaking in which the expenditure is incurred. The following are the main principles applicable to the treatment of the expenditure in the estimates and accounts:-

(i) Capital bears all changes for the first construction and equipment of a project as well as charges for intermediate maintenance of the work while not yet opened for service and bears also charges for such further additions and improvements as may be sanctioned under rules made by competent authority.

(ii) Subject to (iii) below, revenue should bear all subsequent charges for maintenance and all working expenses. These embrace all expenditure on the working and upkeep of the project and also on such renewals and replacements and such additions, improvements or extensions as under rules made by Government are debitable to the revenue account.

(iii) In the case of works of renewal and replacement, which partake both of a capital and revenue nature, the allocation of expenditure should be regulated by the board principle that revenue should pay or provide a fund for the adequate replacement of all wastage or depreciation of property originally provided out of the capital grants and that only the cost of genuine improvements, whether determined by prescribed rules or formulae or under special orders of Government, may be debited to capital. Where under special orders of Government a Depreciation of Renewals Reserve Funds is established for renewing assets of any commercial department or undertaking, the distribution of expenditure on renewals and replacement between capital and the fund should be so regulated as to guard against over capitalization on the hand and excessive withdrawals from the fund on the other.

Expenditure on account of reparation of damage caused by extraordinary calamities, such as flood, fire, earthquake, enemy action. etc., should be charged to capital, or to revenue, or divided between them, in such way as may be determined by Government according to the circumstances of each case.

Capital receipts in so far as they relate to expenditure previously debited to capital, accruing, during the process of construction of a project should be utilized in reduction of capital expenditure. Thereafter their treatment in the accounts will depend on circumstances, but except under special rule of order of Government, they should never be credited to the ordinary revenue account of the department or undertaking.

**300.** Expenditure debitable to capital will be booked under the appropriate capital head of accounts prescribed within or outside the revenue account, according as the funds required to meet such expenditure are provided from ordinary revenue or from other sources including borrowed money. As a general rule, the capital cost of all comparatively small schemes will be met from ordinary revenues. Borrowed money and other resources outside the revenue account will not ordinarily be spent for unproductive purposes unless the following conditions are fulfilled, viz., firstly that the objects for which the money is wanted are so urgent and vital that the expenditure can be neither avoided, postponed nor distributed over a series of years, and secondly that the amount is too great to be met from ordinary revenue.

Except under special orders of Government, no expenditure previously met from ordinary revenue may be transferred to a capital head outside the revenue account.

NOTE –A productive work is one which produces sufficient revenue to afford a surplus over the charges relevant to its functioning.

### **INTEREST ON CAPITAL**

**301.** Except in special cases regulated by special orders of Government interest at the rate specified below should be charged in the accounts of all commercial department or undertakings for which separate capital and revenue accounts are maintained with the Government accounts. The charge should be calculated on the direct capital outlay to the end of the previous year plus half the outlay of the year itself, irrespective of whether such outlay has been met from ordinary revenues or from other sources:-

- (i) For capital outlay met out of specific loans raised by Government at such rate interest as may be prescribed by Government, having regard to the rate of interest actually paid on such loans and the incidental charges incurred in raising and managing them.

NOTE- By specific loans are meant loans that are raised in the open market for one specific purpose which is clearly specified in the prospects and in regard to which definite intimation is given at the time of the raising of the loans that for the purpose of accounts they are to be regarded as specific loans.

- (ii) For capital outlay provided otherwise in the case of outlay incurred after 1936-1937, at the rate of interest to be determined by the State Government in consultation with the Comptroller and Auditor-General of India.

**302.** When under any special order of Government, charges for interest during the process of construction of a project are temporarily met from capital, the writing back of capitalized interest should from the first charge on any capital receipts of surplus revenue derived from the project when opened for working.

### SECTION III-ADJUSTMENTS WITH OTHER GOVERNMENTS

#### DEPARTMENTS, ETC.

#### ADJUSTMENTS WITH THE GOVERNMENT OF INDIA

#### AND OTHER STATE GOVERNMENTS

**303.** (1) Subject to the relevant provisions of the Constitution of India and of the Orders in Council under the Government of India Act, 1935, adjustments in respect of financial transactions with the Government of India or other State Governments will, unless otherwise provided for, be made in such manner and to such extent as may be mutually agreed upon between the Government of India or other State Governments and the State Government of Orissa.

(2) Adjustments should, however, always be made unless otherwise agreed upon-

- (i) if a commercial department or undertaking or regularly organized store department or store section of a department is concerned, or
- (ii) if, under the operation of any rule or order, an adjustment would have been made if the particular transaction with the Government of India or state Governments were a transaction between two departments of the State Government.

NOTE- The procedure for the settlement of these adjustment will be regulated by the directions contained in Chapter 4 of the Accounts Code, Volume 1.

(3) Adjustments with Government of India or other State Governments in respect of the matters mentioned below will be regulated by the rules contained in Appendix 3 to the Account Code, Volume 1. The rules are based on reciprocal arrangement made between the Government of India and all the State Governments and are therefore binding on all of them-

- I. Pay and allowances, other than Leave Salaries
- II. Leave Salaries
- III. Cost of Passages
- IV. Pensions
- V. Charges for Bonus in respect of Government servants who are employed on Bonus terms and who serve under more than one Government.
- VI. Government contribution to the Indian Civil Service Family Pensions.
- VII. Government contribution to the Indian Civil Service (Non-European Members) Provident Fund.

VIII Expenditure involved in Audit and Keeping Accounts

IX Grants of Land and Alienations

X Cost of Police functions on Railway including the cost of protecting Railway Bridges

XI Cost of (1) Forest Surveys carried out by the Survey of India, and (2) Forest maps prepared by that Department.

XII Cost of Maintenance and Demarcation of Boundaries and of Settlement of Boundary Disputes

XIII Leave Salary and Pension Contributions recovered in respect of Government servants lent on Foreign Service.

NOTE- The Central Government (which includes Union Territories) and the State Government have agreed under reciprocal arrangements no to prefer petty and isolated claims for an amount not exceeding Rs.2,500 against one another.

The significant criterion in determining whether a particular claim is covered by the reciprocal arrangement mentioned above, will be that the claim should be both petty and of an occasional character and should cover services rendered and not supplies made unless the latter forms part of service. The term "service rendered" will be taken to mean and individual act of service, like providing police escort to high dignitary and will not apply to supply of stores and contributions for officers on deputation etc. Claims relating to Commercial undertakings under the Government of India or the State Government such as those of the Railways, the P. & T. Department the Electrical Undertakings, etc., will fall outside the purview of the proposed reciprocal arrangements and will continue to be settled as hitherto.

If a doubt arises as to whether a particular claim would fall within or outside the purview of the proposed arrangement, it may be got clarified by mutual consultation.

(F.D.O.M. No.1857-Codes-117/86-F., dated the 16<sup>th</sup> January 1987) &

(F.D.O.M. No. 24551-Codes-25/96-F., dated the 24<sup>th</sup> May 1996)

**304.** A period of three years has been accepted by the Central Government and other State Governments of Orissa for the reaudit of past transactions involving errors in classification.

This limitation should be regarded as a convention rather than a rigid accounting rule.

**305.** Payments made by the Government of India on account of the cost of agency functions entrusted to the State Government under Article 258 of the Constitution are treated as contribution from the Government of India.

In preferring claims against the Government of India under clause (3) of that Article the following principles should be generally observed:-

- (i) If the agency work involves the employment of a State Commercial Department it would be open to that department to charge its normal commercial costs.
- (ii) Public Works Department Agency costs should be represented by such percentage charges on the cost of Central Works executed by the State as may be agreed between the Government of India and the State Government, the works outlay being treated as an amount placed at the disposal of the State Government for actual expenditure on the execution of the work.
- (iii) The cost of regular joint establishments should be shared as far as practicable on the basis of fixed annual sums settled in agreement with the Government of India.
- (iv) In other cases, the following procedure should be adopted unless there are special orders to the contrary :-

- (1) Details of claims preferred by the State Government should be furnished. (They may include pay, leave salary and pension contributions, contingencies. etc.)
  - (2) If the work has been performed by the State in the past the charges claimed should be compared with those charged in the past. It is not necessary to be meticulous in the matter. The Finance Department will assist in taking fairly general view.
  - (3) If the charges are found to be reasonable and do not exceed Rs.20,000 per annum for any individual item (or connected group of items), a five-year's contract is generally offered by the Government of India during which the Central Government would pay the fixed sum per annum for the work. The amount is subjected to review at the end each period of five years.
  - (4) If the amount agreed upon exceeds Rs.20, 000 the Government of India may want to have an annual statement to proposed charges from the State at the time of the preparation of the budget, unless in any individual case, the charges are obviously statics, when the contract system may be adopted by the Government of India in these cases also.
- (v) In exceptional cases in which arbitration has to be restored to, the requisite arrangement in the matter will be made by the Finance Department.
- (vi) The Finance Department should be consulted on all matters arising under Article 258 (3) of the Constitution.

**306.** No inter-Governmental adjustments can be carried out after the 15<sup>th</sup> of April in which date the book of the bank are closed for the month of March. Every endeavor must, therefore, be made to settle as far as possible all transactions with the Government of India or other State Governments before the close of the year.

## **ADJUSTMENTS WITH FOREIGN GOVERNMENT**

### **OUTSIDE BODIES, ETC.**

**307.** Payment must be required in all cases in respect of services rendered to any Foreign. Government, or non-Government body or institution, or to a separate fund constituted as such either inside or outside the Government Account, unless Government by general or special order gives directions to the contrary. Relief in respect of payment for services rendered or supplies made to any outside body or fund should ordinarily be given through a grant-in-aid rather than by remission of dues.

### **INTER-DEPARTMENTAL ADJUSTMENTS**

**308.** (1) The conditions under which a departmental of Government may make charge for services rendered or articles supplied by it and the procedure to be observed for the settlement of such charges are regulated by the directions of the Comptroller and Auditor-General of India contained in Chapter 4 of the Account Code, Volume 1.

(2) Except in regard to transactions affecting the accounts of commercial departments and undertakings or allocations to capital heads, adjustments between different departments of Government should be restricted to the narrowest limits. Such adjustments, when they are essential, should, as far as possible, be based on lump sum figures fixed for a period of years with reference to some suitable formula easy to application and maintained for a series of years. Elaborate or meticulous calculations should be avoided as a general rule.

NOTE 1- The provisions of rule 304 apply mutatis mutandis to transactions between commercial and non-commercial department as they apply to transactions between the Central and State Government.

NOTE 2- Under the directions contained in the Account Code, Volume IV, inter-departmental and other adjustments are not to be made in the accounts of the past year, if they could not have been reasonably, anticipated in time for funds being obtained from the proper authority. In all cases, where the adjustment could have reasonably been anticipated as, for example, recurring

payments to another Government or department and payments which, though not to fixed amount, are of a fixed character, etc., the Accountant-General will automatically make the adjustment in the accounts before they are finally closed . The onus of proving, that the adjustments could not have been reasonably anticipated should lie with the controlling officer.

## ADJUSTMENT OF PENSIONARY CHARGES OF CERTAIN

### COMMERCIAL DEPARTMENTS

**309.** The pensionary charges of the Irrigation and Electricity Departments are adjusted on a liability basis, i.e., at a percentage based on establishment charges, the actual payments of pensions being booked under the appropriate head of such charges.

NOTE-In the case of irrigation major heads, the pensionary charge should ordinarily be calculated at a percentage should be adopted of the total pay and leave salary of the pensionable establishment including such portion of the temporary staff as may be estimated to have the likelihood of ultimately being made permanent. The percentage with should be based upon the cost of borrowing of the Government for the particular year in which the pensionary charge is adjusted in the accounts. The Government of Orissa have, for the present, fixed 82 percent of the gross establishment charges as the pay and leave salary of pensionable establishment in the case of Irrigation major heads.

The percentages corresponding to the several rates of interest are as follows:-

- (i) 7.342 percent of the total pay and leave salary of the pensionable establishment on a basis of  $5\frac{1}{4}$  per cent rate of interest.
- (ii) 6.865 percent of the total pay and leave salary of the pensionable establishment on a basis of  $5\frac{1}{4}$  per cent rate of interest.
- (iii) 6.406 percent of the total pay and leave salary of the pensionable establishment on a basis of  $5\frac{1}{4}$  percent rate of interest.
- (iv) 5.965 percent of the total pay and leave salary of the pensionable establishment on a basis of 6 percent rate of interest.
- (v) 5.543 per cent of the total pay and leave salary of the pensionable establishment on a basis of  $6\frac{1}{4}$  percent rate of interest.
- (vi) 5.141 percent of the total pay and leave salary of the pensionable establishment on a basis of  $6\frac{1}{2}$  percent rate of interest.
- (vii) 4.760 percent of the total pay and leave salary of the pensionsable establishment on a basis of  $6\frac{3}{4}$  percent rate of interest.
- (viii) 4.399 percent of the total pay and leave salary of the pensionable establishment on a basis of 7 percent rate of interest.

(F.D.O.M. No. Bt-225/68-610(85)-F., dated the 6<sup>th</sup> January 1969)

**310.** The pensionary liability of commercial departments and undertakings, for which *pro forma* commercial accounts are maintained outside the regular Government accounts, is assessed on a contribution basis at rates fixed by Governments, the actual method of adjustment in the regular Government accounts being determined in consultation with the Accountant-General. As regards other departments and undertakings, for which no regular commercial accounts are maintained either within or outside the regular Government accounts but which are allowed to charge for their products or services rendered, the pensionary liability is taken into account in the estimate of overhead charges and manufacturing costs for the purpose of calculating the issue price of goods manufactured or fees for services rendered, the calculation being made at rates prescribed for the purpose by Government.

## SECTION IV- PRO FORMA ACCOUNTS



## SUBSIDIARY ACCOUNTS OF GOVERNMENT

### COMMERCIAL UNDERTAKINGS

**311.** When the operations of a department include undertakings of a commercial or quasi-commercial character, and the nature and scope of the activities of the undertaking are such as cannot suitably be brought within the normal system of Government account, the head of the undertaking should be required to maintain such subsidiary and pro forma accounts in commercial form as may be agreed between Government and the Accountant-General. The methods and principles in accordance with which such accounts are to be kept, including *inter alia* the basis to be adopted for valuation of assets and for allocation of expenditure between capital and revenue accounts and the extent to which provision should be made in those accounts for bad debts, depreciation and other forms of indirect charges, e.g., cost of management and supervision, audit charges, interest on capital expenditure, etc., will be regulated by orders and instructions issued by Government in each case. Where the commercial accounts are maintained for the purpose of assessment of the cost of an article or service, the head of the undertaking should see that adequate regulations are framed with the approval of Government in order to ensure that the cost deduced from the accounts is the accurate and true cost. He should also arrange to obtain the orders of Government regarding the nature and form of subsidiary accounts, and statements if any, which should be appended to the Appropriation Accounts of each year, and submit such accounts and statements to the Accountant-General on such date as may be required by him.

### OTHER PRO FORMA ACCOUNTS

**312.** Pro forma accounts of regular Government workshops and factories will be kept in accordance with the detailed rules and procedure in the departmental regulations. Pro forma accounts of irrigation, Navigation, Embankment and Drainage works and of Government residential buildings will be prepared by the Accountant-General in accordance with the instruction contained in Chapter 21 of the Account Code, Volume IV.

## SECTION V- ANNUAL ACCOUNTS

**313.** The annual accounts of receipts and disbursements of the State Government are submitted to Government by the Comptroller and Auditor-General of India, in the form of the Finance Accounts and Report thereon. These, together with the Appropriation Accounts and Reports thereon. Constitute the published accounts of Government.

The Finance Accounts and Report thereon deal with the accounts of Government as a whole, including transactions relating to debt, deposits, advances, suspense and remittance accounts which do not strictly fall within the scope of the Appropriation Accounts.

**314.** The comments or recommendations of the legislature or of the Public Accounts Committee, if any, arising out of the Audit Reports on the Finance Accounts and the Appropriation Accounts, and the orders of Government thereon, will be communicated by the Finance Department to the Accountant-General and other authorities concerned. The general responsibility for watching the action taken on the Audit Report will under directions of the Comptroller and Auditor-General of India devolve on the Accountant-General.

## SECTION VI- CONTROL OF EXPENDITURE

**315.** The authority administering a grant is ultimately responsible for watching the progress of expenditure on public services under its control and for keeping the expenditure within the grant in order that the control of departments over such expenditure may be effective and real and that the controlling officer should be in a position from month to month to estimate the likelihood of savings and excesses over grants and appropriations the procedure laid down in the following rules should be observed by all Departments and controlling and disbursing officers subordinate to them, except where the Finance Department have agreed in writing to some other procedure.

**316.** The Head of each Department will be responsible for controlling expenditure from the grant or grants at his disposal, and will exercise his control through the controlling officers, if any, and the disbursing officers subordinate to him.

**317.** Control over expenditure must be exercised, with reference to the grant as it stands from time to time. It is the duty of the Head of the Department to distribute the grant as voted by the Assembly or, in the case of charged appropriation, as sanctioned by the Governor, among the various controlling and disbursing officers subordinate to him, so far as this has not been done by the Finance Department. In so doing he must take into account lump sum cuts made by the sanctioning authority. He must similarly distribute any increases or reductions subsequently made in the grant or in any part of it by the competent authority, where the alteration is due to a supplementary grant, to a lump reduction or to a reappropriation. When making his distributions, he must invariably communicate to the officer concerned the complete accounts classification of each item distributed, including the major, minor and detailed heads of account and the primary unit. Such distribution is, however, not essential in the case of provision for pay of officers and of establishments. In making a distribution, it is always open to the head of a department to keep a portion of the grant as an undistributed reserve in his own hands

**318.** The following procedure must be followed by every disbursing officer in submitting claims for money:-

- (i) He must attach to each bill a slip in Form O.G.F.R. 25 which will be returned by the Treasury Officer, with the cash or cheque, after noting thereon the voucher number and the date assigned to the bill. A register in Form O.G.F.R. 25-A should be maintained in the Treasury for keeping a record of disposal of the treasury voucher slips.
- (ii) He must enter on each bill the complete accounts classification of the proposed expenditure, from major head down to detailed head of account and state whether the charge is voted or charged. When a single bill includes charges falling under two or more detailed heads, the charges must be distributed accurately over the respective heads.
- (iii) Except in the case of bills for the pay of officers or establishments and for allowances drawn with pay, he must enter on each bill and on each slip in Form O.G.F.R. 25, the progressive total of expenditure up-to-date under the sub-head or sub-heads to which he bill relates, including the amount of the bill on which the entry is made.

**319.** To keep watch over expenditure the following procedure shall be followed:-

- (i) Every Disbursing officer shall maintain progressive account of expenditure in a Register in Form O.G.F.R. 26 for each minor or sub-head of account. The charges drawn in each bill shall be entered in the Register under the appropriate detailed head.
- (ii) A copy of entries in this Register in respect of amount actually drawn from the Treasury shall be sent to the Controlling Officer on the third day of each month in Form O.G.F.R. 27 together with the monthly account in Form O.G.F.R. 28. A nil statement shall be sent for the month in which no drawl has been made from the treasury.
- (iii) To watch receipt of returns in Form O.G.F.R. 28, Controlling Officers shall maintain a Register in Form O.G.F.R. 29. Reminders shall be issued to the Disbursing Officers whose returns are not received by the seventh day of the month.
- (iv) Returns in Form O.G.F.R. 28 shall be scrutinized by Controlling Officers with reference to the following-
  - (a) Classification of expenditure:
  - (b) Availability of Budget allotment ; and
  - (c) Accuracy of the progressive expenditure and balance
- (v) On the basis of Disbursing Officers returns in Form O.G.F.R. 28 and his own expenditure, the Controlling Officer shall compile and furnish to the Accountant-General a consolidated monthly return in Form O.G.F.R. 30. To avoid future complications, the return should be free from omissions and discrepancies.

- (vi) Verification and reconciliation of accounts is the joint responsibility of the Accountant-General and the Controlling officer concerned. Unless otherwise stipulated, verification shall be made every month persisting discrepancies shall be reconciled and settled through person discussion at least once in each quarter.

(F.D.O.M. No.47615-Codes-55/80-F., dated the 16<sup>th</sup> September 1980)

**320.** Expenditure on the pay of officers and establishments is not, as a rule, liable to violent fluctuation. Moreover, the provision for such expenditure is frequently not distributed among disbursing officers. It is therefore, unnecessary to watch such expenditure through the form and registers prescribed in sub-paragraph (4) above. The figures of such expenditure will be communicated monthly by the Accountant-General to the head of the Department, who must enter them in his account in Form O.G.F.R. 29 and watch the progress of expenditure against the grant.

**321.** The Head of the Department and his controlling officers must further take steps to maintain a careful watch over expenditure incurred from time to time on important non-recurring object such as grants and contributions, purchase of rations and purchase of uniforms. It is necessary to deal with such items separately from the accounts of ordinary monthly expenditure since they occur once or twice only in the course of a year. The Head of the Department or controlling officer must decide for himself what method of watching such expenditure he will adopt. In some cases he may prefer to keep the entire grant under his own control and to order disbursing officers who wish to spend money against it apply to him for a special allotment. In other cases he may prefer to distribute, the grant and to order his disbursing officers to report expenditure against it as soon as they incur such expenditure, separately from their ordinary monthly accounts. Whatever method he adopts, it is essential that he should keep himself informed not only of actual expenditure against such grants, but also of liabilities which have been incurred and must ultimately be met from them. Without such information, no adequate control over expenditure can be exercised.

**322.** Under the procedure prescribed in these rules, a Head of the Department or controlling officer should be in a position from month to month to estimate the likelihood of savings or excesses and to regularize them in accordance with the instructions laid down in rule 98 *et seq* of the Orissa Budget Manual: The processes involved should be received the personal attention of the Heads of Departments and controlling officers and must on no account be left to be conducted entirely by subordinates.

**323.** The Accountant-General will warn the Department concerned immediately of the first appearance of any excessive proportionate outlay under any grant or under any primary unit of appropriation. It must be clearly understood however, that the authority administering a grant and not the Accountant-General is ultimately responsible for the control of expenditure against the grant.

**324.** The High Commissioner for India as disbursing authority for charges in England will incur expenditure within the budget allotments under the respective grant as communicated to him by the Finance Department. The Head of department or controlling officer in India will be responsible for keeping watch over expenditure under the unit "Charges in England" with reference to the grant as a whole and obtain from the Accountant-General details of monthly expenditure adjusted in his accounts from time to time.

**325.** The Rules and Procedure governing the grant of old age pension are contained in APPENDIX-21.

(Finance Department O.M. No. 12482-Codes-16/76-F., dated the 24<sup>th</sup> March 1976)

**MEMORANDUM**  
**Memorandum Explanatory of each Rule in the Orissa General Financial**  
**Rules**  
**VOLUME –I**

**NOTE 1-** This Memorandum has been compiled solely for purpose of assisting reference and no expression used in it should be considered as in any way interpreting the rules.

**NOTE 2-** The following abbreviations have been used in this Memorandum:-

“B. and O.A.C. – stands for the Financial Rules in the Bihar and Orissa Accounts Code

G.I.F.R. - stands for General Financial Rules of the Government of India

C.A.C.-stands for Civil Accounts Code

T.C. - stands for Orissa Treasury Code

B.M. - stands for Orissa Budget Manual

B.and O.T.M. - stands for Bihar and Orissa Treasury Manual”.

**CHAPTER 1**

**Rule 1** is based on G.I.G.F.R 1

**Rule 2** is based on G.I.G.F.R.2

**CHAPTER 2**

**Rule 3** is based on G.I.G.F.R.4 (C.A.C.I.)

**Rule 4** is based on G.I.G.F.R.5 (C.A.C.I.) read with Arts. 266 and 267 of the Constitution of India

**Rule 5** is based on G.I.G.F.R.6 (C.A.C.I.A)

**Rule 6** based on G.I.G.F.R. 7, read with Arts, 266 and 267 of the Constitution of India

**Rule 7** is based on G.I.G.F.R. 8 (C.A.C.7)

**Rule 8** is based on G.I.G.F.R. 9, read with Arts, 266 and 267 of the Constitution of India

**Rule 9** is based on G.I.G.F.R 10

**Rule 10** is based on G.I.G.F.R. 11

**Rule 11** is based on G.I.G.F.R.12

**Rule 12** is based on G.I.G.F.R.13

**Rule 13** is based on G.I.G.F.R. 14, [C.A.C.8(c) Note 4]

**Rule 14** is based on G.I.G.F.R. 15

**Rule 15** is based on G.I.G.F.R.16

**Rule 16** is based on G.I.G.F.R. 17

**Rule 17** is based on G.I.G.F.R. 18

**Rule 18** is based on G.I.G.F.R., 19 (C.A.C. App., 8H.), read with Art. 266 of the Constitution of India

**Rule 19** is based on G.I.G.F.R. 20 (C.A.C. 29)

**Rule 20** is based on G.I.G.F.R. 21

**Rule 21** is based on G.I.G.F.R. 22

**Rule 22** is based on G.I.G.F.R. 23

**Rule 23** is based on G.I.G.F.R. 24

**Rule 24** is based on G.I.G.F.R. 25

### CHAPTER 3

**Rule 25** is based on G.I.G.F.R. 26

**Rule 26** is based on G.I.G.F.R. 27 and F.R. 2 of the B. and No-Account Code and Note 3 of the Bihar Financial Rule, 1938.

**Rule 27** is based on G.I.G.F.R. 28

**Rule 28** is based on G.I.G.F.R. 29

**Rule 29** is based on G.I.G.F.R. 30

**Rule 30** is based on G.I.G.F.R. 31

**Rule 31** is based on G.I.G.F.R. 32

**Rule 32** is based on G.I.G.F.R. 33

**Rule 33** is based on G.I.G.F.R. 34

**Rule 34** is based on G.I.G.F.R. 35

**Rule 35** is based on G.I.G.F.R. 36

**Rule 36** is based on G.I.G.F.R. 37

**Rule 37** is based on G.I.G.F.R. 38

### CHAPTER 4

**Rule 38** is based on Para. 1 of G.I.G.F.R. 40 and F.R. 304 of the B. and O. Accounts Code

**Rule 39** is based on G.I.G.F.R.42

**Rule 40** is based on G.I.G.F.R. 43

**Rule 41** is based on G.I.G.F.R. 45, with note

**Rule 42** is based on G.I.G.F.R. 47 and F.R. 305 of the B. and O. Accounts Code and Para.2 of G.O. No. 10561 (35)-F., dated the 18<sup>th</sup> July 1951.

**Rule 43** is based on G.I.G.F.R. 48

**Rule 44(A)** is based on G.I.G.F.R. 49 (1)(i),(ii)and(1) and (2) hereunder with necessary changes.

**Rule 44(B)** is based on G.I.G.F.R.47 (2) and F.R. 306 of the B. and O. Accounts Code

**Rule 45** is based on G.I.G.F.R. 51, with omission of Para. (ii) (1) (2) and F.R. 307 of the B. and O. Accounts Code.

**Rule 46** is based on G.I.G.F.R. 52. It covers F.R.307 A of the B. and O. Accounts Code

**Rule 47** is based on G.I.G.F.R. 53 and F.R. 308 of the B. and O. Accounts Code.

**Rule 48** is based on G.I.G.F.R. 54, Rule 70 of the Bihar G.F. Rules

**Rule 49** is based on G.I.G.F.R. 55

**Rule 50** is based on G.I.G.F.R. 56

**Rule 51** is based on G.I.G.F.R. 57 and F.R. 309 of B. and O. Accounts Code

**Rule 52** is based on G.I.G.F.R. 58 (1)

**Rule 53** is based on G.I.G.F.R. 59 and F.R. 310 of the B. and O. Accounts Code

**Rule 54** is based on G.I.G.F.R. 61

#### **CHAPTER 5**

**Rule 55** is based on G.I.G.F.R. 65, Paragraph 15 of the Audit and Accounts Order, 1936 and F.R. 298 of the B. and O. Accounts Code.

**Rule 56** is based on F.R. 299 of the B. and O. Accounts Code

#### **CHAPTER 6**

**Rule 57** is based on G.I.G.F.R. 103

**Rule 58** is based on G.I.G.F.R. 109

**Rule 59** reproduces G.I.G.F.R. 110

**Rule 60** reproduces G.I.G.F.R. 111

**Rule 61** reproduces G.I.G.F.R. 112 which corresponds to F.R. 69 (II)(b) of the B. and O. Accounts Code.

**Rule 62** reproduces G.I.G.F.R. 113

**Rule 63** reproduces G.I.G.F.R. 114

**Rule 64** reproduces G.I.G.F.R. 115

**Rule 65** reproduces G.I.G.F.R. 116

**Rule 66** reproduces G.I.G.F.R. 117

**Rule 67** reproduces G.I.G.F.R. 118

**Rule 68** reproduces G.I.G.F.R. 119

**Rule 69** reproduces G.I.G.F.R. 120

**Rule 70** reproduces G.I.G.F.R. 121

**Rule 71** reproduces G.I.G.F.R. 122

**Rule 72** reproduces G.I.G.F.R. 123

**Rule 73** reproduces G.I.G.F.R. 124

**Rule 74** reproduces G.I.G.F.R. 125

**Rule 75** reproduces G.I.G.F.R. 126

**Rule 76** reproduces G.I.G.F.R. 126-A

#### **CHAPTER 7**

**Rule 77** is based on G.I.G.F.R. 127

**Rule 78** is based on G.I.G.F.R. 128

**Rule 78** note is based on Note and F.R. 85 of B. and O. Accounts Code

**Rule 79** is based on G.I.G.F.R. 129

**Rule 80** is based on G.I.G.F.R. 130

**Rule 81** is based on G.I.G.F.R. 131

**Rule 82** is based on G.I.G.F.R. 132

**Rule 82** (ii) is based G.I.G.F.R. 132 (ii) and B. and O. Treasury Manual, Para. 226

**Rule 83** is based on Financial Rule 86 of the B. and O. Accounts Code and Bengal F.R. 80 exception (b)

**Rule 84** is based on G.I.G.F.R. 133

**Rule 85** is based on G.I.G.F.R. 134

**Rule 86** is based on G.I.G.F.R. 135

**Rule 87** is based on G.I.G.F.R. 136

**Rule 88** is based on G.I.G.F.R. 137

**Rule 88**, Note 1 is based on Para. 186 of the B. and O. Treasury Manual

**Rule 88**, Note 2 is based on Para. 187 of the B. and O. Treasury Manual

**Rule 89** is based on G.I.G.F.R. 139 (G.I.G.F.R. 138 omitted)

**Rule 90** is based on G.I.G.F.R. 140 and F.R. 100 of the B. and O. Accounts Code

**Rule 91** is based on Finance Department Memo. No.3770 (22)-F., dated the 16<sup>th</sup> February 1955 and Accountant-General's Memo.

No. 403- TM-1/38, dated the 27<sup>th</sup> June 1946.

## CHAPTER 8

**Rule 92** is based on G.I.G.F.R. 141 with note

**Rule 93** is based on F.R. III of the B. and O. Accounts Code

**Rule 94** is based on G.I.G.F.R. 142

**Rule 95** is based on G.I.G.F.R. 143

**Rule 96** is based on G.I.G.F.R. 144

**Rule 97** is based on G.I.G.F.R. 145

**Rule 98** is based on G.I.G.F.R. 146

**Rule 99** is based on G.I.G.F.R. 147

**Rule 100** is based on G.I.G.F.R. 148 and F.R. 112 of the B. and O. Accounts Code

**Rule 101** is based on G.I.G.F.R. 149 and F.R. 113 of the B. and O. Accounts Code

**Rule 102** is based on G.I.G.F.R. 150

**Rule 103** is based on G.I.G.F.R. 151

**Rule 104** is based on G.I.G.F.R. 152

**Rule 105** is based on G.I.G.F.R. 153

**Rule 106** is based on G.I.G.F.R. 154

**Rule 107** is based on G.I.G.F.R. 155

**Rule 108** is based on G.I.G.F.R. 156

**Rule 109** is based on G.I.G.F.R. 157

**Rule 110** is based on G.I.G.F.R. 158

**Rule 111** is based on G.I.G.F.R. 159 and F.R.115 of B. and O. Accounts Code

**Rule 112** is based on G.I.G.F.R. 160

**Rule 113** is based on G.I.G.F.R. 161

**Rule 114** is based on G.I.G.F.R. 162

**Rule 115** is based on G.I.G.F.R. 163

**Rule 116** is based on G.I.G.F.R. 164

**Rule 117** is based on G.I.G.F.R. 165

**Rule 118** is based on Madras Financial Code, Rule 135

**Rule 119** is based on Madras Financial Code, Rule 145

**Rule 120** is based on G.I.G.F.R. 166

**Rule 121** is based on G.I.G.F.R. 167

**Rule 122** is based on G.I.G.F.R. 168

**Rule 123** is based on G.I.G.F.R. 169

**Rule 124** is based on G.I.G.F.R. 170

**Rule 125** is based on G.I.G.F.R. 174

## CHAPTER 9

**Rule 126** is based on G.I.G.F.R. 176 note

**Rule 127** is based on G.I.G.F.R. 177

**Rule 128** is based on G.I.G.F.R. 178

**Rule 129** is based on G.I.G.F.R. 179

**Rule 130** is based on G.I.G.F.R. 180

**Rule 131** is based on G.I.G.F.R. 181

**Rule 132** is based on F.R. 257 of B. and O. Account Code

**Rule 133** is based on G.I.G.F.R. 183 and F.R. 186 of the B. and O. Accounts Code

**Rule 134** is based on G.I.G.F.R. 200

**Rule 135** is based on G.I.G.F.R. 184

**Rule 136** is based on G.I.G.F.R. 186

**Rule 137** is based on G.I.G.F.R. 188 proviso

**Rule 138** is based on G.I.G.F.R. 190

**Rule 139** is based on G.I.G.F.R. 191

**Rule 140** is based on G.I.G.F.R. 192 and note

**Rule 141** and note is based on G.I.G.F.R. 123 (i) and note

**Rule 142** is based on G.I.G.F.R. 195

**Rule 143** is based on F.R. 266 of the B. and O. Account Code

**Rule 144** is based on F.R. 267 of the B. and O. Account Code and C.P.W.A.C. 357

**Rule 145** is based on F.R. 268 of the B. and O. Account Code and C.P.W.A.C. 419



**Rule 146** is based on F.R. 269 of the B. and O. Account Code and C.P.W.AC. 422

**Rule 147** is based on F.R. 270 of the B. and O. Account Code and C.P.W.AC. 423

**Rule 148** is based on F.R. 271 of the B. and O. Account Code and C.P.W.AC. 427

**Rule 149** is based on F.R. 272 of the B. and O. Account Code

**Rule 150** is based on F.R. 273 of the B. and O. Account Code

**Rule 151** is based on F.R. 273 part of the B. and O. Account Code

**Rule 152** is new

**Rule 153** is based on Para. 2 of enclosure to P.W.D. letter No.3347-59-1. B.1. 40-Bt., dated the 1<sup>st</sup> March 1940

**Rule 154** is based on Para. 3 of enclosure to P.W.D. letter No. 3347-59-1. B.1. 40-Bt., dated the 1<sup>st</sup> March 1940.

**Rule 155** is based on F.R. 275 of the B. and O. Account Code

**Rule 156** is based on F.R. 276 of the B. and O. Account Code

**Rule 157** is based on F.R. 277 of the B. and O. Account Code

**Rule 158** is based on F.R. 280 of the B. and O. Account Code

**Rule 159** is based on G.I.G.F.R. 198

**Rule 160** is based on F.R. 281 of the B. and O. Account Code

**Rule 161** is based on F.R.282 of the B. and O. Account Code

**Rule 162** is based on F.R. 283 of the. And O. Account Code

**Rule 163** is based on 199

## CHAPTER 10

**Rule 164** is based on G.I.G.F.R. 201

**Rule 165** is based on G.I.G.F.R. 202

**Rule 166** is based on G.I.G.F.R. 203

**Rule 167** is based on F.R. 107 F.B. to account Code

**Rule 168** is based on G.I.G.F.R. 204

**Rule 169** is based on G.I.G.F.R. 205

**Rule 170** is based on G.I.G.F.R. 206

**Rule 171** is based on G.I.G.F.R. 207

**Rule 172** is based on G.I.G.F.R. 208

**Rule 173** is based on G.I.G.F.R. 209

**Rule 174** is based on G.I.G.F.R. 210

**Rule 175** is based on G.I.G.F.R. 211

**Rule 176** is based on F.D. Resolution No. 177655-F., dated the 13<sup>th</sup> August 1943

**Rule 177** is based on G.I.G.F.R. 212 and Government of India Resolution No. 39-Estt., dated the 7<sup>th</sup> January 1919.

**Rule 178** is based on F.R. 109 and 110 of B. and O. Account Code

## CHAPTER 11

**Rule 179-** Para. 1 is based on Finance Department letter No.3145-F., dated the 30<sup>th</sup> April 1947 and Public Debt (Central Government Amendment Act VI of 1949 and Central Government Notification No.F-8 (12) B/49, dated the 29<sup>th</sup> October 1949 and Finance Department Government Order No. 1450-F., dated the 6<sup>th</sup> February 1950).

**Rule 179-** Para. 2 is based on G.I.G.F.R. 214

**Rule 180** Note is based on G.I.G.F.R. 215

**Rule 181** is based on G.I.G.F.R. 216

**Rule 182** is based on G.I.G.F.R. 217

**Rule 182** Note is based on Government Order No.2623-F., dated the 7<sup>th</sup> March 1949

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**Rule 237** is based on Article 156(1), C.A.C.

**Rules 238** and **239** are based on Article 156(2), C.A.C. and I.G.F.R. 256 (1 and G.O. No.6700 (22)-F., dated the 12<sup>th</sup> August 1948 And G.O. No.8526 (40)-F., dated the 25<sup>th</sup> June 1949.

**Rule 240** is based on Article 156 (3) (a) and (b) C.A.C. and note hereunder G.I.G.F.R 256 (ii) and (iii)

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**Rule 241** and Note 2 are based on G.O. No. 6700(22)-F., dated the 12<sup>th</sup> August 1948

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**Rule 255** is based on G.I.G.F.R. 263. G.O. No. 2125-F., dated the 2<sup>nd</sup> March 1940 Sec. A.G.O. No. 18410-F., dated the 16<sup>th</sup> November 1951 and G.O. No. 7116-F., dated 9<sup>th</sup> May 1952.

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