



GOVERNMENT OF KERALA
Finance (Budget Wing – J) Department

CIRCULAR

No. 27/2009/Fin.

- Dated, Thiruvananthapuram 25th March, 2009.

Sub: - Local Self Government Institutions – Allocation and Drawal of Funds –Guidelines- Clarification- Issued.

Ref:- G.O. (P) No.177/2006/Fin. dated, 12.04.2006.

In the Government Order cited above, Government have issued revised guidelines for the drawal of funds through bills by Local Self Government Institutions from the Consolidated Fund and the Public Account of the State. Certain doubts have been raised from among the treasury officers and drawing and disbursing officers on some of the provisions in the above G.O. Government, having considered the matter in detail, issue the following clarifications on the drawal of funds from the treasury and other items related to funds of Local Self Government Institutions:-

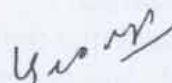
- (i) A question has been raised whether unutilised funds remitted back by LSGIs during the current financial year will be available for utilisation during the current financial year itself and whether a fresh allotment is necessary for enhancing the appropriation. Para 10.2 of the G.O. referred to above permits such funds being utilised during the current financial year without a fresh allotment being issued and this will be applicable to funds in the Deposit account of LSGIs under Public Account. The Treasury Officer concerned will effect the enhancement of the allotment/allocation on a specific written request by the Secretary of the LSGI supported with the proof of remittance of the amount.
- (ii) Drawal of advance for the purchases and other purposes should be in accordance with the provisions under Para 6 of the G.O. (P) No.177/06/Fin. Dated 12.04.2006.
- (iii) The drawal of advance for the purchase of bitumen can be allowed on request of the LSGI concerned and on production of invoice issued by the oil company, the payment being effected by way of D.D. in favour of the oil company in the case of drawals from banking treasuries. In the case of non-banking treasuries, payment can be effected in cash if the bill is supported by a declaration by the DDO to the effect that the drawal of advance is for remittance to oil company towards purchase of bitumen.
- (iv) For drawing amounts for the payments under Beneficiary Oriented Schemes, Pensions etc. the connected bills should be supported with approved lists of beneficiaries.
- (v) It is noted that many of the LSGIs attach only statement of expenditure along with the bills and are reluctant to attach original bills/vouchers. It is therefore clarified that in all cases where the bill amount exceeds Rs.500/-, original bills/vouchers should be attached along with the bills.

- (vi) It is also noted that there is uncertainty prevailing on the question whether transfer credit of funds from Account No. II and III to Account No.I of the LSGIs is permissible. It is clarified that except as expressly provided in G.O. (P) No.177/06/Fin. Dated 12.04.2006 transfer credit is permissible only to rectify mistakes that come to light at the time of reconciliation on confirmation by the Treasury Officer that the misclassification occurred at the time on data entry in the treasury.
- (vii) The procedure prescribed for reconciliation of accounts in para. 24 of the above G.O. should be strictly followed.
- (viii) Transferring of balance amount in old VPF Accounts to the VPF Account No.I will be permissible.
- (ix) It must be noted that presenting more than one bill simultaneously or separately in one allotment letter is not permitted. The entire amount should be drawn in one bill. At the same time, separate bills should be presented for each allotment. There is no restriction that only one bill should be drawn from one account on a day.
- (x) While scrutinising the bills presented by the Drawing and Disbursing Officers, the treasury officers need not go into details such as name and designation of the officer checking the measurements and the correctness of the estimates. The Treasury Officer has only to ensure that the bill is in proper form, duly passed by the competent authority and supported by documents as prescribed in G.O (P) No.177/06/Fin. Dated 12.04.2006.

L.C.Goyal
Principal Secretary (Fin.)

To The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
The Commissioner for Rural Development, Thiruvananthapuram.
The Director of Panchayats, Thiruvananthapuram.
The Director of Urban Affairs, Thiruvananthapuram
The Director of Treasuries, Thiruvananthapuram.
The Director of Local Fund Audit, Thiruvananthapuram.
The Deputy Director of Panchayats , All Districts
The Deputy Director of Local Fund Audit , All Districts
All Local Self Government Institutions
The Finance (S.F.C.) Department
The Local Self Government Department
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Section Officer.