

**Monthly Ceiling of Withdrawal of Funds from Treasuries Important GO from Finance
(Ways and Means) Department**

GOVERNMENT OF KERALA

Abstract

Ways and Means position of the State Government- Withdrawal of funds-Existing system of monthly ceiling of withdrawal of funds from Treasuries -modifications -orders issued

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FINANCE (WAYS AND MEANS II) DEPARTMENT

G.O (P) No.464/2002/Fin

Dated, Thiruvananthapuram. 11.7.2002

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Read: G.O(P)No.380/90/Fin. Dated 10.7.1990

O R D E R

In the Government Order referred to above, orders had been issued for the payment in respect of the 16 major departments from treasuries without prior clearance from the Finance Department on the basis of monthly ceiling of withdrawal which would be authorised from Finance Department in the respective months.

2. In the case of other departments, prior clearance from Finance Department had been insisted upon for payment of bills/Cheques from Treasuries. Various instructions modifying the restrictions in the Government Order cited have been issued by Finance Department from time to time.

3. Government, after having reviewed the present procedure for encashment of bills/ Cheques/other instruments from treasury are pleased to order that payments to the entire Government Department will be made without prior clearance from Finance Department on the basis of monthly ceiling of withdrawal which will be authorised by Finance Department for the respective month. This will come into effect from August 2002 onwards.

4. In order to enable the Finance Department to assess cash inflow in a month, the following departments will forward a monthly statement indicating estimated revenue income for each month in respect of all the revenue receipt heads controlled by them, one month in advance

1. Commissioner, Land Revenue
2. Commissioner, Commercial Taxes
3. Commissioner, Excise
4. Transport Commissioner
5. Chief Conservator of Forests
6. Inspector General of Registration
7. Director, State Lotteries.

The statement is to be furnished by them in the following form:-

Form No.1
(Forecast of Receipts)

Estimated Revenue Receipts for the month of (Rs. in lakhs)

Item No	Major Head of Account and nature of revenue	Estimated revenue receipt during the month of	Remarks
1	2	3	4
Total			

Signature of Head of office

5. For fixing the monthly ceiling of withdrawals from Treasuries, departments will furnish without fail, a monthly statement indicating requirements for each month under 'salaries' and 'Non Salary items' under each major head, in the following form by the 10th day of the preceding month.

Form No. II
(Expenditure forecast)

Requirement under different Major Heads for the month of (Rs. in lakhs)

	Major Head No	Major Head No	Major Head No	Major Head No	Total
1. Total budget provision for the department under the Major Head					
2. Requirement for the month under salaries (see Note below)					
3. Requirement for above month under Non-salary item (Specific or Seasonal requirements for a particular month may be indicated in a covering note. For example, payment of scholarships in lump during a particular month					

Total (2 + 3)					

Note: 'Salaries' referred to above will include all items of expenditure debited to Salaries' and Wages of Full time and Part time Employees

Non-salary items would mean all other items of expenditure not included against SI.No.2

6. Each Head of Department will prepare the statement showing major head -wise requirement for the department in one statement and send the same to the Finance Department with a copy to the concerned Administrative Department in the Secretariat, before the due date specified above.

7. On the basis of forecast of monthly expenditure received from the above departments, Finance Department will fix monthly ceiling of withdrawals (payment) from Treasuries for a reasonable amount (taking into account estimated cash in flow) under each major head in respect of non-salary items and communicated orders to the head of departments with copy to the Administrative Department in the Secretariat not later than the 25th of the preceding month. No ceiling will be fixed in respect of payment of items under 'Salaries' (vide term, explained in the Note under para 5). The Heads of Department will in turn re-allocate the 'Monthly Ceiling of withdrawals under each Major Head' among his drawing and disbursing officers by dividing them into following three groups (Sub Controlling Officers)

- Group head (i) Office of the Head of department and attached Officers and also institutions directly under the control of Heads of Department (ie. Officers independent of District/Regional Offices)
- Group head (ii) Sub Controlling Office: Chief Office
Each Regional Office and attached office
Sub Controlling Office: Regional Office
- Group Head (iii) District Office of each district and subordinate offices under each district
Sub Controlling Office: District Office

Copies of orders allocating monthly ceiling of withdrawals among Sub Controlling Office wise (ie. Group head-wise) should be communicated to the Finance Department by the Heads of Department not later than the 1st week of the Month.

8. Bills for withdrawal of funds from the Treasuries will be cleared for payment by the concerned Sub Controlling Officer (Group Head) to whom 'ceiling of withdrawal' is re-allocated by the Heads of Department, in the following manner.

9. Drawing and Disbursing Officer (DDO) will forward bills to the concerned Sub Controlling Officer. The latter will issue a clearance memo to the Treasury Officer/DDO in the following form

Form No. III

1. Name of Sub Controlling Officer (Group Head ie. Whether Chief Office/Regional Officer/District Office
2. Month
3. Major Head
4. Monthly ceiling of withdrawal allocated under the Major Head as per order No dated of Chief Office
5. Details of bill cleared for payment

Sl.No.	Name of Drawing and Disbursing Officer	Bill No. date and nature of claim	Name of Treasury where payable	Amount	Total expenditure against monthly ceiling	Balance
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)

Signature of Sub Controlling Officer (Officer authorised for the Purpose)

Office Seal

Date.

Note: Sl.No. should be continuous for all the bills cleared by the Controlling Office during a month

10. The above Memo should be prepared in triplicate by the Sub Controlling Office and 2 copies sent to the Drawing and Disbursing Officer (DDO) with the bill. The original should be attached with the bill to be presented to the Treasury by the Drawing Officer. The Duplicate may be kept in the office of the Drawing and Disbursing Officer along with the office copy of bill. The third copy will be forwarded to Chief Office for record. In the office of the Sub Controlling Officer who issue the clearance memo, a register in the above form will be maintained wherein all the bills cleared during a month will be entered serially in the order of issue of clearance and this will serve as office copy in the office of the sub controlling Officer for future reference, as Monthly Ceiling of withdrawal (payment) is fixed major head-wise, the Memo/Register should be maintained separately for each Major Head. The balance, if any, at the end of each month out of monthly ceiling of withdrawal authorised will not be allowed to be carried forward, for subsequent month unless special authorisation for utilisation of such unspent amount is issued by the Finance Department. For this, the proposal should be sent to the Finance Department through the Heads of Department indicating balances under each major head.

Note: 1. It should be ensured by the Head of Department/sub Controlling Office that the withdrawal during a month has not exceeded 'monthly ceiling'

2. 'Withdrawal Ceiling' is subject to availability of budget provision and allotment of funds to the concerned Drawing Officer. The monthly ceiling should not be interpreted as authorisation for incurring expenditure without adequate budget provision.

3. The Ceiling is intended for Ways and Means control only. The Department should ensure sufficient budget provision before incurring expenditure.

11. Treasuries will honour all such bills presented by the Drawing and Disbursing Officers along with Memo of Clearance issued by the concerned Sub Controlling Officers. Treasuries will however regulate cash payment as follows:

1. Bills relating to following claims irrespective of amount involved:

- (i) Salaries
 - (ii) Wages of employees (full time/part time)
 - (iii) Electricity charges
 - (iv) Telephone charges
 - (v) Water charges
 - (vi) Travel Expenses
 - (vii) Stipends and Scholarships
 - (viii) Service Postages
 - (ix) Cost of fuel of Police/Fire Service Departments
 - (x) Diet charges of Hospitals and Dispensaries/ Museums and Zoos/ Jails
- } On all working days

Note:- No Memo of clearance is required for item Nos. i,ii

II. Other bills not exceeding Rupees one lakh in total per drawing Officer

On all working days from 9th of the Month

III. Bills exceeding Rupees One Lakh

After 15th of the month

12. General Claims:- Payment from Treasuries in respect of following general items will be regulated as follows:

(i) Monthly Pension (Service Pensioners)

On all working days

(ii) Gratuity and Commuted Value of pension

After 15th of the Month

(iii) Provident Fund

After 8th of the month. Claims upto Rs. 10,000 will however, be honoured from 1st to 8th also

(iv) Loans and Advances to Government Employees

After 8th of the Month

(v) Unemployment Allowance

After 15th of the month

(vi) Pension under various Social Welfare Schemes

(Old age pension should be allowed in the first week)

(vii) Withdrawal from TSB Account of individuals

On all working days without limit

(viii) Withdrawal from TSB/TP Account of Government Department/Quasi Government Department and other Institutions

On the basis of instructions issued from Finance Department from time to time

(ix) Withdrawal from PD Account and other Public Account

(x) Cheques against Letter of Credit to various wings of PWD and Forest Department

After 15th of every month without limit

General

13. Statement of Department-wise and Major Head-wise "Monthly Ceiling Withdrawals (payment)" from Treasuries will be finalised by the Finance Department not later than 25th of preceding month. The following principles will be generally followed for fixing monthly ceiling.

- (i) As far as possible department-wise allocation will be made on pro-rata basis. However special and seasonal requirements will be given due consideration.
- (ii) Priority in allocation will be given to those items of expenditure which are related to Centrally Sponsored Schemes, World Bank aided schemes and other aided schemes
- (iii) Next priority will be given to plan expenditure.
- (iv) A portion of 'cash availability' will be reserved in the Finance Department as 'Reserve Fund' in order to meet inevitable items of payment not included in the monthly ceiling of payment.
- (v) Further allocation during the course of month will be made as and when deemed necessary, on the basis of releases made to the State by central Government or other Agencies.

14. It would be better to attach an explanatory note also along with forecast of expenditure by the Head of Department justifying the allocation proposed. In order to enable the Finance Department to finalise department wise ceiling of payment and to communicate the same to the Head of Department concerned in time, required quarterly receipt of Estimated Receipts and Expenditure in Form Nos. I & II should be furnished by them within the time limit stipulated in paras. Non-receipt of expenditure statement in time will departments. Normally unspent portion of

payment ceiling will lapse by the end of the month as ceiling is intended to control Ways and Means position only and not for control of budget provision. In case there is need for enhancement of ceiling for a month on account of non-expenditure during previous month or due to unforeseen items of fresh expenditure, the concerned Head of Department may move the Finance Department through the Administrative Department for additional 'ceiling of withdrawal'. Similarly they can move for additional 'ceiling of withdrawal' for a month on the basis of corresponding assistance, if any, received from Government of India/NCDC/Other Agencies.

Treasuries will regulate payment on various dates as laid down in pre-paras 9 to 11. Relaxation, if any, required on the date of payment or on the monetary limit in individual cases should be referred to the Finance Department by the concerned Drawing and Disbursing Officer pointing out the necessity for relaxation.

Monthly ceiling of payment is not applicable in respect of cases where no cash outgo is involved. In the following cases Treasuries will follow the instructions issued by Finance Department in time.

1. Bills/Cheques proceeds of which are transfer credited to Government Account/TSB/TP Account of Government or Quasi Government Institutions/Private Institutions.
2. Funds placed at the disposal of L.A, Offices of Revenue Department by the various wings of Public Works Department out of letter of credit by other Departments from their budget provision for transfer credit to work deposit and operated by the Revenue Department (i.e. under 8443 - 117. Deposit for work done for Public Bodies or Private Individuals).

Heads of Departments concerned are requested to forward the forecast of Receipt and Expenditure for the month beginning from August 2002 in the prescribed form not later than 20/7/2002. Doubts, if any, may be got cleared from the Finance (Ways and Means II) Department

By order of the Governor

SUDHA PILLAI
Principal Secretary (Finance)

To

The Accountant General (A & E), Kerala, Thiruvananthapuram.
The Principal Accountant General (Audit) Kerala, Thiruvananthapuram
All Heads of Departments and Offices.
All Departments (all sections) of the Secretariat
The Secretary, Kerala Public Service Commission, Thiruvananthapuram (with C/L)
The Registrar, High Court of Kerala, Ernakulam (with C/L)
The Advocate General, Ernakulam (with C/L)
The Registrar, University of Kerala/Cochin/Calicut/Mahathma Gandhi (with C/L)
The Registrar, Kerala Agricultural University, Thrissur (with C/L)
The Secretary, Kerala State Electricity Board, Thiruvananthapuram (with C/L)
The General Manager, Kerala State Road Transport Corporation, Thiruvananthapuram (with C/L)
The Secretary to Governor
All Secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries and Under Secretaries to Government.
The Private Secretary to Chief Minister and Other Ministers.
The Private Secretary to Leader of Opposition
The Joint Secretary to the Chief Secretary
The Private Secretary to Speaker
The Private Secretary to Deputy Speaker
The Director of Public Relations, Thiruvananthapuram

Forwarded/ By order

Sd/-

Section Officer