



GOVERNMENT OF KERALA

Abstract

Finance Department – Drawal of funds in respect of Local Governments – Revised Guidelines - Orders issued.

FINANCE (SFC Cell - A) DEPARTMENT

GO (P) No. 119/2015/Fin

Dated, Thiruvananthapuram, 21st March, 2015

- Read:-
1. GO (P) No. 177/06/Fin Dated 12-04-2006
 2. GO (P) No. 547/2012/Fin dated 09-10-2012
 3. GO (P) No. 400/2014/Fin Dated 19-09-2014

ORDER

Government vide order read as first paper above have issued revised guidelines for the drawal of funds by Local Governments from the Consolidated Fund and Public Account of the State. As per GO read as 2nd paper above, the Director of Treasuries has been directed to book expenditure under the General/SCP/TSP sectors under funds for Development Expenditure in the respective Deposit Accounts. As part of financial consolidation measure and to control the revenue deficit, orders have been issued as per G.O. read as 3rd paper above to incur expenditure of LGs against a new revenue account and not from the Public account as is being presently done.

2. Government after having examined the matter in detail, are pleased to issue the following detailed guidelines for drawal of funds by Local Governments, from the Consolidated Fund and Public Account of the State:

- i. The existing system of transferring funds from the Consolidated Fund to the Public Account is dispensed with. However, the present system will

continue in the case of Central Finance Commission Grant and World Bank aided KLGSDP Fund .

- ii. The allotment for a financial year will be issued by the Finance (SFC Cell) Department in three instalments through Government order which will be issued on or before 25th of March, July and November every year. The Government Order will be treated as letter of authority and no individual allotment will be issued. Local Governments can draw funds as per this allotment issued in the Government order from the first working day of the next month.
- iii. All implementing officers currently drawing funds from Public Account shall be declared as DDOs for this purpose. The Additional Chief Secretary to Government, Finance Department will be the Chief Controlling Officer and the Secretaries of the Local Governments will be Sub Controlling Officers.
- iv. The Drawing and Disbursing Officers of the Local Governments are permitted to draw funds by producing fully vouched contingent bills generated in “ Saankhya” up to the amount of allotment in the Government order by debiting directly from the Consolidated Fund under the Major Head of account “3604/3054”.
- v. The drawal of funds from Public Account will be allowed only after exhausting funds available in the Public Account except for Central Finance Commission Grant and World Bank aided KLGSDP Fund.

- vi. The allotment not drawn on 31st March shall be provided through Additional authorization/SDG based on the consolidated figures furnished by the Director of Treasuries and the same may be allotted to the Local Governments along with the 2nd allotment in July of the subsequent year.
- vii. Local Governments are authorized to meet the expenditure of spill over works also against the current year allotment.
- viii. Director of Treasuries and Secretaries of the Local Governments have to furnish monthly expenditure statements to the Finance (SFC-Cell) Department not later than 15th of the subsequent month.
- ix. Director of Treasuries will provide LG wise details of allotment which remains not drawn on 31st March immediately on closing the transactions of the Financial Year.
- x. Funds provided through Additional authorization/SDG on account of unspent balance of a financial year should be utilized before 31st March of the next financial year itself.
- xi. General Purpose Fund shall be provided on a monthly basis as per the allotment letter issued from the Finance (SFC-Cell) Department. Local Governments are permitted to transfer credit this amount to the Special TSB A/c to be opened in the Treasury and draw the funds as per their requirements.
- xii. Local Governments are permitted to open a Special TSB A/c for the purpose explained in para 2(xi) above.

3. The Government Orders read as 1st and 2nd papers above stand modified to that extent.
4. The system of drawal of funds as stipulated in this Government order will be applicable with effect from 01/04/2015.

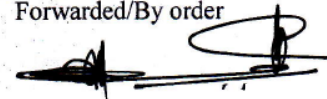
(By Order of the Governor)

E.K. PRAKASH
Special Secretary to Government (Finance)

To

The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram
The Principal Accountant General (A&E), Kerala, Thiruvananthapuram
The Accountant General (E&RSA), Kerala, Thiruvananthapuram
All Local Governments
The Principal Secretary, Local Self Government Department
The Director of Local Fund Audit, Thiruvananthapuram
The Commissioner, Rural Development Department, Thiruvananthapuram
The Director, Panchayat Department, Thiruvananthapuram
The Director, Urban Affairs Department, Thiruvananthapuram
The Director of Treasuries, Thiruvananthapuram
The Executive Chairman & Director, Information Kerala Mission, Tvpm.
The Director, Kerala Institute of Local Administration, Thrissur
The Director of Information & Public Relations, Thiruvananthapuram
The District Treasury Officer, Thiruvananthapuram
All Deputy Directors of Panchayats
The Local Self Government (FM) Department
The Under Secretary, Finance (Accounts) Department
The Finance (Accounts- A/BW-J/ Dev. Wing/SFC-A&B) Department
The Nodal Officer, Finance (www.finance.kerala.gov.in)
The Bill/Stock File/Office Copy

Forwarded/By order



Section Officer