



GOVERNMENT OF KERALA

Finance (SS) Department

CIRCULAR

No. 21/2016/Fin.

Dated, Thiruvananthapuram, 14.03.2016.

Sub:- Treasury Transactions - Rushing of bills and drawal of advance towards the close of the financial year - Avoidance of - Instructions issued.

Ref:- G. O (P) No. 48/2015/Fin dated 23.01.2015.

A practice of drawing large amounts of advance both as cash and demand draft during the closing days of the financial year is seen resorted to by some Drawing and Disbursing Officers of various Departments to avoid lapse of budget provisions. Such drawals are made in respect of incomplete works and purchases in violation of the rules pertaining to financial propriety, to be observed by each and every Drawing and Disbursing Officer. Observations and comments have repeatedly been made by the Comptroller and Auditor General of India against this practice.

2. Another common practice is the presentation of large numbers of bills, cheques, chalans etc. to the treasuries towards the end of the financial year. Presenting the bills, cheques, chalans (either for encashment or for adjustment) at the fag end of the financial year may cause difficulty in scrutinising them properly and complete the work in time before close of the financial year. Since both the agencies viz., banks and treasuries have switched over entirely to a computer based system, the banking transactions on the last working day of the current financial year will have to end at the latest by midnight on the same day. Hence the treasuries cannot be found at fault with, for non-passing of bills presented after the prescribed time.

3. In order to avoid these difficulties, all Drawing and Disbursing Officers are directed to strictly adhere to the following guidelines for the remaining period of the current financial year :-

- (i) Final bills of all advances drawn in the current financial year should be settled on or before 31.03.2016. In the case of advance claims for which final bills

could not be submitted before the close of the financial year, advance drawal in the form of cash, demand draft or by transfer credit to treasury deposits by Drawing and Disbursing Officers, Head of Departments etc. will not be permitted. However, such drawal of advances by Government Departments/LSGIs permitted by any special or general order will be honoured.

- (ii) Advance drawal as cash or demand draft for the purchases on the basis of invoices/proforma invoices for which the formalities of purchase cannot be completed or for which the supply could not materialise and final vouchers could not be obtained before the close of financial year, will not be permissible.
- (iii) All Heads of Departments and Drawing and Disbursing Officers have to present bills, cheques, challans etc. to the treasuries latest by **2 P.M. on 27-03-2016.** If any urgent claim is to be made after this date, transactions in this regard should be completed before 10 P.M. on 30-03-2016. In such cases, reason for delay/urgency should be stated in the request for clearance.
- (iv) All controlling officers should ensure that the copies of letters of allotment to sub controlling officers, made out of the existing budget provisions, are submitted to the respective treasuries at the latest by 25/03/2016.
- (v) In case any doubt persists regarding any advance claim, the Sub Treasury Officers /District Treasury Officers have to get in touch with the Director of Treasuries who in turn shall consult the Secretary (Finance-Resources)/ Joint Secretary, Finance (Secret) Department before allowing or rejecting the claim.
- (vi) The non-banking treasuries should ensure that the cash retained by them at the end of financial year is the least minimum possible. They should close their business not later than 12 O' clock during the night of March 31, 2016 and report the closing balance to Director of Treasuries by fax or email. The Director of Treasuries in turn will report the same to the Finance Department.
- (vii) Treasuries are not authorised to allow any exemption to the above instructions without specific directions from the Finance Department.

4. However, if the Drawing and Disbursing officers want advance drawal for any unavoidable expenditure, it can be incurred with the prior approval from Finance Department and the advances thus drawn have to be kept in the treasury account itself for which they will be permitted to open special TSB accounts for a limited period.

5. It should be ensured that the guidelines issued in the Government Order read above regarding the newly introduced Electronic Ledger Accounting System is strictly adhered to.

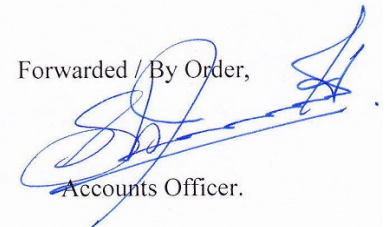
6. All Heads of Department are requested to issue urgent directions to the Controlling Officers/Drawing and Disbursing Officers to comply with the above instructions scrupulously. Any lapse in this regard would be viewed seriously.

Dr. K. M. ABRAHAM,
Additional Chief Secretary (Finance)

To

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.
The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram.
The Accountant General (E&RSA), Kerala, Thiruvananthapuram.
All Heads of Departments and Offices.
All Departments (All Sections) of 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, Kerala Agricultural University, Thrissur (with C.L.)
The Registrar, University of Kerala/Cochin/Calicut/Mahatma Gandhi/Kannur (with C.L.).
The Secretary, Kerala State Electricity Board, Thiruvananthapuram (with C.L.).
The General Manager, Kerala State Road Transport Corporation, Thiruvananthapuram (with CL).
All Secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries and Under Secretaries to Government
The Private Secretaries to Chief Minister, other Ministers and Leader of Opposition
The Secretary to Governor.
The Additional Secretary to Chief Secretary.
The Private Secretary to Speaker/Deputy Speaker
The Director of Public Relations, Thiruvananthapuram
The Director of Treasuries, Thiruvananthapuram
The Nodal Officer, www.finance.kerala.gov.in
The Stock file/ Office copy.

Forwarded / By Order,



Accounts Officer.