



GOVERNMENT OF KERALA
Abstract

Budgetary Control –Dispensing off – Special Letter of Credit in work executing departments for deposit works – Sanctioned – Orders Issued.

FINANCE (BUDGET WING –E) DEPARTMENT

G.O.(P) No. 82/2016/Fin.

Dated, Thiruvananthapuram,10/06/2016

Read:- 1) G.O(P) No.46/74/Fin dated 27 /02/1974.

2) G.O(P) No.198/2015/Fin dated 28/05/2015

3) G.O(P) No.34/2016/Fin dated 04/03/2016

4) G.O(P) No.43/2016/Fin dated 26/03/2016

ORDER

Vide reference first cited, Letter of credit system specifying the monthly limits of drawl from treasuries was introduced in work executing departments, with a view to regulate the flow of expenditure and to enforce control over appropriation. The payments relating to deposit works were permitted based on Special Letter of Credit issued from Government. The deposit works not exceeding Rs.5 lakh in Public Works (Buildings) Department were brought outside the purview of letter of credit system vide the order read second paper above.

2. As part of implementation of Integrated Financial Management System (IFMS), Government introduced Budget Allocation Management System (BAMS) for effective appropriation control and regulation of expenditure vide order read third above. Further, the work executing departments were brought under treasury bill system, replacing the cheque drawing system vide the order read fourth above.

3. Special letter of credit is being given against the deposits made by user departments/agencies and the amount so issued is out of budgetary control, the same can be treated as refund of deposits. The Special Letter of Credit is regulated in Finance Department from the angle of liquidity control. Since liquidity management is possible through ways and means control, there is no relevance in controlling payments from deposit works which are made out of the funds given in advance by user departments.

4. In view of the above, Government is dispensing with the Special Letter Of Credit system for deposit works with immediate effect.

5. The following modified guidelines are issued to facilitate payment against deposits made under the new system.

- a) The Agencies/departments which require works to be executed through work executing departments (viz Public works (Roads/Buildings/NH), Water Resources Department and Harbour Engineering Department) shall deposit the required amount under the deposit head 8443 after obtaining consent from the divisional officer concerned. The remittance to treasury may be made through e-treasury system or direct remittance at treasury counter or through transfer credit from the departmental head of account to the deposit head.
- b) The e-Treasury officer shall upload the division wise details of all the three types of deposits in Treasury Information System so that the divisional officer concerned can verify the deposits and arrange the works. In cases of lump deposits made for executing works by more than one divisions, division wise details of deposits shall be mentioned in the chalan so that treasury can allot the exact amount meant for each division .
- c) Hereafter all payments in respect of deposit works in work executing departments viz Public works (Roads/Buildings/NH), Water Resources Department and Harbour Engineering Department will be kept outside the purview of Letter of Credit System. However the Chief engineers concerned shall verify the claims before approving bills.
- d) These payments will be subject to ways and means instructions as applicable from time to time.
- e) The divisions which already made payments based on special letter of credit issued during this financial year shall furnish a revised deposit details in the annexure II of the order read fourth above, to the respective treasuries for updating the previous details already furnished to treasuries.
- f) The Executive Engineer shall issue proceedings showing the Administrative Sanction amount, Technical Sanction amount, PAC amount of the work, Original Deposit amount, details of deposit viz chalan No and Date/details of Transfer entry, details of deposits intimated to treasury (in case of deposits made prior to 01/04/2016), total up to date expenditure from the deposit amount including the proposal under consideration and the balance amount in the deposit. The Executive Engineer shall present the proceedings along with the bills to effect payment.
- g) Treasury shall watch the deposit balance as and when payment is made on the basis of details of remittances. In the case of remittances made prior to 01/04/2016, through manual system, the full responsibility on the correctness of the claim will rest with the sanctioning authority.

h) The Division officers shall present deposit work bills along with authorisation form in TR 65 generated from BIMS.

i) The copies of Transfer Entry Orders for book adjustment if any, shall also be submitted to the treasury officer while submitting such claims.

6) The respective Chief Engineers shall issue necessary instruction to all Divisional officers under their control.

7). The Director of Treasuries shall instruct all treasury officers to honour these payments accordingly.

By Order of the Governor

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 Additional Chief Secretaries/Principal Secretaries/Secretaries/Additional Secretaries/ Joint Secretaries/Deputy Secretaries to Government
All Heads of Departments and Offices
All Departments/ All Sections of Government Secretariat including Law and Finance.
The Advocate General, Kerala, Ernakulam.
The Registrar, High Court of Kerala, Ernakulam
The Secretary to Governor
The Private Secretary to Chief Minister and Other Ministers
The Private Secretary to the Leader of Opposition.
The Private Secretary to Speaker/Deputy Speaker, Kerala Legislative Assembly
Additional Secretary to Chief Secretary
The Director, Public Relations Department
The Member Secretary, State Planning Board, Thiruvananthapuram
The Director of Treasuries, Thiruvananthapuram.
The Nodal Officer, www.finance.kerala.gov.in
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Section Officer