

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

No. 18194/F.,
FIN-WM-BT-0001/2015

dated, 29.6.2015

From

Shri R. Balakrishnan, I.A.S.
Additional Chief Secretary to Govt.

To

The Additional Chief Secretaries,
All Principal Secretaries/
Secretaries to Government/
All Heads of Department.

Sub: **Regulation of Expenditure out of the Annual Budget for the year 2015-16 – New discipline for sanction and release of funds for Block Grant and Centrally Sponsored Schemes included in State Plan.**

Sir/Madam,

The modalities for sanction and release of funds provided in the Annual Budget for the year 2015-16 were communicated in Finance Department circular on “**Regulation of Expenditure out of the Annual Budget for the year 2015-16**” vide No. 8107/F dated 31st March, 2015.

2. Indications have been received from Government of India, that sharing pattern of 33 Centrally Sponsored Schemes (CSS) will undergo change and that States would be required to contribute a higher share. In respect of sanction of funds out of the provision made in the Annual Budget for the 2015-16 for 24 CSS, it is mentioned in para 10 (ii) (B) thereof that funds can be sanctioned only against receipt of Central Assistance. Now nine more Schemes have been added to this category. The Administrative Departments have been advised to ascertain the new sharing pattern of these 33 Centrally Sponsored Schemes (CSS) from the respective Ministries/ Departments of Government of India and incur expenditure as per the changed sharing pattern. They have also been advised to limit the expenditure under these CSS, commensurate with the availability of Central Share as per the allocation of funds made by Government of India based on the new sharing pattern. However, most of the line

Ministries of Government of India have not yet communicated the changed sharing pattern of the relevant CSS.

3. It was also stipulated therein that in case of Centrally Sponsored Schemes (CSS), expenditure without availability of Central Assistance would require prior concurrence of Finance Department. However in case of continuing schemes, the Administrative Departments can incur expenditure on the salary component in anticipation of receipt of Central Assistance up to 31.12.2015 without concurrence of Finance Department.

4. In the absence of clarity regarding the changed sharing pattern of the 33 CSS and reduced fund flow from Government of India for Centrally Sponsored Schemes (CSS), the Administrative Departments of the State Government have not been able to incur expenditure which has resulted in slow utilization of the budgetary provision for CSS during the first quarter.

5. References are being received from different Departments requesting for advance release of funds under different CSS pending receipt of Central Assistance.

6. In order to ensure that implementation of the ongoing Centrally Sponsored Schemes (i.e. the Centrally Sponsored Schemes which are fully funded by Government of India, the 33 CSS with changed sharing pattern and the CSS without any change in sharing pattern) is not hampered due to uncertainty in flow of funds and also to expedite expenditure during the first two quarters of the financial year, **it has been decided to relax the stipulations contained in sub-para - (ii) (B) & (C) and (iii) of para-10 of Finance Department circular No. 8107/F dated 31st March, 2015 on "Regulation of Expenditure out of the Annual Budget for the year 2015-16"** as follows:-

(a) The Administrative Departments are now authorized to incur expenditure to the extent of 50% of the provision made in the Budget Estimate for the year 2015-16 or 50% of the annual allocation made by the concerned line Ministry of Government of India whichever is less, during the first two quarters of the financial year in respect of continuing Centrally Sponsored Schemes (CSS), pending receipt of Central Assistance.

Example: i) *Centrally Sponsored Schemes which are fully funded by Government of India, like PMGSY for which Budget provision in 2015-16 for is Rs.1800.00 crore and the Annual allocation of Government of India for the scheme is Rs.893.01 crore. In that case*

Central Assistance to the extent of Rs.446.55 crore can be released without receipt of Central Assistance. Further, if there is any receipt of Central Assistance, it would be first adjusted towards the advance release made by the State Government and the advance release in all cases shall be limited to 50% of the allocation made by the Ministry or Budget provision whichever is less. If the Annual allocation is higher than the Budget provision made and Central Assistance of equal amount is received, then the Administrative Department can release the entire provision and then go for augmentation of the same at the Supplementary stage.

ii) Centrally Sponsored Schemes having both Central Share and State Share like National Health Mission for which total Budget provision is Rs.1088.32 crore and the annual allocation is Rs.886.73 crore including State share of Rs.208.24 crore. Funds can be released up to Rs.443.365 crore in the ratio of existing approved funding pattern i.e. 75:25 if no Central Assistance under NHM is received. Further, if there is any receipt of Central Assistance, it would be first adjusted towards the advance release made by the State Government and the advance release in all cases shall be limited to 50% of the allocation made by the Ministry or Budget provision whichever is less. If the Annual allocation is higher than the Budget provision made and Central Assistance of equal amount is received, then the Administrative Department can release the entire provision and then go for augmentation of the same at the Supplementary stage.

(b) ST & SC Development Department are further authorized to sanction and release funds for the State Plan Scheme under the 1st proviso to Article 275(1) and grants for Tribal Sub Plan, which are classified as Block Grants under State Plan, without waiting for receipt of Central Assistance. However, they should pursue release of Central Assistance for these two schemes with the concerned Line Ministry of Government of India.

(c) Drawal of money from the Treasury should not be made unless it is required for immediate disbursement and it shall be the responsibility of the Administrative Department to prevent unauthorized parking of money in Bank Accounts. Suitable action as envisaged in para - 19(vi) of Finance Department circular No. 8107/F dated 31st March, 2015 should be taken, in case any instance of unauthorized parking of money in bank accounts is noticed.

(d) Before releasing money to the implementing agencies it should be ensured that the implementing agencies have utilized the funds transferred to them in the previous year

/installments and the same has not been lying unutilized and parked by the implementing agencies in Bank Account.

(e) At the same time, the Administrative Departments should vigorously pursue with the concerned line ministry of Government of India to secure release of central assistance in respect of Centrally Sponsored Schemes (CSS) and ensure prompt submission of Utilization certificates in respect of grants received from Government of India.

It is, therefore, requested that requirement for sanction and release of funds for the Block Grant and Centrally Sponsored Schemes included in the State Plan may be reviewed and funds may be released after following the new discipline now put in place so as to accelerate the pace of expenditure and utilization of funds under State Plan.

Yours faithfully,


Additional Chief Secretary to Govt.

Memo No. 18195 (2)/F. dated 29.6.2015-

Copy forwarded to the Private Secretary to Chief Minister / Minister, Finance for kind information of Hon'ble Chief Minister/ Minister, Finance.

 nd as 29/6/15
Deputy Secretary to Government

Memo No. 18196 (4)/F. dated 29.6.2015-

Copy forwarded to the Private Secretaries to Chief Secretary/D.C.-cum-Additional Chief Secretary/Agriculture Production Commissioner/ Additional Chief Secretary, Finance Department for kind information of Chief Secretary/D.C.-cum-Additional Chief Secretary/Agriculture Production Commissioner/ Additional Chief Secretary, Finance Department.

 nd as 29/6/15
Deputy Secretary to Government

Memo No. 18197 (9)/F. dated 29.6.2015-

Copy forwarded to the Registrar, Odisha High Court/Special Secretary, Odisha Public Service Commission/Secretary, Odisha State Election Commission/Secretary, Staff Selection Commission/Secretary, Subordinate Staff Selection Commission/ Registrar, Odisha Administrative Tribunal/ Secretary, State Human Rights Commission/ Secretary, Odisha Electricity Regulatory Commission/Principal Resident Commissioner, Odisha, New Delhi for favour of information & necessary action.

 nd as 29/6/15
Deputy Secretary to Government

Memo No. 18198 (45)/F. dated 29.6.2015-

Copy forwarded to all Public Sector Undertakings/Cooperative Institutions for information & necessary action. The aforesaid guidelines should be scrupulously followed.

 nd as 29/6/15
Deputy Secretary to Government

Memo No. 18199 (217)/F. dated 29.6.2015-

Copy forwarded to all the Controlling Officers for information and necessary action.

 nd as 29/6/15
Deputy Secretary to Government

Memo No. 18200 (172)/F. dated 29.6.2015-

Copy forwarded to the Director of Treasuries & Inspection, Odisha, Bhubaneswar /all Treasury Officers/Sub-Treasury Officers for information and necessary action.

 nd as 29/6/15
Deputy Secretary to Government

Memo No. 18201 (100)/F. dated 29.6.2015-

Copy forwarded to all Officers/all Branches of Finance Department for information & necessary action.

 nd as 29/6/15
Deputy Secretary to Government