

# GOVERNMENT OF ANDHRAPRADESH

## ABSTRACT

Withdrawal of Funds from Deposit Accounts – Certain instructions – Issued.

### Finance & Planning (W&M) Department

G.O.Ms.No 43

Date:22-4-2000

Read the following:-

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#### ORDER:

1. The Committee met and discussed the overall availability of resources and the need to bring about greater economy and efficiency in the deployment of available manpower and financial allocations to achieve the targets under Vision-2020. The Cabinet Sub-Committee also recognized the need to give top priority to settle the pending commitments of the Government. The Committee also felt that there is a great need to regulate the expenditure under various Deposit Accounts.
2. (A) **These Deposit Accounts under which the Local bodies, Institutions, Corporations, State Undertakings and other Deposit Account Holders deposit the amounts which are collected as their own collections like Taxes collected by the Local bodies, Special Fees collected by the Educational Institutions, Other Fees and User Charges collected directly from the public under the provisions of their statutes and by-laws which authorise to collect these amounts directly from the public in the shape of Fees or Service Charges. Apart from their own collections, if the amounts are deposited in these accounts on account of statutory devolution like Property Tax, Professional Tax, Entertainment Tax etc., and the statutory grants received from the Government, such deposits will also be categorised as non-lapsable.**

**(B) Lapsable Deposits as per the Codal Provisions:**

**Amount deposited under these funds will get lapsed as per the Codal Provisions. Revenue Deposits, Civil and Criminal Court Deposits, Official Receiver Deposits, Caution Money Deposits, the amount deposited will get lapsed to the Government under Article 271 of AP Financial Code Volume-I.**

**(C) Lapsable Deposits as per Government Orders given herein:**

**These deposits generally will consist of the funds deposited on account of execution of various Schemes and Works sanctioned by the Government from time to time. Engineering Funds of the Local bodies, RWS, Public Health Department and funds released to various Institutions/Corporations/Local bodies, State Undertakings to execute specific Schemes sanctioned by the Government. Under these deposits all funds released during the particular financial year shall lapse by the 31<sup>st</sup> March of the next financial year. Accordingly all funds released on or before 31.3.1999, under the Schemes sanctioned before 31.3.1999 and which remained unspent as on 31.3.2000 shall lapse on 31.3.2000. Hence, all the Public Accounts are**

now classified into above three Categories and are enclosed herewith the Annexure-I.

3. At present, there is no uniform procedure adopted Generally, in case of Local Bodies, all the deposit account cheques are being routed through the Treasury Officers. After making payments, Banks are sending paid cheques to the Treasury Officers for record. To simplify the procedures as a part of wide Administrative Reforms, Government hereby orders the following procedure for withdrawal of funds from the Deposit Accounts:

- i) In case of Non-lapsable Deposit Accounts (Category A) the treasury officers shall issue LOCs to the banks in favour of the Deposit Administrator on the basis of distribution proceedings of the concerned of Such LOCs would be non-lapsable at the end of the financial year. It is also decided to permit the Deposit Account holders, to withdraw funds directly from the Banks without routing through the Treasury Officers based on the LOCs issued by the treasury officer to the extent of Receipts available in the Deposit Account. The Deposit Administrator shall present cheques along with the formats and certificate prescribed in Annexure-II. The Bank shall not honour the cheques over & above the balances available at the credit of the Deposit Administrator. Treasury Officer shall have the right to issue instructions to the concerned Banks to stop further payments on that particular Deposit Account under which any deficiency or any procedural irregularity is noticed till the correction is made by the Deposit Administrator.

In the case of Panchayat Fund, there is only one PD Account for statutory grants as well as specific purpose grants. All Deposit Administrators of Panchayat Funds shall continue to route their cheques along with information of as per formats and certificates under Annexure-II, through the treasury officer concerned as per present practice. The treasury officers shall scrutinise and authorise payments for those deposits which fall under category 'A' & 'B' subject to balances available. For the balance amounts, they shall authorise as per procedure prescribed for category 'C' deposits.

- ii) All the treasuries are instructed that the Deposits under category 'B' are withdrawn as per the codal provisions under which bills/cheques shall be presented to the treasuries by the Deposit Administrators along with the format and certificate under Annexure-II to this order. On receipts of bills/cheques, treasury officer shall verify the correctness of the claim and unexpired balance available under the Deposit before authorisation for payment is accorded.
- iii) All Deposit Administrators shall ensure that the cheques drawn under "Lapsable Deposits" as per Government orders under category 'C' above along with the format and certificate prescribed under Annexure-II shall be routed through the concerned treasury officers. Treasury officers, before countersigning the cheques, shall scrutinise the information in the format on the Deposit Account and the certificate given in the Annexure-II. After being satisfied with the information and the eligibility of the claim, the treasury officer concerned shall countersign the cheques for payment.
- iv) As already stated under category 'C' "Lapsable Deposits", all the funds released on or before 31.3.99 under the Schemes sanctioned before 31.3.99 and which remained unspent Hence, for all these Accounts, treasury officers must obtain the entire information Scheme-wise as per the format and certificate prescribed in Annexure-II and scrutinize the Accounts. They shall only make payments under those Schemes for which the were during All PAOs/DTOs/STOs are therefore instructed to credit back the unspent balances under SH-79 (Remittance to consolidated fund from Deposit Account) to be opened under

**Minor Head 800 (Other Receipts) under Departmental Receipt Major Head for all the unspent balances as on 31-3-2000 pertaining to the schemes sanctioned before 31-3-1999.**

- 4) If the Deposit Account holders wish to get any lapsed unspent balances revalidated, they shall have to submit fresh proposals to their respective Departments and obtain priority for allocation within their budgetary provision for the years 2000-2001 with the concurrence of the Finance Department.**
- 5) As per article 3 of AP Financial Code, unless the amount is immediately required to be paid for the goods & services received/works done, no amount shall be withdrawn. of this, it is hereby stipulated that no self cheque from Deposit Accounts shall be permitted except for the salaries and petty office expenses. Any deviations to these stipulations, the Deposit Administrator and the treasury officers shall be held personally responsible.**
- 6) All the PD Account Administrator are required to reconcile their balance with those of treasury and Bank issue a7) **All the Officers are instructed to follow the above instructions scrupulously.****

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**S.K.ARORA**

**PRINCIPAL SECRETARY TO GOVERNMENT**

**To**

**All Special Chief Secretaries/Prl.Secretaries/Secretaries to Government**

**All E.O.Prl.Secretaries/E.O.Secretaries to Government.**

**All Departments of Secretariat.**

**All Heads of Departments**

**All Administrators of Deposit Accounts/PD Accounts.**

**Director of Treasury & Accounts, A.P.Hyderabad.**

**Pay & Accounts Officer, Hyderabad.**

**All District Treasury Officers**

**All Sub Treasury Officers**

**The Secretary to Chief Minister**

**Secretary to Government, Planning Department**

**All Secretaries in Finance & Planning (F.W) Department**

**Private Secretaries to**

**//FORWARDED BY ORDER\\**

**SECTION OFFICER**