

4257  
20.03.19

GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT



1503

No. 8832 /F., DL. 12.03.2019

FIN-PUIF-IF-0003-2016

lects  
1  
2019

From

Shri A. K. K. Meena, IAS  
Principal Secretary to Government,

To

The Additional Chief Secretary/Principal Secretary/  
Commissioner-cum-Secretary (All Departments)

Sub: **Opening of Bank Accounts and Parking of Funds by DDOs.**

Madam/Sir,

sent

2019

2019

This has come to notice that the DDOs are opening Bank Accounts and parking idle funds in different banks without following any norms. As per prudent financial propriety as mandated in SR- 242 of Odisha Treasury Code, Volume -I, no money should be drawn from the treasury without immediate requirement. Instructions were issued to all Administrative Departments to avoid drawl of scheme/programme funds without immediate requirement and parking money in Bank Accounts vide FD letter No. 32215/F., dated 21.11.2014(Copy enclosed) Whenever there is a need to do so, it must be ensured that the schematic funds should be deposited in a single account for a particular scheme and not in multiple accounts. The amounts should be kept in a bank empanelled by Finance Department and located in the same headquarters or within the territorial jurisdiction of the concerned DDO. In case of unbanked GPs, the funds should be deposited in the bank branch in any nearby GP within the Block or at the Block headquarters. In no case, the funds should be deposited in any bank outside the jurisdictional area of the DDO concerned. No new account should be opened in any bank unless and otherwise it is necessitated nor should the deposit be withdrawn from one bank and deposited in the other without any valid reason.

2. When there is any surplus fund, which is not likely to be spent in the immediate future or during the same financial year, it should be kept in a flexi account or in term deposits. In such cases, quotations may be called for from the banks operating within the

A  
1325

104

jurisdictional area of the DDO and the bank offering higher rate of interest should be preferred. Where the scheme guidelines prescribe for deposit of the amount in the current account, this condition will not apply. However, this should apply to all PSUs and Agencies under the State Government.

3. The DDOs must ensure reconciliation of the bank deposits with the cash book at the end of each month to cross check the accuracy of the transactions and avoid any possible error or omission.

4. Any bank account being operated by any DDO contrary to the above principles should be closed forthwith and the funds should be kept in the bank strictly in light of these instructions.

5. Violation of these instructions by any DDO will be treated as a financial irregularity and the DDO will be held personally responsible for such lapses.

*J. Bhak*  
12/3/19

Principal Secretary to Government

Memo No. 8833 F. Dt. 12.03.2019

Copy forwarded to all Heads of Department / all RDCs / all Collectors/ Convener, SLBC for information and necessary action.

*S. Rout*  
12.3.2019

Joint Director -cum- Joint Secretary



ODISHA POLICE  
STATE HEADQUARTERS  
CUTTACK.

No. VS-26-05(II)/ 14488 Accts. Date: 26 .03.2019.

To All Heads of Police Dist. / Estts., Odisha.

Sub: Opening of Bank Account and Parking of Funds by DDOs.  
\*\*\*\*\*

A copy of letter No.8832/F, dtd.12.03.2019 alongwith its enclosures on the above subject received from Govt. of Odisha, Finance Deptt., Bhubaneswar is sent herewith for information & necessary action.

*S. Rout*  
14489  
26.3.19  
od.

*S. Rout*  
26/3/19  
Accounts Officer,  
State Police Hdqrs., Cuttack.

Copy alongwith copy of enclosures forwarded to the F.A. / A.O. / D.D.O. / A.A.O. Audit Section / All S.Os of State Police Hdqrs., Odisha, Cuttack for information and necessary action.

[www.odishapolice.nic.in](http://www.odishapolice.nic.in)  
Email - [spohqrs.odpol@nic.in](mailto:spohqrs.odpol@nic.in)

Buxi Bazar, Cuttack-753001  
Tel./Fax No.0671-2304001



103

GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT  
\*\*\*

No. 32215 /F, dated 21<sup>st</sup> November, 2014  
FIN-WM-BT-0001-12

From  
Shri U.N. Behera, I.A.S.  
Additional Chief Secretary to Govt.

To  
The Additional Chief Secretaries  
All Principal Secretaries/Secretaries to Government  
All Heads of Department/All Collectors

Sub: Parking of the Government money outside Public Account in contravention of the guidelines.

Sir/Madam,

I am directed to say that instances have come to the notice of the State Government that money drawn by the D.D.Os is lying unutilized in the Bank account of DDOs and other officers in violation of existing guidelines and without concurrence of Finance Department for indefinite period.

2. It has a cost implication for the State Government. Further there is also risk of misappropriation and fraud if money is kept outside public account. Besides such draws give an inaccurate picture of public expenditure as the funds provided in the budget are not actually put to use. SR 242 of O.T.C. Vol-I mandates that money should not be drawn from the Treasury unless it is required for immediate disbursement. Further, the system of electronic disbursement of Government payments directly to the beneficiary account has been introduced vide Finance Department O.M. No. 27444/F dated 26.7.2012 with the objective of direct payment to the beneficiaries and vendors and to prevent parking of funds in bank accounts by the DDOs.

3. In almost all circulars on sanction and release of funds, Finance Department reiterates the basic principle that money should not be drawn from the Treasury unless it is required for immediate disbursement. Accordingly, it was stipulated in the Circular No.22456/F dated 1<sup>st</sup> August, 2014 on "Regulation of Expenditure out of the Annual Budget for the year 2014-15" that the DDOs are required to record a certificate at the time of drawl of salary bill each month beginning with the salary bill for August 2014 payable in September 2014 indicating the cash balance in hand and bank account in the following format:

"Certified that out of the money drawn in shape of cash/bank draft/cheque through bills presented during the previous months, there is a

102

balance of Rs..... in hand and a balance of Rs..... is lying in bank account except the money drawn in A.C bills".

4. Further, it was also mentioned that, if any such instance of un-authorized parking of money is noticed, the concerned DDO shall be liable for disciplinary action under Rule - 15 of the OCS (CC & A) Rules, 1962.

5. Guidelines for the Centrally Sponsored Schemes implemented through State level, District level & Sub-District level Implementing Agencies provide for keeping scheme funds in dedicated Bank Account. The State Government have also stipulated that the state share of some CSS schemes and State Plan Schemes shall be kept in P.L. Account.

6. Government in Finance Department vide letter No.23301(42)/F., dated 11.07.2013 have also prepared a list of 17 Public Sector Banks (PSBs), 4 Private Sector Banks, 2 Regional Rural Banks (RRBs) and 1 Co-operative Bank in which the State PSUs and Autonomous Agencies can keep their deposits.

7. In Finance Department letter No. 35425(42)/F., dated 12.10.2012, the implementing agencies at State level, district & sub-district level were advised to keep the central share and state share or central share of the Centrally Sponsored Plan Schemes in Flexi Accounts instead of Savings Bank Account, so that higher interest accruals from the scheme funds can be ploughed back to expand the coverage of the scheme without affecting the fund flow for the scheme.

8. However, it is seen that, Field functionaries at various levels are keeping scheme funds in banks in Savings Bank and Current Accounts as well as in unlisted Banks in violation of the extant guidelines.

In view of the above situation, Heads of Department and Collectors are requested to cause enquiry into the matter of un-authorized parking of Government money in bank accounts after obtaining information from the Treasury Officers/ Drawing and Disbursing Officers/ Autonomous Agencies of the Districts. In case, instances of irregularity are found, the matter should be reported to respective Heads of the Department/Administrative Department. They should take disciplinary action against the Officer committing such irregularity under intimation to Finance Department and ensure that funds are drawn and transferred to implementing agencies only for actual expenditure and not for parking in Bank Account.

Yours faithfully,

  
Additional Chief Secretary to Govt.