

GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT

No. 34082 /F., Dt. 04-10-2019  
FIN-PUIF-IF-0003-2016

From

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

To

Additional Chief Secretary to Government/  
Principal Secretary to Government/  
Commissioner-cum-Secretary to Government/  
All Departments.

**Sub: Deposit of Government funds in Bank Accounts.**

Madam/Sir,

Finance Department had issued detailed guidelines vide letter No. 8832/F Dtd.12.03.2019 (copy enclosed) with regard to deposit of Government funds in banks. Further, while empanelling the banks to handling Government deposits vide FD letter No. 24705 Dtd. 20.07.2019, it was categorically mentioned that in order to curb unhealthy competition among banks in frequent shifting of deposits from one bank to another having a distortionary effect on their lending and other operations, any agency operating at the District and Sub-District level will obtain the approval of Collector of the District and furnish cogent reasons for moving their deposits from one bank to another. Similarly, State level PSUs/SLAs would be required to obtain the approval of their Governing Body/Board of Directors, as the case maybe, for moving their deposits from one bank to another.

2. It has been observed that the above instructions are scantily being followed. There has been an unhealthy competition among the banks to canvas and solicit Government deposits from different Departments and Govt. entities and allegations and counter allegations are being received implicating Government officers for acting in mala fide. This has resulted in a very ugly situation demanding urgent action to curb the tendency. In the meanwhile, Controller General of Accounts, Government of India have issued a circular vide OM No. 1454, dtd. 21.08.2019 mandating deposit of funds of the Implementing Agencies at the State / District level in relation to

Central Sector Schemes only in Public Sector Banks and Regional Rural Banks.

3. So far as State Government funds are concerned, drawal of funds from the treasury and parking the same in banks is neither permissible nor desirable in any case. The amount which is to be spent within a month should only be drawn from treasury keeping in view the immediate necessity. If it is noticed that any officer has wilfully withdrawn money from the treasury without immediate requirement and parked the same in any bank account, the officer concerned will be held responsible for committing financial irregularity and causing loss to the State exchequer. Besides, shifting of the funds from one bank to another without valid reasons and obtaining due permission from the competent authority will also be treated as a financial irregularity. FAs/AFAs of the Departments need to be careful while sanctioning funds and ensure that the funds are drawn as per immediate necessity and should not be parked in bank account.

4. The above instructions should be strictly followed without any deviation.

Yours faithfully,

*J. J. J.*  
4/10/19

Principal Secretary to Government

Memo No. 34083 /F., Dt. 04-10-2019

Copy forwarded to FAs/AFAs of all Departments/ all Heads of Departments/all Collectors for information and necessary action.

*Somant*  
4.10.2019

Joint Secretary to Government

Memo No. 34084 /F., Dt. 04-10-2019

Copy forwarded to all officers of Finance Department for information and necessary action.

*Somant*  
4.10.2019

Joint Secretary to Government

Memo No. 34085 /F., Dt. 04-10-2019

Copy forwarded to Regional Director, RBI, Bhubaneswar/GM-Cum-Convener, SLBC, Odisha for information.

*Somant*  
4.10.2019

Joint Secretary to Government

GOVERNMENT OF ODISHA

FINANCE DEPARTMENT

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No. 8832 /F.. Dt. 12.03.2019

FIN-PUIF-IF-0003-2016

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,

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

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 Phok*  
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.

*B. S. S. S.*  
12.3.2019

Joint Director -cum- Joint Secretary

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GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT  
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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 month, there is a

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 same 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 unauthorized 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.

Memo No. 32216 /F. dated 21-11-2014

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

*AG* 21.11.2014

Under Secretary to Government

Memo No. 32217 /F. dated 21-11-2014

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.

*AG* 21.11.2014

Under Secretary to Government

Memo No. 32218 /F. dated 21-11-2014

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.

*AG* 21.11.2014

Under Secretary to Government

Memo No. 32219 /F. dated 21-11-2014

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

*AG* 21.11.2014

Under Secretary to Government

Memo No. 32220 /F. dated 21-11-2014

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

*AG* 21.11.2014

Under Secretary to Government

Memo No. 32221 /F. dated 21-11-2014

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

*AG* 21.11.2014

Under Secretary to Government