

GOVERNMENT OF MEGHALAYA
FINANCE (BUDGET) DEPARTMENT

No.Fin(B)81/98/72

Dated Shillong, the 23rd March, 2000

From - Shri P.J. Bazeley, I.A.S.,
Principal Secretary to the Government of Meghalaya,
Finance Department.

To - All Principal Secretary to the Govt. of Meghalaya.,
All Commissioner & Secretary to the Govt. of Meghalaya.
All Secretary to the Govt. of Meghalaya.
All Heads of Departments.

Subject- Letter of allotment system.

Sir,

I am directed to say that with a view to regulate the outflow of money evenly throughout the year, thereby reducing the accumulation of expenditures at the fag end of the year, and to facilitate proper control of expenditure by different Departments, Government have decided to extend the "Letter of Allotment System" under Rule 140 of the Meghalaya Treasury Rules, 1985 to all Departments not yet covered by the LOC or LOA System. Except Grant No.1, 2, 3, 4, 24 and all Charge Appropriation.

The letter of Allotment System will be operated to the following manner

:- 1) 10 days before the commencement of a particular quarter, Finance (Budget) Department will allocate funds both under Plan and non-Plan on each major head within the Grant under the control of department concerned. The amount so allocate will be the gross amount authorised on the department to incur expenditure within the quarter concerned.

For this purpose, Department concerned will submit their requirement of funds for the next quarter, at least 20 days before the commencement of the quarter. The requirement of fund is to be submitted in the prescribed proforma at Annexure I and II.

2) On the basis of the fund thus allocated by Finance Department, Administrative Department will like-wise allocate fund to the Head of Department who is the controlling authority of the Budget under the Rules to distribute funds, indicating detailed budget classification, viz., Major, Minor, Sub-head and detail head to himself and to the subordinate officers under his control. The sum total of such detail head-wise allotments made by Head of Department will form the Letter of Allotment under a

~~and to the subordinate officers under his control. The sum total of such detail head-wise allotments made by Head of Department will form the Letter of Allotment under a particular major head, within which each officers (drawing and Disbursing Officer) will be authorised to incur expenditure within the quarter. The Letter of Allotment will be thus an authority on a Drawing and Disbursing Officers to draw fund from the Treasury/Sub-treasury/Bank, (Copy of which should be sent to the Treasury Officers/Bank concerned in the prescribed form at Annexure-II. The Letter of Allotment issued by the Controlling Authority to himself and to his subordinate officers (Drawing and Disbursing Officer-wise) should be endorsed to Finance (Budget) Department. The Controlling authority are to ensure that under no circumstances, the drawing officer exceed the Letter of Allotment authorised on him.~~

It may be noted that the unutilised amount of Letter of Allotment authorised on each Drawing and Disbursing Officer at the end of the quarter becomes lapsed and cannot be carried over to the next quarter.

3) In case the amount allotted for each of the quarter ending on 30th June, 30th September and 31st December cannot be utilised within the quarter concerned, the Department may come up with proposal for carrying over the unspent balance of that quarter to the next or subsequent quarter with full justification. The unspent balance at the end of the last quarter of the last financial year should however, be immediately surrendered.

4) While presenting bills to the treasury/Sub-Treasury, the Drawing and Disbursing officer shall indicate in the Bill Extract (Annexure - III) the gross amount of the bill, the total of all deduction and the net amount of the bill with full code number of the Drawing and Disbursing Officer. Self Drawing Officers should follow the same procedure, using the Code number of the Principal Drawing and Disbursing Officer.

5) The Drawing and Disbursing Officer, in whose favour a Letter of Allotment has been issued, is not permitted to draw the whole amount and keep it in the separate account at the Treasury or Bank.

6) It is also to be ensured that the rules, instruction, and procedures in force for drawing bills from the Treasury and the safeguard provided under the Rules and Instructions are strictly complied with. In particular, the Dept. has to ensure that the initial accounts are properly maintained by each Drawing and Disbursing Officer under its control. The Drawing and Disbursing officer should also be instructed that the incurring of expenditure by them in violation of the provision of the Rules including

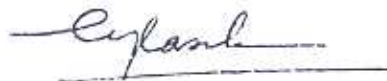
D.F.P Rules will entail serious disciplinary action. It is essential for the Budget Controlling Officer to exercise his function effectively to keep a watch on the progress of expenditure and to ensure that the expenditure in a quarter is kept within the Letter of Allotment authorised. It is also to be emphasised that the efficacy of the system depends on proper monitoring by the Controlling Officer concerned.

7) To facilitate Finance Department to monitor the system and to take prompt action for allocation of funds, the department should submit the quarterly expenditure statement regularly and timely. The provisional expenditure statement for the quarter should be submitted within fifteenth of the first month of the next quarter and a final statement by the fifteenth of the second month of the next quarter.

8) The Letter of Allotment is strictly on funds as provided in the grant under the administrative control of your department. The following classes of expenditure, falling outside the grant are exempted from the purview of the system.

- (i) G.P.F Advances and withdrawal sanctioned by competent authorities.
- (ii) House Building advance Motor car/Motor Cycle Advance/C.E Advance sanctioned by competent authority on specific allotment of funds by Finance (AF) Department.

Yours faithfully,



Principal Secretary to the Govt. of Meghalaya,
Finance Department.