

No.F.2/1/2010-11-Fin(B)/ 948
Govt. of NCT of Delhi.
Finance (Budget) Department

4th Level, "A" wing, Delhi Secretariat,
I.P. Estate, New Delhi.

Dated the 4 May 2010

To

All Heads of Departments,
Government of NCT of Delhi,
Delhi/New Delhi.

Subject:- Expenditure Management: Guidelines for Financial
Year 2010-11

Sir/Madam,

The Finance Department has been issuing/endorsing, from time to time, the instructions/guidelines relating to rationalization of Expenditure and Economy measures. These instructions aim at containing the non-developmental expenditure and thereby making available additional resources for other priority schemes. The measures are intended at promoting fiscal discipline, without restricting the operational efficiency of the Government.

2. The Govt. of India Ministry of Finance (Department of Expenditure) has also been issuing instructions to balance the pace of expenditure. Rush of expenditure towards end of the financial year continue to be an area of concern. As per existing instructions not more than one third (33%) of the Budget Estimates may be spent in the last quarter of the financial year. Rule 56(3) of GFR provides that rush of expenditure, particularly in the closing months of the financial year is to be regarded as breach of financial propriety and shall be avoided.

3. It is also necessary to fine tune the system further for controlling expenditure in the last month of the year. The expenditure should be limited to 15% of the Budget Estimates in the last month of the year i.e. March, 2011.

4. The monitoring mechanism to oversee flow of the expenditure should also be tightened so as to keep monthly watch over the implementation . It should also be ensured that flow of expenditure should be organized in such a manner that rush of expenditure , particularly in the closing months of the financial year may be avoided. Heads of Departments may hold monthly review meeting to

ensure the even flow of expenditure to avoid March rush for effective fiscal discipline and better results.

5. The Heads of Departments shall be responsible for the control of the expenditure against the sanctioned grants placed at their disposal. No expenditure shall be incurred which may have the effect of exceeding the total grant authorized . Since Voted and Charged portions, as also the Revenue and Capital sections of a Grant are distinct, and re-appropriation inter se is not permissible, an excess in any portion or section is treated as an excess in the Grant. Finance Department do not keep any spare funds with it . All the proposals for allocation of additional funds must only be sent after locating matching savings.

6. The periodical reconciliation of expenditure should be done so as to avoid the instances of unauthorized expenditure. All the Departments are requested to adhere to the instructions on the subject both in letter and spirit.

7. It is clarified that in case of Centrally Sponsored Schemes, the entire expenditure has to be incurred out the funds released by the Govt. of India. It is therefore, incumbent upon the concerned Departments to keep a close liaison with the concerned Ministry of the Govt. of India and follow up vigorously their case for timely release of adequate funds for implementation of the CSS. The expenditure for a CSS should only be incurred after obtaining authorization from the Finance Department through a proposal . All such proposals must clearly indicate the funds released by the Govt. of India during the current year specifically under the concerned CSS and also revalidation by the Ministry of any unspent amount lying with the Department as on 31st March out of the grant released in preceding year(s).

8. The instructions with regard to Economy in Government Expenditure, issued from time to time must be followed scrupulously by all.

Yours faithfully,



(J.P. Singh)

Pr. Secretary (Finance)
23392131