



**Government of Kerala
Abstract**

Integrated Financial Management System (IFMS) - Introduction of Treasury Bill System and Electronic payment system in Cheque Drawing Departments - Sanctioned - Orders issued

Finance (Streamlining) Department

G.O.(P) No. **43/2016/Fin**

Dated, Thiruvananthapuram, **26.03.2016**

Read:- 1. G.O.(P) No.265/2014/Fin dated 07/07/2014.

2. G.O.(P) No.34 /2016/Fin dated 04 /03/ 2016.

3. G.O.(P) No.310/2014/Fin dated 30/07/2014.

4. Minutes of the meetings held by Additional Chief Secretary (Finance) on 17.2.2016 and 14.3.2016.

ORDER

The Integrated Financial Management System(IFMS) envisages combining various online systems on the receipt and expenditure with the state budget. As a part of this, treasury bill payment system has been successfully introduced for salary and other establishment claims in all cheque drawing departments vide the reference first cited above. From 1st April 2016 onwards, allocation of budget provision of all Government departments will be made online through Budget Allocation Management System (BAMS), replacing allotment letters issued by departmental officers, vide the reference second cited. In the project review meeting on IFMS held on 17 February 2016, it was decided to extend Treasury bill system for work related claims of cheque drawing departments also, so that a full-fledged Treasury bill system could be implemented in Public Works, Irrigation, Harbour Engineering and Forest Departments. This was further discussed in the meeting Additional Chief Secretary had with Chief Engineers and other stakeholders on 14 March 2016.

2. Under this circumstance, Government are pleased to adopt treasury bill system for payment of work bills also in the above departments with effect from 01.04.2016. The cheque system prevailed in these departments will be continued till 31st March 2016 and the cheques issued on or before 31.03.2016 shall be honoured by the treasury as per the existing rules.

3. The following guidelines are issued for the smooth changeover into the new system.

RECEIPTS

4. Hereafter, all receipts in engineering departments, including receipts under deposit works shall be accepted only through the e-treasury system which has been in vogue since 2014 vide reference third cited. In the case of refund of deposits, the refund bills of these departments shall be prepared in form TR 65 and presented to the treasury along with the proceedings as in the case of other Government departments. The fund transfers between departments shall be done only through transfer entry between departments on the strength of allotment/ Letter of Credit (LoC).

ALLOTMENT OF BUDGET PROVISION

5. Consequent to the introduction of BAMS, appropriation control can be effectively exercised by the Finance Department and line departments. Hence the present system of regulation of budget provision made in the Forest department through Letter of Credit shall be replaced by Budget Allocation Management System (BAMS). Allotment of funds will be controlled by quarterly ceiling fixed by the Finance Department. Hence the Letter of credit system in Forest Department stands withdrawn with effect from 01/04/2016.

6. The payments for works relating to ordinary repair and flood damage rectification under National Highway, for which no letter of credit is required at present, will be regulated through BAMS. The expenditure for this purpose will be met with the head of account "8658- 00-101-93-transactions adjustable by the Pay and Accounts Officer, National Highways".

7. In other engineering departments such as Public Works, Water Resources and Harbour Engineering Department, where payment to contractors is regulated based on seniority also, allotment of funds shall be made through a combined system of Letter of credit and BAMS as detailed in the succeeding paragraphs. The allocation of funds to all engineering departments will be regulated exclusively through BAMS in due course.

8. Hereafter LoC shall be issued for the gross amount of each work bill, instead of net amount, as deductions proposed from the work bills will be effected at the treasury end.

TREASURY BILL SYSTEM

9. The details of duly prepared and passed work bills shall be uploaded to EMLI software as was done previously. Upon receipt of funds through LoC/ online allotment, the Divisional /Sub Divisional Officer shall prepare and present the bill in Bill Form TR 59 (E) (Annexure I) to the treasury along with the passed work bill.

10. Upon receipt of the bill, the Treasury shall pass payment orders after verifying the fund position using LoC/BAMS and the net amount shall be transferred to the TSB Account/bank account of the contractor concerned. The deduction on account of VAT, Income Tax (TDS), contribution towards KCWWF, revenue items, etc. shall be effected by the Treasury Officer concerned and credited to the respective head of account/TSB /Bank Account.

11. The deduction on account of retention money withheld from each bill shall be transfer credited to the deposit head of account 8443.

12. The Divisional Officers shall keep separate registers for recording the details of passed work bills.

DEPOSIT WORKS

13. The existing Special Letter of Credit system shall continue for the deposits made upto 31/03/2016. Additional deposits made after this date shall be processed through the new system as a separate bill. The Treasuries shall furnish the details of the amount deposited in the treasury to NIC by the end of every month to update the details in EMLI system. The Treasury bills against special letter of credit shall be prepared by the Divisional officer in Form TR65 generated through EMLI system. In the case of works undertaken by Divisional Officers under the head of account 8443 Deposits, the payment shall be released by the treasury directly to the TSB Account/bank account of the contractor based on the Special Letter of Credit issued from the Finance Department.

14. The Divisional Officers shall submit the deposit work bills, including centage charges, along with Form TR 59 (E) to treasury for payment based on special LoC. The centage charges shall be added to and recovered from part bills proportionately.

15. The Divisional Officers shall furnish a detailed statement showing all the balances of deposits to the respective treasuries in the proforma shown in Annexure-II. The Divisional officer shall ensure that the balances unclaimed for more than three years are credited to the revenue receipt head and the balances under Deposit Accounts minimized to the possible extent.

16. For other payments like the release of retention money, cash security, etc. from the 8443 PW Deposit maintained in the treasury, the Divisional Officer shall submit the bill in Form TR 65 along with a proceedings containing the details such as bill No, date, description of the item, chalan remittance details, etc. Balance of deposit after making final payment shall be refunded to the department/agency concerned through the refund bill prepared by the Divisional officer in Form TR65.

Payment against Promissory Notes

17. Upon issuance of the order for payment under Bill Discounting System (BDS), the Divisional/Sub Divisional Officers shall submit Form TR 59 (E) along with work bills to transacting treasuries corresponding to the Promissory Notes. The bill shall contain the deduction items like Revenue, Income Tax, VAT, Contribution to KCWWF, etc. and shall contain the certificate that payment due to the contractor was sanctioned through Promissory Note under BDS.

18. The Treasury officer shall authorise the bill by debiting concerned functional head of account and transfer credit the net amount to the remittance head 8782-102-98 after effecting statutory deductions on settling the claim to the banks.

19. The District Treasury Officer, Thiruvananthapuram shall transfer credit the necessary fund for the discounting charge portion of the Promissory Note (PN) to the remittance head 8782-00-102-98 for effecting the payment against the same.

20. The District Treasury Officer, Thiruvananthapuram shall honour the promissory note when presented, by debiting from the h/a 8782-00-102-98 and disburse the amount to the concerned account of the bank through e-POC.

21. The District Treasury officer, Thiruvananthapuram shall claim and disburse the discounting charge to Banks in Form TR 59 (E) based on orders issued by the Government from time to time.

22. Necessary modifications to codal provisions will be issued later.

AUTOMATION

23. The National Informatics Center shall make necessary modifications in EMLI software to generate the bill form 59 E/TR 65 based on the letter of credit. Necessary provision in EMLI software shall also be made to enter DDO code of Divisional /Sub Divisional officers.

24. The Divisional Officers shall enter the DDO codes of Sub Divisional Offices also under their control and ensure the correctness of the mapping of these codes.

25. The contractor details in the EMLI system shall be updated with the details of TSB /Bank Account of the contractor. The contractors shall also be provided with a window to view the details of their bill in 'EMLI'.

BY ORDER OF THE GOVERNOR,

Dr. K.M. ABRAHAM
ADDITIONAL CHIEF SECRETARY (FINANCE)

To

The Principal Accountant General (A&E/G&SSA), Kerala, Thiruvananthapuram.
The Accountant General (E&RSA), Kerala, Thiruvananthapuram.
The Director of Treasuries, Thiruvananthapuram.
All District/Sub Treasury Officers (Through Director of Treasuries).
All Heads of Departments/Secretaries, etc.
Forest Department.
Irrigation Department.
Harbour Engineering Department.
Public Works Department.
The Principal Chief Conservator of Forests, Thiruvananthapuram.
The Chief Engineer, KSTP, Thiruvananthapuram.
The Chief Engineer, PWD (Roads & Bridges), Thiruvananthapuram.
The Chief Engineer, PWD (Buildings), Thiruvananthapuram.
The Chief Engineer, PWD (NH), Thiruvananthapuram.
The Chief Engineer, Harbour Engineering Department, Thiruvananthapuram.

The Chief Engineer, Irrigation & Administration, Thiruvananthapuram.
The Director, Information & Public Relations Department (For Press release).
Finance (Budget.A/E) Department.
✓ The Nodal Officer, www.finance.kerala.gov.in
Stock File/Office Copy

Forwarded/By Order


Section Officer

Annexure II

DETAILS OF PENDING 8443 DEPOSIT ACCOUNTS TO BE TRANSFERRED TO TREASURY

| Sl No | Description of Item/Name of Work | Amount in Rs. | Nature of Deposit like Retention, Security, Deposit for Work, etc. | Name of Payee/Name of Remitter in case of Deposit Work, etc. | CBR No./ TE No./ Chalan No. and Date | Remarks, if any |
|--------------|----------------------------------|---------------|--|--|--------------------------------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total in Rs. | | | Rs. in words: | | | |

Certified that proper reconciliation has been done by us and all the balances outstanding in the 8443 Deposit Accounts are found to be correct. Further, certified that the total amount under column No.3 of the above table tallies with the total amount of all the balances outstanding in the 8443 Deposit Accounts. No item in the 8443 Deposit Accounts is left pending for transfer to the Treasury.

Sd/-

DIVISIONAL ACCOUNTS OFFICER
..... Division

Sd/-

DIVISIONAL OFFICER
..... Division

Place:

Date:

Below Rs..... (Rupees in words)

TR- 59(E)

(Vide G.O. (P) No.42/2016/Fin dated 22.3.2016 & G.O. (P) No.43/2016/Fin dated 26.03.2016)

NATURE OF CLAIM-

Name of Treasury

Name of Dept
D D O Code

Name of DDO
Designation of DDO

Name of office.....

PEN of DDO
PAN/GIR

Bill No : (DDO Code + Type of payment+Serial No).....

| | | | | | | | | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|--|--|-------------------------|--|--|--|--|-------------------------|
| Expenditure Head of Account | | | | | | | | | | Plan (P) / non Plan (N) | | | | | Voted (V) / Charged (C) |
|-----------------------------|--|--|--|--|--|--|--|--|--|-------------------------|--|--|--|--|-------------------------|

CPS/CSS Ratio

| Sl.No. | Item description with Sanction order number and date | Gross Bill Amount | Deductions |
|--------|--|---------------------------|---|
| | | Rs. | Rs. |
| | | | 1. Income Tax..... 2. WWFB..... 3. VAT..... etc... |
| Total | | A= | B= |
| | | Net Amount, C=A-B=Rs..... | |

Mode of payment..... (Transfer credit to Treasury account/other accounts/cash)
Account NO, IFSC code, etc...
Payees particulars :

Please pay the amount as detailed above. This bill is prepared strictly in accordance with the codal provisions, rules and regulations. The amount claimed in this bill has not been drawn previously.

Signature of DDO

Appropriation vide LOC, GO number and date :
Expenditure in this bill :

Balance available

Signature of DDO/Controlling officer

Pay Rs..... (Rupees.....
Rs.(Rupees.....
Rs.(Rupees.....

only) in CASH/cheque
only) by RBR and
only) by Transfer Credit to
Treasury/Bank account

Pay Order Cheque No./UTR No. Date.....

Accountant

Treasury Officer

Pay Order Cheque issued by

Space for audit enforcement