

2(2)

By Speed Post/Fax
MOST IMMEDIATE

No. 1/15/2012-Bud./329.
Government of India
Ministry of Water Resources

New Delhi, dated August 4, 2012

To

Heads of
All Organisations/SMDs.

Sub: Cash Management System in Central Government – modified exchequer control based expenditure management and restrictions on expenditure during the last quarter of the Financial year:-reg.

Sir,

I am directed to enclose herewith a copy of Ministry of Finance, Department of Economic Affairs' O.M. No. 21(1)-PD/2005-Vol.II dated 30.07.12 (along with enclosures) on the subject cited above and to request to furnish the Monthly Expenditure Plan (MEP) and Quarterly Expenditure Allocations (QEA) in the prescribed format (Annexure-A) in respect of schemes monitored by the concerned SMDs/Organisations to the Budget section of MoWR by **17.08.12**. It is also requested that instruction of MoF regarding FRBM ceiling on expenditure (33% of BE during the last quarter and 15% of BE during the month of March) and other instruction issued by MoF from time to time may please be adhered to. During preparation of MEP and QEA, expenditure already incurred up-to June 2012 may please be taken care of.

From FY 2013-14, a copy of expenditure plan and quarterly expenditure plan for the whole year in the prescribed format may please be provided along-with Budget proposals for incorporating in the Detailed Demands for Grants.

Encl: As above.

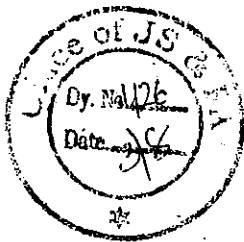
Yours faithfully,



(Vijay Srivastava)
Under Secretary (Budget)
Tel. No. 2371 9302

Copy to:

ADG(Stat)/JS(A&PP)/Commr(Ganga)/Commr(PR)/Commr(Indus)/Commr(B& B), MoWR.



F. No.21(1)/-PD/2005-Vol-II
Ministry of Finance
Department of Economic Affairs
Budget Division
(Cash Management Cell)

Room No.263-B, North Block,
New Delhi, dated July 30, 2012.

OFFICE MEMORANDUM

Sub: Cash management system in Central Government — modified exchequer control based expenditure management and restrictions on expenditure during the last quarter of the financial year - reg.

The undersigned is directed to refer to Office Memorandum of even number dated January 10, 2006 regarding introduction of exchequer control based expenditure with effect from April 1, 2006 and November 2, 2011 further extending it to 46 Demand for Grants.

2. Based on the recommendation of 51st Report of the Standing Committee of Finance on Demand for Grants (2012-2013) of Ministry of Finance, it has been decided that henceforth, all the Demand for Grants irrespective of whether they are covered under the Cash Management System or not, are required to prepare and send their Monthly Expenditure Plan (MEP) and Quarterly Expenditure Allocations (QEA) to the Cash Management Cell for better monitoring and compliance of the guidelines of the Ministry of Finance regarding the expenditure management.
3. The Financial Advisor would be responsible for furnishing the requisite information to the Cash Management Cell. A nodal officer may be nominated for the purpose as all the Demand for Grants are likely to be covered under the Cash Management System with in due course.
4. In respect of each Demand for Grants, Monthly Expenditure Plan (separately for Plan and Non-Plan Expenditure)(MEP) would be worked out and included as an annex to Detailed Demands for Grants in respect of the said Demands for Grants. Suggested format is at Annexure-I.
5. The required information relating to actual may kindly be emailed at cashmgtsystem-dea@nic.in every month. It may also be ensured that this information is sent to this Ministry in the enclosed proforma by 15th of every month.
6. The guidelines mentioned in the OM of even No. dated December 27, 2006 would remain unchanged and may be followed in preparation of the MEP & QEA (Annexure-II).

pl. put up

[Signature]

(Pankaj Sharma)
Deputy Secretary to the Govt. of India

mp
we have to circulate
draft & show draft
To

1. All Financial Advisors.
2. Principal Director, O/o Comptroller and Auditor General of India.
3. Joint Controller General of Accounts.
4. All Directors/OSD/ABO/US/DD/Section Officers in Budget Division.
5. NIC, Ministry of Finance.

Open a separate file on this

[Signature]

SOT(B)

Demand No. _____

Name of the Ministry/Department _____

CASH MANAGEMENT SYSTEM IN CENTRAL GOVERNMENT																
	April	May,	June,	Q.E.A.I	July,	August,	Sept,	Q.E.A.II	Oct,	Nov,	Dec,	Q.E.A.III	Jan,	Feb,	Mar,	Q.E.A.IV
Monthly Expenditure Projection																
Plan																
Non-Plan																
Total																
Actual Expenditure																
Plan																
Non-Plan																
Total																

(Rs. in Crore)

F.No.21(1)-PD/2005
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

Room No.168A, North Block,
New Delhi dated December 27, 2006

Subject: Cash management system in Central Government - modified exchequer control based expenditure management and restrictions on expenditure during the last quarter of the financial year.

OFFICE MEMORANDUM

The undersigned is directed to refer to Office Memorandum of even number dated January 10, 2006 regarding introduction of exchequer control based expenditure with effect from April 1, 2006.

2. Based on the working of the scheme, it has been decided to expand and modify the Scheme as detailed below.
3. The Modified Cash Management System seeks to achieve, *inter alia*, the following objectives -
 - (i) Obtain greater evenness in the budgeted expenditure within the financial year, especially in respect of items entailing large sums of advance releases and transfers to corpus funds.
 - (ii) Reduce rush of expenditure during the last quarter, especially the last month of the financial year.
 - (iii) Reduce tendency of parking of funds.
 - (iv) Effectively monitor the expenditure pattern.
 - (v) Better planning of Indicative Market Borrowing Calendar of the Central Government.
4. The Scheme shall apply in respect of 23 Demand for Grants listed in Annex I, including 9 to which the Scheme is being extended with effect from financial year 2007-08.
5. Financial Advisor would be responsible for the implementation of the modified expenditure management system. He/she may nominate a nodal officer for the purpose.
6. In respect of each Demand for Grant, Monthly Expenditure Plan (separately for Plan and Non-Plan Expenditure) [MEP] would be worked out and included as an annex to the Detailed Demand for Grant in respect of the said Demand for Grant. Suggested format is at Annex-II.

7. MEP would form the basis of Quarterly Expenditure Allocations [QEA]. The Department/Ministries concerned may not issue cheques beyond the Quarterly Expenditure Allocation [which would be equal to the sum of provisions under Monthly Expenditure Plan], without prior consent of Ministry of Finance [Cash Management Cell, Budget Division].

8. The MEP may be finalized taking into account the following –
(a) MEP for the month of March may not exceed 15 per cent of the budgeted provision [Budget Estimate];
(b) MEP for the months of January-March may be so fixed that the QEA for the last quarter may not exceed 33 per cent of the budgeted provision; and
(c) The extant guidelines of Ministry of Finance, Department of Expenditure, including D.O.No.7(3)/2006/E.Coord, dated December 21, 2006.

9. The exchequer control would apply cumulatively at the Demand for Grants level only, i.e. inter se variations between months within a quarter, between plan and non-plan and between schemes would be permissible, subject to statutory restrictions and extant guidelines.

10. Savings, if any, incurred under the Quarterly Expenditure Allocations would not be available for automatic carry forward to the next quarter. The Department/Ministry may, however, approach Ministry of Finance for revalidation of such savings through modification in the Monthly Expenditure Plan and thereby Quarterly Expenditure Allocation. **Spill over in respect of Monthly Expenditure Plan, not inconsistent with Quarterly Expenditure Allocation would not require prior revalidation from Ministry of Finance but may be included in the quarterly modification.**

(11) Ministry of Finance would consider such requests for revalidation within a period of 15 days of receipt of such request, failing which the request for revalidation would be deemed to have been granted.

(12) The Monthly Expenditure Plan and Quarterly Expenditure Allocations pertaining to the 4th quarter of the financial year would be subsumed in the finalization of Revised Estimate for the financial year.

(13) The Monthly Expenditure Plan and Quarterly Expenditure Allocations may be made in gross terms.

(14) In addition to the above, it is advised that even in respect of Demand for Grants not covered by the modified exchequer management system, the expenditure in the last quarter of the financial year may not exceed 33 per cent of the Budget allocation for the Demand for Grants. However, in the event of Revised Estimates being fixed lower than the Budget Estimate, actual expenditure may be kept within the Revised Estimate.

It is clarified that the above provision shall apply in the current financial year as well.

-3

12/15

(15) This Office Memorandum supersedes the Office Memorandum of even number dated January 10, 2006.

(16) Receipt of this Office Memorandum may kindly be acknowledged.

V.S. Chauhan
(V.S. Chauhan)
OSD (Budget)
E mail chauhan@nic.in

To

1. All Financial Advisors.
2. Principal Director, O/o Comptroller and Auditor General of India.
3. Joint Controller General of Accounts.
4. All Directors/OSD/ABO/US/DD/Section Officers in Budget Division.
5. NIC, Ministry of Finance.