

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Withdrawal of funds from Deposit Accounts – Certain instructions - Orders – Issued.

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FINANCE PLANNING (W&M) DEPARTMENT

**G. O. Ms. No.43**

**Dated:22-04-2000**

Read the following:-

1. G. O. Ms. No.135 GA (Cabinet) Department, Dt: 12-4-2000.

**ORDER:**

A Cabinet Sub-Committee on Zero – Based budgeting was constituted in the G. O. Read above to supervise the preparation and implementation of Zero-based Budgeting. The committee met and discussed the overall availability of resources and the need to bring about greater economy and efficiency in the deployment of available manpower and financial allocations to achieve the targets under vision –2020. The Cabinet sub-Committee also recognized the need to give top priority to settle the pending commitments of the Government. The committee also felt that there is a great need to regulate the expenditure under various Deposit Accounts.

2. After careful examination, Government decided to classify all the Deposit Accounts into three categories as follows:

- a) **Non-Lapsable Deposit Accounts:-** These Deposit Accounts under which the Local Bodies, Institutions, corporations, State Undertakings and other Deposits Account Holders deposit the amounts which are collected as their own collections like deposit the amounts which are collected as their own collections like taxes collected by the Local bodies, Special Fees collected by the educational Institutions Other Fees and user Charges collected directly from the public under the provisions of their statutes and by-laws which authorize to collect these amounts directly from the public in the shape of Fees or Service charges. A Part from their own collections, if the amounts are deposited in these accounts on account of statutory devolution like Property Tax, Professional Tax, Entertainment Tax etc., and the statutory grants received from the Government, such deposits will also be categorized as non-lapsable.
- b) **Lapsable Deposits as per the Codal Provisions:-** Amount deposits under these funds will get lapsed as per the codal provisions. In other words, in case of Revenue Deposits, civil and Criminal Court Deposits, Official Receiver Deposits, Caution Money Deposits, the amount deposited will get lapsed to the Government, under article 271 of AP Financial code, Volume-.
- c) **Lapsable Deposits as per Government Orders:-** These deposits generally will consist of the funds deposited on account of execution of various schemes and works sanctioned by the Government from time to time. The PD Accounts are for engineering funds of the Local Bodies, RWS, Public Health Department and funds released to various Institutions

/Corporations/ Local bodies, State Undertakings to execute specific schemes sanctioned by the Government. Under these deposits all funds released during the particular financial year shall lapse by the 31<sup>st</sup> March of the next financial year. Accordingly all funds released on or before 31-3-1999, under the Schemes sanctioned before 31-3-1999 and which remained unspent as on 31-3-2000 shall lapse on 31-3-2000. Hence, all the Public Accounts are now classified into above there Categories and are enclosed herewith the Annexure-I.

**3. PROCEDURE FOR WITHDRAWAL OF FUNDS:**

As present, there is not uniform procedure adopted throughout the Stage for withdrawal of funds from Deposit Accounts, Generally in case of Local Bodies, all the deposit account cheques are being routed through the Treasury Officers. In case of Agrl. Market committees, Educational Institutions and other Personal Deposit Accounts. Deposit Account holders are directly sending the cheques to the Banks for withdrawing the funds. After making payments, Banks are sending paid cheques to the Treasury officers for record. To simplify the procedures as apart of wise Administrative Reforms, Government hereby orders the following procedure for withdrawal of funds from the Deposit Accounts:

- i) In case of non-lapsable Deposit Accounts (Category-A) the treasury officers shall issue LOCs to the banks in favour of the Deposit Administrator on the basis of distribution proceedings of the concerned Head of Department. Such LOCs would be non-lapsable at the end of the financial year. It is also decided to permit the Deposit Account holders, to withdraw funds directly from the Banks without routine through the Treasury Officers based on the LOCs issued by the treasury officer to the extent of receipts available in the deposit account. The Deposit Administrator shall present cheques along with the formats and certificate prescribed in Annexure-II. The bank shall not honor the cheques over & above the balances available at the credit of the deposit administrator. Treasury Officer shall have the right to issue instructions to the concerned banks to stop further payments on that particular Deposit Account under which any deficiency or any procedural irregularity is noticed till the correction is made by the Deposit Administrator.

In the case of Panchayat Raj Fund, there is only on PD Account for statutory grants as well as specific purpose grants. All Deposit Administrators of Panchayat Raj Funds shall continue of route their cheques along with information of as per formats and certificates under Annexure-II, through the treasury officer concerned as per present practice. The treasury officer shall scrutinize and authorize payments for those deposits which fall under category 'A' & 'B' subject to balances available. For lapsable grants as per category 'C' above, the treasury officers shall scrutinize the lapsability of funds released to Panchayats and credit back to the treasury the unspent balances as on 31-3-2000. for the balance amounts, they shall authorize as per procedure prescribed for category 'C' deposits.

- ii) All the treasuries are instructed that the Deposits under category 'B' are withdrawn as per the codal provisions under which bills/cheques shall be presented to the treasuries by the Deposit Administrators along with the format and certificate under Annexure-II to this order. On receipts of bills/cheques, treasury officer shall verify the

- correctness of the claim and un-lapsed balance available under the Deposit before authorization for payment is accorded.
- iii) All Deposit Administrators shall ensure that the cheques drawn under “Lapsable Deposits” as per Government orders under category ‘C’ above along with the format and certificate prescribed under Annexure-II shall be routed through the concerned treasury officers. Treasury officers, before countersigning the cheques, shall scrutinize the information in the format on the Deposit Account and the certificate given in the Annexure-II. After being satisfied with the information and the eligibility of the claim, the treasury officer concerned shall countersign the cheques for payment.
- iv) As already stated under category ‘C’ “Lapsable Deposits”, all the funds released on or before 31-3-99 under the schemes sanctioned before 31-3-99 and which remained unspent as on 31-3-2000, shall lapse on 31-3-2000. Hence, for all these Accounts, treasury officers must obtain the entire information scheme-wise as per the format and certificate prescribed in Annexure-II and scrutinize the accounts. They shall only make payments under those schemes of which the funds were released during 1999-2000 but remained unspent on 31-3-2000. All PAOs/DTOs/STOs are therefore instructed to credit back the unspent balances under SH-79 (Remittance to consolidated fund from Deposit Account) to be opened under Minor Head 800 (Other Receipts) under Department Receipt Major Head for all the unspent balances as on 31-3-2000 pertaining to the schemes sanctioned before 31-3-1999.
4. If the Deposit Account holders wish to get any lapsed unspent balances revalidated, they shall have to submit fresh proposals to their respective Departments and obtain priority for allocation within their budgetary provision for the year 2000-2001 with the concurrence of the Finance Department.
5. As per article 3 of AP Financial code, unless the amount is immediately required to be paid for the goods & services received/works done no amount shall be withdrawn. In pursuance of this, it hereby stipulated that no self cheque from Deposit Account shall be permitted except for the salaries and petty office expenses. No cheque in the name of Manager of any bank shall also be allowed, so as to cut done the bad practice of depositing the amount in the banks to avoid lapse of funds. Any deviations to these stipulations, the deposit administrator and the treasury officers shall be held personally responsible.
6. All the PD Account Administrator are required to reconcile their balance with those of treasury and bank issue a certificate of acceptance of balances to the treasuries within a fortnight ending each quarter failing which treasury officer may direct the Bank to stop further payments till the reconciliation is done and certificate of acceptance of balances if furnished.
7. All the Officers are instructed to follow the above instructions scrupulously.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S. KARORA,  
PRINCIPAL SECRETARY TO GOVERNMENT

To

All special Chief Secretaries/Prl. Secretaries/Secretaries to Government.  
ALL E.O Prl. Secretaries/E.O Secretaries to Government.  
All Departments of Secretariat.  
All Heads of Departments.  
All Administrators of Deposit Accounts/ PD Accounts.  
Directors of Treasury & Accounts, AP, Hyderabad.  
The Pay & Accounts Officer, Hyderabad.  
All District Treasury Officer, Hyderabad.  
All Sub-Treasury Officers.  
The Secretary to Chief minister.  
Secretary to Government, Planning Department.  
All Secretaries in Finance & Planning Department.  
Private Secretaries to all ministers.  
The PS to Chief Secretary to Government.  
The PS to Secretary to (PC-II) GAD.  
The PS to Secretary (Service) GAD.

Copy To:

The Accountant General (A&E), AP, Hyderabad.  
The Accountant General(Audit) , AP, Hyderabad.  
The General manager, State bank of India, Hyderabad.  
The General Manager, State bank, of Hyderabad, Hyderabad.  
Peshi of Principal Secretary Finance.  
SF/SCs.

//FPRWARDED::BY ORDER//

SECTION OFFICER.

//TRUE COPY//

GOVERNMENT OF ANDHRA PRADESH  
FINANCE AND PLANNING (PROJECTS WING) DEPARTMENT

**End. No. 2370/f3(1)/2001-1**

**Dt: 25-4-2000**

Copy communicated to all officers and sections officers, Joint Director of Works  
Accounts.

G. V. KRISHNAIAH,  
ASST. FINANCIAL ADVISER

To  
All Officers,  
All Joint Director of Works Accounts of major Projects,  
All S. Os,

Copy To:  
Pre chefck SE/SCs.

//FPRWARDED::BY ORDER//

SECTION OFFICER.

Office of the  
Joint Director of Works Accounts,  
(Director of Works Accounts)  
SAC Barrage, Dowlaiswaram.

**End. No. DOA/SACB/SN.A/A.2/2000-2001/38**

**Dt: 2-5-2000**

Copy communicated to all Pay & Accounts Officers/Asst. Pay & Accounts Officers  
for information and necessary action.  
Copy to Sections, A, B, & C.

Sd/-  
Joint Director of Works Accounts,  
(Director of Accounts)  
SAC Barrage, Dowlaiswaram.

//t.c.f.b.o//

Superintendent.