

Kerala Gazette No.44 dated 9th November 1976

PART I

GOVERNMENT OF KERALA

Abstract

INTER-GOVERNMENTAL TRANSACTIONS – PROCEDURE TO BE FOLLOWED
FOR SETTLEMENT OF – ORDERS ISSUED.

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FINANCE (B.W.) DEPARTMENT

G.O. (P) No.336/76/Fin.

Dated, Trivandrum, 28th October, 1976

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Read:- Letter No.F1 (57)-B/74 dated, 12-10-1976 from the Government of India,
Ministry of Finance, Department of Economic Affairs, New Delhi.

ORDER

Based on the recommendations contained in the Second Report of the Team on Reforms in the structure of Budget and Accounts, the Government of India in the letter read above (copy annexed) have set out the principles and procedure to be followed with effect from 1-10-1976 in regard to settlement of Inter-Governmental transactions on account of supplies made or services rendered by one Government to another.

2. Government are pleased to order that the principles and procedure laid down in the Government of India letter will be followed for settlement of Inter-Governmental transactions with effect from 1-10-1976.

By order of the Governor

G. JEOTHI

Joint Secretary

To

The Accountant General, Kerala, Trivandrum.

All Heads of Departments and Offices.

The Secretary, Kerala Public Service Commission, Trivandrum. }

The Secretary, Kerala State Electricity Board, Trivandrum. } (with C.L.)

The Registrar, High Court, Ernakulam. }

The Registrars, University of Kerala/Cochin/Calicut. }

The Secretary to Governor.

G.2116

Annexure

COPY OF THE LETTER No.F1 (57)B/74 DATED, 12-10-1976 FROM THE GOVERNMENT OF INDIA, MINISTRY OF FINANCE, DEPARTMENT OF ECONOMIC AFFAIRS, NEW DELHI.

Sub:- Inter-Governmental transactions – Procedure to be followed for settlement of.

I am directed to state that the question of adoption on a reciprocal basis the procedure in regard to settlement of inter-Governmental transaction on account or supplies made or services rendered by one Government to another, as recommended in paragraph 13.7 of the Second Report of the Team on reforms in the structure of Budget and Accounts, has been considered by the Government of India in consultation with the State Governments. All the Governments have accepted the recommendations of the Team in this regard. Accordingly, it has been decided that effective from the 1st October, 1976 the principles and procedure set out in the following paragraphs will be followed for settlement of inter-Governmental transaction on account of supplies made or services rendered by one Government to another.

2. In all cases claims for an amount not exceeding Rs.1,000, in each case, no monetary settlement will be resorted to. However, in respect of the following claims monetary settlement should be made irrespective of the amount.

(i) claims relating to commercial departments/undertakings of a Government which are required to work to a financial result, for services rendered or supplies made to or by them; and

(ii) incidence of charges, viz, leave salary, pension, etc, arising out of inter-Governmental deputations of individual Government Servants, which will continue to be regulated by the rules laid down in Appendix 3-B to Account Code, Volume I.

3. For transactions above the limit of Rs.1,000 and where the supplies/services are to be paid for irrespective of any monetary limit, the settlement will be made through cheques/bank drafts by the supplied Government. The procedure to be followed for making the monetary settlements in these cases, (i) between the State Governments inter se and (ii) in respect of supplies/services to a Central Government Department, will be as indicated below:

(i) Between the State Governments inter se

The concerned officer of the Government in receipt of the supplies or services will present a tall at the Treasury for the cost of services or supplies, along with the accepted invoice and a requisition for a bank draft in favour of the officer concerned in the supplying Government and remit the bank draft so obtained to the latter who will present it at the Treasury for encashment and crediting to the proper head of account.

(ii) Between a State Government and a Central Government Department (Including Defence, Railways and Posts and Telegraphs Departments, besides Civil);

The Department of the Central Government which received the supplies/services will present a bill along with the accepted invoice to its own Accounts Officer concerned who will make the payment by cheques/bank drafts drawn in favour of the officer concerned of the supplying Government, in settlement of its claims.

In the reverse case of supplies/services rendered by a Central Government Department, the cheques/bank drafts received by it from the supplied Government will be presented by it to its Accounts officer for encashment and credit to the proper head of account. In case the departmental officer is himself in account with a branch of the bank, the cheque/bank draft will be remitted by him to the bank with chalan showing particulars of the Head of account, for credit to Government account.

4. The Union Territory Governments will also follow the procedure indicated above as may be applicable to them for settlement of their inter-Governmental transactions arising out of services rendered or supplies made by to them.

5. These instructions will not apply to payments to suppliers, arranged by the Government of Supply in the Ministry of Supply and Rehabilitation, for purchases made by the State Governments, etc. through the Directorate General Supplies and Disposals, in regard to which the procedure laid down in this Ministry's letter No.F.1 (43)-N/73 dated, the 31st July, 1975 will continue to hold good.

6. The procedure to be followed for realisation of Customs duty on goods imported by the various Governments/Departments will be laid down separately by the Department of Revenue and Banking (Revenue Wing). Similarly, the procedure to be followed for settlement of claims relating to supplies made by the Medical Stores Depots to various Governments/Departments will be prescribed separately by the Department of Health in the Ministry of Health and Family Planning.

6. The receipt of this letter may please be acknowledged.

Yours faithfully

(Sd/-)

KUMARI SOMI TANDON

Under Secretary to the Government of India