



GOVERNMENT OF SIKKIM
FINANCE, REVENUE AND EXPENDITURE DEPARTMENT
GANGTOK, SIKKIM

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C I R C U L A R

Although Finance, Revenue and Expenditure Department (FRED) is taking all possible efforts to release the resources in time, some departments have been complaining about delayed release of resources in various forums. In this connection, the previous circular no. 3(242)-Bud/52 dated 6th July 2010, 4(370) 2009-10/16 dated 2nd May 2012 and 1(8)87-88/Bud/Fin/25 dated 12.2.2013 are to be referred which specifically details about the procedures and guidelines for release of resources.

It is reiterated that release of resources for central earmarked schemes such as Centrally Sponsored Schemes, NEC, NLCPR etc to the departments are only against receipt of fund from Government of India apart from provision in the Budget and on receipt of proper requisition from the department as per the procedure laid down in the circulars mentioned above. However, it has been found in a number of cases that the departments do not comply with these formalities which eventually delay the entire process of releasing the resources.

Further, it is to mention that in some instances the funds from the Government of India remitted to the State Government through cheques/drafts gets considerably delayed for their clearance. Needless to mention that unless the cheques/drafts are cleared and the proceeds credited into the State Government account, resource cannot be released merely on the fact that the instrument of fund transfer from GOI has been received as the accounting software under the SIFMS has been devised to release resource only against actual credit of the fund in the Government account. This system is absolutely necessary to monitor and manoeuvre the liquidity in the bank. FRED has been requesting the concerned Ministries to release the funds through RTGS to avoid delay. Concerned departments are also advised to take up the matter on priority with their respective Ministries in the Government of India for transit from the present system of forwarding funds by cheques but to remit through effective mechanism of RTGS system.

In other instances the funds though remitted through RTGS their sanctions are conveyed very late. Absence of sanction orders on the other hand makes it difficult to identify the fund and delays for effective credit into the proper head of account. The departments are, therefore, requested to forward the sanction letters immediately. In number of cases the funds from the State Treasuries have to be released within a specified time failing which penalty in the form of interest are charged. The Resource Controlling Officer (RCOs) should, therefore, be in constant touch with FRED and timely provide the sanction letters and the requisition for resource to closely monitor the release of resources.

Principal Secretary
Finance, Revenue and Expenditure Department