SIKKIM



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GOVERNMENT

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FINANCE DEPARTMENT GOVERNMENT OF SIKKIM

No. 1/FIN/ADM Dated: 01.04.2025

NOTIFICATION

In exercise of the powers conferred by Article 166(3) of the Constitution of India, the Governor of Sikkim makes the Sikkim Financial Rules, 2025, namely;-

Chapter I Introduction

1. Short title, extent, application and commencement :-

- (1) These rules may be called Sikkim Financial Rules, 2025.
- (2) They shall extend to the whole of the State of Sikkim.
- (3) These rules shall be applicable to all the State Government Departments, Offices and all Subordinate Authorities in the Government of Sikkim and all the Autonomous Bodies under the Administrative control of the State Government except to the extent the bye-laws of an Autonomous Body provides for separate Financial Rules approved by the State Government with the prior concurrence of Finance Department.
- (4) They shall come into force with effect from 1st day of April 2025.

2. Definitions:-

In these rules unless the context otherwise requires;-

- (a) "Accountant General" means the Head of the Office of Audit and Accounts subordinate to the Comptroller and Auditor General of India who keeps the accounts of the State and exercises audit functions in relation those accounts;
- (b) "Accounts Officer" means the Accounts Officer or Assistant Director or Senior Accounts Officer or Deputy Director or Deputy Chief Pay and Accounts Officer or Joint Director or Chief Accounts Officer or Chief Pay and Accounts Officer or Additional Director or Director or Principal Director of Sikkim Finance and Accounts Service posted in the Department or Autonomous body or Statutory Body for performing Accounts and Finance functions;

- (c) "Administrative approval" means the formal acceptance by the competent authority of a proposal for incurring any expenditure in the Department including the Projects or Schemes or Supplies initiated by or connected with the requirement of the administrative Department. It is, in effect, an order to execute certain specified proposal or works at a stated sum within a certain specified date to meet the administrative needs of the Department. However, no payment of any kind shall be made on the basis of administrative approval;
- (d) "Advance payment" means:-
 - (i) payment made on a running account to a contractor for work done but not measured:
 - (ii) payment of other advances as recommended by the Department for public procurements or as specified in the subordinate rules.
- (e) "Appropriation" means the assignment, to meet specified expenditure, of funds included in a primary unit of appropriation;
- (f) "Audit Officer" means the officer designated for audit under Directorate of Internal Audit and Local Fund Audit or any other officer authorised by the Government for Audit purposes:
- (g) "Bank" means the State Bank of Sikkim or any other scheduled bank;
- (h) "Competent authority" means, in respect of the power to be exercised under any of these rules, the Governor of Sikkim or such other authority to which the power is delegated by or under these rules, or any other general or special orders issued by the Government of Sikkim:
- (i) "Comptroller and Auditor General" means the Comptroller and Auditor General of India;
- (j) "Consolidated Fund" means the Consolidated Fund of the State referred to in Article 266(1) of the Constitution of India;
- (k) "Constitution" means the Constitution of India;
- (I) "Contingency Fund" means the Contingency Fund of the State established under the Sikkim Contingency Fund Act 1975, in terms of Article 267 (2) of the Constitution.
- (m) "Controlling Authority" means an authority entrusted with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term shall also include the Head of Department as well as Head of office;
- (n) "Department" means any Department of the Government of Sikkim as notified by the Government from time to time;
- (o) "Director, Treasury, Pay and Accounts Office" means the office of Principal Director or Director, holding the charge of Treasury at the headquarters and the respective Districts, subdivision, Departments as notified from time to time;
- (p) "Drawing and Disbursing Officer" means the officer from "Sikkim Finance and Accounts Service", declared as such by Finance Department on the recommendation of the Head of Department, to draw bills and make payments on behalf of the State Government;

Provided that:

- (i) in case of availability of members of the Sikkim Finance and Accounts Service in the Department or Office, only such Officer shall discharge such functions;
- (ii) in case of non-availability of any officer as above, any other officer of the Department other than the Head of Department or the Head of Office shall discharge such functions;
- (iii) in case of non-availability of any officer as above, in any office, the Head of Office may discharge such functions:

The term Drawing and Disbursing Officer shall also include the Head of Department where he himself discharges such function;

- (q) "Final payment" means the last payment on a running account made to a contractor in full settlement of the account relating to his contract when the contract has been completed or determined;
- (r) "Finance Department" means the Finance Department of the Government of Sikkim.
- (s) "Financial Advisors" means the senior most officer of the Sikkim Finance and Accounts Service, posted in the Department, who shall render advice to the Head of Department for control and monitoring of all financial business of the Department;
- (t) "Financial Sanction" means sanction required prior to actual drawal of funds as per budget provision available;
- (u) "Financial year" means the year beginning on the 1st of April and ending on the 31st of March following.
- (v) "Government" means the Government of Sikkim;
- (w) "Government Account" means the account relating to the Consolidated Fund, the Contingency Fund and the Public Account; as defined in these rules;
- (x) Governor means the Governor of Sikkim;
- (y) "Head of Department" is a Government servant in the rank of Secretary or above who is heading the Department. List of Departments for the purpose of these rules is contained in Appendix 1;
- (z) "Head of Office" means:
 - (i) a Gazetted Officer declared as such under these rules in relation to an identifiable establishment or establishment to exercise delegated financial powers under these rules:
 - (ii) any other authority declared as such under any general or special orders of the competent authority for administration of such rules other than exercising the financial powers.
- (aa) "Internal Audit" means Internal Audit Division under Finance Department headed by Principal Director or Director;
- (bb) "Local Body" means an authority legally entitled or specifically empowered by Government to administer a local fund;
- (cc) "Local Fund" means the funds that are defined in Sikkim Local Fund Audit Act, 2012 and necessary rules framed there under;
- (dd) "Local Fund Audit" means Audit carried out by the Directorate of Local Fund Audit on the funds managed by the Local bodies;

- (ee) "Non-recurring expenditure" means expenditure other than recurring expenditure;
- (ff) "Pay and Accounts Office" means the Pay and Accounts Office set up by the Government of Sikkim;
- (gg) "PRANALI" means an application developed by Finance Department under Sikkim Integrated Financial Management System which literally means a system;
- (hh) "Primary units of appropriation" are detailed heads or objects of expenditure under which a grant or appropriation is distributed and accounted for broadly under Revenue and Capital Major Heads. Each such detailed head constitutes a primary unit of appropriation. The primary unit may include provision for both voted and charged expenditure and in that case the amount of each is shown separately. Some of the primary units of appropriation are mentioned below:-
 - (i) Salaries;
 - (ii) Wages;
 - (iii) Travel expenses;
 - (iv) Office expenses;
 - (v) Rent for others;
 - (vi) Scholarships and stipends;
 - (vii) Motor Vehicles:
 - (viii) Allowances;
 - (ix) Medical Treatment;
- (ii) "Public account" means Public Account of the State referred to in Article 266 (2) of the Constitution:
- (jj) "Public Works" means Civil or Electrical or Mechanical works including public buildings, public services, transport infrastructure etc., both original and repair or any other infrastructure projects;
- (kk) "Re-appropriation" means the transfer of funds from one primary unit of appropriation to another such unit:
- (II) "Recurring expenditure" means the expenditure which is incurred at periodical intervals;
- (mm) "Resource Controlling Officer" means an officer from the Sikkim Finance and Accounts Service designated by the Head of Department for management of financial resources of the department. In the event of non-posting of Officer from Sikkim Finance and Accounts Service, the Head of Department shall appoint any other officer as Resource Controlling officer;
- (nn) "Sanction Communicating Officer" means an officer in the department nominated by the Heads of Department duly authorizing him to sign all orders relating to sanction of the expenditure and communicating the same to all concerned;
- (oo) "Sikkim Integrated Financial Management System (SIFMS)" means the online Integrated Financial Management System of the state to manage all the financial business of the state;
- (pp) "Subordinate Authority" means a department of the State Government or any authority subordinate to the Governor.

3. Interdepartmental Consultations:-

When the subject of a case concerns more than one Department, no order shall be issued until all such Departments have concurred, or failing such concurrence, a decision has been taken by or under the authority of the Cabinet. Every case in which a decision, if taken in one Department, is likely to affect the transaction of business allotted to another Department, shall also be deemed to be a case which concerns more than one Department.

4. Departmental Regulations of Financial Character :-

All Departmental regulations, in so far as they embody orders or instructions of a financial character or have important financial bearing, must invariably be made by, or with the prior approval and concurrence of Finance Department.

5. Removal of Doubts :-

Where a doubt arises as to the interpretation of any of the provisions of these rules, the matter shall be referred to the Finance Department for decision.

6. Modification of these rules :-

The systems and procedures established by these rules are subject to general or special instructions or orders, which the Finance Department may issue from time to time.

Chapter II General System of Financial Management

7. General rule for receipt of Government money :-

- (1) All moneys received by or on behalf of the Government either as dues of Government or for deposit, remittance or otherwise, shall be brought into Government Account without delay, in accordance with such general or special rules as may be issued under Articles 150 and 283(2) of the Constitution or any other orders issued by the Government from time to time.
- (2) All money received by or deposited with any officer, employed in connection with the affairs of the State in his capacity as such, other than revenues or public moneys raised or received by the Government, shall be paid into Public Account of the State as laid down under Article 284 of the Constitution.
- (3) All money received or deposited with any Court in the State shall also be paid into the Public Account.
- (4) The Head of account to which such moneys shall be credited and the withdrawal of money there from shall be governed by the List of Major and Minor Heads of Account prescribed by the Ministry of Finance, Government of India from time to time.

8. Assessments, collections and checks of revenue :-

- (1) The head of every department or office shall be responsible to ensure that all revenue, receipts or other sums due to Government are regularly and promptly assessed, realized and credited to Government account under the relevant head of account. He shall arrange to have the accounts of such receipts maintained in the prescribed forms. He shall obtain from his subordinate officers' monthly returns detailing the dues, the realization and the arrears and review these returns promptly and issue suitable directions to the concerned official/s to expedite the collection of the outstanding.
- (2) The account of departmental receipts should be compiled monthly from the original documents received in proof of the amount having been credited to Government account. The bank receipts and/or challan so received must be verified and reconciled with the concerned bank periodically and the reconciled monthly account of such receipt shall be submitted to Finance Department in the Form 2.1 on or before the 10th of every succeeding month.
- (3) Any amount due to Government shall not be left unrealized without sufficient reason. If any amount appears to be irrecoverable, order of the competent authority should be obtained for enforcing or expediting the recovery or for their write-off with the concurrence of Finance Department.
- (4) The Head of a department is responsible for the collection of revenue on behalf of the department and shall keep the Finance Department informed of the progress of collection of revenue under his control. The progress of collection of revenue under his control and any important variation in such collections as compared with the budget estimates shall be brought to the notice of the Finance Department.
- (5) Every authority having the power to impose and realize a fine shall ensure that the same is realized promptly and credited to Government account. Proper accounts of fines levied and collected shall be maintained by the authorities concerned.

- (6) Detailed rules and procedure regarding assessment and collection of revenue shall be laid down in the regulations of the department responsible for the collection of revenue.
- (7) In Departments in which officers are required to receive money on behalf of Government and issue receipts thereof, the departmental regulations should provide for the maintenance of a proper account of the receipt and issue of the receipt books, the number of receipt books to be issued at a time to such officer and a check with the officer's accounts of the used books when returned.
- (8) Unless specially authorised by any rule or order made by competent authority, no money shall be credited as revenue by debit to a suspense head. The credit must follow and not precede actual realization.
- (9) The Head of Department or Office/s shall watch the realization of Government revenue regularly. He shall also watch the miscellaneous demands of Government, not falling under the ordinary revenue administration, such as reimbursement of expenditure from various Ministries of Government of India, Non-Governmental Organizations, Companies, Industries, other State Governments, Local Funds, contractors and others, towards establishment expenditure and credit the proceeds under relevant receipts head of the Government.
- (10) Rent from Buildings and other properties:
 - (a) the Head of Department concerned as well as the Head of Office shall be responsible for recovery of the rent of Government buildings or any license fees or charges recoverable for providing government accommodation and services. They shall regularly monitor, recover in full and credit the same to Government account:
 - (b) the procedure for the assessment and recovery of rent of any building hired out will be regulated generally by the rules notified by Buildings and Housing Department, Government of Sikkim or by any other order issued by the Government from time to time.

9. Refunds or remission or abandonments of claims to revenue or other dues of Government:-

- (1) All sanctions to refund of revenue to which claimants may be entitled under the provisions of any law and/or rules made there under, shall be regulated by the orders of the departmental authorities only with the concurrence of Finance Department. All refunds of revenue shall be made by Finance Department or by such department wherein powers have been delegated by Finance Department. A copy of the sanction shall be endorsed to the Accountant General and the Director, Treasury, Pay and Accounts Office. The sanction should also be quoted in the bill.
- (2) Before a refund of revenue to which a claimant is legally entitled is made, the original demand or realization, as the case may be, must be traced and a reference to the refund should be so recorded against the original entry in the cash book or other documents as to make the entry a double or erroneous claim impossible. A certificate of such a note having been made must be given in all vouchers for refund by the Drawing and Disbursing Officer.
- (3) In case of wrong and irregular deposits, establishment charges at the rate of 5% (five percent) of the deposit shall be deducted from the refundable amount and deposited into relevant revenue heads as prescribed by Finance Department from time to time.

- (4) The refund bill shall be prepared after deducting establishment charges, if applicable, plus other mandatory deductions from the total refundable amount. The amount so deducted shall be adjusted to the relevant receipt head(s) through separate transfer entries.
- (5) The word 'refund' referred herein will not be applicable in cases where the refund is made for excess deductions from the individual's pay and allowances, excess recoveries from contractor or suppliers, refunds as per Government rules and orders and refunds of cost of tender form of participating tenderer on cancellation of tenders by the Government.
- (6) No claims to revenue or other dues to Government shall be remitted or abandoned without the sanction of the Finance Department. However, remission of revenue allowed before collection are to be treated as reduction of demands and not as refund.

10. Procedure for paying money into Government account :-

- (1) Any person paying money into the Bank shall present with it a challan in Form 2.2 showing distinctly the nature of the payment, name of the payee, Department or office on whose account the payment is to be made and proper account classification of the credit. Separate challan shall be used for money creditable to different heads of accounts.
- (2) Deposits of Government revenue through digital platforms shall also be accepted by the Government on production of proof of such deposit or online auto receipts that is verified by the Department. However, payers' copy of receipts for such amount shall be automatically generated by the system for the use by the depositor.
- (3) The challan shall be prepared in duplicate by the authorised officer and the original copy shall be handed over to the depositor for presenting to the bank. Thereafter, the Bank shall issue necessary Bank Receipt against the deposit.
- (4) Finance Department shall regularly review the procedures for crediting of Government revenue, fines, user charges, dues etc., into the Bank and shall issue suitable guidelines as and when required.
- (5) In order to prevent and eradicate the use of fake or false challan against the deposits made in the bank on account for credits of Government revenue or dues of the Government and in order to minimize the misclassification of receipt in the Government account, the following procedures shall be adopted by all the departments as well as the Bank:
 - (a) cash deposits up to ₹5,000/- (Rupees five thousand) shall be accepted by all the branches of Bank from the depositor without insisting on challan from the departments and necessary computerized bank receipts shall be issued after obtaining details from the depositor in order to ascertain the correct head of Government account for the deposit;
 - (b) no challan shall be required for deposit of Government revenue against the utilities bill like power or electricity consumption bill, water supply bill or sewerage bills, provided that full classification of head of account to be credited is precisely recorded in the bill itself;

- (c) for other cash deposits above ₹5,000/- (Rupees five thousand), and up to ₹50,000/- (Rupees fifty thousand), one copy of the challan duly filled and signed by an authorised Officer in the concerned department shall be given to the intending depositor for deposit in the nearest branch of the Bank;
- (d) the authorised officer shall ensure that the creditable head of account and other relevant classifications are correctly recorded in challan prior to forwarding the same to authorised bank. The challan should be either preprinted with details of classification or proper rubber seal is to be affixed indicating the same;
- (e) on receipt of challan from the designated officer of the Department, the authorised bank shall generate computerized printed bank receipts (BR) in quadruplicate. The original shall be handed over to the depositor, second copy to be forwarded to the concerned department, third copy to the Treasury, Pay and Accounts Office and the last copy should be retained by the Bank;
- (f) no hand written Bank Receipts (BR) shall be entertained;
- (g) the authorised bank shall not accept any cash exceeding ₹50,000/- (Rupees fifty thousand) at a time against each challan. All the deposits exceeding ₹50,000/- (Rupees fifty thousand) shall be accepted only through any banking instrument like Draft or Cheques or through any electronic means only:
- (h) when deposit is being made in the form of Draft or Cheques, the details of such Draft or Cheques shall record on the reverse of the challan by the depositing officer. Acknowledgement for such receipt shall be issued to the depositors:
- (i) any Government receipts through online or any other electronic mode must be accepted only after verifying the actual credits in the account;
- (j) the Department shall also obtain necessary Bank receipts against the deposit of Draft or Cheques or any other instruments from the Bank;
- (k) the bank shall consolidate the daily receipts, Department-wise, Head-wise either on the same day or on the next working day which shall be mailed to the Revenue Division of Finance Department and respective Treasury, Pay and Accounts offices;
- (I) the standard size of each challan shall be as prescribed by the Finance Department from time to time.

11. Expenditure from public funds- Essential conditions governing expenditure from public funds :-

- (1) Subject to the provisions of Articles 266(3), 267(2) and 283(2) of the Constitution, no authority may incur any expenditure or enter into any liability involving expenditure or transfer of money for investment or deposit from Government account unless such expenditure or transfer, as the case may be, has been sanctioned by general or special orders of Government or by any authority to which power has been duly delegated in this behalf.
- (2) The mere inclusion of an item in the budget does not constitute an authority for incurring expenditure on the particular item. Prior specific sanction of the competent

- authority is necessary in each case before any expenditure is incurred or commitment of a liability is made.
- (c) The charges in respect of a single item of expenditure may not be split up so as to bring each part within the competence of an authority to whom powers of sanction have been delegated. Every part or instalment of the scheme requires the approval of such authority who alone may be competent to sanction the scheme as a whole, unless such powers are specifically delegated in any case.
- (4) Even if a particular scheme may have been approved and funds provided in the sanctioned budget, expenditure on different items of any scheme, like appointment of staff, purchase of stores, contingencies etc. can be incurred only with the specific sanction of the authority competent to sanction such appointments, purchase, contingencies etc.

12. Standard of Financial Propriety :-

Every officer incurring or authorizing expenditure from public money should be guided by high standards of financial propriety. Every official should also enforce financial order and strict economy at every step and see that all relevant financial rules and regulations are observed by his own office and subordinate officials. Among the principles on which emphasis is generally laid are the following:-

- (a) every official is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money;
- (b) the expenditure should not be *prima facie* more than the occasion demands;
- (c) no authority should exercise its powers of sanctioning expenditure to pass an order, which will be directly or indirectly to its own advantage;
- (d) expenditure from public money, should not be incurred to the benefit of a particular person or a section of the people, unless;
 - (i) a claim for the amount could be enforced in a Court or Law; or
 - (ii) the expenditure is in pursuance of a recognized policy or custom;
- (e) the amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients;
- (f) the responsibility and accountability of every authority delegated with financial powers to procure any item or service on Government account is total and indivisible. Government expects that the authority concerned will have the public interest uppermost in its mind while making a procurement decision. This responsibility is not discharged merely by the selection of the cheapest offer but must conform to the following yardsticks of financial propriety;
 - (i) whether the offers have been invited in accordance with governing rules and after following a fair and reasonable procedure in the prevailing circumstances:
 - (ii) whether the authority is satisfied that the selected offer will adequately meet the requirement for which it is being procured;
 - (iii) whether the price on offer is reasonable and consistent with the quality required;

- (iv) above all, whether the offer being accepted is the most appropriate one taking all relevant factors into account and in keeping with the standards of financial propriety.
- (g) Wherever called for, the concerned authority must place on record in precise terms, the considerations which weighed with it while taking the procurement decision.

13. General rule for sanction of expenditure :-

The following general condition shall be observed in the exercise of powers to sanction expenditure:

- (1) It is a primary condition of the exercise of all financial powers that public revenues should be spent only on legitimate public expenditure.
- (2) A subordinate authority may sanction expenditure or advance of public money in those cases only in which it is authorised to do so.
- (3) Previous consent of the Finance Department is mandatory for any expenditure which involves the introduction of a new principle or practice likely to lead to increased or recurring expenditure in future.

14. Contingent expenditure :-

The term "contingent charges" or "contingencies" used in these rules means and includes all incidental and other expenses which are incurred for the management of an office, as an office, or for the technical working of a department, other than those which under prescribed rules of classification of expenditure fall under some other head of expenditure, e.g., "works", "stores", "tools and plant" etc. Contingent Bill Form in generated through PRANALI software should be used for drawal of fund as Contingent Expenditure.

15. Responsibilities of Accounts Officer :-

The Accounts Officers shall be responsible for strict implementation of all Financial rules. They shall be the Head of the Accounts of the Departments or Offices and Financial Advisor to the Head of Department or Head of Office. Their advice is obligatory before sanctioning any expenditure in the Department. All proposals involving any financial implication should be vetted by the Accounts Officer in the respective department before forwarding to the Government through Finance department. Where any discrepancy or difference of opinion arises between the advice of the Accounts Officer, Head of Office and Head of Department in respect of interpretation of these rules or any other financial matter, the case should be referred to Finance Department whose decision shall be final and binding.

16. Responsibility of Drawing Officer:

The drawing officer shall be responsible for seeing that the rules regarding the preparation of bills are observed, that the money is required for immediate disbursement or has already been paid from the permanent advance, that the expenditure is within the available appropriation and that all steps have been taken with a view to obtaining an additional appropriation if the original appropriation has either been exceeded or is likely to be exceeded.

17. Responsibility of Controlling Authority:-

The controlling authority shall be responsible for seeing that the items of expenditure included in a contingent bill are of obvious necessity and are at fair and reasonable rates, that previous sanction for any item requiring it is attached, that the requisite vouchers are all received and are in order, that the calculations are correct, and specially that the grants have not been exceeded nor are they likely to be exceeded. If expenditure is progressing too rapidly, he shall communicate with the drawing officer and insist on its being checked.

18. Responsibility of Heads of Department or Heads of Office :-

The Head of Department shall exercise the control against the allocated funds through the Heads of Offices, controlling officers and the Disbursing Officers subordinate to them. In order that the Head of Department has control over the expenditure, he may review the position of expenditure from month to month, to estimate the likelihood of savings in and excess over the grants and appropriations. The Head of Department and other controlling officers should maintain a liability register in the prescribed format and the consolidated report of such liability may be submitted by Head of Department to Finance Department quarterly.

While incurring any expenditure out of the funds placed at their disposal, the Head of Department or Office or the Controlling Officer shall ensure that;

- (a) the expenditure does not exceed the budget allocation;
- (b) the expenditure is incurred for the purpose for which funds have been provided;
- (c) the expenditure is incurred in public interest;
- (d) adequate control mechanism is functioning in his Department or Office for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public money/asset;
- (e) the Finance Department is regularly informed of the funds actually being spent from the grant or appropriation and the commitments and liabilities that have been and will be incurred against them;
- (f) the Head of the Department must be in a position to assume before Government or such authority and the Public Accounts Committee, if necessary, complete responsibility for departmental expenditure and to explain or to justify any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise.

19. Powers of Subordinate Authority:-

- (1) Unless otherwise provided by any special rule or order, it shall be within the competence of a designated authority to exercise the financial powers delegated to another subordinate authority.
- (2) Government may by order from time-to-time delegate to the Head of Department and other officers such financial powers as it may deem fit.
- (3) Subject to these rules, the various subordinate authorities shall have the power specified in Appendix 2 Part I and II for incurring contingent expenditure including expenditure on the purchase of stores. Specific delegation made to certain heads of departments and others is contained in Appendix 3.

- (4) All sanctions to expenditure shall indicate the details of the provisions in the relevant grant or appropriation wherefrom the expenditure is to be met.
- (5) Heads of Departments of the Government shall have powers to declare with the concurrence of the Finance Department, any gazetted officer subordinate to them as head of an office for the purpose of these rules.
- (6) The delegations contained in these rules are subject to the rules contained in the Sikkim Government Rules of Business made under clause (3) of Articles 166 of the Constitution.

20. Limitation on re-delegation of power :-

Save with the concurrence of the Finance Department no powers delegated under these rules shall be re-delegated to any other subordinate authority.

21. Financial powers of the Finance Department :-

The financial powers of Government, which have not been delegated to a subordinate authority, shall vest in the Finance Department.

22. Expenditure outside delegated power to be referred to Finance Department :-

Every proposal for expenditure outside the delegated financial powers will, after due processing by the respective departments, be referred to the Finance Department with the recommendation of the Financial advisor and Head of the initiating department, who should invariably furnish along with his recommendations, a statement showing the following information, namely:-

- (a) budget provision during the year;
- (b) liabilities;
 - (i) spill over committed liabilities under head of account at the close of preceding financial year;
 - (ii) sanctioned during the current fiscal year;
- (c) total liabilities in hand (a+b);
- (d) expenditure incurred during the Current Financial Year;
- (e) balance in hand;
- (f) proposal under process during Current Financial Year;
- (g) expenditure involved in the present proposal.

23. Concurrence of Finance Department:-

After careful scrutiny of the departmental proposal, Finance Department shall submit its observations and recommendations on the proposal.

24. Sanction of projects or schemes :-

All specific schemes started after coming into force of these rules and extension of schemes which are already in operation outside the delegated financial power or any new proposal of the Project or Scheme requires the concurrence of the Finance Department before obtaining sanction of competent authority. For this purpose, full details as required under Appendix 4 should be furnished to Finance Department in respect of scheme proposed to be undertaken

by the administrative department. In respect of project proposals for construction, renovations, up gradation works and any proposal involving substantial financial implications, the proposal should contain sufficient details in the form of detailed project report including site plans, photographs, drawings etc., with justifications for initiating such proposal and arrangement for subsequent maintenance of the assets to be created must be recorded by the departments to enable the Finance Department to exercise proper scrutiny.

25. Powers in regards to certain special matters :-

Except in pursuance of the general delegation made by, or with the approval of the Governor, a subordinate authority shall not, without the previous consent of the Finance Department, issue an order which;

- (a) involves any grant of land or assignment of revenue or concession, grant, lease or license of mineral or forest rights or right to water power or any easement or privilege in respect of such concessions; or
- (b) involves relinquishment or revenue in any way or involves remission of disallowance by Audit and writing off of overpayments made to any Public Sector Undertaking (PSU) or Undertakings or Contractors or Suppliers or the Government servants etc.

26. Communication of sanction:

- (1) Every sanctioning authority shall see that all sanctions and orders relating to expenditure, revision of scales, creation or abolition of appointment etc. against which audit is to be conducted are communicated to all concerned including Accountant General and the Treasury, Pay and Accounts Office, by the Nodal Officer designated for the purpose.
- (2) In case of sanction accorded by the Head of Office, the sanction shall be intimated by the respective Nodal Officers under the Head of Office.
- (3) In case of sanction accorded by Head of Department and above, sanction shall be intimated by respective Resource Controlling Officer.
- (4) In cases where consent of the Finance Department has been obtained on the proposal by the administrative department, copy of the order shall also be conveyed to the Finance Department.
- (5) All financial sanctions and orders involving payment from Government funds should be signed in ink or ball pen and should not be conveyed to the Accountant General or Director, Treasury and Accounts Office over photocopied signature.
- (6) All orders conveying sanctions to expenditure should express the amount of expenditure sanctioned both in words and figures.
- (7) All orders conveying sanctions to the grant of additions of any special allowances, rewards, incentives etc. should contain a brief but clear summary of the reasons for the grant of the addition as to enable the Accountant General, Treasury, Pay and Accounts Officers to see that it is correctly classified.
- (8) As audit of expenditure on works is conducted against technical sanction/s, order conveying such sanction/s must be communicated to the Accountant General by the work executing departments. In order to facilitate audit scrutiny, the authorities concerned should invariably quote the reference to financial sanction, sanction order number etc., when they communicate technical sanction to the Accountant General and the Treasury Pay and Accounts Office.

27. Date of effect of sanction :-

All rules, sanctions or orders shall come into force from the date of issue unless any other date from which they shall come into force is specified therein.

28. Retrospective sanction:

Retrospective effect shall not be given by any competent authority to sanction relating to revision of pay or grant of concessions to Government servants, except in a very special circumstance where previous consent of the Finance Department is mandatory. No posts shall be created from a retrospective date and the appointing authorities should avoid making appointments against posts in anticipation of their creation.

29. Lapse of sanction:-

Sanction for any fresh charges shall, unless it is specifically renewed, lapse if no payment in whole or in part has been made during a period of 12 (twelve) months from the date of issue of the sanction:

Provided that when the period of currency of the sanction is prescribed in the departmental regulations or is specified in the sanction itself, it shall lapse on the expiry of such period; or

Provided further that when there is a specific provision in a sanction that the expenditure would be met from the budget provision of a specified financial year, it shall lapse at the close of that financial year.

Explanation: The provision in this rule is of general nature and apply to all sanctions in respect of any expenditure.

30. General limitations for withdrawal of money from Government account :-

No money shall be drawn from the Government account unless it is required for immediate disbursement. It is not permissible to draw money from the Treasuries or Bank in anticipation of demands or to prevent the lapse of budget grant.

31. Mode of withdrawal :-

(1) General Rule:

- (a) Save as otherwise specifically ordered by the Government, money may not be withdrawn from the Government Account except by presentation of bills at the Pay and Accounts Office or from such other offices designated for the purpose.
- (b) When a person not in Government employment claims payment for work done, service rendered or articles supplied, such claims shall, unless there are express orders of the Government to the contrary, be submitted through the head of the department or with his prior approval and sanction. All such claims shall be certified by a responsible Government officer under whose immediate order the service was done.
- (c) Government officers may make such payments as are authorised to be paid out of permanent advances or imprests which they are permitted to hold under orders of competent authority subject to recoupment on presentation of bills.

32. General instructions regarding preparation and form of Bills :-

The following instructions with regard to preparation and form of bills shall be observed:-

- (a) Printed forms of bills prescribed by Finance Department from time to time should be used and adopted as far as possible. The pay and allowances or wages bills of all employees or other contingent bills should be prepared online from the 'PRANALI' software of Sikkim Integrated Financial Management System (SIFMS) and should be submitted to the Treasury, Pay and Accounts Office in the prescribed format.
 - Explanation: No hand drawn bills shall be presented to the Treasury, Pay and Accounts Office for payment.
- (b) Even if the bills are prepared online through digital mode, the Drawing and Disbursing Officers shall continue to record the details of such transactions and payment in the prescribed books of accounts and records as required to be maintained in these rules or any other instructions issued by the Government from time to time.
- (c) The full accounts classification should be recorded on each bill by the Drawing and Disbursing Officer, the classification in the budget being taken as a guide. The classification should also show whether the expenditure is voted or charged (non-voted).
- (d) Charges against two or more major heads should not be included in one bill as the items require different action in the Treasury, Pay and Accounts Office, such as entry in different registers.
- (e) The entries in all the money columns of the bill should be totalled separately under each section and the total written. The total should be checked by the Drawing and Disbursing Officer himself or by some responsible person other than the clerk preparing the bill.
- (f) When bills are presented on account of charges incurred under any special order, the orders sanctioning the charges should be quoted or affixed with the bill. Copies of sanction accompanying a bill should be duly certified by the Nodal officer or Resource Controlling Officer or by a responsible sub-ordinate officer specially authorised in this behalf by the Head of the Office or Head of the Department.
- (g) The space left blank either in the money column or in the columns for particulars of the bills should invariably be covered by oblique lines.
- (h) In the case of a bill passed by the drawing and disbursing officer for presentation at the Pay and Accounts Office but lost either before payment or before presentation at that office, the drawing and disbursing officer who drew the original bill should ascertain from the Pay and Accounts Office that payment has not been made on it before and issue a duplicate thereof and non-payment certificate is also obtained from respective Pay and Accounts office. The duplicate copy if issued must bear distinctly on its face the word "duplicate" written in red ink. The fact that duplicate bill has been issued shall be immediately communicated to the Pay and Accounts Office with instructions to refuse payment on the original bill if presented.

Note: For this purpose the Pay and Accounts Office on receipt of a request from any Drawing or Disbursing or Controlling officer shall, after due verification from its records, furnish a certificate in the following form:-

(i) When any kind of bill is required to be prepared in duplicate or triplicate, only one copy shall be signed or countersigned in full and the other copy or copies may be duly initialled. Only the bill with full signature should be presented at the Pay and Accounts Office for payment.

33. Duplicates and copies of Bills etc:-

No Government officer may issue duplicate or copies of bills or other documents for payment of money which has already been paid, on the allegation that the originals have been lost. If any necessity arises for such a document, a certificate may be given that on a specified day a certain sum was paid to a certain person.

34. Stamps of receipt :-

Receipts for all sums exceeding ₹5,000/- (Rupees five thousand) must be stamped unless they are exempted from stamp duty or if the cost of stamp is recovered from the bill and credited to the Government account as per instructions issued by the Government from time to time.

Note: The limit of ₹5,000/- (Rupees five thousand) up to which a receipt is not required to be stamped, should be applied to the gross amount on a bill and not the net claim preferred therein.

35. Specimen signature and other safeguards :-

Every Government officer who is authorised to draw cheques or sign or countersign bills payable at the Pay and Accounts Office or Bank shall send the specimen of his signature to Finance Department for attestation through the Head of Department. Finance Department shall send ten (10) copies of specimen signature duly attested to the Director, Treasury, Pay and Accounts Office and Bank for wide circulation in their respective offices or branches.

36. Responsibility for Money Withdrawn :-

It is not sufficient that an Officer's accounts should be correct to his own satisfaction. A disbursing officer has to satisfy not only himself, but also the Audit, that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an account is correct in all respects. It is necessary that all accounts should be so kept and the details so fully recorded as to afford the requisite means for satisfying any enquiry that may be made into the particulars of a case, even though such enquiry may be as to the economy or the bona-fides of the transactions. It is further essential that the records of payment must be as clear and self-contained as to be producible as satisfactory and convincing evidence of facts, if required, in a court of law.

37. Check Against Provision of Funds :-

The pre-check to be applied to all payments by the Accounts Officers of all departments shall include check against provision of funds. It is an important part of the functions of the

Accounts Officer to see that no payment is made in excess of the budget allotment. In order to exercise an effective check in this behalf, a separate Contingent Audit Register in Form 2.3 should be maintained by the Accounts Officer or the Drawing Officer so as to ensure at the time of passing each bill that the amount of the bill under check is covered by budget allotment. If the amount of any bill leads to excess over the budget allotment or is not covered by an advance from the Contingency Fund, the Accounts Officer should decline payment under advice to the authority controlling the grants or that the latter could arrange for additional funds.

38. Vouchers in Support of Payment :-

- (1) A Government servant entrusted with the payment of money shall obtain for every payment he makes, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts.
- (2) Every voucher must bear, or have attached to it an acknowledgement of the payment signed by the person by whom or on whose behalf, the claim is put forward. The acknowledgement should be taken at the time of payment. In case of digital payment through bank, the necessary guideline needs to be followed.
- (3) In all other cases in which it is not possible or expedient to support a payment by a voucher or by the payee's receipt, a certificate of payment made duly signed by the disbursing officer together with a note explaining the circumstances should invariably be kept on record.
- (4) In the case of articles received by value-payable post, the value payable indicated in the cover together with the invoice or bill showing the details of the items paid for, may be accepted as voucher. The disbursing officer should endorse a note on the cover to the effect that the payment was actually made to the courier company.
- (5) Cash Memoranda which do not contain an acknowledgement of the receipt of money from persons named therein cannot be accepted as receipt. Cash memoranda will not, therefore, be regarded as sub-vouchers unless they contain an acknowledgement of the receipts of money from the persons named therein or, in cases where this is not practicable, they are stamped "paid" and initialled by the Disbursing Officer. The cash memoranda submitted in support of the claims for reimbursement of the cost of medicines purchased from the market under medical rules need not, however, be stamped or bear the supplier's acknowledgement.
- (6) Every voucher must bear a pay order signed or initialled by the Drawing and Disbursing Officer, specifying the amount payable, both in words and figures. All pay orders must be signed by hand and in ink.
- (7) All paid vouchers must be stamped "paid" so that they cannot be used a second time.

39. Responsibilities of the Director, Treasury Pay and Accounts Office :-

The Director, Treasury Pay and Accounts Office and all sub-ordinate Treasury Offices shall obtain sufficient information as to the nature of every payment he is making and shall not accept a claim which does not present formally that information, unless there are valid reasons, which he shall record in writing, for omitting to require it.

40. Procedure for correction in bills :-

The Accounts Officer of the Pay and Accounts Office on coming across any kind of arithmetic inaccuracy or an obvious mistake along with procedural lapses in any bill presented to the Pay and Account Office for payment, may return the bill with the observation of such error. The Drawing and Disbursing officer of the concerned Department shall correct their books of accounts and intimate to the respective Pay and Accounts Office for any correction which he makes.

41. First payment of pay, allowances etc:-

When a Government servant presents his pay bill for the first time or when the name of a Government servant appears for the first time in payroll, the bill shall be supported by a certificate of fitness from an appropriate medical authority in the prescribed form and updated personal file of Government servant must accompany the bill for pre-audit.

42. Payment on quitting the service :-

The last payment of pay or allowances shall not be made to, or in respect of a Government servant finally quitting the service of the Government by retirement, resignation, dismissal, death or otherwise or placed under suspension until the Drawing and Disbursing Officer has satisfied himself, by reference to the Treasury, Pay and Accounts Office, the departmental authorities and his own records, that there are no demands outstanding against him.

43. Death of a payee :-

(1) Pay and allowances can be drawn for the day of the death; the hour at which death takes place has no effect on the claim.

Note: "Day" for the purpose of this rule should mean calendar day beginning and ending at midnight.

(2) Pay and allowances of all kinds claimed on behalf of a deceased Government servant may be paid into authorised bank account of the legal heir on production of a valid succession certificate.

44. Arrears Bill :-

Arrears of pay, fixed allowance or leave salary shall be drawn not in the ordinary monthly salary bill, but in a separate bill, the amount claimed for each month being entered separately with quotation of the number and date together with date of encashment of the bill from which the charge was omitted or withheld or on which it was refunded by deduction, or of any special order of competent authority granting a new allowance or an increase in pay. A note of the arrears bill shall invariably be made in the Salary Audit Register and office copy of the bills for the period to which the claim pertains over the dated initial of the drawer of the arrear bill, in order to avoid the risk of the arrears being claimed over again. The Drawing

and Disbursing Officer shall also record a certificate on the arrears bill under his dated signature to the effect that –

- (a) no part of the amount claimed has been drawn previously; and
- (b) a note of the arrear claim has been made in the office copy of the bills for the period to which the claim pertains.

45. Disbursement of pay and allowances: acquittance roll :-

- (1) The Drawing and Disbursing Officer is personally responsible for the amount drawn by him or on his behalf until he has paid it to the person entitled to receive it, and obtain a legally valid acquittance on the copy of the bill. If, in any case, owing to the large size of an establishment or for any other reason, if it is not found feasible or convenient to obtain the receipts of the payees on the office copy of the bill, the head of the office may maintain a separate acquittance roll.
- (2) In all cases where payment is made digitally to the bank account of the payee and where it is not possible to support the payment by acknowledgement of payee's stamped receipt, a certificate of payment duly signed by the Drawing and Disbursing Officer together with a note explaining the reason for non-obtaining of receipts should invariably be kept on record. Further, a copy of the forwarding letter indicating the beneficiaries account details and the direction issued to the bank for such digital payment must be kept in record and references along with the paid voucher which are auditable.
- (3) It shall be the duty of every Drawing and Disbursing Officer to ensure that all the payment forwarded to the bank for digital payment and the accounts details of such beneficiaries or payee are correct. The Drawing and Disbursing Officer shall also ensure that the payment is being made to the right person who is entitled to receive it.
- (4) In no case the pay and allowances or other claims of a Government Servant drawn from the treasury shall be credited to any other accounts other than beneficiary by the Drawing and Disbursing Officer.

46. General rule for maintenance of records and handling of cash :-

Save as otherwise expressly provided in these rules or in any authorised departmental regulations, the following basic records shall be maintained by all the Government offices or officials or by any officials appointed by the Boards or Public Sectors undertakings etc., in addition to other records prescribed thereon, who are required to receive and handle cash including cheque / drafts and disburse salary and wages etc. They shall be liable to follow these rules while discharging their official duties.

47. Maintenance of Cash Book :-

- (1) Every officer receiving money in any form and disbursements thereof should maintain a Cash Book in the prescribed Form 2.4 for civil and as prescribed under the Sikkim Public Works Department (SPWD) Code and Manual 2009 for works. The Cash Book should be treated as one of the most important accounts record of the department.
- (2) The Cashier or any sub-ordinate official assigned with the maintenance of Cash Book shall be personally responsible for proper recording and safety of the Cash Book.
- (3) The Drawing and Disbursing Officer shall ensure correct and complete entry in the cashbook and shall countersign each and every transaction therein.

- (4) All monetary transactions should be entered in the Cash Book on the date on which they actually occur and strictly in the order of occurrence and shall be attested by the Drawing and Disbursing Officer in token of check.
- (5) The Cash Book should be closed regularly and completely checked. The Drawing and Disbursing Officer should verify the totalling of the Cash Book or have this done by some responsible subordinate other than the writer of the Cash Book and initial it as correct.
- (6) At the end of the month the Drawing and Disbursing Officer should verify the cash balance in the Cash Book and record a signed and dated certificate to that effect.
- (7) When Government money which is in the custody of a Government Officer are paid into the Bank, the Drawing and Disbursing Officer in the Department should compare the bank's receipt on the challan or his pass book with the entry in the Cash Book before attesting it and satisfy himself that the amounts have been actually credited into the Bank.
- (8) An erasure or over-writing of an entry made in the Cash Book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing the pen though the incorrect entry and inserting the correct one in red ink between the lines. The Drawing and Disbursing Officer should initial every such correction and invariably date his initials.
- (9) The Head of Department or Office or senior officers posted from Finance and Accounts Services shall be responsible for periodical review of the Cash Book and safety of vouchers in support thereof.
- (10) The Cash Books should be bound in convenient volumes and their pages machine numbered. Before bringing a Cash Book into use the Drawing and Disbursing Officer should count the number of pages and record a certificate of count on the first page of the cash book.
- (11) Every entry in the cash book should be concise. The date, the number of voucher, if any, and such a brief narration as will indicate unmistakably the nature of the transaction must be entered against each item.

48. Maintenance of Contingent Audit Register :-

- (1) A register of contingent expenditure shall be kept in each office and by each Drawing and Disbursing Officer or Head of Office and shall keep all records of payment duly entering the details against the date of payment of each item with his/her initial. The register shall be maintained in prescribed format.
- (2) As each payment is made, entries must be made in the contingent register of the date of payment, the name of the payee, the number of sub-vouchers and the amount. The progress of expenditure under each head as compared with the appropriation for it, can be watched through this register.

49. Maintenance of Salary Audit Register :-

The payment of salaries and allowances including arrears and medical reimbursements must be recorded in the Salary Audit Register to be maintained by all offices in Form 2.5. The Last Pay Certificate issued by the Drawing and Disbursing Officer must be recorded in this register. No further payment is to be made to any Government servant once last pay

certificate is issued except for those who are retired from the same office or on the death or termination or dismissal of service.

50. Maintenance of register.-

A separate register recording the details of payment made to each temporary worker should also be maintained by each Drawing and Disbursing Officer for all temporary employees in order to watch their payment record.

51. Cancellation and destruction of sub-vouchers :-

The following rules for the prevention of the fraudulent use of sub-vouchers shall be observed by all drawing and controlling officers in the matter of cancellation and destruction of sub vouchers:-

- (a) Unless in any case it is distinctly provided otherwise by any rule or order, no subvoucher may be destroyed until after a lapse of 3 (three) years.
- (b) Sub-vouchers attached to the contingent bills should not be cancelled either by the drawing officer or by controlling officer, as the duty of cancelling these sub-vouchers to prevent their fraudulent use devolves on the Pay and Accounts Office.

52. Payment of Pay and Allowance and Issue of Last Pay Certificate:-

- (1) When a Government Servant is authorised to draw Pay and Allowances consequent upon fresh appointment or recruitment or is re-employed after resignation or on forfeiture of past services, a medical certificate of fitness to this effect shall be furnished by the government servant to the drawing and disbursing officer concerned, in order to submit the same to the Treasury, Pay and Accounts Office along with the first pay bill.
- (2) When the name of a Government Servant appears for the first time in the acquaintance roll of any establishment on transfer, the bill shall be supported by Last Pay Certificate generated by the PRANALI software.
- (3) While on transfer from one establishment to another, once Last Pay Certificate is issued, any arrear payment on account of pay and allowances shall be drawn from the new place of posting, for which Non-Payment Certificate from Drawing and Disbursing Officer who has issued the Last Pay Certificate shall be mandatorily appended with the claim.
- (4) The Last Pay Certificate should indicate any personal / impersonal advances which is yet to be settled.
- (5) The Last Pay Certificate as prescribed in this rule shall also be issued while on retirement, dismissal or quitting of service from the Government.
- (6) The fact that a Certificate is printed is no justification for an Officer signing it unless it represents the facts of the case. If in its printed form it does not represent the facts, it is his duty to make necessary amendments, which will call attention to the deviation, and so to give the authority concerned the opportunity of deciding whether the amendments cover requirements.

53. Inspection of Records in the Department:-

(1) The Head of the Department and the senior most officers from the Finance and Accounts Service posted in the Department shall make regular inspections of accounts and records maintained in the Subordinate Offices and guide them suitably.

Any irregularities in their inspections should be brought to the notice of the Government through Finance Department.

(2) The senior most officer of Sikkim Finance and Accounts Service posted in the department shall conduct surprise physical verification of the cash books or vouchers or cash balance or records maintained by each and every Drawing and Disbursing Officer under their control at least quarterly and record a certificate on the cash book indicating the results of such verification and the outcome of the inspections be reported to the Head of Department. In case of serious irregularities, the matter should be reported to the Government through Finance Department.

54. Inspection of records by internal audit division :-

The Directorate of Internal Audit or any other officer deputed by Finance Department may arrange for periodical audit of records maintained by various offices under the administrative control of the State Government or Public Sector Undertakings or Boards or Commissions or other Statuary Bodies under the administrative control of the State Government. The outcome of their report shall be forwarded to the Head of Department or the organization with the approval of the Government.

55. Demands of information by the audit :-

- (1) A subordinate authority shall provide all logistic facilities as required, to the inspecting team of audit of the Office of the Accountant General and the Directorate of Internal Audit, Finance Department for the discharge of their functions and furnish fullest possible information required by them for the preparation of any official account or report.
- (2) A subordinate authority shall not withhold any information, books or other documents required by the Internal Audit of Finance Department or the Accountant General.
- (3) If the information, books or other documents, or a part thereof, are of a secret nature, they should be sent by name to the Finance Secretary or the Accountant General as the case may be and they will deal with them in accordance with standing instructions for handling and custody of such documents.

56. Audit Objections and Recoveries:-

Every Government servant must attend promptly to all objections and orders communicated to him by the Directorate of Internal Audit of Finance Department or the Accountant General. When the Accountant General disallows a payment as unauthorised, the Drawing and Disbursing Officer is bound not only to recover the amount disallowed without listening to any objection or protest but to refuse to pay it in future till the Accountant General authorises the payment to be resumed.

Note 1: If a government servant from whom a recovery is ordered is transferred to the jurisdiction of another Drawing and Disbursing Officer, the order of recovery should be passed on to that Drawing and Disbursing Officer without delay.

Note 2: A Drawing and Disbursing Officer must not, when a retrenchment is ordered, enter into any correspondence with either the Accountant General or the Government servant concerned. It is his duty simply and promptly to carry out the orders he has received and to leave to the person aggrieved to refer the case to the proper authority.

57. Report of Losses:-

- (1) With the exception noted below, any loss or shortage of public money, departmental revenue or receipts, stamps, stores or other property held by, or on behalf of Government, caused by defalcation or otherwise including losses and shortages noticed as a result of physical verification, which is discovered in an Office or Department shall be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Finance Department even when such loss has been made good by the party responsible for it. A copy of the report should be endorsed to the Accountant General.
- (2) If the irregularity is detected by Audit in the first instance, the Accountant General will report it immediately to the administrative authority concerned and if he considers necessary, to the Government through the Finance Department.

Exception: Petty cases, that is, cases involving losses not exceeding ₹5,000/-(Rupees five thousand) each, need not be reported to the Accountant General unless there are in any case, important features which merit detailed investigation and consideration.

- (3) The Officer receiving a report submitted to him under this rule must forward it forthwith to Government through usual channel with such comments as may be considered necessary.
- (4) He should also submit a detailed report, after completing such departmental investigations as may be necessary or expedient, on the causes or circumstances which led to the defalcation or loss, the steps taken to prevent its recurrence and the disciplinary or any other action proposed as regards the person responsible. The mere fact that the loss has been made good by the party concerned is not enough to drop the matter or close the case.

58. Accidents:-

- (1) Any serious loss of immovable property, such as buildings, communications or other works, caused by fire, flood, cyclone, landslide, earthquake or any other natural cause, shall be reported at once by the departmental officer concerned to the Head of the Department and by the latter to the Government. When a full enquiry as to the cause and extent of the loss has been made, the detailed report should be sent by the departmental officer concerned to the Head of the Department. The Head of Department shall submit a copy of report to the Government and forward a copy of the report simultaneously to the Accountant General.
- (2) All losses of immovable property such as buildings, communications etc. caused by fire, flood, landslide or any other natural cause, exceeding ₹50,000/- (Rupees fifty thousand) in value should be treated as "serious". The term "value" for this purpose should be interpreted as meaning the "book value". Losses not exceeding ₹50,000/- (Rupees fifty thousand) in value should, however, be reported to the Head of Department and the Finance Department but they need not be reported to the Accountant General.

59. Sabotage:-

All cases of loss due to suspected sabotage or other criminal action endangering the security of the State shall be reported to the Police promptly irrespective of the value of the loss involved.

60. Responsibility of losses etc:-

- (1) Every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through negligence on his part in the discharge of his duties, direct or supervisory.
- (2) Any fraud is also a criminal offence, liable to be dealt with accordingly.
- (3) If, in the course of investigation, any defects or deficiencies in discharge of duty or on the procedures come to the light, it shall be the duty of the Head of Department concerned to initiate necessary action against the defaulting Government servant as prescribed by the Government.

Form 2.1

(see rule 8 (2))

Name of Office:

Revenue Account Head:

SI. No.	Bank Receipt No	Date	Amount	Purpose
1				
2				
3				
	Total Deposit			

Signature of Drawing and Disbursing Officer

Signature of Head of Department

FORM 2.2 See Rule 10(1)

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SE	heque into Baı
Jepositor's Co	/DD/Cheq
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I OF SIKKIM (L	Forms for crediting cash/D
5	cas
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GOVERNMENT	ē

Challan noSl. NoSl. (To be filled by Bank)	of Sikkim								(Signature, date & full designation of the Officer ordering the deposit)	(MANAGER	ue Amount
(To be filled by Bank)	Name of the branch of State Bank of Sikkim	Name, designation & Address of the party (i.e. Tax payer, etc) crediting money	Department/Office from whose books the demand emanated	Purpose / Nature of remittance	Rs.	Head of Account : Major Head Sub-Major-Head Minor Head Detail Head	Accounts Officer/DDO by whom adjustable	Date:	Signature of the (S. depositor t	Received payment of Rs(Rupees:	Dated stamp of the Bank	Sl. No. Details of Cash/DD/Cheque
	Name of the branch of State Bank of Sikkim								(Signature, date & full designation of the Officer ordering the deposit)	Received payment of Rs(Rupees :	MANAGER	Amount
	of Si	Vame, designation & Address of the party (i.e. Tax payer, etc) crediting money							(Signat			Details of Cash/DD/Cheque

FORM 2.2 See Rule 10(1)

GOVERNMENT OF SIKKIM (Bank's Copy)
Forms for crediting cash/DD/Cheque into Bank

	of Sikkim												(Signature, date & full designation of the Officer ordering the deposit)
Challan noSl. No(To be filled by Bank)	Name of the branch of State Bank of Sikkim	Name, designation & Address of the party (i.e. Tax payer, etc) crediting money	Department/Office from whose books the demand emanated	Purpose / Nature of remittance	Rs.	Head of Account: Major Head	Sub-Major-Head	Minor Head	Detail Head	Accounts Officer/DDO by whom adjustable	Date:		Signature of the (Si depositor th
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Rs.

TOTAL

Rs.

TOTAL

Form 2.3 (see rule 37)

CONTINGENT AUDIT REGISTER

Major Head			E	Budget Allotment F	ls.
Drawing Office	er:				
Date of Payment	Voucher Number	Serial No. of the entries	Amount of the Bill Rs.	Progressive Total Rs.	Remarks

Form 2.4 (see rule 47)

CASH BOOK

			R	Receip	t							F	Paymo	ent			
Date	No. of Receipt where necessary	Particulars	Pay and Allowances	Recoupment of Permanent Advance	Advance Payment	Miscellaneous	Total	Classification	Date	Sub Voucher No.	Particulars	Pay and Allowances	Out of Permanent Advance	Out of Money Drawn in Anticipation	Miscellaneous	Total	Classification

Form 2.5 (see rule 49)

Salary Audit Register for the Year

	Previor Name	vious Sa Te	ılary Reg	jister Ni	Previous Salary Register Number Name	:		<u>r</u> . S	Pol	LIC Pol. Nos.	-	ıstallme Amount	Installment Amount		ante	Granted Advance	/ance						, 4	Amount Advance	ri eg	2	No. & Date of Bill
	Designation Designation Designation Designation Designation Concursion Class	Designation Date of Joining Date of Superannu Scale of Pay Condition of Servic	Designation. Employee Code Date of Joining Date of Superannuation Scale of Pay Condition of Service Class of Govt. Quarter (if occupied)	tion	cupied)		1							- U W 4 W @ V & Q C		Medical Advance GPF Advance GPF Advance Housing Loan A/c No Loan A/c No 2 Loan A/c No 2 Finance Office Loan A/c No Festival Advance. SBS Loan A/c Other Details.	II Advandavan G Lox C Nc C Nc B Off II Adv Detail	dvance oan A/\ oan A/\ oan A/\ vo. 2 fiftice L. dvance A/c	c No oan	/c No. Loan A/c No.	ON						
	Othe	∍r Detail.	Other Details			:	_		_		\dashv			玔												4	
		()	Scale of Pay	ay		March	۲	April	_	May	Jul.	June	July		August		Sept.	Oct.	ĭt.	Nov.	_	Dec.	۲	Jan.	Feb	p.	
영	mportant [Important Level Cell Orders	Increment	f Basic nt Pay as on 1st March	S Allowance/ Deduction	tmA	Date of Passing	tmA Date of Passing	tmA	Date of Passing	tmA	Date of Passing	tmA	Date of Passing Amt	Date of Passing	- JmA	Date of Passing	tmA	Date of Passing	ţmA	Date of Passing	tmA gniess9 to etsO	JmA	Date of Passing	tmA	Date of Passing	Remarks
					DA HRA SBCA Special Pay Total Adjustment Festival Allowance (-) Less Charge (-) Gross Total Deduction GPF/GPF GIS P. Tax GPF Recover Vehicle Charge Licence Fee Licence Fee Loans																						

Chapter III

Budget Formulation and Implementation

61. Financial year :-

Financial year of the Government shall commence on the 1st day of April of each year and end on the 31st day of March of the following year.

62. Presentation of budget to Legislature:-

- (1) In accordance with the provisions of Article 202(1) of the Constitution, the Finance Minister shall arrange to lay before the Legislature, an "Annual Financial Statement" also known as the "Budget" showing the estimated receipts and expenditure of the State Government in respect of a financial year, before the commencement of that year.
- (2) The provisions for preparation, formulation and submission of budget to the Legislature are contained in Article 202 to 206 of the Constitution of India.
- (3) The Budget Division, Finance Department shall issue guidelines for preparation of budget estimates from time to time. All the Departments shall comply in full with these guidelines.
- (4) The budget shall contain the following:-
 - (a) estimates of all revenues expected to be raised during the financial year to which the budget relates;
 - (b) estimates of all expenditure for each programme, scheme and project in that financial year;
 - (c) estimates of all interest and debt servicing charges and any repayments on loans in that financial year:
 - (d) any other information as may be prescribed from time to time.

63. Receipt estimates:-

- (1) The detailed estimates of receipts shall be prepared by the Revenue Division, Finance Department, separately for each Major Head of Account in the prescribed form. For each Major Head, the breakup of the Minor or Sub-head or Detailed Headwise estimate along with actuals of the past three years shall be given. While doing the Head-wise classification, it may be ensured that Item-wise breakup of all major items of tax and non-tax revenues are clearly identified and depicted in the receipt estimates. This is required to highlight all individual items of significance. Any major variation in estimates with reference to past actuals and / or Budget Estimates shall be supported by cogent reasons. The accounting heads under which major tax and non-tax revenues are collected shall be prescribed by the administrative Departments in consultation with the Revenue and Budget Divisions of the Finance Department.
- (2) Estimates of fluctuating receipts and charges may be based on the average of the corresponding actual receipts and expenditure for the three preceding years, suitably modified with reference to any changes anticipated on account of special circumstances in respect of the year estimated for. The reason for any such modification should be clearly noted against the item concerned, either in the remarks column or in a separate explanatory note.

64. Non-Tax Revenues:-

- (1) While the tax revenues, non-debt capital receipts including disinvestments and borrowings are managed by the Finance Department, Government of Sikkim, the non-tax revenues are collected through various Departments and other autonomous bodies and implementing agencies and comprise an important source of revenue for the Government.
- (2) 'User Charges' is an important component of the non-tax revenues. Each Department may undertake an exercise to identify the 'user charges' levied by it and publish the same on its website.
 - (a) while fixing the rates of user charges, the Departments must ensure that the user charges recover the current cost of providing services with reasonable return on capital investment;
 - (b) any deviation from these principles shall be specifically recorded with reasons justifying the setting of user charges lower than the cost recovery norms, if any;
 - (c) the rates of user charges should be linked with appropriate price indices and reviewed at least every 3 (three) years;
 - (d) in order to enable ease of revision of user charges, the rate of user charges shall be fixed, wherever possible through Rules or executive orders and not through a statute.

65. Expenditure estimates:-

(1) The expenditure estimates shall show separately the sums required to meet the expenditure Charged on the Consolidated Fund under Article 202(3) of the Constitution and sums required to meet other expenditure for which a vote of the Assembly is required under Article 203(2) of the Constitution.

Note: The provision for charged expenditure under any head, of which there is a voted demand, is to be included in that demand and shown separately but not presented for vote. Where the provision for expenditure is wholly charged, a separate appropriation is included for in the Demands for Grants.

- (2) The estimates shall also distinguish provisions for expenditure on revenue account from capital account, including loans by the Government and repayment of loans.
- (3) The detailed estimates of expenditure shall be prepared by the estimating authorities up to the final unit of appropriation (Object head) under the prescribed Major and Minor Heads of Accounts for both Revenue and Capital expenditures. Estimates shall include suitable provision for liabilities of the previous years that are to be discharged during the year.
- (4) The estimates of scheme related and other expenditure shall be processed in consultation with the Budget Division, Finance Department, and in accordance with the instructions issued by it.
- (5) The Budget Estimates of both Revenue and Capital expenditure after being scrutinized by the Financial Advisers and approved by the Secretary or Head of the Department concerned shall be forwarded to the Budget Division, Finance Department, in such manner and forms as may be prescribed by the Budget Division, Finance Department from time to time.

- (6) In the case of cost of establishment, the estimates should be prepared in accordance with the following instructions,
 - (a) the full expenditure on account of the sanctioned scale as on 1st April of the year estimated for, should be shown. In the case of progressive salaries, the actual salary earned on 1st April of the year estimated for, should be shown and the amount on account of increments falling due during the financial year should be included separately against each name;
 - (b) where saving is expected owing to the absence of incumbents or other causes, a lumpsum deduction should be made from the total for establishment costs under the appropriate minor head;
 - (c) recurring personal, local, conveyance, house rent and other admissible allowances should be shown separately;
 - (d) estimates of allowances of a fluctuating nature should be framed as prescribed in rule 63(2);
 - (e) the estimates for contingent charges should not, without special reasons to be clearly stated either in the mark column or in a separate explanatory note, exceed the average actual expenditure for the three preceding years. The estimates for contingent charges should be shown separately under each detailed head;
 - (f) pay of officials, will be classified as "Salaries". Fixed and fluctuating allowances, travelling allowances and any other allowance categorised as so, will be classified as "Allowances". Drawal of medical advances and reimbursement will be classified as "Medical Treatment", which should be shown separately.
- (7) The Demands for Grants to be presented to the Legislature shall be for the gross amount of expenditure to be incurred and shall show recoveries to be taken in reduction of expenditure separately by way of footnotes.
- (8) The Annual Financial Statement shall show the net amount of total expenditure under each head of accounts.

Explanation: As the Demands for Grants are for gross expenditure and the Annual Financial Statement gives the net amount to be expended under each head, the totals of the two should be reconciled after adjustment of the recoveries taking into account the deductions out of gross expenditure.

66. Demands for Grants:-

- (1) The estimates for expenditure for which vote of Legislature is required shall be in the form of Demand for Grants.
- (2) Each Demand includes provisions required for a service, i.e., provisions on account of revenue expenditure, capital expenditure, Centrally Sponsored Schemes and also Loans and Advances relating to the service.
- (3) The Budget Documents shall be presented to Legislature by the Finance Minister, while the Demands for Grants, for consideration of the Legislature are presented by the concerned Ministers and laid on the table of the Assembly, as per dates approved from time to time.
- (4) The Demands for Grants shall include the following:-

- (a) Annexure 3.1: Statement showing department-wise expenditure on salaries;
- (b) Annexure 3.2: Statement showing district-wise transfer of fund to Zilla and Gram Panchayats;
- (c) Annexure 3.3: Statement showing head-wise transfer of funds to Municipal Corporations, Council and Nagar Panchayats;
- (d) Annexure 3.4: Statement showing Department-wise expenditure on wages;
- (e) Annexure 3.5: Statement showing Department and Scheme wise Grants-in-Aid received from Government of India under Centrally Sponsored and Central Sector Schemes:
- (f) Annexure 3.6: Statement showing Department and Scheme wise Grants received under Finance Commission;
- (g) Annexure 3.7: Statement showing Department-wise allocation under Tribal Sub Plan and Scheduled Caste Sub Plan (State Funded).

67. Form of Annual Financial Statement and Demand for Grants:-

- (1) The form of the Annual Financial Statement and Demand for Grants shall be laid down by the Budget Division, Finance Department and no alteration of arrangement or classification shall be made without the approval of Finance Department.
- (2) The heads under which provision for expenditure shall be made in the Demand for Grants or Appropriation shall be prescribed by the Budget Division, Finance Department in consultation with the Administrative Department. The authorised heads for expenditure in a year shall be as shown in the Demand for Grants passed by Legislature and no change shall be made therein.

68. Acceptance and Inclusion of Estimates:-

- (1) The estimates of receipts and expenditure of each Department shall be scrutinized in the Budget Division of the Finance Department. The Finance Secretary may hold meetings with Secretaries and/or Financial Advisers of the Administrative Departments to discuss the totality of the requirements of funds for various programmes and schemes, along with receipts of the Departments.
- (2) The estimates initially submitted by the Departments may undergo some changes as a result of scrutiny in the Budget Division, Finance Department, and deliberations in the pre-budget meetings between the Finance Secretary and the Secretary and/or Financial Adviser of the Department concerned. The final estimates arrived at on the basis of scrutiny and pre-budget meetings shall be incorporated in the Budget documents.

69. Vote on Account:-

If the Appropriation Bill seeking authorization of the Legislature to make expenditure in consonance with the Budget proposal is likely to be passed after the start of the financial year to which it corresponds, then pending the completion of the procedure prescribed in Article 203 of the Constitution for the passing of the Budget, the Finance Department, may need to obtain a 'Vote on Account' to cover expenditure for a brief period in accordance with the provisions of Article 206 of the Constitution. Funds made available under Vote on Account are not to be utilised for expenditure on a 'New Service'.

70. Expenditure in Anticipation of the Passing of the Appropriation Bill:-

No expenditure shall be incurred out of the Consolidated Fund in anticipation of the passing of the Appropriation (Vote on Account) Bill or the Appropriation Bill relating to the Budget of a financial year, as the case may be.

71. Communication of Grants and Appropriations:-

- The consolidated Budget as finally approved and voted upon by the Legislature will become the authorised fund of the Government for the year to which it relates. The Finance Department, shall after the Appropriation (Vote on Account) Bill or the Appropriation Bill relating to the Budget, as the case may be, is passed by the Legislature, communicate to the administrative departments concerned the grants made and the appropriation sanctioned by the Legislature.
- (2) A grant or appropriation shall be utilised to cover the charges, including the liabilities, if any, of the past year, to be paid during the financial year or to be adjusted in the accounts of the financial year for which such grant or appropriation is sanctioned. Such charges can be authorised by a competent authority, any time before, but not after, the expiry of the financial year. Any unspent balance shall lapse and shall not be available for utilisation in the following year.

72. Responsibility for Control of Expenditure:-

- (1) The Administrative Departments shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at their disposal. The control shall be exercised through the Heads of Departments, Head of Office, Resource Controlling Officers, and Drawing and Disbursing Officers subordinate to them.
- (2) A Grant or Appropriation can be utilised only to cover the charges (including liabilities, if any, of the past year that is duly allocated) which are to be paid during the financial year of the Grant or Appropriation and adjusted in the account of the year. No charges against a Grant or Appropriation can be authorised after the expiry of the financial year.
- (3) No expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorised by Legislature by law for a financial year, except after obtaining a supplementary grant or appropriation or an advance from the Contingency Fund. Since voted and charged portions as also the revenue and capital sections of a Grant or Appropriation are distinct and re-appropriation interse is not permissible, an excess in any one portion or section is treated as an excess in the Grant or Appropriation.
- (4) To have effective control over expenditure by the departments, Resource Controlling and Disbursing Officers subordinate to them shall follow the procedure as given below:-
 - (a) For drawal of money the Drawing and Disbursing Officer shall:
 - (i) prepare and present bills for "charged" and "voted" expenditure separately;
 - (ii) enter on each bill the complete accounts classifications from major head down to the object head of account. When a single bill includes charges falling under two or more object heads, the charges shall be distributed accurately over the respective heads;

- (iii) enter on each bill the progressive total of expenditure up-to-date under the primary unit of appropriation to which the bill relates, including the amount of the bill on which the entry is made.
- (b) All Drawing and Disbursing officers shall maintain separate registers, physically or electronically or in both modes for allocation under each complete accounts classification from major head down to the object head of account with which they are concerned.
- (c) In the beginning of each month, a copy of the entries made in this register during the preceding month shall be sent by the officer maintaining it, to the Head of the Department or Resource Controlling Officer. This statement shall also include adjustment of an inward claim, etc., communicated by Office of the Accountant General directly to the Drawing and Disbursing Officer (and not to his Resource Controlling Officer). If there are no entries in the register in any month, a 'nil' statement shall be sent.
- (d) The Resource Controlling Officer will compile the information to monitor the receipt of the return prescribed in sub-clause (c).
- (e) On receipt of the returns from Drawing and Disbursing Officers, the Resource Controlling Officer shall examine them and satisfy himself:-
 - (i) that the 15-digit accounts classification has been properly given;
 - (ii) that progressive expenditure has been properly noted and the available balances worked out correctly;
 - (iii) that expenditure is within the grant or appropriation; and
 - (iv) that the returns have been signed by Drawing and Disbursing Officers. Where the Resource Controlling Officer finds defects in any of these respects, he shall take steps to rectify the defect.
- (f) When all the returns from the Drawing and Disbursing Officers for a particular month have been received and found to be in order, the Resource Controlling Officer shall compile a statement, in which he shall incorporate
 - (i) the total of the figures supplied by Drawing and Disbursing Officers;
 - (ii) the total taken from his own registers;
 - (iii) the total of such adjustments under the various detailed heads as communicated to him by the Office of the Accountant General on account of transfer entries and expenditure debited to the grant as a result of settlement of inward account claims and not reckoned by the Drawing and Disbursing Officers.
- (g) If any adjustment communicated by the Office of the Accountant General affects the appropriation at the disposal of a subordinate Drawing and Disbursing Officer, the fact that the adjustment has been made shall be communicated by the Resource Controlling Officer to the Drawing and Disbursing Officer concerned.
- (h) On receipt of all the necessary returns, the Head of the Department shall prepare a consolidated account, showing the complete expenditure from the grant or appropriation at his disposal up to the end of the preceding month.

- In order to ensure that the departmental accounts are sufficiently accurate and to render possible an efficient departmental control of expenditure, reconciliation of figures given in the accounts maintained by the Head of Department with those that appear in the Office of the Accountant General's books is most essential. The Head of the Department and the Office of the Accountant General shall be jointly responsible for this reconciliation which should be made monthly, the initial responsibility resting with the Office of the Accountant General. The account finally published will be those maintained by the Office of the Accountant General.
 - (a) Drawing and Disbursing Officers (DDOs) shall maintain a Bill Register, and note all bills presented for payment to the Office of the Accountant General in the register. As soon as cheques for the bills presented for payment are received, and/or status of e-payments are verified from the reports available with Drawing and Disbursing Officer on Sikkim Integrated Financial Management System (SIFMS) portal these shall be noted in the appropriate column of the Bill Register and the Drawing and Disbursing Officer shall ensure that the amount in cheques tally with the net amount of the bills presented. In case any retrenchment is made by the Office of the Accountant General, a note of such retrenchment shall be kept against the bill in the remarks column.
 - (b) The Office of the Accountant General shall furnish to each of the Drawing and Disbursing Officer including Cheque Drawing Officer, an extract from the expenditure control register or from the Compilation Sheet every month indicating the expenditure relating to grants controlled by them, classified under the various major, minor, detailed head of accounts. The statements for May to March shall also contain progressive figures.
 - On receipt of these extracts from the Office of the Accountant General the Drawing and Disbursing Officer shall tally the figures received, excluding book adjustments, with the expenditure worked out for the month. Discrepancies, if any, between the two sets of figures shall be promptly investigated by the Drawing and Disbursing Officer in consultation with the Office of the Accountant General. He shall also note in the register, particulars of book adjustments advised by the Office of the Accountant General through the monthly statement. Thereafter, the Drawing and Disbursing Officer shall furnish to the Office of the Accountant General a certificate of agreement of the figures as per his books with those indicated by the Office of the Accountant General by the last day of the month following the month of accounts.
 - (d) The Resource Controlling Officer of each Department, shall send a monthly statement showing the expenditure vis-à-vis the Budget provision under the various heads of accounts, in the prescribed proforma, to the Head of Department responsible for overall control of expenditure against grant of the department as a whole. The figures so communicated by the Resource Controlling Officer shall be compared by the Head of Department with those consolidated and differences, if any, shall be taken up by the Head of Department with the Resource Controlling Officer (or the Office of the Accountant General concerned) for reconciliation. The Head of the Department shall satisfy himself on the correctness of the figures as furnished by the Resource Controlling Officer for the quarter by the 15th of the second following month after the end of quarters April-June, July-September, October-December and January-March.

- (e) The Resource Controlling Officer shall furnish a quarterly certificate to the Treasury, Pay and Accounts Officer certifying the correctness of the figures for the quarter by the 15th (fifteenth) of the second following month after the end of quarters April-June, July-September, October-December and January-March.
- (6) The Resource Controlling Officer of the Department shall obtain from the DDOs and other offices under them, the figures of the expenditure by the 5th of every subsequent month. The figures relating to Revenue and Capital expenditure shall be shown separately. The information so obtained shall be posted in register(s) kept for watching the flow of expenditure against the sanctioned grant or appropriation. Progressive totals of expenditure shall be worked out for the purpose. If the departmental figures obtained and posted in the register(s), require correction in a subsequent month, Resource Controlling Officer shall make such corrections by making plus or minus entries in the progressive totals. In case there is a difference between the figures of the Treasury, Pay and Accounts Office and the Department, the former shall be assumed to be the correct figures, as appropriation accounts are prepared on the basis of the figures booked in the accounts of the Treasury, Pay and Accounts Office.
- (7) The concerned scheme in charge and the DDOs shall submit statements showing the details of the physical and financial progress of the schemes for which they are responsible to the Resource Controlling Officer of the Department by the 10th of every succeeding month. This statement shall show the name of the scheme, the Budget provision for each scheme, the progressive expenditure on each scheme, the progress of the scheme in physical terms as well as financial and the detailed reasons for any shortfalls or excess, both against physical and financial targets.
- (8) The administrative department shall maintain a compiled sheet to watch the prompt receipt of the various data mentioned above from month to month and to take necessary measures for rectifying any defaults noticed.

73. Maintenance of liability register for effecting proper control over expenditure:-

In order to maintain proper control over expenditure, the Resource Controlling Officer shall obtain from the spending authorities, liability statements in Annexure 3.8A to C every month, starting from the month of May in each financial year. The Resource Controlling Officer shall also maintain a yearly Liability Register in Annexure 3.9.

74. Personal attention of the Head of Department or Resource Controlling Officer required to estimate savings or excesses:-

A Head of Department or Resource Controlling Officer shall estimate the likelihood of savings or excesses every month and regularize them in accordance with the instructions laid down in rule 77.

75. Control of expenditure against grant or appropriation and ultimate responsibility of the authority administering it:-

The Head of the Department shall on any disproportionate expenditure, particularly in respect of recurring items of expenditure under their grant or appropriation, be ultimately responsible for the control of expenditure against the grant or appropriation.

76. Excess expenditure :-

- (1) The Treasury, Pay and Accounts Officer shall not allow any payment against sanctions in excess of the Budget provisions unless there is specific approval of the Finance Department.
- (2) The Financial Advisers and the Finance Department, before according concurrence for excess under any Head, shall ensure availability of funds through re-appropriation or Supplementary Demands for Grants.

77. Surrender of Savings :-

- The administrative departments of Government shall surrender to the Finance Department, by the dates prescribed by them before the close of the financial year, all the anticipated savings noticed in the Grants or Appropriations controlled by them. The Finance Department shall communicate the acceptance of such surrenders as are accepted by it to the Office of the Accountant General, before the close of the year. The funds provided during the financial year and not utilised before the close of that financial year shall stand lapsed at the close of the financial year for all state funded schemes.
- (2) The savings as well as provisions that cannot be profitably utilised shall be surrendered to Government immediately as and when they are foreseen, without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time. No savings shall be held in reserve for possible future excesses.
- Rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided. It is contrary to the interest of the Government that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a Grant could be avoided. The existence of likely savings should not be seized as an opportunity for introducing fresh items of expenditure, which can wait till the next financial year.
- (4) Form for Surrender of Funds is enclosed at Annexure 3.10.
- (5) Instructions of Surrender of Funds:
 - (a) score out 'Preliminary' or 'Final' as the case may be at the top marked;
 - (b) separate statements should be prepared in respect of Revenue and Capital expenditure
 - (c) figure relating to charge expenditure should be indicated by writing (charged against them);
 - only those item in which any excess or saving if anticipated should be shown. In case there is no such item, a blank statement should be submitted;
 - (e) reason for anticipated excess or saving should be explained clearly and briefly for each item in remarks column:
 - (f) the prescribed format of anticipated excess or saving should be strictly adhered to and the figure should be in thousands of rupees.

78. Re-appropriation of funds :-

- (1) Re-appropriation of funds from one primary unit of appropriation to another such unit within a grant or appropriation shall be sanctioned by the Finance Department at any time before the close of the financial year to which such grant or appropriation relates.
- (2) Re-appropriation of funds shall be made only when it is known or anticipated that the appropriation for the unit from which funds are to be transferred will not be utilised in full or that savings can be affected in the appropriation for the said amount.
- (3) Funds shall not be re-appropriated from a unit with the intention of restoring the diverted appropriation to that unit when savings become available under other units later in the year.
- (4) No re-appropriation shall be made from one grant or appropriation to another grant or appropriation, unless;
 - (a) the authority sanctioning the re-appropriation shall enclose a copy of the order to the Office of the Accountant General;
 - (b) funds provided for Charged expenditure shall not be appropriated or reappropriated to meet Voted expenditure and funds provided for voted expenditure shall not be appropriated or re-appropriated to meet charged expenditure;
 - (c) funds provided for revenue expenditure shall not be appropriated or reappropriated to meet capital expenditure and funds provided for capital expenditure shall not be appropriated or re-appropriated to meet revenue expenditure;
 - (d) funds provided for salaries shall not be appropriated or re-appropriated to meet any other expenditure other than "allowances" and "medical treatment" which are both classified as salary expenditure;
 - (e) funds shall not be appropriated or re-appropriated to meet expenditure on a new service not contemplated in the budget as approved by the Legislature;
 - (f) funds shall not be appropriated or re-appropriated to any work which has not received administrative approval and technical sanction as prescribed by rules from time to time;
 - (g) the amount appropriated to any work shall not exceed the amount approved or sanctioned for that work by a sum greater than the excess which may be authorised under the rules;
 - (h) since voted and charged portions as also the revenue and capital sections of a grant or appropriation are distinct and re-appropriation interse is not permissible, an excess in any one portion or section is treated as an excess in the grant or appropriation;
 - (i) Form for Re-Appropriation of Funds is enclosed at Annexure 3.11.

79. Supplementary Grants:-

If the amount provided for in the sanctioned Budget for any service in a financial year is found to be insufficient for the purpose in that year or when a need has arisen during that year for supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, the head of the department concerned shall arrange to obtain the necessary supplementary grants or appropriations in accordance with the provisions of Articles 205(I) of the Constitution (Annexure 3.12).

Note: The expression 'new service' has not been defined in the Constitution. As decided by the Central Government in consultation with the Comptroller and Auditor General of India, no attempt should be made to define it, but the matter should be allowed to be regulated by experience and the evolution of a body of case-laws.

80. Expenditure on New Service :-

No expenditure shall be incurred during a financial year on a "New Service" not contemplated in the Annual Budget for the year except after obtaining a supplementary grant or appropriation or an advance from the Contingency Fund during that year.

81. Additional Allotment for Excess Expenditure :-

The Secretary or Head of the Department incurring the expenditure shall be responsible for seeing that the allotment placed at its disposal is not exceeded. Where any excess over the allotment is apprehended, the Secretary or Head of the Department shall obtain additional allotment before incurring the excess expenditure. For this purpose, the authorities incurring expenditure shall maintain a 'Liability Register'. A Drawing and Disbursing Officer may not, on his own authority, authorise any payment in excess of the funds placed at his disposal. If the Drawing and Disbursing Officer is called upon to honour a claim, which is certain to produce an excess over the allotment or appropriation at his disposal, he shall take the orders of the Finance Department before authorizing payment of the claim in question. The Finance Department shall then arrange to provide funds either by re-appropriation or by obtaining a Supplementary Grant or Appropriation or an advance from the Contingency Fund.

82. Advance from Contingency Fund:

- (1) When a need arises to incur unforeseen expenditure in excess of the sanctioned grant or appropriation or on a 'new service' not provided in the budget and there is no sufficient time for the voting of the supplementary demand and the passing of the connected appropriation bill, an advance from the Contingency Fund set up under Article 267(2) of the Constitution shall be obtained before incurring the expenditure.
- (2) An advance from the Contingency Fund shall also be obtained to meet expenditure in excess of the provision for the service included in an Appropriation (Vote on Account) Act.
- (3) The application for an advance from the Contingency Fund shall indicate inter alia the particulars of the additional expenditure involved and the sanction to the advance should indicate the sub-head and the primary unit of the Grant to which the expenditure appropriately relates. In case, however, any difficulty is felt, the matter shall be referred to the Finance Department for clarification.
- (4) The procedure to be followed for obtaining an advance from the Contingency Fund shall be as laid down in the Sikkim Contingency Fund Rules, 1975, as amended from time to time.

83. Inevitable payments:-

- (1) Subject to the provisions of Article 204(3) of the Constitution, money indisputably payable by Government shall not ordinarily be left unpaid and the payments made shall not be kept out of accounts longer than is absolutely necessary.
- (2) Suitable provision for anticipated liabilities should invariably be made in demands for grants to be placed before the Legislature. The onus of proving that the disbursements could not have reasonably been anticipated would be on the controlling authority.

Note: It is not open to a disbursing authority to incur or authorise payments in excess of the amounts provided in the Appropriation Act. If inevitable payments, for which no appropriation exists in the Appropriation Act, have to be made, an advance from the Contingency Fund should be obtained before the expenditure is actually incurred.

84. Revised estimates :-

- (1) In the first week of October every year, all Heads of Departments will review the progress of receipts and expenditure against the approved budget for the year with reference to the actual for such period as may be available and prepare revised estimates for the year. If any savings from or excess over the original estimates are proposed, the reason thereof should be recorded in an explanatory note which, together with the revised proposals, should be forwarded to the Finance Department in the prescribed form not later than 31st October. Any appreciable variations discovered in the revised figures of expenditure and receipts subsequent to their communication to the Finance Department should be intimated to that department as early as possible but not later than 15th January in any case.
- On receipt of the revised estimates from all the departments, the Finance Department will compile a consolidated statement of revised estimates for the entire Government in the prescribed form.
- (3) It should be noted that the revised estimates do not constitute sanctions for additional expenditure over the original budget and the procedure prescribed in rule 79 and rule 82 should be followed before incurring the additional expenditure.

Annexure 3.1 (see rule 66(4)(a))

STATEMENT SHOWING DEPARTMENT-WISE EXPENDITURE ON SALARIES

			Dudget	Dovingel	Budg	Budget Estimates		
Dem.		Actuals	Budget Estimates	Revised Estimates	Current FY			
No.	Departments	FY T-2	T-1	T-1	Revenue	C.S.S.	Total	

Annexure 3.2A (see rule 66(4)(b))

STATEMENT SHOWING DISTRICT-WISE TRANSFER OF FUNDS TO ZILLA PANCHAYATS

	Detail Heads												
SI. No.	МН	SMH	MiH	SH	DH	ОН	Gangtok	Pakyong	Gyalshing	Soreng	Mangan	Namchi	Total

Annexure 3.2B (see rule 66(4)(b))

STATEMENT SHOWING DISTRICT-WISE TRANSFER OF FUNDS TO GRAM PANCHAYATS

	Detail Heads												
SI. No.	МН	SMH	MiH	SH	DH	ОН	Gangtok	Pakyong	Gyalshing	Soreng	Mangan	Namchi	Total
		·											

Annexure 3.3 (see rule 66(4)(c))

STATEMENT SHOWING HEAD-WISE TRANSFER OF FUNDS UNDER MUNICIPAL CORPORATION, COUNCIL AND NAGAR PANCHAYATS

				•			117111011,	00011012	71112 117	10,711117		•••		
		Deta	il Head	st									Nayabazar	
							Gangtok	Namchi	Singtam	Rangpo	Gyalshing	Mangan	Jorethang	
SI.			Mi	S	D	0	Municipal	Municipal	Nagar	Nagar	Nagar	Nagar	Municipal	
No.	MH	SMH	Η	Н	Н	Н	Corporation	Corporation	Panchayat	Panchayat	Panchayat	Panchayat	Council	Total

Annexure 3.4 (see rule 66(4)(d))

STATEMENT SHOWING DEPARTMENT-WISE EXPENDITURE ON WAGES

Dom		Actuala	Budget	Revised	Budget Estimates		tes
Dem No.	Departments	Actuals	Estimates	Estimates			
NO.		FY T-2	T-1	T-1	Revenue	C.S.S.	Total

Annexure 3.5 (see rule 66(4)(e))

STATEMENT SHOWING DEPARTMENT AND SCHEME WISE GRANTS-IN-AID RECEIVED FROM GOI UNDER CENTRALLY SPONSORED AND CENTRAL SECTOR SCHEMES

Dem No.	Departments	Major Scheme	Detailed		Budget Estimates	Revised Estimates	Budget Estimates
NO.		Scheme	Scheme	FY T-2	T-1	T-1	CFY

Annexure 3.6 (see rule 66(4)(f))

STATEMENT SHOWING DEPARTMENT AND SCHEME WISE GRANTS RECEIVED UNDER FINANCE COMMISSION

Dem. No.	Departments	Major	Detailed	Actuals	Budget Estimates	Revised Estimates	Budget Estimates
NO.		Scheme	Scheme	FY T-2	T-1	T-1	CFY

Annexure 3.7 (see rule 66(4)(g))

STATEMENT SHOWING DEPARTMENT-WISE ALLOCATION UNDER TSP AND SCSP (STATE FUNDED)

Dem.	Departments	Major Scheme	Scheme	Actuals	Budget Estimates	Revised Estimates	Budget Estimates
No.		Scrienie		FY T-2	T-1	T-1	CFY

Annexure 3.8A (see rule 73)

Office of:	.
Demand No:	
LI	ABILITY STATEMENT FOR THE MONTH OF
Part	I-Statement of Liabilities incurred during the month of report.

SI. No.	Nature of Liability	No. & Date of Indent or letter	Agency on which demand is placed	Estimated cost	Permissible excess over the estimated cost, if any	Total liability (Col 5+ Col 6)	which the	le month in e expenditure ccounted for Expenditure likely to occur	Remarks
1	2	3	4	5	6	7	8	9	10

Annexure 3.8B (see rule 73)

Part II-Payments made against Liabilities and Liabilities cancelled or finally paid off

	_	Record of	f Payment	Balance C	ommitment	
Month in		а	b	а	b*	
Month in which liability was reported	SI. No. of Part I	Month and Year Amount		Amount	Year(s) in which the balance of commitments is likely to be discharged	Remarks
1	2	3	4	5	6	7

NOTE 1: In Col. 2, the number to be entered will be the serial number of the liability in the Liability Statement in which it was first reported.

NOTE 2: In the Remarks column, the following information should also be given:-

- (i) If payment against a liability is likely to be made, not in the month originally indicated, but in some other month, the latter should be indicated. If change in the month of payment is the only information to be given in respect of a liability, the Columns to be used will be 1, 2 and 5.
- (ii) Similarly, if the whole or part of a liability has been cancelled or otherwise extinguished, the fact may be mentioned and brief reasons given.

*If the balance of commitments is to be discharged during more than one financial year, the year-wise break-up of the amount should be indicated.

Annexure 3.8C (see rule 73)

Part III-Progressive amount of outstanding

		Balance Co	mmitments
		а	b*
			Year(s) in which the
			balance of
			commitments is
Month in which			likely to be
liability was reported	SI. No. of Part I	Amount	discharged
1	2	3	4

- **NOTE 1** This is a list of liabilities which are pending, that is, those which have not been paid off or otherwise extinguished or cancelled.
- **NOTE 2** In Column 2, the number to be entered will be the serial number of the liability in the Liability Statement in which it was first reported.

^{*}If the balance of commitments is to be discharged during more than one financial year, the year-wise break-up of the amount should be indicated.

Anne	xure	3.9
(see	rule	73)

Office of:
Demand No:
LIABILITY STATEMENT FOR THE YEAR

	g Officer		ent		Letter	is placed		the estimate cost, if	(6)	mo y wh exp	obable nth and ear in ich the enditure vill be counted for	ser	Rec o Payr	f	Comr (Col 1	ilance nitments I0-Col 14 (b))	er	
SI. No.	Designation of Disbursing	Month of Report	SI. No. In Liability Statement	Name of Liability	No. & Date of Indent or Le	Agency on which indent	Estimated cost	Permissible Excess over the estimate cost, any	Total Liability (Col 8 + Col	Month & Year	Amount of expenditure to be incurred	Initials of the Branch Officer	(a) Month & Year	(b) Amt	(a) Amt	(b)* Years in which it is likely to be discharged	Initials of the Branch Officer	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19

NOTE - Cols. 2, 3 and4 will be operated upon only in the Register of Liabilities maintained by the Resource Controlling Officer in respect of the case reported by their Drawing and Disbursing officers.

^{*}If the balance of commitment is to be discharged during more than one financial year, the year-wise break-up of the amount should be indicated.

Annexure 3.10

(see rule 77 (4))

FINAL STATEMENT OF EXCESS	AND SAVING FOR THE BUDGET Y	EAR
Demand No	NAME OF DEPARTMENT :	
		(Runees in Thousand)

Major Head Sub-Head	Budget grant as modified by	Revised	Exce	ess	Savin	g	Reason for
Detailed Head etc.	supplementary	estimate	Proposed to be met by Re-appropriation within the grant	For which supplementary estimate is to be put up	Proposed to be utilised/ Re-appropriation for with the Grant	Proposed to report to the Finance Department	Surrender
1	2	3	4	5	6	7	8

Drawing & Disbursing Officer

Head of the Department



Surr. /Fin/Bud/		Dated:
To	SANCTIONED	

Copy forwarded to: -

- 1. The Pay and Accounts Officer, Govt. of Sikkim
- 2. The O/o the A.G. Sikkim, Deorali
- Concerned file

Joint Director or Deputy Director Finance Department

Joint Director or Deputy Director

Finance Department

INSTRUCTIONS:

- 1. Score out 'Preliminary' or 'Final' as the case may be at the top marked.
- 2. Separate statements should be prepared in respect of revenue and capital expenditure.
- 3. Figure relating to charge expenditure should be indicated by writing (charged against them).
- 4. Only those item in which any excess or saving if anticipated should be shown. In case there is no such item a blank statement should be submitted.
- 5. Reason for anticipated excess or saving should be explained clearly and briefly for each item in remarks column.
- 6. The prescribed format of anticipated excess or saving should be strictly adhered to and the figure should be <u>in thousand of rupees</u>.

(To be printed at the back of the page)

Annexure 3.11

(see rule 78 (4) (i))

APPLICATION FOR RE-APPROPRIATION IN THE BUDGET OF_	
FOR THE YEAR	
DEMAND NO	(Rs. in thousands)

1	MAJOR HEAD DETAILED HEAD OF APPROPRIATION
2	GRANT FOR THE YEAR
3	EXPENDI TURES
4	ANTICIPATED FOR THE REMAINING PART OF THE YEAR
5	ADDITIONAL AMOUNT REQUIRED COL. (3+4-2)
6	PROPOSED TRANSFER OF FUNDS FROM MJ HS/SUB-HD PRIMARY UNIT OF APPROPRATION
7	BALANCE AVAILABLE ON DATE OF APPLICATION
8	AMOUNT TO BE TRANSFERRED
9	RMARKS BY SUBMITTING OFFICER WITH REGARDS TO THE ANTICIPATED EXCESS (COL. 5) & FOR THE ANTICIPATED SAVINGS

Drawing & Disbursing Officer

Head of the Department



Reapp. /Fin/Bud/		Dated:
То	SANCTIONED	
Head of the Department		
Government of Sikkim		

Joint Director or Deputy Director Finance Department

Copy forwarded to: -

- 1. The Pay and Accounts Officer, Govt. of Sikkim
- 2. The O/o the A.G. Sikkim, Deorali.
- Concerned file

Joint Director or Deputy Director Finance Department

INSTRUCTIONS:

- 1. The description of the heads of accounts (affected accounts) in conformity with that given in the detailed estimate with the case where the provision is controlled by different grant of government, the name of the particular Department whose provision is affected by the reappropriation should be indicated in detailed of the head concerned.
- 2. Figures under Col. 2 should take into account the original Budget Grants, the Supplementary grants and re-appropriations, if any, only, sanctioned under the head up to the date proposed re-appropriation.
- 3. The case of re-appropriation in respect of Works Expenditures, Public Works, Power, Irrigation and Forest Departments, the Grants of the Works, amount sanctioned, estimated expenditures for proceeding year and outlay for current year for provision should be shown.
- 4. Separate statements should be proposed for re-appropriation relating to the charged expenditures of each grant or appropriation.
- 5. The prescribed format of re-appropriation should be strictly adhered to and the figures should be in thousands of rupees.

Annexure 3.12

(see rule 79)

APPLICATION FOR SUPPLEMENTARY DEMAND FOR GRANT FOR THE FINANCIAL YEAR_____ DEPARTMENT: _____ DEMAND NO._____ (Rs. in thousands)

Major, Minor and Detailed Heads of Account	ORIGINAL ESTIMATES	ACTUAL EXPENDITURE TILL DATE	BALANCE AVAILABLE	EXPENDITURE NECESSARY FOR THE REMAINING PART OF THE YEAR	EXTENT UP TO WHICH THE EXCESS CAN BE MET BY RE-APPROPRIATION FROM SAVINGS UNDER HEAD WITHIN THE GRANT	SUPPLEMEN TARY GRANT REQUIRED	EXPLANATION FOR INSUFFICIENCY OF THE GRANT
1	2	3	4	5	6	7	8
Total							

Drawing & Disbursing Officer

Head of the Department

Chapter IV

Government Accounts

85. General Principles of Government Accounts :-

- (1) Preparation and Presentation of Accounts: Accounts of the State Government shall be prepared every year showing the receipts and disbursements for the year, surplus or deficit generated during the year and changes in Government liabilities and assets. The accounts shall be prepared by Accountant General (Sikkim) certified by the Comptroller and Auditor General of India and along with the report of the Comptroller and Auditor General of India on these accounts, shall be submitted to the Governor, preferably within 6 (six) months of close of the Financial Year, who shall cause them to be laid before State Legislative Assembly.
- (2) Form of Accounts: The State shall follow the necessary instructions issued by the Controller General of Accounts in the Ministry of Finance, Government of India, who is responsible for prescribing the form of accounts of the States, to frame, revise rules and manuals relating thereto on behalf of the President of India in terms of Article150 of the Constitution of India, on the advice of the Comptroller and Auditor General of India. In absence of any specific rules in the State, the State shall follow the instructions as prescribed in the Government Accounting Rule, 1990 and other instructions with therequired modifications as and when required.
- (3) Cash Based Accounting: Government accounts shall be a cash based accounting with the exception of such book adjustments as may be authorised by Government Accounting Rules, 1990 or by any general or special order issued by the competent authority.
- (4) Period of Accounts: The annual accounts of the State Government shall record transactions which take place during a financial year running from the 1st April to the 31st March thereof.
- (5) Currency in which Accounts are kept: The accounts of Government shall be maintained in Indian Rupees. All foreign currency transactions and foreign aid shall be brought into account after conversion into Indian Rupees.
- (6) Main divisions and structure of Accounts: The accounts of State Government shall be kept in 3 (three) parts, i.e., Consolidated Fund (Part-I), Contingency Fund (Part-II) and Public Account (Part-III).
 - (a) Part-I Consolidated Fund is further divided into 2 (two) divisions, namely, 'Revenue' and 'Capital' divisions. The Revenue division comprises the following sections: 'Receipt Heads (Revenue Account)' dealing with the proceeds of taxation and other receipts classified as revenue and the 'Expenditure Heads (Revenue Account)' dealing with the revenue expenditure met there from. The Capital Division comprises 3 (three) sections, viz., 'Receipt Heads (Capital Account)', 'Expenditure Heads (Capital Account)'and 'Public Debt, Loans and Advances, etc.'. These sections are in turn divided into sectors such as 'General Services', 'Social and Economic Services' etc., under which specific functions or services are grouped corresponding to the sectors of classification and which are represented by Major Heads (comprising Sub-Major Heads wherever necessary).

- (b) Part-II Contingency Fund are recorded transactions connected with the Contingency Fund set up by the Government of Sikkim under Article 267(2) of the Constitution of India. There shall be a single Major Head to record the transactions there under, which will be followed by Minor, Sub and/or Detailed Heads.
- (c) Part-III Public Account-transactions relating to debt (other than those included in Part-I), reserve funds, deposits, advances, suspense, remittances and cash balances shall be recorded.
- (7) Classification of transactions in Government Accounts: As a general rule, classification of transactions in Government Accounts shall have closer reference to functions, programmes and activities of the Government and the object of revenue or expenditure, rather than the department in which the revenue or expenditure occurs. Major Heads (comprising Sub-Major Heads wherever necessary) are divided into Minor Heads. Minor Heads may have a number of subordinate heads, generally known as Sub Heads. The Sub Heads are further divided into Detailed Heads followed by Object Heads. The Major Heads of account, falling within the sectors for expenditure heads, generally correspond to functions of Government, while the Minor Heads identify the programmes undertaken to achieve the objectives of the functions represented by the Major Head. The Sub Head represents schemes, the Detailed Head denotes sub scheme and Object Head represent the primary unit of appropriation showing the economic nature of expenditure such as salaries and wages, office expenses, travel expenses, professional services, grants-in-aid, etc. The above 6 (six) tiers are represented by a unique 15 (fifteen) digit numeric code.
- (8) Authority to open a new Head of Account: Finance Department in the State is authorised to open a new head of account on the advice of the Accountant General, Sikkim in line with the list of Major heads and Minor heads as notified by the Government of India.
- (9) Conformity of budget heads with rules of classification. Budget Heads exhibited in estimates of receipts and expenditure framed by the Government or in any appropriation order shall conform to the prescribed rules of classification.
- (10) Responsibility of Departmental officers: Every officer responsible for the collection of Government dues or expenditure of Government money shall see that proper accounts of the receipts and expenditure, as the case may be, are maintained in such form as may have been prescribed for the financial transactions of Government with which he is concerned and tender accurately and promptly all such accounts and returns relating to them as may be required by Government, Controlling Officer or Accountant General, as the case may be.
- Classification should be recorded in all the bills and challans by the Drawing and Disbursing Officers and the concerned departmental officers: Suitable classification shall be recorded by Drawing and Disbursing Officers on all bills drawn by them. Similarly, classification on challans crediting Government money into the Bank shall be indicated or recorded by departmental officers responsible for the collection of Government dues, etc. In cases of doubt regarding the Head under which a transaction should be accounted, the matter shall be referred to the Accounts officer of the department concerned for clarification, wherever necessary.
- (12) Appropriation Accounts, Finance Accounts and Audit Report of the State: The Appropriation Accounts, Finance Accounts and Audit Report of the State Government, shall be prepared by the Accountant General of Sikkim or by any other

authority as notified by the Government from time to time, in the forms prescribed by the Comptroller and Auditor General of India. The draft annual accounts and reports shall be submitted to the State Government by the office of Accountant General or such other agencies for verification before it is finally printed. On completion of printing, the same shall be submitted to Finance Department in a seal cover for obtaining the necessary recommendation of the Governor as required under the Constitution before laying in the State Legislature.

86. Performa Accounts and Reports :-

- (1) Subsidiary Accounts of the Government Undertakings or Boards or Commissions etc.,: Where the operations of certain Government Departments working on a commercial or quasi-commercial basis or independently and that cannot be suitably brought within the cash based Government accounting system, the Head of the units shall be required to maintain such subsidiary Performa accounts in commercial form or in other form as may be agreed between Government through the Finance Department and the Accountant General. Generally, this may include the maintenance of suitable Manufacturing, Trading, Receipts and Payment Accounts or Profit and Loss Accounts and Balance Sheet as may be necessary for finalisation of accounts.
- (2) These reports are required to be submitted to Finance Department annually which are auditable through Finance Department or Accountant General.
- (3) The office of the Accountant General, may audit separately these organisations or undertakings and submit a Separate Audit Report of these units periodically after the Audit, to the Finance Department which shall be laid on the table of the State Legislative Assembly.

87. Charged or Voted Expenditure :-

The expenditure covered under Article 202(3) of the Constitution of India is charged on the Consolidated Fund of State and is not subject to vote by the legislature. All other expenditure met out of the Consolidated Fund of State is treated as Voted Expenditure. Charged or Voted Expenditure shall be shown separately in the accounts as well as in the Budget documents.

88. Classification of Capital and Revenue Accounts :-

- (1) Capital Expenditure: Significant expenditure incurred with the object of acquiring tangible assets of a permanent nature (for use in the organization and not forsale in the ordinary course of business) or enhancing the utility of existing asset/s, shall broadly be defined as Capital expenditure. Capital expenditure is generally met from receipts of capital nature, as distinguished from ordinary revenues derived from taxes, duties, fees, fines and similar items of current income including extraordinary receipts. It is open to the Government to meet capital expenditure from ordinary revenues;
 - provided that there are sufficient revenue resources to cover this liability. Expenditure of a Capital nature as defined above shall not be classed as revenue expenditure in the Government Accounts unless the classification has been expressly authorised by general or special orders of Government.
- (2) Revenue Expenditure: Subsequent charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order, as also all other expenses incurred for the day to day running of the organization, including establishment and administrative expenses, shall be classified as Revenue expenditure. Capital and Revenue expenditure shall be shown

separately in the Accounts. Expenditure on a temporary assets or on grants-in-aid should ordinarily be considered as a revenue expenditure and shall not, except in cases specifically authorised by the President on the advice of the Comptroller and Auditor General of India, be debited to a Capital Head.

(3) Expenditure of a Capital nature shall be distinguished from the Revenue Expenditure both in the Budget Estimates and in Government Accounts.

89. Banking Arrangements :-

- (1) The State Bank of Sikkim (SBS) or any other Bank notified by the State Government shall be the banker to the Government. It shall maintain cash balance of the Government and provide banking facilities to the Government and its subordinate or attached offices either directly through its own offices or through its agency banks.
- (2) The State Bank of Sikkim (SBS) or any other such bank authorised for Government transactions are required to follow necessary orders issued by Finance Department from time to time.
- (3) The State Bank of Sikkim (SBS) or any other Bank notified by the State Government is also required to submit details of Government receipts and payment periodically to the Finance Department.
- (4) All of the Government receipts shall be collected by the State Bank of Sikkim (SBS) or any other Bank as notified by the State Government.
- (5) The Bank and its branches shall follow Government instruction issued by Finance Department from time to time for receipts and disbursement of Government funds.

90. Sikkim Integrated Financial Management System :-

There shall be a Digital Online System of the State Government to process the financial business of the state. The digital online system is called PRANALI.

General Procedures:

- (1) 'Sikkim Integrated Financial Management System (SIFMS)', "PRANALI" an integrated Financial Management System, shall be used for conveying of sanction, bill preparation, bill processing, payment, receipt management, direct benefit transfer, fund flow management and financial reporting.
- (2) All the Drawing and Disbursing Officers shall register themselves for implementation at all levels in Sikkim Integrated Financial Management System (SIFMS) (PRANALI) for all receipts, disbursements and track fund flow and unspent balances.
- (3) The Sikkim Integrated Financial Management System (SIFMS), (PRANALI) shall also be integrated with departments and external agencies or institutions under relevant procedures prescribed under laws in force, existing rules and instructions of the State.
- (4) The bank providing services as a banker to the state shall also use the Sikkim Integrated Financial Management System (SIFMS), (PRANALI) for processing any payments and receipts relating to the State.
- (5) All the payment, to the extent possible, shall be released 'just-in-time' by the Departments through Sikkim Integrated Financial Management System (SIFMS), (PRANALI).

- (6) All internal budgetary functions including preparation of annual budget, vote on Account, supplementary demand for grants, surrender, re-appropriation etc., shall be processed through the Sikkim Integrated Financial Management System (SIFMS), (PRANALI).
- (7) Detailed Demand for Grants (DDG), as approved, must be uploaded on Sikkim Integrated Financial Management System (SIFMS), (PRANALI) at the start of each Financial Year.
- (8) The Department shall submit Utilisation Certificates on Sikkim Integrated Financial Management System (SIFMS), (PRANALI) after obtaining it from the grantee. No further grants are to be released by the department unless the utilisation certificates for all the grants are submitted by the grantee.

91. Direct Benefit Transfer (DBT) :-

Transfer of benefits (including Pay and Allowances, Pension, Wages and other Contingent charges) disbursed by any Drawing and Disbursing Officer or any other agency in the Government and its subsidiary offices shall be done directly to beneficiaries or other recipient bank account using RTGS or NEFT or other digital mode of transfers.

- (1) In no case the amount drawn for disbursement from the treasuries and other accounts shall be encashed by Drawing and Disbursing Officer or any other officer and should not be parked or credited in any other personal account.
- (2) Necessary process for reengineering to minimize intermediary levels and to reduce delay in payments to intended beneficiaries with the objective of minimizing pilferage and duplication should be done for all Government Schemes and Programmes.
- (3) The Departments will use 'PRANALI' under Sikkim Integrated Financial Management System (SIFMS) for processing of payments for cash transfers to individual beneficiaries account as per framework laid down by the Government from time to time.
- (4) Transaction charges for the financial intermediaries facilitating Direct Benefit Transfer payments shall be paid as a contingent charge.
- (5) The process for implementation of Direct Benefit Transfer as prescribed by Finance Department from time to time should be adopted.
- (6) A detailed guideline containing instructions on transfer of benefits (including Pay and Allowances, Pension, Wages and other Contingent charges) disbursed by any Drawing and Disbursing Officer or any other agency in the Government and its Subsidiary Offices.

92. Accounts Maintained Outside the Consolidated Funds of the State :-

- (1) General Rule: All moneys received by or on behalf of the Government shall be brought into the account and similarly, no authority may incur any expenditure or enter into any liability involving expenditure or transfer of money for investment or deposit from such account unless such receipt and expenditure or transfer, as the case may be, has been approved and sanctioned by the Government or by any authority to which power has been duly delegated in this behalf.
- (2) Approving Authorities: After a careful consideration of directives received from Central Government, State Government or any the funding agencies, the administrative department shall be permitted to open a savings account as a separate bank account outside the consolidated fund of the State by the Finance

Department. An application for opening of such separate account should be submitted to Finance Department through head of administrative department duly supported by all sanctions, release and remittances. On receipt of approval from Finance department, concurrence of the Accountant General (Sikkim) shall be obtained. Accountant General (Sikkim) shall consider the proposal on the merit of each case presented by the concerned department. The details of separate bank account once opened are to be intimated to both the approving authorities.

- (3) Signatories to the Bank Account: The Separate Bank Account shall be operated as a Joint Account with minimum 2 (two) and maximum 3 (three) signatories to the account out of which one of the signatories shall be entrusted to Accounts Officer as defined in clause (b) of rule 2 of these rules. The concerned Accounts Officer shall also act as Financial Advisor to the concerned authority.
- (4) Diversion of funds: The department must ensure that no personal deposits or other unrelated deposits are made out of the funds so received by the department other than deposits for the purpose of which the account has been approved. The heads of department shall note that "No unauthorised deposits and withdrawal" are permitted from this account.
- (5) Types of Separate Bank Account:
 - (a) Scheme Linked Separate Bank Account (PFMS) Applicable for all Central or State Government sponsored schemes (partially or fully sponsored) which demand use of REAT (Receipts, Expenditure, Advances and Transfers) module of Public Finance Management System (PFMS).
 - (b) Scheme Linked Separate Bank Account (Non-PFMS) Applicable for all Central or State Government sponsored schemes (partially or fully sponsored) which do not demand use of REAT module of PFMS.
 - (c) Non-Scheme Linked Separate Bank Account (Statutory Deductions)-Applicable for cases where the designated drawing and disbursing officer of the department are required to file TDS returns on a periodic basis.
 - (d) Non-Scheme Linked Separate Bank Account (Others) Any other proposal which cannot be defined under above mentioned sub-rules.
- (6) Authorised Banks: In accordance to precedence, banks authorised to maintain and operate Separate Bank Account outside the Government Account are State Bank of Sikkim (SBS), Sikkim State Co-operative Bank Limited (SISCO Bank), Scheduled Public Sector Banks or any other scheduled bank authorised by the Government.
- (7) Validity of approval: The approval to Department to open a separate bank account outside the Government Account shall be valid for One Financial Year only. Thus, the Department, before the end of 1st quarter of next Financial Year needs to revalidate the approval from Finance Department.
- (8) Interest: The interest accrued from the separate bank account needs to be deposited as revenue receipt under the Revenue Receipt Head '0049 Interest Receipt 04 Interest Receipts of State or Union Territory Governments 800 Other Receipt 03 Interest realized from accounts maintained outside the consolidated fund' and the copy of Bank Receipt (B/R) needs to be submitted while applying for revalidation as mentioned in sub-rule (7) above. This rule shall apply in consonance and not in contradiction to any other directives of Central Government or decision made earlier by the State Government.

- (9) Maintenance of books of accounts and submission of reports: The department has to mandatorily maintain a cash book, ledgers and proper books of accounts for the project or scheme etc. A Chartered Accountant firm empanelled with Finance Department shall be engaged under the project for the preparation of account and internal audit of the project or scheme etc. Receipts and Payment Account and the Bank Reconciliation Statement shall be compulsorily submitted to Finance Department while applying for revalidation as mentioned in sub-rule (7) above.
- (10) Reporting: Departments shall submit a bank account wise annual statement showing details of transaction during the previous financial year including interest earned and deposited into respective state and central government revenue head by 30th April of the following year.
- (11) Additional information: The Departments shall submit any additional information required and prescribed by the Finance Department from time to time.
- (12) Audit: The books of accounts and related documents shall be audited by Accountant General (Audit) Sikkim and Internal Audit Division of Finance Department or by any other authority authorised by the State Government from time to time. The concerned authority shall provide necessary assistance for the smooth conduct of Audit.

93. Permanent Advances:-

- (1) Permanent advance of reasonable amount may be sanctioned by the Government to heads of departments or offices to enable them to make payments of a contingent nature before they can place themselves in funds by drawing money through presentation of bills.
- (2) As these advances involve permanent retention of money outside the Bank, the amount of such advances must not be larger than is absolutely necessary. All applications for the grant of permanent advance or revision of an advance already sanctioned shall be submitted to the head of the department who will obtain the approval of the Finance Department and issue sanctions thereof.
- (3) Permanent advances are intended to provide, on the responsibility of the officer entrusted with it, for emergent petty advances of all kinds though it is seldom that they will be needed for other than contingent charges.
- (4) The holder of a permanent advance is responsible for the safe custody of the money placed in his charge and he must at all times be ready to account for the total amount of the money.
- (5) Expenditure from the permanent advance may be recouped on the basis of properly prepared and duly passed bills which shall be marked as debitable to appropriate expenditure head. Every person holding such advances shall maintain, in a subsidiary cash book in the prescribed form, the day to day accounts for expenditure from these advances.
- In the case of transfer of charges every year on the 15th April, each officer in whose favor the permanent advance is sanctioned shall send an acknowledgment to the Accountant General of the amount due from and accountable for by himself as on 31st March preceding. The number of permanent advances should not be multiplied unnecessarily. An advance sanctioned to a head of department or office should normally include the needs of every authority under him authorised to handle

permanent advance on behalf of the department. The head of the department or office shall be responsible for the proper accounting of all such advances made by him to other officers of his department.

(7) The advance may be settled by the end of the every financial year and fresh advance may be applied for in the beginning of the financial year.

94. Advances in Connection With Tour :-

A Head of department may sanction to a permanent or temporary Government servant under his administrative control who is required to proceed on tour including a prolonged tour to places which are difficult of access, an advance to cover his personal travelling expenses for a period not exceeding 30 (thirty) days as well as his expenses on contingent charges arising out of the tour strictly adhering to the following instructions: -

- (1) Advance can be drawn only if requests for advances are concurred or approved by the Financial Advisor in the Department before sanction by the Head of Department.
- (2) The Financial Advisor will take into account the following items of expenditure, to determine the guantum of advance: -
 - (a) daily allowance as per Travelling Allowances Rules for the number of days on tour:
 - (b) air fare or railway fare or roadway fare as entitled as per the Travelling Allowances Rules:
 - (c) room rent for stay in Sikkim house or New Sikkim House at Delhi and STCS Guest House, Calcutta for the number of days of stay on tour;
 - (d) mileage allowance as per Travelling Allowances Rule.
- (3) Normally only 75% (seventy-five percent) of the total estimated expenditure is to be granted as advance.
- (4) All advances will be fully settled in the final Travelling Allowances bill for the journey actually performed.
- (5) The drawal of advance shall be treated as personal advance to Government servant and any unadjusted advances shall be recovered from the salary or pensionary benefits of the Government servant.
- (6) The Drawing and Disbursing Officer shall be fully responsible for settlement of such advances.
- (7) Second advance shall not be sanctioned until the previous advance is fully settled.
- (8) Head of Department or Office, the Drawing and Disbursing Officer, the Pay and Accounts Office in particular shall ensure that all the instructions issued by Finance department from time to time are properly adhered to and complied.
- (9) A Government servant who has taken an advance under these rules for any particular journey shall not take payment on travelling allowances or other bills drawn in respect of the same journey while the advance or any portion of it still remains unadjusted.
- (10) Adjustment of advance: The amount of advance granted under this section shall be adjusted immediately on the completion of the tour or by the 31st March whichever is earlier. Advances drawn in the month of March may, however, be adjusted on completion of the tour or by the 30thApril whichever is earlier.
- (11) The right of a Government servant to travelling allowance including daily allowance shall be forfeited or deemed to have been relinquished if the claim for it is not

preferred within 1 (one) year from the date on which the journey is completed. The advance so granted shall be recovered from his pay or any other dues in four equated monthly installment by the authority competent to sanction such advance.

95. Advance on the Eve of Important Festivals :-

- (1) Power of sanction: The head of office or the department may sanction an advance to a Government servant under their administrative control on the eve of anyone of the following festivals:
 - (a) Durga puja;
 - (b) Laxmi puja;
 - (c) Lossong;
 - (d) Christmas and New Year;
 - (e) Id-Ul-Fitr;
 - (f) Tibetan New Year's Day.
- (2) An application for the grant of an advance should be submitted to the head of office at least 15 (fifteen) days before the festival.
- (3) Conditions of eligibility:
 - (a) The advance shall be admissible to all regular Government servants. The advance shall not be admissible to a Government servant under suspension or on leave preparatory to retirement. The advance may also be granted to work-charged employees drawing salary on regular scale of pay.
 - (b) Where the Government servant is of a temporary status, he shall furnish a surety from a permanent Government servant of equal or higher status than him undertaking to repay in full to Government in the event of the failure of the former to repay the advance.
 - (c) An advance under this section shall not be granted to a Government servant more than once in a calendar year.
 - (d) Where a Government servant is transferred from one establishment to another and applies to the latter for the grant of an advance on the eve of an important festival, he shall furnish in his application a certificate to the effect that he had not drawn any such advance prior to his transfer within the same calendar year. Such a certificate may be test checked by the head of office and the Drawing and disbursing officer where it is considered necessary.
- (4) Amount of advance: The amount of advance which may be granted to a Government servant shall be as per the amount prescribed by the government from time to time.
- (5) Disbursement of advance: A drawing and disbursing officer shall draw the amount of advance sanctioned under these rules before the festival in respect of which the advance is sanctioned.
- (6) Recovery of advance: The amount of advance granted under these rules shall be recovered in 6 (six) equal monthly instalments. The recovery of the amount of advance shall commence with the issue of pay for the month following that in which such amount is disbursed. An advance shall not be sanctioned in the following calendar year unless the advance, if any, granted earlier has been recovered in full.

Note: General guideline for drawal of advance: any officer prior to receiving the advance cheque shall submit an undertaking to the Drawing & Disbursing Officer stating that he shall settle the advance by submitting the detail account within three months or immediately after the purpose of the advance is completed. At the time of settlement of advance, he shall submit all the bills and vouchers and obtain a proper receipt from the drawing & Disbursing Officer to this effect. In the event of non-settlement of advance, the officer who received the advance shall be held personally liable. The format for such undertaking shall be prescribed by the Finance Department separately.

96. Reconciliation of Accounts :-

- In order to ensure that the departmental accounts are sufficiently accurate, the Heads of Department and the concerned Drawing and Disbursing Officer shall ensure that the Drawing and Disbursing Officer wise receipts and expenditure accounts are fully reconciled periodically as per the schedule fixed by the office of the Accountant General, Sikkim. The quarterly reconciliation report is required to be furnished to Finance Department.
- (2) The Drawing and Disbursing Officer shall reconcile their accounts with the accounts maintained by the respective Treasury, Pay and Accounts office prior to reconciliation of their accounts with the office of the Accountant General.

Note: Discrepancy, if any, should be noted in writing by the Drawing and the Disbursing Officer in the relevant register at the Office of the Accountant General.

97. Reporting of Accounts :-

- (1) For the purpose of control of expenditure, the administrative departments of the Government should obtain from the controlling and disbursing officers subordinate to them, monthly and progressive figures in a Register kept for the purpose with a view to enabling a proper watch of total expenditure incurred against the sanctioned grant or appropriation.
- (2) The administrative departments should also obtain from the controlling officers and other authorities subordinate to them, statements showing the name of the scheme, the budget provision for each scheme, the progressive expenditure in each scheme, the progress of the scheme in physical terms and the detailed reasons for any shortfalls or excesses, both financial and physical. The above said data should be analyzed by the administrative departments by correlating the progress of expenditure on each scheme to the progress of the scheme in physical terms and the results reported to the Government for initiating remedial action promptly, where necessary.
- (3) In order to maintain proper control over expenditure a controlling officer should obtain from the spending authorities liability statements monthly from the month of October in each financial year which should be progressive and should give the position of outstanding liabilities up to the month to which the statement relates. This liability statement will be obtained in addition to the monthly statement of actual expenditure incurred.
- (4) A controlling officer should maintain a liability register in which particulars furnished in the monthly statement should be consolidated. This will not only facilitate the exercise of effective exchequer control and the preparation of correct budget estimates but will also help in the elimination of cases of excess over grants or appropriations and of non-surrender of saving.

Chapter V

Works

98. Works to be regulated by Sikkim Public Works Code and Manual 2009 :-

All departments executing works including the designated works departments shall be regulated by the Sikkim Public Works Code and Manual 2009 as amended from time to time and other procedure applicable to them with such modifications as may be approved by Government from time to time with the concurrence of Finance department. In these rules:

- Original works means all new constructions, site preparation, additions and alterations to existing works, special repairs to newly purchased or previously abandoned buildings or structures, including re-modelling or replacement.
- (2) Minor works mean works which add capital value to existing assets but do not create new assets.
- (3) Repair works means works undertaken to maintain building and fixtures. Works will also include services or goods incidental or consequential to the original or repair works
- (4) Administrative control of works includes assumption of full responsibility for
 - (a) construction, maintenance and upkeep;
 - (b) proper utilisation of buildings and allied works;
 - (c) provision of funds for execution of these functions.
- (5) Powers to sanction works means the power delegated to various subordinate authorities to accord administrative approval and technical sanction
- (6) Technical Sanction means a properly detailed estimate (based on essential drawings and preliminary structural and service designs) prepared for sanction of the competent authority. This sanction is known as the technical sanction to the estimate and except in cases of emergency, prior financial sanction must be obtained. As the name indicates, it is not more than a guarantee that the proposals are structurally or technically sound and the estimates are accurately calculated and based on adequate data. Such sanction will be accorded by the officers of the executing department authorised to do so.

99. Execution of Work:-

General

- (1) Except as provided in sub-rule (2) of this rule, no work shall be commenced or liability incurred in connection with it until:
 - (a) administrative approval has been obtained from the authority appropriate in each case;
 - (b) sanction to incur expenditure has been obtained from the competent authority;
 - (c) a properly detailed design and estimate has been sanctioned;
 - (d) funds to cover the charge during the year have been provided by competent authority.
- (2) If, in any case, whether on grounds of urgency or otherwise, an executing officer is required by superior authority to carry out a work or incur a liability which involves an infringement of sub-rule (1) above, the orders of such authority shall be conveyed in

writing. On receipt of such written order, or in cases of emergency, on his own responsibility, the officer may proceed to carry out the necessary work subject to the condition that he immediately intimates to the said superior authority the liability he is incurring stating approximately the amount of the liability which he is likely to incur and requesting for formal sanction of the competent authority.

- (3) For purpose of approval and sanctions, a group of works which forms one project, should be considered as one work, and the necessity for obtaining the approval or sanction of higher authority to a project which consists of such a group of works is not avoided by the fact that the cost of each particular work in the project is within the powers of approval or sanction of any authority subordinate thereto.
- (4) The sanction given to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project should not, without special authority, be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.
- (5) Any development of a project thought necessary while a work is in progress, which is not fairly contingent on the proper execution of the work as first sanctioned, should be covered by a supplementary estimate.
- (6) To facilitate the preparation of estimates, and also serve as a guide in settling rates in connection with contract agreements, a schedule of rates for each kind of work commonly executed shall be notified by the Roads and Bridges Department for Civil Works, Power Department for Electrical Works and Forest Department for works under its charge and kept up-to-date. The rates entered in the estimates should generally agree with the schedule rates, but where, for any item of work, if the rates are not available in the notified Schedule of Rates, a detailed statement must be given in the report accompanying the estimate, showing the analysis and the manner in which the rates used in the estimate are arrived at.
- (7) When works are given out on contract, the general principles laid down in rule 159. (Contract management) of the manual and other rules relating to contract shall be carefully borne in mind.
- (8) When the works are executed departmentally or by contract or materials purchased should be made on the basis of measurements recorded in the Measurement Books kept for the purpose as per the procedure laid down in Sikkim Public Works Code and Manual 2009 as amended from time to time and other rules prescribed by the Government from time to time.
- (9) Department may execute repair works departmentally as per the procedure laid down in Sikkim Public Works Code and Manual 2009 as amended from time to time.

100. Works executed by civil departments :-

When works allotted to a civil department other than the Sikkim Public Works Department are executed departmentally, whether direct or through contractors, the form and procedure relating to expenditure on such works shall be prescribed by departmental regulations in consultation with the Finance Department and the Accountant General, generally on the principles underlying the financial and accounting rules prescribed for similar works carried out by the Sikkim Public Works Department. The guiding principles to be followed in such cases are:

- (1) For every work there should be a duly sanctioned detailed estimate; copies of sanctions to estimates should be communicated to the Accountant General and the Chief Pay and Accounts Officer by the sanctioning authority as soon as a sanction is accorded; and
- (2) Payments for all works done by contractor or material purchased should be made on the basis of measurements recorded in Measurement Books kept for the purpose.

101. Advances to Contractors :-

As a general rule, and subject to such exceptions as may be authorised by Government, no payment can be made to a contractor, except for work actually done or supplies actually received. Subject to such general or special orders as may be issued by the Government in this behalf, advances, if any, made to contractors during the execution of a work shall invariably be recovered from their bills.

102. Monitoring and Review of Projects :-

- (1) After a project costing ₹20,00,00,000/- (Rupees twenty crore) or above is approved and sanctioned, the Government may set up a Review Committee consisting of such members as may be deemed fit to review and monitor the progress of the work. The Review Committee shall have the powers to inspect the project and review the quality of work executed based on the approved estimates and project report. For works costing less than ₹20,00,00,000/- (Rupees twenty crore), it will be at the discretion of the Administrative Department to set up a suitable mechanism for review of the projects.
- (2) Department shall put in place, as far as possible, empowered project teams for all large value projects costing more than ₹100,00,00,000/- (Rupees one hundred crore). The empowered project team shall be headed by an officer of the level of Chief Engineer of the implementing department and shall have representatives from the administrative department (if implementing department and administrative department are not the same), and Planning & Development Department of the level of Special Secretary, an officer of the level of Director from the Finance Department and any other officer as deemed fit by the government as its members. These teams shall be tasked with only monitoring of the project.
- (3) Department shall follow the guidelines strictly as enumerated in the Sikkim Public Works Manual 2009 and other instructions for inspections and supervision and test check of works.

103. Grant of Mobilizations Advances and Secured Advance:-

- (1) In respect of certain specialized and capital-intensive works, Mobilization Advance and Secured Advance may be granted. The procedure for drawing the same shall be governed by the provisions of Sikkim Public Works Code and Manual 2009 as amended from time to time and other instructions issued by the Government on the subject from time to time.
- (2) No advance shall be released without submission of a Bank Guarantee of equivalent amount from any schedule bank or State Bank of Sikkim valid for at least 1 (one) year.
- (3) No other payments are to be released to the contractor if the bank guarantee cannot be revalidated.

The grant of advance and its recoveries shall be made as per the provisions contained in Sikkim Public Works Code and Manual 2009 as amended from time to time.

Chapter VI

Procurement of Goods and Services

104. General Rule :-

This chapter contains the general rules applicable to all Departments, regarding procurement of goods required for use in the public service. These rules shall be applied in conjunction with special rules which may be existing or may be made like Sikkim Public Works Department Code and Manual, Forest Manual etc. prescribing the functional requirement of the department. All other special rules are supplementary to these rules. The tenders or quotations for direct purchases shall be called and accepted by or under the orders of the Government except where powers to accept them have been specifically delegated. The purchases should be made from the lowest tenderers unless there is any special reasons to the contrary which should be recorded in writing. Sanctions on the basis of acceptance of tenders or quotations, as also when purchases are to be made at controlled rates or rate contract prices for identical stores, will be issued in each case by Government or by such authority as may be nominated by it. Such sanctions will indicate the quantity of supply, specifications, rate, prices and mode of supply, consignee, classification of expenditure, etc. When the accepted terms of supply require the payments of any amount in advance of supply, specific mention to the effect shall be made in the sanctions. Otherwise, payments shall be made only after supplies have been received in accordance with the supply orders and the goods have been accepted by the indenting authority. At the time of making payment, it should be seen that the rates paid are not in excess of those entered in the contract or agreement made for the supply of stores and that suitable notes of payments are recorded against the indents and invoices concerned to prevent double payment.

- (1) Definition of Goods: The term 'goods' used in this chapter includes all stores, articles, material, commodity, livestock, furniture, fixtures, raw material, spares, Instruments, machinery, equipment, industrial plant, vehicles, aircraft, ships, medicines, assemblies, sub- assemblies, accessories, a group of machineries comprising of an integrated production process or such other category of goods or intangible products like software, technology transfer, licenses, patents or other intellectual properties purchased or otherwise acquired for the use of Government but excludes books, publications, periodicals, etc. for a library. The term 'goods' also includes works and services which are incidental or consequential to the supply of such goods, such as, transportation, insurance, installation, commissioning, training and maintenance.
- (2) Fundamental principles of public buying (for all procurements): Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. The procedure to be followed in making public procurement must conform to the following yardsticks. The description of the subject matter of procurement to the extent practicable should:
 - (a) be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics;
 - (b) not indicate a requirement for a particular trademark, tradename or brand;
 - (c) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations;

- (d) the specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure;
- (e) wherever applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards:
 - Provided that a procuring entity may, for reasons to be recorded in writing, adopt any other technical specifications;
- (f) care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;
- (g) offers should be invited following a fair, transparent and reasonable procedure;
- (h) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- (i) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (j) at each stage of procurement, the concerned procuring authority must place on record, in precise terms, the considerations which was weighed with it while taking the procurement decision;
- (k) where scales of use or limits of goods and services have been laid down, the officer ordering a supply or services should certify on the purchase order that the prescribed scales or limits are not exceeded.
- (3) Authorities competent to purchase goods: An authority which is competent to incur expenditure may sanction the purchase of goods required for use in public service in accordance with the powers delegated to him following the general procedure contained in these rules.
- (4) Power for procurement of goods: The Departments that have been delegated with full powers for procurement of goods shall also follow purchase procedures as laid down in these rules.
- (5) Splitting of Purchase: Purchase orders should not be split up to avoid the necessity for obtaining the sanction of the higher authority required with reference to the total amount of the orders.
- (6) Indenting Officer: all purchase orders are to be issued by designated indenting officer identified for the purpose.

105. Purchase Procedure:-

All purchase should conform to the following procedure:

- (1) For purchases costing less than ₹20,000/- (Rupees twenty thousand) at a time, after reasonable market enquiry.
- (2) For purchases costing over ₹20,000/- (Rupees twenty thousand) up to ₹50,000/- (Rupees fifty thousand) by direct invitation of rates from a reasonable number of reliable firms or authorised dealers.

- (3) For purchases costing over ₹50,000/- (Rupees fifty thousand) through State Trading Corporation of Sikkim (STCS), Sikkim State Cooperative Supply and Marketing Federation Limited (SIMFED) or Sikkim Consumer Cooperative Society (SCCS).
- (4) When stores are purchased from open market openly, the system of Open Competitive Tender should, as far as possible, be adopted. In case of all purchase of stores costing more than ₹10,00,000/- (Rupees ten lakhs) only whether to be purchased through state Government agencies or directly, open tenders (through advertisement) should be invited by giving wide publicity in leading newspapers at least a month before the last date of submission of tenders. All such tenders should be opened by a tender selection committee where one out of which should be an officer of the Sikkim Finance and Accounts Service.
- (5) All Government procurement of Goods and Services exceeding ₹1,00,00,000/(Rupees one crore) shall be made in the e-procurement portal of the Government of Sikkim.
- (6) Detailed guidelines and procedures on the procedures of e-procurements shall be issued by Finance Department from time to time.

106. Basic requirements for invitation of tenders or quotations :-

Tenders or quotations invited above in rule 105 shall comply with the basic requirements as under.-

- (1) tenders should be opened by a tender selection committee of minimum three officers notified by the department which must include an Accounts Officer of the department;
- (2) comparative statements of tenders or quotations should be prepared in all cases where tenders or quotations are called for. The rates should be inclusive of packing and forwarding charges or such charges may be quoted separately;
- (3) the rates should be Freight on Road (FOR) destination;
- the quotations or tenders should specify whether the rates are inclusive or exclusive of Goods and Services Tax and other levies;
- (5) transit risks to the place from delivery from suppliers outside Sikkim should be covered by insurance. Such insurance shall be required to be taken by the supplier and rates are indicated in the quotations or tender cost separately;
- (6) minimum of 3 (three) or more valid tenders are received for the tender or quotation;
- (7) required earnest money has been deposited and the clauses relating to the performance guarantee is incorporated in the tenders or quotations;
- (8) time limits for the completion of the supplies to be ordered, is invariably indicated.

107. Minimum number of tenders or quotations :-

Normally tenders or quotations received from less than 3 (three) valid bidders shall be treated as incomplete and fresh tender or quotations shall be invited. In exceptional cases, less than 3 (three) bids or even a single bid can be considered with the concurrence of the Finance Department and thereafter with the approval of Government subject to the conditions laid down in rule109 hereafter.

108. Guidelines for procurement of high value works, supply, plant and machinery etc:-

(1) Two bid system (simultaneous receipt of separate technical and financial bids).-

For purchasing high value plant, machinery etc., of a complex and technical nature exceeding ₹1,00,00,000/- (Rupees one crore), bids may be obtained in two parts as under:

- (a) Technical bid consisting of all technical details along with commercial terms and conditions; and
- (b) Financial bid indicating item-wise price for the items mentioned in the technical bid.

The technical bid and the financial bid should be sealed by the bidder in separate covers duly super-scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super-scribed. The technical bids are to be opened by the purchase committee or tender committee at the first instance, evaluated by the committee and approved by the authority. At the second stage financial bids of only these technically qualified offers should be opened after intimating them the date and time of opening the financial bid for further evaluation and ranking before awarding the contract.

- (2) Two-Stage Bidding (Obtain bids in two stages with receipt of financial bids after receipt and evaluation of technical bids). Department may procure the subject matter of procurement by the method of two-stage bidding, if:
 - (a) it is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders; or
 - (b) the character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both; or
 - (c) department seeks to enter into a contract for the purpose of research, experiment, study or development, except where the contract includes the production of items in quantities sufficient to establish their commercial viability or to recover research and development costs; or
 - (d) the bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive assessment of risks, costs and obligations associated with the particular procurement.
 - (e) The procedure for two stage bidding shall include the following:
 - (i) In the first stage of the bidding process, the Departmental tender committee shall invite bids through advertised tender containing the technical aspects and contractual terms and conditions of the proposed procurement without a bid price.
 - (ii) All first stage bids, which are otherwise eligible, shall be evaluated through an appropriate committee constituted by the Department.
 - (iii) The committee may hold discussions with the bidders and if any such discussion is held, equal opportunity shall be given to all bidders to participate in the discussions.
 - (iv) In revising the relevant terms and conditions of the procurement, the procuring entity shall not modify the fundamental nature of the

procurement itself, but may add, amend or omit any specification of the subject matter of procurement or criterion for evaluation.

- (v) In the second stage of the bidding process, the procuring entity shall invite bids from all those bidders whose bids at the first stage were not rejected, to present final bid with bid prices in response to a revised set of terms and conditions of the procurement.
- (vi) Any bidder, invited to bid but not in a position to supply the subject matter of procurement due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalized in any way, by declaring his intention to withdraw from the procurement proceedings with adequate justification within 10 (ten) days.

109. Late Bids :-

In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e., bids received after the specified date and time for receipt of bids) should not be considered.

110. Single Tender Enquiry :-

Procurement from a single source may be resorted to in the following circumstances only with the concurrence of Finance Department and thereafter with the approval of Government, if:

- (i) the procurement was satisfactorily advertised and sufficient time was given for submission of bids:
- (ii) the qualification criteria were not unduly restrictive; and
- (iii) prices are reasonable as compared to market values.

111. Maintenance Contract :-

Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contract(s) of suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery. It may, however, be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the contract terms may specify and the paid maintenance should commence only thereafter. In case, the procurement is made through Sikkim State Cooperative Supply and Marketing Federation Limited (SIMFED), State Trading Corporation of Sikkim (STCS), Sikkim Consumer Co-operative Society Limited (SCCS), the supplier of the goods shall invariably enter into a Maintenance Contract with the procuring Department along with Sikkim State Cooperative Supply and Marketing Federation Limited (SIMFED), State Trading Corporation of Sikkim (STCS), Sikkim Consumer Co-operative Society Limited (SCCS) as the case may be, as a signatory.

112. Transparency, Competition, Fairness and Elimination of Arbitrariness in the Public Procurement Process:-

All government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above areas follows:

- (1) the text of the bidding document should be self-contained and comprehensive without any ambiguities;
- (2) all essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The condition of prior turnover and prior experience may be relaxed for Startups (as defined by Commerce and Industries Department) subject to meeting of quality and technical specifications and making suitable provisions in the bidding document. The bidding document should contain, inter-alia:
 - (a) description and specifications of goods including the nature, quantity, time and place or places of delivery:
 - (b) the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position or limitations for participation of the bidders, if any;
 - (c) eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc., which may be required to be met by the successful bidder:
 - (d) the procedure as well as date, time and place for sending the bids;
 - (e) date, time and place of opening of the bid;
 - (f) criteria for evaluation of bid;
 - (g) special terms affecting performance, if any.

113. Rate Contract :-

STCS, SIMFED and SCCS shall conclude rate contracts for items falling under their allocation of business, with the registered suppliers for such goods identified as common use items and are needed on recurring basis by various Departments. These agencies will furnish and update all the relevant details of the rate contracts on its website. The Departments shall follow those rate contracts to the maximum extent possible.

114. Empanelment of Suppliers :-

- (1) With reference to purchases under sub-rule (2) of rule 104, departments may maintain lists of registered suppliers based on tenders that may be invited every year with the validity of rate and other terms and conditions for 1 (one) to 3 (three) years. Registration of the supplier should be done following a fair, transparent and reasonable procedure and after giving due publicity.
- (2) Credentials, capability, quality control systems, past performance, after-sales service, financial background etc. of the supplier(s) should be carefully verified before registration.
- (3) The supplier(s) will be registered for a fixed period not exceeding 3 (three) years depending on the nature of the goods. At the end of this period, the registered supplier(s) willing to continue will have to participate in the fresh tender.
- (4) Performance and conduct of every registered supplier are to be watched by the concerned Department. The registered supplier(s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply substandard goods or make any false declaration to any Government agency or for any ground which, in the opinion of the Government is not in public interest.

(5) The list of registered suppliers for the subject matter of procurement be exhibited on the websites of the Procuring Entity or e-Procurement portals.

115. Debarment From Bidding:-

A bidder shall be debarred in tender process of the Government if he has been convicted of an offence:

- (i) under Prevention of Corruption Act 1988, or the Bharatiya Nyaya Sanhita, 2023 or any other law for the time being in force for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract;
- (ii) a bidder debarred under this rule or any successor of the bidder shall not be eligible to participate in a procurement process of any of the department or government entity for a period not exceeding 3 (three) years commencing from the date of debarment;
- (iii) a procuring entity may debar a bidder or any of its successors, from participating in any procurement process under taken by it, for a period not exceeding 2 (two) years, if it determines that the bidder has breached the code of integrity. The Department will maintain such list which shall also be displayed on their website;
- (iv) the bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment.

116. Efficiency, Economy and Accountability in Public Procurement System :-

Public procurement procedure should ensure efficiency, economy and accountability in the system. To achieve the same, the following key areas should be addressed:

- (i) to reduce delay, appropriate time frame for each stage of procurement should be prescribed by the Department;
- (ii) the Departments should ensure placement of contract within the original validity of the bids. Extension of bid validity must be discouraged and resorted to only in exceptional circumstances.

117. Code of Integrity:-

- (1) No Official of a procuring entity or a bidder shall act in contravention of the codes which includes prohibition of:
 - (a) making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process;
 - (b) any omission, or misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation be avoided;
 - (c) any collusion, bid rigging or anti-competitive behaviour that may impair the transparency, fairness and the progress of the procurement process;
 - (d) improper use of information provided by the procuring entity to the bidder with intent to gain unfair advantage in the procurement process or for personal gain;
 - (e) any financial or business transactions between the bidder and any official of the procuring entity related to tender or execution process of contract, which can affect the decision of the procuring entity directly or indirectly:

- (f) any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process;
- (g) obstruction of any investigation or auditing of a procurement process;
- (h) making false declaration or providing false information for participation in a tender process or to secure a contract;
- (2) Disclosure of conflict of interest;
- (3) Disclosure by the bidder of any previous transgressions made in respect of the provisions of sub-clause (1) with any entity in any country during the last 3 (three) years or of being debarred by any other procuring entity.

118. Violation of code of integrity:-

The competent authority after giving a reasonable opportunity of being heard, comes to the conclusion that any Government official, bidder or prospective bidder, as the case may be, has contravened the code of integrity, may take appropriate measures as prescribed in the law.

119. Buy-back Offer :-

When it is decided with the approval of the competent authority to replace an existing old item(s) with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate the bids accordingly. Depending on the value and condition of old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

120. Procurement of Consultancy Services :-

Consulting Service means any subject matter of procurement (which as distinguished from Non-Consultancy services' involves primarily non-physical project specific, intellectual and procedural processes where outcome and deliverables may vary from one consultant to another), other than goods or works, except those incidental or consequential to the service and includes professional, intellectual, training and advisory services or any other service classified or declared as such by a procuring entity.

Note: These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultants, advisory and project related consulting services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development etc.

121. Procurement Procedure for Consultancy Services :-

The Departments may only hire external professionals, consultancy firms or consultants (referred to as consultants hereinafter) for a specific job, which is well defined in terms of content and time frame for its completion. Departments shall ensure that they do not contravene the basic rules as under:

(1) Identification of Services required to be performed by Consultants: Engagement of consultants may be resorted to in situations requiring high quality services for which the concerned Department does not have requisite expertise nor past experienced in similar works. Approval of the competent authority should be obtained before engaging consultant(s).

- (2) Preparation of scope of the required Consultant(s): The Departments should prepare in simple and concise language, the requirement, objectives and the scope of the assignment. The eligibility and prequalification criteria to be met by the consultants should also be clearly identified at this stage.
- (3) Estimating reasonable expenditure: Department proposing to engage consultant(s) should estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other organizations engaged in similar activities.
- (4) Identification of likely sources:
 - (a) where the estimated cost of the consulting service is up to ₹25,00,000/(Rupees twenty-five lakh), preparation of a long list of potential consultants
 may be done on the basis of formal or informal enquiries from other
 Departments or Organizations involved in similar activities; or
 - where the estimated cost of the consulting services is above ₹25,00,000/(Rupees twenty-five lakh), in addition to the procedure at (a) above, an enquiry for seeking 'Expression of Interest from consultants should be published on State Public Procurement Portal (SPPP). An organization having its own website should also publish all its advertised tender enquiries on the website. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Department, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting responses from interested consultants.
- (5) Shortlisting of consultants: On the basis of responses received from the interested parties as above, consultants meeting the requirements should be shortlisted for further consideration. The number of shortlisted consultants should not be less than 3 (three).

122. Preparation of Terms of Reference (TOR) :-

The Terms of Reference should include:

- (i) precise statement of objectives;
- (ii) outline of the tasks to be carried out;
- (iii) schedule for completion of task;
- (iv) the support or inputs to be provided by the Department to facilitate the consultancy;
- (v) the final outputs that will be required of the consultant.

123. Preparation and Issue of Request for Proposal (RFP) :-

Request for Proposal is the document to be used by the Department for obtaining offers from the consultants for the required service. The Request for Proposal (RFP) should be issued to the shortlisted consultants to seek their technical and financial proposals. The Request for proposal (RFP) should contain:

- (i) a Letter of invitation;
- (ii) information to consultants regarding the procedure for submission of proposal;
- (iii) terms of Reference (TOR);

- (iv) eligibility and pre-qualification criteria in case the same has not been ascertained through Enquiry for Expression of Interest;
- (v) list of key position whose Curriculum vitae (CV) and experience would be evaluated;
- (vi) bid evaluation criteria and selection procedure;
- (vii) standard formats for technical and financial proposal;
- (viii) proposed contract terms;
- (ix) procedure proposed to be followed for midterm review of the progress of the work and review of the final draft report.

124. Receipt and Opening of Proposals :-

Proposals should ordinarily be asked from consultants in 'Two bid' system with technical and financial bids sealed separately. The bidder should put these 2 (two) sealed envelopes in a bigger envelop duly sealed and submit the same to the Department by the specified date and time at the specified place. On receipt, the technical proposals should be opened first by the Department at the specified date, time and place.

125. Late Bids :-

Late bids i.e., bids received after the specified date and time of receipt should not be considered.

126. Evaluation of Technical Bids :-

Technical bids should be analysed and evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Department. The Consultancy Evaluation Committee (CEC) shall record in detail the reasons for acceptance or rejection of the technical proposals analysed and evaluated by it.

127. Evaluation of Financial Bids of the Technically Qualified Bidders :-

The Department shall open the financial bids of only those bidders who have been declared technically qualified by the Consultancy Evaluation Committee as per rule 126 above for further analysis or evaluation and ranking and selecting the successful bidder for placement of the consultancy contract.

128. Methods of Selection or Evaluation of Consultancy Proposals :-

The basis of selection of the consultant shall follow any of the methods given in rules 129 and 130 as appropriate for the circumstances in each case.

129. Quality and Cost Based Selection (QCBS) :-

Quality and Cost Based Selection (QCBS) may be used for Procurement of consultancy services, where quality of consultancy is of prime concern:

- (1) In Quality and Cost Based Selection (QCBS) initially the quality of technical proposals is scored as per criteria announced in the Request for Proposal (RFP). Only those responsive proposals that have achieved at least minimum specified qualifying score in quality of technical proposal shall be considered further.
- (2) After opening and scoring, the Financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving predefined relative weightages for the score of quality of the technical proposal and the score of financial proposal.

- (3) The Request for Proposal (RFP) shall specify the minimum qualifying score for the quality of technical proposal and also the relative weightages to be given to the quality and cost (determined for each case depending on the relative importance of quality vis-a-vis cost aspects in the assignment, e.g., 70:30, 60:40, 50:50 etc.). The proposal with the highest weighted combined score (quality and cost) shall be selected.
- (4) The weightage of the technical parameters i.e., non-financial parameters in no case should exceed 80 (eighty) percent.

130. Least Cost System (LCS) :-

Least Cost System (LCS) is appropriate for assignments of a standard or routine nature (such as audits and engineering design of non-complex works) where well-established methodologies, practices and standards exist. Unlike Quality and Cost Based Selection (QCBS), there is no weightage for technical score in the final evaluation and the responsive technically qualified proposal with the lowest evaluated cost shall be selected.

131. Single Source Selection or Consultancy by Nomination :-

The selection by direct negotiation or nomination, on the lines of single tender mode of procurement of goods, is considered appropriate only under exceptional circumstance such as:

- (i) tasks that represent a natural continuation of previous work carried out by the firm;
- (ii) in case of an emergency situation, situations arising after natural disasters, situations where timely completion of the assignment is of utmost importance; and
- (iii) situations where execution of the assignment may involve use of proprietary techniques or only one consultant has requisite expertise;
- (iv) under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Government. Full justification for single source selection should be recorded in the file and approval of the competent authority obtained before resorting to such single-source selection;
- (v) it shall ensure fairness and equity, and shall have a procedure in place to ensure that the prices are reasonable and consistent with market rates for tasks of a similar nature, and the required consultancy services are not split into smaller sized procurement.

132. Monitoring the Contract :-

The Department should be involved throughout in the conduct of consultancy, preferably by taking a task force approach and continuously monitoring performance of the consultant(s) so that the output of the consultancy is in line with the Department's objectives.

133. Public Competition for Design of Symbols or Logos:-

Design competition should be conducted in a transparent, fair and objective manner. Wide publicity should be given to the competition so as to ensure that the information is accessible to all possible participants in the competition. This should include publication on the website of Department concerned, as also the State Public Procurement Portal. If the selection has been by a jury of experts nominated for the purpose, the composition of the jury may also be notified.

134. Non-Consulting Service :-

"Non-Consulting Service" means any subject matter of procurement (which is distinguished from 'Consultancy Services'), involving physical, measurable deliverables or outcomes, where performance standards can be clearly identified and consistently applied, other than

goods or works, except those incidental or consequential to the service, and includes maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service, janitor, office errand services, drilling, aerial photography, satellite imagery, mapping etc.

135. Procurement of Non-Consulting Services :-

A Department may procure certain non-consulting services in the interest of economy and efficiency and it may prescribe detailed instructions and procedures for this purpose without contravening the following basic guidelines:-

- (1) Identification of Likely Contractors: A Department should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other Departments and Organisations involved in similar activities, scrutiny of 'Yellow pages', and trade journals, if available and web site etc.
- (2) Preparation of Tender Enquiry: Department should prepare a tender enquiry containing, inter alia:
 - (a) the details of the work or service to be performed by the contractor;
 - (b) the facilities and the inputs which will be provided to the contractor by the Department;
 - (c) eligibility and qualification criteria to be met by the contractor for performing the required work or service; and
 - (d) the statutory and contractual obligations to be compiled with or by the contractor.

(3) Invitation of Bids:

- (a) For estimated value of the non-consulting service up to ₹10,00,000/- (Rupees ten lakhs) or less: The Department should scrutinise the preliminary list of likely contractors as identified as per Clause (1) of rule 135 above, decide the prima facie eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should be more than 3 (three).
- (b) For estimated value of the non-consulting service above ₹10,00,000/-(Rupees ten lakhs): The department should issue advertisement in the State Public Procurement Portal. An organisation having its own website should also publish all its advertised tender enquiries on the website. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded.
- (4) Late Bids: Late bids i.e., bids received after the specified date and time of receipt should not be considered.
- (5) Evaluation of Bids Received: The Department should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.

136. Procurement of non-consulting services by nomination :-

Should it become necessary, in an exceptional situation to procure a non-consulting service from a specifically chosen contractor, the Competent Authority in the Department may do so in consultation with the Financial Adviser. In such cases the detailed justification, the circumstances leading to such procurement by choice and the special interest or purpose it shall serve, shall form an integral part of the proposal.

137. Monitoring the contract :-

The Department should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.

138. Advance relating to supplies :-

As a general rule, and subject to such exceptions as may be authorised by Government, no payment should be made to a contractor or supplier, except for work actually done or supplies actually received. Subject to such general or special orders as may be issued by Government in this behalf, advances, if any, made to contractors or suppliers during the execution of a work shall invariably be drawn in Advance Contingent Bill form generated from the PRANALI software and recovered from their bills for the value of work done or supplies made before final payment is made, which must in no case be permitted without detailed measurement subject to the following conditions:

- (i) no advances shall be drawn or paid to a private firm or company or Individual, except expressly provided in these rules, without the concurrence of Finance Department;
- (ii) no second advance shall be paid without the adjustments of advance drawn earlier;
- (iii) Finance Department may refuse the concurrence for drawal of advance unless the outstanding unadjusted advances of the department are brought down at a minimum and considerable level;
- all the proposal submitted by the departments requiring concurrence of Finance Department for drawal of advance relating to procurement of goods and services shall be considered only on submission of Bank Guarantee of equivalent amount from any scheduled bank located in Sikkim. The State Trading Corporation of Sikkim (STCS) or Sikkim State Co-operative Supply and Marketing Federation Ltd (SIMFED) or Sikkim Consumers Co-operative Limited (SCCS) shall obtain similar Bank Guarantee for equivalent amount before they release any advances to the suppliers. Similarly, the State Trading Corporation of Sikkim (STCS) or Sikkim State Co-operative Supply and Marketing Federation Ltd (SIMFED) or Sikkim Consumers Co-operative Limited (SCCS) shall in turn submit bank guarantee to the concerned Department before seeking concurrence of Finance Department. The manufacturers or distributors, dealers and suppliers seeking an advance shall also submit Bank Guarantees of equivalent amount from any scheduled bank located in Sikkim.
- (v) the validity of the Bank Guarantee shall be till the closure of the contract agreement;
- (vi) the Finance Department shall scrutinize and exercises all checks of relevant documents and the bank guarantee at the time of concurrence of the proposal for drawal of advance.

139. Advance Drawn by Departmental Officers for Execution of Works and Services :- Works may be executed in 2 (two) ways:

- (1) Through department by engaging labour: The work in the Department may be carried out departmentally if it is of urgent nature or for reasons of special importance.
- (2) Through contractor: The procedure for works to be executed through the contractors has been laid down in Sikkim Public Works Code and Manual 2009 as amended from time to time.

Note: The advance for any work should be drawn as per the rules laid down in the Sikkim Public Works Code and Manual 2009 as amended from time to time.

140. Advance for Payment of Maintenance and Service Contract Holders :-

It may become necessary to make advance payments in the following types of case, for example:

- (1) In case of advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment, etc., and any advance against fabrication contracts, turn-key contracts etc., such advance payments shall not exceed the following limits:
 - (a) 30% (thirty per cent) of the contract value to private firms;
 - (b) 40% (forty per cent) of the contract value to a State or Central Government agency or a Public Sector Undertaking.
- (2) In case of maintenance contract, the amount should not exceed the amount payable for 6 (six) months under the contract. Government may relax with the concurrence of Finance Department, the ceilings (including percentage laid down for advance payment for private firms) mentioned above.

141. Procedure for Adjustment of Advance :-

In all cases advance drawn for any purpose shall be adjusted within 90 (ninety) days from the date of drawal. A detailed Contingent Bill prepared through the PRANALI software shall be used for adjustment of advance. Finance Department shall regularly review the position of outstanding unadjusted advances in consultations with office of the Accountant General (Sikkim) and shall issue suitable guidelines to all the departments and Drawing and Disbursing Officers for adjustments. Finance Department shall also review department wise, Drawing and Disbursing Officer wise outstanding advances annually and take appropriate action to disallow the drawal of further advances to the defaulting Drawing and Disbursing Officer.

142. General Rule for Earnest Money :-

- (1) Necessity for Earnest Money: Earnest money is paid by each tenderer to enable the Government to ensure that a tenderer may not refuse to execute the work or supply after it has been awarded to him. In case where a tenderer fails to commence the work awarded to him, the earnest money is absolutely forfeited to the Government. If only a part of the work as shown in the tender is awarded and the contractor or supplier does not commence the work or supplies, the amount of the earnest money to be forfeited to the Government should be worked out with reference to the estimated cost of the work or supply so awarded.
- (2) Rate of Earnest Money: The rate of earnest money which a contractor or the supplier should deposit before issue of tender form is 2.5% (two and half per cent) of the estimated cost or value of supplies or work put to tender.
- (3) Mode of Deposit: The earnest money is accepted only in the form of temporary deposit receipt (TDR) from the State Bank of Sikkim or Fixed Deposits Receipts or other recognized form of instruments acceptable to the tendering authority from any other scheduled bank located in Sikkim. The deposit is to be made within the time allowed and specified in the Notice Inviting Tender and should be pledged in favor of the tender inviting authority. No other form of deposit shall be accepted.

- (4) Validity: Initially, the earnest money deposit in the form of TDR or FDR or other recognized form of instruments acceptable to the tendering authority shall remain valid for a minimum period of 45 (forty-five) days beyond the final bid validity period.
- (5) Acceptance of Bank Guarantee or Temporary Deposits and other Fixed Deposits: In order to protect the interest of State Government against Fraudulent or Forged or Fake Bank Guarantee or Temporary Deposits or Fixed Deposits, following guidelines must be strictly followed by all administrative authority.
 - (a) Safe Custody: The concerned Drawing and Disbursing Officer of the department or any other authority in the department who is assigned with the safe custody of Bank Guarantee or TDRs or FDR or other deposits shall be personally responsible for safe custody of these instruments. He shall maintain proper records of these instruments.
 - (b) Verification and authenticity of Instruments: A certified copy of the Instruments accepted by the department shall be sent for verification to the issuing bank by the concerned authority before issue of work order or Supply Order or Assignments. No work order or supply order or job contract or assignments shall be issued without prior verification of the instrument.
- (6) Renewal of Bank Guarantee: The concerned Drawing and Disbursing Officer of the department or any other authority in the department who is assigned with the safe custody of Bank Guarantee or TDRs or FDR or other deposits shall be personally responsible for timely renewal of instruments and shall ensure that no further payment to be released to the contractor or suppliers unless the documents are so renewed. He shall report to the Head of Office or Head of Department immediately if there is any lapsed guarantee in his custody for further remedial action.
- (7) Refund of earnest money:
 - (a) Earnest money received in the form of Temporary Deposit Receipt or Fixed Deposit Receipt along with the tender, except for the lowest tenderer, should be refunded within a week time from the date of declaration of the lowest bidder. However, in case of 2 (two) packet or 2 (two) stage bidding, earnest money of unsuccessful bidders during first stage i.e., technical evaluation etc. should be returned within 1 (one) week of declaration of results of first stage i.e., technical evaluation etc.
 - (b) Earnest money deposit may be refunded under the authority of an order endorsed by the Departmental Officer (in whose favor the deposit was made) upon the original deposit receipt. Under no circumstances can part payment be made.
 - (c) Earnest money deposits of the lowest bidder may be refunded after completion of works or supplies or on submission of performance security or guarantee by the suppliers based on the terms and conditions as laid down in the tender documents.

- (8) Forfeiture of Earnest Money:
 - (a) If any Tenderer withdraws his tender within the validity period or makes modifications in the terms and conditions of the tender which are not acceptable to the Department, then the Government shall without prejudice to any other right or remedy, shall forfeit 100% (One Hundred Per cent) of the earnest money.
 - (b) In case the contractor or suppliers who fails to commence the work or supplies specified in the tender or NIT documents on 15th day or such time period as mentioned in the letter of award of such work or supplies, the Government shall, without prejudice to any other right or remedy, be at liberty to forfeit whole of the earnest money absolutely. In case of tenders relating to works, such period of time shall commence from the date on which the Engineer-in-Charge issues written orders to commence the work or from the date of handing over of the site, whichever is later.

143. Security Deposit :-

- (1) Subject to any general or special instructions prescribed by Government in this behalf, every Government servant, who is entrusted with the custody of cash or stores, shall be: required to furnish security for such amount as may be prescribed by the competent authority in each case. Notwithstanding anything contained in this rule, security deposit is not required to be furnished in cases of:
 - (a) Government servants who are entrusted with the custody of stores which are not considerable;
 - (b) Government servants who are entrusted with the custody of office furniture, stationery and other articles required for office management, if there are satisfactory safeguards against loss through pilferage.
 - (c) Drivers of Government Vehicles.
 - (d) Government servants entrusted with handling imprest money not exceeding ₹20,000 (Rupees twenty thousand) or person handling the service postage stamps.
- (2) Forms of Security: The security to be taken from a Government servant and the Contractor or Suppliers shall be in one of the following recognized forms:
 - (a) Cash:
 - (i) Government will not pay any interest on any security deposit held in the form of cash or Temporary Deposits. Such security deposit may be converted at the cost of the depositor into any of the interestbearing forms of security from the scheduled bank if so desired by the depositors and approved by the competent authorities;
 - (ii) percentage deductions made from a contractor's bills held as security for the due fulfilment of a contract shall not be converted into any other form of security unless there is a special rule or order for such conversion.
 - (b) Fixed Deposit receipts of Post office and all the scheduled banks:
 - (i) the deposit receipts shall be made out in the name of the pledge. The bank shall certify on it that the deposit can be withdrawn only on the demand, or with the sanction of the pledge. The original deposit

receipts shall be retained with the cashier of the department under the supervision of the Drawing and Disbursing Officer;

- (ii) the depositor shall agree in writing to pledge the receipts;
- the depositor shall receive the interest when due, direct from the bank on a letter from the pledge, authorizing the bank to pay it to him;
- (iv) the responsibility of the pledge in connection with the deposit and the interest on it will cease when he issues a final withdrawal order to the depositor and sends an intimation to the bank that he has done so.
- (c) Any other form of security approved by Government for acceptance in any particular department such as mortgages on real property and personal security: These securities may be accepted only in accordance with the rules and conditions laid down in the relevant departmental regulations or by special orders of the Government with the concurrence of Finance Department.
- (d) Temporary Deposits Receipts (TDR) issued by Banks: TDRs issued by State bank of Sikkim may be accepted as security from the contractors or suppliers for execution of work or supplies or fulfilment of services.
- (3) Authority: Government may authorise the Head of Department or any other subordinate authority authorised by the Head of Department to accept security in any of the forms given in these rules.
- (4) Rate of Security Deposit: The security deposit for work contract shall be collected by deductions from the running bills of the contractors at the rate of 5% (five per cent) of the gross amount of the bill. The security deposit shall not be refunded to a contractor except in accordance with the terms of his agreement and the procedures as laid down in Sikkim Public Works Code and Manual 2009 as amended from time to time.

144. Performance Security:-

To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the supply work having value above ₹10,00,000/- (Rupees ten lakhs). Unlike contracts of Works and Plants, where the security deposits for work is deducted, in case of contracts for goods and services, the need for the Performance Security depends on the market conditions and commercial practice for the particular kind of goods and services.

Performance Security should be for an amount of 5% (five per cent) of the value of the contract as specified in the bid documents. Performance Security may be obtained in the form of TDR from the State Bank of Sikkim or Fixed Deposit Receipt from a Commercial bank or Bank Guarantee from a scheduled bank for safeguarding the Government's interest in all respects. The earnest money deposits should be refunded to the successful bidder on receipt of Performance Security.

Performance Security should remain valid for a period of 60 (sixty) days beyond the stipulated date of completion of all contractual obligations of the supplier including warranty obligations.

Chapter VII

Stores Management

145. Inspection and Tests:-

For any high value materials procured directly from the manufacturer's inspection, should be carried out by an officer of the indenting department nominated by the head of the department before dispatch commences from supplier's premises. The above procedure shall be followed in case of all purchases whether made directly by the department under specific orders of the competent authority or through STCS, SIMFED or SCCS under the existing orders. The STCS, SIMFED and SCCS shall also adopt the above procedure mutatis mutandis.

146. Receipt of Stores :-

All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken and it should be ensured that the quantities are correct and the quality according to specifications ordered. A certificate to such effect must be recorded on the relevant cash memo or invoice which is to form the documents on which the payment for the supplies will be made. The officers receiving the stores should also record a certificate that he has entered the stores in the appropriate stock register, mentioning the page number of the register in each case.

147. Custody and Accounting of Stores :-

- (1) The departmental officers entrusted with the care, use or consumption of stores of any kind are responsible for their safe custody and for keeping them in good condition. They should also arrange for the proper maintenance of accounts of the stores and take adequate steps for preventing losses through deterioration, theft, accident, fraud, etc. Any loss or damage to Government stores should forthwith be reported by them to their immediate officer in charge.
- An inventory of the dead stock shall be maintained in all Government offices showing the number or quantity received, the number or quantity disposed off (by consumption, transfer, loss, sale etc.) and the balance in hand of each kind of article. The inventory shall be priced where the value of items is to be recovered from private persons or bodies. Articles of dead stock shall be physically verified once a year and the result of verification recorded in the inventory. All discrepancies shall be investigated and brought to account immediately so that the inventory may represent the true account.
- (3) When articles of dead stock e.g., tools and plants are lent to local bodies, contractors, etc. the hire and other charges as determined under prescribed rules shall be recovered regularly.
- (4) Price lists of stores, recording both quantities and value shall be maintained in cases where the stores are to be issued to contractors for use on works or the cost of stores is to be distributed over works, items or objects on which they are actually used. In such cases, the expenditure on stores shall be charged to stock suspense in the first instance, instead of to the final head of account.

148. Issue of Stores :-

When materials are issued, a written acknowledgement should be obtained from the person to whom they are delivered. In case of stores issued to a contractor the cost of which is recoverable from him, the acknowledgement should give full particulars of the materials issued including the recovery rates and the total value chargeable to the contractor.

149. Transfer of Charge of Stores :-

In case of transfers, the officer-in-charge of stores shall see that the stores in his custody are made over correctly to his successor and a proper receipt taken from him.

150. Physical Verification of Stores:-

In order to ensure that stores are not held unnecessarily in excess of the requirements of a reasonable period, half-yearly inspections should be conducted by a responsible officer who must submit a report of surplus or obsolete stores to the authority competent to issue orders of their disposal. However, Physical verification of all stores must be made at least once every year by the Head of the department or such other committee of officers as may be specially constituted by him in this behalf. For verification of stores with book value of more than ₹50,00,000/- (Rupees fifty lakh), the verification committee should comprise of not less than 3 (three) members out of which one member should be an officer of the Sikkim Finance and Accounts Service. The committee should after verification, record a certificate in the stock register indicating the results of such verification. A separate report should also be submitted detailing the stock position and any other discrepancies detected during the inspection to the head of department and the Finance Department. The verification should not, however, in any case be entrusted to a person:

- (1) Who is the custodian officer, Junior Engineer of the store, ledger keeper or the Accountant or Jr. Accountant or Accounts Clerk of the stores to be verified or who is a nominee of, or is employed under, the custodian officer, ledger keeper or the accountant; or who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified.
- (2) The verification shall never be left to low paid subordinates and in case of large and important stores exceeding ₹20,00,000/- (Rupees twenty lakhs), it shall, as far as possible, be entrusted to a responsible officer who is independent of the subordinate authority in charge of the stores.
- (3) Verification must always be made in the presence of the officer responsible for the custody of the stores or of a responsible person deputed by him. All discrepancies noticed must be brought to account immediately, so that the stores account may represent the true state of the stores. Shortages and damages, as well as unserviceable stores should be reported simultaneously to the authority competent to write off the loss. In case of loss of items of book value exceeding ₹5,000/- (Rupees five thousand only), shall be properly investigated and appropriate action taken with the approval of the Government.
- (4) All stores, which may be declared as obsolete, surplus or unserviceable shall be disposed off under orders of the authority to which powers may be delegated in this behalf.

151. Disposal of Goods :-

- (1) An item may be declared surplus or obsolete or unserviceable if the same is of no use to the Department nor having immediate future use. An item may be declared surplus or obsolete after of a period of 5 (five) years. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item.
- (2) The competent authority should, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable.

- (3) The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case where it is not possible to work out the book value, the original purchase price of the goods in question may be utilised.
- (4) In case an item becomes unserviceable due to negligence, fraud or mischief on the part of a government servant, responsibility for the same should be fixed.
- (5) Sale of Hazardous waste or Scrap Batteries or Electronic waste: Scrap lots comprising of hazardous waste, batteries etc., shall be sold keeping in view the extant guidelines of the Government on the matter. Prospective bidders of such lots of hazardous waste or scrap batteries or e-waste should be in possession of registration, valid on the date of Auction and on the date of delivery, as recycler or pre-processor agency.

152. Modes of disposal :-

- (1) Surplus or obsolete or unserviceable goods of assessed residual value above ₹2,00,000/- (Rupees two lakh) should be disposed of by:
 - (a) obtaining bids through advertised tender; or
 - (b) public auction.
- (2) For surplus or obsolete or unserviceable goods with residual value less than ₹2,00,000/- (Rupees two lakh), the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of. Departments should, as far as possible prepare a list of such goods.
- (3) Certain surplus or obsolete or unserviceable goods such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such goods.
- (4) Surplus or obsolete or unserviceable goods, equipment and documents, which involve security concerns (e.g., currency, negotiable instruments, receipt books, stamps, security press etc.) should be disposed of or destroyed in an appropriate manner to ensure compliance with rules relating to official secrets as well as financial prudence.

153. Disposal Through Advertised Tender :-

- (1) The broad steps to be adopted for this purpose are as follows:
 - (a) preparation of bidding documents;
 - (b) invitation of tender for the surplus goods to be sold;
 - (c) opening of bids;
 - (d) analysis and evaluation of bids received;
 - (e) selection of highest responsive bidder;
 - (f) collection of sale value from the selected bidder;
 - (g) issue of sale release order to the selected bidder;
 - (h) release of the sold surplus or obsolete or unserviceable goods to the selected bidder;
 - (i) return of bid security to the unsuccessful bidders.

- (2) The important aspects to be kept in view while disposing the goods through advertised tender are as under:
 - (a) The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document.
 - (b) The bidding document should also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding.
 - (c) The bidders should be asked to furnish bid security along with their bids. The amount of bid security should ordinarily be 10% (ten per cent) of the assessed or reserved price of the goods. The exact bid security amount should be indicated in the bidding document.
 - (d) The bid of the highest acceptable responsive bidder should normally be accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held only with that bidder. In case such negotiation does not provide the desired result, the reasonable or acceptable price may be counter offered to the next highest responsive bidder(s).
 - (e) In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder.
 - (f) Full payment, i.e., the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the goods.
 - (g) In case the selected bidder does not show interest in lifting the goods, the bid security should be forfeited and other actions initiated including re-sale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice.
- (3) Late bids i.e., bids received after the specified date and time of receipt should not be considered.

154. Disposal Through Auction :-

- (1) A Department may undertake auction of goods to be disposed off either directly or through approved auctioneers.
- (2) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.
- (3) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), should be announced again for the benefit of the assembled bidders.
- (4) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not

less than 25% (twenty-five per cent) of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of a bank instrument drawn in favor of the Department selling the goods. The goods should be handed over to the successful bidder only after receiving the balance payment.

(5) The composition of the auction team will be decided by the competent authority. The team should however include one finance officer of the department.

155. Disposal at Scrap Value or by Other Modes :-

If a department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose of the same at its scrap value with the approval of the competent authority in consultation with Finance division of the administrative department. In case the Department is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an ecofriendly manner.

156. Sale account :-

A sale account should be prepared for goods disposed of in Form 7.1 duly signed by the officer who supervised the sale or auction. Proceeds from the sale should be immediately deposited into the relevant Government Revenue Receipt Head of the Department.

157. Losses :-

Losses shall be grouped under the following heads, namely:

- (i) losses due to theft or fraud;
- (ii) losses due to neglect;
- (iii) losses due to an act of God and other calamities such as fire, enemy action, etc.,;
- (iv) losses due to depreciation;
- (v) losses on account of surplus or obsolete stores or of purchases in excess of requirements;
- (vi) Other losses due to damages etc.

158. Powers to write off:-

All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the competent authority shall be obtained in respect of losses, even though no formal correction or adjustment in government accounts is involved.

Form 7.1 (see rule 156)

SALE ACCOUNT

Item no.	Particulars of stores	Quantity/weight	Name and Full Address of purchaser	Highest bid accepted	Highest bid rejected	Earnest money realised on the spot	Date on which the complete amount is realised and credited into treasury	Whether the articles were actually handed over on the spot. If not, the actual date of handing over the articles with quantities	Auctioneers commission and acknowledgement for its payment
1	2	3	4	5	6	7	8	9	10

Chapter VIII

Contract Management

159. Contract Management :-

- (1) General Principle: The following general principles should be observed while entering into contracts:
 - (a) All contracts and assurances of property made in the exercise of the executive power of the State shall be made by an authority empowered to do so by or under the orders of the Governor of Sikkim in terms of Article 299 of the Constitution of India and should follow the designation appended below the signature of the officer authorised in this behalf.
 - (b) The terms of contract must be precise, definite and without any ambiguities. The terms should not involve an uncertain or indefinite liability, except in the case of a cost-plus contract or where there is a price variation clause in the contract.

Explanation: A cost-plus contract means a contract in which the price payable for supplies or services under the contract is determined on the basis of actual cost of production of the supplies or services concerned plus profit either at a fixed rate per unit or at a fixed percentage on the actual cost of production.

- (c) Standard forms of contracts should be adopted wherever possible, with such modifications as are considered necessary in respect of individual contracts. The modifications should be carried out only after obtaining financial and legal advice. In cases where standard forms of contracts are not used, legal and financial advice should be taken in drafting the clauses in the contract.
- (d) In respect of Works Contracts, or contracts for purchases valued up to ₹1,00,00,000/- (Rupees one crore), where tender documents include the General Conditions of Contract (GCC), Special Conditions of Contract (SCC) and scope of work, the letter of acceptance will result in a binding contract.
- (e) In respect of contracts for works with estimated value of ₹1,00,00,000/-(Rupees one crore) and above or for purchase above ₹1,00,00,000/- (Rupees one crore), a Contract document shall be executed, with all necessary clauses to make it a self- contained contract. If, however, these are preceded by Invitation to Tender, accompanied by GCC and SCC, with full details of scope and specifications, a simple one-page contract can be entered into by attaching copies of the GCC and SCC, and details of scope and specifications, Offer of the tenderer and Letter of Acceptance.
- (f) Contract document should be invariably executed in cases of turnkey works or agreements for maintenance of equipment, provision of services etc.
- (g) Every contract should contain suitable penal provisions against any breach or non-fulfilment of the contract or any of its terms by the contractor. Any waiver of the prescribed penal consequences should be fully justified in writing and should have the prior approval of the authority competent to execute the contract.
- (h) No work of any kind should be commenced without proper execution of an agreement as given in the foregoing provisions.

- (i) Contract document, where necessary, should be executed within 21 (twenty-one) days of the issue of letter of acceptance. Non-fulfilment of this condition of executing a contract by the Contractor or Supplier would constitute sufficient ground for annulment of the award and forfeiture of Earnest Money Deposit.
- (j) The terms of a contract once entered into should not be materially varied without the previous consent of the authority that had approved the contract who may take prior legal and financial advice.
- (k) The terms of the contract should not contradict / deviate from these rules.
- (l) Provision must be made in contracts for safeguarding Government property entrusted to a contractor.
- (2) No relaxation of specification agreed upon in a contract or relaxation of the terms of an agreement entered into by Government should be made without proper examination of the financial effect involved in such relaxation. The interest of the public exchequer should be taken due care of before agreeing to any relaxation of agreement or contract.
- (3) When a contract is likely to endure for a period of more than 5 (five) years, it should wherever feasible, include a provision for unconditional power of revocation or cancellation at the discretion of the Government at any time after the expiry of reasonable notice to that effect. The period of notice should not normally be longer than 6 (six) months.
- (4) Copies of all contracts and agreements of value of rupees ₹10,00,000/- (Rupees ten lakh) and above should be sent to the Accountant General (Audit)
- (5) All contracts, agreement and assurances of property, which may be entered into by different authorities, are required to be vetted by Law Department before execution.
- (6) The question whether any taxes and duties are to be paid and if so, by which party, should be settled and cleared before entering into any contract.
- (7) Where any material is to be supplied by Government for the use in contract work, the contract should contain a schedule specifying the quantities of such materials along with issue rates thereof and providing for payment by the party concerned, of any Goods and Services Tax or other taxes or duties that may be applicable to such supplies.
- (8) Security should normally be taken for the due fulfilment of a contract exceeding certain monetary limit as prescribed in these Rules.
- (9) No payments to contractors by way of compensation or otherwise outside the strict terms of the contract should be authorised without consultation with the Law Department, prior concurrence of Finance Department and approval of the Government.
- (10) In case of any dispute, the parties of the contract shall resolve the same by filing a law suit in any courts of Sikkim, in accordance to the laws prevailing in the State.
- (11) Cost plus Contracts: Cost plus contracts should ordinarily be avoided. Where such contracts become unavoidable, full justification should be recorded before entering into the contract. Where supplies or special work covered by such cost-plus contracts have to continue over a long duration, efforts should be made to convert future contracts on a firm price basis after allowing a reasonable period to the suppliers or contractors to stabilize their execution method and processes.

Chapter IX

Grants-in-Aid

160. General rule :-

The rules in this section shall be observed by all authorities competent to sanction grants-inaid, including scholarships to educational and other institutions, local bodies and co-operative societies. In cases where financial assistance is proposed to be granted to a society or an organization likely to make profits, the feasibility of giving loans instead of grants-in-aid should be specifically considered by the sanctioning authority in consultation with the Finance Department.

- (1) Grants-in-Aid shall be released under the following 3 (three) categories:
 - (a) Grants-in-Aid General;
 - (b) Grants-in-Aid Salaries;
 - (c) Grant for creation of Capital Assets;
- (2) Unless in any case Government directs otherwise, every order sanctioning a grant shall indicate whether it is recurring or non-recurring in nature and specify clearly the object for which it is given and the conditions, if any, attached to the grant. In the case of non-recurring grants for specified objects, the order shall also specify the time limit within which the grant or each instalment of it is to be spent.
- (3) An order for payment of a grant-in-aid should be so worded that there is a specific direction for the payment of a specified sum and should be distinguishable from orders approving a proposal for a grant-in-aid.
- (4) Administrative department should be satisfied that the grantee institutes have submitted valid certificate of registration and copy of the constitution, wherever applicable, prior to release of the grant.
- (5) Grants should be made available, as far as possible, on the basis of specified schemes drawn up in sufficient detail and duly approved by Government.
- When recurring grants-in-aid are sanctioned to the same institution for the same purpose, a certificate to the effect that the unspent balance of the previous grant has either been surrendered to Government or has been taken into account in sanctioning the subsequent grant should be incorporated in the sanction letter in such cases.
- (7) Only so much of the grant shall be paid during any financial year as is likely to be expended during that year. In the case of grants for specific works or services such as buildings or other schemes the sanctioning authority shall use its discretion in authorizing payments according to the needs of the work.
- (8) The accounts of the institution receiving the grant should be open for test check by the Comptroller and Auditor General and Finance Department at their discretion. The audit in pursuance of this provision will be undertaken by the Comptroller and Auditor General and the State Government in consultation with the administrative department concerned which will make necessary arrangements with the institutions for the conduct of such audit.
- (9) When an institution receiving a grant is required to submit its accounts for audit it should be ensured by the sanctioning authority that the accounts whether complete or not are rendered promptly, whenever the institution is called upon to do so.

- (10) Any individual or organization receiving grant from the State Government, at the time of receipt of the grant, shall submit an undertaking stating that the fund shall be utilised for the purpose for which it has been sanctioned and that Utilisation Certificate for the same will be submitted as soon as the fund has been utilised or within a period of 1 year whichever is earlier.
- Institutions or bodies receiving grants exceeding ₹3,00,000/- (Rupees three lakh) per annum recurring or ₹5,00,000/- (Rupees five lakh) non-recurring should be required to maintain subsidiary accounts of the Government grants and to furnish to the Accountant General:
 - (a) a copy of the annual audited statement of its accounts;
 - (b) a copy of their constitution; and
 - (c) a valid registration certificate.
- In case any conditions are attached to the utilisation of a grant in the form of specification of particular objects or expenditure or the time within which the money must be spent, or otherwise, the sanctioning authority shall be primarily responsible for certifying to the Finance Department and the Accountant General, where necessary, the fulfilment of the conditions attached to the grant.
- (13) The grantee institutions or body are required to submit Utilisation Certificate of funds released by the Government in the beginning of succeeding financial year in Form 9.1or any other prescribed format should be furnished to the administrative department at the close of each calendar year and other such intervals as may be directed by the Government. Before recording the certificate, the certifying officer of the administrative department should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled.
- The administrative department on receipt of the utilisation certificate from the grantee institutes as mentioned in "sub-rule 13" above should immediately settle the said advance with the office of the Accountant General endorsing a copy of action taken to Finance Department.

161. Other Implied Conditions for Utilisation of Grants:-

- (1) Unless it is otherwise ordered by Government, every grant made for a specific object is subject to the following implied conditions:
 - (a) that the grant shall be spent upon the object within a reasonable time, if no time limit has been fixed by the sanctioning authority; and
 - (b) that any portion of the amount which is not ultimately required for expenditure upon that object shall be duly surrendered to Government.
- (2) Even in respect of unconditional grant-in-aid, Government reserves the right to have the accounts of the recipient body audited by the Finance Department. The Comptroller and Auditor General may approach the government for auditing the accounts of the recipient body, if and when the occasion demands, to satisfy themselves regarding the manner in which the affairs of the recipient body are managed.
- (3) The expression 'within a reasonable time' used in sub-rule (1)(a) above should ordinarily be interpreted to mean 1 (one) year from the date of issue of the letter sanctioning the grant.

162. Grant-in-Aid to Local Bodies:-

- (1) The financial transactions between Government and local bodies will also be regulated by the general rules relating to release of grants-in-aid.
- (2) The accounting guidelines and other relevant rules for maintenance of basic accounts framed for these local bodies shall be strictly followed.
- (3) Any amount due to Government by a local body, including any amount overdue for payment in respect of a loan, is subject to recovery by adjustment from any non-statutory grant sanctioned for payment to it.
- (4) The accounts of local bodies, other non-Government bodies or institutions will be audited by the Comptroller and Auditor General of India and Finance Department at such intervals as may be decided by them.
- (5) The Local Bodies are required to furnish Utilisation Certificate for the grants received from the State Government in Form 9.1 or any other the prescribed format through the respective administrative department periodically.

Form 9.1 (see rule 160)

FORM OF UTILISATION CERTIFICATE FOR AUTONOMOUS BODIES OF THE GRANTEE ORGANIZATION

UTILISATION CERTIFICATE FOR THE YEAR.....in respect of recurring/non-recurring

GRANTS-IN-AID GENERAL / SALARIES / CREATION OF CAPITAL ASSETS

	position at the beginning of the Financial year
Grants	position at the beginning of the Financial year
	,
(i)	Cash in Hand/Bank
(ii)	Unadjusted advances
(iii)	Total

4. Details of grants received, expenditure incurred and closing balances: (Actuals)

Unspent Balances Of Grants received years [figure as at SI. No.3(iii)]	Interest Earned thereon	Interest deposited back to the Government	Grant received during the year		Total Available funds (1+2-3+4)	Expenditure incurred	Closing Balances (5-6)	
1	2	3	4		5	6	7	
			Sanction No.(i)	Date (ii)	Amount (iii)			

Component wise utilisation of grants:

Grant-in-aid-General	Grant-in-aid- Salaries	Grant-in-aid-creation of capital assets	Total

Details of grants position at the end of the year

- (i) Cash in Hand/Bank
- (ii) Unadjusted Advances
- (iii) Total Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled or are being fulfilled and that I have exercised following checks to see that the money has been actually utilised for the purpose for which it was sanctioned:
- (iv) The main accounts and other subsidiary accounts and registers (including assets registers) are maintained as prescribed in the relevant Act or Rules or Standing instructions (mention the Act or Rules) and have been duly audited by designated auditors. The figures depicted above tally with the audited figures mentioned in financial statements or accounts.
- (v) There exist internal controls for safeguarding public funds or assets, watching outcomes and achievements of physical targets against the financial inputs, ensuring quality in asset creation etc. and the periodic evaluation of internal controls is exercised to ensure their effectiveness.
- (vi) To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act or Rules or standing instructions and scheme guidelines.
- (vii) The responsibilities among the key functionaries for execution of the scheme have been assigned in clear terms and are not general in nature.
- (viii) The benefits were extended to the intended beneficiaries and only such areas/districts were covered where the scheme was intended to operate.
- (ix) The expenditure on various components of the scheme was in the proportions authorised as per the scheme guidelines and terms and conditions of the grants-in-aid.
- (x) It has been ensured that the physical and financial performance under...... (name of the scheme) has been according to the requirements, as prescribed in the guidelines of the scheme
- (xi) The utilisation of the fund resulted in outcomes as envisioned by the scheme.

Date:	
Place:	
Signature	
Name	
Head of the Grantee Organisation	
Signature	Signature
Name	Name
Financial Advisor of the Administrative Department	Head of the Administrative Department
(Strike out inapplicable terms)	

Chapter X

Deposit Transactions

163. Accounting Procedure of Deposit Transactions :-

- (1) Categories of Transaction: Moneys received for deposit in the Government Account are to be classified under suitable heads of account appearing under two broad categories of "Deposits bearing interest" and "Deposits not bearing interest" under sector K-Deposits and Advances of the list of Major and Minor Heads of Accounts by the Controller General of Accounts (CGA), Ministry of Finance, Government of India. There are, however, following categories of "Deposits not bearing interest":
 - (a) Revenue Deposits which are made in revenue courts or in connection with revenue administration:
 - (b) Security Deposits which include earnest money deposits by intending tenderer of Civil Departments other than the Public Works Department like Roads and Bridges, Building and Housing, Power, Irrigation, Forest Department, Water Resource Department etc. Security deposits realized by the Police Department under Motor Vehicles Tax Act or other Acts and cash security deposits realized in the Civil Departments under the Financial Rules of the Government;
 - (c) Civil Court Deposits and Criminal Courts Deposits received by Civil Courts and Criminal Courts, respectively;
 - (d) Personal Deposits of which only a banking account is kept;
 - (e) Public Works Deposits received by Public Works Department like Roads and Bridges, Building and Housing, Power, Irrigation, Forest Department etc., as cash deposits of contractors held as security Deposits of works, Forest Deposits received by Forest Department;
 - (f) defined contributions pension schemes for Government employees;
 - (g) deposits received by Government Commercial Undertakings;
 - (h) deposits in connection with Election made by candidates for State Legislature, Candidates for Parliament, for election petitions, election appeals, etc;
 - (i) unclaimed deposits in General Provident (GP) Fund which include sums at the credit of subscribers of which payments have not been taken within the prescribed period after they have become payable under G.P. Fund Rules and which should be transferred to this head and dealt with as deposits;
 - (i) Other Deposits.
- (2) The above categories of deposits are classified under the respective minor heads of major head "8443-Civil Deposits" and 8342 other deposits as indicated below:-
 - 8443 Civil Deposits
 - 101 Revenue Deposits
 - 103 Security Deposits
 - 104 Civil Courts Deposits

105 - Criminal Courts Depo	sits
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106 - Personal Deposits

108 - Public Works Deposits

109 - Forest Deposits

Deposits received by Government Undertakings

116 - Deposits under various Central and State Acts

117 - Deposits for work done for Public Bodies or Private Individuals

121 - Deposits in connection with Election

123 - Deposits of Educational Institutions

124 - Unclaimed Deposits in GP Fund

800 - Other Deposits

8342 - Defined contribution pension schemes for Government employees.

So far as Public Works Deposits are concerned, the procedures prescribed in the relevant rules under the Sikkim Public Works Code and Manual, 2009 as amended from time to time shall apply. In so far as other deposits are concerned, the procedure laid down herein will apply.

(3) Limitations:

- (a) No money shall be received for deposit in Government Account unless they are, as such, by virtue of any statutory provision or of any general or special orders of Government required or authorised to be held in the custody of Government.
- (b) Subject as aforesaid and save as expressly otherwise provided, no money is to be credited as a deposit except under the formal order of a Court or other competent authority.
- (4) The Treatment of the Following Items as Deposit is Prohibited:
 - (a) No pay, pension or other allowances should be placed in deposit on the ground of absence of the payee or any other reasons.
 - (b) No fines should be placed in deposit on the ground that appeal is pending. They should be credited at once to the Government Account under the appropriate Revenue Head of Account and refunded, if necessary, on order of the Appellate Court. But compensation, fines (including costs in criminal cases) due to an injured party, and not to Government, may be kept in deposit both in appealable and non-appealable cases, till they lapse under the ordinary rule.
 - (c) Refunds of revenue can be drawn only on the demand and on the receipt of the persons entitled to receive such refunds after production of proper authority. On no account may such amounts be drawn to be lodged in a deposit account pending demand by the payee.
 - (d) No jewels or other property received for custody and restoration in kind may be brought on the deposit account, though the value be stated in money.

- (e) Government Promissory Notes or other security deposits (not being cash) received must on no account be credited as deposits.
- (f) The net sale proceeds of unclaimed impounded cattle may be kept in deposit for 3 (three) months and if no claim be made within that time, are to be credited to the proper account.
- (g) The sale proceeds of unclaimed property are not to be placed in deposit at all under Police Act 1861, the property itself is to be kept for 6 (six) months, but money realized by sale should be taken to credit of the appropriate receipt head. Exception must, however, be made in the case of property left by persons dying in intestate and without heirs which Civil Courts will secure and hold for certain periods in accordance with local law.

Note 1: If unclaimed property be perishable and be sold because it cannot be kept or it be sold for the benefit of the owner or because its value is less than ₹ 1,000/- (Rupees one thousand), its proceeds be held for 6 (six) months in deposit, but the circumstances should be clearly stated in the Bank Receipt.

Note 2: Money belonging to prisoners in jail should not be held for long terms by the Jail authority but should be paid into Government Account at convenient intervals under "Other Deposits".

Note 3: The Police Department should have no deposits except security and earnest money deposits which should be paid into Government Accounts under the major head "8443–Civil Deposits" and minor head "103–Security Deposits". Unclaimed property found by or delivered to a Police Officer should be handed over to the Magistrate. Proceeds of sale of old stores or other Government property should be credited to Government Account under appropriate receipt head.

- (5) Crediting Deposits Into Government Account:
 - (a) Deposits must be paid into Government Account as may be prescribed for government receipts in these rules.
 - (b) In respect of earnest money deposits received by departmental officers from intending tenderer, the earnest money deposits of successful tenderer should be credited as security deposits and those of unsuccessful tenderers be returned to them. The depositor must indicate the designation of the officer in whose accounts the deposit should enter.
 - (c) The detailed accounts of deposits should be kept both by the departmental officers concerned and the Treasury, Pay and Accounts Office in separate Register of Deposits in such form as prescribed in Sikkim Public Works Manual 2009 as amended from time to time. Separate folios may be allotted for each departmental officer under whose authority or on whose behalf the deposit has been received. Entries will be made from the bank receipts received from the bank or any book adjustment by transfer entries. In case, where the amounts have been remitted into the bank in lump-sum by the departmental officer, who received the deposit, the Bank Receipt should be accompanied by a detailed statement and the detailed posting in Treasury, Pay and Accounts Office will be done from the particulars given in the detailed statement and reconciled with the lump-sum credits in the bank scrolls.
- (6) Repayment of Deposits: Refunds of deposits can be made only on the receipt of a claim from the person entitled to receive it. The bill for repayment of deposit will be drawn by the departmental officer concerned and sent to Treasury, Pay and

Accounts Office for pre-check and payment. The bill shall be duly supported by the Bank Receipt and other proof of credits with which the money was credited in Government Account as deposit. On the bill, the departmental officer will certify that the conditions, subject to which repayment is to be made, have been fulfilled and that a note has been kept to prevent a second claim. The Treasury, Pay and Accounts Office will check the availability of deposit balance from the Register of Deposits, make an entry in the repayment portion of the Register of Deposits and make the payment subject to usual checks.

- (7) Refund of Earnest Money Deposits of Civil Departments:
 - (a) Except as provided in this rule, earnest money deposits of civil departments may be refunded under the authority of an order endorsed by the departmental officer (in whose favor the deposit was made) upon the original deposit receipt. Under no circumstances can part payment be made.
 - (b) If the departmental officer desires that an item of earnest money deposit, instead of being refunded, be credited to appropriate receipt head in the Consolidated Fund of the State, he must record the fact and submit the transfer entry order form for proper accounting.
- (8) Deposits for works done for local authorities or individuals:
 - (a) Sums received in advance from Municipalities or other bodies financially independent of government for payment of compensation for land acquired for such bodies are credited to "8443 Civil Deposits 117 Deposits for work done for public Bodies or Private Individuals".
 - (b) The number and date of the award statement as well as the date on which the deposit was credited into Government Account should be noted on all orders, bills and vouchers based on which payments are made out of the Deposit Account.
 - (c) Deposits for works to be done on behalf of local authorities and other parties may be received and dealt with by the Public Works Department carrying out the works as per Public Code and taken under "8443 Civil Deposits 108 Public Works Deposits".

(9) Lapsed Deposit:

- (a) At the close of March each year, the following deposits shall be credited to the Consolidated Fund of the State under the head "0075-Miscellaneious General Services 101 Unclaimed Deposits" by debit to the Deposit head concerned by keeping necessary note in the Register of Deposits.
 - (i) Deposits not exceeding ₹5,000/- (Rupees five thousand) unclaimed for one whole Account year after they become due for refund or residuary balances not exceeding the amount out of deposits partly repaid during the financial year then closing; and
 - (ii) All deposits or balance in excess of the aforesaid amount unclaimed for more than three complete accounting years after they become due for refund.
- (b) A list of deposits and balances thus lapsing shall be prepared by the respective Drawing and Disbursing Officer and forward the same to Treasury, Pay and Accounts Office. The necessary adjustments in accounts of the state will be carried out in the office of Accountant General and should be reconciled by the departments in the following quarter.

- (c) A record of the deposits which lapse to Government shall be kept in prescribed form in a register by the department concerned and the Treasury, Pay and Accounts Office.
- (d) Procedure for re-payment of lapsed deposits:
 - Deposits, which are credited to the Consolidated Fund may be (i) refunded by the Treasury, Pay and Accounts Office on receipt of an application and bill from the Drawing and Disbursing Officer (along with original certificate of deductions or credits from the Drawing and Disbursing Officer indicating the Voucher No and date of receipts or records indicating the credits to government accounts as the case may be). The Drawing and Disbursing Officer should see that the amount was really received, it is traceable in record and was credited to the Government account as lapsed and was not paid previously. The Drawing and Disbursing Officer should also see that the claimant's identity and title to the money are certified by the officer counter-signing the application for the refunds. A list of refunds of lapsed deposits (giving reference to the items in the list of lapsed deposits earlier sent) should be sent to the Accountant General by the Treasury, Pay and Accounts Office along with the monthly accounts.
 - (ii) The repayment of deposits shall be recorded in the appropriate deposit register of receipts so as to guard against a second payment. If the payment is made after the register of receipts has been destroyed, the responsibility for verifying the claimant's title to the refund shall devolve on the authority who signs the application in the prescribed form;
 - (iii) repayment of lapsed deposits shall be accounted for under "0075 Miscellaneous General Services 101 Unclaimed Deposits 90 Deduct Refunds".

164. Personal Deposit Account :-

- (1) Personal Deposit Account is an account opened in State Bank of Sikkim or any other Scheduled bank intended to facilitate the designated officer thereof to credit receipts into and effect withdrawals directly from the account. The designated officer shall ensure that no withdrawal will result in a minus balance therein. The designated officer thereof shall be only Government Officers acting in their official capacity.
- (2) A personal deposit account will be opened only under special order or permission of Government through the Finance Department in consultation with the Accountant General. Such special order or permission shall be issued after satisfying that the initial accounts of the money to be held in a personal deposit account and disbursed, are arranged to be maintained properly and are subject to audit.
- (3) Personal deposit accounts may be authorised to be opened in the following type of cases:
 - (a) in favor of an administrator appointed for the purpose of administering moneys tendered by or on behalf of ward and attached Estates and Estates under Government management. It shall also be ensured that proper arrangements are made for the maintenance and audit of connected initial accounts;

- (b) in relation to Civil and Criminal Courts deposits in favor of the Chief Judicial Authority concerned:
- (c) where under certain regulatory activities of the Government receipts are realized are credited to an account under the provisions of an Act to be utilised towards expenditure and no outgo from the Consolidated Fund is involved.
- (4) Every personal deposit account so authorised to be opened will be included in the Public Account portion of the Government Account under "8443 Civil Deposits 106-Personal Deposits.
- (5) Balance in Personal Deposit Account.-
 - (a) Balance in personal deposits accounts of the type referred in clause (a) of sub-rule (3) of 164 do not lapse to Government even if outstanding for more than 3 (three) complete account years. However, if such a personal deposit account is not operated upon for a considerable period and there is reason to believe that the need for the deposit account has ceased, the same should be closed in consultation with the officer in whose favor the deposit account has been opened.
 - (b) While the balance as a whole in a personal deposit account of the type referred to in clause (b) of sub-rule (3) of 164 will not lapse to Government, individual items of deposits included therein will be governed by provisions of rule under sub rule (9) of rule 168 under lapse deposits.
 - (c) Balance in the personal deposit account of the type referred to in clause (c) of sub-rule (3) of 164 will not lapse to Government so long as the provisions of the relevant Act are in force.
- (6) Receipts towards Personal Deposit Accounts: Money tendered for credit into a Personal Deposit Account may be received in the State Bank of Sikkim from the administrator of the deposit account. Details of individual items need not be indicated in or attached to the Bank Receipt.
- (7) Withdrawals from Personal Deposit Accounts: Unless in any case the Government directs otherwise, withdrawals can be allowed only on cheques signed by the responsible administrator of the Personal Deposit Account concerned. The administrator, while issuing the cheque shall ensure that there is an adequate credit balance in the account for the purpose. Withdrawals shall on no account be allowed by the bank to exceed the balance at the credit in the deposit account. The payment scroll rendered to the Treasury, Pay and Accounts Office by the bank shall be supported by the original paid cheques.
- (8) Plus and Minus Memorandum: Plus and Minus Memorandum should be prepared in prescribed format for the transactions on account of each class of deposits and sent with monthly account to the Accountant General by the Pay and Accounts Office. Each head of deposit should be detailed separately in the appropriate memorandum. The balance in the Plus and Minus Memorandum of deposit transactions for the month of April should be reduced by the amount reported lapsed as per sub-rule (9) of rule 163, so that it may agree with the aggregate of repayable deposit balances in the Register of Deposits.

Chapter XI Miscellaneous

165. Loans and Advances :-

An advance from the public funds may be granted to a government servant appointed in substantive capacity. The grant of the advance shall be subject to such general or specific instructions as may be issued from time to time by the Finance Department.

166. Alterations of Establishments :-

The Finance Department shall be consulted before the issue of orders upon any proposal:

- (1) to add any post, whether permanent or temporary, or to abolish any post from the public service;
- (2) to sanction an allowance or special or personal pay or special allowance for any post or class of posts or to any servant of the State Government;
- (3) to prescribe formula of fixation of pay; and
- (4) relating to other conditions of service or posts.

167. Transfer of Officers :-

- (1) A report of transfer of a gazetted Government servant duly made in the prescribed form and signed both by the relieved and the relieving Government servants shall be sent on the same day to the Director, Treasury, Pay and Accounts Office. A copy of the report of transfer shall be sent simultaneously to the Accountant General and the head of the department or other controlling officer concerned.
- (2) In cases in which the transfer of charge involves assumption of responsibility for cash, stores etc., the following instructions should be observed:
 - (a) The cash book or imprest account should be closed on the date of transfer and a note recorded in it over the signature of both the relieved and the relieving Government servants, showing the cash and imprest balance and the number of unused cheques, if any, made over and received by them respectively.
 - (b) The relieving Government servant reporting that the transfer has been completed should bring to the notice anything irregular or objectionable in the conduct of business that may have come officially to his notice. He should examine the accounts, count the cash, inspect the stores, count, weigh and measure certain selected articles in order to test the accuracy of the returns. He should also describe the state of the accounts records.
 - In the case of any sudden casualty occurring or any emergent necessity arising for a Government servant to quit his charge, the next senior officer of the department present shall take charge. When the person who takes charge is not a gazetted Government servant, he must at once report the circumstances to his nearest departmental superior and obtain orders as to the cash in hand, if any.

168. Date of Birth :-

(1) Every person newly appointed to a service or post under the Government shall at the time of the appointment declare the date of birth by the Christian era with as far as possible confirmatory documentary evidence such as school leaving certificate,

- municipal birth certificate and so on. If the exact date is not known, an approximate date shall be given.
- (2) The actual date or the assumed date determined under rule 169 shall be recorded in the history of service, service book, or any other record that may be kept in respect of the Government servant's service under the Government and once recorded, it cannot be altered.
- (3) Every entry in the Service Book must be attested by the Head of Department or Head of Office or a Gazetted Officer authorised to do so, and must be verified by him at least once a year.
- (4) The request for alteration in date of birth recorded in the service book can be made by a Government servant only within 05 (five) years of his or her entry into Government service.

169. Determination of Date of Birth When Exact Date Is Not Known:

- (1) If a Government servant is unable to state his exact date of birth but can state the year, or year and month of birth, the 1st July or the 16th of the month respectively, shall be treated as the date of his birth.
- (2) If he is only able to state his approximate age, his date of birth shall be assumed to be the corresponding date after deducting the number of years representing his age from his date of appointment.

170. Service Books:-

- (1) At a fixed time early in the year the service books shall be taken up for verification by the head of the office who after satisfying himself that the services of the Government servants concerned are correctly recorded in each of the service books, shall record in each case a certificate in the following form over his signature:
 - "Service verified up to (date) from (the record from which, the verification is made).
- (2) The verification of service referred to above is intended to ensure that the head of the office has satisfied himself that the Government servant's entire service, whether permanent or temporary, as recorded in the service book, is completely borne out by actual facts.

171. General rule relating to destruction of office records connected with accounts :-

Subject to any general or special rules or orders applicable to particular departments as prescribed in their departmental manuals, no Government record connected with accounts shall be destroyed except in accordance with the provision of this rule. The destruction of records (including correspondence) shall be governed by the following guidelines and such other subsidiary guidelines consistent therewith as may be prescribed by Government in this behalf with the concurrence of the Accountant General from time to time.

The following shall on no account be destroyed:

- (1) Records connected with expenditure which is within the period of limitation fixed by law.
- (2) Records connected with expenditure on projects, schemes or works not completed, although beyond the period of limitation.
- (3) Records connected with claims to service and personal matters affecting persons in the service except as indicated in the Appendix referred herein.

- (4) Orders and sanction of a permanent character until revised.
- (5) If record is required in connection with disposal of another record the former will not be weeded out until after all the issues in the later have been decided over though the retention period marked on the former may have expired in the meantime. In fact, the retention periods initially marked on such records should be reviewed from time to time and where necessary revised suitably.
- (6) Full detail shall be maintained permanently in each office, of the records destroyed from time to time.
- (7) Records relating to accounts that is required to be preserved and the periods specified against each of them has been laid down in Appendix 5.

172. Conveyance Allowance :-

Conveyance allowance means an allowance given to a gazetted officer who is entitled to an attached vehicle in the event of non-allotment or surrender of the vehicle by such officer. The officers, at any time, will have the option of getting a vehicle allotted or drawal of conveyance allowance in lieu thereof. Finance Department shall issue necessary instructions for regulation of the scale of conveyance allowances from time to time.

173. Fiscal Responsibility and Budget Management :-

The Sikkim Fiscal Responsibility and Budget Management Act, 2010 as amended from time to time has been enacted to provide for the responsibility of the State Government to ensure fiscal stability and sustainability through maintaining balance in revenue account and planned reduction of fiscal deficit and prudent and sustainable debt management consistent with fiscal stability through limits on State Government's borrowings, including off-budget borrowing. This will facilitate achieving greater transparency in fiscal operation of the Government and conduct of fiscal policy in a medium term fiscal framework.

174. Ceiling on Government Guarantees :-

The Sikkim ceiling on Government Guarantees Act, 2000 has been enacted to keep a ceiling on Government Guarantees and other matters connected therewith.

175. Empanelment of Chartered Accountant :-

Wherever the services of Chartered Accountants are required only firms empanelled with the Government of Sikkim, Finance Department shall be engaged.

176. Repeal and Saving :-

- (1) The Sikkim Financial Rule, 1979 is hereby repealed.
- (2) Notwithstanding such repeal anything done or any action taken under the said rule shall be declared to have been done or taken under the corresponding provisions of these rules.

By Order and in the name of the Governor.

M.C.P. Pradhan, SFAS
Controller of Accounts-cum-Secretary
Finance Department, Government of Sikkim
(File No. GOS/FIN/ACCTS/A-755/2024-25)

Appendix 1 – List of Departments

(see rule 2 (y))

SI. No.	Departments
	Departments Agriculture
2	Agriculture
	Animal Husbandry & Veterinary Services
3	Building & Housing
<u>4</u> 5	Commerce & Industries
	Cooperation
6 7	Culture
	Personnel
8	Ecclesiastical
9	Election
10 11	Education
	Excise
12	Finance
13	Fisheries
14	Food & Civil Supplies
15	Forest & Environment
16	Health & Family Welfare
17	Home
18	Horticulture
19	Information & Public Relations
20	Information Technology
21	Labour
22	Land Revenue & Disaster Management
23	Law
24	Mines & Geology
25	Parliamentary Affairs
26	Planning & Development
27	Power
28	Police
29	Printing & Stationery
30	Public Health Engineering
31	Roads & Bridges
32	Rural Development
33	Science & Technology
34	Skill Development
35	Social Justice & Welfare
36	Sports & Youth Affairs
37	Tourism & Civil Aviation
38	Transport
39	Urban Development
40	Vigilance
41	Water Resources
42	Women and Child Development

Appendix 2 – Delegation of Power (see rule 19, sub-rule (3))

PART-I CONTINGENT & MISCELLANEOUS EXPENDITURE

SL. NO.	ITEMS OF EXPENDITURE	HEAD OF DEPTT.	HEAD OF OFFICE	REMARKS
1	RESIDENTIAL/NON-RES	SIDENTAL Building		
	(a) Rent for private buildings for office accommodation/ residence	Full Powers	Full powers	Provided hiring of accommodation is approved by the Govt. & the rent is fixed by S.P.W.D/ (Bldg, & Housing). Department based on approved rates of the government.
	(b) Electric/Water charges of non-resident buildings	Full Powers	Full powers	
	(c) Municipal flats/taxes of non-resident buildings	Full Powers	Full powers	
	(d) Petty repairs to non-residential buildings	Up to ₹2,00,000/- per annum	Up to ₹50,000/- per annum	Work should be executed as per the provision of Public Work Code & manual & such instructions as may be issued by the Government from time to time. All works involving expenditure exceeding to minimum limit prescribed in the PWD code/manual shall be executed through the appropriate Agency.
2	Purchase & repair of photocopier, computer, furniture etc.	Full Powers	Full powers	Subject to the prescribed norm & such instruction as may be issued by the Government from time to time.
	(a) Purchase of photocopiers/computers	Full Powers	Full powers	Subject to the prescribed norm & such instruction as may be issued by the Government from time to time.

SL. NO.	ITEMS OF EXPENDITURE	HEAD OF DEPTT.	HEAD OF OFFICE	REMARKS
	(b) Repair of photo copier/computers	Full Powers	Full powers	Subject to the prescribed norm & such instruction as may be issued by the Government from time to time.
	(c) Repairs & maintenance of photo copier/computers, T.V/Fax/Medical/ Scientific instruments/ Film Projector.	Full Powers	Full powers	Subject to terms contained in the annual maintenance contract of the Manufacturers/Agency or on the basis of approved rates after inviting quotations & such directions as may be issued by the Government from time to time.
	(d) Purchase of office furniture, fixture, fittings and furnishings.	Full Powers	Full powers	Subject to the prescribed rates after inviting quotations & such directives as may be issued by the Government from time to time.
	(e) Repair of office furniture, fixture, fittings and furnishings.	Full Powers	Full powers	Subject to the approved scale & such directives as may be issued by the Government from time to time.
3	OTHER ITEMS			
	(a) Purchase of crockery & cutlery for rest house/inspection bungalows	Full Powers	Up to ₹ 5,000/- per annum	Subject to prescribed norms & such instruction as may be issued by the Government from time to time
	(b) Purchase of books, Acts, Codes Rules, Government publications, Reports & books required in courts, training instructions, libraries Department & office.	Full Powers subject to a maximum of ₹20,000/- per month	Full powers Subject to maximum of ₹1,500/- per month	Subject to the condition that books & journals are relevant to the functioning of the concerned dept. & in accordance with norms that may be prescribed by the Govt. from time to time.

SL. NO.	ITEMS OF EXPENDITURE	HEAD OF DEPTT.	HEAD OF OFFICE	REMARKS
	(c) Refreshment for inter-departmental meetings.	Full Powers subject to a maximum of ₹20,000/- per month	Full Powers up to ₹2,000/- per month	Subject to prescribed norms & such instruction as may be issued by the Government from time to time.
	(d) Purchase of liveries & uniforms for peons and drives.	Full Powers	Full Powers	Subject to scale & norm as may be prescribed by the Government from time to time.
	(e) Purchase of Stationery articles	Full Powers	Full Powers	Subject to norms & such restrictions as may be prescribed by the Government from time to time.
	(f) Advertising Charges	Full Powers	Full Powers	Subject to norms & such restrictions as may be prescribed by the Government from time to time.
	(g) Printing works at Govt. Press	Full Powers	Full Powers	Subject to norms & such restrictions as may be prescribed by the Government from time to time.
4	Telephone Charges	Full Powers	Full Powers	Subject to norms & such restrictions as may be prescribed by the Govt. from time to time. This does not include cost of installation of new telephone connection.
5	Postage Stamps, telegrams.	Full Powers	Full Powers	Subject to purchase of service stamps and official telegram only.
6	Survey Instruments	Full Powers	Full Powers	Subject to norms & such restrictions as may be prescribed by the Government from time to time.

SL. NO.	ITEMS OF EXPENDITURE	HEAD OF DEPTT.	HEAD OF OFFICE	REMARKS
7	Exhibitions and Fairs	Full Powers	Full Powers	Subject to the participation having been approved by the Government.
8	Charge for legal experts & Advocates	Full Powers	Full Powers	Subject to the rates being certified by the Law Department.
9	Remuneration for holding examinations	Full Powers	Full Powers	Subject to norms & restrictions as may be imposed by the government from time to time.
10	Staff paid from contingencies	Full Powers	Full Powers	Subject to observance of the restrictions imposed on appointment of such staff & as per the wage rate prescribed by the Government from time to time.
11	Scholarships and stipends	Full Powers	Full Powers	Subject to regulations & rates as may be prescribed by the Government from time to time.
12	Freight charges	Full Powers	Full Powers	Subject to observance of norms and the purchase having been made under the sanction of the competent Authority.
13	Customs and Excise duty	Full Powers	Full Powers	As per the norms and rates prescribed by the Government.
14	Commission on postal M.O./Bank Draft for official purposes.	Full Powers	Full Powers	- do -
15	Testing charge of material in Govt./recognized laboratories & inspection wing of DGS & D.	Full Powers	Full Powers	- do -

SL. NO.	ITEMS OF EXPENDITURE	HEAD OF DEPTT.	HEAD OF OFFICE	REMARKS
16	Grant-in-aid to Zilla Panchayat and Municipal Bodies	Full Powers	-	Subject to observance of norms and criteria & such other instructions as may be issued by the Government from time to time.
17	Motor vehicle Taxes	Full Powers	Full Powers	Subject to rates fixed and notified by the Government from time to time.
18	Sanction advances to Government Servant under their control for important festivals	Full Powers	Full Powers	In accordance with the instruction and limits issued by the Government from time to time.

Part II
Sanction of Contingent Expenditure

SI. No.	Item of Expenditure	Chief Secretary	Secretary/ Commissioner of Administrative Deptt/DGP	Head of Office	Remarks
1	Recurring Expenditure not covered under Part I	Up to ₹7,00,000/-	Up to ₹2,00,000/- in each case	Up to ₹ 50,000/- in each case	Subject to observance of prescribed purchase procedure and
2	Non-Recurring Expenditure not covered under Part I	Up to ₹10,00,000/-	Up to ₹5,00,000/- in each case	Up to ₹100,000/- in each case	such restrictions as imposed by the Government from time to time.

Appendix 3-SpecificDelegation to Certain Heads of Departments& Subordinate Authorities (see-rule 19, sub-rule(3))

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS		
1	AGRICULTURE DEPARTMENT					
	Procurement of Fertilisers, Seeds, Insecticides, Agriculture Inputs and Irrigation inputs.	Head of Department	Full Powers	Provided purchases are made from approved Agencies/Manufacturers.		
2	ANIMAL HUSBANDRY, VETER	RINARY SERVIC	ES DEPARTM	MENT		
	(a) Procurement of feeds, seeds, and implements.	Head of Department	Full Powers	Provided purchases are made from Govt. approved agencies at the current price of the manufacturers under the Schemes approved by the Government through Planning and Development Department and Finance Department.		
	(b) Oxygen Gas	Head of Department	Full Powers	Provided purchase is made from approved Agencies/Manufacturers.		
	(c) Medicines, drugs, serum and vaccine.	Head of Department	Full Powers	Provided purchase is made from approved Agencies/Manufacturers.		
3	CULTURE DEPARTMENT					
	(a) Payment of Samajik Sewa Bhatta	Head of Department	Full Powers	Provided the beneficiaries are selected as per norms and with the approval of the Government.		
	(b) Payment of Appreciation Pension	Head of Department	Full Powers	Provided the beneficiaries are selected as per norms and with the approval of the Government.		
4	EDUCATION DEPARTMENT					
	(a) Purchase/publication of text books	Head of Department	Full Powers	Provided purchases are made from NCERT or Govt. approved agencies at the Government approved rates with the concurrence of Planning & Development Department and Finance Department.		

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
	(b) Science equipment/chemicals for educational institutions	Head of Department	Full Powers	Provided purchases are made from Govt. approved agencies at the current price of the manufacturers under the Schemes approved by the Government with the concurrence of Planning & Development Department and Finance Department.
	(c)Furniture for School/colleges/Hostels/	Head of Department	Full Powers	Provided purchase are made from approved agencies up to the amount approved by the Government with the concurrence of Planning & Development Department and Finance Department.
	(d) Repairs for educational Institutions' buildings, Hostels, employees' residential quarters within the Institutions compound	Head of Department	Full Powers up to ₹5,00,000/-in each case.	Subject to prescribed norms as per SPWD Code and such instruction as may be issued by the Government from time to time.
	(e) Ancillary purchases for holding periodical examination in schools & Colleges	Head of Department	Full Powers	Subject to prescribed norms and such instruction as may be issued by the Government from time to time.
	(f) Purchase of books for school/College library	Head of Department	Full Powers up to ₹1,00,000/-	Up to the amount of the relevant administrative approval for purchase/ publication accorded by the Government.
	(g) Expenditure for holding examination such as on paper setting, evaluation, Superintending, invigilation, Hall Charges, Honorarium, refreshment, etc.	Head of Department	Full Powers	As per rates prescribed/ approved by the Govt. from time to time.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
	(h) Honorarium to guest faculties and part-time faculties of colleges and higher education institutions	Head of Department	Full Powers	As per rates prescribed / approved by the Govt. from time to time.
	(i) Scholarships, stipend and fellowship grants to students/researchers either directly or through concerned educational institutions	Head of Department	Full Powers	As per rates prescribed/approved by the Govt. from time to time.
	(j) School and College affiliation fees and Students registration and examination fees payable to affiliated boards and universities	Head of Department	Full Powers	As per actual invoices / bills / demands placed by the Affiliated Boards / Universities.
	(k) National Assessment and Accreditation Council (NAAC) accreditation expenses of colleges and higher education institutions	Head of Department	Full Powers	As per NAAC prescribed rates.
5	ELECTION DEPARTMENT	<u> </u>		
	(a) Preparation for and conduct of Election to Lok Sabha / Rajya Sabha and State Legislature.	Chief Electoral Officer	Full Powers	Subject to the schedule and direction of Election Commission of India. The expenditure is to be incurred as per norms & guidelines issued from time to time.
	(b) Purchase of Stationeries for conduct of election.	Chief Electoral Officer	Full Powers	Subject to prescribed purchase norms as amended from time to time by the Government.
	(c) Preparation of Photo ID Cards to voters and payment thereof.	Chief Electoral Officer	Full Powers	Provided the approval of the Government through the Finance Department is obtained before undertaking such works.
	(d) Preparation and conduct of intensive/ Summary/ Special Revision of electoral rolls and printing thereof.	Chief Electoral Officer	Full Powers	Subject to time schedule and directions of the Election Commission of India and observance of prescribed norms.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS		
6	6 STATE ELECTION COMMISSION					
	(a) Preparation and conduct of revision of electoral rolls and printing thereof.	Head of Department	Full Powers	Subject to time schedule and directions of the Government and observance of prescribed norms.		
	(b) Purchase of Stationeries and Poll Materials for conduct of elections.	Head of Department	Full powers	Subject to prescribed purchase norms as amended from time to time by the Government.		
7	EXCISE DEPARTMENT					
	Reimbursement of Export Pass Fee.	Head of Department/ Commissioner	Full Powers	Subject to provisions of Sikkim Foreign Liquor (Import, Export and Transport) Rules 1993 and other instructions issued by the Government time to time with the prior concurrence of Finance Department.		
8	FINANCE DEPARTMENT					
	(a) Sanction of Interest and Principal payable to Government of India and Financial Institutions (Rural Electrification Corporation, Power Finance Corporation of India, General Insurance Corporation, National Insurance Corporation, Reserve Bank of India, NABARD, Market Borrowing, etc.)/SPVs.	Head of Department	Full Powers	Subject to repayment of principal and payment of interest as per the schedule of Government of India and agreement with the Financial Institutions.		
	(b) Sanction of GPF/GIS benefits to retired/ Deceased Govt. Employees.	Head of Pension Division	Full Powers	Subject to rules as prescribed under GPF/GIS rules and certificate from GPF/GIS section and recommendation.		
	(c) Sanction of Retirement benefits.	Head of Pension Division	Full Powers	As per norms prescribed under Sikkim Government Service (Pension) Rules.		

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
	(d) Sanction for purchase of Judicial/Non-Judicial Stamps and commission charges.	Head of Department	Full Powers	
	(e) Refund of revenue/ receipts and Remissions except GST.	Head of Department	Full Powers	Subject to limitations fixed by the relevant rules governing the receipts. The proposal for the refund of receipts should come from the concerned department with proper justification of the claim duly verifying the original book of entries in which it is credited, under a certificate from the concerned Pay & Accounts Office, State Bank of Sikkim (Head Office) and the concerned D&DO.
	(f) Refund of Goods & Service Tax	Commissioner, Commercial Tax Division/ Secretary	Full Powers	Subject to limitations under the Goods & Service Tax laws and after due verification of the original entry of receipt of tax provided by GSTN/ RBI.
	(g) Subscription and Investment	Head of Department	Full Powers	For Consolidated Sinking Fund and Guarantee Redemption Fund.
	(h) Hiring of technical human resources from NICSI or any other Government of India agencies to manage, develop, maintain and support the financial applications (SIFMS-PRANALI) under the Finance Department.	Head of Department	Full Powers	Payment of salaries to such human resource subject to rates prescribed by NICSI or other institutions of Govt. of India
	(i) Cost of Maintenance of Micro Data Centres under the Finance Department	Head of Department/ Office	Maximum of ₹1,00,000/-in each case.	

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
	(j) Annual maintenance contract for maintenance of computer hardware including Micro data centre managed by Finance Department and expenditure against such contracts.	Head of Department	Full Powers	As per the norms prescribed by the Government from time to time.
	(k) Expenditure towards Conduct of trainings related to financial systems of the State SIFMS/Pranali, Rules, procedures etc.,)	Head of Department	Full Powers	
9	FOREST & ENVIRONMENT D	EPARTMENT		
	(a) Purchase of Arms & Payment of advance.	Principal Chief Conservator of Forest/ Secretary	Full Powers	Provided the procurement is done through the Police Department with the concurrence of Planning & Development Department and Finance Department.
	(b) Purchase of wireless sets & equipments.	Principal Chief Conservator of Forest / Secretary	Full Powers	Provided procurement is made directly from manufacturers/ Authorised dealers/ Government PSUs, corporations subject to such other restrictions as may be imposed by the Government and subject to observance of prescribed purchase procedure.
	(c) Purchase of Uniform to group C&D Forest Personnel.	Principal Chief Conservator of Forest/ Secretary	Full Powers	Subject to such norms and scales as prescribed by the Government from time to time.
	(d) Repair and maintenance of office buildings /Forest Check posts/ Quarters/Forest Rest houses.	Principal Chief Conservator of Forest/Head of Department	Full Powers up to ₹5,00,000/-in each case.	Subject to prescribed norms as per SPWD Code and such instruction as may be issued by the Government from time to time.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
	(e) Procurement of animal feeds for Himalayan Zoological park and Bird Park.	Principal Chief Conservator of Forest/ Head of Department	Full Powers	Provided purchases are made by open quotation/ tenders duly abiding the purchase procedure as laid down in SFR.
	(f) Procurement of animal medicines and vaccines for Himalayan Zoological Park and Bird Park.	Principal Chief Conservator of Forest / Head of Department	Full Powers	Provided purchases are made from authorised dealers/manufacturers or by open quotation/ tenders duly abiding the purchase procedure as laid down in SFR.
	(g) Procurement of seedling, planting materials/ flowers / ornamental items etc. & implements for maintenance of parks and Gardens.	Principal Chief Conservator of Forest/ Head of Department	Full Powers	Provided purchases are made from authorised dealers/manufacturers or by open quotation/ tenders duly abiding the purchase procedure as laid down in SFR.
	(h) Grants to various boards under Forest & Environment Department.	Principal Chief Conservator of Forest / Head of Department	Full Powers	Subject to obtaining prior concurrence of Finance Department.
	(i) Grants to seedling cost account for wage payment of nursery workers.	Principal Chief Conservator of Forest/ Head of Department	Full Powers	Subject to obtaining prior concurrence of Finance Department.
10	HEALTH & FAMILY WELFARE	DEPARTMENT		
	(a) Purchase of medicines, drugs, serum and vaccines.	Head of Department	Full Powers	Provided purchases are made from approved agencies/Manufacturers within the administrative approval of the Govt. as recommended by the Purchase Committee.
	(b) Emergency purchase of medicines, drugs, serum and vaccines.	(1) CMO at District Hospital	Up to ₹1,00,000/- annum	Subject to obtaining non- availability certificate from the Central Medical Store and as approved rates/ Company price.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
		(2) Medical Supdt. STNM Hospital	Up to ₹1,50,000/- at a time	Provided that: There shall be an emergency Purchase committee with Medical Superintendent as Chairman, the officer dealing with stores as Member Secretary and another officer of the hospital as Member for determining the quality and the rate of medicine to be purchased locally for meeting emergency needs of the hospital only when such medicines are not available in the Central Store.
	(c) X-ray films Ultra sound films etc.	(1) Head of Department	Full Powers	Provided purchase are made from approved Agencies/Manufacturers at prescribed rates.
		(2) Suptd. STNM Hospital	Full Power up to ₹1,00,000/- at a time.	Provided purchase are made from approved Agencies/ Manufacturers at prescribed rates.
	(d) Oxygen gas	Head of Department	Full Powers	Provided purchase are made from approved Agencies/ Manufacturers at prescribed rates.
	(e) Bedding and Linen for Hospitals.	Head of Department	Full Powers	Subject to norms and scales fixed by the Government and observance of prescribed purchase procedure from agencies approved by the Govt.
	(f) Diet charges in Hospitals.	(1) Head of Department	Full Powers	Subject to scales and rates approved on basis of open quotations/tenders.
		(2) Medical Supdt. STNM/ Namchi Hospital	Up to ₹1,00,000/- at a time.	Subject to scales and rates approved on basis of open quotations/tenders.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
		(3) Chief Medical Officer at District Hospitals	Upto 55,000/- at a time.	The expenditure will be limited to the funds allotted to each District Hospital in the respective Demand for Grants.
	(g) Repairs to hospital buildings/ hospital quarters.	Head of Department	Full Powers up to ₹5,00,000/-in each case.	Subject to prescribed norms as per SPWD Code and such instruction as may be issued by the Government from time to time.
	(h) Repairs to Hospital equipments and accessories	(1) Head of Department	Full Power up to ₹2,00,000/- per annum.	Subject to prescribed norms and such instruction as may be issued by the Government.
		(2) Medical Supdt.	Up to ₹1,00,000/- per annum.	Subject to prescribed norms and such instruction as may be issued by the Government.
	(i) 100% Centrally Sponsored Family Planning/ AIDS Programme.	Head of Department	Full Powers	Subject to norms prescribed by the Govt. of India. This does not include creation of posts/ purchase of vehicles.
	(j) Uniforms to Doctors, Nurses, Ward attendants.	Head of Department	Full Powers	Subject to such norms & scales as may be prescribed by the Govt. from time to time.
	(k) Purchase of spare parts for Mechanical workshop of Health Department.	Head of Department	Full Powers	Subject to conditions as notified by the Government from time to time.
11	HOME DEPARTMENT	l		
	(a) Quarterly release of resource to Sikkim House, Delhi.	Head of Department	Full Powers	Subject to timely submission of relevant vouchers & expenditure statement.
	(b) Release of monthly Life Time State Appreciation Grant to National awardees form Sikkim.	Head of Department	Full Powers	Provided the norms of the awardees are approved & notified by the Govt.
	(c) Release of monthly Pension to Secretary Sikkim Ratna Awardees.	Head of Department	Full Powers	Provided the norms of the awardees are approved & notified by the Govt.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
	(d) Repairs and Maintenance of Sikkim Houses (Non- Residence/ Residence) at Delhi.	Principal Resident/ Resident Commissioner	Full Powers up to ₹5,00,000/- for each unit/ quarter	Work should be executed on the basis of approved rates after inviting quotations and such directions as may be issued by the Government from time to time. All works involving expenditure exceeding this limit shall be executed through the appropriate agency.
	(e) Maintenance of vehicles at Sikkim House, Delhi.	Principal Resident/ Resident Commissioner	Full Powers	Subject to conditions as notified by the Government from time to time.
	(f) Household maintenance of Sikkim Houses (Non- Residence/ residence) at Delhi.	Principal Resident/ Resident Commissioner	Full Powers	Subject to budget provision and adherence to prescribed purchase procedure and restrictions as may be imposed by the Government from time to time.
12	HORTICULTURE DEPARTME	NT		
	Procurement of fertilizers, seeds, insecticides and planting materials.	Head of Department	Full Powers	Provided purchases are made from Govt. approved agencies at the current price of the manufacturers under the Schemes, with the concurrence of Planning & Development Department and Finance Department.
13	INFORMATION & PUBLIC RELATIONS DEPARTMENT			
	Incentive for Film Promotion to film Makers.	Head of Department	Full Powers	Provided that the beneficiaries are selected as per the guidelines laid down in the Film Policy of the State with the concurrence of Planning & Development Department and Finance Department.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
14	POLICE DEPARTMENT			
	(a) Diet charges for accused persons.	Suptd. Of Police of Districts	Full Powers	As per rates/scales prescribed by the Govt.
	(b) Hiring of private vehicles for carrying Dead Bodies for investigation, Law and Order Duty.	Suptd. of Police of Districts	Full Powers	As per the rates fixed by the Govt. & certified by the RTO & subject to observances prescribed by DGP in consultation with Finance Department.
	(c) Meal Charges for Police personnel (SAP, CRPF, India Reserve Battalion, Home Guard etc.) deployed on Emergency Duty for maintenance of Law and Order.	Director General of Police	Full Powers	Provided the duty period is stretched continuously for more than 8 hrs.
	(d) Purchase of spare parts for mechanical workshop of Police Vehicles.	Director General of Police	Full Powers	Subject to conditions as notified by the Government from time to time.
	(e) Reward to non-gazetted police personnel.	Director General of Police	Full Power up to ₹20,000/- in each case	
	(f) Reward to Private person for providing valuable information.	Director General of Police	Full Power up to ₹5,000/- in each case	
	(g) Payment of Duty allowance to Home Guards deployed for Law & Order Duty.	Director General of Police	Full Powers	Subject to procedure prescribed by the Government from time to time.
	(h) Purchase of arms and payment of advance to the ordinance factory of Ministry of Home Affairs.	Director General of Police	Full Powers	Subject to restrictions as may be imposed by the Govt. & procurement being made solely form Govt. Ordinance Factories.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
	(i) Purchase of uniforms to non-gazetted police personnel.	Director General of Police	Full Powers	Provided procurement being made directly from manufacturers/ Authorised dealers or by open quotations/tenders duly abiding by the purchase procedure as prescribed by the Government from time to time and subject to such other restrictions as may be imposed by the Government from time to time.
	(j) Petty repairs to Govt. (Police) family quarters/buildings/Check Posts & Out Posts.	Director General of Police	Full Powers up to ₹5,00,000/- for each unit/ quarter	Subject to availability of Budget provision and the work is executed as per the provision of SPWD Code through Building & Housing Department.
	(k) Purchase of Wireless and Equipments.	Director General of Police	Full Powers	Provided procurement is made directly from manufacturers/ Authorised dealers and subject to such other restrictions as may be imposed by the Government and observance of prescribed purchase procedure.
15	TRANSPORT DEPARTMENT	•		
	(a) Procurement of Petrol/CNG/LPG/Diesel/ Motor Spirit/Lubricants/ DEF/Rechargeable Batteries	Head of Department	Full Powers	Provided purchases are made from Government/ Government approved undertakings or Authorised Distributors/dealers.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
	(b) Spare parts and such other articles like tyres/ tubes and tools for functional vehicles only.	Head of Department	Full Powers	Provided purchases are made from Manufacturers, Association of State Road Transport Undertaking (ASRTU) Rate Contract, Empanelled authorised dealers/suppliers on the basis of competitive tenders/quotations & subject to such other restrictions as may be imposed by the Govt. from time to time.
	(c) Registration fee of vehicles/ fees of permits/ countersign.	Head of Department	Full Powers	As per rates fixed by the Government.
	(d) Insurance premium of vehicles.	Head of Department	Full Powers	As per rates fixed by the Insurance Company.
	(e) Payment of hire charges to private truck/tankers/bus/ recovery vehicle/towing vehicle/other heavy commercial vehicles or equipment's owners.	Head of Department	Full Powers	As per rates fixed by the Government.
	(f) Payment of Vehicle location tracking devices inclusive of its installation	Head of Department	Full Powers	Provided that purchases are made from Manufacturers, Association of State Road Transport Undertaking (ASRTU) Rate Contract, Empanelled suppliers on the basis of competitive tenders/quotations & subject to such other restrictions as may be imposed by the Govt. from time to time.

SI. No.	ITEMS OF EXPENDITURE	TO WHOM DELEGATED	EXTENT OF POWER	REMARKS
	(g) Replacement of old seats and body fabrication.	Head of Department	Full Powers	Provided that replacement are made from empanelled authorised garages/suppliers on the basis of competitive tenders/quotations and subject to such other restrictions as may be imposed by the Government from time to time.
16	SOCIAL WELFARE DEPARTM	IENT		
	(a) Scholarships/ Fellowship Grants to Students under various schemes of the Government under the Department.	Head of Department	Full Powers	Subject to observance of scheme Guidelines and such directions as issued by the Government from time to time.
	(b) Payment of monthly pension under National Social Assistance Programme (NSAP) and State Innovative Scheme.	Head of Department	Full Powers	Provided that the selection and payment procedure is adhered to as per the rates and conditions notified by the Government of India and Government of Sikkim as applicable from time to time.
17	SKILLS DEVELOPMENT DEPARTMENT			
	Payment of Training fees to the training / service partners for the trainings conducted by the Department.	Head of Department	Full Powers	Provided that the training is conducted through training / service partners empanelled with the Department and subject to approval of course fees by the Government from time to time.

Appendix 4 – Sanction of Projects/Schemes

(see rule 24)

STATEMENT IN SUPPORT OF PROPOSALS RELATING TO NEW SCHEMES

(This form should be used for schemes, the estimated expenditure of which is ₹50 lakhs or more. It need not be used for schemes costing less, but substantially the same information should be supplied for these schemes also.)

GOVERNMENT OF SIKKIM
DEPARTMEN

- Subject:
- 1. A concise statement of the proposal and full justification for it.
- 2. (a) Is the proposal in respect of a "New Service"?
 - (b) Has the proposal or any part of it been already considered by the Finance Department and if so what is the decision taken?
- 3. Expenditure involved in the proposal.

	Expenditure				
Non-recurring Recurring Budget provi				Budget provision	
	(1)	(2)	(3)	(4)	
(i)	During the first year				
(ii)	During the subsequent year (year wise)				
(iii)	Total expenditure on the scheme				

- 4. State, briefly, the estimated yield of the project and the economic implication, indicating anticipated receipts.
- 5. Is the proposal included in the State Sector? If so, state:-
 - (a) The amount included for the scheme in the State Sector.
 - (b) If the scheme or the total provision envisaged in the State Sector has been modified, indicate the extent of modification and reason for the same. Also state whether the Planning & Development Department has concurred in the modification. Extracts of the views of the Planning & Development Department should be enclosed.

- 6. Is any foreign exchange involved? If so, state:-
 - (a) Items of expenditure involving foreign exchange.
 - (b) Expenditure on foreign experts, and
 - (c) Whether clearance of the Government of India has been obtained.
- 7. Purchase of plant, equipment and stores. State the procedure to be adopted for purchasing stores, plant, machinery, etc. and whether any departure is necessary or proposed from the normal procedure prescribed for such purchases, with reason.
- 8. Is any collaboration, technical and financial, with foreign Government or Firm contemplated? If so, furnish details.
- 9. Extent of financial assistance if any, the source from which it is expected or assured and the nature of assistance, whether grants, or loan or supply of machinery, vehicles, etc. (copy of the correspondence providing the assistance should be enclosed.)
- 10. Is the expenditure within the committed ceiling?
- 11. Supplementary information, if any.

Please attach—

- (i) A statement including the number of posts as well as the pay scale under various categories required:
 - (a) In the first year of the scheme, and
 - (b) Eventually, when the scheme is in full operation together with the basis (work standards) adopted for staffing, if any.
- (ii) A statement showing expenditure on building and other work, indicating the basis on which it has been estimated and also the phasing of the work year by year, and
- (iii) A statement showing expenditure on stores, equipment, etc. giving details of equipment or stores costing above ₹10,000/- (Rupees Ten thousand).

Note- where estimates for building, equipment and other stores have been worked out on the basis of current costs, any increase that is likely or expected should be indicated.

Appendix 5- Destruction of Office Records Connected with Accounts

(see rule 171)

Notwithstanding the provisions contained in the Right to Information Act, 2005, the destruction of records (including correspondence) shall be governed by the following guidelines and such other subsidiary guidelines consistent therewith as may be prescribed by Government in this behalf with the concurrence of the Accountant General.

- 1. The following shall on no account be destroyed:-
 - (i) Records connected with expenditure which is within the period of limitation fixed by law.
 - (ii) Records connected with expenditure on projects, schemes or works not completed, although beyond the period of limitation.
 - (iii) Records connected with claims to service and personal matters affecting persons in the service except as indicated in the annexure to this appendix.
 - (iv) Orders and sanction of a permanent character until revised.
 - (v) If record is required in connection with disposal of another record the former will not be webbed out until after all the issues in the later have been decided oven though the retention period marked on the former may have expired in the meantime. In fact, the retention periods initially marked on such records should be reviewed from time to time and where necessary revised suitably.
- 2. Full detail shall be maintained permanently in each office, of the records destroyed from time to time.
- 3. All records must be digitized before disposal/destruction.
- 4. The following shall be preserved for not less than the periods specified against them.

SI. No.	Description Records	Retention Period
1.	Acquittance Rolls	3 years or 1 year after completion of audit whichever is later.
2.	Advance Register: (a) for long term advance	3 years after all the advance recorded in the register have been fully recovered: mortgage deeds and other agreements executed shall, however, be kept in safe custody for the period they are valid.
	(b)for short term advances	1 year after all the advances recorded in the register are fully recorded.
3.	Allotment Register.	3 years.
4.	Attendance Register.	1 year.
5.	Audit files and inspection Reports.	Till the objections are cleared by the Accountant General.
6.	Bank Pass Book.	3 years or 1 year after completion of audit whichever is later.
7.	Bill Register.	5 years or 1 year after completion of audit whichever is early.

8.	Broad Sheet of G.P. Fund.	6 years after the close of the year to which it pertains. However, the Broad Sheets which have not been proved and balances in which have not been agreed with those in the P.F. ledger could continue to be preserved even after 6 years and weeded out only after the proving and agreement has been effected and discrepancies and difference in any fully settled.
9.	Budget Estimates.	5 years.
10.	Cash Book.	20 years.
11.	Casual Leave Register.	1 year.
12.	Cheque Counterfoils.	5 years (in cases where counter foils are required to be preserved in connection with settlement of some enquiry etc. those should not be destroyed unless otherwise advised by the authority conducting the enquiry).
13.	Circulars.	To be retained permanently.
14.	Confidential sheets / reports etc. relating to retired or dismissed or deceased employees.	5 years after retirement or dismissal or resignation of the Government servant.
15.	Contingent Bills.	3 years or 1 year after completion of audit whichever is later.
16.	Contingent Registers.	3 years or 1 year after completion of audit whichever is later.
17.	Dispatch register.	5 years.
18.	Expenditure sanction not covered by paragraph 1, (including sanction relating to grants-in-aid).	3 years or 1 year after completion of audit whichever is later.
19.	Expenditure statements and correspondence.	5 years.

20.	Files, papers and documents relating to contracts, agreements etc.	3 years after the contract / agreement is fulfilled or terminated. In cases where Audit Objections have been raised, the relevant files and documents shall not under any circumstances be allowed to be destroyed till such time as the objections have been cleared to the satisfaction of the Audit authorities or have been removed by the Public Accounts Committee.
21.	General Provident Fund Schedules.	3 years or 1 year after completion of audit whichever is later.
22.	Imprest Accounts.	4 years.
23.	Indent for stationary forms etc.	3 years.
24.	Muster Rolls.	3 years or one after completion of audit whichever is later.
25.	Pay Bill Registers.	35 years.
26.	Pay Bills.	6 years or 1 year after completion of audit whichever is later.
27.	Postage Stamp register.	3 years.
28.	Provident Fund Ledgers.	35 years.
29.	Receipt Registers.	To be retained permanently.
30.	Receipt Books.	3 years or 1 year after the completion of audit whichever is later.
31.	Rules and Orders.	Permanent in case of departments issuing the rules, order and instructions; other departments need keep only rules and standing orders, weeding out the superseded ones as and when they become obsolete.
32.	Service Books and Leave Accounts of-	
	(a) Officials entitled to retirement benefits.	3 years after issue of pension/ gratuity payment orders.
	(b) Other employees.	3 years after they have ceased to be in service.
33.	Stock Register.	5 years or 1 year after the completion of audit whichever is later.

34.	T.A. Bills.	3 years or 1 year after the completion of audit whichever is later.
35.	Bills Received Registers.	3 years.
36.	Bills Transit registers.	3 years.
37.	Registers of Bills Returned	3 years.
38.	Register of Cheques Drawn.	5 years.
39.	Register of Cheques Delivered	5 years.
40.	Stock Register of Cheques Books.	5 years or 1 year after completion of audit whichever is later.
41.	Allotment Check Register.	3 years.
42.	Salary Per-Check Registers.	3 years.
43.	Letters of Authority for cheques delivered.	5 years (in case these letters of authority are required to be preserved in connection with settlement of some enquiry etc., these should not be destroyed unless otherwise advised by the authorities conducting the enquiry).