



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

No. 01 /Fin/Acctt/2013-14

Dated 10/ 04/2013

**OFFICE MEMORANDUM**

**Subject: Revised guidelines for drawal of advances, submission of detailed contingent bills for adjustment of advances - regarding.**

Attention of all Heads of Department is once again invited to the huge amount of advances drawn on Advance Contingent Bills and lying unadjusted due to non submission of detailed contingent bills to the office of Principal Accountant General, Sikkim. The non- submission of detailed account causes non-transparency in expenditure reporting system as money which were earlier drawn from Government exchequer does not get properly accounted for as the purpose for which it was drawn cannot be vouched by the Accounting & Auditing Authorities. Non- settlement of advances also carries with it the risk of fraud and misappropriation of public fund which has been seriously viewed by office of the Principal Accountant General, Sikkim.

In spite of standing instructions, circulars and reminders issued by the Government on the subject from time to time, baring a few, very little efforts have forth come from the departments, to adjust these outstanding advances. Due to non-compliance of instructions for adjustment of advances drawn on A.C. bills and lack of follow-up action not only by the D&D.Os concerned but also by the Heads of departments / Controlling Officers of the Departments, these advances have accumulated to a substantial amount.

In some cases where advances are settled by the administrative department, these do not get accounted for in the office of the Principal Accountant General in spite of submission of DC Bills through contingent bills.

To resolve these issues, a meeting with the Principal Accountant General along with his team of officers was held.

After detailed deliberation, the following decisions have been taken:-

1. That the existing procedure of sending the D.C. Bills directly to the Office of the Principal Accountant General shall be discontinued forthwith. The D.C. bills, henceforth, shall be sent through the Treasury & Pay &Accounts Office duly recording the Bill No & Vr. no & Date by all D &DOs and Self Drawing Departments.

2. In addition to above, the Office of Principal Accountant General, (Sikkim) will entertain the adjustment done on D.C. bills to the extent of advance drawn if there is budgetary constraint to meet the additional payment after adjustment of advance. However, these bills are to be properly certified stating that materials are fully received and accounted for by the concerned authority and approval / sanction of competent authority obtained. A certified copy of the bill duly attested by the D& DO shall be forwarded to Pay & Accounts Office along with DC bill for adjustment of advance.
3. To introduce **separate colour code of detailed contingent bill** for easy identification by office of the Principal Accountant General (Sikkim) for necessary adjustments.
4. To fix time schedule by the office of Principal Accountant General (Sikkim) for reconciliation of these advances, department wise at least on half-yearly basis.

In order, to monitor and watch adjustment of advances in a systematic manner the following revised instructions are issued for strict compliance by all the Departments / Offices and Pay & Accounts Offices.

1. The advance to be drawn shall be prepared in A.C. Bill Form-1 (Blue colour) enclosed duly signed by the Controlling and the Drawing & Disbursing Officer.
2. The Abstract Contingent Bill (A.C. bill) Form -I shall be green in colour and the Detailed Contingent Bill (D.C. bills) Form-II shall be yellow in colour in order to distinguish between other contingent bills. (The requisite number of bill forms may be printed by the respective Department/Offices from Sikkim Government Press only).
3. An Advance Register in the **Form-3** enclosed shall be mandatorily maintained by each Department/Office. Separate pages being allotted to each major Head of Accounts dealt with by that Department/Office.
4. The drawal of advance should be recorded in the Advance Register (Columns 1 to 4) and the Serial number page number & date of Advance should be recorded in column 3 in the A.C. Bill and submitted to the Head of the Department/Office who after careful scrutiny, will sign the bill and also initial the Advance Register (Column 5) and thereafter to be signed by the D & DO in column 6.
5. When an advance payment is actually made to the concerned supplier/parties etc. it should be recorded in the Cash Book as well as in the Advance Register (Column 7 to 9). The D& DO will thereafter Initial the Cash Book and in the Advance Register (Column 10).
6. The Advance Register should be reviewed by the Head of Department/Office at frequent intervals to ensure that the advance do not remain outstanding for more than the period stipulated for settlement. The Controlling Officer should ensure that every effort is made to get the work done or supplies completed against the advances expeditiously.

7. As soon as the work is done or supply is received, a **Detailed Contingent Bill in Form -2** should be prepared. Major, Minor, and Detailed heads shall be given in full form as depicted in the Demands for Grant in all the D.C. bills which should as far as possible typed/printed.
8. Each sub-voucher should be assigned a number and number of sub-vouchers should be recorded in the D.C. Bill form (column no. 1)
9. The D.C. Bill should then be entered in the Advance Register (column 11 to 16) and submitted to the head of the Department/Office who after careful scrutiny, will sign the bill and also initial in the Advance Register (Column17) and submit to Pay & Accounts Office for adjustment.
10. When payments for balance amount is received / made by way of Cheque / Transfer Entry Order from Pay & Accounts office or payment drawn by the self drawing department for disbursements, it should be recorded in the Cash Book as well as in the Advance Register (Column 18 to 19). The D & DO will thereafter put his signature in Cash Book and in the Advance Register (Column 20).
11. The department/offices has to make advance payments to the suppliers/parties etc. Instances may so arise in the department/offices that due to fund constraints, the full payment of the final bill in respect to the supplier/parties etc cannot be settled. As a result of which these advances do not get settled resulting the huge accumulation of the advances over the years. To facilitate immediate settlement of the advances only, D.C. bills are to be prepared & submitted for adjustment of advance only **in duplicate** along with the **certified copies** of the detailed bills.
12. The Duplicate copy of this D.C. Bill **shall be returned by Pay & Accounts Office to the Department /Office duly noting the Voucher Number. & Date by the PAO after passing of the Bill.**
13. When the departments/Offices are in a better position to settle the payments of the supplier/parties/etc, the payment shall be drawn in the normal contingent bill form duly attaching the certified copy of that D.C. Bill received from the PAO indicating the Vr. No. & date and Ch. No & date and the original bills of the suppliers/parties. This bill should also be recorded in the Advance Register (Column to 21 & 22). The D& DO will, thereafter, initial in the Advance Register (Column 23).
14. When Cheque for balance payment is received in the above case and payment is to be disbursed to the supplier, this should be recorded in the Cash Book as well as in the Advance Register (Column 24 & 25). The D& DO will thereafter initial the Cash Book and in the Advance Register (Column 26).
15. PAO shall exercise necessary check after making necessary entries in the format prescribed in the computerized system. The DC bill shall be transmitted to the Office of the Principal Accountant Generals' Office on monthly basis as a " Supplementary Statement" along with Monthly Compiled Accounts giving details of AC bills drawn and DC bills adjusted by each department, major heads-wise, DDO code wise with the details of Bill No, Vr. No.& Date, amount drawn or adjustment made as the case may be. A copy of Monthly Compiled statement shall be forwarded to the Controller of Accounts, Finance, Revenue & Expenditure Department.

16. The Controlling Officer/Drawing & Disbursing Officer of the Department/ Office shall obtain the copy of this statement regularly from Pay & Accounts Office and should verify from his records kept in the Advance Register and reconcile with the PAO monthly and Office of Principal Accountant General, Sikkim at the time of reconciliation accounts or dates fixed by that office.
17. After reconciliation with the Office of the Principal Accountant General, Sikkim, a certificate of reconciliation and adjustment effected is to be obtained by the Department for record and references.
18. The Secretaries and Heads of Departments/ Offices are requested to review the position of outstanding advances in their respective departments without delay and furnish the details of unadjusted advances in both hard as well as soft copies latest by **30<sup>th</sup> June 2013**.
19. It is further directed that Finance, Revenue and Expenditure Department/ Pay and Accounts Office shall not entertain any proposal for drawal of advances received from the Department concerned unless the status of unadjusted advances are recorded.
20. This Office Memorandum supersedes all previous Circulars and O.M. issued on this subject.
21. This revised procedure shall be effective with immediate effect.

Sd/-  
(M.G. Kiran) IAS  
Commissioner-cum-Secretary

Memo No GOS/Fin/ Acctt/C-225/2012-13 /

Dated /04/2013

Copy to:

1. All Head of Departments.
2. Principal Accountant General, Sikkim.
3. Registrar General. High Court of Sikkim
4. Deputy Accountant General, % the Principal Accountant General, Sikkim.
5. All Drawing and Disbursing Officers.
6. All Officers in Finance, Revenue and Expenditure Department.
7. Director, Pay & Accounts Office.
8. Addl. Directors, Pay & Accounts Office, North/South/East/West.
9. Guard File.
10. File

Sd/-  
Director of Accounts  
Finance Revenue & Expenditure Department