

CHAPTER IX

MISCELLANEOUS EXPENDITURE

I. REFUNDS OF REVENUE

107. All sanctions to refund of revenue to which claimants may be entitled under the provisions of any law and/or rules made thereunder, or which may be made ex-gratia, shall be regulated by the orders of the departmental authorities according to provisions of the departmental rules and orders contained in the departmental manuals etc. 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.

[Government of Sikkim instruction. (Noti.No.446/Fin.Dated:31st July,1972)

The public are hereby informed that a deduction of:

12 1/2 % on the first Rs.500/-

7 1/2% on Rs.501/- to Rs.2,000/- and

3% above Rs.2,000 will be charged as establishment charges on all kinds of refunds on account of office works done and other expenditure.

(Clarification to Noti.No.446/Fin Dated:31.07.1992)

The word 'refund' appearing in the 5th line of the above Notification will not include the cases where refund is made for excess deduction of loans from the individual's pay, refund of deposit made by individuals way of Security Deposit, Earnest Money, Bail Money or refund of money which are deposited on Government orders.

2. The Establishment charges which will be deducted according to this Notification will apply only in respect of refunds of wrong and irregular credits.]

108. Before a refund of revenue to which a claimant is either legally entitled or which is allowed ex-gratia, is made, the original demand or realisation, 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 entertainment a double or erroneous claim impossible. A certified of such a note having been made must be given in all vouchers for refund.

109. Remission of revenue allowed before collection are to be treated as reduction of demands and not as refund.

II GRANTS-IN-AID ETC.

110. The rules in this section shall be observed by all authorities competent to sanction grants-in-aid, including scholarships, to educational and other institutions, local bodies and co-operative societies.

Note : - In cases where financial assistance is proposed to be granted to a society or an organisation 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.

111. (1) 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.

(2) 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.

112. 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.

113. (1) 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.

(2) 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 authorising payments according to the needs of the work. It should be ensured that money is not drawn in advance of requirements and that a rush of payment of these grants in March is avoided.

Note 1:- Grant-in-aid in excess of Rs. 1 lakh per annum recurring and Rs.5 lakhs non-recurring should normally be sanctioned with the specific conditions laid down in the sanction letters that the accounts of the institution receiving the grant should be open for test check by the Comptroller and Auditor General at his discretion. The audit in pursuance of this provision will be undertaken by the Comptroller and Auditor General in consultation with the administrative department concerned which will make necessary arrangements with the institutions for the conduct of such audit.

Note 2 : The Comptroller and Auditor General may, at his discretion, approach the Government when in any very special case he considers that the audit of the grantee's books, even where the grant is less than the monetary limits prescribed above, is called for.

Note 3 : 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.

114. Institutions or bodies receiving grants exceeding Rs.1 lakh per annum recurring or Rs.5 lakhs non-recurring should be required to maintain subsidiary accounts of the Government grants and be to furnish to the Accountant General-

- (i) a copy of the audited statement of its accounts; and
- (ii) a copy of their constitution.

115. In case in which 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 Accountant General, where necessary, the fulfillment of the conditions attaching to the grant, unless there is any special rule or order to the contrary. This certificate should be furnished in such form and at such intervals as may be agreed between the Accountant General and the head of the department concerned. Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled.

116 (1) Unless it is otherwise ordered by Government, every grant made for a specific object is subject to the implied conditions -

- (i) 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
- (ii) 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 reserve the right to have the accounts of the recipient body audited by the Comptroller and Auditor General on their own initiative, if and when occasion demands, to satisfy themselves regarding the manner in which the affairs of the recipient body are managed.

Note - The expression 'within a reasonable time' used in sub-rule (i) above should ordinarily be interpreted to mean one year from the date of issue of the letter sanctioning the grant.

III. LOCAL BODIES

117. The financial transactions between Government and local bodies will be regulated by the following rules and by such other general or special orders as may be issued by Government in this behalf.

118. 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.

119. Audit of accounts :- The accounts of local bodies other non-Government bodies or institutions will be audited by the Comptroller and Auditor General of India on such terms and conditions as may be agreed upon between the Government and the Comptroller & Auditor General.