It is, therefore, again impressed upon all concerned that the financial rules and procedure as laid down in the Annual Budget Guideline should be followed strictly. The following points are particularly brought to your kind notice in order to enable proper budgetary control.

1. All controlling Officers will initiate action from the beginning of the financial year and call for Departmental estimates of receipts and expenditure for next year from the subordinate estimating officers, compile and submit the estimates to the respective Administrative Departments and the Finance Department by Annual-September of every year. The Administrative Departments will formulate their views on the estimates submitted by the 15th October at the latest. The estimates relating to Schedule Areas may be submitted after taking into account the views of the District Councils.

2. For proper utilisation of the funds provided in the Budget, Departmental action calendar should be prepared, if there is none, and steps for implementation of the various schemes of the Department, namely, preparation of estimates, issue of Administrative Approval and Technical Sanction, etc., wherever necessary, should be taken in phased manner for judicious utilisation of the provisions against set target and proper monitoring and control of expenditure.

3. The Heads of Departments are to initiate, between April-July of each year, their proposal for new schemes which they propose to include in the next-year's Budget. The Administrative Departments, after examining these, have to put up the proposals as considered essential to Finance Department for the schemes as are accepted by Finance will have to be submitted by the Administrative Departments in proper schedule form by the 1st October of every year. The present practice of rushing through new schemes not included in the Budget at any time during the financial year should be stopped except in case of real urgency and in unavoidable circumstances. Acceptance of such new schemes, in non-plan side particularly, in the middle of the financial year imbalance the budgetary position and is likely to affect the fund for development plan. Submission of such sporadic proposals makes it difficult for Finance Department to examine all such proposals in their totality, inter-se-priority of needs of various Departments and the resources available.
(1) Submission of monthly return as laid down in para 275 of the Assam Budget Manual should be done regularly. The Controlling Officers are required to compute the return of monthly collection received from the Collecting Officers and make verification of departmental figures with those booked in the office of the Accountant General and review the position with reference to the targets as set out in the Budget. The Controlling officers will then submit a weekly compiled return of collection together with the balance of the previous week, to the Administrative Department who will forward the same with their views to Finance Department by the third week of the following month positively. Special steps should be taken for recovery of arrear taxes and loans & advances and return should indicate arrear recovery separately.

(5) The Administrative Departments are to periodically review the Budget and submit 6 monthly estimates of receipts and expenditure together with the reasons for variation to Finance Department in the month of October of every year for preparation of revised estimates for the year as required under para 77 of the Budget Manual.

(6) Under para 152 (f) of the Assam Budget Manual a statement showing progress of expenditure under different major and minor heads of accounts are required to be submitted to Finance Department twice a year. But in practice these are not submitted regularly. To make assessment of the progress of expenditure, a statement showing actual expenditure up to November and anticipated expenditure for the remaining months of the year should be submitted to Finance Department in the month of December every year henceforth. These returns will enable Finance Department to consider adjustment of Budgetary provisions and additional financial implication, if any.

(7) Rush of expenditure at the fag end of the financial year and withdrawal of funds to avoid lapse of Budget Grants not required for immediate disbursement should be avoided as laid down under S O 50 of T Rs. and S Rs. No proposal for reappropriation of funds should be submitted.
after 15th March of the respective financial year as laid down in para 115 of the Budget Manual.

(8) Proposals for advance from the Contingency Fund are to be submitted to Finance Department only in really urgent and unforeseen cases with justification as to why provision could not be made in the regular Budget and why it cannot wait making of provision through Supplementary Demand. It has been observed that advances from the Contingency Fund are being sought for by various Departments for implementation of Centrally Sponsored, Central Sector, N. I. C. etc. schemes without taking timely steps for providing for such requirements either at the time of presentation of Budget Estimates or even thereafter on the occasions of Supplementary Demands voted by the Assembly during the relevant year. The Departments should, where such provision has not been made in the Budget, take up immediately with the concerned sponsoring Ministry of the Central Govt. about the likely allocation by the Govt. of India for such scheme and take steps to make necessary provision in the State Budget through Supplementary Demand in the next available opportunity. In this connection detailed instructions have been communicated under this Department letter No: B. B. 01/77/73, dated 14th February 1978.

(9) It has been further observed that in some cases due to late receipt of sanction from the Govt. of India for certain Centrally Sponsored etc. schemes, the fund released by the concerned Ministry could not be utilised by the Department within the last financial year for which the fund was sanctioned. In such cases, if there by any in your Department, the matter should be immediately taken up with the concerned Ministry for their approval for utilisation of the unspent fund within the current financial year and necessary steps should be taken to make appropriate provision in the Budget.

(10) Monthly verification of departmental receipts and expenditure figures with those booked in the Office of the Accountant General and reconciliation of discrepancies is also essential and this should be done in accordance with the existing procedure, as laid down in the Assam Budget Manual, in consultation with the Accountant General.
Necessary instructions may kindly be issued to the Controlling and Subordinate Officers under your control for strict compliance of these instructions.

Yours faithfully,

P. H. TRIVEDI,
Financial Commissioner & Secretary to the Govt. of Assam, Finance Dept.

Forwarded by
Sd./- G. Dasgupta,
Deputy Secretary to the Govt. of Assam, Finance (Bo) Department.
CHAPTER II
Definitions

13. (i) "Administrative approval" means the formal acceptance by the Department concerned of the proposal for an original work (other than a petty work costing Rs. 3,000 or under) to be under-taken for the Department either by the Public Works Department or the Department to which the work may have been assigned by the Governor. Taken with the provision of funds in the budget, it operates as a financial sanction to the work.

(ii) "Appropriation" means the allotment of a particular sum of money by a competent authority, from funds placed at his disposal, to meet specific expenditure. The word is also technically used for provision made in respect of "charged" expenditure.

(iii) "Appropriation Act" means the law made under provisions of Article 204, or Article 205 or Article 206 of the Constitution authorising the appropriation of moneys out of the Consolidated Fund of the State.

(iv) "Budget" means the statement of the estimated receipt and expenditure of the State for a financial year to be laid before the House or Houses of the Legislature in accordance with the provisions of Art. 202 of the Constitution and the proposals for the grants and the appropriations included therein.

(v) "Charged expenditure" means expenditure chargeable upon the Consolidated Fund of the State and provided for in the Appropriation Act without obtaining a vote of the Legislative Assembly.

Note.—Consolidated Fund of the State has been defined in Article 266 of the Constitution.

(vi) "Constitution" means the Constitution of India.

(vii) The terms "Controlling Officer", "Disbursing Officer" and "Head of Department" when used in these rules in connection with the control of expenditure and receipt
(viii) "Detailed estimates" are the consolidated estimates prepared by the Finance Department from the various departmental estimates of expenditure, combined with the schedules of new expenditure.

(ix) 'Demand for a grant' is a proposal made on the recommendation of the Governor communicated to the Assembly by a Minister for the appropriation of State revenues and other moneys out of the Consolidated Fund of the State to a particular purpose.

(x) "Departmental estimate" is the estimate of income and ordinary expenditure of a department submitted to the Finance Department as the material for the detailed estimate.

(xi) "Estimating Officer" means the departmental officer made responsible under these Rules for preparing any part of a departmental estimate.

(xii) "Excess Grant or Appropriation" means a provision included in an Appropriation Act, passed in accordance with the Constitution after the close of a financial year, to cover expenditure incurred in excess of the amount previously included in the Appropriation Act or Acts for that year.


(xiii) "Financial sanction" means the sanction of Government or of an authority to which power has been delegated, to expenditure of public money for a specified purpose, and is subject to appropriation of funds.

(xiv) "Modified grant or appropriation" means the sum allotted to any sub-head of appropriation as it stands after re-appropriation or the sanction of an additional or supplementary grant by competent authority.
(xv) "State Expenditure" means and includes—
(a) Expenditure described by the Constitution as expenditure charged upon the Consolidated Fund of the State, and
(b) Other expenditure incurred from the Consolidated Fund or the Contingency Fund of the State, whether on revenue account or otherwise.

Note 1.—Disbursements under certain Debt, Deposit and Remittance heads in the Public Account as defined in Article 266 of the Constitution although they involve temporary appropriation of Government Funds are not regarded as "Expenditure" of the State within the meaning of Article 202 of the Constitution.

Note 2.—Charges classified as Refunds of Revenue are not to be regarded as moneys withdrawn from Consolidated Fund referred to in the Art. 204 of the Constitution.

Note 3.—For Rules and procedure regarding the operation of the Contingency Fund, see Appendix "I," to this Manual.

(xvi) "Re-appropriation" means the transfer of funds from one sub-head of appropriation to another such sub-head.

(xvii) "Sub-head of appropriation" means the portion of the grant of appropriation allotted to a prescribed subdivision of the head as representing one of the primary objects on which expenditure may be incurred. It is also called a unit of appropriation.

(xviii) "Supplementary or additional grant or appropriation" means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
(vi) "Prohibited sanation" is the sanction accorded to the competent authority to a properly detailed estimate for work to be done.

(vii) "Sixth Schedule (Part A) Areas" means the areas specified in Part A of the table under paragraph 20 of the Sixth Schedule to the Constitution.

(viii) "General Area" means, unless repugnant in the subject or context, areas other than "Sixth Schedule (Part A) Areas" of the State of Assam.

CHAPTER III

Preparation and Submission of Departmental Estimates.

RELATIONSHIP OF BUDGET HEADS WITH ACCOUNT HEADS

14. A list of major, minor and sub-heads of appropriation will be found in Appendix A to this Manual. These Major and Minor Heads of accounts as prescribed by the Controller and Auditor General of India will be adhered to as far as practicable in selecting the demand, heads and sub-heads of demands; and no important departure in this respect will be made without consulting him. It is important to notice that the sub-head and detailed heads are introduced entirely for convenience in budgeting and accounting. From this it follows that in the matter of accounting and for control of expenditure, the nomenclature of the budget heads should be strictly followed. Even if the budget provision has originally been made under an incorrect unit, corresponding expenditure should be brought to account against that unit, unless there be strong reasons for a contrary course, e.g., when such accounting would be contrary to law, but suitable action should be taken to ensure that provision is made correctly in the next year’s budget.

When, however, the following of the budget classification will lead to a misrepresentation of an accounting fact or to an incorrect result in a commercial account, the correct classification should be introduced after deciding each case on its merit and not as a matter of course.

(*) Not printed.
15. In Appendix B are described, under each minor head and in some cases under sub-heads, the authorities who are responsible for estimating the receipts and expenditure for the heads falling under such minor heads or sub-heads, the controlling authority, if any, through whom they will submit these estimates, with the dates of submission, and the dates on which, the detailed estimates could reach the Finance Department.

Form of Estimates

16. Not later than the 1st June in each year the Finance Department will arrange to supply to controlling officers, for distribution to the estimating officers, blank forms retaining the items for which the latter are required to furnish statements. The forms to district officers will be sent direct. The forms will be in triplicate, or and will contain columns to show:

(a) Actuals of the year immediately past;
(b) Original sanctioned estimate of the current year;
(c) Revised estimates of the current year;
(d) Proposed estimate for the coming year.

17. By the 1st week of August the Finance Department will arrange to provide the controlling officers described in Appendix A with blank form for a consolidated estimates. These will contain columns to show:

(a) Actuals of the year immediately past;
(b) Original sanctioned estimates of the current year;
(c) Actuals for as many months of the current year as he is in a position to supply;
(d) Actuals of so many months of the last year as when added to the months for which figures are given under (c) above will make a continuous year;
(e) Revised estimates for the current year;
(f) Budget figure proposed for the coming year;
(g) Budget figure proposed by the Administrative Department;
(h) Budget figure proposed by the Finance Department.
Preparation of Estimates

18. The estimating officer will fill in the forms and send two copies to the controlling officer through the prescribed channel, if so indicated in Appendix B, or otherwise to the Finance Department retaining one copy to record in his office. Under clauses (a), (b), and (c) of paragraph 17 he will show in the estimates of expenditure the figures by sub-heads of appropriation only, under clauses (b) and (d) he will show the figures by the detailed heads. He will add an explanatory note whenever necessary.

19. In preparing their estimates all estimating officers will be guided by the rules in the following chapters. Under rule 54 (v) of the Assam Rules of Executive Business the Finance Department is to obtain from the departments concerned material on which to base its estimates and is responsible for the correctness of the estimates framed on the material so supplied. The preparation of the departmental estimates is the duty and personal responsibility of the estimating officers.

20. On receipt of the estimates the controlling officer will scrutinize and consolidate them, together, with his own estimates for items with which he is concerned, into a self-contained budget for each major head or for the several minor heads for which he is responsible. He will exhibit actuals only of the financial year immediately past, of as many months of the current financial year as he is in a position to supply, and of as many months of the past financial year as taken with the former will make a continuous period of twelve months. For the purpose of clauses (a), (c), (d) and (e) in paragraph 17 he will exhibit figures under sub-heads of appropriation only, for (b) and (f) under detailed heads of account. He will then forward the estimates with an explanatory memorandum to reach the Administrative Department not later than the date as shown in column 5 of Appendix B. He will at the same time forward a duplicate copy of the estimates and explanatory memorandum to the Finance Department. The latter should contain an explanation of the differences between the proposed figures for the coming financial year and the sanctioned estimates of the current financial year. He will also forward to the Finance Department one copy of each estimate received from the estimating officers, with the figures proposed to him filled in and duly signed.
21. In respect of the estimates of receipts and expenditure in the six districts specified in Part A of the Table under paragraph 20 of the Sixth Schedule to the Constitution, the Controlling Officers instead of incorporating the estimates of these districts in the Consolidated estimates, will after necessary scrutiny, forward each of the estimates under each major head of account concerned to the Finance Department and the Administrative Department, in the prescribed form for consolidated estimates together with the explanatory memorandum.

22. The explanatory memorandum should not only explain substantial variations of the next year's estimate with the current year's revised estimates and sanctioned grant but also with the actuals of the previous year. The explanatory memorandum should also furnish details of all provision especially provisions under the detailed heads, 'Other non-Contract Contingencies', 'Instruments and Appliances', 'Cultivation Charges', etc. Provision for temporary establishment should be supported by details of temporary staff for which sanction exists for the current year.

23. As regards the preparation of budget estimates, the course of past actuals is a valuable aid and should normally be followed, unless there have been important changes due to expansion or retrenchment. This does not mean a slavish repetition of the actuals of the past year, either for the revised of the current year or for the budget of the next year. The last year may have had abnormal features in it and the figures of a previous year may be a safer guide. There may be discovered in a series of past actuals a regular process of increase or decrease which may seem likely on the whole to continue in the present and (or) in the next year, and this factor should not be overlooked. Any reasonably certain special and calculable abnormal features of the current and next year should be separately taken into account, but it should not be forgotten that the figures of the past also cover generally the abnormal or special features of the years to which they relate. In the ordinary course the more recent actuals are a more useful guide. Sometimes estimating both for the budget and the revised can be done by calculation or determination of actual commitments.

24. The extent of help that may be rendered by the Accountant General to the State Government in the preparation of Annual Budget Estimate is as shown below:

(i) Supply of actuals of previous year.

(*Two now)
(ii) Supply of actuals of last seven months of the previous year.

(iii) Supply of actuals of first five months of the current year.

(iv) Preparation of receipts and payments estimates of the State Government for which the Accountant General is the Controlling Officer, and submission of the same to the State Finance Department.

(v) Verification of estimates relating to fixed charges, viz., pay, etc. of permanent establishment and officers.

25. The expenditure estimates of District Officers who are concerned with a number of major heads are consolidated by the Finance Department. Separate estimate is however to be prepared and submitted in respect of receipt and expenditure pertaining to each District of the Sixth Schedule (Part A) Areas.

26. Detailed estimates under the revenue major heads XX Interest XLIV.—Receipt in aid of Superannuation, and. Miscellaneous Adjustments, and under the expenditure major heads 22.—Interest on Debt and other Obligations.—Superannuation Allowances and Pensions. 62.—Miscellaneous Adjustments between the Central and State Governments, are prepared by Accountant General. These estimates will be in the same form as those prescribed for heads of departments, and will be sent to the Finance Department.

27. In regard to debt and deposit heads the Accountant General frames estimates in form M and attaches an abstract in the same form and sends them to the Finance Department in the last week of November. He takes special care to explain in relation to Advances and Loans the variations of the estimated figures with the past actuals so as to obviate any necessity for supplementary grants or surrenders in the course of the year. The forms are supplied to him by the Finance Department by the second week of November with special instructions in regard to any heads, if necessary.
CHAPTER IV

Estimates of Revenue and Receipts

28. The estimates of revenue and receipts should show the amounts expected to be actually realised within the year, and those only including arrears for previous years and advance collections for coming years. In estimating fixed revenue, the calculations should be based upon the actual demand, including any arrears due for past years and the probabilities of its realisation during the year. Any difference between the demand and expected realisations should be fully explained. In the case of fluctuating revenue, the estimate should be based upon a comparison of the last three years receipts. In both instances the probable effect of any factor known to be operative should be allowed for.

29. The revised estimates should be the best forecast that the estimating officer can make in the light both of the actual receipts of the earlier months of the year, for which returns are submitted, and of all facts within his cognizance. The reasons which have led him to adopt the figures should be briefly and clearly explained, while bald statements, for instance that the estimates are framed on the actuals of previous months, should be avoided as offering no real assistance.

30. The actuals of previous years and the revised estimates ordinarily form the best guide in framing the budget estimates; and any growth or decline indicated by them, may be assumed to continue, in the absence of definite reasons to the contrary, when such growth or decline is established or can be explained.

31. The Commissioner or any other officer appointed by Government to perform the duties of the Commissioner receives quarterly statements of demand and collection in respect of land revenue. He should consider the budget estimates in the light of these statements, and correct the former where necessary. The estimates may be further revised by the Finance Department in the light of the monthly returns received from the Accountant General.