

No. Fin.1-C(14)1/83  
Government of Himachal Pradesh  
“Finance Department”

From

.....  
Financial Commissioner-cum-  
Secretary (Finance) to the  
Govt. of Himachal Pradesh.

To

1. All Administrative Secretaries,  
Government of Himachal Pradesh,  
Shimla-171002.
2. All Heads of Departments in  
Himachal Pradesh.
3. All Managing Director of  
Himachal Pradesh.
4. All Vice Chancellors of Universities,  
in Himachal Pradesh.
5. All Spl. Secretaries /Addl. Secretaries/  
Jt. Secretaries/ Deputy Secretaries, to the  
Government of Himachal Pradesh.
6. All the Deputy Commissioners, in  
Himachal Pradesh.

Dated Shimla-171002 the                      06<sup>th</sup> September,1995

Subject:-            Need for economy without impeding the pace of development – revision of  
economy instructions and issue of financial guidelines.

Sir,

I am directed to say that a view to ensure meaningful expenditure control, Government has been reviewing economy instructions issued in the past and it has been decided to issue comprehensive financial guidelines with following objectives:-

- i)            To effect economy and reduce unproductive expenditure;
- ii)           To reduce procedural delays which involve hidden costs;
- iii)           To make the Administrative Departments directly responsible for ensuring fiscal discipline;
- iv)           To ensure expenditure is booked under appropriate account head so that it can be monitored properly;
- v)            To ensure that cost of effectiveness is the criteria for expenditure decisions in items like purchases of machinery equipment, material and supplies and suspense;

Accordingly, the financial guidelines contained in the enclosed annexure are being issued. These shall supersede both the earlier economy instructions issued vide letter No. fin.1-C(14)1/83 dated 12.03.90 and further amendments thereto, as well the provisions contained in chapter 19.6 of the HPFR. It may be noted that these financial guidelines are based on a clear definition of the expenditure

to be booked in a particular SOE and ARE STRICTLY SUBJECT TO BUDGET PROVISION IN THE CONCERNED SOE. The power to re-appropriate between SOEs shall continue to rest with Finance Department.

These revised financial guidelines are delegating financial power to the Administrative Departments, HODs and concerned DDOs shall ensure that expenditure is authorized within the ceilings of the budget provisions which are communicated. It shall be the primary responsibility of the Administrative Departments and of the concerned DDOs to ensure compliance with these instructions.

To regulate the expenditure in a phased manner, the Administrative Departments shall ensure that both the Non-Plan and Plan budget of the respective departments is allowed to be spent in a controlled manner as follows:-

1 <sup>st</sup> Quarter	=20%
2 <sup>nd</sup> Quarter	=25%
3 <sup>rd</sup> Quarter	=30%
4 <sup>th</sup> Quarter	=25%

Wherever any deviation from the above regulation of expenditure is required by any of the Administrative Departments, the cases alongwith full justification will need to be sent to the Finance Department. The expenditure of PWD and IPH Department will continue to be regulated through the present LOC system.

Yours faithfully

Sd/-

Fin. Commr.-cum-Secretary(Fin.)  
to the Govt. of Himachal Pradesh

Endst. No. As above

Dated Shimla-2 the 06<sup>th</sup> September,1995

Copy is forwarded to all the Distt. Treasury Officers/ Treasury Officers in Himachal Pradesh for information and necessary action.

Sd/-

Addl. Secretary(Fin.)to the  
Government of Himachal Pradesh.

<b>SOE</b>	<b>DEFINITION/ EXPLANATION</b>	<b>DELEGATION OF FINANCIAL POWERS SUBJECT TO BUDGETARY PROVISION</b>
<b>1. <u>SALARIES</u></b>	It includes pay, allowances in all forms to personnel including leave encashment but not travel expenses (other than leave travel concession)	<p>Full powers to DDO level for payment of salary and allowances of all staff in position against both permanent and temporary posts subject to the condition that:-</p> <p>i) No vacant post shall be filled by direct recruitment without concurrence of F.D.</p> <p>ii) No new post is to be created without prior concurrence of Council of Ministers.</p> <p>iii) No payment of any New allowances be permitted without prior approval of CMM with concurrence of F.D.</p>
<b>2. <u>WAGES</u></b>	It includes payments to daily rated staff, whole time or part time (other than those charged to SOE maintenance Minor and Major works )	<p>i) Full powers up to DDO level for all daily waged/ part- time employees in position as on 28<sup>th</sup> February of the preceding financial year.</p> <p>Provided that this power shall not confer the right to fill up any vacancies in daily waged personnel resulting from any cause whatsoever without concurrence of F.D. Provided further that this restriction will not apply to sanctioned posts of part time sweepers.</p> <p>i) No new posts on daily wage part-time shall be created without prior concurrence of F.D.</p> <p>Provided that any temporary posts created for fixed periods such as coal boys, shall continue to be paid only for the specified periods</p>

		<p>within the sanctioned limit of engaging such personnel fixed once with prior concurrence of Finance Department.</p> <p>Provided further that the instructions issued by the Department of Personnel vide their letter No. Per(AP-11)5(2)5/86-III, dated will remain the guiding principle for governing the service conditions of daily waged personnel.</p>
<b>3. <u>TRAVEL EXPENSES</u></b>	<p>It includes all expenses on account of travel on duty. This will also include TA/DA to non-official members.</p>	<p>(i) Full powers to the designated Controlling Officers for tours within the State (for this purpose tours upto Chandigarh/Pathankot will count as tours within the State).</p> <p>(ii) Full Powers to Administrative Secretary fro tours outside the State but within the country.</p> <p>(iii) Secretaries to the Government will inform the C.S. about their tour programme.</p> <p>(iv) All Foreign Tours shall be subject to clearance by F.D. through A.D.</p> <p>(v) Tours by Private vehicles shall be governed by instructions issued from time to time and instructions already issued shall continue to apply till such time they are revised.</p> <p>Providing that the delegation provided here may at any time by curtailed by administrative instructions such as the instructions issued by Department of Personnel regarding restrictions on touring during the Vidhan Sabha session.</p>
<b>4. <u>LIVERIES</u></b>	<p><b>It includes expenditure on liveries as approved by Government.</b></p>	<p><b>Full powers to the Controlling Officers for purchase of livery articles on the rate and pattern</b></p>

		approved by Government.	
<b>5. OFFICE EXPENSES</b>	It includes all contingent expenses for running an office such as furniture, postage, purchase and maintenance of office machines and equipment(e.g. photo copiers, fax machines, typewriters, computers, heater, locks, clocks etc. ) hot and cold weather charges, telephones, electricity and water charges, stationery other than that received directly from the controller Printing and Stationary, expenditure on labour for carriage of office record materials etc. (it is not paid out of wages), purchase of books, journals and news papers for use in offices/libraries, demurrage/ wharf age, printing other than that through Controller, Printing and Stationary.	Furniture	(i) Total ban on purchase of furniture except in cases where & new office or additional staff is created. In these cases, purchase of furniture will be according to the norms decided by the government. Where norms do not exist the AD shall get these notified with prior concurrence of F.D. ii) In the case of replacements of furniture, full powers to the Heads of Department subject to condemnation of old furniture in accordance with the laid down procedure and replacement as per approved norms.
		Postage	Full power upto DDO level.
		Purchase of Office machines and Equipment.	All purchases of individual items costing above Rs. 20,000/- shall be effected with prior approval of Finance Department. Power upto Rs. 20,000/- delegated to HOD.
		Maintenance Office machines	Full powers to HODs/controlling Officers.
		Hot and Cold	-----do----- Weather charges
		Electricity and water charges	-----do-----
		Telephones / EPABX & New connections /New EPABXs	i) No new telephones/ EPABX for the existing establishment without prior concurrence of Finance Department. ii) For new establishments offices, telephones may be sanctioned by the concerned AD on the basis of norms notified with prior concurrence of Finance Department.
		Telephone bills	Full powers to the HOD subject to the limits free telephone calls on official

		<p>phones installed at residences as per instructions issued from time to time.</p> <p><b>Carriage of record</b> Full powers to HODs/DDO.</p> <p><b>Books &amp; Journals</b> Full powers to HOD</p> <p><b>Stationery other than that received from CP&amp;S</b> Full powers to HOD</p> <p><b>Demurrage / wharfage</b> Full powers to DDO</p> <p><b>Printing other than that done through CP&amp;S.</b> Full powers to HOD</p>
<b>6. <u>MEDICAL REIMBURSEMENT</u></b>	It includes expenditure on medical expenses of Government employees and other authorized by Government, as per procedure approved by Government.	Full powers to DDOs subject to instructions/norms fixed by the Government from time to time.
<b>7. <u>RENT, RATE &amp; TAXES</u></b>	It includes payment of rent for hired buildings Municipal rates and taxes etc. It will also include lease charges for land.	<p>i) Full powers to DDOs for payment of rent buildings which have been hired by the concerned department with prior concurrence of F.D.</p> <p>ii) Full powers for payment of Rates and Taxes.</p> <p>iii) For hiring of new office/residential accommodation full powers to the A.D. on the basis of norms notified with prior concurrence of F.D.</p>
<b>8. <u>PUBLICATIONS</u></b>	It includes expenditure on printing of office codes manuals and other documents whether priced or un-priced but will exclude expenditure on printing of publicity materials. This will also include discount to agents on sale of publications.	<p>Delegations under this head shall be same as under "Other Charges" clause(vii)</p> <p>Provided that wherever publications are to be printed from any agency other than through the Controlling Printing and Stationery, these shall be subject to NOC from the Controller of Printing and Stationery.</p>
<b>9. <u>ADVERTISING</u></b>	It includes costs of printing	Full powers to the ADs on the rate and pattern

<b><u>&amp; PUBLICITY</u></b>	of publicity material for all government departments. This would also include expenditure on Organizing of putting up stalls giving prizes, etc. at exhibitions and fairs.	approved by the Government with prior concurrence of Finance Department.
<b>10. HOSPITALITY &amp; ENTERTAINMENT</b>	It includes expenditure on hospitality/entertainment expenses.	(a) Full powers to the AD to host official lunches/dinners and provide refreshment at meetings, etc.
<b>11. <u>FURNISHINGS</u></b>	It includes expenditure on furnishings of such residential and non residential buildings as are specifically approved by Government in concurrence with F.D.	Full powers to AD on the basis of Norms notified with the concurrence of Finance Department.
<b>12. PROFESSIONAL &amp; SPECIAL SERVICES</b>	It includes charges for legal services, consultancy fees, fees to staff artists, remuneration to examiners, invigilators etc. for conducting examinations remuneration to causal artists, etc. to other than Government servants.	Full powers to A.D./ HOD subject to norms notified in consultation with F.D.
<b>13. FIXED TRAVEL ALLOWANCE</b>	It records expenditure on fixed traveling allowance to concerned government employees.	Full powers to the Controlling Officers in accordance with the rates notified with concurrence of Finance Department.
<b>14. EMOLUMENTS</b>	It records the emoluments of members of the Vidhan Sabha.	--
<b>15. SECRET SERVICE EXPENDITURE</b>	It records secret service expenditure.	Full powers to the officers designated by the Government to operate this SOE.
<b>16. OTHER CHARGES</b>	It includes payment out of discretionary grants, expenditure on organizing as well paying delegate fees for Conferences, Seminars Work shops, short term farmer's training/ youth/NCC and other camps, gratuitous relief, compensation for loss caused by wildlife, any other expenditure which cannot be classified	<p>i) Discretionary grants expenditure shall be regulated as per the rules/instructions on instructions issued on the subject from time to time.</p> <p>ii) for delegate fees for participation in conference/ seminars /workshops with in the country, full powers to the AD.</p> <p>iii) For organizing seminar/ conference/workshop by various department with in Himachal Pradesh, full powers to the A.D.</p>

	under any of these specified object heads will be debited to this head.	<p>iv) For participation in Conference/ seminars/ workshops outside the country prior permission of the Finance Department shall be necessary.</p> <p>v) Short term training/ camps such as farmers/ Youth/ NCC camps etc. full powers to the AD subject to expenditure as per norms approve with prior concurrence of Finance Department.</p> <p>vi) For expenditure gratuitous, full powers to the Controlling officers as per the rates/norms notified by the Government with prior concurrence of the Finance Department.</p> <p>vii) for all other expenditures not classified under any of the SOEs in this list, the powers in each such case will be as under:-</p> <p>(a) Adm. =20,000/-Secys.</p> <p>(b) HODs = 10,000/-</p>
<b>17. <u>MAINTENANCE</u></b>	It records expenditure on repair and maintenance of all works including wages and materials.	<p>Full powers to Controlling Officers subject to:-</p> <p>(a) the availability of LOC.</p> <p>(b) the condition that as additional persons shall be engaged beyond the numbers for daily waged workers fixed with the approval of Finance Department.</p> <p>(c) all purchases shall be regulated by the procedure outlined for material and supplies.</p>
<b>18. <u>INTEREST</u></b>	It records payment of interest on loans raised by Government.	All cases to be referred to the F.D.
<b>19. <u>REFUNDS</u></b>	It records expenditure specifically provided in budget.	All cases to be referred to the F.D.
<b>20. <u>WRITE OFF LOSSES</u></b>	It records write off of loans and advances due to government and waiver off interest.	All cases to be referred to the F.D.
<b>21. <u>SUMPTUARY ALLOWANCES</u></b>	It includes expenditure under this head as per the pattern approved by the Government for various Government functionaries.	Full powers to the concerned officers as per the norms fixed by the Government with prior concurrence of finance Department.
<b>22. <u>COMPENSATIONS</u></b>	It records expenditure	All cases to be referred to the F.D.



	specifically provided in budget.	
<b><u>23. MOTOR VEHICLES</u></b>	It includes expenditure on purchase, repair and running (including POL) of light vehicles, buses, trucks, Ambulances, LCV, motor-cycles, scooters but will not include earth moving and allied machinery such as dozers, rollers, tippers, compressors and snow cutters etc.	<p>(a) Purchase of new vehicles including those by way of replacements only with prior concurrence of the Council of Ministers through F.D.</p> <p>(b) For repairs/ spare parts/ consumable accessories full powers to the Controlling Officers.</p>
<b><u>24. MACHINERY EQUIPMENT</u></b>	It includes expenditure on all kinds of equipment and machinery of a non-consumable nature relating to the functional needs of a department and shall not include any other items admissible under any other SOE (e.g. OE, MV, OC, M&S etc.)	<p>HOD will be competent to effect purchases upto rupees One Lakh under this SOE for purchase from sources and at rates duly approved by Government through Controller of Stores, DGS&amp;D and any specific orders in this regard. There shall be a purchase committee for all purchases and authorization of expenditure of M &amp; E in excess of Rupees One lakh. The purchase committee structure shall be as under with the powers mentioned thereto:-</p> <p>(a) At the HOD level upto Rs. 50 Lakh per annum cumulatively except purchase of vehicle of any kind. This Committee shall have the senior most member of the SAS in the Department as its member. In some cases where purchases may be necessary to be effected at the District level, the AC(F&amp;A) posted in the D.C. office as Credit Planning Officer will be one of the members.</p> <p>(b) At the Administrative Department level full powers except purchase of vehicle of any kind.</p> <p>Provided that no committee shall ordinarily sanction amounts exceeding <math>\frac{1}{4}</math> of the sanctioned Budget in each quarter. Exceptions involving expenditure in excess of limit specially where purchase of M &amp; E are directly related to seasonal requirements could be laid by the AD in consultation with F.D.</p>
<b><u>25. MATERIALS SUPPLY &amp; STORE</u></b>	It includes expenditure on material and supplies of a consumable nature pertaining to the functional needs of the department	HOD will be competent to effect purchases up to Rupees One lakh under this SOE for purchases from sources and at rates duly approved by Government through Controller of Stores, DGS & D and any specific orders in this regard. There

	<p>e.f. diet and medicine expenses, raw material for trainees, seeds, fertilizer for farms, etc (It shall not include any item covered under any other SOE, e.g. OE, M &amp;E, M.V. etc) it should not also include expenditure on such supplies materials as are chargeable to maintenance/minor works major works.(These should be charged to suspense till.</p>	<p>shall be a purchase committee for all purchases and authorization of expenditure of M &amp;S in excess of Rupees one lakh. The purchase Committee structure shall be as under with the powers mentioned thereto :- At the HOD level up to Rs. 50 lakh per annum cumulatively except purchase of vehicle of any kind. This Committee shall have the senior most member of the SAS in the department as its member . In some cases where purchases may be necessary to be effected at the distt. Level, the AC(F&amp;A) posted in the D.C. Office as Credit Planning Officer will be one of the members. At the administrative Department level full powers except purchase of vehicle of any kind. Provided that no committee shall ordinarily sanction amounts exceeding ¼ of the sanctioned Budget in each quarter.</p> <p>Exceptions involving expenditure in excess of limit, specially where purchase of M&amp;S are directly related to seasonal requirements could be laid down by the AD in consultation with F.D.</p>
<b>26. <u>MINOR WORKS</u></b>	<p>It includes expenditure on minor additions/ alternation to existing works or new works classified as minor with reference to financial limits.</p>	<p>Full powers for granting administrative approval and expenditure sanction to the HODs All purchases for minor works will be in accordance with the procedure explained against the SOE M&amp;S.</p>
<b>27. <u>MAJOR-WORKS</u></b>	<p>It be classified with reference to financial limits as per classification of major works in PWD CODE. This will also include cost of acquisition of land and structure.</p>	<p>Full powers to A.D. to sanction/incur expenditure as per Government orders on the subject form time to time . The A.D. may delegated appropriate powers to HODs. All purchases shall be in accordance with procedure laid down under machinery and Equipment/M&amp;S.</p>
<b>28. <u>PENSIONS</u></b>	<p>It includes donations to service funds and contributory provident funds in addition to payments of pensions and gratuity in all forms to government servants and member of Vidhan Sabha.</p>	<p>Full powers to the Designated officers.</p>
<b>29. <u>SOCIAL SECURITY PENSIONS</u></b>	<p>Freedom Fighters/War widows/ Old age/ widow physical handicapped/</p>	<p>Full powers to the HODs as per schemes &amp; rates and numbers approved from time to time in concurrence with F.D.</p>

	patients of leprosy etc.	
<b>30. <u>SCHOLARSHIPS/ STIPENDS</u></b>	It includes expenditure on Scholarship/ stipends to students/ trainees under approved Government schemes including one time non-recurring not include expenditure on short term camps(e.g. farmers training, Youth Camps, NCC etc.)	Full powers to the HODs /DDOs as per the schemes approved by the State Government from time to time, with prior concurrence of Finance Department.
<b>31. <u>GRANTS-IN-AID</u></b>	It includes all grants in aid and contribution by Government to any person or body where it is not in the nature of a loan or subsidy.	Full powers to the ADs subject to notification of rules / norms with concurrence of Finance Department. Wherever Utilization Certificates are shall be subject to submission of Utilization Certificates of previous quarter, having been received by A.D.
<b>32. <u>SUBSIDY</u></b>	It records subsidies by under schemes of various departments.	Full powers to the A.D. subject to notification of rate and patterns with prior concurrence of Finance Department.
<b>33. <u>INVESTMENT</u></b>	It includes equity contribution by State Government in any incorporated body.	All cases to be referred to F.D.
<b>34. <u>LOANS &amp; ADVANCE</u></b>	It includes all loans and advances granted to other Governments, Public Sector Enterprises, undertakings and other Government bodies etc. but will exclude repayments of borrowings. This will also include loans and advances to Government servants and other categories.	All cases to be referred to F.D.
<b>35. <u>REPAYMENT OF BORROWINGS</u></b>	It records repayments borrowings undertaken Government.	All cases to be referred to F.D.
<b>36. <u>SUSPENSE</u></b>	It records material and supplies purchased for issue to maintenance minor and major works and which are not immediately charged to the works.	As per the details given against SOE,M 7 S/M 7 E.
<b>37. <u>HONORARIUM</u></b>	It includes disbursements to categories like Vol. Teachers/MSK/Home	Full powers to HODs/DDO on the rate and patterns approved by the Government with prior concurrence of F.D.

	Guard Jawans as well as payments of honorarium for delivery of lectures, at training Institutions, setting and evaluation of examination papers, preparation of case studies, invigilation duties, honorarium for enumeration or supervision of census and similar work to Government servants.	
<b>38. <u>REWARDS</u></b>	It records expenditure on any rewards given to Government servants.	As per existing provisions of H.P.F.R. 19.6.