

No. FR-8/33/2023-e-FD
Government of Manipur
Secretariat: Finance Department
(Resource Section)

Imphal, the 24th November, 2023

OFFICE MEMORANDUM

Subject: Streamlining the fund flow of 'Deposit Works' implemented by Government Engineering Departments, Public Sector Undertakings, Autonomous Bodies, Work Agencies etc. - regarding

Engineering Departments (henceforth Departments) and Public Sector Undertakings, Autonomous Bodies (henceforth Agencies) under the State Government, on behalf of other Government Departments, have been taking up construction works, repairing and maintenance works etc. as **Deposit Works** i.e. funds are sanctioned and deposited with these Departments/Agencies. The extant practice is that the Government Departments withdraw the whole amount available in the Budget from the Consolidated Fund of the State and deposit the same in MH: 8443 in case of Departments and in a designated Bank Account in case of Agencies.

2. The current practice of deposit works has been reviewed and it is felt that the present practice needs a revision due to the following reasons:

- (i) Parking of funds in the Bank Account(s) of Agencies and in MH: 8443 in case of Departments, cause scarce funds to be "**locked up outside**" the Consolidated Fund of the State and become unavailable to the Government for productive utilization in other priority sectors. Further, deposits in MH:8443 cause an increase in the Public Accounts liability of the State Government, which is undesirable;
- (ii) Difficulty in monitoring of fund flow by the Depositing Department;
- (iii) Difficulty in accounting and audit, especially when deposited funds are pooled in a single bank account by the Agency;
- (iv) Further, the present system has instilled a "**lack of urgency**" amongst the Departments/Agencies in executing the works assigned to them, as the requisite funds are available with them readily in their Bank Accounts or in the Public Account Deposits.

2) In order to streamline the fund flow of 'Deposit Works' implemented by Government Engineering Departments, Public Sector Undertakings, Autonomous Bodies etc. (henceforth collectively referred to as Work Agencies) it has been decided to adopt a new common system, as detailed below:



- (i) The Public Financial Management System (PFMS) will be mandatorily used by Depositing Government Departments as well as Work Agencies executing Deposit works for transfer of funds. The Depositing Departments will open a **dedicated bank account for the project** and link it on PFMS. The same will be done by the Work Agencies (Concept of 'one project - one bank account' to be followed). The bank accounts for contractors and other payees related to the project will also be linked on PFMS.
- (ii) Depositing Departments will submit proposal and Finance Department will initially release a **token amount of Rs.10 lakh only**. This token amount will be used by the Work Agency to complete the tender process and award the works for the project.
- (iii) After award of the works for the project, the Work Agency will claim funds from Finance Department, through the Depositing Department, either as mobilization advance or for clearing liabilities, as the case may be. Other than the mobilization advance, other releases will be based on the physical progress of works.
- (iv) Utilization Certificate of previous release will be submitted by the Work Agency at the time of making claim for further fund release.

3) The above instructions shall not apply in cases of works funded under Centrally Sponsored Schemes, Central Sector Schemes and Externally Aided Projects, for which the fund flow processes are already prescribed. **The above instructions shall also not cover repairing or construction works under Rs.10 lakh.** The format for claims for fund release from Finance Department is enclosed as **Annexure I**. Further, the list of documents to be enclosed at the time of submitting claims for fund release is at **Annexure II**.

4) This OM will not apply to deposit works executed by State Government Work Agencies for Central Government Agencies, for which funds are not routed through the Consolidated Fund of the State i.e., funds are transferred directly from the Central Government Agencies to the Work Agencies.

5) This OM will come into immediate effect and will apply to all proposals under consideration in Finance Department, where sanctions are yet to be issued. However, this will not apply to ongoing works.

6) This issues with the approval of the Competent Authority.



(Neilenthang Telien)
Additional Secretary
Government of Manipur

Copy to:-

1. Secretary to the Hon'ble Governor, Manipur
2. Secretary to the Hon'ble Chief Minister, Manipur
3. PPS to Hon'ble Minister _____, Manipur
4. Staff Officer to the Chief Secretary, Government of Manipur
5. Staff Officer to the Director General of Police, Manipur
6. All Administrative Secretaries, Government of Manipur
7. PCCF, Manipur
8. Secretary, Manipur Legislative Assembly
9. Secretary, Manipur Public Service Commission
10. All Deputy Commissioners, Manipur
11. All Heads of Departments, Manipur
12. Relevant file



(Neilenthang Telien)
Additional Secretary (Finance)
Government of Manipur

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Annexure II

List of documents to be enclosed

1. ES/EP/ACD format as stipulated by Finance Department
2. GSTR-3B and GSTR-7 statements of the contractor
3. DARPAN, if the work costs more than Rs. 50 lakh
4. Photographs duly attested by the Department/Agency in case Sl. No. 3 does not apply
5. Bank Account Details (bank account no. and balance) of both Department and Work Agency, to be duly certified by Department and Work Agency
6. GST Undertakings by the contractor
7. Vetting Certificate by Finance Officer of the Department
8. Inspection Report/ Completion Report by the Work Agency
9. Abstract of costs
10. Utilization Certificate of previous fund release