

**GOVERNMENT OF WEST BENGAL
FINANCE DEPARTMENT
AUDIT BRANCH**

No. 3961-F

Kolkata, the 29th August, 2006.

MEMORANDUM

Sub : Procedure of drawal of fund for works expenditure and LOC cheques.

Linking of Letter of Credit cheques issued by the Divisions to the Heads of Accounts, debited for the drawal of LOC fund has been under consideration of the Government for sometime past since it has been brought to the notice of the Government that various schedules and abstracts being submitted with the monthly accounts by the divisions maintaining works system of accounts are from which the fund has been spent. Now the Government has decided to introduce a system of internal check in the Works Accounts as a built-in mechanism to solve the problem and issue a guideline to ensure preparation of correct and complete initial Accounts by the Divisions, compilation of Works Accounts and preparation of the correct classified abstracts by the Accountant General (A & E), West Bengal, as well as preparation of MIS reports on works expenditure based on the related data to be collected by the Government from the Treasuries.

I am, accordingly, directed by order of the Governor to lay down the following procedure of placement of works-related fund, issue of LOC assignments and LOC cheques :

The Chief Engineer, the Divisional Officers of works executing departments and the authorities of other civil departments of the Government shall ensure that-

1. The Head of Account complete up to the detailed head under which the fund has been placed for drawal of the LOC cheque concerned should be noted on the reverse of the cheque at the time of drawal of the same.
2. The Head of Account complete upto the detailed head under which the LOC assignment is issued and the Demand Number and Department code shall be mentioned in the LOC at the time of its issue by the Chief Engineer.
3. While mentioning the Head of Account complete upto the detailed head on the reverse of LOC cheque as stipulated in Para-1 above, Demand No. and department Code should also be mentioned after the Head of Account on the reverse of the cheque by the Divisional officer before issuing of the same.
4. No fund which is due to be drawn following the procedure of works account under LOC authorization should be drawn by submission of bill to the Treasury either by the Divisional Officer of a Works Department or any authorized official of a Civil Department.
5. Once administrative approval and financial sanction is issued by Civil Department to a works department in order to enable the latter to undertake a works job as an agent of the former department, the civil Department concerned should not take any action for drawal

- of the fund by issuing authorization to any departmental officer from a treasury.
6. In case a sanctioned works estimate is included under the functional major head of a Civil Department other than Works Executing Department under Demand No. of the former and the works concerned is to be executed by the Works Department along with the administrative approval and financial sanction, necessary fund by way of placement of the same under the Head of Account of the Civil Department concerned only for that part of the major, sub-major, scheme and detailed head which incorporates the provisions for the works estimate. In such cases also, the Civil Department shall not take any action to draw fund by giving authority to a departmental officer to submit bill for the fund to a Treasury. It is the duty of the Works Department concerned to make necessary arrangement to place the fund under the Divisional Officer concerned who is to execute the job both in form of allotment under proper Head of Account complete up to the detailed head and LOC authorization which will be issued by the Chief Engineer after getting approval of the Finance (Budget) Department.
 7. The Head of Account complete up to the detailed head should in no way differ from the one mentioned in the allotment of fund letter issued by the Chief Engineer to the Division concerned against which authorization for drawal of fund under LOC is separately issued by the Chief Engineer concerned after approval from the Finance (Budget) Department.
 8. While drawing any LOC cheque care should be taken not to divert fund allotted on Head of Account relating to a particular sanctioned estimate to another sanctioned estimated work under the same Head of Account or some other Head of Account simply because there is savings in the first work and shortage of fund in another. In case of the necessity of provision of fund under a Head of Account because of the shortage one sanctioned estimate the usual procedure of augmentation of fund under the Head of Account and estimate when the shortage occurs by surrender of fund under the Head of Account/ sanctioned estimate where savings/excess exists should be adopted and LOC authorization should be requisitioned from the Chief Engineer before issuing of any LOC cheque for undertaking the sanctioned work.
 9. LOC fund made available under authorization of the Chief Engineer for undertaking any sanctioned works should not be drawn in advance or completely exhausted by drawal of self cheques simply because there may not be any scope of spending the fund authorized under LOC before expiry of validity of the LOC authorization concerned.
 10. In case of deposit works debit head shall always be '8443-00-108-101' to which the fund received from the Non-Government entity for whom the work is undertaken is initially credited. The debit head shall be followed by the subhead '23-withdrawal' and the credit head shall be followed by the sub-head '07-Deposits'.

Sd/- P. K. Guha Roy

OSD & E.O. Special Secretary
to the Government of West Bengal
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