

Government of West Bengal
Finance Department
Audit Branch

No. 675-F

Kolkata, the 22nd January, 2008.

Memorandum

For some time past, it has been observed by the State Government in Finance Department that proposals are received from various Departments for opening of Bank Account in the name of Government Officials of Government Institutions/Offices for implementing various development schemes/projects or for the management of particular Government Institutions. Sometimes Hinds are directly received from different Ministries of Government of India (GOI), and the amount is directly credited into the bank account of the concerned administrator, authorised to implement the project. In some cases, though the Central fund is routed through State Budget, as per guideline of the concerned scheme/project, separate Bank Account is required to be opened. Again, in some cases fund from State Budget is released as 'Block Grants' to various State Government Institutions/Offices and the Institutions operate the fund through Bank Accounts in the name of those Institutions.

As a consequence of the various factors mentioned above, a large number of bank accounts dealing with public funds are under operation in the State. In order to monitor the actual utilisation of public fund transacted through bank accounts, it is necessary to streamline the opening and operation of bank accounts and develop an IT-based mechanism, which will provide the expenditure details and closing balance on a regular basis.

With this objective in view the Governor is pleased to issue the following guidelines in the matter of opening and operation of bank accounts by Government officials/agencies/institutions :

- 1) All Administrative Departments shall furnish the Finance Department (Group-T) with a comprehensive list of existing bank accounts opened with public money placed at the disposal of the Department of various authorities under the Department showing the (i) Name/Designation & Address of the account holder, (ii) Name of the Bank & Branch, (iii) Account Number of the bank accounts and (iv) the Scheme/purpose for which the bank accounts were opened, in the prescribed format as per Annexure-I, by February 29, 2008.
- 2) The proposal of opening of new Bank (savings/current) Accounts shall be sent to Finance Department, Audit Branch, Group -T, showing the information in respect of (i) the Name/Designation & Address of the account- holder, (ii) Name of the proposed Bank & Branch and (iii) the Scheme/ purpose for which the bank accounts is to be opened, in the prescribed format as per Annexure -II.
- 3) No proposals for opening of new bank account shall be considered by the Finance Department unless the list as referred to in paragraph-1 is received by February, 29, 2008.

- 4) Finance Department, after examination of the proposal, shall send the proposal of Directorate of Treasuries and Accounts for allotting the Bank- Code. For this purpose, the Director of Treasuries and Accounts shall arrange for Computer generated code numbers for each Bank account of each Department and shall send back the proposal to Finance Department with the Bank-code.
- 5) The Bank-Code will be an Alpha-Numeric ten character code. The first two characters (alphabet) will represent the Department Code [as used by the Finance (Budget) Department], the next three characters (alphabet) will represent the District/Sub-Division Code in alphabet [as used for Treasury- Code], the next two characters (numeric) will represent the Scheme/Project and the last three characters (numeric) will represent the serial number of the Bank Account.
- 6) The concerned Administrative Department shall, within one month, of opening of the bank account intimate to the Finance Department and the Directorate of Treasuries and Accounts the Name of the Bank, Branch and Account Number of the Bank account with reference to the Bank-Code given by the Finance Department [as mentioned at para 5],
- 7) The Department shall furnish Bank Account-wise consolidated plus-minus report, quarterly, showing the opening balance, receipt during the period, payment and closing balance, in the prescribed format as per Annexure-III.
- 8) Each Department shall select a particular 'Nationalized Bank' as Nodal Bank for that Department. All Bank Accounts required to be opened under any office/organisation of that particular department should be opened in the Branches of that Nationalized Bank. The funds received from Government of India directly and other funds for which separate Bank accounts are required to be maintained, should be with that Bank only for all the schemes coming under that department.
- 9) Now a days the Bank-Branches of most of the Nationalised Banks are connected through their Central Server System. In the Central Server system the transactions of one branch can be carried out at any branch. Moreover, in such system the fund can be transferred through 'Electronic Fund Transfer' [EFT] mode from headquarter to different scheme-implementing unit instantly. While selecting the Bank, it should be taken into account that the Branches of that Bank are connected centrally. The locations of the branches of that Bank may also be examined with reference to the area where the project/scheme, will be implemented. If the fund is for implementing a Scheme/ Project, then Bank Account should be opened and operated by the administrator of the particular scheme/project, as authorised by the Head of the Department, at the State level and at the field level. If the fund is for a Government Institution of autonomous organisation, then the Bank Account should be opened in the name of that organisation. The accounts shall, preferably, be operated with joint signatures.
- 10) The fund released by the Government shall not be withdrawn by any Department/District

officer for the purpose of keeping them in fixed deposit; it should be utilized as soon as possible, for the purpose for which it was sanctioned. This does not prohibit the Department to utilize subject to guidelines, if any, the amount of interest, if any credited by the Bank in respect of any Savings Bank account.

11) Wherever feasible remittance facility may be used for transfer of fund from Head office to the field offices and refund of unspent balances from field offices to head office. Under the Remittance facility system, the money can be transferred from one branch to other branch of the same bank under centralized computer system in real-time.

12) Reconciliation of these Bank Accounts shall be made on the quarterly basis.

13) Expenditure out of the bank accounts shall be subject to financial rules and guidelines, if any, under the relevant schemes. Concerned administrative Department shall introduce post-audit to monitor the operation of bank accounts.

14) For the purpose of monitors the bank accounts the Departments shall develop uniform, integrated and comprehensive Management, Information and Accounting system and it shall, preferably, be on IT-base.

15) The Department shall nominate one nodal officer who shall be responsible for coordinating the operation of all bank accounts under the control of the Department and sending quarterly reports as referred to in para 7.

16) The Directorate of Treasuries & Accounts shall independently, arrange to collect information from the Bank regarding Bank-account-wise consolidated opening balance, receipt and payment during the period and closing balance for each account on quarterly basis for cross verifications of the Departmental statements.

All Administrative Departments and the Scheme implementing authorities from State level to field level are requested to follow the abovementioned guidelines where the funds flow directly from Government of India and/or State Government to Districts/field Offices through Bank account for implementation of different development Scheme/Project.

Sd/- B. Bandyopadhyay

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Government of West Bengal
Finance Department