



**Government of Odisha**

**CONSOLIDATED GUIDELINES FOR IMPLEMENTATION  
OF "MLALAD SCHEME"**

**(With relevant extracts of Rules & Procedures for sanction  
of MLALAD Funds, 1997 issued by erstwhile  
Planning & Coordination Department)**

**September, 2021**

**Planning & Convergence Department**

# Consolidated Guidelines for sanction of MLALAD Funds

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## **CONSOLIDATED GUIDELINES FOR SANCTION OF "MLALAD FUNDS"**

### **Objectives:**

With a view to increasing the participation of local people and their representatives in the planning process, which is one of the main objectives of decentralised planning, the concept of Members of Legislative Assembly Local Area Development Fund "MLALAD Fund" has been introduced in the State of Orissa since 1997-98, Similar to that of MPLAD Fund introduced by Govt. of India in 1993<sup>1</sup>. ***Under this scheme, funds to the tune of Rs.3.00 Crore per Constituency is provided in the State's Plan Budget from 2020-21, for General Component, Roads Component and Higher Education Component.***<sup>2</sup>

The "MLALAD Fund" is intended to be utilised for small but essential projects/works based on the felt needs of the local public. It is also meant to be used for providing missing links to operationalise non-operational plan assets for which funds cannot be provided under any other on-going programmes. This fund is not tied to any development sector but nonetheless it shall be governed by certain guidelines, as given below and all established administration and financial procedures of the State Government for implementation of Development Programmes will apply to the utilisation funds under MLALAD Scheme. A selected project / work should be completed within the year of allotment. The objective of the scheme is to enable MLAs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs to be taken up in their Constituencies.

### **2. Allocation of Funds:**

***The MLALAD Fund is provided in the P&C Department Budget which is allocated among the districts in such a manner that each MLA will get Rs.300.00 Lakh per year per constituency from the year 2020-21 which may change depending on the resources position and other commitments of the State. Government after careful consideration have been pleased to make Budgetary provision for General Component (@Rs.200.00 Lakh) S.O. No.4745 dated 03.04.2020, Road Component (@Rs.50.00 Lakh) S.O. No.9284 dated 14.09.2020 and Higher Education Component (@Rs.50.00 Lakh) S.O. No.9294 dated 14.09.2020 per Assembly Constituency in the State.***<sup>3</sup>***The MLALAD Fund is***

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<sup>1</sup> Para-1 of the Rules & procedures for sanction of MLALAD Funds-1997

<sup>2</sup> Prior to year 2020-21, the MLALAD Fund was Rs 100.00 Lakh per Assembly Constituency. Initially the funds under MLALADS was allotted Rs 5.00 Lakh per Constituency (in terms of Para-2 of Rules and Procedures for sanction of MLALAS Funds-1997) and accordingly the fund was remitted to PD, DRDAs

<sup>3</sup> General Component (@ Rs 200.00 Lakh) S.O. No.4745 dated 03.04.2020, Road Component (@Rs 50.00 Lakh) S.O. No.9284 dated 14.09.2020 and Higher Education Component (@Rs50.00 Lakh) S.O. No.9294 dated 14.09.2020 per Assembly Constituency in the State.

***remitted in favour of concerned PD, DRDAs of the district according to the no of Hon'ble MLAs.***

### **3. Nature of the Fund**

The MLALAD Fund now consists of three components viz. General component, Road component and Higher Education component. The amount provided under MLALAD Scheme is released in the form of Grant-in-aid for utilisation by the districts. Under this Scheme, the entire cost of a project/work would be met out of the MLALAD Fund (Para-3 of the Rules & procedures for sanction of MLALAD Funds-1997).

### **4. Utilisation of Fund**

The funds allocated to the Districts will be utilised through the DRDA of the District where the project/work is taken up and the DRDA should furnish necessary Utilisation Certificate to the Accountant General, Odisha for the amount allocated to the District (Para-4 of the Rules & procedures for sanction of MLALAD Funds-1997).

### **5. General Component**

#### **5.1. Financial Limit**

Keeping in view the objectives of this scheme and the small budgetary provision, there shall be upper financial limit as prescribed by the Government from time to time for each project/work as demands for taking up big projects which are essential may come up suddenly for which funds have not been provided earlier under any Central / State Sector Scheme.

Accordingly, the maximum cost of a project/work to be taken up through MLALAD Fund has been fixed at Rs.10.00 Lakh (L. No. No.6052 dated 10.06.2013) if it is a community project and Rs.20,000/- if it is an individual beneficiary project. However, the total expenditure on individual beneficiary projects in a year should not be more than 40% of the total allocation to a Constituency in that year. Whenever, public or individual contribution is forthcoming, the cost of the Project could exceed Rs.10.00 lakhs or Rs.20,000/- (Provision of fireproof roofing to the houses of identified BPL families (Rs.20,000/-) even if it is neither a community programme nor it benefits the public directly<sup>4</sup> (P&C Deptt. G.O. No- 6058 Dt- 10.06.2013) to the extent of such contribution as the case may be.

*Provided that the Government in extra-ordinary cases with proper justification cited by the MLAs may enhance the limit of particular project above*

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<sup>4</sup>Upper Financial ceiling was pegged at Rs.10.00 Lakh for community project and Rs 20,000/- (Fire proof Roofing) in case of individual beneficiary project (L. No. No.6052 dated 10.06.2013)

*Rs.20.00 Lakh (G.O. No.4279 dated 08.03.2007)by an exclusive Govt. order and views of the Collector is to be obtained at the time of sanction of the project (Para-5of the Rules & procedures for sanction of MLALAD Funds-1997).*

## **5.2. Admissibility :**

A project / work shall be considered admissible for sanction of funds under MLALAD Scheme if it is

- i. A programme of developmental nature
- ii. Comes under District Sector Schemes / subjects
- iii. Is non-recurring
- iv. Creates some assets for future
- v. Benefits the public directly
- vi. is a community programme
- vii. is a preventive, curative, protective and/or productive programme
- viii. Provision of fire proof roofing to the houses of indentified Below Poverty Line (BPL) families even if it is neither a community programme nor it benefits the public directly <sup>5</sup>(Order No.1009/P., dt.12.01.2001)

## **5.3. Inadmissibility :**

A project / work will be considered inadmissible for sanction of funds under MLALAD Scheme if it

- i. Is a programme of non-developmental nature?
- ii. Is Covered under the State/Central Sector Scheme/Subjects
- iii. Creates future liabilities.
- iv. Benefits an individual and not the public except for providing fireproof roofing to the houses of identified BPL families as part of the selection made by the concerned MLA
- v. Is a construction work taken up on a land not owned by an Institution / Community / Government excepting the case of identified BPL Families as referred to at (IV) above
- vi. Is given in form of a grant/is given for programmes relating to professional, business or religious associations.
- vii. Is Proposed to be utilised for construction of office Buildings/staff quarters/ Purchase of vehicles of vehicles for a Government / Private (except Ambulance for Government Hospital / CHC / PHC)<sup>6</sup>,

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<sup>5</sup>Rules & Procedures for sanction of MLALAD Funds-1997 (Para-6 Admissibility)

<sup>6</sup>Rules & Procedures for sanction of MLALAD Funds-1997 (Para-7- Inadmissibility)

#### 5.4. Illustrative List:

A list of admissible and inadmissible projects under MLALAD Scheme is given in ***Annexure-I, Annexure-II***<sup>7</sup> respectively under General Component. This list is only illustrative but not exhaustive. Due care should be taken while selecting the projects under MLALAD Scheme so as to reflect the intention of the scheme in selection of projects.

#### 5.5. Other Conditions:

With a view to ensuring effective utilisation of the grant timely flow of benefits and uniform spread of programme over time and space, the following procedure shall be followed for sanction of funds and execution of projects.

- i. A selected work / project should be completed within the year of allotment.
- ii. If no expenditure is incurred within 6 months from the date of communication of Date of sanction of funds in favour of a project due to delays and defaults of the beneficiaries the amount shall be withdrawn and diverted for some other project/ projects.
- iii. Fresh grants cannot be sanctioned for a project if a previous grant has not been fully utilised and utilisation certificate submitted.
- iv. Grants from MLALADS Funds shall ordinarily be given on fresh proposals as emanating from the grass root level. The project shall be of original nature and proposals for completion of incompleteness works or for part of any other continuing programme shall not be entertained. But this does not apply to incomplete projects under MLALAD Scheme<sup>8</sup>.
- v. The Competent Authority will automatically provide the balance amount from the concerned MLALAD from the next year's allotment to complete the incomplete projects (**G.O. No.4279 dated 08.03.2007**).

#### 6. Road Component and Higher Education Component

*From the year 2020-21 Government after careful consideration has been pleased to make separate budgetary provision for Road Component and Higher Education Component @ Rs.50.00 Lakh for each component per Assembly Constituency in the State. The Guidelines in this regards have been intimated to all Collectors vide P&C Deptt letter no- 10885 (30) dt- 02.11.2020 which is reproduced.*

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<sup>7</sup>Rules & procedures for sanction of MLALAD Funds-1997 – Annexure-I &II Modified and Consolidated.

<sup>8</sup>Rules & procedures for sanction of MLALAD Funds-1997 (Para-9- Other Condition).

## **6.1 Roads:**

**A.** *The following kind of projects shall be considered for sanction under Roads Component. Roads projects costing below Rs.1.00 lakh will not be eligible for sanction. The project cost is to cover the capital cost only.*

- i. Connectivity to unconnected villages and hamlets, the missing links, viz. Culverts, deep-causeway and other cross drainage works to the nearby Common Village Road, PMGSY Road, MDR, SH or NH.*
- ii. Black Topping of roads constructed under MGNREGA.*
- iii. Cement Concrete Roads, where absolutely necessary and in case the CC Road is the only way to provide all weather connectivity.*
- iv. Major improvement of any existing road.*

### **B. Guidelines for implementation of the projects:**

- i. The work should be completed within one year.*
- ii. Administrative approval is to be accorded by the Collector based on the Technical Sanction, accorded by the competent authorities of the Executing Agency.*
- iii. The work is to be executed by the Department under whose jurisdiction the road falls by following their own procedure.*
- iv. The PD, DRDA will be responsible for obtaining the Utilisation Certificates from the Executing Agencies, in respect of the funds sanctioned from MLALADS for implementation of the projects. The PD, DRDA concerned will get the Utilisation Certificates countersigned by the Collector of the District and submit same to the Government in P&C Department. However the Deputy Director, DPMU will collect utilisation Certificate till the year 2020-21.*

### **C. The following type of projects will not be admissible for sanction under Road Component.**

- i. The Road projects without Forest clearance or on a land under dispute / a land of objectionable kisam.*
- ii. The identified Road benefits an individual and not the Public at large.*
- iii. If the Road is covered under any other scheme financed by the State Government or Government of India.*
- iv. It is a project belonging to a professional / Business association or a road within premises of religious organisation.*
- v. Restoration and Renovation works.*
- vi. Maintenance and repair works.*

## **6.2 Higher Education:**

**A.** *The following types of projects shall be considered admissible for sanction of funds under the Higher Education component of MLALADS for Govt. and Govt. Aided Educational Institutions under the administrative control of Higher Education Department and extension of Government and Govt. aided Higher Secondary Educational Institutions (issued vide P&C Deptt. letter No.5118 dated 12.4.2021) i.e. increasing durable assets of permanent character, additions and implements, renewal and replacement. The project cost will cover the capital cost only. Selection of Projects should be made in consultation with the Principal of the respective Colleges to cater to the felt needs of the Students and Teachers so as to bridge the Infrastructural gaps of the College.<sup>9</sup>*

- i. The assistance from MLALADS is to be provided for creation of capital assets in Government and Government Aided Colleges of the Constituency of each MLA which would cover the type of works as mentioned in serial No. (ii) to (xiii).*
- ii. Hostels.*
- iii. Hostels for Women, SC / ST students.*
- iv. Toilet facilities.*
- v. Construction of laboratory Buildings and Classrooms.*
- vi. Provision for Computer Lab.*
- vii. Provision of Wi-fi facilities facilitating on-line classes.*
- viii. Construction of Physical Training Centres with Equipment.*
- ix. Cycle stand.*
- x. Library building.*
- xi. Drinking water facility.*
- xii. Electrical and PH fittings.*
- xiii. Purchase of furniture/ books for Library etc.*
- xiv. Government and Government Aided Higher Secondary Educational Institution (Intimated vide P&C Deptt. Letter no-5118 Dt.12.04.2021)*

*The type of works is only illustrative not exhaustive but it should be durable asset.*

### **B- Guidelines for implementation of the projects:**

- i. The project should be implemented through Government Departments or Agencies by following transparent procedure. The Administrative approval for the project should be accorded by the Collector of the District and Technical sanction is to be accorded by the competent authorities of the Executing Agency.*

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<sup>9</sup> The Guidelines in this regard have been intimated to all Collectors vide P&C Department letter No.10885 dt.02.11.2020



- ii. *The period of execution of the work should be within one year.*
  - iii. *On completion of the Work the Executing Agency should submit Completion Certificate with photographs and certificate from the Principal of the College about completion of the work and hand over the assets to the College for use and subsequent maintenance.*
  - iv. *The DRDA will be responsible for obtaining the Utilisation Certificates from the Executing Agencies, in respect of the funds sanctioned from MLALADS for implementation of the projects. The PD, DRDA concerned will get the Utilisation Certificates countersigned by the Collector of the District and submit same to the Government in P&C Department. The Deputy Director, DPMU will collect utilisation Certificate till the funds received up to 31<sup>st</sup> March 2021.*
- C. *The following type of projects will not be admissible for sanction under Higher Education Component:***
- i. *It is recurring expenditure / non-developmental in nature or inconsequential for the well-being of the students.*
  - ii. *Staff Quarters.*
  - iii. *Expenditure for Un-Aided Non-Government Colleges/Institutions in the Higher Education sector.*
  - iv. *Normal and periodic repair and maintenance of infrastructure.*

## **7. Pro-rata and Contingency Charges:**

Execution of Projects / Works through MLALADS Funds shall be exempted from pro-rata charges and contingency charges by different Departmentally Executing Agencies.<sup>10</sup> Payment of 6% of supervision charges to concerned Electrical supply company is allowed in case of electrification projects executed through a licences electrical contractor.

*As regards work / Projects relating to urban areas priority would be given to Project Director, District Urban Development Agency and Urban Local Bodies. On their recommendations, such works can be entrusted to Government line departments, to Odisha Bridge and Construction Corporation (OB&CC), Odisha Police Housing and Welfare Corporation (OPH&WC), Odisha Industrial Infrastructural Development Corporation (ODIDC), Odisha Construction Corporation (OCC) and Odisha Tourism Development Corporation (OTDC)etc. circulated vide P & C Deptt. Letter no- 9263 (30) dt- 14.09.2020 circulated to all Collectors.*

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<sup>10</sup>Rules & Procedures for sanction of MLALAD Funds-1997 (Para-10- Execution of works through MLALADS was exempted from Pro-rata and Contingency Charges).

## **8. Recommendation / Selection of Projects/Works:**

- i.** The concerned MLA will have to recommend a priority list of projects/works to be taken up within his jurisdiction in the district under MLALAD Scheme during the year indicating the broad details against each project through the DRDAs.
- ii.** The priority list will have to be furnished to the Collector at the beginning of a financial year under the signature of the MLA. If for any reason, the Collector wants to change the priority given by the MLA, it can be done with the concurrence of the MLA concerned.
- iii.** After a list of projects is received from Hon'ble MLA the DRDA shall examine the admissibility of different project proposals with regard to the guidelines in force and seek the approval of Collector, including its tentative cost ***within a fortnight from the date of submission of project proposal.***
- iv.** After due scrutiny, proposals conforming to the guidelines will be finalised by the Collector and those not conforming to guidelines will have to be dropped by recording adequate reasons thereof. However, the order of priority given by the MLA shall not be changed.
- v.** While approving the admissible projects, the Collector shall take the views of the concerned Hon'ble MLA into consideration while prescribing executing agencies. The priority of the projects, as indicated by the Hon'ble MLA, shall be maintained except in case of inadmissible project.
- vi.** As soon as the admissible project as well as the executing agencies are approved by the Collector, the executing agency shall be informed forthwith and requested to: a) examine the feasibility of the projects, (b) prepare an appropriate Plan and Estimate of the approved projects within a fortnight and make administrative approval as per the P&C Department Letter No.11672 dated 19.11.2020. As soon as the project and its executing agency are approved by the Collector, the Project Director, DRDA shall also simultaneously release MLALAD funds equivalent to the tentatively approved cost to the concerned executing agency. The concerned Hon'ble MLA shall also be informed at the same time<sup>11</sup>.
- vii.** It is pertinent to note that the cost of the project proposed by the MLA is only approximate for which it will be responsibility of the district

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<sup>11</sup>Rules & Procedures for sanction of MLALAD Funds-1997 (Para-11- After receipt of proposals from Hon'ble MLAs the projects were being scrutinised in DPMUs. The Plan and Estimate was called from Ex. Agency by DPMU ad after approval of sanction order by the Collector, funds released by DRDA and Para-2 (iii) (iv) and (vi) of simplification of MLALAD Fund Guideline, P&C Department Letter No- 12106 Dt. 07.12.2012)

authorities to see that appropriate amount is provided to complete the project and the total sanction be limited to the allocation received by the district. If the estimated amount for a work is more than the amount indicated by the MLA for the same, MLA's consent for release of full estimated cost is necessary before the sanction is accorded (Letter No.18260 Dt.06.12.2006). In case there be any doubt regarding selection of a project, the matter may be referred to the Govt. in P&C Deptt. whose decision will be final.

- viii. Provided that, construction of important district level infrastructures which would benefit all the constituencies of the district, Government in P&C Department may allow contribution of MLAs from constituencies located inside the district from their MLALADs (G.O. No.18430 dated 22.12.2005).
- ix. Collectors will have full powers for administrative approval of projects irrespective of the cost. (Letter No. 11672 Dt. 19.11.2020)

#### **9. Change in Membership:**

Funds provided under the scheme are meant for the constituency, eventhough there may be change of MLA in some situation or other. In view of this, continuity in implementation of the scheme should be there irrespective of a change in MLAs. The Collector of the district will have to play a co-ordinating role in maintaining continuity of the scheme even when there be any change of MLA. Irrespective of change in MLA, the following principles should be followed in implementation of MLALAD Scheme.<sup>12</sup>

- i. The priority list of projects/works once finalised by the collector on the suggestions of the concerned MLA should stand valid till funds earmarked for the constituency is exhausted. (Letter No- 4149 Dt- 17.03.10)
- ii. Deletion of a project/work from the priority list or change of priority in the list of projects finalised by the collector is permissible on the request of the concerned MLA under his signature provided funds have not been sanctioned for such a project/work.
- iii. All works / projects for which recommendation received till the last date of term of MLA are to be executed as per the norm and within entitlement of MLALADS Funds of MLA. The balance funds if any will be utilised by the recommendation of succeeding MLA (Letter no- 1330 dt- 28.01.2005).
- iv. If the works already sanctioned under MLALAD on the recommendation of Ex- MLAs can be postponed, as asked by the newly elected MLAs. Whether the selection of Executant in respect of

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<sup>12</sup>Rules & Procedures for sanction of MLALAD Funds-1997– Para-12- change in membership

sanctioned projects will be made by the Ex- MLAs or newly elected MLAs. In this regards the letter no- 4149 dt- 17.03.2010 which states

- a) **“All works already sanctioned by the Collector under MLALAD Scheme are to be taken up”**
- b) **“If the work order / actual implementation has not been started, the Executants may be finalised as per the recommendation of newly elected MLAs.”**

#### **10. Vacancy:**

The seat of the MLA may fall vacant for some time on account of dissolution of the Orissa Legislative Assembly, resignation of the MLA or otherwise, on such situations, the collector will have to act upon the suggestions of the previous MLA. In case a seat falls vacant prior to receipt of project proposals for the year, from the MLA or the case when the proposals of the previous MLA do not cover the amount allocated for that constituency, the collector will have to wait for proposals from the successor MLA. In case of any unusual delay for a new MLA to be in position or in the event of a MLA not suggesting project list for a long time the matter may be referred by the collector to the Government in P&C Dept. seeking their advice to deal with the situation. In case of a MLA facing difficulty in execution of the scheme at the district level, he may refer the matter to the Govt. in P & C Dept. for a solution. But however if the concerned MLA is not inclined to utilise funds allocated for his constituency during a year the same could be withdrawn by Govt. on receipt of a report from the collector after intimating the concerned MLA.<sup>13</sup>

#### **11. Technical Sanction / Administrative Approval :**

- i. Examine the feasibility of the project by verifying the land on which the project is to be constructed. The land should be non-objectionable Government land and should not belong to any private party. In case of, Library Building for Registered Yubak Sangha Buildings / Clubs, the land should be owned by the concerned organisation. In case of repair/ renovation / restoration of religious institutions, the land should belong to the concerned religious institutions which does not encroach the public land.
- ii. If the project cost, as per the Plan and Estimate is within the competence of Executing Agency to accord administrative approval as well as Technical Sanction, the Executing Agency shall accord administrative as well as Technical Sanction for the said project before the project is actually implemented. The fact of according administrative approval and technical sanction as well as the copies of the approved Plan and Estimate shall be immediately reported by

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<sup>13</sup>Rules & Procedures for sanction of MLALAD Funds-1997- Para-13-Vacancy.

the Executing Agency to the Collector and to the Project Director, DRDA concerned. The Executing Agency shall take prompt steps to implement the projects in expeditious manner.

- iii. In case the project cost is not within the competence of the Executing Agency to accord administrative approval as well as technical sanction, the concerned executing agency shall submit immediately the plan and estimate for the approved projects to the concerned PD, DRDA for seeking administrative approval and technical sanction of the competent authority. (Para-11 of Rules and Procedure for sanction of MLALADs, 1997 and Para-2(iv)&(V) Simplification of MLALAD Fund, P & C Department Letter No-12106 Dt. 07.12.2012). ***Further the Delegation of Higher Financial Power for administrative approval in respect of projects implemented under MLALADS intimated to all Collectors vide Letter no- 11672 dt.19.11.2020 of P&C Deptt are as follows.***

Name of the Scheme	Existing		Revised	
	Name of the Authority	Project Cost	Name of the Authority	Project Cost
MLALADS	Collector	Upto Rs 50.00 Lakh	Collector	Full Power
	BDO / PD, DUDA	Upto Rs 10.00 Lakh	BDO/ Executive Officer of ULB	Upto Rs 10.00 Lakh

- iv. In case of land owned by Forest areas, wild life areas, eco-fragile areas, Coastal Regulatory Zone in coastal areas, special permission to be taken from concerned authorities before sanction of the projects.
- v. Processing of proposal and sanction and release of funds should not normally take more than 15 days.

## 12. Release of funds.

- i. As soon as the projects and its Executing Agencies are approved by the Collector, the Project Director DRDA shall release MLALADS Funds equivalent to the tentatively approved cost to the concerned Executing Agencies and the concerned PD, DRDAs shall release such funds to the executing agencies forthwith. The concerned Hon'ble MLA shall also be informed at the same time (Simplification of MLALAD Fund- Letter No-12106 (30) Dt- 07.12.2012). A copy of Sanction Order is to be forwarded to Deputy Director, DPMU for maintaining Database. <sup>14</sup>

<sup>14</sup>Rules & Procedures for sanction of MLALAD Funds-1997- Para-14– Earlier the Plan & Estimate were to be obtained from Executing Agencies and administrative approval was given by Collector before release of funds.

- ii. The DRDA is to release requisite funds as per the sanction of funds to the Executing Agencies for implementation of the projects. It is pertinent to note that the cost of the project proposed by the MLA is only approximate for which it will be the responsibility of the district authorities to see that appropriate amount is provided to complete the project and the total sanction be limited to the allocation received by the district.

### **13. Accounting Procedure**

#### **DRDA**

- i. ***The Planning & Convergence Department will sanction the funds under the schemes as Grant-In-Aid to the DRDAs.*** The amount of grant-in-aid received by the district will be drawn by the concerned DRDA in grant-in-aid bills and kept in their P.L. Account till the amount is fully spent. The Collectors shall be the counter signing officers of these bills. On receipt of the release order from the collectors, *the P.D. DRDA shall release funds to the Executing Agencies through their PL Account or Government Account in case of Public Works or Forest Divisions as the case may be.* Guidelines in this regard have been issued by Finance Department O.M. No.32152 dated 15.12.2015 (**Annexure-III**) & Finance Department O.M. No.11437 dated 8.4.2021 (**Annexure-IV**).

The Executing Agencies shall incur expenditure keeping in view the progress of work.

- ii. On completion of the projects in the field, the DRDA will collect utilisation certificates in OGFR-7 (A) in token of full or part utilisation of the funds for the project with counter signature of the Collector submit to the P&C Department under intimation to DPMUs. Separate account is to be maintained by the DRDA for MLALAD funds received during a year in respect of each MLA apart from maintaining their usual cash and account records and made available for inspection of higher authorities.
- iii. The PD, DRDA / PD, DUDA is responsible to comply with all matters related to Audit.

### **14. DPMUs**

The Deputy Director, DPMU, is to facilitate and co-ordinate with PD, DRDA/PD, DUDA in obtaining the utilisation certificate from the executing agencies and ensure submission of UCs to proper quarters in time.

### **15. Diversion of Funds**

In case no expenditure is incurred in respect of a project for which funds has

been sanctioned within three months from the date of release of funds, ***the Diversion / Substitution of projects by Collector is to be initiated by PD, DRDA with the recommendation of Hon'ble MLA.***<sup>15</sup>The amount allocated for this project shall be withdrawn and utilised for the next project waiting for funds in the priority list. But while such withdrawal is made, specific reasons in writing shall be recorded. This will not apply to cases having administrative bottle-necks. In such a case steps should be taken to remove the bottle-necks and expedite implementation. All sorts of administrative bottlenecks to be sorted on a priority basis at the level of District Collector.

**16. Executing Agency:**

i. ***The PD, DRDA shall identify the Executing Agency through which a particular work recommended by the MLA should be executed. The Panchayati Raj Institutions (PRIs) will preferably be the Executing Agency in the rural areas and works implementation will be done through Block Development Officers. The Executing Agencies in the urban areas should preferably be urban local bodies and works implementation will be done through Commissioners/Chief Executive Officers of Municipal Corporations, Municipalities, NACs.***<sup>16</sup> ***The projects can also be executed by line Departments basing upon the type of works.***

ii. There should be no bar for the MLAs to recommend the names of the Executing Agencies or Executant for implementation of MLALADS Works (Provided they are not otherwise found unsuitable). However, prescribed procedure, their credibility and commitment in regards to work specification, quality of work, timely completion and adherence to terms and conditions should be observed while selecting executing agencies or executants (P&C Deptt. Letter no- 9434 dt- 08.05.2001 and 6894 dt- 28.03.2001).

iii. Further, the Executing Agencies are to follow the established procedures of the state and their respective departments while execution of the project whichever the case may be.

**17. Review, Monitoring & Supervision:**

(Rules & Procedures for sanction of MLALAD Funds-1997-Para-18 modified)

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<sup>15</sup>Rules & Procedures for sanction of MLALAD Funds-1997 – Para-16 and Para-2(viii)) simplification of MLALAD Guideline, P&C Department Letter No.12106 dated 07.12.2012.

<sup>16</sup>Rules & Procedures for sanction of MLALAD Funds-1997-Para-17

**A- DRDA:**

- i.** The PD, DRDA / PD, DUDA shall be primarily responsible for establishing effective coordination and linkage for smooth and timely implementation of projects under the scheme, for their supervision and monitoring.
- ii.** The PD, DRDA / PD, DUDA is to submit MPR and QPR to Planning and Convergence Department/ Panchayati Raj & Drinking Water Department / H & UD Deptt respectively.
- iii.** The District Collector will periodically review the progress of work and utilisation of funds under the scheme overall and effectively supervise and monitor the progress of work under the scheme. The District Collector should also involve the MLA concerned in the supervision of projects/works being executed in his Constituency. For this purpose, the Project Director, DRDA and the Deputy Director, District Planning Monitoring Unit shall provide requisite support and assistance to the Collector.

**B- DPMUs:**

- i.** The Deputy Director, DPMUs are responsible for maintaining data base / review the progress of the projects under the supervision of District Collector / PD, DRDA as well as ensure submission of Quarterly Progress Report and Monthly Progress Report by DRDAs to Planning and Convergence Department.
- ii.** The DPMUs to ensure submission of reply to Assembly Question by DRDA to P & C Deptt.

**C. DLMC :**

District Level Monitoring Committee (DLMC) (**Intimated vide Resolution No- 10513 dt- 24.08.2011**)– With a view to effectively utilisation of the funds under MLALADS the Collector and other district level officials need to play a proactive role for successful implementation of the scheme. Therefore, the State Government have been pleased to constitute the District Level Monitoring Committee with following compositions.

- |    |   |   |                   |
|----|---|---|-------------------|
| 1. | Collector                               | - | Chairperson       |
| 2. | PD, DRDA                                | - | Member            |
| 3. | Representatives of the Executing Agency | - | Members           |
| 4. | Asst. Director, DPMU                    | - | Member            |
| 5. | Deputy Director, DPMU                   | - | Member – Convenor |

The Chairperson of the DLMC can invite any person / Officer / representative of any organisation / institution to attend the meeting of the Committee if needed. The committee shall have the following functions.

1. Conduct Review meetings every month.



2. Analyse and sort-out the problem hindering progress of implementation of the project.
3. Review the position of submission of utilisation certificate.
4. Sort out problems in furnishing compliances to Govt of Odisha.
5. Other matters, if any relating to the above schemes.

## **18. Other Issues**

- i. Naming of a Public Institution after any eminent late son of the soil is admissible, but prior permission of P & C Deptt. is necessary for naming a building after a living person (Letter no- 10616 dt- 22.06.02)
- ii City Management Group - The Collectors and other District Officials need to play a proactive role for successful implementation under the above Schemes. In order to remove some constraints in the implementation of the projects/works of the MLALAD schemes within the urban area, the State Government approved to constitution of City Management Group (CMG) for Cuttack, Berhampur, Sambalpur and for all Districts (Letter no-9727 dt- 20.09.13). The CMG shall have the following functions
  - a) Sort out land and other problems, issues hindering progress of implementation of the projects /works.
  - b) Coordinate and remove obstacles in the implementation of Projects.
  - c) Act as a single window clearance mechanism.
  - d) Other Matters if any, as per exigency of the situation and helping faster implementation of projects.
  - e) As soon as a work under the Scheme is completed, it should be put to public use. For greater public awareness, for all works executed under MLALADS a plaque (stone/metal) carrying the inscription 'Member of Legislative Assembly Local Area Development Scheme Work' indicating the cost involved, the commencement, completion and inauguration date and the name of the MLA sponsoring the project should be permanently erected.
  - f) It should be ensured that after completion of project, the asset created out of MLALADS is to be handed over to the User Agency for further maintenance and upkeep of the project.
  - g) The asset created under the scheme, should ordinarily belong to the Department concerned to which it belongs and in case no Department is available it will be vested to DRDA who will transfer it to the Panchayati Raj Institutions / Urban Local Bodies.
  - h) The project proposals need not be approved by the Panchayats.

The construction of important district level infrastructures which would benefit all the constituencies of the district, Government in P & C Deptt may allow contribution of MLAs from constituencies located inside the district from their MLALAD Funds.

As soon as a work under the Scheme is completed, it should be put to public use. For greater public awareness, for all works executed under MLALADS a plaque (stone/metal) carrying the inscription 'Member of Legislative Assembly Local Area Development Scheme' indicating the cost involved, the commencement, completion and inauguration date and the name of the MLA sponsoring the project should be permanently erected.

**i) Construction of Community Centres:**

- i. The community centres should be open for all community irrespective of class / creed or sex variance.
- ii. The community centres should be maintained by concerned Gram Panchayats or local YubakSangha or Club.
- iii. After completion the Community Centres to be handed over to the Gram Panchayats.

**j) Construction of YubakSangha Buildings/ Club Houses:**

- i. The beneficiaries registered YubakSangha / Club is engaged in the Social Service / Welfare activities.
- ii. It has been in existence for the preceding three years.
- iii. It shall be a public spirited and not profit making entity. (it should confirm to the Point no- 33 of Admissible Projects).
- iv. The YubakSangha / Club Buildings should be accessible / open to Public at large.
- v. Minimum 30% of the said project shall be earmarked for library.

**19. Implementation arrangements summarised:-**

<b>Referral Paras</b>	<b>Revised Provision</b>
Para-8-iii and Para-16-i	<i>Scrutiny of Project Proposals and Selection of Executing Agency by PD, DRDA.</i>
Para-8 (ix)	<i>a) Collector to have full powers for administrative approval irrespective of the cost.</i>
Para-11(iii)	<i>b) Now Administrative Approval up to Rs.10.00 lakh will be accorded by BDO/ Executive Officer of the ULBs for projects executed by Blocks/ ULBs under intimation to PD, DRDA/ DUDA.</i>
Para-12 and Para-13	<i>Communication of sanction and release of funds to Executing Agency by DRDA.</i>
Para-15	<i>Diversion/ substitution of projects by Collector initiated by DRDA with the recommendation of Hon'ble MLA.</i>
Para-13(ii)	<i>Submission of UC by DRDA (As in para 15 of Rules &amp; Procedures 1997)</i>

**20-** In case of any doubt, the original circulars or Guidelines issued earlier may be referred to.

## **ANNEXURE – I**

### **Illustrative List of Admissible Projects/works under MLALAD Funds Admissible Projects (General Component)**

1. Electrification of SC / ST Basties or Habitations. (P&C Deptt. G.O. No- 12106 (30)/P Dt- 07.12.12).
2. New works of Rural Electrification.
3. Rural Approach Roads/Urban Link Roads / Drainage system.
4. Small works to provide missing links, viz. Culverts, small bridges, deep-cause-way and Other crossed drainage works (without which existing roads cannot be utilised).
5. Improvement of existing roads (only in case of where there is a danger to life or hazard to traffic).
6. Roads to SC/ST Basties / Other Cement Concrete Roads which are not covered under any other scheme (P&C Deptt. Letter No.12106 dated 07.12.2012)..
7. New classroom of Primary School.
8. Additional classroom for Primary schools where necessary.
9. Incomplete school rooms to be completed.R.C.C. roof can be made if possible.
10. Electrification, urinals, lavatories, class rooms, tube-wells, development of play field for primary schools.
11. Class rooms for Government Ashram Schools.(in case other funds are notavailable)
12. Building of P.H.C./Sub-centres extension to the existing building, labour rooms, operation Theatres, Wards
13. Govt. Ayurvedic Dispensaries/Homeopathic Dispensaries.(construction & extension)
14. Water supply work in problem villages, Tube wells, Bore wells, Tanks, Sanitary wells only in Public places
15. Construction of check Dams, water Harvesting structure, small minor irrigation projects, Branch canals & its improvements.
16. Construction of cattle dispensary building, L.I. centre building. Veterinary Aid Centres. Artificial Insemination Centres
17. Repair/ Restoration / Renovation of old religious places/works, Community prayer halls, public library buildings, Bhagabatghar repair / Construction of religious institutions by way of renovation, restoration and / or repairs of religious institutions or places could be taken up. However, in case of protected monuments, all such constructions, renovation and repair of religious buildings can only be done with approval of ASI or State Archaeology as the case may be and the endowment commissioner and also in the line with

the Odisha Ancient Monument Preservation Act (P&C Deptt. Letter no- 2236 (30) dt- 17.02.2006

18. Public lavatories & Urinals.
19. Provision of drinking water facilities in Tourism centres / other public places.
20. Passenger Rest-sheds / Bus stops sheds.
21. Building of Government / Govt. Aided High School.
22. Compound wall of Schools
23. X-Ray machine for Hospitals/ Dispensaries.
24. Air Conditioning of Operation Theatre.
25. Hostels for Govt / Govt Aided Schools & Training centres
26. Hostel for Women, SC & ST Candidates
27. Renovation of Public Sanitary Wells and / or Construction of its platform.  
Renovation of Public Tank,
28. Civic amenities in urban slums / Rural villages.
29. Structures/ sheds in burial / cremation grounds.
30. Footpath, path-way and foot bridges,
31. Supplementation of Community Lift Irrigation Point (P&C Deptt. G.O. No- 1009 (30) dt- 12.01.2001)
32. Energization of Community Irrigation Point (P&C Deptt. G.O. No- 1009 (30) dt- 12.01.2001)
33. 5% of Beneficiary contribution for the Biju Krushak Bikash Yojana (BKVY) Projects
34. Plantation projects / Works to raise Nurseries by People desirous of raising Nurseries on their own land to supply plantation materials to the poor sections of the society free of cost can be taken up and these projects / works shall have to be implemented directly through the forest departments or Bana Sarankhan Samities organised by the forest department or Horticulture wing of the Agriculture Deptt. or the GPs or User Groups/ Self Help Groups (SHGs) to enlist people's participation on a participatory mode. Funds for the purpose shall be placed at the disposal of the Executive Agency of respective administrative departments for execution of projects / works in question. (P&C Deptt. G.O. No- 21544 (30) Dt- 30.12.2002)
35. Proposal to meet the short fall in the community / parents contribution for drinking water supply schemes proposed for schools in rural areas under "SWAJALDHARA" programme. (P&C Deptt. G.O. No- 21544 (30) Dt- 30.12.2002)
36. Construction of individual household latrine with bathing facility in rural areas subject to condition
  - i- 100% household of the village will have to be covered under this programme for construction of individual toilets.
  - ii- The Beneficiaries have to deposit 75% of the total project cost with the executing agencies in advance, in two installments of 45% and 30%.

- iii- Only 25 % of the project cost will be borne out of MLALAD Funds.
  - iv- The project proposal will be proposed by the concerned MLA.
  - v- Rules and Procedures for sanction of MLALADS Funds, 1997 will be followed for execution of the project (P&C Deptt. G.O. No- 17072/P Dt.22.09.2003)
37. Pani Panchayat office Building can be constructed with a cost of Rs 50,000/- . The upper limit of Pani Panchayat Building should not exceed Rs 3.00 Lakh subject to condition that
    - i. Concerned Pani Panchayat will provide land free of cost or the cost of the land.
    - ii. The execution of the work relating to Pani Panchayat will be made by Pani Panchayat or as per the MLALADS Scheme guidelines issued by Govt in P&C Deptt from time to time (P&C Deptt. G.O. No- 474 Dt- 10.01.2005).
  38. Construction of Library Buildings / workshops and classrooms of recognised Polytechnic / it is (G.O. No- 4279 Dt- 08.03.2007)
  39. Sports related projects as given below at Public places. (Letter no- 14319 dt- 06.08.2008)
    - i. Development of Play Fields
    - ii. Buildings for Sports activities
    - iii. Buildings for Physical Training Institutes.
    - iv. Buildings for Multi-Gym
    - v. Fixed (Immovable) Sports equipments
    - vi. Multi-Gym Equipments.
    - vii. Other public works for Sports activities.
  40. Ambulance for Government Hospitals (P&C Deptt. G.O. No- 14319 (30)/P Dt.06.08.2008)
  41. Purchase of computers is permissible for Government and Government aided Educational institutions. (P&C Deptt. G.O. No- 7728 dt. 07.06.10)
  42. Water Tankers (P&C Deptt. G.O. No- 7728 dt. 07.06.10)
  43. Purchase of Furniture, Books for Library / Laboratory Equipments / Sports equipments for Govt and Govt Aided High Schools. (P&C Deptt. G.O. No- 7728 dt- 07.06.10)
  44. Amendment has been done, construction and completion of Anganwadi Buildings. (P&C Deptt. Letter no- 10307 (30) dt- 20.08.11)
  45. Construction of important district level infrastructure which would benefit all the constituencies of the district, the Govt. in P&C Deptt may allow the contribution from MLAs from Constituency located inside the district from their MLALADS. (P&C Deptt. Letter no- 18430 (30) dt. 22.12.05)
  46. Supply of Country Boat (P&C Deptt. Letter No- 11519 dt. 21.09.11)
  47. Installation of Solar Power System of 10 KV is admissible under "New Works of Rural Electrification" as per point No- 2 of Admissible list of MLALAD Guidelines. In this regards procedures for installation of Solar power system

- by OREDA is to be followed. The letter No. 2902 dt. 02.03.2019 of P&C Deptt. addressed to Dy. Director, DPMU, Puri.
48. Supply of QBC / Malaria Testing Machine / Installation of 10 KV Inverter to CHC (P&C Deptt. Letter No- 12536 dt. 02.08.2007).
  49. Purchase of Diesel Gen-set (25 KVA) to CHC. (P&C Deptt. Letter No- 7136 dt. 22.05.2018)
  50. Purchase of a 'Dead Body Van' for Govt. Hospitals. (P&C Deptt. Letter No- 7132 dt. 22.05.18)
  51. Construction of Market Complex can be taken up under MLALAD Funds subject to the condition that land belonging to the G.P. / PanchayatSamity are available and on completion, such projects are handed over to the PRI for its maintenance for providing services to the people. (P&C Deptt. Letter no- 16043 (60) dt- 05.09.2003)
  52. To encourage the Sports activities in Rural and Urban areas convergence of MLALAD Funds can be met for the shortfall in contribution for construction of Mini Stadiums. (P&C Deptt. Letter no- 4385 (30) dt- 31. 03.16 )
  53. Supply of water filter to educational institutions. (P&C Deptt. Letter no- 9038 dt- 25.07.2015)
  54. Purchase and supply of fruit bearing plants for supply to small farmers / educational institutions free of cost on receipt of proposals and list of beneficiaries. (P&C Deptt. Letter no- 6449 (30) dt- 21.05.2015)
  55. Supply and Installation of Solar Water System (4000LPD) with R.O. System with Hot and Cold water, supply unit to CHC (P&C Deptt Letter no- 8650 dt- 27.08.20).

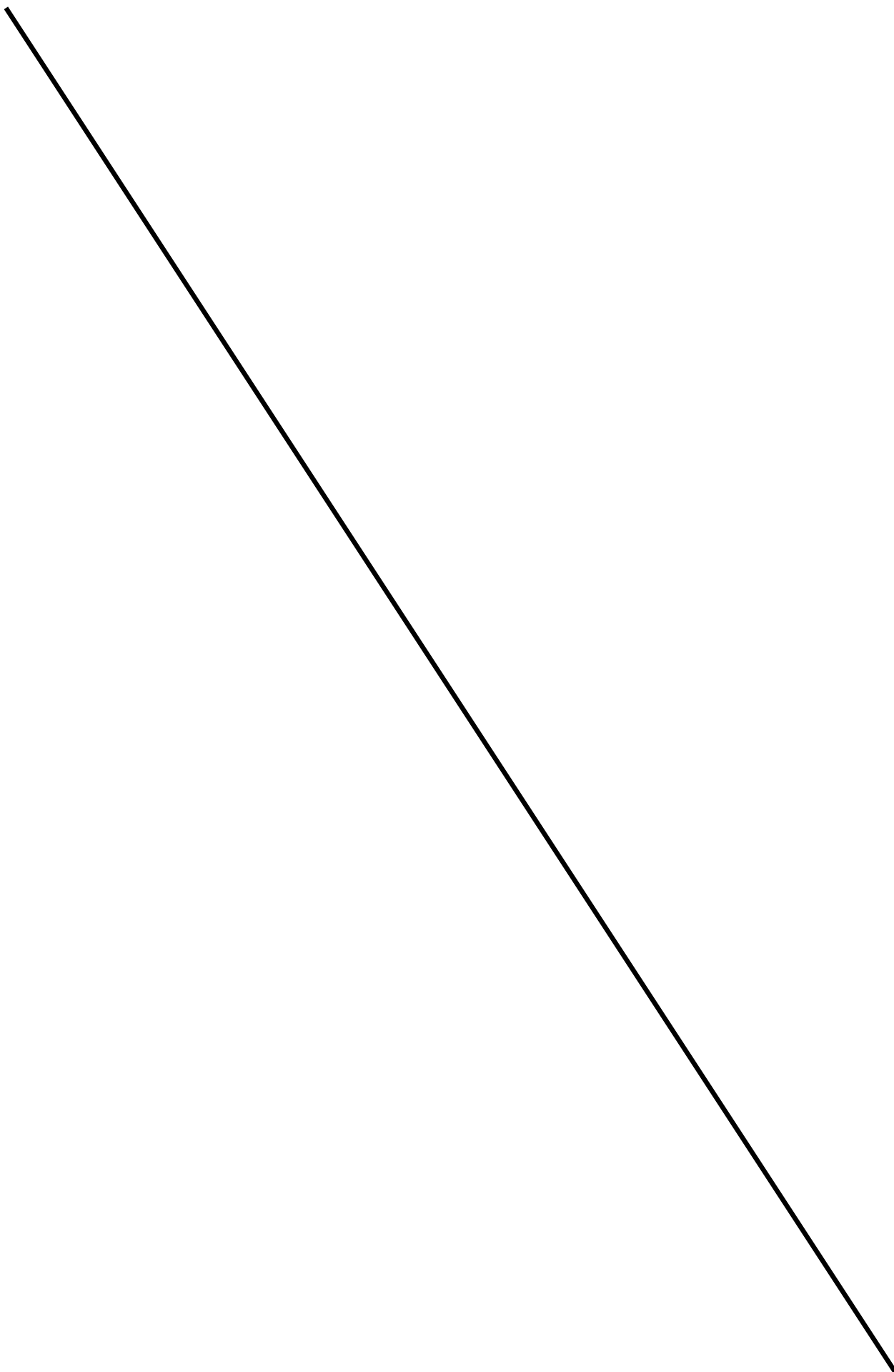
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## **ANNEXURE – II**

### **Works Inadmissible Projects/Works (General Component)**

1. State High way & N.H. Roads.
2. District Roads.
3. Major bridges.
4. Major/Medium Irrigation Projects.
5. Roads in urban and Cantonment areas.
6. Construction of Panchayat gate / village Gate (Letter no- 11688 dt- 24.12.2008 and Lt no- 11261 dt- 15.09.11)
7. Office and Staff quarters.
8. Purchase of medicine for Hospitals.
9. Assistance to patients.
10. Grants, loans, subsidies and Honorarium of any kind.
11. Assistance to disabled for equipments.
12. Schemes of providing waterconnections or electric connection on individual basis.
13. Individual assistance scheme such as seeds, fertilisers etc.
14. Survey, Evaluation & Research.
15. Purchase of fuel/machinery / for repair of vehicles.
16. Radio, Television to Community Centre.
17. Gobergas Plant.
18. Repayment of loan/Clearance of Liabilities/Purchase of land/land acquisition for land.
19. Office Buildings, residential buildings & other buildings of Central & State Govt. Depts. and agencies or organisations.
20. Building of Non-Govt. Schools (Privately managed) (Letter No- 8675 Dt- 26.07.16).
21. Purchase of Air-Conditioner.
22. Works relating to Commercial Organisations & Service Associations.
23. Memorials & memorial buildings.
24. No Public Institution be named after persons who are not National or State Leaders or dignitaries of eminence, which are constructed, renovated or re-built from out of MLALADS, except naming of a public institution after any dignified late son of the soil alone will be admissible. (Letter No- 10615 (140) /P dt. 22.06.2002)
25. Revenue Expenditure/Recurring Expenditure/expenditure inviting future recurring expenditures.
26. Construction of Statues.
27. Management of Ambulance by a private body (Trust Board) (P&C Deptt. Letter No- 1755 Dt- 23.0.2012).

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**GOVERNMENT OF ODISHA  
FINANCE DEPARTEMNT**

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No. 32152 /F, Dt. 15.12.2015  
TRY-MISC-20/14

**OFFICE MEMORANDUM**

**Sub: Drawal from Personal Deposit/Personal Ledger Accounts-by means of Electronic Cheques in place of Physical Cheques.**

The Treasuries and Sub-Treasuries act as bankers in respect of funds of Local Bodies, Zilla Parishads, Panchayat Sammittis, State and District Level Statutory and Autonomous Bodies who keep their funds with the Treasuries. The Administrators of the Personal Deposit/Personal Ledger Accounts pay money into these accounts without specification of detail items and withdraw money through cheques signed by them.

**2.1** The Administrators of the Personal Deposit/Personal Ledger Accounts make payment to their employees, vendors, suppliers and contractors through cheque. The payees of such cheques are required to present the cheque through their Banker in the concerned Treasuries where the Personal Deposit/Personal Ledger Accounts is maintained. This requires physical movement of the instrument and also takes time.

**2.2** Besides, the Administrators have to withdraw money for expenditure by themselves through cheques payable in their favour and draw the amount either in cash or through credit to their account with any bank. In this case, the money is either drawn in cash or kept in their bank account for disbursement.

**2.3** There are also occasions when a payment is to be made from one Personal Deposit/Personal Ledger Account to another and both the funds are lodged in the Treasury, it is not necessary that the money should be actually drawn in cash from the Treasury and again repaid into it. In such cases, the amount is to be paid by transfer credit. In the automated Integrated Financial Management System, the accounts of Treasuries and Sub-Treasuries are being maintained in a common platform and centralised database" which is capable of handling such transfer credits and facilitate the required transaction in a cashless manner.

In order to minimise handling of cash, eliminate physical movement of paper based instruments for payment and save the manpower and time consumed for processing of the instrument and making disbursement to the person entitled to receive the payment, the State Government have decided to replace the existing mode of withdrawal from Personal Deposit/Personal Ledger Accounts by physical cheques and introduce the system of direct disbursement to the payee's account through electronic cheques and at the same time facilitate electronic transfer of funds between one Deposit Account to another.

3. The procedure for withdrawal of funds from the Personal Deposit/Personal Ledger Accounts by means of electronic cheques and direct disbursement to the payees account, electronic transfer of funds between one Deposit Account to another is outlined below:

### **3.1 User ID Password and creation of Administrator Code**

**3.1.1** Each Administrator of Personal Deposit Account will be given separate User ID and Password to operate the P.L. Account Interface of IFMS.

**3.1.2** The User ID and Password will be issued by the District/Special Treasury Officers to the Administrator of Personal Deposit Account.

**3.1.3** The Personal Deposit Administrators should submit an application form for User ID and Password as annexed in **Annexure-I** along with relevant documents.

**3.1.4** In case, the Personal Deposit Administrator is placed in account with a Sub-Treasury, he/she should submit the application form for User ID and Password to the Sub-Treasury Officer who after verification will forward the same to the District Treasury Officer.

**3.1.5** The District Treasury Officer on receipt of the forms from the Sub-Treasury Officer will create the User ID and Password for the Personal Deposit Administrator within three working days.

### **3.2 Surrender of physical cheques :**

All the Personal Deposit Administrators before migrating to the new system of electronic cheque are required to submit the unused cheques and leaflets to the concerned Treasury after cancellation of the unused cheques as per the prescribed procedure. The Treasury Officers are required to ensure that they receive all the unused cheque books from the P. D. Administrators before processing their electronic cheque.

### **3.3 Validation of balance available in the PL account by the Administrator and Treasury Officers/Sub-Treasury Officer:**

**3.3.1** Passbooks are maintained to verify the Personal Ledger Account balance in the books of the Personal Deposit Administrator with that of the Treasury Officer.

**3.3.2** After the introduction of Odisha Treasury Management System (OTMS), these balances have been captured in the Treasury Application system.

**3.3.3** The Administrator of Personal Ledger Account, therefore, needs to verify, the balance available in the Online P.L. Transaction Module against the balance noted in the passbook.

**3.3.4** In case of any discrepancy, the same should be brought to the notice of the Treasury Officer and the Directorate of Treasuries immediately.

### **3.4 Procedure for generation of electronic cheques for withdrawal and transfer:**

**3.4.1** The Personal Deposit Administrator will generate virtual cheque book from the system which would contain 100 (one hundred) leafs having unique serial numbers using his/her User ID & Password.

**3.4.2** The virtual cheque book can only be generated after at least 90 (ninety) leafs of the previously issued cheque book is exhausted.

**3.4.3** The Administrator Code and financial year will appear as a prefix to the cheque number.

**3.4.4** Each electronic cheque number will be unique and will be in the format at **Annexure-III**.

**3.4.5** The Personal Deposit Administrator-wise cheque issue and encashment data will be available in the concerned Treasury /Sub-Treasury with which it is placed in account.

### **3.5 Responsibility of the P.L. Administrators:**

**3.5.1** The P.L. Administrators will collect the following bank related information from the payees before drawal of entitlement and other payments etc. in the prescribed form as in **Annexure-II**.

- i. Beneficiary Name
- ii. Account type
- iii. Beneficiary's Bank Account No. & **Indian Financial System Code (IFSC) Code.**
- iv. Magnetic Ink Character Recognition(MICR) Code
- v. Mobile Number
- vi. E-mail ID (optional).
- vii. A cancelled cheque is to be obtained in token of correct Bank Account No, IFS Code and MICR Code.

**3.5.2** The Personal Deposit Administrator must create the master list of beneficiaries before approval of electronic cheque in favour of any payee. After receiving the necessary document relating to Bank details of the payee, he/she shall enter all the information collected in the Treasury Portal for creating the beneficiary master.

### **3.6 Maker and approver of cheques:**

**3.6.1** The electronic cheque will be prepared in the O/o the Personal Deposit Administrator by an authorised officer/official using his/her credentials. The information such as: gross amount of the claim, by transfer, if any and the net amount paid to the payee will be entered by the concerned officials or the maker of the cheque and shall be forwarded to the approver which should be the Personal Deposit Administrator himself.

**3.6.2** The Administrator of the P.L. Account will approve the electronic cheque and forward the same to the Treasury to which it is attached for onward processing.

**3.6.3** The electronic cheque submitted by the Personal Deposit Administrator to the Treasury online will be received automatically. As a token of such receipt in the online, the IFMS will generate a Cheque Receipt ID which would be available on the body of the cheque.

**3.6.4** The Personal Deposit Administrator will take a printout of electronic cheque from the system as provided in **Annexure - IV** and shall submit it to the Treasury under his/her signature in the Book of Drawal as per the usual process.

**3.7** Transfer of fund from one P. L. Operator to another P. L. Operator through electronic cheque:

3.7.1. Hitherto the payment from one P.L. Operator to another P.L. Operator was possible within the jurisdiction of same District / Special Treasury through chalans. However, the electronic cheques in IFMS will extend the facility for transfer of funds from one Personal Deposit Administrator to another Personal Deposit Administrator irrespective of the fact that the Personal Deposit Administrator to whom the fund is transferred is located within the jurisdiction of the concerned Treasury or not. In other words, the Personal Deposit Administrator of a Special Treasury can transfer fund to the Personal Deposit Administrator under the jurisdiction of District Treasury or any Sub-Treasury and vice versa.

3.7.2 In case of transfer of fund by Personal Ledger Account operator of one Treasury to another Personal Ledger Account operator under jurisdiction of separate Treasury, the following process would be followed:

On issue of cheque, Personal Ledger Account balance of the Administrator would be reduced and following would be the account entries in the initiator Treasury.

**Payment**

8443/8448-00-xxx-yyyy-zzzzz-abc Rs.500

**Receipt**

8782-00-110-xxxx-yyyyy-zzz Rs.500

In the destination Treasury, Personal Ledger Account balance of the Administrator would be increased and following would be the entry in the account.

**Receipt**

8443/8448-00-xxx-yyyy-zzzzz-abc Rs.500

**Refund of Receipt**

8782-00-110-xxxx-yyyyy-zzz Rs.500

### 3.8 Submission to Treasury

3.8.1 The print copy or the hard copy of the cheque will be submitted to the Treasury by the P. L. Administrator through their authorised persons in the prescribed manner.

3.8.2 On receipt of the hard copy of electronic cheque, the Treasury will enter the Cheque Receipt ID of the electronic cheque mentioned on the body of the cheque in the Treasury Application system.

3.8.3 The information entered by the Personal Deposit Administrator will be available in the Treasury screen for necessary cross examination.



### **3.9 Checks to be applied in the Treasury:**

**3.9.1** The Treasury will process the electronic cheques in the usual process with due diligence.

**3.9.2** The Treasury will approve the cheque only after examining the available balance in the Personal Ledger Account of the Administrator

**3.9.3** The Pay Order of the cheque will be prepared in the electronic system and will also be noted manually on the print copy of the cheque by the Treasury officials.

### **3.10 Pay order of the Treasury Officer and advice to CePC:**

**3.10.1** After due verification, the Treasury Officer will issue necessary pay order.

**3.10.2** The approval of the electronic cheque should be made in the Treasury Application and would also be noted physically in the print copy of the electronic cheque under the signature of the Treasury Officer.

**3.10.3** The Treasury will generate P.L. advice separately from the Treasury Application of the IFMS.

**3.10.4** The print copy of the advice generated along with the physical copy of the Electronic cheque will be available with the Treasury Officer for verification and approval of the advice.

**3.10.5** Once the Treasury Officer approves the P.L. advice, the same shall be available with the CePC located in the Directorate of Treasuries.

### **4. Action at CePC level :**

**4.1** The CePC will verify the status of the P.L. advice generated from different Treasuries in the IFMS using due diligence. After necessary verification, the cePC will generate a consolidated electronic advice in the IFMS.

**4.2** The CePC cell of the Directorate of Treasuries will generate the payment advice in the IFMS server using the appropriate credentials i.e. login ID or DSC, as the case may be. The E-Kuber portal of RBI will receive the e-Payment file from the IFMS, Odisha through an automated Secured File Transfer Protocol (SFTP). In this process, there will not be any manual intervention. In other words, the file generated by the CePC would be

automatically placed in the desired location of the IFMS server. The file will also be digitally signed by the IFMS server. The E-Kuber portal will sense and pull the payment file of IFMS server and verify the digital signature of IFMS server for further processing at their end.

**4.3 Issue of acknowledgement by E-Kuber :** Once a payment file is received by E-Kuber portal, it will submit an acknowledgement to the IFMS system of the State. This acknowledgement can be of two kinds : (a) 'ack' file or (b) 'exp' file. The 'ack' file may have 'accp' status or an 'rjct' status. The 'accp' status indicates that all records in the file are examined and accepted for processing. The 'rjct' status implies that some of the records in the file have technical problems or the header of the file does not tally with the detailed contents of the file. An 'exp' file indicates that the payment file sent from the IFMS could not be read by the E-Kuber system because of structural or signature issues.

**4.4 Follow up action to be taken by CePC in case of exp and 'rjct' file :** An 'rjct' file will require further verification at the CePC end and will be made available to the respective state holder as the case may be for necessary modification. An 'exp' file will be re-generated by the CePC for further submission to the E-Kuber.

**4.5 Submission of scrolls by E-Kuber :** The debit and credit scrolls are to be submitted by the E-Kuber of RBI to the IFMS system of State Treasury. These scrolls are submitted by way of following notifications: (1) Debit Notification (DN), (2) Return Notification (RN) & (3) Credit Notification (CN). A 'Debit Notification' is essentially a debit/payment scroll indicating the instances of individual beneficiary-wise debit from the Government account maintained with RBI. The E-Kuber of RBI will submit the day-end debit notification containing all debits from the Government account for which it has received the advice from CePC during the course of the time. A Return Notification is a credit scroll indicating the list of individual failed payments which have been reported by the Banks to the RBI in the NEFT platform against the payment file processed for the day. A Credit Notification is also a credit scroll containing the list of failed payments which were earlier reported as success by default. In other words, if for some technical reasons, the Banks could not report the instance of failed payment during the course of NEFT cycle for the day and are reporting the same to the RBI in the subsequent days, it will be reported by E-Kuber to the IFMS system of State Treasury through credit notification.

**4.6** CePC will generate multiple payment advice from 11 AM to 4 PM on every working day. In the initial phase, as has been advised by RBI, a single payment file will contain a maximum 5,000 number of beneficiaries.

4.7 The provision relating to the transactions made through E-Kuber shall be applicable to all payment processes in respect of the Personal Deposit Administrator.

**4.8 Consolidated advice to E-Kuber :**

The consolidated advice will be placed in a designated location of IFMS server for onward transmission to E-Kuber.

**4.9 Receipt of scroll and treasury/administrator-wise segregation:**

4.9.1 On receipt of payment scroll and failed payment from the E-Kuber, the IFMS will automatically prepare the Treasury Accounts indicating the debit of the P. L. Account.

4.9.2 In case of failure/failed payment, separate individual chalan will be generated on the basis of the credit / return scroll received from the E-Kuber to be credited to the designated suspense account in "8658 PAO Suspense-102-Suspense Account (Civil)-2771-Un-credited Items under e-Payments-79018-Unsuccessful e- Payments-936- Failed e- Payments".

**5. Accounting at the treasury level:**

5.1 The Treasury Account will be automatically prepared on receipt of scrolls from E-Kuber.

5.2 It will be the responsibility of the Treasury to verify whether all the P.L. advice made in respect of P.L. Account has been included in the system generated accounts.

5.3 In case of any mistake or variation, the same should be brought to the notice of the system support provider and the Directorate of Treasuries.

**6. Posting in the Personal Ledger Account:**

6.1 The payment relating to P.L. Account will be automatically posted in their Personal Ledger Account.

6.2 The Personal Deposit Administrator shall generate report from the IFMS in hardcopy to maintain the record of P.L. Account.

6.3 In case of any disagreement of the system generate report with the register of the Personal Ledger Account, the Administrator shall intimate the fact to the Treasury and the system support provider for necessary correction.



**7. Updation of passbook and online verification by administrator :**

**7.1** The P.L. passbook shall be automatically updated in the Online P.L. Module.

**7.2** The Administrator can verify the P.L. balance online and should also take the printouts in hard form for the purpose of official record and production before the authorities as and when required.

**7.3** The Administrator should also verify the system generated reports against the other records which is available in his/her office to ascertain the correctness of the posting in the passbook.

**8. Generation of plus minus memorandum :**

**8.1** The IFMS application will generate plus minus memo in the form of reports to be available at the end of the P. L. Administrators, Treasury officers and A.G (A&E), Odisha at their end .

**8.2** The P. L. Administrators and the Treasury Officers are required to take printout of such plus minus memos and forward the same to the A.G (A&E), Odisha in the usual process after verification under their signature.

**9. Submission of monthly accounts by administrator to Accountant General (A & E) Odisha:**

**9.1** The Online P.L. Module will generate the monthly account in respect of the Personal Deposit Administrator in the prescribed format notified by Finance Department in Notification No.23337/F, dt. 26.08.2015. The format of the account to be generated is enclosed in the **Annexure- V**.

**9.2** The Personal Deposit Administrator are required to take printouts of the account and submit the same to the A.G.(A&E), Odisha along with supporting documents such as vouchers and chalans etc.

**10. Annual Balance Certificate:**

**10.1** The Online P. L. Module will generate the Annual Balance Certificate in the interface of the P.L. Administrators.

**10.2** The Administrators are required to verify the Annual Balance Certificate and submit it electronically as well as in hard form after taking printout to the Treasury to which they are attached.

10.3 In case, the Annual Balance Certificate is submitted to a Sub-Treasury, the same should be forwarded by the Sub-Treasury Officer to the District Treasury Officer.

10.4 The District Treasury Officer after necessary verification shall forward the Annual Balance Certificate with necessary counter signature to the A.G (A&E), Odisha after the closure of every financial year.

10.5 The system also provided facility for electronic transmission of Annual Balance Certificate.

10.6 In case, the Annual Balance Certificate is not submitted by the Personal Deposit Administrators to the Treasury after the closure of the financial year, the system will have the functionality to stop issuance of any further electronic cheque.

#### **11. Implementation plan :**

11.1 The On line Personal Deposit Module will be mandatorily implemented from 1st of December, 2015.

11.2 No Personal Deposit Administrator can issue physical cheques after the implementation of the module.

11.3 The Treasury Officers will provide them necessary handholding and technical support.

**12. Deemed amendment to Odisha Treasury Code :** The existing provisions of the Odisha Treasury Code would be deemed to be amended to operationalize the Personal Ledger Account interface of IFMS. Formal amendment to Odisha Treasury Code will follow.

**13. Relaxations and modification in case of difficulty in implementation :** In case of any break down of the online system due to natural calamity or disasters or for any other reason, the Personal Deposit Administrator can use the physical cheque for drawal of funds from the Treasury after obtaining necessary permission from Government in Finance Department.

Sd/-  
(R. Balakrishnan)  
Additional Chief Secretary to Government

**GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT**

\*\*\*\*  
No. 11437 /F., Dt. 08.04.2021

FIN-TRY-MISC-0016-2020

**OFFICE MEMORANDUM**

**Sub: Process Re-engineering in transfer of P.L. funds from one account to another across the treasury and transfer of funds from P.L. Account to Executing Agencies under Public Works Division of Works and Forest Divisions of Forest & Environment Department.**

Banking deposit accounts are maintained in Treasuries and Sub Treasuries by Local Bodies, Zilla Parishads, Panchayat Samitis, State and District level Statutory and Autonomous Bodies as well as State declared Special Purpose Vehicle (SPV) like Odisha Mineral Bearing Area Development Corporation (OMBADC). The Administrators of such banking account known as Personal Deposit/Personal Ledger Accounts make payment to their employees, vendors, suppliers and contractors through electronic cheque using IFMS platform which is guided by Finance Department Office Memorandum No. 32152/F, dated 15.12.2015.

Administrators of P.L. Accounts transmit fund to different Works/forest Divisions for execution of developmental works. Presently, to facilitate such transfer, P.D. Administrators draw money from their P.L Account through electronic Cheques and credit the same to the Bank account of concerned Works/Forest divisions. The concerned Divisions have to again withdraw the money from their Bank Account and deposit the same with Treasury in shape of challan to make the fund available under their Deposit head to carry out the Deposit work.

In this process, due to non-availability of an automated process of fund transfer along with appropriate accounting adjustment cash transactions takes place leading to delay in execution of development work. Further, it also leads to unnecessary cash outgo from Government Account and may remain parked there till not deposited by the concerned authorities in their Deposit head in the Treasury.

To overcome such difficulties, necessary customization has been made in IFMS to facilitate an automated process for transfer of fund from the P.L. Account of an Administrator to respective Executing Agencies under Works and Forest & Environment Department along with accounting adjustment by reflecting the transferred fund in their Consolidated Treasury Receipt (CTR).

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Henceforth, the PD Administrators shall follow the new automated process for transfer of fund from their P.L. Account to Deposit Account of respective Executing Agencies. The operational process for such automated fund flow along with role and responsibility of PD Administrator and Treasury in the process are outlined and attached as "**Annexure-I**".

  
(Ashok K. Meena)

**Principal Secretary to Government**



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ANNEXURE- I

**OPERATING PROCESS FOR AUTOMATED FUND FLOW FROM P.L  
ACCOUNT OF P.D ADMINISTRATORS TO DEPOSIT ACCOUNT OF  
PUBLIC WORKS/ FOREST DIVISIONS.**

**Role of P.D. Administrator**

- i. After receipt of approved Detailed Project Report (DPR) and fund requisition statement from respective Executing Agencies, the Administrator will issue sanction order for necessary transfer of fund. Sanction order will contain the details of By Transfer to be made in favour of Public Works/ Forest Divisions.
- ii. The Administrator will issue electronic cheques in the online P.L. interface of IFMS for transfer crediting the amount in favour of the respective Executing Agencies.
- iii. For online transfer of fund, the P.L. operator will login to the P.L. Application of IFMS and will choose and save the Payment Type/Cheque Type as "Transfer to Work Operator".
- iv. Upon saving Payment/Cheque Type along with Scheme Id. from which fund needs to be transferred and amount, concerned Operator will choose the Executing Agency to whom the fund needs to be transferred by selecting Work Operator Details Menu in the system.
- v. For the convenience of the Operator in choosing the agency facility for short listing and searching an agency on the basis of its attached treasury is available in IFMS. The operator will first choose Parent Treasury (District/Special Treasury) and Treasury (District/Special/Sub Treasury) to find the desired Executing Agency which is attached to that treasury.
- vi. The P.L. Operator will forward the electronic payment request generated at his level in IFMS to the "Approver". The P.L. Approver will approve the payment request and generate electronic cheque for transfer of fund in favour of the desired Executing Agency.
- vii. The authorised officer will take a print out of the electronic cheque and submit the same to treasury along with submission of e-Book of Drawal as per the usual process.
- viii. After the electronic cheque is approved and advised at the level of treasury, the fund will be seamlessly transferred in favour of the concerned Executing Agency and it will be reflected in the CTR of concerned Executing Agency maintained in the destination treasury.
- ix. After the e-cheque is approved for payment by treasury, the fund transferring P.L. Administrator shall log into P.L. Application by using the IFMS User credential and choose the e-Cheque Reference Id. of concerned cheque from the "Task List". He/ She will take a print out of

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the Beneficiary Details of that e-cheque reflecting the status of payment as complete.

- x. The Administrator will send the print copy along with a forwarding letter to the concerned Executing Agency under Works/ Forest Division confirming the transfer of funds thereby.
- xi. IFMS is customized to generate a fund transfer/expenditure report at the level of concerned transferring Administrator showing the details of Beneficiary-wise/Operator-wise status of expenditure. In case of fund transfer to Works/Forest Divisions, the CTR details will also be available for the Administrators in the system generated report.

#### Role of Treasury


- i. The concerned Treasury will receive the P.L. cheques and after due verification, the electronic cheque will be approved in the treasury application as per extant procedure.
- ii. The Treasury will generate P.L. advice separately from the treasury application of IFMS
- iii. Upon approval and subsequent advice generation w.r.t. the e-Cheque, the concerned P.L. Payment Head of Account (HoA) 8443/8448-00-xxx-yyyy-zzzz-abc is debited in the initiator treasury where the P.L. Account is maintained. Simultaneously, a virtual Challan worth the e-Cheque amount is generated in the Receipt side of the same initiator treasury under the HoA 8782-00-110-xxxx-yyyyy-zzz. The credit entry shall appear in the system generated "Schedule of Receipt". The operation of Head 8782-00-110 is applicable only in case of inter-Treasury transfer. In case of intra-Treasury transfer, the P.L. Account Head 8443/8448 shall be debited and 8782-00-102/103 Head shall be credited.
- iv. In the destination Treasury where the concerned Executing agency is mapped, a virtual 'refund of receipt' bill will be generated under the HoA 8782-00-110-xxxx-yyyyy-zzz. The remittance transferred in favour of the Executing Agency will be reflected as deposit under the Head of Account 8782-00-102-1683-91028-690 in case of Public Works Division & under HOA 8782-00-103-1683-91014-000 in case of Forest Division by generating virtual challan in an automated process. Treasury will provide CTR to concerned Public Work/ Forest Division accordingly.
- v. The concerned Public work Division/Forest Division will create necessary deposit balance under Part-III Deposit Work using the Works Module of IFMS and WAMIS as per the extant process of "Deposit of Work".

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Memo No. 11438 /F, dated 08.04.2021

Copy forwarded to the Private Secretary to Secretary to Governor, Odisha for kind information of Secretary to Governor.

  
Under Secretary to Government

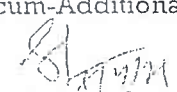
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Under Secretary to Government

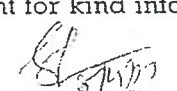
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Under Secretary to Government

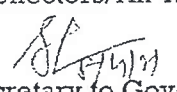
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Copy forwarded to the DC-cum-Additional Chief Secretary, Planning & Convergence Department/ Additional Chief Secretary, Forest & Environment Department/ Commissioner-cum-Secretary, Works Department for kind information and necessary action.

  
Under Secretary to Government

Memo No. 11442 /F, dated 08.04.2021


Copy forwarded to the Secretary Odisha Legislative Assembly/All Departments of Government/All Heads of Department/All Collectors/All RDCs for kind information and necessary action.

  
Under Secretary to Government

Memo No. 11443 /F, dated 08.04.2021

Copy forwarded to the Principal Accountant General (A&E), Odisha, Bhubaneswar / Deputy Accountant General, Odisha, Puri / Accountant General

(G&SSA), Odisha, Bhubaneswar/ Accountant General (E & RSAudit), Odisha, Bhubaneswar for information and immediate necessary action.

  
Under Secretary to Government

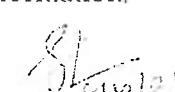
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Copy forwarded to Directorate of Treasuries and Inspection, Odisha, Bhubaneswar / All Treasury Officers of District Treasuries and Special Treasuries / Sub-Treasuries for information and immediate necessary action.

  
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Memo No. 11445 /F, dated 08.04.2021

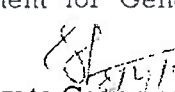
Copy forwarded to all Branches of Finance Department for information.

  
Under Secretary to Government

Memo No. 11446 /F, dated 08.04.2021

Copy forwarded to the Head of Portal Group, I.T. Centre, Secretariat, Odisha for information and necessary action.

He / She is requested to launch this Resolution in the Website ([www.orissa.gov.nic.in/finance/index.html](http://www.orissa.gov.nic.in/finance/index.html)) of Finance Department for General Information.

  
Under Secretary to Government