Delegation of Financial Power Rules (DFPR), 2024

→ President made these rules as per Art 77(3) of Constitution

- Notified on 22/03/2024.
- wef - 1 April, 2024.

⇒ **Rule-1** -: Name of Rules - DFPR, 2024
wef - 1st April, 2024

⇒ **Rule-2** -: Power to Relax -:

→ President has power to
- Relax all or any Provisions
- delegate power
- Reduce Power
- Impose conditions
- withdraw any power.

⇒ **Rule-3** -: Definitions -:

- Appropriation -: Assignment (→ Availability) of funds to defray charges in r/o services indicated in Voted or charged Section

- Competent Authority -
  - President
  - Or - Authority to whom power delegated.

- Department of GOI -:
  - → Ministries / Deptt / offices - listed in 1st Schedule of AOBR
  - → Includes - Vice-President Sectt.

-

Ministry of Finance

- Deptt concerned with Subject matters in M/o Finance.

Finance Ministry

- Means D/o Expenditure
- Provided - where in any Deptt - Integrated Finance Advice System apply, Integrated Financial Advisor (IFA) will exercise all/any power delegated by Finance Ministry.

- Head of Office (HOO)
  - → Gazetted officer.
  - → Sub-ordinate to
    - Administrator
    - HOD

- Head of Deptt (HOD) -: → Declared by Deptt
  → Not below DS.
  → To exercise financial powers delegated to him.

- Project -: One-Time Expenditure - for Creation of Capital Asset
  → Yield return
  → May be either separate or part of scheme.

- Scheme - Programme through which Deptt spend resources for delivering services & Goods to public etc.

- Re-appropriation -: Transfer of funds from One Primary Unit of Appropriation (PUA) to another PUA.

- Recurring Expenditure - Incurred at periodic interval
  Non-recurring Expenditure - No periodical incur.

- Terms which are not defined in DFPR but defined in GFR will have same meaning for DFPR.

⇒ Rule-4 -: Provision of funds by Parliament -:
  → After Appropriation Bill is passed and assented by President → Amounts ~~am~~ authorized becomes available to Deptt for Expenditure.

⇒ Rule-5 -: General Condn on power to sanction Expenditure -:
  → Any expenditure which involve introduction of new services or may lead to increase expenditure in future
  ⇓
  Require prior consent of Finance Ministry (D/o Expenditure).
  → Subordinate Authority (SA) - exercise power to sanction expenditure as per delegation of Power.

⇒ Residuary Power -: ↗ Powers not delegated to any Authority
⇓ ↘ will vest in Finance Ministry (D/o Exp).
Rule 6.

⇒ Rule-7 -: Sanction of Expenditure -:

- All expenditure requires both { Sanction, Appropriation }
- Exp. can be made against a Sanction only when funds are available by { Appropriation, Re-appropriation (RA) }
- A sanction to recurring Exp becomes operative when funds are made available by { Appropriation, RA, Advance from Contingency Fund. }

⇒ Rule-8 -: Primary Unit of Appropriation (PUA) -:

- Also called Object Head
- It denotes true nature of Exp.
- Total object Head - 70.
- PUA is the lowest unit of Accounting
- PUA - includes provisions for both { Voted, charged } Exp.
- PUA - Specified by Finance Ministry (D/o Exp) (CGA)

- Detailed Demand for Grant (DDG) are prepared by Deptt in Six Tiers Codification (only numeric) :-

Head	Codification	Nature of Exp
- Major Head	- 4 digit	- Function
- Sub-Major	- 2 digit	- Sub-Function
- Minor	- 3 —	- Programme
- Sub-Head	- 2 —	- Schemes
- Detailed Head	- 2 —	- Sub-Scheme
- Object Head / PUA -	- 2 —	- True nature of Exp.
	Total - 15 digit	

- CGA - assigned numeric code for ⟨ Major/ Sub-Major/ Minor Heads ; Sub-Head/ Detailed Head.
  - for ⟨ Union ; States ⟩
  - Code assigned by CGA be followed in DDG.
  - All DDG must end at DUA.

- DUA/ object Head -: can be ⟨ Amended ; Modify ⟩ → by D/o Exp (CGA) on the advice of CAG.

- List of Heads to be used in ⟨ DDG/ Govt. Accounting ; Appropriation ; Re-appropriation ⟩

⇒ Rule-9 -: Allotment of funds -:

Parliament $\xrightarrow{\text{Alott}}$ M/o finance $\xrightarrow{\text{Alott}}$ Deptt $\xrightarrow{\text{Alott}}$ ⟨ Controlling officers ; Disbursing officers.

⇒ Rule-10 -: Appropriation (A) & Re-appropriation (RA) -:

- General Restrictions -: → funds shall not be ⟨ A ; RA ⟩ → to meet exp on new services not contemplated in Budget.
  ⇓
  Require prior approval of Parliament.
  - Funds shall not be ⟨ A ; RA ⟩ → for exp - which has not been sanctioned by Competent Authority.
  - Funds - not be ⟨ A ; RA ⟩ → for any work - which has not received ⟨ Administrative ; Technical ⟩ approval
  - Voted Exp ⟷ Charged Exp.
    - A/RA - not allowed.

- No RA allowed → from one grant of charged Exp to another Grant of charged Exp.
  - → from Capital ⟷ Revenue & Vice-Versa
  - → from an appropriation already augmented through Supplementary Grant (SG) by Parliament.
  - → from Savings under an activity for which Contingency Funds Advance has already been obtained.

- Powers of ~~ab~~ Administrative Ministry / Deptt:-

⇓

Chief Accounting Authority (CAA) – Means – Secretary of Deptt.

→ has power → To augment – Salary / Allowances / Wages / Pensionary charges / Medical Expenses / Rent & Taxes of Land & Buildings – through RA =

→ To re-appropriate ⟨ From – Salary Head ; To – Salary Head ⟩

→ To Augment provisions already approved by Parliament through Supplementary Grant.

→ To RA funds from lump-sum provisions for North-East Areas to concerned Scheme.

→ To ⟨A / RA⟩ → to any work to cover excess of Exp over authorized sanctioned financial limits up to 20%.

→ Ministry / Deptt – exercise the power of RA in consultation with FA

- Cases Require prior approval of M/o Finance:-

⇓

Previous Consent of Budget Division, D/o Economic Affairs required with concurrence of Secretary (Exp):-

- RA — from - Savings under Grant-in-aid to States / UTs.
  — To - meet Exp in Revenue Section.
- RA between Capital outlay ⟷ loan
- RA — from - Salary / Allowances Head
  — To - any other PUA.
- RA — from - Externally Aided Project
  — To - Non-Externally Aided Project.
- RA from & To to Secret Service Expenditure
  - In case of augmentation by 25% or more
    - approval of CAG required
- RA — from - Building & Structure / Infrastructure Assets / fixed Assets
  — To - Any other Unit / Head.
- For A / RA → for any work to cover excess Exp over authorized limit beyond 20%
- =

⇒ Some Important Points related to Re-appropriation (RA):-

⇓

Cases Require Prior approval of M/o Finance:- (MOF)

- For RA during 1st Quarter of FY. (betn - 1st April - 30 June).
- For RA — from - Savings of Govt. Schemes
  — To - Augment Establishment Exp.
- All proposals for RA — Require prior approval of MoF.
  - be sent to Pers. Division, D/o Exp.

→ Reporting limit to Parliament on Re-appropriations -:

⇓

Any Order of RA - which increase the budget provision of any object Head/ PUA by

- More than 20% of BE
- or ₹ 100 Crore

which is more

→ Shall be reported to Parliament alongwith last batch of Supplementary Demand.

→ If order of RA - issued after last batch of Suppl. Demand

→ Prior approval of D/o Expenditure - required.

→ Re-appropriation Powers of Min/ Deptt -:

Nature of Exp	Object Head	Power of Min/Deptt
- Establishment Exp.	→ Office Expenses/ other Revenue expenditure/ Domestic Travel Exp/ Foreign Travel Exp.	→ upto ₹ 2 Crore
	→ other Heads	→ upto ₹ 5 Crore
- Non- Establishment Expenditure	All object Head	- upto ₹ 15 Crore

⇒ **Rule-11 :- Indents, Contracts & Purchases :-**

↳ Subject to provisions of ⟨GFR / DFPR⟩ → Deptt - has full power for purchases & execution of contract.

↳ Power :- ↗ Secretary - → upto 25 Crore - for ⟨Negotiated / Single Tender / Proprietary⟩ contract

↳ upto 100 Crore - for ⟨Limited / Open⟩ Tender =

↳ Secretary may delegate this power to ⟨Admntor / HOD / Any Authority.⟩ in consultation with FA.

↳ Minister - If amt exceeds ⟨25 Crore / 100 Crore⟩ =

⇒ **Rule-12 - Power of Sub-ordinate Authority :-** → SA

↳ Deptt have full power to incur ⟨Revenue / Capital⟩ expenditure

↳ Deptt → May delegate its power to ⟨Admntor / HOD / Any Authority⟩ ↳ in consultation with FA =

↳ Deptt cannot re-delegate following Powers → Re-appropriation of fund (Rule-10)

↳ waiver of recovery of overpayments made to G.S. (Rule-15)

↳ Appraisal & Approval of Schemes & Projects. (Rule-16).

↳ ⟨Admntor / HOD⟩ → May authorize a Gazetted officer by Order to exercise its ⟨All / Any⟩ → Powers =

↳ but ⟨Admntor / HOD⟩ - shall continue to be responsible for ⟨Correctness / Regularity / Propriety⟩ of decision taken by GZ. officer.

- Deptt / Admnstor / HOD } may declare any Gazetted Officer subordinate to them as Head of Office (HOO).
  - → shall exercise powers delegated
  - → Not more than One Gazetted Officer shall be declared as HOO in same Office.
  - → Deptt may declare US(Adm) as HOO.

- Power delegated under these rules can also be exercises for validation of an action already taken or expenditure or liability already incurred even when the Authority had no competence.

⇒ Rule-13 :- Powers of Sub-ordinate Authority to write-off losses :-
  - → Shall be as per cond^n & limits prescribed by Finance Ministry
  - → Loss does not disclose a defect in Rules/Procedures.
  - → Not have been serious negligence on the part of GS.
  - → A Quarterly statement of write-off of losses should be submitted to Integrated Finance Division (IFD) - with
    - Reasons
    - Nature of loss
    - Remedial Measures
  - → Re-delegation of Power of write-off of losses of Revenue }
    - → D/o Revenue - as per direction of that Deptt.
    - → other Deptt - May delegate power to HOD - upto ₹5000/- per case
  - → Re-delegation of Power of write-off in case of
    - → Irrecoverable loss of stores & Public Money
    - → Defenciencies and depreciation in value of Store
      - → 'book value'

    } upto 10% of Power of Deptt - may be delegated to HOD

Nature of loss	Authority	Monetary limit up to which the loss may be written off in each **case**
(1)	(2)	(3)
Irrecoverable losses Of stores or of public money.	Department of the Government ofIndia.	Rs.**5,00,000** for losses of stores Due to theft,fraud or negligence.
		Rs.**50,00,000** for other cases.
	Administrators of the Union Teriitories.	(a) Rs.**2,00,000** for losses of Stores due to theft,frauds or negligence.
		(b) Rs.**5,00,000** for other cases.
Loss of revenue or irrecoverable loans and advances	Department of Revenue.	(a) Full powerstowrite-off Losses of irrecoverable revenue.
		(b) Rs.5,00,000forothercases.
	Other Department of the GovernmentofIndia	Rs. 5,00,000
	AdministratorsoftheUnion Territories.	Rs.2,00,000
Deficiencies and depreciation in the valueofstores(other thanmotorvehicles or motor cycle) includedinthestock and other accounts including losseson food grains, sugar, etc	Department of the GovernmentofIndia	Rs.5,00,000
	Administrators.	Rs.2,00,000

⇒ Rule-14 - Insurance of Govt. Properties -:

↳ Govt. Properties both Movable & Immovable shall not be insured without the previous consent of Finance Ministry except in cases where relaxation is provided.

↳ Relaxation -: Deptt - If Receive any Material / Equipment on Loan / Aid from foreign Govt / International Org^n AND - in its T&C - Insurance is mandatory.

↳ Deptt can { Insure and incur Exp } without consent of Finance Ministry.

↳ If booking of Goods by { Rail / Road } → Involve Enhance Risk Rate.

↳ Insurance can be done only from National Insurance Agency.

↳ If Deptt Purchase { Costly / Sensitive Equipments of Fragile nature from abroad }

⇓

Can Insure upto ₹ 20000/- in each - case.

↳ Exemption from Compulsory Insurance of Govt. Vehicles -

↳ If Govt Vehicles - used in non-Commercial area — Insurance Exempted

↳ If Govt Vehicles - used in Commercial Activities }

→ If Deptt Create Fund for third party - Insurance Exempted.

↳ If no such fund - Insurance Mandatory.

⇒ Rule-15 - Waiver of Recovery of Overpayments made to GS-:

⇓

- President - by Order - may delegate power to
  - Deptt
  - Admntor
  - Any Subordinate Auth.

  to waive recovery.

- Recovery may be waived in Certain Conditions
  - → Amt disallowed had been paid to GS under reasonable belief that he was entitled. AND
  - → If in the Opinion of Above Authority. (Admnt Secretary)
    - → Recovery will cause undue hardship
    - → or Recovery is impossible.

- Power -
  - → Deptt - can waive upto ₹ 2 Lakh with concurrence of FA.
  - → Above ₹ 2 Lakh - Finance Ministry

- Deptt will examine whether overpayment was due to fraud, negligence, Misrepresentation on the part of responsible person. A report of Disc. Authority in this regard will be sent alongwith proposal to Finance Ministry.

- If loss is due to defect in Existing Rules - be send to Nodal Deptt to amend the Rules.

⇒ Rule-17 - Grant-in-aid, Loans etc-:

⇓

- Deptt
- Admntor

have full power to sanction
  - → Grant-in-aid
  - → Loans
  - → Scholarship

→ Condn → Follow rules prescribed with previous Consent of Finance Ministry

→ Rate of Interest & Period of Repayment

be fixed with previous Consent of Finance Ministry

⇒ Rule 18 -: Trading Operations -:

↓

All Proposals for
- ① Purchase of Commodities
  - Not for Govt. Consumption
  - But for Sale
  - for Issue to
    - Public
    - State Govt
    - Any other Auth.
- ② Fixation of Price in r/o direct trading operation of Govt.
- ③ - from Govt (Company / Undertaking) - which may be referred to Govt for fixation of Prices for their product & stock.

↓

Require prior concurrence of Ministry of Finance

Relaxation - in r/o ① & ② Above
- No prior concurrence of MOF if Transaction Value is below 25 Crore.

⇒ Rule 19 -: Dismantling of Public Buildings -:

↓

Deptt / Admtor - have full power to sanction dismantlement of public buildings under their Administrative Control., including Purely Temporary Structure
- FA - concurrence
- Structure the life of which is not more than 2 Years.

Condn -
- First ascertain that this building is not required by other Central Govt. Deptt.
- No demolition until
  - In dangerous Condn
  - beyond economic repair
  - Necessary to vacate site for construction of More Important Public Building.
- Demolition through Public Auction
  - by CPWD or Local PWD.

[⊛ MEA - has power to sanction Sale / dismantle of Public buildings abroad, if book value - upto ₹ 1 Crore. No Certificate required.] DFPR, 1978

⇒ **Rule-20 :- Communication of sanctions to Audit :-**

↳ If concurrence/ consent of
- Finance Ministry
- FA
- CAG

} has been obtained.

⇓

It should be mentioned in Sanction Order.

⇒ **Rule-21 :- Repeal & Savings :-**

- DFPR-1978 – stands repealed.
- However – All sanctions, orders, actions taken before Commencement of DFPR, 2024 – shall continue to be operative unless specifically cancelled or revoked by the Authority who sanction.
  - All delegations made to Any Authority by Order of Govt. shall also continue unless revoked by President
- DFPR, 2024 – Not apply on –
  - M/o Railway
  - M/o Defence – Exp. debitable to Defence Service Estimates
  - D/o Atomic Energy & Space.
  - D/o Telecommunications
  - GOI representative abroad.

⇔ Guidelines for
- → Creation
- → Revival / Continuation
- → Conversion / Transfer
- → Up-gradation / Down-gradation
- → Abolition of Posts.

} of Posts (Perm / Temp) under Central. Govt.

⇒ General Condn :-
- → Above Guidelines apply on
  - → Central Govt { Ministry / Deptt
  - → Attach offices / Sub-ordinate offices.
  - → Central Govt. Posts in Statutory Body ✓
- → Not apply on – CPSE
  ↓
  [Follow guidelines of D/o. Public Enterprises]
- → Exemption allowed to Any Deptt – withdrawn ✓
  except –
  - → CAG / Railway
  - → IB / Defence / MEA / Atomic Energy.
  - → Lt. Governor of Delhi
- → All proposals be
  - → Sent to D/o Exp.
  - → Through IFD with approval of { Minister / Secretary }.
- → These guidelines shall not be applicable on Statutory Posts.
- → Statutory Post :-
  - → Post specifically mentioned in Act of Parliament.
  - → Posts created by Rules / Notification / Executive Order for smooth functioning of Statutory Body – not be categorised as Statutory Post
- → Retrospective Creation – only in exceptional cases.

⇒ Creation of Post :-
- → Proposal be submitted on file with prescribed checklist.
- → In case of multiple proposal, a consolidated proposal be submitted.
- → Power :- – SAG Level & Above [Level-14 & Above] → Cabinet → In this case view of D/o Exp. be obtained at Draft Cabinet Note Stage.
  – Below SAG Level → D/o Exp.
  → Proposal be sent by Min / Deptt with approval of Minister

⇒ Creation of Supernumerary Post (SP) :- Competent Authority for Creation of {Post, SP} is same.

- What is SP :-
  - Called a Shadow Post Means - no duties are attached to that post.
  - GS - whose Lien is maintained against SP, perform duty on some other Post.
  - Always a Permanent Post.
  - Should not be created for Indefinite Period.
  - This Post is personal to the officer and stands abolished when that officer
    - Absorb / Confirm in other Orgn / Promotion
    - Ret / VRS
    - Death.
  - Not a working Post - Means - no officiating arrangements can be made against SP.
- No extra financial Commitment involve.

⇒ Abolition & Revival of Post :-

Types of Post	Category	Action Required
- Statutory Post	- Do not fall under abolition Category	- Revival not required.
- Post vacant for less than 5 yrs.	- Live Post	- Revival not required.
- Post vacant for 5 yrs or more	- Abolished (Deemed).	- Revival can be done by D/o Exp. for All Posts

(*) The Authority who created a Post can abolish that Post.

✓

→ General guidelies for Revival of Posts
- → Competent Auth — D/o Exp.
- → Proposal be sent
  - Through IFD
  - with approval of Secretary
- → Once a Post is abolished, it shall not be filled except by creating it de-novo.
- → A list of abolished Posts — be submitted annually to D/o Exp. by FA ✓
- → Only in following cases Revival Allowed
  - → Recruitment Process has initiated within 4 years and is underway but appointment Order has not been issued within 5 yrs.
  - → There are clear Court directions requiring the filling of a Post.
  - → Filling of Post was delayed due to Court Order on finalization of Seniority list / filing of Post.
  - → Promotion post under Reservation Quota could not be filled due to non-availablity of eligible candidates in feeder Grade.
  - → Posts are essential for functioning of Orgn and for which matching savings can be provided by surrendering live Posts.

⇒ Continuation of Temporary Posts :-
- → Power —
  - → upto Selection Grade (Level-12) — Secretary + FA
    - In case of disagreement — matter refer to D/o Exp.
  - → Above Level-12 and below Apex Level (Level-17) — D/o Exp.
  - → Apex Level (Level-17) — CoS
    - → Secy D/o Exp
    - → Secy, DoPT
    - → Cab. Secy
- → Guidelines - Continuation of Temporary Post would be considered subject to continuation of
  - → Temp Body
  - → Scheme / Project
  - → Purpose for which initially sanctioned

⇒ Transfer of Post -: → A Post shall not be diverted for another purpose at { Same / different } station.

→ If necessary due to transfer of functions } → Proposal be sent to D/o Exp. for approval with justification and approval of Secretary, Deptt.

⇒ Conversion of Temporary Post to Permanent -:

→ If difference of opinion - refer to D/o Exp.

→ Power -: → upto Selection Grade (Level-12) - Secretary + FA

→ Above Level-12 and below Level-17 - D/o Exp.

→ Apex Level (Level-17) - CoS → Sec (D/o Exp), → Sec (DOPT), → Cab. Sec.

→ Guidelines -: ×

⇒ Upgradation including Temporary up-gradation of Posts -:

→ Power of Permanent upgration } → Level-14 & Above - Cabinet; → Below Level-14 - D/o Exp.

→ Power of Temporary upgradation } → Level-14 & Above - Appointment Committee of Cabinet (→ ACC) as per TOB.; → Below Level-14 - D/o Exp.

→ Guidelines -: → up-graded on functional requirement.

→ Upgradation of Post is equivalent to Creation of Post.

→ Procedure for Permanent upgradation will be same as for Creation of Post.

→

⇒ Down-gradation of Post including Temporary Down-gradation -:

- Power of Permanent Down-gradation
  - Level-14 & Above — Cabinet
  - Below Level-14 — D/o Exp.
- Power of Temporary Down-gradation
  - Level-14 & Above — ACC as per TOB.
  - Below Level-14 — D/o Exp.
  - Post in Gr. B&C Cadres where Min/Deptt is Competent Auth to make apptt. — Secretary + FA
- Guidelines -:
  - Temporary down-gradation of Post Level-14 & Above shall be as per 1st Schedule of TOB.
  - Posts may be temporarily downgraded to Immediate Lower Level-post in Same hierarchy.
  - Temporary downgradation of Post is to be done only in Promotional Quota Posts, ~~not~~ Direct Recruitment Quota Posts shall not be downgraded.
  - Temporary down-gradation will be confined within Same Group.
  - Orders of Temporary-down gradation should be self-explanatory and should have an in-built clause of simultaneous up-gradation of Posts as and when incumbent is eligible for Promotion to the higher Level.

(*) -: Sign in check list

- For Creation of Post — { Left — FA, Right — JS }
- For Revival of Post — { Left — JS, Right — FA }

→ Continuance of Posts-: → Proposal can be considered subject to continuance of { Scheme / Project }.

→ Power- → Secretary level Post - { Appraise by COS. / Approved by PM }

→ Above JS & below Secretary - { ~~Approve~~ by COS / Approved }

→ JS & below Level - Approved by D/o Expenditure.

→ Transfer of Posts-:

→ Post may not be transferred for another Purposes.

→ Transfer of Post will amount to Creation of Post - hence approval of { Cabinet / FM } required.

⇒ General Condn for Incurring Expenditure -:

→ Sanction order - be issued in the name of President

→ Irregular Expenditure - Means - Exp. incurred under emergency situations by an Authority in excess of its power.

→ Require post facto approval by Secretary in consultation with FA.

→ Ex-post facto approval of Cabinet be obtained where required.

→ Exp. on Legal charges - be incurred with Previous consent of M/o Law & Justice

→ Not required if rates already notified by M/o Law & Justice.

→ Review of Delegation of Powers - be undertaken Once in 3 years

→ Renting of Buildings-: → If General Pool Accomodation - provided - No Renting

→ otherwise - Renting of building to be done in consultation with CPWD/ Dte of Estates/ M/o Housing & Urban Affairs

→ For Renting abroad - MEA - be consulted for Ceiling Rate

→ Acquire of Land -

→ Deptt can acquire land if separate Budget approved for Land.

→ In Consultation with CPWD/ M/o Housing & Urban Affairs

Annexure-I

Checklist for Creation of Posts

S.No	Particulars	
Details of Post		
1	Name/ Designation of the post	
2	Pay Scale of the Post	
3	Nature of Post (Scientific/Technical/Admin/Faculty/Other)	
4	Duties and Responsibilities of the Post	
5	Functional Justification for creation	
6	Does this post exists with same scale of pay and grade pay	
7	How work is being managed in the absence of the post	
8	Mode of recruitment of post (enclose copy of RRs)	DR/Deputation/ Promotion
9	Essential and minimum qualification of the post	
10	No. of existing posts in the grade of the post	(a)Sanctioned (b)Vacant(with date)
11	Immediate lower (feeder) post in the hierarchy	(a)Sanctioned (b)Vacant(with date)
12	Immediate higher (promotional) post in the hierarchy	(a)Sanctioned (b)Vacant(with date)
13	Workload of the post (Extract of SIU study, if any)	
14	Possibility of outsourcing/contract/redeployment	
15	Financial implication (both recurring and non-recurring)	
16	Matching Savings (Specific posts with pay scales) *(FA may certify that posts are live and not surrendered earlier or recommended by SIU for abolition)*	
17	Whether any Norms exist for the proposed posts. A copy of the Norms may be provided.	
Organization Details		
1	Name of the organization	
2	Status of Organization (Ministry/ Department/ Autonomous/Attached/Subordinate)	
3	Detailed sanctioned strength (category wise) with pay scale and vacancy	
4	Whether the organization has been studied by SIU/IWSU. If so, details	
5	Any other relevant information	

Certificate: It is certified that all such posts under the administrative control of this Ministry/Department which are vacant for more than 5 years, have been abolished.

Concurrence of FA　　　　Concurrence of Secretary

Annexure-II

Checklist for Revival of Posts

S.No	Particulars	
1	Name of the organization	
2	Name of the post	
3	Pay Scale of the post	
4	Date of Vacancy	
5	Mode of recruitment of the post (enclose copy of RRs)	DR/Deputation/ Promotion
6	No. of posts in the grade of post proposed to be revived	(a) Sanctioned (b) Vacant (with date)
7	Duties and responsibilities of the post	
8	Functional justification for revival of the post	
9	Efforts made to fill up the post, since date of vacancy (in chronological order with relevant documents)	
10	How the work is being managed in the absence of the post and why this arrangement cannot continue	
11	Possibility of outsourcing/contract	
12	Financial implication of the revival of post	
13	Matching savings (specific posts with pay scales (*FA may certify that these posts are live and not surrendered earlier or recommended by SIU for abolition*)	
14	No. of posts in immediate lower (feeder) grade	(a) Sanctioned (b) Vacant (with date)
15	No. of Posts in immediate higher (promotional) grade	(a) Sanctioned (b) Vacant (with date)
16	Detailed sanctioned strength and vacancy position of the organization (grade-wise)	
17	Whether the post has been offered as matching savings for creation/revival of any other post	
18	Whether the post has been recommended for abolition by SIU/IWSU/ERC	
19	Any other relevant information	

Certificate: It is certified that all such posts under the administrative control of this Ministry/Department which are vacant for more than 5 years, have been abolished.

Concurrence of JS/Director(Admin)　　　　Concurrence of FA

RULE 12: ABOLITION OF POSTS:- A subordinate authority may sanction the abolition of post which it is competent to create.

RULE 16. EXPENDITURE ON SCHEMES OR PROJECTS

Appraisal and Approval of Public Funded Schemes and Projects (except matters required to be placed before the Cabinet Committee on Security)

A. Background: The Union Finance Minister had announced in the Union Budget 2016-17 of doing away with **Plan and Non-Plan distinction** at the end of the 12th Five Year Plan. Prior to that Schemes and Projects were appraised/approved based on Plan and Non-Plan distinction.

X'
1/4/12 +
upto
12th

B. Schemes: Schemes are program based cost centres through which the Ministries and Departments spent their budgetary and extra-budgetary resources for delivery of public goods and services to the citizens. They are of two types:

(a) Central Sector Schemes: These implemented by the Central Ministries/Departments through their designated implementation agencies and funds are routed through the **functional heads (Major Heads)** relevant to the sector.

(b) **Centrally Sponsored Schemes:** These are implemented within the domain of National Development Agenda identified by the Committee of Chief Ministers constituted by NITI Aayog. They can have both Central and State Components. While the former are fully funded by the Central Government and implemented through functional heads like the Central sector schemes in para B(a) above, the latter are routed through the inter-governmental transfer heads 3601/3602. The expenditure on State Components is shared between the Central and State

60:40
90:10

Governments in accordance with the fund sharing pattern approve for the purpose.

C. **Projects:** Projects involve one-time expenditure resulting in creation of capital assets, which could yield financial or economic returns or both. Projects may either be approved on stand-alone basis or as individual projects within an approved scheme envelope. This may be executed through budgetary, extra-budgetary resources, or a combination of both.

DoE

D. **In-principle approval to new Schemes:** No new Scheme or Sub-Scheme will be initiated without the prior "in-principle" approval of the Department of Expenditure. This will, however, not apply to the announcements made in the Budget Speech for any given year.

FA

E. **In-principle approval for initiating a project:** It will be granted by the Financial Adviser concerned after examining project feasibility and availability of financial resources.

Concept Paper
Consultation
Pilot Study

F. **Formulation of Schemes:** For all new schemes, a Concept Paper should be prepared while seeking in-principle approval, holding stakeholders consultations, conduct of pilot studies, etc. While submitting proposals for continuation of ongoing schemes, a careful rationalization must be done through merger and dropping of redundant scheme. The feedback from the formulation stage should be used for improving the scheme design so that a Detailed Paper can be presented for appraisal at the EFC stage.

Feasibility Report & Resource

G. **Formulation of Projects:** Project preparation should commence with a Feasibility Report, which helps establish the project is techno-economically sound and resources are available to finance the project. It provides a firm basis for starting land acquisition, approval of pre-investment activities, etc.

H. **Institutional Framework for appraisal of Schemes and Projects:** Depending on the level of delegation, the Schemes will be appraised by the Expenditure Finance Committee (EFC) or the Standing Finance Committee (SFC), while Projects will be similarly appraised by the Public Investment Board or the Delegated Investment Board (DIB). For Schemes, a Concept/Detailed paper which outlines the overall scheme architecture and its main structural elements should be attached. Similarly, for Projects either the Feasibility or the Detailed Project Report should be attached. The word Scheme is used here in a generic sense. It includes programs (umbrella schemes), schemes and sub-schemes, which, depending on the need, may be appraised as stand-alone cost centres. The composition of the EFC/SFC/PIB/DIB is as under:

FA
SFC/DIB
EFC/PIB

Expenditure Finance Committee (EFC) / PIB	
Expenditure Secretary	Chairperson
Secretary of the Administrative Ministry/Department	Member
Financial Advisor of the Administrative Ministry/Department	Member
Adviser, PAMD, NITI Aayog	Member
Representative of Budget Division, DEA	Member
Representative of concerned Ministries/Agencies	Member
Joint Secretary, Department of Expenditure	Member-Secretary
For appraisal of schemes of scientific nature, Scientific Adviser may be invited as Member.	
Standing Finance Committee (SFC)	
Secretary of the Administrative Ministry/Department	Chairperson
Joint Secretary in Charge of the Subject Division	Member
Representative of NITI Aayog	Member
Financial Advisor of the Administrative Ministry/Department	Member-Secretary
Representative of Department of Expenditure and any other Ministry/Department that the Secretary/Financial Adviser may suggest may be invited as per requirement. For proposals above Rs.300 crore, participation of representative of DoE would be mandatory.	
Public Investment Board (PIB)	
Expenditure Secretary	Chairperson
Secretary of the Administrative Ministry/Department	Member
Financial Advisor of the Administrative Ministry/Department	Member
Adviser, PAMD, NITI Aayog	Member
Representative of Budget Division	Member
Representative of concerned Ministries/Agencies	Member
Joint Secretary, Department of Expenditure	Member-Secretary
For appraisal of scientific projects, Scientific Adviser may be invited as Member.	
Delegated Investment Board (DIB)	
Secretary of the Administrative Ministry/Department	Chairperson
Joint Secretary in Charge of the Subject Division	Member
Representative of NITI Aayog	Member
Financial Advisor of the Administrative Ministry/Department	Member-Secretary
Representative of Department of Expenditure and any other Ministry/Department that the Secretary/Financial Adviser may suggest may be invited as per requirement. For proposals above Rs.300 crore, participation of representative of DoE would be mandatory.	

I. Time-lines for appraisal: The scheme/project cycle would commence with the submission of a Concept Paper (for schemes)/Feasibility Report (for Projects) by the Administrative Ministry/Department. The step-wise time-lines for appraisal and approval of Schemes and Projects are as under:

Sl. No.	Activities	Time Limit
1	Decision on "in principle" approval, if required	2 weeks
2	Preparation of a Detailed Paper/Detailed Project Report (DP/DPR) by the Administrative Ministry/Department and circulating the same along with draft EFC/PIB Memo.	The time limit will vary depending on the nature of scheme and project. This is an internal matter of the Administrative Ministry/Department concerned.
3	Appraisal Note and Comments to be offered on the DP/DPR and draft EFC/PIB memo by Department of Expenditure, NITI Aayog and concerned Ministries/Agencies.	4 weeks
4	Preparation of final EFC/PIB Memo based on comments received, and circulating the same for Appraisal and Approval	2 weeks
5	Fixing the date of the EFC/PIB meeting after receiving the final EFC/PIB Memo	1 week
6	Issue of minutes of EFC/PIB after the meeting has been held	1 week
7	On-file approval of Administrative Minister and Finance Minister	2 weeks
8	Submission for approval of the Cabinet/Committee of the Cabinet (for proposals above Rs.1000 crores)	2 weeks

NOTE: Wherever the recommended time frame is not adhered to any stage, the concerned organization should work out an appropriate trigger mechanism to take the matter to the next higher level for timely decision making.

J. Original Cost Estimates (OCE): The delegation of powers for appraisal and approval of OCE is as under:

	Scheme/Project APPRAISAL		Scheme/Project APPROVAL		
	Cost (Rs. in Crores)	Appraisal by	Cost (Rs. in Crores)	Approval by	
FA	Up to 100	The Financial Adviser	Up to 100	Secretary of Administrative Department	Secy
SFC/DIB	>100 & up to 500	SFC/DIB chaired by Secretary of the Administrative Department	>100 & up to 500	Minister-in-charge of Administrative Department	Min
EFC/PIB	>500	Expenditure Finance Committee (EFC)/ Public Investment Board (PIB) chaired by Secretary(Expenditure), except schemes/projects for which special dispensation has been notified by the Competent Authority	>500 & up to 1000	Minister in charge of the Administrative Deptt and Finance Minister, except where special powers have been delegated by Ministry of Finance.	Min + Fin Min
			>1000	Cabinet/ Committee of the Cabinet concerned with the subject.	Cabinet

Note: 1. The financial limits as above are w.r.to the **total size** of the project/scheme being posed for appraisal and includes budgetary support, extra-budgetary resources, External Aid, debt/equity/loans, state share, etc.. **2.** Financial Advisers may refer any financial matter and may also seek participation of the Department of Expenditure in the SFC/DIB meetings, if required. For proposals above Rs.300 crore such participation would be mandatory.3. Delegated powers should be exercised only when the budgetary allocation or medium-term scheme outlay as approved by the Department of Expenditure is available. **4.** While exercising delegated powers, the Ministries/Departments should also ensure the proposals are subject to rigorous examination in project design and delivery, and careful attention should be paid to recurring liabilities and fund availability after adjustment of the committed liabilities. **5.** For appraisal and approval of PPP projects, separate orders issued by the D/o Economic Affairs, would be applicable.

K. Revised Cost Estimates(RCE): The delegation of powers for appraisal and approval of RCE is as under:

Sl. No.	Limit	Appraisal and Approval Forum
A	Any increase in costs due to statutory levies#, exchange rate variation, and price escalation within the approved time cycle **and/or** increase in costs **up to 20%** due to any other reason, are covered by the approval of the OCEs.	**No appraisal.** Approved by Secretary of the Administrative Department concerned with the concurrence of the Financial Adviser.

#Statutory levies include State/Central taxes including import and export duties as notified by GoI and paid by the project authorities but exclude water, electricity charges and POL price increases.

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B.	Any increase in costs **beyond** 20% of the firmed up$ cost estimates due to **time over-run, change in scope, under-estimation**, etc (**excluding** increase in costs due to statutory levies, exchange rate variation, and price escalation within the approved time cycle)	It should **first be placed before** a Revised Cost Committee (RCC) chaired by the Financial Adviser(Consisting of the JS in-charge of the program division and representative of the Chief Adviser Cost as members) to identify the specific reasons behind such increase, identify lapses, if any, and suggest remedial measures for the same. The recommendations of the RCC should be placed for **fresh Appraisal and Approval** before the Competent Authority as per the extant delegation of powers.
$ Firmed up cost estimate means a cost estimate which has gone through the full appraisal and approval procedure as per the extant delegation of powers.		

RCC
Chair - FA
Recomm
Appraisal
Approval

L. **Pre-Investment Activities:** Pre- Investment activities may include preparation of Feasibility Reports (FRs), Detailed Project Reports (DPRs), Pilot Experiments/Studies for Schemes, survey/investigation required for large projects; payment for land acquisition in accordance with the orders of a competent authority under the law, construction of boundary wall, access roads, minor bridges/culverts, power lines, water lines, site offices, temporary accommodation etc. at the project site, preparation of Environment Management Plans, Forestry and Wild Life clearances, , compensatory afforestation; and payment for conversion of forest land for non-forest purposes.

Sl. No.	Limit	Appraisal and Approval Forum
1	Up to Rs.100 crores (including budgetary and extra-budgetary resources)	Approved by the Secretary of the Administrative Department with the concurrence of the Financial Adviser subject to the availability of funds and in-principle approval has been obtained, wherever necessary.
2	Above Rs.100 crore	The prescribed appraisal and approval procedure should be followed as per the extant delegation of powers.

Admt Sec + FA

NOTE: When firmed-up cost estimates are put up for approval, the expenditure on pre-investment activities should be included in the final cost estimates for the competent authority to get a full picture of the total resources required for the scheme or the project to be implemented.

M. **Procedure for setting up of New Bodies:** No new company, Autonomous Body, Institution/University or other Special Purpose Vehicle should be set up without the approval of the Cabinet/Committee of the Cabinet, **irrespective of the outlay**, or any delegation that may have been issued in the past. All such cases would be appraised by the Committee of Establishment Expenditure Chaired by the Expenditure Secretary. If setting up of a New Body involves project work, combined EFC/CEE or PIB/CEE may be held.

Approval of Cabinet/ CC

N. **Composition of CEE:** The composition of CEE, for appraisal of New Bodies, is as under:

Committee on Establishment Expenditure	
Expenditure Secretary	Chairperson
Secretary of the Administrative Ministry/Department	Member
Joint Secretary, Department of Expenditure	Member
Adviser, PAMD, NITI Aayog	Member
Representative of Budget Division, DEA	Member
Financial Advisor of the Administrative Ministry/Department	Member-Secretary
Representative of other Ministries/Departments/Agencies concerned may be invited as per the requirement.	

NA. **Proposals not to be placed before CEE:** The following cases need not be placed before CEE and will continue to be processed on file: (a) creation of new posts within existing bodies; and (b) creation of new posts in Ministries/Departments, Attached or Subordinate Offices.

[No pre-investment activity related to creation of a New Body or Institution will be approved without the in principle approval of the Department of Expenditure, unless there is a specific budget announcement to that effect.

NB: Who shall function as the Secretariat for the CEE? The Integrated Finance of the respective Administrative Ministry/Department.

O. **Outcomes and Evaluation:** All Ministries/Departments are required to prepare an output-outcome framework for each Central Sector and Centrally Sponsored Scheme with the approval of CEO NITI Aayog. Measureable outcomes, which deal with the quality aspect of schemes and programs, need to be defined over the relevant medium term framework, while physical and financial outputs need to be targeted on year-to-year basis in such a manner that it aggregates to achieve the measurable outcomes over the medium term. NITI Aayog, while approving the output-outcome framework, will kick-start a third party evaluation process for both Central Sector and Centrally Sponsored Schemes. Extension of Schemes from one Finance Commission Cycle to another would be contingent on the result of such an evaluation exercise.

P. Approval of Schemes beyond 12th FYP: The plan era is ending with the 12th Five Year Plan (1.4.2012 to 31.3.2017). To improve quality of the Government expenditure, every scheme should have a sun-set date and an outcome review. Accordingly for aligning the schemes with financial resources cycle of Central and State Governments, these will be co-terminus with the Finance Commission cycles, the first such one being the remaining Fourteenth Finance Commission period ending March, 2020.

2. In the following paragraphs the guidelines for continuation of schemes beyond 12th Plan are elaborated. These guidelines are equally applicable to both Central Sector Schemes (CSs) and Centrally Sponsored Schemes (CSSs).

(a). All Ministries / Departments should undertake an outcome review of their ongoing schemes at the end of 12th Five Year Plan (FYP) and for further continuation resubmit the same for appraisal and approval unless the scheme has already been made co-terminus with the Fourteenth Finance Commission (FFC) period or beyond.

(b). The Ministries / Depts. should ensure submission of their schemes for appraisal at the earliest before end of March, 2017, so that the schemes can continue beyond 12th Five Year Plan in a smooth, rationalized and effective manner.

(c). The approval for continuation of the scheme may be sought if the outcome review for the scheme has been positive and shows that though the scheme has been effective in achieving its objectives, still, there is a need to continue the scheme in view of its mandate and performance. Depending upon the outcome review, the scheme can continue in its present form or with necessary modifications.

(d). It shall not include any scheme where the competent authority had specifically decided to terminate it at the end of 12th Five Year Plan.

(e). The D/o Expenditure reserves the right to merge, restructure or drop any existing scheme / sub-scheme in consultation with the Administrative Ministry / Department to improve economies of scale for better outcomes.

(f). For continuation of schemes with a total financial implication **below Rs. 500 Crore** for the approved period, the proposals may be appraised and approved within the delegated financial powers to the Ministries / Departments **(stated in paragraph J above)**. The proposals for continuation of schemes with such total financial implication worth **more than Rs 500 crore** should be processed by the Ministries / Departments for appraisal / approval as per the laid down procedure through EFC / PIB in two parts :-

ga) **Part A** should contain a consolidated proposal in respect of all the umbrella schemes of the Ministry / Department for continuation. The overall financial implication of each umbrella Centrally Sponsored Scheme (programme) pertaining to one Ministry / Department should be taken into account for determining the competent authority for appraisal / approval.

gb) **Part B** should contain a **consolidated proposal** for all the central sector schemes of the Ministries/Departments for continuation. However, for the purpose of appraisal / approval, the cost of each Central Sector schemes will be considered separately for determining the competent authority. The proposal in this consolidated manner may be sent only for those Central Sector schemes where there is no major change in the basic features / guidelines of the ongoing schemes. There may be schemes where a major change is proposed in the scheme's architecture, design, features and / or guidelines while still retaining its original objectives. This proposal for changes may be based on outcome evaluation, a paradigm shift in policy or any other valid and sound reason. In all such schemes, the proposal for continuation should be initiated separately on stand-alone basis, since it will require a more thorough inter-ministerial consultation and appraisal which may take more time.

(h) The projected outlay of the schemes of a Ministry / Department should be aligned to the Medium Term Expenditure Framework given by the Budget Division.

ITEMS OF WORK TO BE HANDLED BY IFAs

The Internal Financial Adviser (IFAs) will be in overall charge of Budget and Accounts Section in addition to the Internal Finance Section. It will be his duty:-

- To ensure that the schedule for preparation of budget is adhered to by the Ministry and the Budget is drawn up according to the instructions issued by Finance Ministry from time to time.
- To scrutinize budget proposals thoroughly, before sending them to Ministry of Finance.
- To see that complete departmental accounts are maintained in accordance with the requirements under the General Financial Rules. It should, in particular, be ensured that the Ministry not only maintains account of expenditure against the Grants or Appropriations directly controlled by it but also obtains figures of the expenditure incurred by the subordinate offices so that the Ministry has a complete month to month picture of the entire expenditure falling within its jurisdiction.
- To watch and review the progress of expenditure against sanctioned grants through maintenance of necessary Control Registers and to issue timely warnings to Controlling authorities where the progress of expenditure is not even;
- To ensure the proper maintenance of the Register of Liabilities and commitments as required under the G.F.Rs to facilitate realistic preparation of budget estimates, watching of book debits and timely surrender of anticipated savings;
- To screen the proposals for supplementary demands for grants;
- To formulate the foreign exchange budget for the Ministry and to process individual cases for release of foreign exchange in accordance with the instructions issued by Department of Economic Affairs from time to time;
- To advise the Administrative Ministry on all matters falling within the field of delegated powers. This includes all powers other than those devolving on a Ministry in its capacity as Head of Office. It has to be ensured by IFA that the Sanction issued by Administrative Ministry in exercise of delegated powers clearly indicates that they issue after consultation with IFA;
- To identify, in particular, specific saving in cases of creation of posts and to maintain a register for this purpose.
- To scrutinize proposal for re-delegations of powers to subordinate authorities.
- To keep himself/herself closely associated with the formulation of schemes and important expenditures proposals from their initial stages.
- To associate himself/herself with the evaluation of progress/performance in the case of projects and other continuing schemes, and to see that the results of such evaluation studies are taken into account in the Budget formulation.
- To watch the settlements of Audit objections, inspection Reports, draft Audit Paras, etc.
- To ensure prompt action on Audit Reports and appropriations accounts, Reports of PAC, Estimates Committee and Committee on Public Undertaking.
- To screen all expenditures proposals requiring to be referred to Finance Ministry for concurrence or comments.
- To ensure regular and timely submission to Finance Ministry of quarterly staff statements and other Reports and Returns required by Finance.

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