GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Budget 2019-20 – Release of full Budget – Guidelines for issue of Comprehensive Budget Release Order (CBRO) and Budget Distribution – Orders – Issued.

FINANCE (BUDGET. I) DEPARTMENT

G.O. MS. No.: 101 Dated: 14.08.2019
Read the following:-

1.) GO Ms. No. 59, Dated 30.03.2001 of Finance (Budget-I) Department.
2.) U.O. Note No. 29875-A/1283/A1/BG.I/2006, Dated 25.11.2006.
3.) GO Ms. No. 70, Dated 24.03.2014 of Finance (Budget-I) Department.
4.) GO Ms. No. 101, Dated 12.08.2015 of Finance (Budget-I) Department.
5.) GO Ms. No. 57, Dated 07.04.2017 of Finance (Budget-I) Department.
6.) GO Ms. No. 31, Dated 25.02.2019 of Finance (Budget-I) Department.
7.) GO Ms. No. 42, Dated 24.04.2019 of Finance (Budget-I) Department.
8.) GO Ms. No. 37, Dated 31.07.2019 of Law (F) Department.
9.) GO Ms. No. 65, Dated 31.07.2019 of Finance (Budget-I) Department.
10.) GO Ms. No. 69, Dated 14.08.2019 of Finance (Budget-I) Department.
11.) GO Ms. No. 99, Dated 14.08.2019 of Finance (CDM) Department.

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ORDER:

In the G.O.8th read above, it has been informed that the Andhra Pradesh Legislature has voted without reduction, the demands for grants for the full financial year 2019-20 as presented to it on 12th of July, 2019.

2. The Andhra Pradesh Appropriation (No.3) Act, 2019 (Act No. 18 of 2019), constituting the demands for grants for the full financial year 2019-20, as voted by the Andhra Pradesh Legislature, has been informed to all the Departments of Secretariat and Heads of the Departments as the Budget Estimates, vide the G.O. 9th read above.

3. In the G.O.7th read above, while communicating the budget estimates relating to the respective HODs, they were permitted to incur expenditure to the extent of four months provision made for the Vote on Account budget period, i.e. from 01.04.2019 to 31.07.2019, duly following the regulations as applicable. As this is an advance grant for a part of the financial year, this has been merged in the Budget Estimates 2019-20 now sanctioned by the Legislature, as in the G.O. 9th read above. All the Departments of Secretariat, Heads of the Departments and other Drawing Officers are advised, in the

said G.O., that the expenditure for the financial year that commenced from 1st April, 2019 should now be regulated with reference to the provisions made in these Budget Estimates for the Financial Year 2019-20.

4. In order to ensure streamlined budget management and to facilitate timely availability of funds to the implementing agencies the Government has instituted the Comprehensive Budget Release Order (CBRO) process in the G.O 4th read above. The purpose of the CBRO process is to enable the departments to distribute the budget allotted to them in accordance with their annual work plans, programme priorities and specific monthly/quarterly requirements of the department, rather than mere distribution in equal quarterly instalments. Also as per this, issuance of the CBRO, based on the distribution of budget by the Chief Controlling Officers (CCOs) to the Sub-Controlling Officers (SCOs) and Drawing and Disbursement Officers (DDOs), is a pre-requisite to incur expenditure.

5. In the G.O. 5th read above, Government launched the Comprehensive Financial Management System (CFMS) Budget Module, which is subsequently further refined and updated based on the user feedback and on-going process improvements/changes. This module in CFMS facilitates the Budget Distribution by the Heads of the Departments (HODs)/Secretariat Departments and their Sub-Controlling Officers (SCOs) and the issuance of CBROs in addition to the regular BROs and other Budget Management functions.

6. To enable the Finance Department to issue Comprehensive Budget Release Order (CBRO) for the financial year 2019-20in a timely manner, thereby enabling the departments to incur expenditure, all Secretariat Departments and Chief Controlling Officers (Heads of Departments) are hereby requested that they may use the CFMS Budget Module to prepare the budget distribution among their SCOs and DDOs for the entire approved 2019-20 Budget in accordance with their annual work plan, programme priorities, monthly / quarterly fund requirement, etc. subject to the guidelines provided in this G.O. and submit the same to Finance Department. In order to be able to incur expenditure, it is mandatory that this process of distribution and issuance of CBRO is completed. Therefore, the CCOs/SCOs are requested to complete this at the earliest.

7. Towards this, attention of the CCOs/SCOs is drawn to various changes, introduced with effect from the budget for financial year 2019-20, in relation to the budget process and the HOAs. The G.O. referenced at 10th read above has outlined these changes/HOAs and the CCOs/SCOs of Departments of Secretariat and Heads of the Department are advised to familiarize with these changes. Also, typical expenditure that shall be allowed under each DH/SDH combination along with the specific drawl procedures, audit requirements/parameters are detailed in this GO. The following principles shall govern the budget distribution, in supersession of any previous guidelines, orders, memos and notes issued:

a) The total of Budget Distribution for the four (4) quarters under every head shall not exceed 100% of the allocated BE for the financial year.
b) While distributing, the Secretariat Departments and CCOs may retain a part of the Budget, not exceeding 10% in reserve, for release at their discretion to better

performers.

c) Expenditure under any particular HOA, for the first and second quarter put together, should not exceed 55% of the total BE for that HOA and the expenditure at the end of the 3rd quarter should not exceed 75% of Budget provision.

d) A provision of 25% at a minimum must be made for the 4th quarter. This would mean only 75% of the Budget is available for distribution for the first three quarters. The provision made for the 4th quarter will not be available, unless the expenditure up to 2nd quarter covers 90% of the proposed allocation in the CBRO.

e) As Vote on Account budget is subsumed in the full budget 2019-20, the expenditure that was already incurred shall be accounted in the first and second quarters while distributing the Budget through CBRO. Where it is noticed that the expenditure under a particular HOA has exceeded the full year BE, the concerned CCO should coordinate with the Finance Department for regularizing the same by way of re-appropriation. In case if a particular HOA that is available in Vote on Account but dropped in the final BE, provision to the extent of the expenditure incurred shall also be regularized by way of re-appropriation.

f) **HOAs with the following combinations are ordered to be operated in relaxation of budget control:**

i. All DH/SDH under Salaries (010);
ii. All DH/SDH under Wages (020);
iii. All DH/SDH under Pensions (040);
iv. All DH/SDH under Grant in Aid Salaries (060) – Only for those cases migrated to HRMS Payroll;
v. All DH/SDH under Work Charged Establishment Salaries (070);
vi. All DH/SDH under Arrear Pensions (090);
vii. All DH/SDH under Arrear Salaries (100);
viii. Fixed Travelling Allowance (110/114);
ix. Payments to Home Guards - 280/282 (Sanctioned posts only);
x. Payments to Anganwadi Workers – 280/283 (Sanctioned posts only);
xi. Honorarium to V.R.A's – 280/286 (Sanctioned posts only);
xii. All DH/SDH under 290 Other Professional Services (except 290/297) (Sanctioned posts only);
xiii. Payments to Individual Contract Employees (300/301) (against sanctioned post);
xiv. Payments to Outsourcing Employees through agencies – 300/302 (Sanctioned against vacant post and with Finance Concurrence);
xv. Obsequies Charges (310/318);
xvi. Ex-gratia Payments in case of Accidental deaths and Compassionate Appointments (310/317) – sanctioned on specific orders from case to case;
xvii. Booster Scheme (2235-60-104-00-04-xxx-xxx VN);
xviii. Expenditure pertaining to SC/SCT Atrocities (2225-01-800-11-04-310-312 VN and 2225-01-800-12-04-310-312 VN);
xix. Expenditure under Major Head 2071; and
xx. Expenditure under Major Head 2245, except that of SH 80.

g) **HOAs under the following combinations are ordered to be operated as BRO items and therefore expenditure in these HOA combinations can be incurred only after the issue of BROs**:

i. All DH/SDH under 170 – Training;
ii. All DH/SDH under 200 – Other Administrative Expenses (except 200/207 – Medical Expenses (non-employees));
iii. DH/SDH combinations 210/214- Fee of Software Licenses; 210/217 – Purchase of Furniture & Fixtures; 210/219 – Software Development;
iv. DH/SDH combinations 260/261 – Advertisements – Print Media; 260/262 – Advertisements – Electronic Media; and 260/263 – Outdoor Advertisements;
v. DH/SDH combination 300/303 – TA/DA to Contract Employees;
vi. DH/SDH combinations 310/316 - Payments to beneficiaries in Calamities/Notified events;
vii. DH/SDH combinations 330/333 – Incentives to Individual Beneficiaries and 330/334 – Incentives to Organizations/Industries;
viii. All DH/SDH under 360 - Fees, Fines & Refunds;
ix. DH/SDH combinations 500/501 – Compensation (Non-R&R) and 500/502 – R&R Cash Benefits;
x. DH/SDH combination 510/512 – Purchase of Motor Vehicles;
xi. DH/SDH combination 520/521 – Purchase of Machinery & Equipment;
xii. DH/SDH combination 540/541 – Investments;
xiii. DH/SDH combination 560/561 – Repayment of Borrowings;
xiv. DH/SDH combinations 800/814 – Purchases, 800/815 – IT Related Purchases, and 800/816 – IT Related Services.

h) All HOAs pertaining to the New Schemes introduced in the current financial year, will be operated as BRO heads. This would mean, even though there is a budget provision made in the BE 2019-20, a specific release is required to incur expenditure under these New Schemes. A detailed work plan should be finalized and concurred in the Finance Department, before the release of a BRO under these HOAs.

i) In case of Externally Aided Projects (EAP – GSH 03) – the guidelines issued vide G.O. MS. No.: 62, Dated 20.04.2017 from Finance (Budget-I) Department, shall be applicable for this financial year 2019-20 also.

j) For Rural Infrastructure Development Fund (RIDF – GSH 07) aka NABARD schemes, that operate on reimbursement basis, where the State has to incur the expenditure first, BROs will be issued from time to time based on the actual requirement. Claims for reimbursement from the respective funding agencies should be submitted in time and due follow ups are carried out for obtaining the reimbursements.

k) For the Centrally Assisted State Development Schemes (CASDs – GSH 12) amount and the corresponding Matching State Share (MSS – GSH 06), BROs will be issued after receipt of the funds from the Government of India or the concerned funding agency. In this context, all the Secretariat Departments and Head of Departments are hereby being notified the new process for issuance of BROs introduced in respect of the CASDs:

i. All CASDs are divided into 2 categories – Category A – Those schemes for which the sharing pattern, funding, implementation mechanism and the further distribution are fixed and Category B are those schemes for which the HOD/Implementing Agencies inputs are needed.

ii. All CASDs sanction orders are released in PFMS and fund transferred to RBI. Through the integration of CFMS with PFMS, going forward draft BROs for Category A will be auto generated in CFMS after the successful reconciliation of sanction order in PFMS with the receipt of fund at RBI. Drafts will be initiated with the Maker of concerned FMU.

iii. In case of Category B schemes, workflow will be initiated and sent to the concerned HOD to provide the required details for issuing BROs.

iv. Henceforth, all CASDs BRO requests will be handled in CFMS only and therefore eOffice based files and requests are not going to be required for issuance of BROs.

l) In case of loan repayments under MH 6003 and MH 6004; and interest payments under MH 2049, the concerned Department shall upload the exact distribution figures for the financial year based on the schedule of payments.

m) In respect to the Capital Heads of Accounts related to Works Expenditure of all departments, the budget will not be distributed to the DDOs. The Budget control shall be observed at the level of HOD. Only those bills that have sufficient fund available at the HoD level will be sent for Audit in the Works PAOs and the rest will be held at a separate queue with the HOD after the DDO submits them. Once sufficient budget is provisioned by the Government the bills will be cleared from the HOD queue in the seniority order of their submission date. However, in respect of works under DH 270 – Minor Works and DH/SDH 310/319, bills will be allowed up to Budget provision only.

n) Henceforth, Expenditure under DH/SDH 260/261 – Advertisements – Print Media; 260/262 – Advertisements – Electronic Media; 260/263 – Outdoor Advertisements and 260/264 – Sponsorships/Publicity shall be routed through Information & Public Relations (I & PR) Department only. The concerned Departments shall place work orders duly defining the scope of the work with I&PR Department, who in turn will execute the work and forward the final validated invoice to the respective departments for payment. The concerned department's DDO shall be responsible for processing the payment.

o) Any budget provisions under the HOAs with DH 800 will not be considered for an automatic release either in CBROs or BROs. All permissions hitherto granted to the respective departments, will have to be freshly reviewed and revalidated/updated by the Finance Department and BROs shall be issued wherever necessary in consultation with Budget Section.

8. Effective from this financial year, a new process in respect to the adjustment to PD Accounts has been introduced and attention of the CCOs/SCOs and the respective Treasury and PAO officers is drawn to the separate G.O. issued in this regard, read at 11th above. The various changes in terms of classifications of the PD Accounts and the introduction of Green Channel PD Accounts, a new category of PD Accounts, are outlined in this G.O. 11th read above. The following principles shall broadly govern the adjustments to the PD Accounts, in supersession of any previous guidelines, orders, memos and notes issued:

a) Adjustments to the PD Account can occur only when the drawl mode is mentioned as such in the BROs or in respect of the CBRO HOAs, the same is enforced at the bill level based on the DH/SDH, on the basis of the guidelines vide G.O. referenced at 10th above.

b) In case of Green Channel PD Accounts, it is to be noted that they are like the regular PD Accounts and the adjustment to these PD Accounts will be controlled

through a BRO process, wherein the drawl procedure will be clearly noted as 'Adjustment to Green Channel PD Account'.

c) Adjustment to Green Channel PD Accounts is allowed only for CASDS and the corresponding Matching State Share HOAs, i.e. only HOAs with GSHs 12 and 06.

d) The PD Administrator based on his requirement submits the quarterly break up to his HOD, who will in turn incorporate the same in the CBRO distribution and submit to Finance Department along with the CBRO distribution, to facilitate issue of CBRO and thereupon adjustment to PD Account through the regular bill process.

e) PD Allocation Module is being introduced with immediate effect to facilitate management of grant/subsidy/incentive/scheme amounts received via adjustment. Using the PD Allocation module, as and when an adjustment is made to the PD Account, the respective PD Account Administrators should provide an allocation to the various Components/Sub-Schemes/Interventions and further break it down to the Activities and Purposes as well as to various sub-units/sub-offices, if needed. Budget Check will occur at the Activity and/or Purpose level and therefore it is mandatory to do the allocation/distribution to this level as such for every deposit received by way of adjustment from the consolidated fund. Unless this allocation/distribution is completed for the deposit, bills cannot be preferred in the system referring to this deposit in the disbursement tracking.

f) As a pre-requisite to the activity under point e above, the PD Administrators shall maintain a master list of Components/Sub-Schemes/Interventions under every Scheme along with the related Activities and Purposes, for which the actual utilization occurs. Additionally, the master of the sub-units/sub-offices shall be maintained in a hierarchy, which would also facilitate the workflows.

9. The principles outlined in paras above, shall be configured in the budget control master screens of CFMS and shall validate the distribution process. As a starting point, the budget as per the above principles shall be made available in CFMS to the Secretariat Departments/HODs for further distribution to their SCOs/DDOs/PD Administrators. Where needed and feasible, the system shall undertake distribution/release in an automatic way with the approval of the Special Secretary (B&IF).

10. **The following are the timelines for issue of Budget distribution:**

a) Uploading the budget for FY 2019-2020 in CFMS portal:	**19th August 2019**
b) Release to HODs/Commencement of Distribution:	**21st August 2019**
c) HODs to complete Distribution and Submit:	**25th August 2019**
d) FMUs to issue CBROs:	**26th August 2019**

11. All the HODs and FMUs are advised to complete the activity as per the timelines above, failing which there will be constraints in preferring bills. Also, configuring the respective office workflows and having the HR data right in the system is a key prerequisite for transacting in the system.

12. The CEO, APCFSS shall make necessary changes to CFMS and enable the

system for budget distribution and incurring of expenditure accordingly in addition to ensuring that the guidelines herein under this order are appropriately configured, maintained, monitored and reported on time to time basis.

13. All Heads of the Departments / Secretariat Departments without any exception, Director of Treasuries and Accounts, Pay and Accounts Officer, Directorate of Works Accounts and CEO, APCFSS are requested to follow these instructions scrupulously.

14. In case of any clarifications, Departments/HODs are requested to reach out to the concerned FMUs, Budget and IT wings of the Finance Department. The DDOs/SCOs/HODs/Secretariat Departments may contact the following members of Help Desk for any information /assistance while distribution.

1. Sri K. Harikrishna, Ph. No.: 7729981922
2. Sri K. Sivaram, Ph. No.: 9948197221
3. Sri T Sai Krishna, Ph. No.: 9966838308
4. Sri Y Uma Mahesh, Ph. No.: 9948637899
5. CFMS Help Desk, Ph. No.: 0866-2468999

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHAMSHER SINGH RAWAT
PRINCIPAL FINANCE SECRETARY TO GOVERNMENT

To
All the Secretariat Departments
All the Heads of the Departments
All the District Collectors
The Accountant General (A&E), AP
The Director, Treasuries & Accounts, Ibrahimpatnam
The Pay & Accounts Officer, Ibrahimpatnam
The Director, Works Accounts, Ibrahimpatnam
The Dy. Directors/ District Treasury Offices
The CEO, APCFSS
Copy to:
All FMUs and Officers in Finance Department
The PS to Chief Secretary
The PSs to the officers in CMO
The PS to PFS/Special Secretary (B&IF)
SF/SCS

// FORWARDED:: BY ORDER //

SECTION OFFICER