



**Circular 05/2023**

**CIRCULAR ON MONITORING OF ADVANCE FOR CONTINGENT AND MISCELLANEOUS PURPOSE AND REDUCE CASH TRANSACTIONS**

In view of the repeated observation of the Audit on release and settlement of “advance for official work” to the Teaching & Non-Teaching Staff of the University, the following guidelines are issued herewith for strict compliance:

1. Rule 172 (1) of GFR 2017 states that ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in some cases. However, such advances should not exceed 30% of the contract value in case of a private firm, 40% in case of Govt. agency /PSU and 50% for repairings. While making such advance payments, adequate safeguards in form of bank guarantee, etc. should be obtained from the firm. ( this guideline is just excerpts of Rule 172(1), the detail may be perused from the website of DoE).
2. The excerpts of the Rule 323 of GFR for “Advances for Contingent and Miscellaneous purpose” says that Heads of Office may sanction advances to a Government Servant for purchase of goods or services or for any other special purpose needed for the management of the office subject to:
  - a. The purchase or other purpose can not be managed under the normal procedures, envisaging post-procurement payment procedure.
  - b. The adjustment bill, along with balance if any, shall be submitted by the Government servant within fifteen days of drawal of advance, failing which the advance or balance shall be recovered from his/her next salary(ies).
3. Encouraging digital banking and UPI based transactions has been one of the important instruction of the Governemnt, leading to several checks and balances and reporting obligations by the University. Income Tax Department and Govt. of India put so many restrictions time to time on cash payments and encourage digital mode of payments. Further, vide OM No 649 dated 05.12.2016 issued by Department of Expenditure, Ministry of Finance, Govt. of India, no payment in excess of Rs. 5,000 can be made other than through e-payment.
4. In view of above prevalent guidelines issued by the Governemnt of India, following advices are issued for strict adherence by all concerned:
  - a. The Official should ask for advance only in cases where the post-procurement payment is not possible.
  - b. If advance is inevitable, then it should be paid by the University to the Agency/Organization within the provision of Rule 172 of GFR 2017 (please refer Sl.1 above)



- c. When advance is asked for "Contingent and Miscellaneous" purpose as stated in Sl. 2 above, necessary guidelines prescribed as per Rule 323 of GFR shall also be adhered to.
  - d. The expenses incurred by the Official, out of the advance drawn should be submitted by enclosing all the supporting in original along with transaction details for online transfer to the parties/vendor, etc.
  - e. Effort may be taken to make all the payments through online mode only so as to promote cashless economy mandated by GoI. However, no payment above Rs. 5,000/- is allowed in cash vide OM No. 649 dated 05.12.2016 issued by Department of Expenditure, Ministry of Finance, Governemnt of India.
  - f. The adjustment of advance should be proposed within 15 days of drawal of advance with all necessary enclosures failing which the advance or balance shall be recovered from the next salary of the Official as per Rule 323 of GFR 2017.
  - g. For payment of TA/DA to the Resource Persons/Experts/Guests/Applicants etc., it is requested to collect the bank account details from them well on advance so that the amount can be disbursed directly to the beneficiary by bank transfer in time.
  - h. All the effort should be made for direct payment by the University to the party by following due procedure instead of making payments out of the advance drawn by the official.
5. The Official must ensure that no previous advance is outstanding in his/her name before submitting the proposal for a fresh advance. Settlement of the advances must be processed in the same file where advance was being sanctioned.
  6. In view of the above guidelines, officials who have not settled their advances within fifteen days of drawal of advance are requested to propose for settlement on priority.

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12/11/23  
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