No. A/VII/1083/Suspend

To

All concerned
(through website only)

Subject: Dispensing with monetary settlement of Inter-Departmental transactions between Central Civil Ministries/Departments and Ministry of Defence.

HQrs Office letter cited under reference on the above cited subject is forwarded herewith for information and compliance please.

Please ack. receipt.
PCDA has approved.

Sd-
Sr. Accounts Officer (A/Cs)

Copy to:
The O.I/C
‘IT&S’ Section
(Local)

For uploading on PCDA (WC) website.

Sr. Accounts Officer (A/Cs)
Dispensing with monetary settlement of Inter-Departmental transactions between Central Civil Ministries/Departments and Ministry of Defence.


2. This HQrs office letter of even No. dated 07-8-2019 addressed to PCCAs/CCAs/CA (copy enclosed)

As per existing practice, transactions arising in the books of PCsDA/CsDA which are adjustable in the books of PAOs of Ministries and Department of Central Government are settled on cash basis. Such transactions are initially adjusted by the PCDA/CDA under Suspense Head. This Suspense Head is relieved on receipt of cheques from PAO of the Ministry/Department to which transaction pertains.

Since present system of Inter-Departmental transfer's is not an efficient system as reimbursement from Ministries are not received timely, therefore, matter was taken up with CGA Office for dispensation of PAO suspense vide our letter of even No. dated 10.09.2018.

3. CGA office vide their F.No.1(8)/TA-11/LOA-MoD/2019/168 dated 12-07-2019 has instructed that all the Pr.CCAs/CCAs of Civil Ministries/Departments will issue Letter of Authorization (LOA) to Pr. Controllers of Defence Accounts of the Ministry of Defence in physical mode in compliance with Para 8.5 of CAM for settlement of claims with them. Ministry of Defence shall provide the figures of expenditure against LOA to Central Civil Ministries/Departments to monitor the progress of expenditure as per Para 3.5 of CAM.
4. On the basis of Letter of Authorization (LOA) from Civil Ministries/Departments, direct booking of expenditure will be made by PCsDA/CsDA in terms of Para 8.5 of Civil Accounts Manual (CAM).

5. In this regard it is advised that on receipt of Letter of Authorisation from the Civil Ministries/Departments, it may be ensured that the code heads under the 15 digit Head of Accounts mentioned therein have been opened in our Pamphlet of RDR and in case no such Code Head has been opened in our books as yet, then matter should be referred to Accounts & Budget Division of the CGDA Office for opening of the necessary Code Heads in the Pamphlet of RDR Heads in consultation with MoD(Fin)/DGADS. PCDA/CDA Office should also request for allowing provisional booking of expenditure under the proposed Code Heads pending approval of the MoD(Fin)/DGADS. Any delay on the part of the PCDA/CDA can lead to lapse of the funds allocated by the Ministry/Department concerned during that particular year which needs to be avoided.

6. It may be ensured that any Sanction received for availing services of MoD which envisage expenditure from MoD Budget and subsequent raising of claims against the Ministry/Department by booking the PAO Suspense heads may not be entertained henceforth.

7. Monthly report furnishing progressive figures of expenditure against LOAs may also be rendered to Civil Ministry/Department as per Para 2 of CGA OM No, ibid.

(Vinakshi Gupta)
Jt.CGDA(A&B)
No. A/1/12273/PAO/AG Susp

Dated: - 07-08-2019

To

All Pr. CCAs/CCAs
Civil Ministries/Departments

Sub:- Dispensing with monetary settlement of Inter-Departmental transactions between Central Civil Ministries/Departments and Ministry of Defence.


As per existing practice, transactions arising in the books of PCsDA/CsDA which are adjustable in the books of PAOs of Ministries and Department of Central Government are settled on cash basis. Such transactions are initially adjusted by the PCDA/CDA concerned under Suspense Head. This Suspense Head is relieved on receipt of cheques from PAO of the Ministry/Department to which transactions pertain to.

2. Since present system of Inter-Departmental transfers is not an efficient system as reimbursement from Ministries is not received timely, matter was taken up with CGA Office for dispensation of PAO suspense vide our letter of even No. dated 10.09.2018.

3. CGA office vide their F.No.1(8)/TA-11/LOA-MoD/2019/168 dated 12-07-2019 has instructed that all the Pr.CCAs/CCAs of Civil Ministries/Departments will issue Letter of Authorization (LOA) to Pr. Controllers of Defence Accounts/Controllers of Defence Accounts of the Ministry of Defence in physical mode in compliance with Para 8.5 of CAM for settlement of claims with them. Ministry of Defence shall provide the figures of expenditure against LOA to Central Civil Ministries/Departments to monitor the progress of expenditure as per Para 8.5 of CAM.

4. On the basis of Letter of Authorization (LOA) from Civil Ministries/Departments direct booking of expenditure will be made by PCsDA/CsDA in terms of Para 8.5 of Civil Accounts Manual (CAM). However, Ministries/Departments issuing LOAs may ensure that adequate time of is given to the PCsDA/CsDA concerned for opening of appropriate heads of Accounts in the books of MoD. Hence any LOAs issued at the fag end of the
Financial Year 2019-20 may be avoided and LOAs may be issued in advance so that the expenditure is booked within the same Financial Year after opening of Heads of Accounts in the book of MoD.

5. All Pr.CCAs/CCAs/CAs of the Ministries/Departments are requested to take necessary action for settlement of pending claims (Rs. 472.43 Crs as on 31.3.219) with Ministry of Defence. Any query relating to settlement of pending claims may please be forwarded to Ms Priyanka Chandra Sr. Dy.CGDA of this office.

Copy to:

1. CGA, Ministry of Finance
   Department of Expenditure
   Block-E, GPO Complex, INA, New Delhi-11023

2. AFA (Budget-II)
   MoD (Fin), South Block

3. Addl Dte Gén of Financial Planning
   GS Branch, AHQ, New Delhi

4. Directorate of Naval Plans,
   IHQ of MoD (Navy), South Block, New Delhi

5. Directorate of Financial Planning
   Air HQ, Vayu Bhawan, New Delhi

6. DDG (Budget), Ordnance Factory Board
   10-A Khudiram Bose Road, Kolkata

7. Dte of Budget, Finance & Accounts
   'A' Block, DRDO Bhawan, Rajaji Marg, New Delhi

8. HQrs DGBR
   Seema Sadak Bhawan
   Ring Road Delhi Cantt-110010

9. Dy. Director (Plans)
   Coast Guard HQrs
   National Stadium Complex, New Delhi

For information please w.r.t their OM No. cited under reference.

For information:

For information & necessary directions to the Units/ Formations for ensuring that Ministries / Department have rendered letter of Authorization to the concerned PCDA/CDA while availing services or procuring stores.

(Vinakshi Gupta)
Jt. CGDA (A&B)