

**CONTROLLER GENERAL OF DEFENCE ACCOUNTS
ULAN BATAR ROAD, PALAM, DELHI CANTT.**

IFA Wing

INSTRUCTION No. 04 OF 2011

No. IFA/849

Dated 22 Feb. 2011

To

All PCsDA/CsDA/IFAs and all RTCs

Sub: Processing of cases upto the stage of Expenditure sanction/Supply Order/Contract in anticipation of Budget allocation.

References have since been received from some quarters whether supply order can be issued during Vote On Account (VOA) period pending passing of full BE.

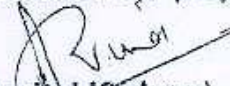
2. It was clarified in Instruction No.15 of 2008, issued under No. PIFA/Navy/SNC/PC-1/AON Dated 19th August 2008, that procurement action can be taken in anticipation of budget allocation to avoid loss of time. This would include AON, Vendor Selection/Issue of RFP, TEC, TPC/PNC etc. However, concurrence for expenditure sanction/issue of supply order should be accorded only after funds have become available.

3. The issue of processing of procurement proposals and placing of supply order without linking availability of funds was considered by MoD (Fin) and the Para 5.2.5 of DPM-2009 has been amended to include the following.

" In the case of stores having a long lead time , a purchase proposal may be processed without linking it with actual availability of funds and the supply order/contract placed in the last quarter of the Financial Year (FY)(January to March) when the delivery will take place in the ensuing FY/s and there is a reasonable assurance of availability of funds in the budget of that/those year/s taking into account the anticipated cash outgo against the contractual /committed liabilities for the FY/s. However, the payment against supply orders will only be made after confirmation of funds in the FY in which it becomes due."

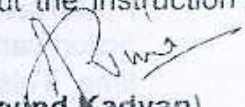
(Ref. Sl. No. 21 of Section II of Supplement 2010 to DPM2009).

4. All IFAs are advised to regulate the procurement proposals accordingly.


(Arvind Kadyan)
Jt. CGDA (IFA)

Copy to:

1. AS & Addl. FA (A), MoD (Fin.), New Delhi – for information
2. JS & Addl. FA (S), MoD (Fin.), New Delhi – for information
3. ADG FP Army HQrs., G S Branch, New Delhi
4. ACAS (Fin./P) Air HQrs. Vayu Bhawan, New Delhi
5. ACNS (P&P) IHQ MoD Navy, South Block, New Delhi
6. DG Coast Guard Naitaion Stadium Complex, New Delhi
7. DG Border Raods, Seema Sadak Bhawan, New Delhi
8. Assistant CIDS (FP) South Block, New Delhi
9. Agrami SFC HQ Pin 908547 C/ 56APO –For info w.r.t. their No.SFC/5307/IFAs Ins/FP Dated 10.01.2011.
10. Jt. CGDA (AT-I)
11. Jt. CGDA (AT-II)
12. Jt. CGDA (AT-III)
13. Jt. CGDA (A/c. & B)
14. Jt. CGDA (Trg.)
15. Sr. Dy. CGDA (EDPS) with the request to put the instruction on the website


(Arvind Kadyan)
Jt. CGDA (IFA)