



FINANCE (BG.I) DEPARTMENT,  
SECRETARIAT,  
CHENNAI – 600 009.

**Letter No. 16069 / B.G-I / 2020-3, dated 18.06.2020**

From  
Thiru S.Krishnan, I.A.S.,  
Additional Chief Secretary to Government.

To  
The Additional Chief Secretaries / Principal Secretaries / Secretaries to Government,  
Departments of Secretariat, Chennai-9.  
The Legislative Assembly Secretariat, Chennai - 9.  
The Secretary to the Governor, Governor Estate, Chennai - 22.  
All Heads of Department.  
The Registrar General, High Court, Chennai -104.  
The Secretary, Tamil Nadu Public Service Commission, Chennai-3  
The Commissioner, Government Data Centre, Chennai-25.  
The Commissioner of Treasuries and Accounts, Chennai-35.

Sir / Madam,

Sub: COVID-19 – Economy in Expenditure during 2020-21 –  
Introduction of certain measures to control expenditure –  
Orders issued – Clarification – Issued – Regarding.

Ref: G.O. (Ms) No.249, Finance (BG-I) Department, dated  
21.05.2020.

I am to invite kind attention to the Government order cited, wherein the Government had ordered austerity measures through reduction in expenditure against certain object heads.

2. In this connection, based on the doubts / clarifications solicited by some of the departments, the following clarifications are issued for proper understanding of the issues and effective implementation of the Government order cited.

S.No.	Clarification solicited	Clarification given
1	Reduction in expenditure is ordered object-wise; whether this needs to be enforced at each sub-head level.	The reductions / cut shall be imposed for each and every sub-head of account connected to the object heads prescribed in the Government order.

S.No.	Clarification solicited	Clarification given
2	Whether the cut in the expenditure should be implemented immediately, subject to the Quarterly Control of Appropriation (QCA) system?	The economy in expenditure is announced in the first quarter itself. Hence, the appropriate reduction in expenditure shall be applicable from the first quarter itself and the expenditure shall be reduced across the four quarters proportionately, as per the orders issued on the QCA system vide G.O.Ms.No.226, Finance (BG.I) Department, dated 30.03.2020.
3	If, in case, the expenditure for the first quarter was incurred prior to the issue of the G.O.Ms.No.249, Finance (BG.I) Dept., dated 21.5.2020, based on the original appropriation, how to regulate the total cut imposed by the Government?	<p>If the first quarter expenditure is already incurred prior to the issue of the G.O., the excess expenditure as per the revised allocation shall be adjusted in the second quarter without fail.</p> <p>In the case of non-QCA applicable items also, the total expenditure shall not exceed the limits prescribed in the G.O., and efforts must be made to rationalize the expenditure.</p>
4	If the QCA has been relaxed already by the Government for any sub-head of account or the QCA system is not applicable to the object head indicated in the G.O., how to impose / enforce the total cut for the particular object head in respect of the Head of Department concerned?	<p>Even though the QCA has been relaxed by the Government and where the expenditure is not incurred till the date of issue of the G.O., the expenditure for the QCA relaxed sub-head shall also be restricted to the level ordered in the G.O.</p> <p>If the expenditure was already incurred in full under the particular sub-head, the Head of Department may find some other sub-head(s) under the department and adjust the excess expenditure in order to ensure the total cut is achieved as per the G.O.</p>
5	Whether the restrictions are applicable to <b>Centrally Sponsored Schemes (CSS) / Schemes shared between State and Centre?</b>	The reduction in expenditure shall not be applicable for CSS / Shared Schemes, where the Central share of funds has been received already. Otherwise, expenditure in anticipation of release of funds shall not be allowed.

S.No.	Clarification solicited	Clarification given
6	<p>Incurring of expenditure in respect of the object head <b>'Machinery and Equipment - Purchase'</b>.</p>	<p>The H&amp;FW Dept., and Fire &amp; Rescue Services Dept., and schemes coming under EAP have already been permitted to purchase necessary Machinery and Equipment as per the budget allotment without any restriction. The 25% cut mentioned in G.O., is aimed at collective expenditure control under all the Demands for Grants.</p> <p>Hence, in respect of all other departments, since the Government has already instructed to postpone the procurement for a year, no expenditure shall be incurred from this object head during the current financial year and the provisions made in BE shall be surrendered in full in the Revised Estimates for 2020-21.</p>
7	<p>Incurring of expenditure in respect of the object head <b>'Motor Vehicles - Purchase'</b>.</p>	<p>A total ban on purchase of new vehicles has been imposed in the G.O., except for emergency services like Medical / Ambulatory Services, Police and Fire Services, VVIP security, etc. Therefore, the expenditure connected with the above emergency services shall alone be incurred by the respective departments, under the relevant heads of accounts. Apart from the above, the budget provisions in respect of all other sub-heads connected to this object head shall not be used at all and surrendered in full by the Heads of Departments in the Revised Estimates for 2020-21.</p>
8	<p>Incurring of expenditure in respect of the object head 'Training' - whether 50% cut should be imposed on the fundamental training or other training programmes?</p>	<p>The fundamental / foundation training programmes forming part of the probation / promotion and COVID-19 related training requirements have already been permitted in the G.O. However, the over all cut of 50% shall be achieved through avoidance of other non-essential trainings including foreign trainings.</p>
9	<p>Whether the request transfer to a vacant place where the TTA is not allowed, can also be ordered by HoD concerned?</p>	<p>In addition to transfers on administrative grounds by the next higher authority and mutual transfers, the request of transfers to vacant places can also be considered by the appropriate authority, subject to the condition that this shall not pave way for administrative exigencies later.</p>

S.No.	Clarification solicited	Clarification given
10	Whether the economy measures ordered in the G.O., is applicable to the State owned entities like the Boards / Corporations / Societies / Special Purpose Vehicle modules?	All the economy measures ordered in paragraph 2 of the G.O., have been aimed at reducing the expenditure from the State's exchequer and will be fully applicable for the withdrawals through the Treasury system.  In the case of State owned entities, who receive financial assistance from the Government in any form, i.e., grants / subsidies / share capital assistance / loans, the economy measures may be made applicable with the due approval of the Board / Committee / etc of the respective institution.
11	Whether the revised allocations should be entered in the IFHRMS also?	Yes, since the IFHRMS is 'Go-Live' in 2 PAOs and 5 Districts currently, the cuts are to be entered in the IFHRMS also.

Yours faithfully,

  
for Additional Chief Secretary to Government

Copy to

All Departments of Secretariat (Bills), Chennai - 9.  
The Accountant General (A&E / E&RA), Chennai-18.  
The Principal Accountant General (G&SSA), Chennai-18.  
All Pay and Accounts Officers / Treasury Officers / Sub-Treasury Officers.  
All Officers in Finance Department, Chennai-9.  
All Sections in Finance Department, Chennai-9.  
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