INTRODUCTION

(Notification No. 7435-17-R-VI(Codes), dated the 4th July, 1955,

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In exercise of the powers conferred by clause (2) of Article 283 of the Constitution of India and in suppression of this department Notification No. 2455-1882-R-VI-III, dated the 29th March, 1950, the Governor of Madhya Pradesh in pleased to make the following rules, Namely:-

Section I-Short title and commencement

1. These Rules may be called the "Treasury Rules, Madhya Pradesh" and they shall come into force on the 1st September, 1955

1-A- If the Government consider it necessary or expedient so to do for avoiding any hardship or removing any difficulty that my arise as a result of the application of these rules, it may, subject to such restrictions and conditions, if any, as it may think fit to impose dispense with or relax the provisions of any of these rules in any case or class of cases.

Section II Definitions

2. In these rules, unless the context otherwise requires, the following expressions have the meaning hereby assigned to them, that is to say:-

(a) " Accountant-General" means the head of the office of audit or of accounts and audit who is subordinate to the Comptroller and Auditor- General and who keeps the accounts of the State and exercises audit functions in relation to those accounts on behalf of the Comptroller and Auditor-General.

(b) "The Bank" means any office or branch of the Banking Department of the Reserve Bank of India, any branch of the State Bank of India, acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act (2 of 1934) and any branch of a Subsidiary Bank as defined in Section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959). Which is authorised to transact Government business as agent of the State Bank of India, or any other agency appointed by the Reserve Bank of India.

(c) "Collector" means the Chief Officer in charge of the revenue administration of a district.

(d) " Consolidated Fund of the State" means the Fund into which the revenues received by the State Government, loans raised by the Government by the issue of treasury bills, loans or ways and means advances and money received by that Government in repayment of loans are credited , and from which the expenditure of that Government , when so authorised by the State Legislature is met.

(e) "The Constitution" means the Constitution of India.

(f) " Indian Audit and Accounts Department" means the officers and establishment, subordinate to the Comptroller and Auditor-General, that are employed upon the audit or upon the keeping and audit of accounts of the Union and of the State, or upon one or other of these duties.

(g) "Minister of Finance" means one of the Governor's Ministers to whom the business of finance is allocated by the Governor by what so ever designation such person may be called.

(h) public Account of the State" means the Account into which all moneys other than those pertaining to the 'Consolidated Fund of the State' received by or on behalf of the State Government are credited, e. g. State Provident Funds, Sinking Funds, Reserve Funds, Deposits and Remittances, etc. , and from which disbursements are made in accordance with the prescribed rules.

(i) "State" and "Government" means respectively the State of Madhya Pradesh and the Government of Madhya Pradesh.

(i) "Treasury" means any treasury of the State and includes a sub-treasury.

(k) " Bank Treasury" means a treasury the cash business of which is conducted by the Bank and a "Non-Bank Treasury" means a treasury other than a Bank Treasury.

Section III- Location of money standing in the Consolidated Fund and the public Account of the State

3. Save as provided in sub-rule(2) of rule 7, moneys standing in the Consolidated fund and the Public Account of the State must either be held in the treasury or in the Bank . Moneys deposited in the Bank

shall be considered as one general fund held in the books of the Bank on behalf of the State.

The deposit of such moneys in the Bank shall be governed by the terms of the agreement made between the Governor of the State and the Bank under section 21 of the Reserve Bank of India Act, 1934 (Act II of 1934)

Note:- The agreement with the Bank is reproduced as Appendix I.

Section IV- General system of control over Treasury

DISTRICT TREASURIES

4. (1) Unless the Government, after consultation with the Accountant-General otherwise direct in any special case, there shall be a treasury in every district. If moneys standing in the Consolidates Fund and public Account of the State are, in any district, not deposited in the Bank, the treasury of that district shall be divided into two departments; a department of accounts, under the change of an Assistant Treasury officer and a department of cash, stamps and opium, under the charge of a Treasurer.

(2) The treasury shall be under the general charge of the Collector, who may entrust the immediate executive control to a Treasury Officer subordinate to him but may not divest himself of administrative control. The Collector shall be responsible for the proper observance of the procedure prescribed by or under these rules and for punctual submission of all returns required from the treasury by the Government, the Accountant-General and the Bank.

Subject to the provisions of this rule, the respective responsibilities of the Collector and the Treasury Officer for business of the treasury shall be such as may be defined in accordance with such rules as the Minister of Finance may approve, after consultation with the Accountant-General.

(3) The duty of verifying and certifying the monthly cash balance, if any, in the treasury in such manner as the Minister of Finance after consultation with the Accountant-General may prescribe and of submitting the monthly accounts of such balance in such form and after such verification as the Accountant-General may require shall be undertaken by the Collector or by such other officer as the Government may specify. It must be performed by the Collector in person at least once in every period of six months.

(4) When a new Collector is appointed to a district, he shall at once report his appointment to the Accountant-General and shall certify to the Accountant-General the amount of the cash balance and stamp (including Match Excise Banderols) an opium stores, if any, which he has taken over. The certificate shall be submitted in such form and after such verification as the Minister of Finance may, after consultation with the Accountant-General, prescribe.

(5) No portion of the responsibility for the proper management and working of treasuries shall devolve upon the officers of the Indian and Accounts Department. The inspection of treasuries by officers of the Indian Audit and Accounts Department shall not relieve the Collector of his responsibilities for management and inspection.

SUB- TREASURIES

5. If the requirements of the public business make necessary, the establishment of one or more sub-treasuries under a district treasury, the arrangements for the administration thereof the proper conduct of business therein shall be such as may

be prescribed by the Minister of Finance after consultation with the Accountant-General.

The daily accounts of receipts and payments of moneys at a sub-treasury must be included in the accounts of the district treasury.

OFFICE OF THE ACCOUNTANT-GENERAL

6. The office of Accountant-General may with the consent of and subject to such conditions as may be prescribed by the Comptroller and Auditor General, perform all or any prescribed part of the duties of a treasury in respect of claims against the Government that may fall due for disbursement and moneys that may be tendered for credit to the Consolidated Fund and Public Account of the State.

Section V- Payment of money into the Consolidated Fund and public Account of the State.

7. (1) Save as hereinafter provided in this section all moneys received by or tendered to Government servants on account of the Consolidated Fund and public Account of the State, shall with out undue delay be paid in full into the treasury or into the bank and shall be included into the Consolidated Fund and public Account of the State. Moneys received as aforesaid shall not be appropriated to meet departmental expenditure, nor otherwise kept apart from the Consolidated fund and public Account of the State. No department of the Government may require that any moneys received by it as aforesaid be kept out of the Consolidated Fund and Public Account of the state.

(2) Notwithstanding anything contained in sub-rule(1) of this rule direct appropriation of departmental receipts for departmental expenditure is authorised in the following cases, that is to say:-

(a) in the case of moneys received on account of the service of summonses, diet-money of witnesses and similar purposes in civil, revenue and criminal cases;

(b) in the case of deposits received at a Civil Court and utilised by the Court to meet claims for the refund of such deposits;

(c) in the case of fees received by Government servants appointed Notaries public, under Act (LIII of 1952), and utilised to defray legal expenses, incurred by them in the discharge of their duties as such Notaries public;

(d) in the case of cash receipts utilised in accordance with departmental regulations by the public Works Department to defray expenditure on current works, or utilised by that department under the authorisation of the Accountant-General to defray pay and travelling allowance charges;

(e) in the case of cash found on the persons of prisoners at the time of their admission to jail, and used for the repayment by Jail Superintendents under departmental regulations of similar sums due to other prisoners on their release;

(f) in the case of cash received by the Forest Department and utilised in meeting immediate local expenditure;

(g) in the case of collections in Government hospitals and utilised for making refunds, if any to patients leaving the hospitals;

(h) in the case of Courts allowed to make refunds out of money received by them as fines;

(i) in cases covered by the rules in other authorized Codes:

Provided that the authority hereby given to appropriate departmental receipts for departmental expenditure shall not be construed to keep the departmental receipts and expenses defrayed therefrom outside the account of the payments into and the withdrawals from the Consolidated Fund and Public Account of the State.

8. Moneys received by or deposited with---

(a) any officer employed in connection with the affairs of the State in his capacity as such, other than revenues or public moneys raised or received by the State Government, or

(b) any Court within the State to the credit of any cause, matter, account or persons, shall be paid into the public Account of the State. If any question arises whether moneys are or are not moneys relating to or forming part of the Public Account of the State, the question shall be referred to Government whose decision shall be final.

9. (1) A Government servant may not, except with the special permission of the Government, deposit in a bank moneys withdrawn from the Consolidated Fund and Public Account of the State under the provision of Section VII of these rules.

(2) With the permission of the Governor, his Private or Military Secretary may open an account in a bank for the deposit of funds under the personal control of the Governor.

10. The procedure to be adopted by Government servants in receiving moneys on account of the Consolidated Fund and Public Account of the State, granting receipts for such moneys and paying them into the aforesaid accounts and by the treasury and the Bank in receiving such moneys and granting receipts for them shall be such as may be prescribed by the Minister of Finance after consultation with the Accountant-General. The procedure so prescribed shall among other matters, contain provisions so as to secure that--

(1) any person paying money into the treasury shall present with it a memorandum (chalan) in such form, as may be prescribed, which will show clearly the-nature of the payment and the person or Government servant on whose account it is made and will thus contain all the information necessary for the preparation of the receipt

to be given in exchange and for the proper accounts classification of the credit and its allocation between Governments and departments concerned;

(2) at places where the money is to be deposited in the Bank, the memorandum or chalan referred to in clause(i) above, shall except where otherwise provided be presented directly to Bank with money which will receive it and grant a receipt;

(3) if a cheque on a bank is accepted in payment of Government dues under any rules, a receipt for the actual cheque only shall be given, but the formal receipt for payment shall not be delivered until the cheque has been accepted by the Bank on which it is drawn; and

(4) at places where the money is to be deposited in the bank the advices of receipts, which according to any provision made under this rule have to be sent to public officers or departments and consolidated receipts or certificates of receipts required by any such provision to be given to any public officer or department, shall be given by the treasury and not by the Bank.

Section VI- Custody of moneys relating to or standing in the Consolidated Fund and Public Account of the State.

11. (1) The procedure for the safe custody of moneys in the hands of Government servants, or held in a treasury, shall be as prescribed by the Minister of Finance, after consultation with the Accountant-General.

(2) The Bank is responsible for the safe custody of Government moneys deposited in the Bank.

Section VII- Withdrawal of moneys from the Consolidated fund and public Account of the State.

12. In this section" Withdrawal" with its cognate expressions refers to the withdrawal of funds from the Consolidated Fund and Public Account of the State, for disbursements of or on behalf of the State other than, disbursements in the United Kingdom.

13. Unless the Minister of Finance, after consultation with the Accountant-General, otherwise directs in any case, moneys may not be withdrawn from the consolidated Fund and Public Account of the State without the written permission of the Treasury Officer or of an officer of the Indian Audit and Accounts Department authorized in this behalf by the Accountant-General.

14. The Accountant-General may permit withdrawal for any purpose with in the limit of his own jurisdiction. Unless expressly authorized by these rules or by any special orders of the Government, the Accountant-General may not permit withdrawal at a place outside the limits of his own jurisdiction.

15. (a) Subject as hereinafter provide in this section a Treasury Officer may permit withdrawal for all or any of the following purposes, namely:-

(i) To pay sums due from the Government to the drawing officer,

(ii) To provide the drawing officer with funds to meet claims likely to be presented against the Government in the immediate future by----

(1) other Government servants, or

(2) private parties.

(iii) To enable the drawing officer to supply funds to another Government servant from which to meet similar claims

(iv) To pay direct from the treasury or from the Bank sums due by Government to a private party.

(v) In the case of an officer or authority empowered to make investments of moneys standing in the Consolidated Fund and the Public Account of the State, for the purpose of such investment.

(vi) To pay sums to the drawing officer on account of permanent Advance sanctioned to his office.

(b) Unless expressly authorized by the Accountant-General, a Treasury Officer shall not permit withdrawal for any purpose not specified in clause(a) of this rule.

(c) A Treasury Officer shall not permit the first drawal by a drawing officer of a newly created officer or an office created by bifurcation of an existing office, unless a declaration from the Government nominating/authorising the Head of the office issued by the Government, is received in audit and an authority is received by the Treasury Officer from the Accountant-General, placing the new drawing officer in account with the treasury. First payment shall be made after specimen signatures are received, in the manner laid down in S. R. 157 of the M. P. T. C. Volume-I.

16. Except as provided in rules 26 and 27, a Treasury Officer shall not permit withdrawal for any purpose unless the claim for withdrawal is presented by such person and in such form, and has been satisfactorily submitted by the Treasury Officer to such checks, as the Minister of Finance, after consultation with the Accountant-General, may prescribe. The procedure so prescribed shall, among other matters, contain provisions so as to secure---

(i) that any person having a claim against Government shall present his voucher at the treasury duly receipted, and stamped where necessary, and that unless otherwise specially provided no such claim shall be paid unless the claim is first submitted to, and the payment directed by, the Treasury Officer;

(ii) that where sub-treasuries are specially permitted by the Government to cash certain classes of bills without reference to the Treasury Officer , the payment of such bills shall not, except under special arrangements and on particular occasions, be allowed at the district treasury also;

(iii) that all bills and vouchers on which payment is made by the Treasury Officer or which are enforced by him for payment at the Bank or a sub-treasury shall show to what head of account the payment is to be debited, how the amount of the payment

is to be allocated between Governments or departments, and what amount, if any, appertains to other Governments.

17. A Treasury Officer has no general authority to make payments on demands presented at the treasury, his authority being strictly limited to the making of payments authorized by or under these rules. If a demand of any kind is presented at a treasury for a payment which is not authorized by or under these rules, or is not covered by a special order received from the A ccountant-General, the Treasury Officer shall decline payment for want of authority. A Treasury Officer has no authority to act under an order of Government sanctioning a payment; unless the order is an express order to him to make the payment; and even such special orders should, in the absence of urgency, be sent through the Accountant-General.

18. A Treasury Officer shall not honour a claim which he considers so be disputable. He shall require the claimant to refer it to the Accountant-General.

19. Expect as provided by rules 20 and 21 a payment shall, unless Government by general or special order otherwise direct be made in the district in which the claim arises.

20. The leave salary of a gazetted Government servant who draws his leave salary in India may be paid in any district of the State and the leave salary of a non-gazetted Government servant may be drawn from that treasury or office of disbursement only from which his pay could be drawn if he were on duty. In the latter case, the Government Servant must make his own arrangement where necessary, for getting his leave salary remitted to him.

21. Pensions payable in India may be paid in any district of the State.

22. No withdrawal shall be permitted in order to meet the pay, leave salary or allowances of a gazetted Government servant or a reward or honorarium payable to gazetted Government servant, or any pensions until the Accountant-General has intimated to the Treasury Officer the rate at which payment shall be made; provided that the Government may, for special reasons and with the concurrence of the Accountant-General, waive the provisions of this rule.

Note:- In the following cases, the Government, in consultation with the Accountant-General, Madhya Pradesh, have waived the substantive provision of the rule and consequently no authority of the Accountant-General for permitting the withdrawal of funds in such cases is necessary:-

(a) For payment of honorarium to a gazetted Government servant by the Editor " Sainik Samachar" for contributing articles, etc:

(b) For payment to be made under the scheme for the withdrawal of pay and allowances etc. , of gazetted Government servants by Heads of offices, in Establishment bill forms;

(c) For payment of pay and allowances by Indian Embassy etc. , to a gazetted Government servant sent on deputation abroad for a period

not exceeding two months in cases where the sanction itself is regarded as an authority for making the payment;

(d) for payment of honorarium to a gazetted Government servant by the Public Service Commission;

(e) for payment of honorarium of an occasional nature upto Rs. 100 by a Head of Office to a Gazetted Government servant.

23. No withdrawal shall be permitted on a claim for the first of any series of payment in a district, of pay or allowance to a Government servant other than a person newly appointed to Government service, unless the claim is supported by a last pay certificate in such form as may be prescribed by the Comptroller and Auditor-General. A Treasury Officer may not permit any withdrawal in respect of pay or allowances of a Government servant to whom he has granted a last pay certificate, unless the certificate is first surrendered.

Note:- Withdrawal for a claim for travelling allowance in respect of journey by a retiring All-India Service Officer and his family, from his last place of duty to a place where he wishes to reside, may be permitted by a Treasury Officer even without surrendering the Last Pay Certificate.

23-A Unless the Government specially direct otherwise in any case, a Treasury Officer shall not make payment on account of the Government's investments in a Company, Corporation or similar autonomous organisations except on the authority of the Accountant-General, Madhya Pradesh. This condition will however, not apply in the case of investments in the form of share capital of or loans to any co-operative society registered under M. P. Co-operative Societies Act.

24. The Treasury Officer shall be responsible to the Accountant-General for acceptance of the validity of a claim against which he has permitted withdrawal, and for evidence that the payee has actually received the sum withdrawn.

25. A Treasury Officer shall obtain sufficient information as to the nature of every payment, he is making and shall not accept a claim which does not formally present that information unless there are valid reasons, which he shall record in writing for omitting to require it.

26. A Treasury Officer may correct an arithmetical inaccuracy or an obvious mistake in any bill presented to him for payment, but shall intimate to the drawing officer any correction which he makes.

27. A Collector may, in circumstances of urgency, by an order in writing authorise and require a Treasury Officer to make a payment, not being a payment of pension, without complying with the provisions of these rules. In any such case the Collector shall at once forward a copy of his order and a statement of the circumstances requiring it, and the Treasury Officer shall at once report the payment, to the Accountant-General.

Note:-- The need for exercising the special power under this rule, should not arise at all in normal conditions. The power should be used only in real cases of

urgency, e. g. floods, earthquake and the like, and withdrawals of money under this rule should, as far as possible, exclude all personal claims of Government servants.

28. A Government servant who is authorized to draw moneys by means of cheques shall notify to the Bank or the treasury upon which he draws, the number of each cheque book brought into use and the number of cheques it contains.

29. When a Government servant who is authorized to draw or countersign cheque or bill payable at the treasury or the Bank makes over charge of his office to another , he shall send a specimen of the relieving Government servant's signature to the Treasury Officer or to the Bank , as the case may be.

SectionVIII- Transfer of moneys standing in the Consolidated Fund and public Account of the State.

30. The transfer of Government moneys from one treasury to another and between the currency chest balance and treasury balance of a treasury and between a treasury and the Bank shall be governed by such instructions as may be issued in this behalf by the Minister of Finance after consultation with the Reserve Bank of India. The transfer of moneys from or to a small coin depot to or from a treasury under the control of the Government of the State shall be governed by instructions issued by the Central Government in this behalf.

Section IX- Responsibility for money withdrawn

31. If a Treasury Officer receives intimation from Accountant-General that moneys have been incorrectly withdrawn and that a certain sum should be recovered from a drawing officer, he shall effect the recovery without delay and without regard to any correspondence undertaken or contemplated with reference to the retrenchment order; and the drawing officer shall without delay repay the sum in such manner as the Accountant-General may direct.

32. (a) Subject as hereinafter provided in this rule, the procedure to be observed by a Government servant in regard to moneys withdrawn from the Consolidated Fund and Public Account of the State for expenditure shall be such as may be prescribed by the Minister of Finance after consultation with the Accountant-General.

(b) A Government servant supplied with funds for expenditure shall be responsible for such funds until an account of them has been rendered to the satisfaction of the Accountant-General. He shall also be responsible for seeing that payments are made to persons entitled to receive them.

(c) If any doubt arises as to the identity of the Government by whom an account of such funds shall be rendered, it shall be decided by Government.

Section X- Inter Government transaction

33. (1) Save as provided hereafter in this section no transactions of the State with another Government shall be adjusted against the balance of the State except in accordance with such directions as may be given by the Comptroller and Auditor-

General with the approval of the Central Government to regulate the procedure for the accounting of transactions between different Governments.

(2) Moneys presented within the jurisdiction of another Government for credit to the Consolidated Fund and Public Account of the State or a payment made by another Government as a withdrawal affecting the balances of the Consolidated Fund and Public Account of the State shall not be credited or debited to the Consolidated Fund and Public Account of the State except under express authority of the Accountant-General or any other Accounting Officer authorized in this behalf by the Comptroller and Auditor-General.

(3) All adjustments against the balance of the State by debit or credit to another Government shall be made through the Central Accounts Office of the Reserve Bank of India.

34. Where such a course is authorized in consequence of a delegation of functions made under sub-section(1) of Article 258 of the Constitution the Treasury Officer may receive or authorize the Bank to receive moneys tendered on behalf of the Central Government, and may make or authorize the Bank to make disbursements on behalf of the Central Government in accordance with such procedure as may be specified in the rules made by or under the authority of the president. Such receipts and disbursements on behalf of the Central Government shall be adjusted, as far as practicable, directly against the balance of the Central Government held by the Bank, but where such transactions are temporarily taken into account against the balance of the Consolidated Fund of the State or the public Account of the State, as the case may be, the Accountant-General will on receipt of intimation from the treasury make the requisite adjustments in respect of the aforesaid transactions through the Central Accounts Office of the Reserve Bank of India, against the balances in the Consolidated Fund or the Public Account of India held by the Bank.

35. The Treasury Officer may, subject to any general or specific direction of the Government in this behalf, receive or authorise the Bank to receive moneys tendered on behalf of another State and may, if so required by the Accountant-General, make or authorize payment of any claim against another State. The necessary credits or debits in respect of such receipts and payments against the balance of the State concerned shall be made by the Accountant-General through the Central Accounts Office of the Reserve Bank of India, but until such adjustments are made the credits and debits shall be entered in the Consolidated Fund and Public Account of the State, as the case may be.

Moneys paid or received in the office of the Accountant-General on behalf of another State and book entries made in the office of the Accountant-General affecting the accounts of another State shall likewise be adjusted by the Accountant-General through the General Accounts Office of the Reserve Bank of India against the balances of the State concerned.

Section XI- Receipts and disbursements of the State in the United Kingdom.

36. Moneys received in the United Kingdom on account of the Consolidated Fund of the State may be paid into, and funds required for disbursements of or on behalf of the State in that country may be withdrawn from the balances of the Consolidated

Fund of India in that country, in accordance with such procedure as may be prescribed for the transactions of the Central Government in the United Kingdom. These transactions shall be adjusted in India, at the earliest opportunity, against the balances of the Consolidated Fund of the State according to such directions as may be given in this behalf by the Comptroller and Auditor-General of India with the approval of the president.

Section XII- Supplemental

37. The Accountant-General in the exercise of any of this functions under these rules shall be subject to the general control of the Comptroller and Auditor-General of India.

38. Nothing in these rules, and nothing prescribed under these rules shall have effect so as to impede or prejudice the exercise by the Comptroller and Auditor-General of India of the powers vested in him by or under the constitution, to make rules or to give directions regulating the submission to the Indian Audit and Accounts Department of the accounts kept in treasuries or in departmental offices and to be accompanied by such vouchers for their support as the Comptroller and Auditor-General may require for purpose of audit.

39 The Minister of Finance may not exercise any power conferred upon him by these rules so as impose upon the Bank in connection with the business of the Government any responsibility not imposed upon the Bank by the terms of its agreement with the Governor.