

*Chapter-XXX

Annual Forest Department Budget Estimates

30.01 Introductory:Provisions as per Maharashtra Budget Manual:-

All matters concerned with the preparation, consolidation and submission of the budget estimate are governed by the provisions of the **Maharashtra Budget Manual, F.P.VI**. The following supplementary instructions are laid down for the preparation of the forest budget estimate and for enforcing the rules.

30.02 Principles of Govt. Budgeting: -

The budget is prepared for the one year and the appropriation in the same cannot be carried forward. Budget should be comprehensive in all respect containing part I history, details of programme and proposed activities. It should contain precise specifications given clearly. Budget demands must be presented in gross terms. It should be accurate and based on actual. The funds authorized (allotted) should not be diverted to other services. The budget should be periodically reviewed and corrective action taken in the interest of implementation of the programme. Receipts for budget consist of Tax and Non - Tax revenue (interest, dividend and departmental receipts).

Estimate of expenditure is framed for total period required indicating the year wise break up at different phases, position regarding availability of land, material, machinery, foreign exchange, personnel, etc. It is framed from resources obtainable from consolidated funds as well as reserve funds, public account. Expenditure from consolidated fund consists of 1) Revenue account 2) Capital Account and 3) Loan accounts. Expenditure from public account is incurred from available funds of provident fund, insurance and other reserve funds.

30.02.01 Estimates should generally be Gross: - The gross transactions in the case of both receipts and expenditure under every major head of account should be shown separately. As an exception, refunds of revenue are deducted from gross collection and budget is prepared for net receipt.

30.02.02 Budget Calendar: - The dates on which budget estimate, revised estimate etc. are to be submitted by the Administrative Department to the Finance Department have been prescribed in the Appendix 2 of M.B.M. Volume I. {Annexure XXX (I)}

30.02.03 Forms of Departmental Estimates of Revenue and Expenditure: - The selection forms for preparation of estimates of receipts and expenditure are given in **para 30 of M.B.M** Printed forms prescribed for the department are supplied to the estimating officers.

30.03 Different Parts of the Estimates: - The estimate should be prepared in the following parts for each sub head, non plan and plan, new items etc.

- a) Estimates of revenue.
- b) Estimates of expenditure part-I relating to fixed charges *i.e.* on account of salaries of permanent and temporary establishment, office expenses, rate, rent and taxes, motor vehicle for concerned detailed head.

- c) Estimates of expenditure part-2 relating to entirely new objects of expenditure for which approval of the legislature is required to be obtained.

Preparation of Receipt Estimate: - The Dy. C.F./Ind. Sub D.F.O. and other independent drawing and disbursing officers should prepare estimate of revenue in printed form and submit them to the C.C.F. /C.F. on 15th August. The C.C.Fs /C.Fs. after carrying out necessary consolidation should submit the estimate to the P.C.C.F.(HoFF) on 15th September in quadruplicate. P.C.C.F.(HoFF) should send the same to R. & F. D. on or before 15th October in triplicate which will be forwarded to the Finance Department by 1st of November.

30.03.01 Part I expenditure on continuing scheme: - The expenditure estimate is submitted in two parts. Part I estimates of expenditure on continuing schemes contains head, standing charges to be provided for in each detailed head separately in the prescribed form. The individual statements submitted by the heads of offices from which consolidated statements are prepared by the controlling officer, need not be submitted to the Administrative Departments. These estimates are forwarded to the Finance Department, by 1st of November.

30.03.02 Part II Expenditure on New Schemes: - The estimates for new expenditure are submitted for such items which need specific fresh sanction of the Government. These are the items which were not provided in the past year and are required to be included in the ensuing budget. Such items are known as new items of expenditures. Specific sanctions of Legislature or the Govt. are necessary on such new items depending on the nature and magnitude of expenditure involved. The new expenditure may be on a new service either new form of services or a new instrument of existing services.

30.03.03 New Instrument of Services: - Following monetary limits have been adopted in respect of new instrument of services:-

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|-----|---|-----------|
| (a) | Minimum Annual recurring expenditure -- | 2,00,000 |
| (b) | Minimum Annual Non recurring expenditure -- | 20,00,000 |
| (c) | Case including Recurring and non recurring expenditure -- | 20,00,000 |

(Circular 1004/letter.no. 43/Budget-1/ dated: 23.8.2004.){Annexure XXX (2)}

When the expenditure on new instruments of services is more than above limits, new items of expenditure should be processed. All new constructions should be included in Part II budget estimates.

30.03.04 Submission of Proposal for New Works: - To enable the finance department to judge the general scope and the cost of new scheme, and outline of the scheme and estimate if the scheme is a new major work must be sent to Finance Department for examination. The detailed plan and estimates of work need not be shown to Finance Department when the block (rough) plans and estimates are approved unless there is an increase of more than 10% of the cost over the cost shown in the rough estimate or there is a material deviation in the plan. A scheme work so approved by the Finance Department can then be approved administratively by the department proposing the expenditure.

Note: - The points which should normally be noted by the Head of Department and Administrative Department are:-

- In case of proposal for increase of staff or revision of pay, the number, rates of pay and allowances and the period if appointments are temporary should be given in details.
- Proposal should be given in the form given in para 30 of M.B.M. Annexure 'A'
- The financial effect of the proposal both in the budget in which it is proposed to give effect to them and in subsequent years should be clearly brought out. A careful estimate of the whole cost involved after taking into account full implications of the proposal should be prepared.

30.03.05 The form and Date of Submission of New Item Proposals: - The statement of new items proposed should be in the prescribed form. All new items which are finally approved by the Govt. for being included in the budget Memo should be shown with all the relevant details. Acceptance by the Finance Department of proposal for a scheme (or new item) does not constitute an authority for incurring any liability in connection with it till necessary provision is made in appropriate Act. Appropriate monitoring should be devised by administrative Department and controlling officer to keep watch on the progress of works and expenditure under plan scheme.

When schemes are implemented by stages in more than one year, items of new services are known as Section I New Item. Provisions required for execution of such schemes within the scope of sanction already accorded by the legislature are processed as Section II new Item. They are also processed within the monetary limits prescribed for Section I new Item.

Under exceptional circumstances, expenditure on new service not contemplated in the annual financial statement are proposed in the course of a financial year. They are accepted on a relative merit and urgency and processed as a single item. Funds are obtained by means of supplementary demands or as advances from contingency fund.

30.04 Preparation of Budget by Finance Department:-

Proposals for ordinary items of expenditure are not to be provided for in the budget. Such proposals are authorized by administrative department with the concurrence of the finance department provided that the expenditure on them can be met by saving within the sanction grants.

30.05 Recurring Contingent Expenditure: - The sanction from time to time to establishment and the recurring contingent expenditure should be reviewed. A register of sanction should be maintained for fixed items of sanctions as well as for recurrent contingent expenditure. The estimates should be based on actuals taking into account only such receipts and payments expected to be actually realized or made during the budget year. Rules relating to the classification in the account and exhibitions of recoveries of the expenditure as receipts or as deduction from expenditure should be followed. The rules are mentioned in Appendix 42, M.B.M. Vol. I

30.05.01 Contingencies: - Contingencies comprise of supplies and services and those charges incidental to the management of an office like purchase of ordinary books and periodicals, stationery. The estimates of this class are now classified under various object wise detailed heads such as office expenses, rents, rates and taxes, publication and should be provided in the respective objectwise detailed heads.

Note: - The contingent expenditure of the forest department falls under the two categories 1) Non contract non countersigned contingencies (or audited contingencies) 2) non contract special contingencies. The average of actual of the preceding 3 years should not be accepted on these charges. As a matter of course the details of the actual and required absolute minimum should be taken into account after sorting out the expenditure on items of the previous years. For petty constructions and repairs separate estimates should be given in the remark column for each class.

The estimates should be carefully sorted out to initial outlay on newly acquired forests, or the cost of first construction, procurement of equipment for the first time for the project etc.

30.06 Preparation of Plan Estimate: - The procedure for preparation of estimate for plan scheme is the same as in the case of Non plan scheme. The estimates are however, required to be proposed in separate forms under the following group sub head.

Schemes in Five Year Plan.

- a) State level plan schemes in the State Sector.
- b) District level plan scheme included in the State Sector.
- c) Centrally sponsored schemes.
- d) Assistance outside the state plan financed by Central Govt. or agency providing through Central Govt.

The above mentioned plan schemes are required to be forwarded to the Planning department and the Finance department well in time in prescribed proforma, since they are to be processed by both these departments.

The budget estimate is thus to be submitted for:-

- 1) Plan and non plan for coming year in the form of detailed estimate in prescribed forms.
- 2) Revised estimates are required to be submitted for 4/8/9 month to the administrative department during the currency of financial year in the form of expenditure summary.
- 3) Surrender of grant can be done from the inspection of the year after receipt of budget grant from the Govt. Final surrender report should be submitted not later than 15th of February to the Administration Department concerned.

