



**MANUAL**

on

**EXPENDITURE BUDGET  
MANAGEMENT, 2018**



**Expenditure Management Wing**

**Directorate General of Human Resource Development (DGHRD)**

**Central Board of Indirect Taxes & Customs**

**New Delhi**

**First Edition 2018**

**DISCLAIMER**

*This is the first edition of the 'EMC MANUAL' in CBIC. While every effort has been made to ensure that the information in this compilation is correct and updated upto the time of its publication, however the contents and the information in this book is meant to be helpful for our officers and to supplement and not replace the existing instructions in this context. Any errors or omissions may be brought to notice of DGHRD for updating it and incorporating it in the relevant Chapters hereinafter.*



वनजा न. सरना  
अध्यक्ष

*Vanaja N. Sarma*  
Chairman



सत्यमेव जयते

भारत सरकार  
वित्त मंत्रालय  
राजस्व विभाग \*  
केन्द्रीय अप्रत्यक्ष कर एवं सीमा शुल्क बोर्ड  
नार्थ ब्लॉक, नई दिल्ली - 110 001  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Indirect Taxes & Customs  
North Block, New Delhi - 110 001  
Tel. : +91-11-23092849, Fax : +91-11-23092890  
E-mail : chmn-cbec@nic.in



Dated: 26<sup>th</sup> June, 2018

## MESSAGE

I am happy to note that the Expenditure Management Wing of the Directorate General of Human Resource Development is bringing out the **First Manual on Expenditure Budget Management.**

The Directorate General of Human Resource Development, Expenditure Management Wing has taken this initiative of compiling and consolidating various rules, instructions, circulars, etc., issued by the Government of India from time to time on matters relating to expenditure budget.

Since financial management is an integral part of good administration, this Manual would surely facilitate the field formations on expenditure management and assist the officers and staff of the Department in appropriately dealing with matters relating to expenditure & budgeting thereof.

I am sure that this Manual will serve the intended purpose of understanding the processes and nuances relating to expenditure budget specifically in relation to the Department.

I acknowledge the efforts put in by the officers of the Expenditure Management Wing of the Directorate General of Human Resource Development in bringing out the first edition of the Expenditure Budget Manual for the Department.

**(VANAJA N. SARNA)**  
**CHAIRMAN, CBIC**



भारत सरकार  
GOVERNMENT OF INDIA  
वित्त मंत्रालय/राजस्व विभाग  
MINISTRY OF FINANCE/DEPARTMENT OF REVENUE  
केंद्रीय अप्रत्यक्ष कर एवं सीमा शुल्क  
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS  
नार्थ ब्लॉक, नई दिल्ली-११०००१  
NORTH BLOCK, NEW DELHI-110001  
TEL:+91-11-23094828 FAX:+91-11-2309 2512

**S. Ramesh**  
**Special Secretary &**  
**Member (Admn.)**

DATED: JUNE, 2018

## FOREWORD

It is my proud privilege to write the foreword to the First edition of the **'Expenditure Budget Management Manual'** being brought out by the Expenditure Management Wing, Directorate General of Human Resource Development, New Delhi. This Manual is a compendium of various guidelines, instructions and rules issued by the Government of India in respect of matters relating to Budget procedure and management of Expenditure Budget.



This Manual aims to bridge the knowledge deficit in matters of expenditure budget by putting in one place the relevant Rules, Office Memoranda, Forms, Circulars and other relevant information related to the procedures to be followed for the expenditure budgeting so that it could serve as a useful reference document.

For the convenience of the field formations, the Expenditure Budget Manual is being uploaded on the website of the department, i.e. [www.cbic.gov.in](http://www.cbic.gov.in) and [www.dghrdcbic.gov.in](http://www.dghrdcbic.gov.in)

I appreciate the hard work and efforts put in by the officers of the Expenditure Management Wing, Directorate General of Human Resource Development in bringing out the first ever edition of **'Expenditure Budget Management Manual'**.

**S. RAMESH**  
**MEMBER (ADMN)**



**B. BHATTACHARYA IRS**  
DIRECTOR GENERAL

भारत सरकार  
मानव संसाधन विकास महानिदेशालय  
सीमा शुल्क एवं अप्रत्यक्ष कर बोर्ड  
प्लॉट नं० सी-४, भूतल, पश्चिम विंग,  
इरकॉन बिल्डिंग, जिला केन्द्र साकेत,  
नई दिल्ली-११००१३

Government of India  
Directorate General of Human  
Resource Development  
Central Board of Indirect Taxes & Customs  
Plot No. C-4, (West Wing)  
Ground Floor, IRCON Building  
District Centre, Saket,  
New Delhi-110017

**Dated: 26<sup>th</sup> June, 2018**

## PREFACE

It is indeed a matter of pride for all of us in the Expenditure Management Wing of DGHRD to come out with the **First Edition** of the “**Expenditure Budget Management Manual**” for use by the officers and staff of the CBIC, particularly the Budgetary Authorities across the country.



The Expenditure Management Wing of the Directorate General of Human Resource Development commenced functioning five years ago in 2011. This Wing of the Directorate General of Human Resource Development is mandated to act as the Nodal Authority in respect of all Budget matters for Grant No. 35 - Indirect Taxes. The Manual is intended to be a ready reckoner for the benefit of the Budgetary Authorities of the Department. This will also act as a comprehensive guide to the Budgetary Authorities in the preparation of proposals relating to Budget Estimates and Revised Estimates and for management of day to day expenditure by the field formations.

The latest provisions of GFR, 2017; on **e-Procurement** and **Government e-Market place (GeM)** along with a chapter on **Public Financial Management System (PFMS)** have been included in the Manual for ready reference.

While due care has been taken to incorporate and compile the latest provisions governing expenditure budgeting from different sources, however, it will be appropriate for the Budgetary authority to refer to the original text or source also, as indicated.

Since this is the first edition of the compilation, I look forward to valuable feedback and constructive criticism from the officers and staff for improvement in the future editions of this Manual.

I must put on record the untiring efforts of Ms. Meenu Kumarr, Additional Director (EMW), DGHRD and her team of officers and staff who made this Manual possible.

**(B. BHATTACHARYA)**  
**DIRECTOR GENERAL, DGHRD**

## ABBREVIATIONS USED IN THE MANUAL

<b>BA</b>	Budgetary Authority
<b>BE</b>	Budget Estimates
<b>CA</b>	Computer Advance
<b>C&amp;AG</b>	Comptroller & Auditor General
<b>CAM</b>	Civil Accounts Manual
<b>CBIC</b>	Central Board of Excise & Customs
<b>CGA</b>	Controller General of Accounts
<b>CGA(R&amp;P)RULE</b>	Central Government Account (Receipts & Payments) Rule
<b>DCRG</b>	Death Cum Retirement Gratuity
<b>DDG</b>	Detailed Demands for Grants
<b>DDO</b>	Drawing and Disbursing Officer
<b>DFPR</b>	Delegation of Financial Power Rules
<b>DoR</b>	Department of Revenue
<b>EMC / EMW</b>	Expenditure Management Cell/Wing
<b>FA</b>	Financial Adviser
<b>FR</b>	Final Requirement
<b>GFR</b>	General Financial Rules
<b>HBA</b>	House Building Advance
<b>HoD</b>	Head of Department
<b>IFU</b>	Integrated Finance Unit
<b>MCA</b>	Motor Car Advance
<b>MEP</b>	Monthly Expenditure Plan
<b>NIS</b>	New Instrument of Service
<b>No.</b>	Number
<b>NPS</b>	New Pension Scheme
<b>NS</b>	New Service
<b>OA</b>	Other Advance
<b>OM</b>	Office Memorandum
<b>OMCA</b>	Other Motor Conveyance Advance
<b>PAO</b>	Pay and Accounts Officer
<b>Pr.CCA</b>	Principal Chief Controller of Accounts
<b>PD Account</b>	Personal Deposit Account
<b>RE</b>	Revised Estimates
<b>SBCA</b>	Sub-Budget Controlling Authority
<b>SBE</b>	Statement of Budget Estimates
<b>SOE</b>	Standard Object of Expenditure
<b>ZAO</b>	Zonal Accounts Office

# CONTENTS

CHAPTER	SUBJECT	PAGE NO.
<b>1.</b>	<b>INTRODUCTION</b> Creation of Expenditure Management Cell	<b>1-6</b>
<b>2.</b>	<b>THE ANNUAL BUDGET</b> 2.1 Budget Estimates 2.2 Budget Circular 2.3 Estimates of Expenditure 2.4 Sanction of Estimates 2.5 Final Requirement 2.6 Cash Management and Exchequer Control (Monthly Expenditure Plan) 2.7 Supplementary Grants 2.8 Vote on Account 2.9 Re-appropriations 2.10 Excess Grant 2.11 Common Types of Budgetary errors 2.12 Some Other Common Budget Related Issues that are required to be watched closely	<b>7-30</b> <b>7-11</b> <b>11-12</b> <b>12-17</b> <b>17-18</b> <b>18</b> <b>18-20</b> <b>20-23</b> <b>23</b> <b>23-25</b> <b>25</b> <b>25-28</b> <b>28-30</b>
<b>3.</b>	<b>DETAILED DEMANDS FOR GRANTS</b> 3.1 Introduction 3.2 Relevant Rules of GFR relating to Demands for Grants 3.3 List of Object Heads 3.4 Accounting Classification – Major Heads and Minor Heads 3.5 Procedure for Opening New Heads of Accounts 3.6 Budget Authorities 3.7 Procedure for Creation of New Budgetary Authority	<b>31-39</b> <b>31</b> <b>32-33</b> <b>33-36</b> <b>36-37</b> <b>37-38</b> <b>38</b> <b>39</b>

<b>CHAPTER</b>	<b>SUBJECT</b>	<b>PAGE NO.</b>
<b>4.</b>	<b>BUDGETING</b> 4.1 Annual Financial Statement 4.2 Budgeting by the Ministry of Finance 4.3 Object Heads pertaining to Revenue / Capital Section of grant 4.4 Budgeting by the Ministry of Urban Affairs 4.5 Preparation of Budget for the CPWD 4.6 Projection for provision of funds 4.7 Heads of Accounts 4.8 Works	<b>40-45</b> <b>40</b> <b>40-41</b> <b>41-42</b> <b>42</b> <b>42-43</b> <b>43</b> <b>43</b> <b>44-45</b>
<b>5.</b>	<b>PROVISIONS OF DELEGATION OF FINANCIAL POWERS RULES RELATED TO EXPENDITURE BUDGET</b>	<b>46-48</b>
<b>6.</b>	<b>NEW INSTRUMENT OF SERVICE</b>	<b>49-50</b>
<b>7.</b>	<b>ADVANCES TO GOVERNMENT SERVANTS</b> 7.2.1 Interest Free Advances 7.2.2 Interest Bearing Advances 7.3 Discontinued Advances 7.4 I General 7.4 II Motor cars 7.4.III Computer Advance 7.5 Advances to Government Servants for building Houses 7.6 General Instructions 7.7 Uniform Allowance 7.8 Newspapers 7.9 House Rent Allowance (HRA)	<b>51-59</b> <b>51</b> <b>51</b> <b>52</b> <b>52-54</b> <b>55-56</b> <b>56-57</b> <b>57-58</b> <b>58-59</b> <b>59</b> <b>59</b> <b>59</b>
<b>8.</b>	<b>PROCUREMENT OF GOODS AND SERVICES – E-PROCUREMENT – GOVERNMENT E-MARKETPLACE</b>	<b>60-80</b>

<b>CHAPTER</b>	<b>SUBJECT</b>	<b>PAGE NO.</b>
<b>9.</b>	<b>MONTHLY EXPENDITURE STATEMENT</b>	<b>81</b>
	9.1 Monthly Expenditure Statement requisitioned by Head of Department from the DDOs	<b>81</b>
	9.2 Monthly Expenditure Statement called by Expenditure Management Wing	<b>81</b>
<b>10.</b>	<b>EXPENDITURE AUDIT</b>	<b>82-89</b>
<b>11.</b>	<b>FUNCTIONS OF AUTHORITIES</b>	<b>90-113</b>
	11.1 Head of Office (HoO) and Drawing & Disbursing Officer(DDO)	<b>90-92</b>
	11.2 Duties and responsibilities of DDOs	<b>92-104</b>
	11.3 Registers to be maintained by DDOs	<b>104-107</b>
	11.4 Principal Chief Controller of Accounts and Zonal Accounts Office(ZAO)	<b>107-108</b>
	11.5 Duties and responsibilities of ZAOs	<b>108-109</b>
	11.6 Coordination between DDO and ZAO	<b>109-111</b>
	11.7 Monthly reconciliation of figures	<b>111-112</b>
	11.8 Pensions Cases	<b>112-113</b>
<b>12.</b>	<b>MISCELLANEOUS</b>	<b>114-124</b>
	12.1 Letters of Authorization	<b>114</b>
	12.2 Personal Deposit Account (P.D. Account)	<b>115</b>
	12.3 Performance Security/ Earnest Money Deposit (EMD)	<b>115-116</b>
	12.4 Inter Departmental Transactions: Adjustment of Expenditure	<b>116-123</b>
	12.5 Procedure for creation of Imprest Account	<b>123-124</b>
<b>13.</b>	<b>PUBLIC FINANCIAL MANAGEMENT SYSTEM (PFMS)</b>	<b>125-128</b>
<b>14.</b>	<b>NORMS FOR DEPLOYMENT OF VEHICLES IN CBIC FORMATIONS</b>	<b>129-130</b>
<b>15.</b>	<b>ANNEXURES</b>	<b>131-134</b>