

ORDINARY PRINTED

G.O., No. 353

DATED 2nd May 1895.

INDEXED. *also*

[Despatch Abstract.]

EXPENDITURE.-

Communicating to all heads of Departments, for information and guidance, extract from the Government of India circular embodying remarks regarding----included in the budget and revised estimates.-

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

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	2240		95				

Govt. of {1895} Madras. FINANCIAL.

Issued

Recd.

Encl.

G.O., 2nd May 1895, No. 353.

MAY.

Forest Expenditure.

Communicating to all Heads of Departments, for information and guidance, extracts from the Government of India circular embodying remarks regarding — included in budget and revised estimates.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following paper :—

Extracts from Government of India Circular, dated 21st March 1895, No. 5-F.

In August 1894, sections . . . of the . . . Code were amended, mainly in order to correct an erroneous impression that appeared to exist regarding the nature of the revised estimates of . . . expenditure and their connection with the budget estimates. It was evidently believed in some cases that to "provide" for increased expenditure in the revised estimates superseded the necessity of applying for an additional grant; and it was still more often thought that the submission of these revised estimates was the proper and only occasion for applying for an additional grant to cover expenditure which had not been provided for in the budget estimates. The orders thus revised have, however, not been uniformly observed by Local Governments and Administrations, or by the responsible officers . . . subordinate to them; while the Government of India have had frequent occasion to notice that confusion still exists as to the object which the revised estimates of expenditure are designed to serve, and as to the rules regarding applications for additional grants. I am, therefore, directed to communicate the following observations for guidance.

2. The budget estimates are passed and *sanctioned* before the commencement of the year to which they apply. They *provide* for expenditure within certain limits; and Local Governments have power, subject to well-known rules, to regulate their expenditure within these limits. Outside these limits no expenditure of any sort whatever can properly be incurred, unless a special additional grant to cover it has been applied for and sanctioned by the Government of India.

3. The revised estimates (not revised budget estimates, as they are often improperly called) make no *provision* for any expenditure whatever; they are *accepted*, not *sanctioned*, by the Government of India; and no entry in them carries with it any authority for expenditure of any kind. They do not even provide for, or authorize, the expenditure of charges already entered in the budget estimates; for these latter alone possess authority. The revised estimates are not budgets or appropriations of money, nor do they supersede the budget estimates as the basis for the regulation of expenditure. They are estimates pure and simple, prepared for information, in order to indicate to Government how far the expenditure already sanctioned (in the budget estimates and in subsequent additional grants, if any) will be worked up to. If the figures for expenditure in the revised estimates exceed the total of the budget estimates, and of special grants already made or applied for, they clearly must be wrong, . . .; for no expenditure can be incurred that has not been sanctioned, and if it had become apparent, before the preparation of the revised estimates, that expenditure in excess of existing sanction would be necessary, additional sanction would, under standing rules, have been applied for at once.

4. The rule is that sanction to all expenditure in excess of budget provision must be applied for *as soon as it becomes apparent that such expenditure will be necessary*. When, however, the excess expenditure under individual heads is small, it may happen that the general review of the year's requirements which is made for the purposes of the revised estimates discloses for the first time the necessity for such expenditure.

When that is the case, the application for an additional grant must be made at once, separately, and in a complete form, so that it may be disposed of quite apart from the revised estimates. It has, indeed, no connection with those estimates; for the making of the application is a condition precedent to the inclusion of the sum applied for in the estimates: in short, the estimates depend on the grant, not the grant upon the estimates.

5. As soon, then, as it appears that expenditure in excess of budget sanction will be necessary, an application for an additional grant should be made at once. It must be shown—

- (1) that the expenditure is necessary and unavoidable, or at least in the highest degree advisable;
- (2) that it could not have been foreseen when the budget estimates were prepared; or, if it could have been, it must be explained why the necessary provision was not made;
- (3) that it cannot be met by re-appropriation within the budget grant for . . . expenditure;
- (4) that it cannot be met by re-appropriation from the budget grants under other major heads of expenditure which are controlled by the Local Government.

6. . . . extra expenditure may occasionally be highly advisable, though not absolutely unavoidable. For instance, expenditure which produces revenue may have to be increased in the course of the year; and if a demand should spring up . . . it must be met at once, or the revenue may be altogether lost. But in all cases the necessity for the proposed excess expenditure must be fully explained and justified in detail: mere general references to a probable increase in the receipts are insufficient.

7. *

ORDER—dated 2nd May 1895, No. 353, Financial.

The above extracts will be communicated to all heads of departments for information and guidance.

(True Extract.)

J. F. PRICE,
Chief Secretary.

To the Public Works Department.
„ all Heads of Departments under
the Chief Secretary.

Ed. A. Raith.

GOVT. of {1895} Madras. REVENUE.

CHIEF SECRETARY
22 APR. 1895
GOVERNMENT OF MADRAS

Issued

Recd. 22 April 1895 Encl.

G.O., 8th April 1895, No. 213.

APRIL.

Forest Expenditure.

Government of India Circular communicating remarks regarding — included in budget and revised estimates and the submission of applications for additional grants, communicated to the Board of Revenue, with instructions.

C.S.
2 May 1895, No. 353.
Order
The following extract
from the letter of the for
of India into the
communicated to all
heads of depts for
information & guidance.
22/4/95
(H.B. from the
after letter, meeting
instructed further)

22/4/95

P.W. Dept 41 Cdn
21/4/95
2 depts of for
all heads of depts
under the Chief Secy
26/4/95
18/5/95

B.C.
Please do not use columns
Charles Ferguson black format for
manuscript while in the
writing with
27/4/95

W.D.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following letter from DENZIL IBBETSON, Esq., C.S., Officiating Secretary to the Government of India (Department of Revenue and Agriculture—Forests), to the Secretary to the Government of Madras, Revenue Department, dated Calcutta, the 21st March 1895, Circular No. 5-F. :—

In August 1894, sections 123 and 127 of the Forest Department Code were amended, mainly in order to correct an erroneous impression that appeared to exist regarding the nature of the revised estimates of forest expenditure and their connection with the budget estimates. It was evidently believed in some cases that to "provide" for increased expenditure in the revised estimates superseded the necessity of applying for an additional grant; and it was still more often thought that the submission of these revised estimates was the proper and only occasion for applying for an additional grant to cover expenditure which had not been provided for in the budget estimates. The orders thus revised have, however, not been uniformly observed by Local Governments and Administrations, or by the responsible officers of the Forest Department subordinate to them; while the Government of India have had frequent occasion to notice that confusion still exists as to the object which the revised estimates of expenditure are designed to serve, and as to the rules regarding applications for additional grants. I am, therefore, directed to communicate the following observations for guidance.

2. The budget estimates are passed and sanctioned before the commencement of the year to which they apply. They provide for expenditure within certain limits; and Local Governments have power, subject to well-known rules, to regulate their expenditure within these limits. Outside these limits no expenditure of any sort whatever can properly be incurred, unless a special additional grant to cover it has been applied for and sanctioned by the Government of India.

3. The revised estimates (not revised budget estimates, as they are often improperly called) make no provision for any expenditure whatever; they are accepted, not sanctioned, by the Government of India; and no entry in them carries with it any authority for expenditure of any kind. They do not even provide for, or authorize, the expenditure of charges already entered in the budget estimates; for these latter alone possess authority. The revised estimates are not budgets or appropriations of money, nor do they supersede the budget estimates as the basis for the regulation of expenditure. They are estimates pure and simple, prepared for information, in order to indicate to Government how far the expenditure already sanctioned (in the budget estimates and in subsequent additional grants, if any) will be worked up to. If the figures for expenditure in the revised estimates exceed the total of the budget estimates, and of special grants already made or applied for, they clearly must be wrong, and will be corrected accordingly by the Government of India; for no expenditure can be incurred that has not been sanctioned, and if it had become apparent, before the preparation of the revised estimates, that expenditure in excess of existing sanction would be necessary, additional sanction would, under standing rules, have been applied for at once.

4. The rule is that sanction to all expenditure in excess of Budget provision must be applied for as soon as it becomes apparent that such expenditure will be necessary. When, however, the excess expenditure under individual heads is small, it may happen that the general review of the year's requirements which is made for the purposes of the revised estimates discloses for the first time the necessity for such expenditure.

When that is the case, the application for an additional grant must be made at once, separately, and in a complete form, so that it may be disposed of quite apart from the revised estimates. It has, indeed, no connection with those estimates; for the making of the application is a condition precedent to the inclusion of the sum applied for in the estimates: in short, the estimates depend on the grant, not the grant upon the estimates.

5. As soon, then, as it appears that expenditure in excess of budget sanction will be necessary, an application for an additional grant should be made at once. It must be shown—

- (1) that the expenditure is necessary and unavoidable, or at least in the highest degree advisable;
- (2) that it could not have been foreseen when the budget estimates were prepared; or, if it could have been, it must be explained why the necessary provision was not made;
- (3) that it cannot be met by re-appropriation within the budget grant for forest expenditure;
- (4) that it cannot be met by re-appropriation from the budget grants under other major heads of expenditure which are controlled by the Local Government.

6. In an organization such as the Forest Department, extra expenditure may occasionally be highly advisable, though not absolutely unavoidable. For instance, expenditure which produces revenue may have to be increased in the course of the year; and if a demand should spring up for certain forest produce, it must be met at once, or the revenue may be altogether lost. But in all cases the necessity for the proposed excess expenditure must be fully explained and justified in detail: mere general references to a probable increase in the receipts are insufficient.

7. I am to request that the officers concerned may be enjoined to carefully observe these instructions.

ORDER—dated 8th April 1895, No. 213, Revenue.

Forest No. 90.

Communicated to the Board of Revenue, for information and guidance, and for the issue of the necessary instructions to the subordinate officers concerned.

2. The Circular of the Government of India should be printed either as a foot-note to section 126 of the Madras Forest Code, or as an appendix; meantime it should be issued as an *addendum*.

(True Extract.)

Ag. Secretary to Government.

To the Board of Revenue (Land Revenue).
 „ the Financial Department.
 „ the Accountant-General.

Ed. C. M. Brisson.

45 Copies.

Gobt. of {1895} Madras. FINANCIAL.

Issued

Recd.

Encl.

G.O., 2nd May 1895, No. 353.

MAY.

Forest Expenditure.

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(True Extract.)

Chief Secretary.

To the Public Works Department.
„ all Heads of Departments under
the Chief Secretary.

FINANCIAL
EDUCATIONAL

Accountant-General
Commissioner of Paper Currency

Director of Public Instruction
Commissioner for Government Examinations

Anantapur ..
North Arcot (Chittoor) ..
South Arcot (Cuddalore) ..
Bellary ..
South Canara (Mangalore) ..
Chingleput (Saidapet) ..
Coimbatore ..
Cuddapah ..
Ganjam (Chatrapur) ..
Godavari (Ocanada) ..
Kistna (Masulipatam) ..
Kurnool ..
Madura ..
Malabar (Calicut) ..
Nilgiris (Ootacamund) ..
Nellore ..
Salem ..
Tanjore ..
Tinnevely ..
Trichinopoly ..
Vizagapatam ..

THE DISTRICT MAGISTRATE OF

North Arcot (Chittoor) ..
South Arcot (Cuddalore) ..
Bellary ..
South Canara (Mangalore) ..
Chingleput ..
Coimbatore ..
Cuddapah ..
Ganjam (Berhampore) ..
Godavari (Rajahmundry) ..
Kistna (Masulipatam) ..
Kurnool ..
Madura ..
North Malabar (Tellicherry) ..
South Malabar (Calicut) ..
Nellore ..
Nilgiris (Ootacamund) ..
Salem ..
Tanjore (Tanjore) ..
Tinnevely (Palacottah) ..
Trichinopoly ..
Vizagapatam ..

DISTRICT AND SESSIONS JUDGE
OF

Financial DEPARTMENT

List showing the distribution of the Proceedings of Government
dated 2nd May 1895 No. 353

~~Revenue Department~~		30
~~Public Works Department~~		41
~~Military Department~~		62
~~Local and Municipal Department~~		62
JUDICIAL	Honorable the Chief Justice with C.L.	31
	Inspector-General of Police	30
	Do. of Prisons	20
	Do. of Registration	25
	Chief Presidency Magistrate	3
	Commissioner of Police	3
	Judges of the Madras Court of Small Causes	2
	Advocate-General	1
	Government Solicitor	1
	Administrator-General	1
PUBLIC	Sheriff of Madras	1
	Government Pleader	1
	Registrar of Joint Stock Companies	1
	Surgeon-General	6
	Meteorological Reporter	1
	President, Board of Examiners	1
	Private Secretary to the Right Honorable the Governor	1
	Government Astronomer	1
	Superintendent, Government Central Museum	1
	Chemical Examiner	1
POLITICAL	Superintendent of Stationery	1
	Protector of Emigrants	1
	Superintendent, Government Press	1
	Tamil Translator to Government	1
	Telugu do. to do.	1
	Malayalam do. to do.	1
	Canarese do. to do.	1
	Hindustani do. to do.	1
	British Consular Agent, Pondicherry	1
	Superintendent, Archaeological Survey	1
ECCLESIASTICAL	Government Epigraphist	1
	Resident in Travancore and Cochin	6
	Paymaster, Carnatic Stipends	1
	Political Agent, Pudukota	1
	Do. Sandur	1
	Do. Banganapalli	1
	Government Agent, Tanjore	1
	Special Agent, South Arcot	1
	The Right Reverend the Bishop of Madras	1
	Venerable Archdeacon of Madras	1
MARINE	Senior Chaplain of the Church of Scotland	1
	Presidency Port Officer	20
Chairman, Harbour Trust Board		1

30 dated 18/5/95
41 do do
62 do do
62 do do
29/5/95

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18/5/95

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