Exam Note- Delegation of Financial Power 2024

Rule 1: Short title and commencement-

(1) These rules may be called the Delegation of Financial Powers Rules, 2024.
(2) They shall come into force with effect from the 1st day of April, 2024.

Rule 3: Definitions-

In these rules, unless the context otherwise requires –

1) **Administrator**" means an Administrator of a Union territory, by whatever name designated, appointed under Article 239 of the Con stitution;
2) **"Appropriation"** means the assignments of funds to defray charges in respect of services indicated voted or charged section;
3) **"Competent Authority"** means, in respect of the power to be exer cised under any of these rules, the President or such other authority to which the power is delegated by or under these rules, or any other general or special rules or orders issued by the Government of India;
4) **"Department of the Government of India"** means any of the Minis tries, Departments, Secretariats and Offices as notified from time to time and listed in the First Schedule to the Government of India (Allocation of Business Rules) and the Vice-President's Secretariat;
5) **"Finance Ministry"** means the Department of Expenditure, Ministry of Finance of the Government of India:
   Provided that in any Department of the Government of India where the Scheme of Integrated Financial Adviser is in force, the Integrated Financial Adviser of that Department, will, subject to supervision by Finance Ministry, exercise all or any of the powers delegated by Finance Ministry.
6) **"Head of the Department"** means an authority or person (not below the rank of Deputy Secretary to the Government of India and equivalent), declared by the Department concerned, in the Government of India, as a Head of the Department (HoD) in relation to an identifiable establishment or establishments to exercise the financial powers delegated to him under these rules;
7) **"Head of Office"** means a Gazetted Officer designated as such, subor dinate to Administrators and Heads of Departments;

8) **“Ministry of Finance”** means the Departments concerned with the subject matter in the Ministry of Finance;
9) **“Projects”** means one-time expenditure resulting in creation of capital assets or otherwise, which could yield financial or economic returns or both and such projects may either be separate or part of an approved Scheme;
10) **“Re-appropriation”** means transfer, by a Competent Authority, of funds from one primary unit of appropriation to another to meet additional expenditure within the same Section (Revenue Section and Capital Section) of the grant or Appropriation;
11) **“Recurring expenditure”** means expenditure which is incurred at periodical intervals for the same purpose and the expenditure other than recurring expenditure is non-recurring expenditure.
12) **“Schemes”** means programmes through which Departments of the Government of India spend resources for delivering goods or, services or both

Rule 5: General conditions on powers to sanction expenditure-

(1) No Authority shall sanction expenditure or advances without the previous consent of the Finance Ministry if it involves the introduction of a new principle or practice likely to lead to increased expenditure in future.
(2) A Subordinate Authority shall exercise the power to sanction expenditure subject to any general or special order or direction which the authority delegating or re-delegating such power may issue or prescribe from time to time.

Rule 6: Residuary financial powers-

All financial powers, not specifically delegated to any authority by these rules including creation and abolition of posts, shall vest in the Finance Ministry.

Rule 7: Sanction of expenditure-

(1) All expenditure shall require both, sanction and Appropriation. Expenditure can be incurred against a sanction only when funds are made available to meet the expenditure or liability by valid appropriation or Re-appropriation.
(2) A sanction to recurring expenditure or liability becomes operative when funds to meet the expenditure or liability of the first year are made available by

valid Appropriation or Re-appropriation or by an advance from the Contingency Fund, as the case may be, and remains effective for each subsequent year subject to appropriation in such years and also subject to the terms of the sanction.

Rule 8: Primary unit of appropriation–

(1) A grant or Appropriation for charged expenditure is distributed by standard Object Heads under which it shall be accounted for and each such standard Object Head, against which the provision for expenditure appears, constitutes a primary unit of appropriation. The primary unit of appropriation is the lowest unit of accounting classification denoting the objects of expenditure.

(2) The primary unit may include provision for both voted and charged expenditure and in that case the amount of each is shown separately.
(3) The primary units of appropriation or standard Object Heads shall be as specified by Finance Ministry from time to time. A list of standard Object Head is at **Annexure-I**.
(4) The Finance Ministry may add, delete or amend the primary units of appropriation or prescribe an entirely different set of such units.
(5) The departments of the Government of India shall keep in view the following with regard to the numeric codification for preparation of the Detailed Demands for Grants, namely:-

Rule 9: Allotment of Funds-

The Departments of Government of India or authority on whose behalf a grant, or Appropriation for charged expenditure is authorised by Parliament shall distribute the sanctioned funds, where necessary, among the controlling and disbursing officers subordinate to it.

Rule 10- Appropriation and Re-Appropriation – General Restrictions-

(1) Save with prior approval of the Parliament, funds shall not be appropriated or re-appropriated to meet expenditure on a New Service or New Instrument of