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सचिव

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Secretary



विश्वविद्यालय अनुदान आयोग
University Grants Commission

(मानव संसाधन विकास मंत्रालय, भारत सरकार)
(Ministry of Human Resource Development, Govt. of India)

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D.O.No.F.1-1/2016(SAR) IA

31st October, 2016

Dear Sir/Madam,

Kindly find enclosed an Office Memorandum No.F.1(30)-B(AC)/2004, dated 7th January, 2005 issued by Ministry of Finance regarding guidelines/instructions to be followed on creation of Reserve/Corpus funds.

You are requested to kindly ensure that these guidelines/instructions on creation of Reserves/Corpus funds may be followed in your esteemed university and also in the affiliated colleges. You are also requested to send the complete details of reserves/corpus funds created by your esteemed University and in the affiliated colleges/Inter University Centers (IUCs)/Media Centres.

Further, as regards pending CAG audit paras are concerned, the same may be settled and compliance report may be submitted to the UGC.

With regards,

Yours sincerely,

(Jaspal S. Sandhu)

Encl: as above.

To

- The Vice Chancellors of all Central/State/Deemed Universities receiving funds from UGC.
- The Directors of IUCs/Media Centres.

Copy to:

The Publication Officer, UGC, New Delhi, for uploading on UGC website.

(Jaspal S. Sandhu)

No.F.1(30)-B(AC)/2004
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi.
7th January, 2005.

OFFICE MEMORANDUM

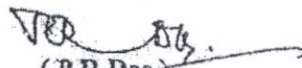
Subject: Guidelines/instructions to be followed on creation of Reserve/Corpus funds.

Government has been considering the issue regarding creation and maintenance of Reserve/Corpus Funds in Government Account for some time. Ideally, 'reserve funds' are created when Government has surplus funds to spare on specific objects of expenditure. However, as Government is resorting to deficit financing, creation of funds out of its revenue stream or through borrowing is considered not appropriate. Funds created out of borrowings also add to fiscal deficit and become a liability of the Government.

2. With the annual targets set out in Fiscal Responsibility and Budget Management Rules, 2004 framed in exercise of the powers conferred by section 8 of Fiscal Responsibility and Budget Management Act, 2003 for reduction of revenue deficit by an amount equivalent to 0.5 per cent or more of the GDP at the end of each financial year, beginning with the financial year 2004-05 in order to eliminate the revenue deficit by 31st March, 2009, it has been decided to bring out the under-mentioned guidelines/instructions to be followed by all Ministries/Departments:

- (i) Proposals for creation of funds either out of revenue stream or out of Government borrowing will, henceforth, not be allowed;
- (ii) If the existing funds have been created out of revenue stream, the same will be maintained in the Public Account to ensure fiscal transparency and Parliamentary control;
- (iii) Transfers to and from the fund will be on need basis and decided as a part of the budgetary process;
- (iv) Funds of regulatory bodies may also be maintained in the Public Account but operated in such a manner as will protect their independent status;
- (v) All existing funds, whether in the Public Account or outside, may be reviewed by the administrative Ministry/Department concerned and a specific decision taken in each case to either continue or wind up the fund. FAs are requested to furnish a report in this regard. This exercise may be completed within a period of three months.
- (vi) Interest on the corpus, where applicable, will be fixed on a uniform basis by this Ministry and notified annually along with other administered interest rates.

3. This issues with the approval of Secretary (Expenditure).


(P.R.Das)
Additional Budget Officer
2309 2649

To
All FAs of Ministries/Departments
All CCAs/CAs of Ministries/Departments