



TOP PRIORITY

MUNICIPAL CORPORATION OF DELHI
OFFICE OF CHIEF ACCOUNTANT-CUM-FA

No.: CA-FA/DCA(FMB)/2023/D-34

Dated: 24-08-2023

CIRCULAR

Sub:- Preparation of Proposals for the Revised Budget Estimate 2023-24 and Budget Estimate 2024-25

The Commissioner, by 10th of December 2023, is required to prepare the Revised Budget Estimate (RBE) for the Financial Year 2023-24 and Budget Estimate (BE) for the Financial Year 2024-25 and lay it before the Standing Committee as mandated by the DMC budget regulation. The departments, therefore, should prepare the budget estimates of their respective departments and provide to Finance Management and Budget Office (FMBO) for compilation, **by 15th of September, 2023 positively.**

INCOME

The Income Estimates should be worked out on realistic basis with achievable targets. The Budget Estimate for the year 2023-24 may be reviewed against the actual income received during the previous years, current trend and the measures initiated by the departments for its augmentation. It is important to mention that over estimation leads to deficit as corresponding expenditure is proposed in the budget against it. Major variations should be adequately explained.

Expenditure

The process of preparation of budget requirement should be initiated from the units where Budget Watch Register is kept. The budget heads are generally classified into:

- A) Salaries & Wages
- B) Employee Allowances
- C) Retirement benefits
- D) Office running expenses
- E) Department specific activities

Salaries & Wages

The estimation under salaries and wages should be made as per the actual posted strength. The posts lying vacant for a long period may not be included in case the same is not likely to be filled up in the period under estimation. **The savings / excess in this head during the previous year (2022-23) may be considered for arriving at the final demand.** The minor heads are 1001, 1002, 1003 & 1004.

Employee Allowances

All the allowances which are not paid with regular salary and wages e.g. Medical reimbursement, LTC /LTA, Telephone reimbursement of officers/officials, Tuition Fee etc., of all categories, should be estimated under this group (minor head 1005)

Retirement Benefits

Retirement benefits of employees e.g. Leave Encashment, Gratuity etc., of all categories, should be estimated under this group (minor head 1168)

Office Running Expenses

The office expenses includes

- i) Miscellaneous Contingency expenses
- ii) Postage
- iii) Telephone
- iv) Petrol & Oil
- v) Maintenance and repair of vehicles

The miscellaneous contingency expenses are meant for the day-to-day expenses of the office and any major expense planned may be reported specifically so that separate budget provision can be made. **Once the budget is approved by the Corporation, the allocations cannot be changed during the year.**

The Miscellaneous and Contingency Expenses (minor head 1119) are meant for office expenses that are some major expenses like purchase of

The Budget demand for telephone (minor head 1193) should be estimated on the basis of number of telephone connections and average billing. This will also enable monitoring of the expenses where the average billing is found more. It is emphasized that the reimbursement of telephone charges provided to entitled officials are part of Employee allowances and should be charged to the concerned head of account.

The departments that use official vehicles should provide the estimate for Petrol & Oil (minor head 1196) and repair and maintenance of vehicles (minor head 1075) separately. A separate format has been provided for this purpose.

Department specific activities differ from department to department. Every department has its own expenses other than salaries and office running expenses. It is observed that many projects are delayed due to lack of budget allocation as new projects and activities are proposed in the middle of the year requiring additional budget. These cases can be avoided, if the activities are planned well in advance, prioritised and a cash flow for the fund requirement is provided. A brief note may also be provided for all new proposals. Liabilities, if any, should be reported in the remarks column against each head so that adequate arrangement can be made.

The departments, should send the departmentwise consolidated budget properly authenticated by its HOD.

The following be ensured before sending the proposals:

- 1) The proposals are complete and all relevant formats are filled up.
- 2) The additional demands are properly justified and explained.
- 3) Liabilities are separately mentioned with remarks against each head.
- 4) A brief note is provided for every new proposal.
- 5) Economy to be exercised in view of financial constraints.
- 6) The Budget Estimate for the financial year 2022-23 of Municipal Corporation of Delhi was prepared by consolidating the budget approved by erstwhile South, East and North Delhi Municipal Corporations. Department may ensure detailed scrutiny of the demands for allocations as well as estimate for income considering the unified MCD and its requirements.

In case of any difficulty being faced in preparation of estimates, concerned officials may be directed to contact Financial Management & Budget Office (FMBO), 8th Floor, Civic Centre (23225807). Departments may also depute nodal officers for this purpose who can be contacted in case of any clarifications required about the budget proposals submitted by them. The contact details of the Nodal Officers may be provided to FMBO along with the department's budget proposals.

Dir (I.T.)

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N.T.L.

Chief Accountant-cum-FA 22/8/23

All Heads for necessary action.

All. Dy. Commissioners (Zones) for necessary action

All Addl. Commissioners for information.

The Commissioner for information.

Encl: Budget formats(will be sent via mail)

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|--------------|---|
| 1) BF-1 | Income |
| 2) BF-II | Expenditure |
| 3) BF-III(a) | Cash Flow requirement RBE |
| 4) BF-III(b) | Cash Flow requirement BE |
| 5) BF-IV | Office Contingency Expenses |
| 6) BF-IV(a) | Working sheet for petrol, oil & maintenance of vehicles |
| 7) BF-IV(b) | Working sheet for expenses on utilities |
| 8) BF-V & VI | Salary Expenses |

As to save time & Resources, the budget forms will be sent