



SU/REG/Systems/F-2/18/2018/Vol-I/1616

Dated: 21.01.2020

CIRCULAR/02/2020

Subject: No commitment for advance payment to supplier/service provider and others except extreme necessary case.

In pursuance of Office Memorandum No. 14(3)/2015-EII(A) Dated 8th March, 2017 issued by the Department of Expenditure, Ministry of Finance, Government of India, General Financial Rules, 2017 (GFRs 2017) has been implemented in Sikkim University.

It has been observed in the University that some supplier/vendor/contractor/service provider are demanding advance payment for supplies made or services rendered. Ordinarily, as per Rule 172 (1) of GFRs payments for supplies made or services rendered should be released only after the supplies made or services have been rendered. Therefore, no commitment shall be made for advance payment to supplier/vendor/contractor/service provider and clearly mention it in Purchase Order/Work Order/Contract Agreement.

However, only in extreme necessary cases advance payment @ 30% of the contract value may be made to private supplier/vendors/contractor/service provider after obtaining Bank Guarantee for the same amount after specific approval in this regard.

Therefore, the Academic Departments, Administration and Principal Investigators are requested to clearly mention in the advance payment clause of the Purchase Order/Work Order/Contract Agreement. No advance payment shall be made to any private supplier/vendor/contractor/service provider for supplies made or services rendered without submission of bank guarantee by the firm.

(Debasish Pal)
Finance Officer

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