

Ministry of Public Administration,
Independence Square,
Colombo 7.

19th January, 1984.

To: All Secretaries to Ministries,
Heads of Departments
and Chairmen of Public Corporations.

Salary Advance to public officers and employees
of public corporations who have suffered property
damage and/or loss of movables as a result of
disturbances of July, 1983

A public officer (and where both spouses are public officers each such spouse separately) who has suffered property damage and/or loss of movables on or after July 24th, 1983 by riot or civil commotion, may be granted an advance upto a maximum of two years new consolidated salary (without allowances) subject to the following:

- (a) the recipient should be a confirmed public officer with a minimum of 10 years service as on the date of granting the salary advance;
- (b) the amount of loan should be related to the extent of such damage or loss as proved to the satisfaction of the approving authority;
(vide para 4)
- (c) the period of re-payment should not exceed 8 (eight) years;
- (d) the interest should be 7.2 (seven decimal two) per cent per annum;
- (e) two personal guarantors from among confirmed public officers should be provided;
(The approving authority should satisfy himself that the two personal guarantors proposed are fit and proper persons in terms of the provisions in the Establishments Code)
- (f) the amount of the advance and/or instalment should be so determined that the advance and interest can be fully recovered by the time the recipient reaches the age of 55 years;
- and (g) in the event of death/retirement under any circumstances before the age of 55, the advance and interest outstanding at the time of the event should be a first charge on the commuted pension and or gratuity of the officer concerned.

2. This salary advance is,
 - (a) independent of and in addition to any loan already granted to a public officer or his spouse.
 - and (b) exempt from the 40% or the 33 1/3% deduction limits stipulated in F.R. 238 and Section 3, Chapter XXV of the Establishments Code.
3. Application for this salary advance may be made on the prescribed form, a specimen of which is annexed, to reach the Head of Department concerned on or before 28.2.1984.
4. In the case of a public officer, the salary advance of an officer of Staff Grade should be authorized by the Secretary to the Ministry and that of others should be authorized by the Head of Department concerned.
5. This salary advance should be operated through the individual Advance Account of each Department for Advances to public officers.
6. All Heads of Departments should take action to revise the limits of the Advance Accounts where necessary, in terms of F.R. 503 and Treasury Circular Letter No. 19 of 18.03.1983.
7. Recovery of instalment of principal should be credited to the "Advance to Public Officers Account -B Account" from which this advance is payable. Recovery of interest should be credited to Revenue Head 5: Rents, Interest, Profits and Dividends received. Sub-Head 2: Interest, Item 4: Other, and accounted for separately.
8. A separate Register on Form C.C. 70 should be maintained for recording the payment and recovery of instalments of capital and the equated monthly interest. Monthly interest should be computed on the basis of the formula in Appendix 12 of the Establishments Code.
9. Regarding a public officer who is transferred, the procedure normally adopted in respect of recoveries of advances from Advance Account should be followed - i.e. the outstanding balance of the advance should be paid to the Department releasing him by the Department taking him in, debiting its "Advance to Public Officers Account -B Account" and thereafter recoveries continued in instalments ensuring that in any case the recoveries are completed by the specified date.
10. Where a public officer who obtained an advance under this scheme ceases to be in service, the Pay and Establishments Units should ensure that the balance advance outstanding (including equated interest) from such officer is recovered from his pension/provident fund/security/gratuity or other monies payable to him.
11. Public Corporations should also implement similar schemes with due consideration to the source of funds for the purpose.
12. This Circular is issued with the concurrence of the Treasury.

Sgd: D.B.I.P.S. Siriwardhana
Secretary,
Ministry of Public Administration.