

**CHAPTER 318**

**FINANCIAL RESERVES**

*Ordinances* AN ORDINANCE TO MAKE PROVISION FOR THE MAINTENANCE AND DISPOSAL OF  
 Nos. 16 of 1944, FINANCIAL RESERVES.  
 9 of 1946.

[2nd May, 1944.]

Short title. **1.** This Ordinance may be cited as the Financial Reserves Ordinance.

Parliament, shall be sufficient authority for the Deputy Secretary to the Treasury for making—

Maintenance of financial reserves. **2.** (1) Where Parliament, by resolution passed at any time before the public accounts of Sri Lanka for any financial year are laid before Parliament, sets apart as a financial reserve any moneys out of such part of the Consolidated Fund and other funds of Sri Lanka as may remain unappropriated, or unexpended out of any appropriation, at the close of that financial year, such resolution shall be sufficient authority for the Deputy Secretary to the Treasury for—

- (a) any payment in respect of any expenditure specified in the resolution, for the purpose or any of the purposes for which the reserve was set apart; or
- (b) a transfer of any sum so specified to any other financial reserve so specified or to the Consolidated Fund.

- (a) maintaining such moneys as a reserve, or adding such moneys to any previous reserve of the same description;
- (b) crediting to that reserve any interest or profits derived from the investment of the reserve or any part thereof, where such crediting of interest or profits is required by the terms of the resolution; and
- (c) keeping such accounts relating to that reserve as may in his opinion be necessary for giving effect to the resolution.

(2) Where a general reserve has been set apart as provided by section 2, a resolution in appropriate terms, passed by Parliament, shall be sufficient authority for the Deputy Secretary to the Treasury for making a transfer of any sum specified in the resolution from that reserve to the Consolidated Fund.

**4.** Where the expenditure of any sum forming the whole or any part of a special reserve has been authorized by resolution of Parliament under section 3—

Additional provisions as to utilization of special reserves.

(a) all payments necessary for such expenditure shall, as far as possible, be made by the Deputy Secretary to the Treasury directly out of the moneys forming that special reserve, and the accounts opened in respect of that reserve shall, irrespective of the financial year in which such payments are made, be kept in such manner as to show the amount which has been expended under the authority of that resolution, and the amount which remains of that reserve, at any given time;

Application or transfer of financial reserves. **3.** (1) Where a special reserve has been set apart as provided by section 2, a resolution in appropriate terms, passed by

(b) if any moneys forming part of that reserve are not immediately available for

such expenditure at any time, the Deputy Secretary to the Treasury may make the necessary payment by way of advance out of the Consolidated Fund or other funds of Sri Lanka and may make good to the Consolidated Fund or other funds the amount of any payment so made by recovering it from the moneys forming part of that reserve when such moneys are available; and

(c) any balance which may remain unexpended out of such sum shall not be deemed to lapse into the surplus balances of the Consolidated Fund or to be available for appropriation for the ordinary expenditure of Sri Lanka for any year, but shall continue to form part of that reserve, until it is transferred to any other special reserve or to the Consolidated Fund by resolution of Parliament under section 3.

5. (1) Each of the following funds in existence at the date of the commencement of this Ordinance, that is to say:—

- (a) the General Reserve Fund,
- (b) the Department of Government Electrical Undertakings Reserve, Extensions and Renewals Fund, and
- (c) the Ceylon University Building and Equipment Fund,

Application of Ordinance to certain funds in existence at the date of the commencement of the Ordinance.

shall be deemed for all the purposes of this Ordinance to be a financial reserve set apart as provided in section 2, and the provisions of this Ordinance shall apply thereto accordingly.

(2) In the case of the Ceylon University Building and Equipment Fund referred to in subsection (1), all interest and profits arising from the investment thereof shall be credited thereto.