Types of Funds

The capital spent by the Government, comprising of overall expenditure, is acquired from a consolidated fund account. Parliament is responsible for approving the Government to withdraw finances from this account. Effectively, an aggregate of Rs 500 crore from the Consolidated fund of India is transmitted to the contingency fund of India (one of the types of funds in India) to deal with any trouble. However, if the Government does not use the contingency fund in a provided monetary year, there is no need to accumulate more funds. This article illustrates detailed information on the three types of funds in India - contingency fund, public account, and consolidated fund of India along with the types of expenditures involved.

Types of Funds of India and Their Features

The central Government mentions types of funds in India – Consolidated Fund of India (Article 266), Contingency Fund of India (Article 267), and Public Accounts of India (Article 266) mentioned in the Indian Constitution.

The consolidated fund of India are maintained in three parts, which are:

- Public Accounts of India
- Contingency Fund of India
- Consolidated Fund of India

The three funds in India are summarized depending on the income, expenditure, parliamentary authorization, and the articles under which they are formed.

Consolidated Fund of India	Contingency Fund of India	Public Accounts of India
Taxes and non-tax income	Rs. 500 crores (Fixed collection)	Public money (Except under consolidated fund of India)
All expense	Unpredictable expenditure	Public money (Except under consolidated fund of India)
Needed before expenditure	Needed after the expenditure	Not required
Article 266(1) of Indian Constitution	Article 267(1) of Indian Constitution	Article 266(2) of Indian Constitution

Consolidated Fund of India

The most crucial types of funds in India is the consolidated fund of India. The consolidated fund of India UPSC is included in the IAS Exam GS-II – Indian Polity curriculum. This fund is supplied by:

- The Government of Indian accepts direct and indirect tariff loans.
- Repaying government interests/loans by the agency that has taken it.

The Government meets all its expenditures from this fund but requires consent from the parliament to withdraw any capital from it.

- The Consolidated Fund for every state is distinctive with comparable provisions.
- Article 266(1) of the Indian Constitution mentions the fund's requirement.
- The President controls the consolidated fund of India and has the authority over it.
- CAG, or the Comptroller and the Auditor General of India, inspect the funds and report to the appropriate legislatures on their administration.

The Consolidated Fund of India is separated into five elements:

- Revenue account (disbursements).
- Disbursements charged on the Consolidated Fund.
- Capital account (disbursements).
- Capital account (receipts).
- Revenue account (receipts).

Expenditures Charged on Consolidated Fund of India

No vote occurs for charged expenditures from the Consolidated Fund of India. Approval from the Parliament is not needed. The expenses (including salaries, allowances, and pensions) charged to the Consolidated Fund of India are:

- President's compensations and expenditures relating to his post.
- Salaries of Deputy Chairman and Chairman of the Rajya Sabha, Speaker and the Deputy Speaker of the Lok Sabha.
- Pensions of the Supreme Court's and High Courts' judges.
- Salaries of Comptroller and Auditor General of India.
- Wages and pension of the chairman and Union Public Service Commission members.
- Administrative expenses of the Supreme Court members serving in these offices.
- Any cost must satisfy a judgment, law, or recognition of any court or arbitral tribunal.
- Any other expense asserted by the Parliament to be so charged.

Contingency Fund of India

Provision for the contingency fund of India is formed in Article 267(1) of the Constitution of India, and its aggregation is roughly Rs. 500 crores. The contingency fund of India UPSC is an important topic in the IAS Exam GS-II – Indian Polity curriculum.

- It is a fund used by a business for small expenditure items and periodically restored to a fixed amount.
- The contingency fund of India is utilized to meet unpredictable expenses.
- Every state can maintain its contingency fund according to Article 267(2) of the Constitution.
- The contingency fund of India is controlled by the Finance Ministry Secretary on behalf of the President.

Public Accounts of India

The entire public money not included under the Consolidated Fund of India is credited to the public account, acquired by or on behalf of the Government. The public accounts of India is formed under Article 266(2) of the Constitution.

The Comptroller and Auditor General of India carry out the audit of the payments from this fund. Every state of India has similar accounts, and the Government does not require consent to take advances from the fund's account.
Public Accounts of India is created of the following:

- National Investment Fund (capital gained from disinvestment).
- National Calamity & Contingency Fund (NCCF) (for Disaster Management).
- Postal insurance, Provident fund, etc.
- Bank savings account of the different ministries/departments.
- National small savings fund, defense fund.
- Similar funds.

Types of funds in India - Expenditures

Below are the expenditure types for the three funds of India, along with their features.

Expenditure	Features
Charged Expenditures	• This sum is from the Consolidated Fund of India. • There is no vote and no requirement for legislative permission. • Example is the government's debt fees. This spending includes • President's emoluments, allowances, and expenses. • Salaries and allowances of the Chairman, Deputy Chairman, Speaker, Supreme Court justices, CAG, and Deputy Speaker of the Lok Sabha.
Voted/Votable Expenditures	• Demand for Grants funds the budget's expenditures. • Demand for grants is presented to the Lok Sabha.
Supplementary Grants	• When the amount allocated by Parliament via the appropriation act for a specific service for the current fiscal year is considered insufficient, supplemental grants are awarded.
Additional Grants	• These are awarded when a need for additional spending for a new service that was not included in the budget for that year has arisen for the course of the current fiscal year.
Excess Grants.	• An excess grant is awarded When the amount spent on a particular provision in a fiscal year exceeds the amount allocated for that service.