

The GAC of the Central People's Government issued a decision on the final accounts system, budget review, investment construction plans, and monetary management.

Adopted at the 61st Meeting of the GAC on December 1, 1950

I. Implementation of the Final Accounts System. Since the later stages of the War of Resistance Against Japan, due to the fact that part of the funding for military and political organs, schools, and organizations in the liberated areas relied on the labor production of military and political personnel for self-sufficiency, the system of submitting quarterly and annual final accounts reports to the finance department had been discontinued in some areas and was not frequently implemented in others. The situation has now changed. The funding for military and political organs, public schools, and organizations is now entirely or mostly provided by the state. Therefore, in accordance with Article 40 of the Common Program, it is hereby decided that all military units, governments, public schools, and organizations receiving state funding must submit final accounts reports to the finance departments of the Central People's Government or people's governments at all levels in four quarters each year, and submit a full-year final accounts report for the previous year by March 31st each year. The Ministry of Finance of the Central People's Government will then submit the overall final accounts report for the previous year to the Central People's Government for approval. State-owned enterprises must also submit periodic final accounts reports. To achieve this, strengthening the financial work and personnel of each unit is necessary. After the final accounts are completed, all remaining funds in the budget must be returned to the national treasury. The implementation of the final accounts system is a national decree and cannot be violated; it cannot be delayed except with the approval of the Ministry of Finance of the Central People's Government. To avoid the potential waste of budget surplus funds after the implementation of the final accounts system, responsible personnel of military and political organs, schools, and organizations at all levels are tasked with taking concrete responsibility for prevention.

II. Implementation of Budget Review. When military units, organs, schools, and organizations submit budgets for expenses or investment budgets for state-owned enterprises within the total budget approved by the Central People's Government, the budget proposal must first be personally reviewed by the head of the respective receiving agency before submission. The relevant government finance departments have the responsibility to further review and verify this budget. Personnel reviewing budgets at all levels of finance departments must be loyal to national regulations and strictly adhere to financial discipline; the submitting agencies may not refuse to review the budgets. If disputes arise between the finance department and the budget-submitting agency during the review process and cannot be resolved, the matter shall be submitted to the higher-level finance department in conjunction with the higher-level agency of the receiving department for review and approval.

III. Strengthen the planning of investment. In the past, due to a lack of experience, some waste occurred in economic construction investments in the liberated areas. Driven only by enthusiasm and desire, without practical design and necessary construction plans before commencement, some projects that had already begun were either altered midway or rebuilt, causing considerable losses to national finances. This phenomenon must be avoided as much as possible. Therefore, it is decided that all enterprise investments or cultural undertaking investments approved by the Central People's Government or local people's governments must be carefully designed, with construction plans, construction diagrams, and financial allocation plans prepared before applying for funds, and must be approved by the respective people's governments at the corresponding level or their financial and cultural departments. The finance department shall refuse to allocate funds to projects without design, construction plans, construction diagrams, and financial allocation plans, or projects that

have been prepared but not approved. This provision is necessary not only to ensure the rational use of cash by the state, but more importantly, to reduce waste in economic and cultural construction.

IV. Implement further monetary management. Since the implementation of monetary management in March of this year, positive results have been achieved due to the consistent compliance of all military units, government agencies, state-owned enterprises, organizations, and cooperatives. Based on existing experience and the existing foundation, and to further optimize the use of cash, the People's Bank of China is instructed to formulate further monetary management measures. To facilitate monetary management within the military, the People's Bank of China should gradually establish military-affiliated banks. All cash use by military units, government agencies, state-owned enterprises, organizations, and cooperatives must be subject to the preparation of revenue and expenditure plans and approval by the appropriate authorities. All transactions between military units, government agencies, state-owned enterprises, organizations, and cooperatives, both locally and internationally, must be settled and cleared through the People's Bank of China. No credit or loans are permitted between the aforementioned units; credit is centralized at the national bank. The allocation of funds for basic construction investments by enterprises will be gradually transferred to banks for supervision, with allocations made according to plan. The national bank will thus become the central accounting authority for the military units, government agencies, state-owned enterprises, organizations, and cooperatives.

The above regulations are intended to prevent waste and ensure the rational use of national financial resources. This is a matter of national fiscal discipline and must be enforced. The relevant financial departments are hereby instructed to formulate implementation measures based on the above principles.