



GOVERNMENT OF KARNATAKA



Taluk Panchayat Accounts Manual

June 2013

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Preface

The Karnataka Public Financial Management Accountability Study, 2004 by the World Bank paved the way for reforms in the PRI setup in Karnataka. While significant reforms were brought about in the Zilla Panchayats and Grama Panchayats; Taluk Panchayats were not covered. In order to address this, the *“Strengthening of Financial Management and Accountability of Taluk Panchayats”* project was taken up under an IDF Grant. As part of the reform exercise, the Government of Karnataka felt the need for having an Accounts Manual specifically for TP accounting to bring greater clarity and transparency in the functioning of the TP. The TP Accounts Manual has been prepared to address the above need. This Accounts Manual has been prepared by NCR Consultants Limited (NCRCL) in association with Karnataka Institute of Public Auditors (KIPA).

The Accounts Manual has been designed considering the compliance requirements under the Karnataka Panchayat Raj Act, 1993, Karnataka Panchayat Raj Taluk Panchayats (Finance & Accounts) Rules, 2006 and the Model Panchayat Accounting System (MPAS) prescribed by the Ministry of Panchayati Raj, Government of India. The Accounts Manual takes into account the Khajane II (Treasury computerization) environment and the capabilities of the TP Accounts personnel. The Accounts Manual has been prepared after a ground level study of the current accounting processes followed at the TPs and the inherent gaps. The manual incorporates all the practical requirements for accounting transactions at the TPs.

This Accounts Manual spells out the accounting policies, accounting processes, transaction flow and the responsibilities of accounts staff of the TP with respect to different transactions. The formats of all the prescribed documents and registers are given in this manual. Suitable illustrations have been given wherever necessary to make the reader understand the accounting process and help him to account all the transactions of the TP correctly.

The Accounts Manual serves as a guide to the TP accounts personnel. It also provides the basic functionality requirements from the Khajane II PRI module. This manual is also a useful guide to the TP auditor.

Complete implementation of the TP accounts manual, being dependent on the Khajane II rollout, is expected to happen over the next couple of years. It will also require certain changes to the relevant statutes which will become clear once the Khajane II rollout is completed. Hence, it is imperative that manual will have to undergo a limited revision in the coming years based on the actual implementation scenario.

Finance Department, Government of Karnataka

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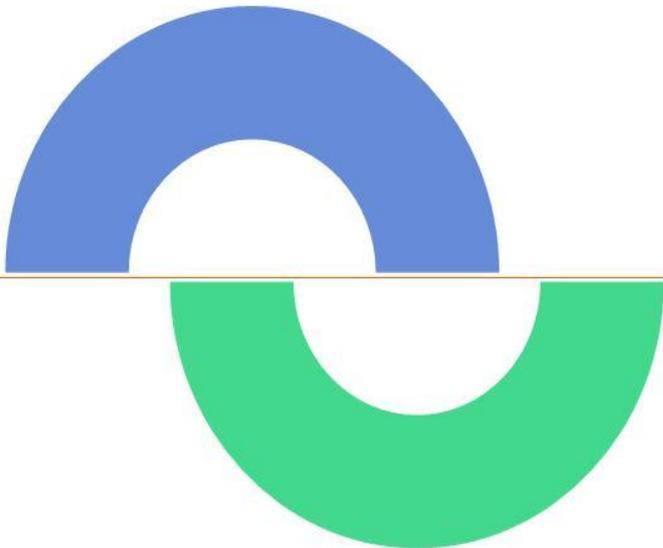
List of abbreviations/acronyms

Abbreviations	Expansion
AAO	Assistant Accounts Officer
AC	Abstract Contingent
AEE	Assistant Executive Engineer
AG	Accountant General
ARWSP	Accelerated Rural Water Supply Programme
BRS	Bank Reconciliation Statement
C&AG	Comptroller and Auditor General
CAG	Comptroller and Auditor General
CAO	Chief Accounts Officer
CBF	Contractors' Benevolent Fund
CEO	Chief Executive Officer
CMC	Computer Maintenance Corporation
CO	Controlling Officer
CPO	Chief Planning Officer
CPS	Central Plan Schemes
CRP	Consolidated Receipts & Payments
CSS	Centrally Sponsored Schemes
DC	Detailed Contingency
DCB	Demand Collection Balance
DDO	Drawing & Disbursing Officer
DO	Drawing Officer
EA	Executing Agencies
EE	Executive Engineer
EMD	Earnest Money Deposit
EO	Executive Officer
F&A	Finance & Accounts
FC	Finance Commission
FD	Finance Department
GIA	Grant-in-Aid
GOK	Government of Karnataka
GP	Grama Panchayat
HoA	Head of Account
HRMS	Human Resource Management Systems
IAY	Indira Awaz Yojana
ICDS	Integrated Child Development Services
ICT	Information, Communication & Technology
IDF	Institutional Development Fund
IFA	Internal Financial Advisor
KFC	Karnataka Financial Code

Abbreviations	Expansion
KGID	Karnataka Government Insurance Department
KPR	Karnataka Panchayat Raj
KPRA	Karnataka Panchayat Raj Act, 1993
KPRTP(F&A) R	Karnataka Panchayat Raj Taluk Panchayat (Finance and Accounts) Rules
KPWA Code	Karnataka Public Works Accounts Code
KPWD	Karnataka Public Works Department
KSAD	Karnataka State Accounts Department
KTC	Karnataka Treasury Code
KTPP	Karnataka Transparency in Public Procurement
KVAT	Karnataka Value Added Tax
KZP(F&A) R	Karnataka Zilla Panchayat (Finance and Accounts) Rules
LD	Line Department
MCE	Manual of Contingent Expenditure
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MPAS	Model Panchayat Accounting System
NDC	Non –payable Detailed Contingent bill
NGO	Non Governmental Organisation
NP	Non-Plan
NREGS	National Rural Employment Guarantee Scheme
NRHM	National Rural Health Mission
PA	Permanent Advance
PF	Provident Fund
PFMA	Public Financial Management and Accountability
PHC	Primary Health Centre
PMGSY	Pradhan Mantri Gram Sadak Yojana
PO	Planning Officer
PRI	Panchayat Raj Institution
PWA Code	Public Works Accounts Code
PWD	Public Works Department
RDPR	Rural Development and Panchayat Raj
RET Register	Receipts and Expenditure Tracking Register
SC/ST	Scheduled Caste/ Scheduled Tribe
SE	Superintendent Engineer
SGSY	Sampoorna Grama Swarozgar Yojana
SIRD	State Institute for Rural Development
SoP	Shelf of Projects
SRS	Software Requirement Specification
SSA	Sarva Shiksha Abhiyana
TDS	Tax Deducted at Source
TNMC	Treasury Network Management Centre
TP	Taluk Panchayat
TSC	Total Sanitation Campaign

Abbreviations	Expansion
TSFC	Third State Finance Commission
TR	Treasury Release
UC	Utilisation Certificate
ULB	Urban Local Bodies
WWC	Workers' Welfare Cess
ZP	Zilla Panchayat

Introduction



Chapter 1: Introduction

1.1 About This Manual

This manual covers the accounting policies for TP accounting, chart of accounts, accounting processes, documents and registers to be maintained and internal controls & checks. It also provides a quick reference to the relevant statutory provisions affecting TP accounting.

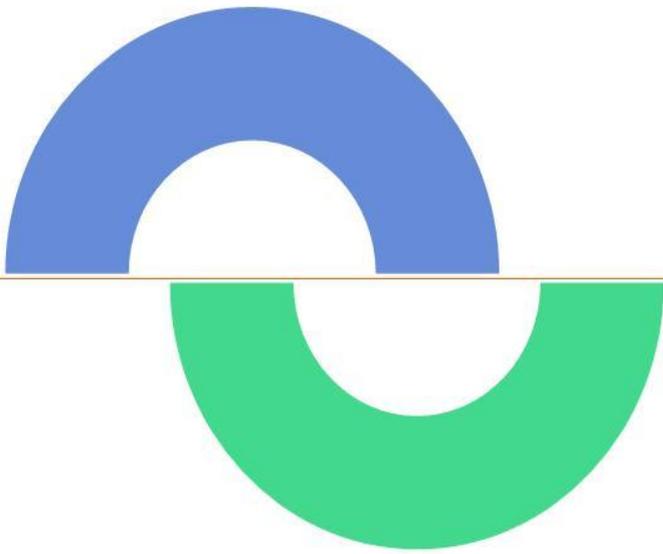
Chapter 2 gives an overview of the TP Accounting system. The sources and utilization of funds by the TP, the system of accounting followed and the nature of registers and documents maintained at TPs are explained. **Chapter 3** spells out the accounting policies to be followed for recording the receipts & expenditure of the TP. All significant accounting policies with respect to accounting period, accounts compilation and book closure procedures are given here. **Chapter 4** deals with Chart of Accounts of the TP. The structure and coding of the head of accounts as per the MPAS has been explained here. The linking between the existing Heads of Account with the MPAS Heads of Account is also addressed in this chapter. **Chapter 5** explains the key processes that are undertaken by the TP. Each process has been explained lucidly and illustrations are given wherever necessary for better understanding of the user.

Chapter 6 deals with the Accounts Compilation process of the TP. The manner of preparation of Monthly/Annual accounts of the TP, timelines for preparation and presentation of TP Accounts have been covered exhaustively in this chapter. A section on Bank Reconciliation Statement (BRS) is also given in this chapter. **Chapter 7** gives an exhaustive list along with description of all the documents and registers to be maintained at the TP.

Annexes have been given at the end of the Manual. Annex references are given in the relevant sections of the Manual. **Annex 1** provides the statutory provisions that govern the TPs. **Annex 2** deals with the Chart of Accounts for the TP. The business process charts related to Finance and Accounting activities of the TP are given in **Annex 3**. The formats of various registers and forms are given in **Annex 4**. **Annex 5** provides the formats for Financial Statements prescribed in this manual. **Annex 6** deals with budget documents and format for the TP Link Document. The provisions relating to counter signature of bills is given in **Annex 7** and **Annex 8** provides a comparison of registers maintained under the earlier system of accounting and those prescribed in this manual. **Annex 9** provides an easy referencer for preparation and submission of TP Monthly Accounts. Accounting matrix in **Annex 10** gives an illustrative list of accounting TP transactions.

Note: This manual has been prepared under the overall legislative framework of the statutes that govern the TPs. The discussions in the subsequent chapters cover the accounting treatment and records to be maintained. Procedures governing the function of the TP accounts department as prescribed under the various statutes have not been discussed in this manual. The reader is advised to refer to the relevant statutes for further information on procedural aspects.

Overview of TP Accounting



Chapter 2: Overview of TP Accounting

2.1 Accounting system in TP vis-à-vis ZP and GP

In Karnataka, while the GPs operate as truly autonomous bodies, the ZP and TP continue to function as extended arms of the RDPR. This style of operation is also reflected in the system of accounting followed. The accounts preparation and presentation at the TP level is similar to what is followed at the ZP which is the system of accounting followed by the State Government. But for the GPs the accounting system followed is double entry, accrual based. The TPs prepare Monthly and Annual Financial Statements and submits them to the ZP CAO in the formats prescribed in the KPRTP (F&A) Rules, within the time limits prescribed in the Rules.

2.2 Important Statutory Provisions governing TP

The functioning of a TP is governed by various statutes and rules. The statutes that govern the TPs in the areas of finance, accounts and audit are given below:

1. Karnataka Panchayat Raj Act, 1993;¹
2. Karnataka Panchayat Raj Taluk Panchayat (Finance & Accounts) Rules, 2006;
3. Karnataka Finance Code, 1958;
4. Karnataka Treasury Code, 1963;
5. Manual of Contingent Expenditure, 1958;
6. Karnataka Budget Manual;
7. Karnataka Transparency in Public Procurement Act, 1999;
8. KPWD Accounts Code & Departmental Code;
9. Karnataka State Cadre and Recruitment Rules;
10. TP Business Conduct Rules, 1999;
11. ZP & TP Due Recovery Rules;
12. Rules for Salaries and Allowances;
13. Sitting Fee of Members;
14. Rules for Stamp Duty.

2.3 Inflow of Funds to the TP

Inflow of funds at the TP level is in the form of releases for various schemes announced in the budget document of the State Government and certain central scheme grants given by the Central Government. Budgetary releases to the TPs are made through the treasury

¹ Annex 1 shows the list of provisions governing TPs under KPR Act and KPRTP (F&A) Rules

channel which accounts for nearly 95% of the total funds of the TP. The central scheme grants are released via the banking channel. The banking channel funds are routed through the ZPs by the State or Central Government.

In addition, the TP also has inflows from other sources such as grants from surcharge on stamp duty and own sources of revenue like rent, sale of scrap etc. These funds are also operated through the Treasury channel.

2.4 Outflow of Funds from the TP

Outflow of funds from the TP is towards expenditure under schemes covered by budgetary releases through the Treasury channel and also under central schemes through the banking channel. The outflow or utilisation of funds through the Treasury channel is either for expenses by the Line Departments under the Taluk level Schemes or for the expenses by the TP itself. The expenditure is incurred by presenting bills to the Taluk Treasury office. The expenses incurred by the Line Departments are recorded in the TP books even though the actual expenditure is by the drawing officers of the Line Departments. This is a distinguishing feature in the TP accounting mechanism. Under the banking channel, the TP incurs expenditure by drawing cheques on the scheme bank accounts.

The expenditure incurred at the line department level is only through the Treasury channel whereas the TP own expenditure is through the Treasury as well as through the banking channel.

2.5 Current System of recording Transactions

The accounting system in TP is currently undergoing a transition to the Model Panchayat Accounting System prescribed by the Ministry of Panchayati Raj. The transactions at the TP are recorded in various registers and books which serve as the primary records. The onus of recording and preparation of the accounting records rests with the Assistant Accounts Officer of the TP. He is assisted by Accounts Assistants in performing his duties. The present system of recording is completely manual apart from the limited use of spreadsheets in preparing the Monthly and Annual Accounts.

The registers currently maintained at the TP can be understood from the perspective of flow of funds i.e. starting from the release of funds from the State Government up to the accounts compilation. **Table 1** shows the important registers maintained against different types of transactions.

Table 1: Registers maintained under the earlier system of accounting²

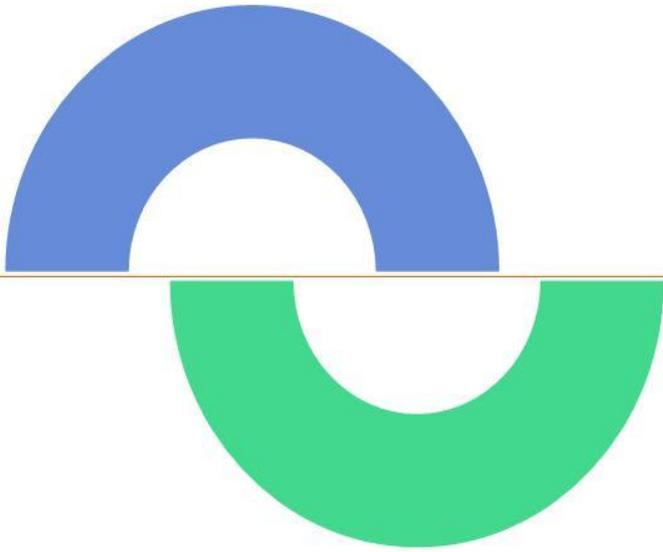
Area	Key Registers Maintained
Treasury releases – Line Department	Release Watch Register/Allotment Register
Treasury releases – TP expenditure	Grant Register
Receipts - Banking Channel	Scheme Cash Book
Own source receipts	Receipts Register & Remittance Register
Expenditure – Line Department	Allotment Register
Expenditure – Own funds	General Cash Book
Expenditure – banking channel	Scheme Cash book, Beneficiary Payments Register

Apart from the above registers for recording fund movements, the TPs also maintain other registers as prescribed under relevant rules and certain Control Registers for their internal control purposes such as:

- DC Bill Register;
- Cheque Register;
- Stamps Register;
- Inward Register;
- Outward Register;
- Works Register;
- Asset Register;
- DDR Register;
- TTR Register/Control Register for Releases;
- Treasury Transaction Token Register;
- GP Funds release Register (Drinking Water).

²This is an indicative list based on study of few TPs. The type of register and the nomenclature varies from one TP to another in the current setup.

Accounting Policies



Chapter 3: Accounting Policies

3.1 Introduction

Accounting Policies are defined as “the specific accounting principles and the methods of applying those principles adopted by the organization in the preparation and presentation of financial statements”. – Institute of Chartered Accountants of India. All significant accounting policies adopted in the preparation and presentation of financial statements shall be disclosed as notes to accounts in the Financial Statements of the TPs. Any change in the accounting policy along with the reasons for changing shall be suitably disclosed in the Financial Statements of the TP.

3.2 Need for Accounting Policy

Accounting policies are needed to ensure consistency and comparability of the financial statements. They enforce discipline in recording and accounting of transactions and also act as a reference material in the recording of the financial transactions at the TP level. The accounting policies prescribed in this manual shall be used for recording and accounting of transactions.

3.3 Accounting Policies of the Taluk Panchayat

The accounting policies for the TP have been listed by the nature of transactions of the TPs. This policy document prescribes:

- a) The recognition for various transactions through the Treasury channel; and
- b) The accounting treatment for transactions through the banking channel.

The process and registers required for accounting TP transactions are given in detail in the **Chapter 5- Accounting Processes**.

i. System of Accounting

For Treasury transactions, the system of accounting to be followed in TPs shall be a recording of receipts and expenditure of releases based on the system of accounting followed by the State Government. For banking transactions, the system of accounting shall be double entry, cash based accounting.

ii. Financial Year

The financial year shall be twelve months beginning from the 1st of April and ending with the 31st of March of the subsequent year.

iii. Taluk Panchayat Fund Accounts³

The fund accounts of each TP with the Treasury are classified as Fund I, Fund II and Fund III.

TP Fund I: TP Fund I shall account for all receipts and expenditure of Central Plan and Centrally Sponsored Schemes including the State Share, non-plan Central Grants and grants under Finance Commission's recommendations. The fund shall have the 12-digit code as "8448-00-109-5-00".

The balances in this Fund shall be carried forward to the next financial year and shall be available for utilization in the subsequent years.

TP Fund II: TP Fund II shall account for all receipts and expenditure in respect of all State Plan schemes and all Non-Plan assistance received from State Government. The Fund shall have the 12-digit code as "8448-00-109-6-00".

Balances under Fund II as at the end of March of each year are written back to the Consolidated Fund of the State at the end of the Financial Year and are not available for expenditure in the next financial year.

TP Fund III: TP Fund III shall account for all receipts and expenditure in respect of own funds of Taluk Panchayats under Tax/Non tax revenue, Earnest Money Deposits, Security deposits, Additional Stamp duty and other receipts of the Taluk Panchayats. The Fund shall have the 12-digit code as "8448-00-109-7-00".

Balances under all the three Funds as at the end of March of each year shall be checked by Audit during Certification of Accounts and any write back to the Consolidated Fund shall be based on the findings of Audit.

iv. Taluk Panchayat Receipts

Budgetary Releases through the Treasury channel

Budgetary releases from the State Government shall be recognized as receipts on the presentation of the Payee's Receipt and Remittance Challan to the local Treasury for credit to the TP Fund I/II account.

³As per GO No. FD 07 ZPA 2003 dated 8th September 2004

Banking Channel receipts

Receipts through the banking channel such as Central Scheme grants shall be recognised as receipts of the TP on receipt of actual funds from the ZP.

Own Source receipts

Own source revenue received in cash/cheque/DD shall be deposited into the Fund account of the TP in the Treasury by the next working day. Such revenues are accounted as receipts on deposit of the cash/cheque/DD to the TP Fund III account in the Treasury.

Own source revenues like rent on staff quarters recovered out of salaries shall be accounted as and when the salary expenditure is accounted.

Disposal of Assets shall be treated as own source receipts of the TP.

Demand, Collection & Balance: Demand is not recognized in accounts until actual receipt date is due. The demand shall be recognised in the DCB Register as per the terms of the contract. If the demand is for rent from staff quarters, then demand shall be recognised at the month end. If the rent is receivable from commercial establishments then demand shall be recognised as per the terms of the rent agreement.

Surcharge on Stamp duty receipts

Surcharge on stamp duty receipts are recognized as receipts on the presentation of the Payee's Receipt and Remittance Challan to the local Treasury for credit to the TP Fund III account.

Interest receipts

Interest on monies in scheme bank accounts shall be recognized as receipts on actual credit of interest by the bank. The interest receipts shall be treated as receipts under the particular scheme.

v. Expenditure

Salary

The salary expenditure shall be recognised on approval of the salary bill and its presentation to the Treasury for payment. Salary expenditure shall be recorded at gross amount.

Advances, if any, paid to staff shall be recognized under 'Loans'. Recoveries out of salary bills shall be recognized as receipts as and when the corresponding salary expenditure is recognized.

Procurement of goods

Expenditure on procurement of goods shall be charged to the appropriate heads of account depending on whether the expenditure is of a revenue or capital nature. The expenditure is recognized on receipt of goods and passing of the bill for payment.

Public works

The works carried out by the TP could be revenue or capital in nature. Works expenditure bills are recognized as revenue/capital expenditure on presentation of the bills to the Treasury for payment. Revenue expenditure shall be accounted as expenditure under the respective Major Heads starting from 2__. Capital expenditure shall be accounted as expenditure under the respective Major Heads starting from 4__.

In case of capital works, on completion of work and payment of the final bill, the asset shall be recorded in the Asset Register maintained at the TP.

If the works are undertaken under Central Schemes (banking channel), the expenditure shall be recognized as and when bills are passed for payment.

AC advances: Abstract Contingent advances while paid out are accounted as expenditure. Any excess pay outs/refunds on submission of NDC bills are adjusted against the same head of account under which the original advance was accounted.

Earnest Money Deposit: Receipts of Earnest Money Deposit shall be accounted as receipts on deposit of the cash/cheque/DD to the TP fund III account in the Treasury or the respective central scheme bank account, for release of the EMD, the payment shall be recognized on presentation of the bill to the Treasury or on issue of cheque in case of bank transactions. The Earnest Money Deposit forfeited shall be accounted as receipts under Other Receipts and shall be suitably recorded in the Deposit Register.

Security deposit: Security deposits/retention monies deducted out of running bills of contractors are recognized under Civil Deposits as and when the corresponding works expenditure is recognized. Refunds of security deposits are accounted as payments under Civil Deposits as and when the payment to the contractor is made. Security Deposit forfeited shall be accounted as other receipts and shall be suitably recorded in the Deposit Register.

Statutory deductions – Treasury channel: Deductions as well as remittances of statutory dues like TDS, VAT, Royalty, CBF, and WWC which are paid directly by the Treasury and charged to the respective heads in the Treasury as and when deductions are made/remitted. Such deductions are accounted under the respective payable heads as and when deductions are made. Remittance of such deductions is accounted on receipt of

confirmation of remittance from the Treasury. Necessary deduction registers for monitoring the deductions and remittances as prescribed shall be maintained.

Statutory deductions – Banking channel: All deductions and remittance of such deductions made through the banking channel are accounted under the respective Payable Heads of Account on deduction.

Expenditure on services

Expenditure on services rendered to the TP may be of the nature of legal fees, data entry charges etc. Expenditure on services is recognized on passing of bills for payment. The recognition of deposits and deductions shall be the same as for public works.

Beneficiary payments

Beneficiary payments under various schemes are recognized as expenditure as and when the bills are presented to the Treasury for payment (Treasury channel) or on approval of payment (banking channel).

Bank charges

Bank charges shall be accounted as expenditure under the appropriate head as and when the charges are debited by the bank in the scheme bank account.

Fixed Assets accounting

Expenditure on goods, works and services of a capital nature shall be charged to the respective expenditure heads in TP accounts as and when paid. For goods procured of a capital nature, an entry shall be made in the fixed asset register on receipt of the goods. Expenditure on works of a capital nature shall be recognized as a fixed asset on completion of the work as duly certified. An entry shall be made in the fixed asset register for the total amount spent on the assets which belong to the TP. Capital Expenditure in the nature of contribution to Societies are not recorded in the Fixed Asset register.

vi. Loans and Advances

Advances are accounted as and when paid out. Advances to employees like salary advances are accounted under 'Loans to Panchayat employees' and other advances are accounted under 'Civil Advances'. Recovery of employee advances from salaries shall be accounted as receipts under loans to Panchayat employees as and when the corresponding salary is paid out.

Recovery of other advances from amounts paid towards works/goods/other payments shall be accounted as receipts under Civil Advances as and when such advances are received back.

Loans given to co-operative societies are in the nature of scheme expenditure and are accounted under the corresponding Major Heads under 2425, 4425 and 6425.

vii. Transactions of line departments

Onward budgetary releases by the TP to line departments at the Taluk level shall not be recognized as expenditure of the TP at the time of release. Expenditure against such releases are incurred at the line departments and accounted there. Such expenditure shall be recorded in the TP accounts based on monthly Treasury schedules after reconciliation and verification by the line departments.

With regard to central schemes operated through the banking channel, implemented by the line departments, though the actual spending is by the LD DDOs, the funds lying in such bank accounts form part of the scheme funds of the TP. Onward releases to the LD DDOs are accounted as transfers from one bank account of the TP to another in the books of account of the TP. The expenditure is accounted only when the money is actually paid out of the LD DDO bank account.

viii. Transfer entries

Transfer entries are made whenever an amount has to be adjusted between two or more heads of account. Such transfer entries are accounted as and when the Transfer Entry Slip is:

- proposed by the EO and accepted by the Treasury (in the case of Treasury heads); or
- prepared by the AAO and approved by the EO (in the case of banking channel).

ix. Cash and bank Management

A cash book shall be maintained for all cash and bank transactions by each DDO. Entries in the cash book shall be made on a daily basis and the cash book shall be closed on all working days. A separate cash book shall be maintained for each bank account. For Treasury transactions, a register to record receipt of cheques from Treasury and payment to parties shall be maintained. The register shall be maintained on a daily basis.

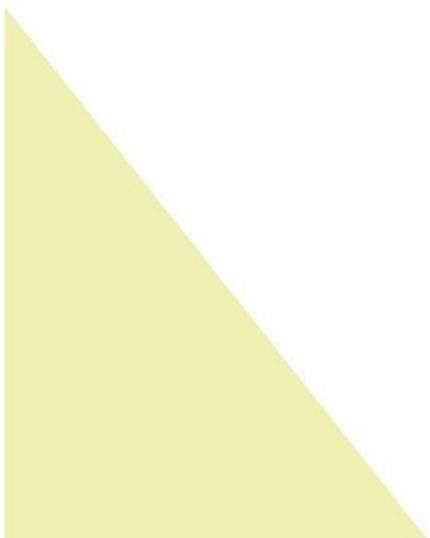
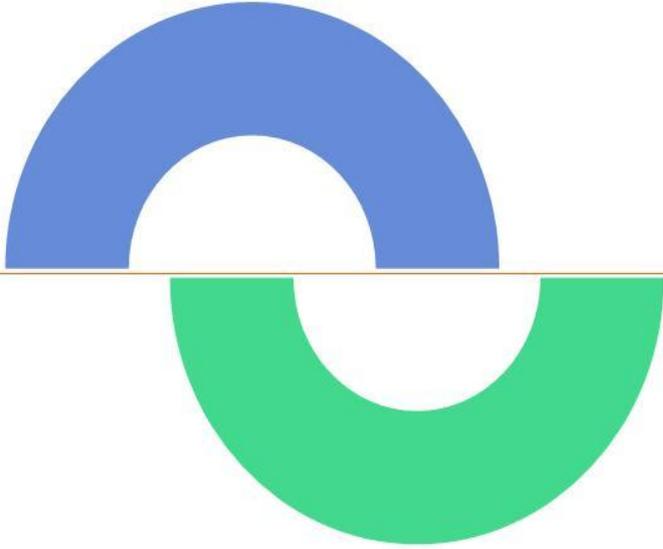
x. Bank Reconciliation

A monthly bank reconciliation statement for each bank account shall be prepared. The Bank Reconciliation Statement shall form part of the Monthly and Annual Accounts of the TP.

xi. Accounts closure

The TP shall reconcile all bank accounts and its fund balances with Treasury before closing of accounts for the year. Closing balances of cash and bank accounts and Fund III Treasury balance shall be carried forward to the next year as opening balances. Lapsing of balances in Fund II of the Treasury shall be recognized in the TP accounts by reducing the amounts from the corresponding grant heads of account.

Chart of Accounts



Chapter 4: Chart of Accounts

4.1 Introduction

A chart of accounts is a listing of all the account heads operated in a Taluk Panchayat. Each account is denoted by an account name and a reference number. The account name is known as the “Account Head”, and the reference number is known as the “Account Code”. The chart of accounts groups accounts of a similar nature into groups and sub-groups at different levels (major heads, minor heads and Scheme heads with accompanying codes). It provides uniformity in accounting and reporting financial transactions. A common understanding and usage of the account heads facilitates not only a comparison over different time periods, but also comparison across Taluk Panchayats.

4.2 Earlier Structure

In the earlier system of accounting and reporting there is no separate chart of accounts prescribed for TPs as such. TPs use the Treasury Scheme Codes in the Link Document. The earlier structure of the heads of account is a 6-tier classification with a 15-digit code. This structure is followed by the Treasury and the TPs. Starting from the FY 2011-12, new codes have been introduced in the Link Document to bring them in line with the Model Accounting System for Panchayats (MPAS). The structure of the earlier heads of account is shown below in **Table 2**.

Table 2: Coding Structure of the Treasury Heads of Account

Codes	Representation	Nomenclature of Head
4 digits	Function	Major Head
2 digits	Sub-function	Sub-major head
3 digits	Programme	Minor Head
1 digit	Scheme	Sub-head
2 digits	Sub-scheme/Activity	Detailed head
3 digits	Object of expenditure	Object head

4.3 MPAS Heads of Account

The Model Accounting System for Panchayats (MPAS) prescribed by C&AG in 2008 is a simple yet robust accounting system for PRIs. The coding structure prescribed in MPAS comprises of a 11-digit code for the heads of account as shown in **Table 3** below.

Table 3: Coding Structure under the MPAS

Codes	Representation	Nomenclature of Head
4 digits	Functions	Major Head
3 digits	Programme	Minor Head
2 digits	Schemes Head	Detailed Head
2 digits	Object of expenditure	Object Head

Illustration 1: MPAS classification

To account for construction of houses under the Central Scheme Indira Awaz Yojana under the MPAS, the head of account will be 2216-102-14-23. The explanation of the coding structure is given below.

2216 Rural Housing (**Major Head**)
 102 Construction of Houses (**Minor Head**)
 14 Indira Awaz Yojana (**Scheme**)
 23 Major Works (**Object Head**)

4.4 Chart of Accounts for Taluk Panchayat

The MPAS reporting requires the TP to present the accounts as per the MPAS structure only up to the Minor Head and Scheme Code level. However, the TP Accounts Manual has incorporated the entire MPAS coding structure for preparation and presentation of TP Accounts.

Coding Structure: The chart of accounts coding structure proposed for Taluk Panchayats is a 4-tier, 11 digit coding structure as shown in **Figure 1**.

HEADS OF ACCOUNT – 11 Digits										
Major Head				Minor Head			Scheme Head		Object Head	
1	2	3	4	5	6	7	8	9	10	11

Major Head (4 digits)	First digit in Major Head: 0 or 1 – Revenue Receipts 2 or 3 - Revenue Expenditure 4 or 5 – Capital Expenditure 6 or 7 – Loans and Advances Next three digits indicate functions.
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Minor Head (3 digits)	Programme
Scheme Head (2 digits)	Schemes
Object Head (2 digits)	Object of expenditure

Figure 1: Chart of Accounts for TP

Note: All the heads of accounts shall have an 11-digit code irrespective of whether all the codes are necessary or not. The tiers which are not applicable shall contain the code “00”.

First Tier –Major Head (4 digits) –The major heads represent the functions of the PRIs. The first digit in the major code indicates whether it is a Revenue Head, Revenue Expenditure Head, Capital Expenditure Head or Loan Head. If the first digit is 0 or 1 the head of account shall be a Revenue Head, 2 or 3 shall be Revenue Expenditure, 4 or 5 Capital Expenditure and 6 or 7 shall be Loans and Advances. The other three digits represent the various functions of PRI.

For example, 2202 means Revenue expenditure head under the function Education, 0403 means Revenue receipt under the function Animal Husbandry, Dairying and Poultry. The list of all Major Heads applicable for TP accounting is given in **Annex 2 Chart of Accounts**.

Note: All grants received by the TP from the Central/State Governments are in the form of Grants-in-aid and hence shall be accounted under the Major Head 1601.

Second Tier – Minor Head (3 digits) – The minor head represents the programmes or units of expenditure.

Third Tier – Scheme Head (2 digits) – This tier with a 2 digit code represents the Central/State Government Schemes. For example, Scheme Code 19 represents Sarva Shiksha Abhiyan Scheme of the Central Government.

Note:

The MPAS currently provides for codes 11 to 22 for various Central Schemes. It prescribes alphanumeric codes for State Schemes. However, the logic for coding has not been explained. To avoid confusion, all the State Schemes have been covered from code 25 to 99 in this manual.

Fourth Tier – Object Head (2 digits) – Object Head represents the nature of expenditure. Object heads are applicable for Expenditure Heads of Account only. Hence, the Object Code

for all Receipt Heads of Account shall be 00. The earlier object codes being 3 digit codes have been converted to 2 digit codes. The mapping of the revised object codes with the earlier object codes is given in **Table 4** below.

Table 4: Mapping of revised object codes to earlier object codes

Revised Object Code	Revised Object Heads	Earlier Object Codes	Earlier Object Heads
01	Salaries	001	Consolidated Salaries
		002	Pay of Officers
		003	Pay of Staff
		011	Dearness Allowance
		004	Interim Relief
		014	Other Allowances
		020	Medical Allowance
02	Wages		
03	Overtime Allowance		
04	Pensionary charges	250	Pensionary charges
		251	Pension and Retirement Benefits
05	Honoraria		
06	Medical treatment	021	Reimbursement of Medical Expenses
07	Travel Expenses	041	Travel Expenses
08	Office Expenses	051	General Expenses
		052	Telephone Expenses
		234	Diet Expenses
09	Rent, Rates and Taxes	071	Building Expenses
10	Audit Fee		
11	Printing		
12	Other Administrative Expenses	015	Subsidy Expenses
13	Supplies and Materials	221	Materials and Supplies
14	Petrol/Diesel	195	Transport Expenses
15	Advertising and Publicity		
16	Other Contractual Services		
17	Grants -in -aid	101	Grants-in-Aid
18	Contributions	104	Contribution
19	Subsidies	106	Subsidies
20	Share of taxes / duties		
21	Motor Vehicles/hiring charges		
22	Machinery and Equipment	180	Machinery and Equipment
23	Major Works	139	Major Works
24	Write off / losses		
25	Deduct recoveries	364	Deduct – Recoveries
26	Maintenance	200	Maintenance

Revised Object Code	Revised Object Heads	Earlier Object Codes	Earlier Object Heads
27	Scholarships and Incentives	117	Scholarship and incentives
28	Financial Assistance/Relief	100	Financial Assistance/Relief
29	Repairs and Carriages	182	Repairs and carriages
30	Loans	394	Loans
31	Minor Works	140	Minor Works
80	Other Expenditure	059	Other Expenses

Note:

1. As per the MPAS structure, the object codes are from 01 to 26 and 80. However for accurate reporting of TP expenditure these are not sufficient. Hence object codes from 27 to 31 have been included in **Table 4**.
2. There are some object heads (02, 03, 05, 10, 11, 15, 16, 20, 21 and 24) in the MPAS which are not currently used for TP accounting. Such heads have been included in order to conform to the MPAS structure.

Illustration 2: Revised chart of accounts

To record an office expenditure of Central Scheme, Sarva Shiksha Abhiyan (SSA) the head of account shall be **2202-101-19-08**. The break-up of the Head of Account is given in **Table 5** below:

Table 5: Break-up of Heads of Account (Central Schemes)

Code Break-up	Head of Account	Nomenclature
2202	Major Head	Education
101	Minor Head	Primary Education
19	Scheme Head	Sarva Shiksha Abhiyan
08	Object Head	Office Expenses

Illustration 3: Revised chart of accounts

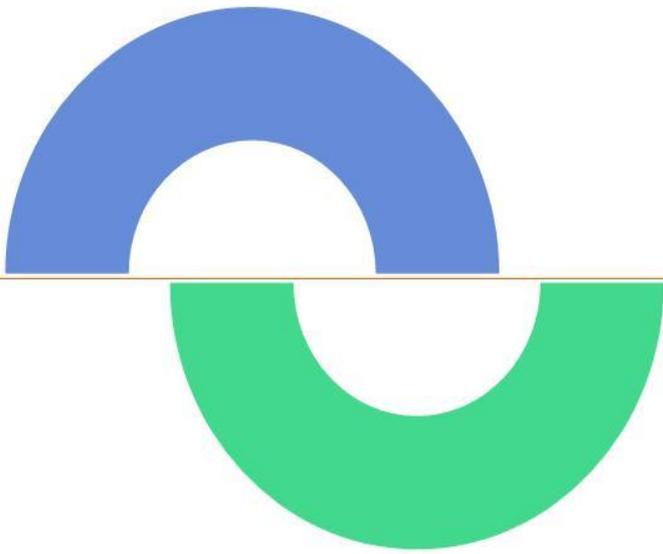
To record an expenditure towards printing under a State Scheme, the head of account shall be **2202-102-27-11**. The break-up of the Head of Account is given in **Table 6** below:

Table 6: Break-up of Heads of Account (State Schemes)

Code Break-up	Head of Account	Nomenclature
2202	Major Head	Education
102	Minor Head	Secondary Education
27	Scheme Head	Grants in Aid
11	Object Head	Printing expenses

The Chart of Accounts structure proposed in this manual has been mapped with the heads of account used earlier up to the Scheme Head. This mapping is given in **Annex 6, Format III of TP Link Document**. In practice, the Composite Code (09 digits) shall be suffixed with the Object Code (2 digit) depending on the nature of expenditure incurred. **Annex 6, Format III of TP Link Document** also provides a mapping of the proposed chart of accounts to the Treasury Link Codes for easy reference.

Accounting Processes



Chapter 5: Accounting Processes

5.1 Introduction

This chapter covers all the business processes involving financial transactions in a TP. Thirteen key processes have been identified. This chapter discusses the processes from the accounting perspective and covers the detailed activities under each process. The responsibility to perform the activities is also laid out under each process. The accounting processes have been prescribed keeping in mind the Khajane II environment.

This chapter is the crux of the entire accounts manual as it covers all the activities that TP accounts personnel have to perform as part of their accounts function. The maintenance of relevant registers and documents under each process has been separately covered in *Chapter –7 Documents and Registers*.

5.2 Accounting Processes

This section covers the TP processes with respect to accounting function. The activities that have to be performed at the TP level under each process are explained in detail in this section. The explanation of the processes is dealt in five parts which are:

1. Introduction to the process;
2. Activities under the process;
3. Flow of transactions in various registers;
4. Accounting Treatment of the transaction;
5. Responsibility matrix for the activities under the process;
6. Checklist of key items to be checked while accounting;
7. Illustrations for the accounting treatment, where required; and
8. Khajane II functionality vis-a-vis current set-up

Annex 3 contains detailed flowcharts of each process discussed in this section. A big picture of the accounting processes identified is given in **Figure 2** below.

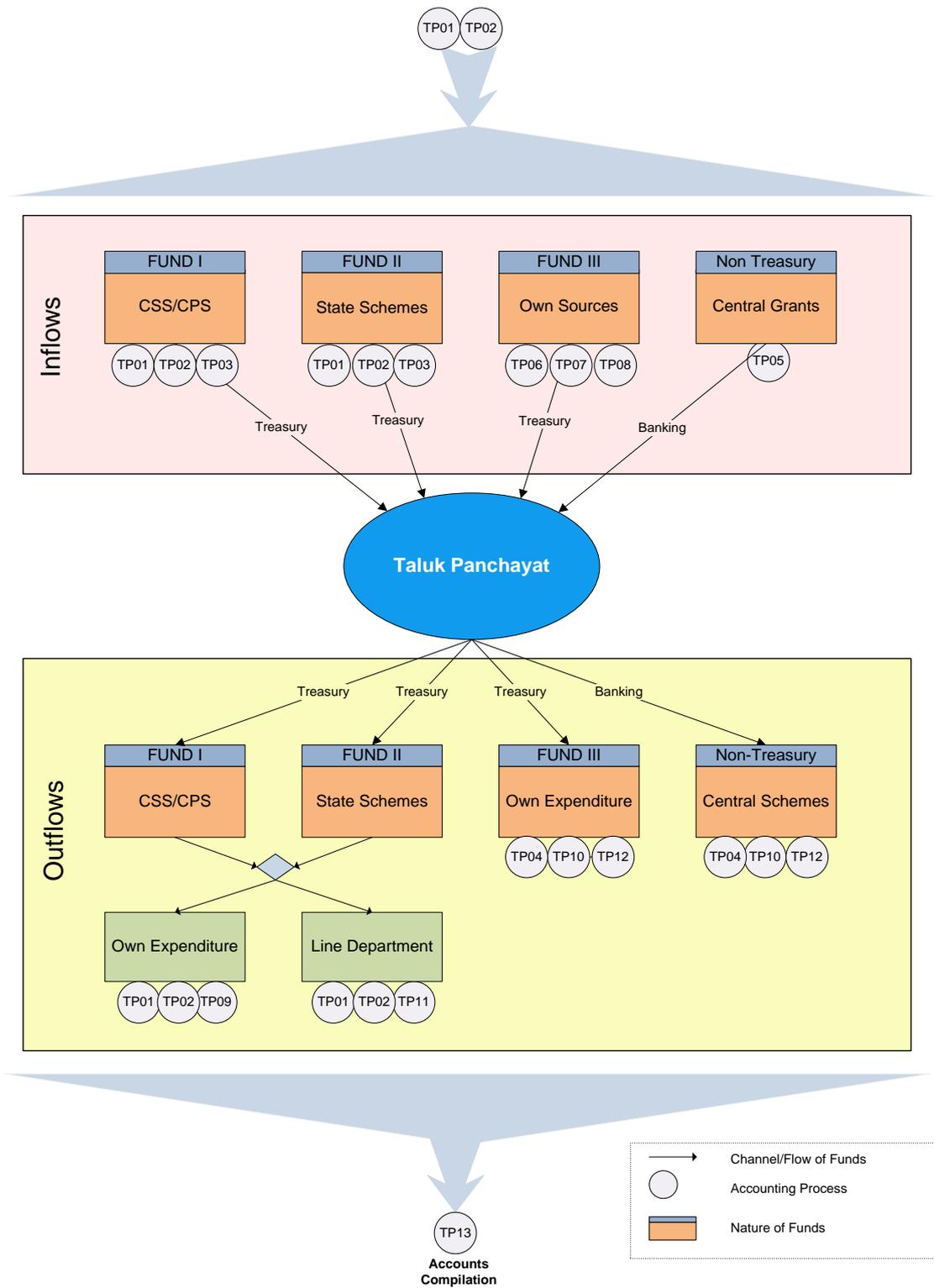


Figure 2: Overview of TP Accounting Processes

The above figure shows the different channels of funds movement. The list of business processes has been given in **Table 7** below.

Table 7: List of Business Processes

Process Code	Process Name
TP-01	Budget Preparation
TP-02	Preparation of TP Link Document
TP-03	Fund Releases by State to Taluk Panchayat
TP-04	Action Plan Preparation and Approval
TP-05	Receipts and Expenditure of Central Scheme Grants (Banking Channel)
TP-06	Receipts and Expenditure of Surcharge on Stamp Duty
TP-07	Rent Receipts
TP-08	Other Receipts
TP-09	Expenditure on Salaries
TP-10	Expenditure on Works/Goods/Services
TP-11	Expenditure – Line Departments
TP-12	Beneficiary Payments
TP-13	Accounts Compilation

Processes TP -01 to TP -12 have been discussed in the Sections 5.2.1 to 5.2.12. Certain other transactions of the TP related to the key processes have been covered under *Section 5.2.13*. TP 13 has been dealt with in detail in *Chapter 6 Accounts Compilation*.

5.2.1. Accounting Process TP-01: Budget Preparation

Though each TP prepares its budget, the TP budget ultimately merges into the budget of the State. In the true sense, there is no separate budget document of the TP. Budget estimates are prepared at the TP level and consolidated upwards. The TP budget exercise covers not only the TP but also the line departments at the Taluk level.

The process of budget preparation begins in the months of August and September when the State plan outlays are finalized and communicated to offices down the line. District Plan outlays under different schemes are also indicated by the District Planning Division in the Planning Department after a consultative process. This sets the ball rolling on the budget preparation exercise at the taluk level.

Budget Preparation process

The process for preparation of budget estimates has been shown in the form of a Process Flow diagram in **Annex 3 Chart 1**. Activities with respect to Budget Preparation process are explained below:

- a) **Preparation of Shelf of Projects:** the Planning Officer (PO) shall ask the concerned heads of the Line Departments to provide the list of works/details of expenditure proposed under different schemes along with the financial estimates. Similarly, the PO shall prepare a list of works/other expenditure proposed out of any untied grants available to the TP. The PO shall prepare a consolidated document, in consultation with the AAO and EO, called the Shelf of Projects (SoP) based on the information given by the Line Department alongwith the TP's own estimates. The Shelf of Projects shall be prepared in the format given in **Annex 6, Shelf of Project**. The Shelf of Projects shall be approved by the TP General Body. The approved Shelf of Projects becomes the basis for preparation of the Plan budget estimates.
- b) **Consolidated budget proposal:** Estimates for salary and establishment expenses shall be prepared based on the approved Appendix B. Based on the approved Shelf of Projects and Appendix B; the AAO shall prepare the consolidated budget proposal of the TP. The budget proposals shall be prepared in the format given in **Annex 6, Annual Budget**.
- c) **Approval of budget proposals:** The budget proposals of the TP along with the Shelf of Projects shall be placed before the TP Finance, Audit and Planning Committee and then forwarded to the General Body for final approval. The approved budget proposals are sent to the ZP. At the ZP level, discussions are held and changes to the TP budget proposals, if any are made. The TP budget proposals are consolidated at the ZP level and sent to the Finance Department of the State.
- d) **Approval of State Budget:** These budget proposals undergo multiple rounds of discussion and iterations at various levels. The final proposals are included in the

State Budget and approved by the State Legislature. After approval of the budget, a division wise Link Document is released by the State Government.

Budget preparation calendar

Table 8 shows the calendar of activities leading up to the preparation of the budget proposals by the TP and submission to the ZP.

Table 8: Timeline for preparation of TP Budget Proposals

Activity	Time line	Responsibility
Intimation inviting project proposals for the coming year from various Line Departments	December 31 st	Planning Officer
Submission of proposals	January 10 th	Line department Officers
Preparation of TP's own works list	January 10 th	Planning Officer
Preparation of Shelf of Projects	January 15 th	Planning Officer
Preparation of TP budget proposals	January 15 th	Asst. Accounts Officer
Approval of Shelf of Projects & Budget estimates by the TP Body	January 20 th	TP General Body
Submission of the TP Budget proposals alongwith SoP to the ZP	January 25 th	Executive Officer

5.2.2. Accounting Process TP-02: Preparation of TP Link Document

The TP Link Document gives the TP wise allocation under various heads. The TP Link Document is a breakdown of the approved Budget of the State and hence gives a clear indication of the actual approved allocations available as against the budget proposals prepared by the TP in process TP-01. The process flow for preparation of TP Link Document is given in **Annex 3 Chart 2**.

Preparation of the TP Link Document

a) Alongwith the division wise ZP Link Document, each ZP also receives a TP Link Document from the FD showing the proportionate budget allocation to the TPs in that ZP. The ZP shall convene a meeting of the EOs of the TPs and District & Taluk level officers of the line departments to discuss & finalize the Taluk wise allocations under each head of account. The original Shelf of Projects and budget proposal document are revisited and individual items are prioritized to suit the available allocation. This exercise gives the revised allocations for each TP. The TP wise allocations in the TP Link document are revised and the final TP Link Document is generated from Khajane II by the ZP CAO. The entire exercise is completed in the first week of April so that the TP Link Document is available for expenditure out of the first quarter releases. The TP Link Document formats are given in **Annex 6, Formats I – III of TP Link Document**.

b) The TP Link Document is circulated to all EO offices and line departments coming within the ZP by the ZP CAO.

5.2.3. Accounting Process TP-03: Fund Releases by State to Taluk Panchayat

Majority of the fund inflow to the TP are through releases from the Treasury. The releases are made quarterly and they are intimated to the TPs by way of a release order from the Finance Department of the State. The releases of funds from the State Government to the TP are based on the TP Link Document.

When the releases are made by the State Government, the TP gets intimation of the release through a Release Order. Based on the Release Order, the TP draws the releases from the Consolidated Fund of the State and takes credit into its Fund account with the Treasury. After the release is taken to credit of the TP's Fund Account, it is available for utilization by the TP or for onward release to the Line Departments at the Taluk level.

Process for Fund Releases by State to Taluk Panchayat

The process for receipt of releases from the State Government depends on the allocation of funds, i.e., for the TP's own expenditure or for utilization by the Line Departments. The process flow of Fund releases is given in **Annex 3 Chart 3**. With regard to releases for TP own expenditure, on receipt of the Release Order, the Accounts Assistant generates a Payee's receipt (CTS-8) for drawing the funds from the Consolidated Fund of the State. He also generates a Remittance Challan for credit of the releases to the TP Fund Account with the Treasury. The details of the Challans drawn shall be mentioned in the Treasury Release (TR) Register (format given in **Annex 4, Form No. TP14**).

The Payee's Receipt along with the Remittance Challans is presented to the Treasury after signature of the EO. The TR register shall be submitted to the Treasury and the Treasury shall endorse the TR register if all the entries in the challans and payee's receipts are found to be correct. After endorsement and receipt of the Payee's Receipt and the remittance challan, the Treasury credits the releases to the TP Fund Account.

With regard to allocations meant for utilization by the Line Departments, the EO generates and issues a Release Order to each of the Line Departments mentioning the amount being released under each Head of Account for that department.

Treasury Release (TR) Register: The TR register records all the releases credited by the Treasury to the TP funds. This is a control register to track the releases made from the State Government. This register shows all the releases received by the TP, Treasury token wise and contains the endorsement of the Treasury for each release credited to the TP Fund Account.

Flow of accounting entries for recording Fund Releases

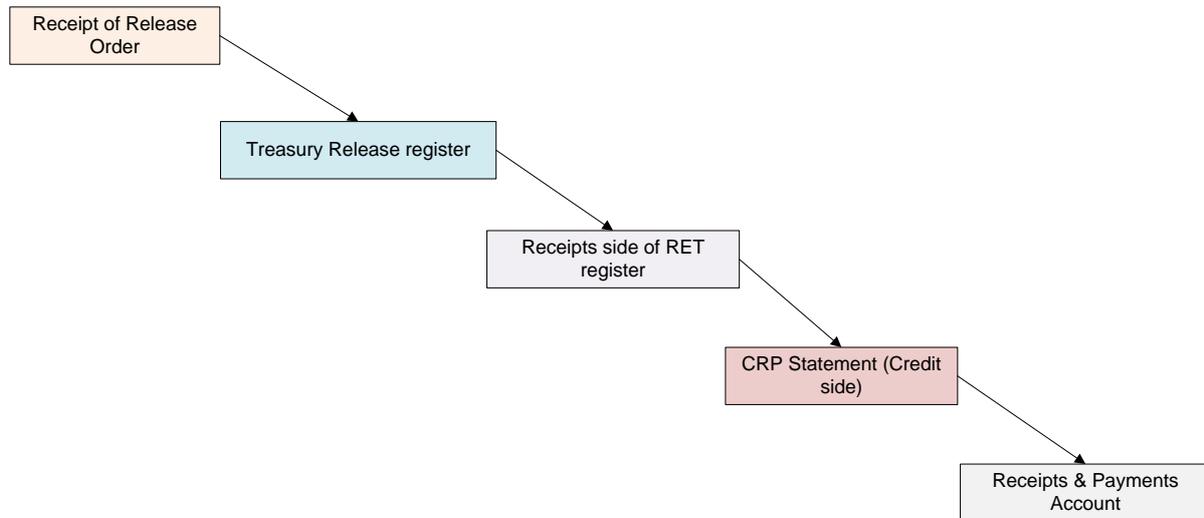


Figure 3: Flow of accounting entries for Fund releases

Accounting Treatment for Fund Releases from State to Taluk Panchayat

Amounts remitted to the TP Fund Account are entered in the Treasury Release (TR) Register after the Payee's Receipt and Remittance challan are generated. All the funds received from the Treasury are in the form of Grant-in-aid and hence shall be treated as revenue under the Head of Account major head 1601 and minor head 101 (if it is a Central Government grant); and minor head 102 (if it is a State Government grant). While recording the receipt of releases, the breakdown of the Expenditure Heads of Accounts against which the releases shall be utilised shall also be mentioned. The format of the Treasury Release Register is given in **Annex 4 Form No. TP14**.

The TP shall also maintain a Receipts & Expenditure Tracking Register (RET) wherein all releases received are recorded against the respective Expenditure Heads of Account. The Receipts & Expenditure Tracking Register shall contain a separate page for each head of Account. For example, separate folios for Primary education (2202-101-27) and for secondary education (2202-102-27) shall be maintained. Releases for TP's own utilization (untied grants) shall be entered against the Head of Account 2515-102-27. The allocation under a particular Head of Account in the current release shall be entered on the 'Receipts' side of the RET Register against the release order. The 'Payments' side of the RET Register is updated when expenditure is incurred under that Head of Account which is explained later in this manual. The format of the Receipts & Expenditure Tracking Register is given in **Annex 4 Form No. TP21**.

Activity-Responsibility Matrix

The activities along with responsibilities described above are summarized in **Table 9** below.

Table 9: Activities for Receipts – Fund Releases from State to TP

Activities	Registers/Records	Prepared by	Checked by	Approved by
Drawal of releases and credit to TP Fund	CTS-8 and Remittance challan (Yellow)	Accounts Assistant	Assistant Accounts Officer	Executive Officer
Accounting the receipts	1. Treasury Release Register 2. RET Register	Accounts Assistant	Assistant Accounts Officer	NA
Release Order to Line Departments	1. Release Order	Accounts Assistant	Assistant Accounts Officer	Executive Officer

Checklist for Fund Releases

- 1) Preparation and generation of Payee's receipt (CTS-8) and Remittance Challan on time after receipt of Release Order
- 2) Receipt and Expenditure Heads of Account are clearly recorded in the TR Register as soon as the fund is received
- 3) Entries to be made in the correct expenditure Heads of Account in the Receipts & Expenditure Tracking (RET) Register
- 4) Release Order for onward releases to Line Departments are authorised by EO
- 5) Timely release of onward Release Order to Line Departments
- 6) The release allocation to Heads of Accounts as per Payee's receipt (CTS-8) and Remittance Challan matches with the actual release order

The following **Illustration** will explain the accounting of fund releases from State to Taluk Panchayat.

Illustration 4: Receipts – Fund Releases

A release of Rs.2,50,000/- is made by the State Government to the TP. The release is made under the following Heads of Account:

- 2202-102-27-08 - Education Department – Rs. 1,00,000
- 2210-101-27-08 - Health & Family Welfare – Rs. 1,00,000
- 2515-102-27-23 - Panchayat Raj programmes – Rs. 50,000

The accounting treatment is as follows:

Treasury Release Register

Details of Receipt							
Date	Release Order No. and Date	Remittance Challan #	Head of Account	Amount of Release	Particulars of Release		Date of onward release to Line Department
					Expenditure Head of Account	Amount (Rs.)	
1	2	3	4	5	6	7	8
<<Date>>	<Date of Release order & GO reference>		1601-102-27-00	2,50,000	2202-102-27-08	1,00,000	
					2210-101-27-08	1,00,000	
					2515-102-27-23	50,000	

Receipts & Expenditure Tracking Register (Receipts side)

Expenditure Head of Account: 2202-102-27-08 (utilisation by Education Department) Folio # __		
Receipts		
Date	Release Order Particulars	Amount (Rs.)
1	2	3
<<date>>	<RO Reference>	1,00,000
	Total	1, 00,000
Expenditure Head of Account: 2210-101-27-08 (utilisation by Health Department) Folio # __		
Receipts		
Date	Release Order Particulars	Amount (Rs.)
1	2	3
<<date>>	<RO Reference>	1,00,000
	Total	1, 00,000
Expenditure Head of Account: 2515-102-27-23 (for own utilization of TP) Folio # __		
Receipts		
Date	Release Order Particulars	Amount (Rs.)
1	2	3
<<date>>	<RO Reference>	50,000
	Total	50,000

Khajane II vis-a-vis current setup

- Automated transfer of releases from State Government to TP;
- System based generation of payee's receipt and Remittance challans;

- System based generation of release orders (State Government as well as TP);
- Recording of receipt of fund releases in the system on presentation of payee's receipt and remittance challan by the TP;
- System generated entries in Treasury Release Register and Receipts & Expenditure Tracking Register

5.2.4. Accounting Process TP-04: Action Plan Preparation and Approval

No expenditure except salary expenditure can be incurred unless it is supported by an approved action plan. The TP prepares action plans for expenditure under untied grants, grants under central schemes, surcharge on stamp duty receipts and own sources receipts. For untied grants, the action plan is prepared on receipt of the TP Link Document. For Central Schemes and receipts of Surcharge on Stamp Duty, the action plan is prepared for each release. Action plans are approved by the TP Standing Committee on Finance, Audit & Planning and finally by the TP General Body. The process flow of this process is given in **Annex 3 Chart 4**.

Process for preparation and approval of Action Plans

The Executive Officer of the TP initiates the Action Plan preparation process in the following cases:

- For untied grants – on receipt of the TP link document;
- For grants under Central Schemes – On receipt of the release order or on receipt of the grants;
- For receipts of surcharge on stamp duty – when the TP body decides to utilise the funds received from the Registrar of Stamps;
- For own sources receipts - On periodic basis as and when sufficient funds are available.

Note: For expenditure under other state schemes, action plans are prepared by the respective implementation officers (line departments).

The Planning Officer in the Taluk Panchayat prepares the Action Plan from the list of works mentioned in the Shelf of Projects. The action plan is approved by the EO and placed before the Standing Committee on Finance, Audit and Planning for approval. On approval, the Action Plan is further approved by the General Body of the TP. The approved action plan is sent to the ZP by the EO for scrutiny. The ZP scrutinises the action plan and returns the same to the EO after obtaining necessary clarifications. The format of Action Plan is given in **Annex 6, Action Plan**.

The sequence of activities leading up the preparation of the Action Plan must happen in a time bound manner to ensure that the works are completed on time. The calendar for preparation of action plan for releases through the TP Link Document is given in **Table 10**. The Action Plan for utilising grants from banking channel shall be prepared by the TP within 45 days from the receipt of release order/funds. In all other cases, action plan shall be prepared within 45 days from the date when decision to utilise the money is made.

Table 10: Timeline for preparation of Action Plan (for releases through the TP Link Document)

Activity	Time line	Responsibility
Preparation of Action Plans by Line Department	15 th April	Officers of Line Depts.
Preparation of Action Plans by TP	15 th April	Planning Officer of TP
Preparation of Action Plans by consolidating the departmental Action Plans by TP	30 th April	Planning Officer of TP
Approval of Action Plans by the Standing Committee and TP General Body	15 th May	TP Standing Committee and General Body
Submission of Action Plans to ZP	31 st May	TP Executive Officer

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 11** below.

Table 11: Activities for Preparation and Approval of Action Plans

Activities	Registers/Records	Prepared by	Checked by	Approved by
Preparation of Action Plan	Action Plan	Planning Officer	NA	Executive Officer
Approval of Action Plan	Minutes of meeting	NA	NA	Finance, Audit & Planning Committee
Final Approval	Minutes of meeting	NA	NA	TP General Body
Submission of Approved Action Plan to ZP		Executive Officer	NA	NA

5.2.5. Accounting Process TP-05: Receipts and Expenditure of Central Scheme Grants (Banking Channel)

The Central Scheme grants are transferred to the TPs through the concerned ZP. Though the allocations under central plan schemes and centrally sponsored schemes are indicated in the Link Document, the funds flow to the TP through the banking channel. The expenditure under such schemes is also through the banking channel against approved action plans as indicated earlier. The process flow for receipts and expenditure under banking channel is given in **Annex 3 Chart 5**.

Process for receipt and expenditure through the banking channel

The funds are released by the ZP and credited to the Scheme Bank Account of the TP. The TP receives intimation of the release/credit of the grants from the ZP. For utilisation of the scheme grants, the TP shall prepare an Action Plan which shall be in line with the Scheme Guidelines issued by the Central Government. The process for preparation and approval of action plans is shown in TP-04 earlier. The process for scheme expenditure is explained in detail in TP-09, TP-10 and TP-12.

Procedure for opening and closing of bank accounts under different schemes

The opening of bank accounts for the Central Schemes is intimated in the guidelines of the Central Schemes. The bank accounts are opened by the TP EO as per the scheme guidelines and the bank account details are intimated to the ZP. In some cases like the MGNREGA the Central Government opens the Bank Account on behalf of the TP and intimates the TP. The RDPR has issued a GO # RDP 02 AFN (2) 2000, which has directed the TPs to have only one bank account for one Scheme.

Closure of inactive accounts: Bank accounts which are inactive can be closed by the TP EO based on the advice received from:

1. AG during the course of Audit;
2. ZP CEO/CAO or
3. Suo moto.

The amount withdrawn after closure shall be converted into a Demand Draft in the name of the concerned ZP CEO. It could also be deposited under the new scheme of the Central Government. e.g., the 12th Finance Commission grants can be taken to the 13th Finance Commission grants after the approval from the ZP CEO. However, there are inactive bank accounts which are not closed due to some technical problems like incompleteness of works undertaken, etc.,

Flow of accounting entries for recording receipts & expenditure through the Banking Channel

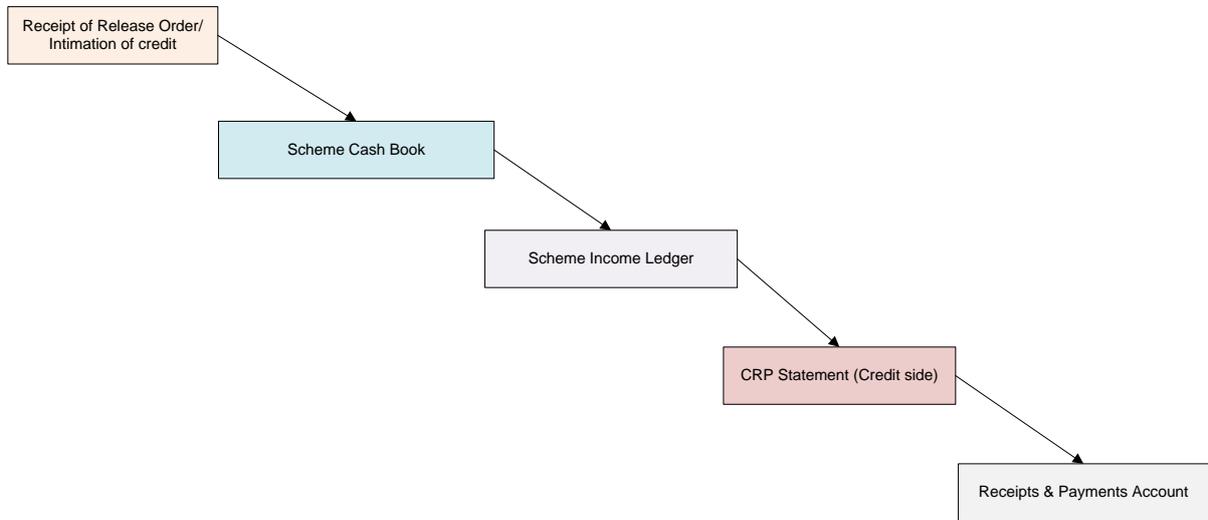


Figure 4: Flow of accounting entries of receipts through Banking Channel

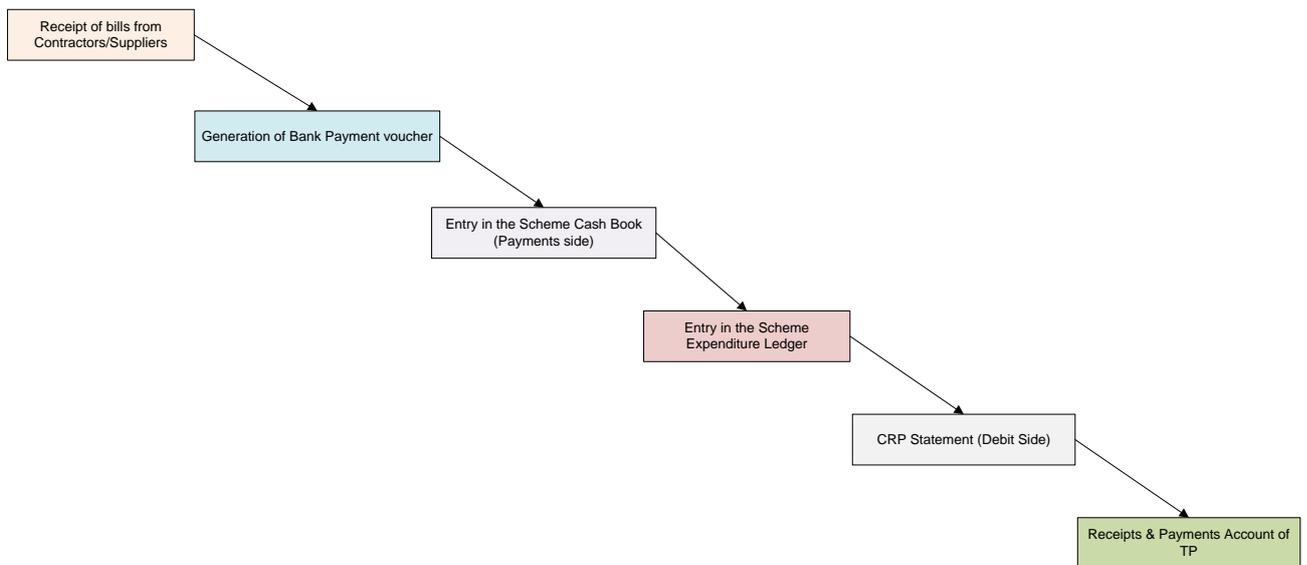


Figure 5: Flow of accounting entries of expenditure through Banking Channel

Accounting treatment for receipt and expenditure through the banking channel

For every Central Scheme the TP shall maintain a separate cash book called the Scheme Cash Book. Receipts of scheme grants shall be entered on the ‘Receipts’ side of the Scheme Cash Book on receipt of intimation of release from the ZP. The release intimation shall be the supporting document for recording the receipt. On the same lines, any other receipts such as bank interest (on scheme funds) shall also be entered on the ‘Receipts’ side of the Scheme Cash Book. The format of the Scheme Cash Book is given in **Annex 4 Form No. TP22**.

A Scheme Ledger shall also be maintained to record all incomes and expenditure against individual Heads of Account for that scheme. The expenditure major Head of Account shall be 2515-102- \ll Scheme Code \gg - \ll object code \gg . The grant receipts shall be accounted under the Head of Account 1601-101- \ll Scheme Code \gg -00, whereas interest received on Scheme grants lying in the Bank Account, if any, shall be accounted under the Head 0049-101- \ll Scheme Code \gg -00.

For all scheme receipts, in addition to the entry in the Scheme Cash Book, a corresponding entry is made on the 'Credit (Cr)' side of the concerned Income Head of Account in the Scheme Ledger. All scheme expenditure including expenses like bank charges (for which no cheque is issued) shall be entered on the 'Payments' side of the Scheme Cash Book on actual payment mentioning the appropriate Object Code. An entry shall also be made on the 'Debit (Dr)' side of the concerned Head of Account of the Scheme Ledger. The format of the Scheme Ledger is given in **Annex 4 Form No. TP 23 & 24**.

The Scheme Cash Book shall be closed on a daily basis to ensure good control over the movement of funds and a monthly reconciliation statement for each Scheme Cash Book shall be prepared. The Reconciliation statement shall be a part of the TP Monthly Accounts. The bank reconciliation procedure is discussed in detail under **TP-13**.

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 12** below.

Table 12: Activities for Receipts and Expenditure under Central Schemes (Banking Channel)

Activities	Registers/Records	Prepared by	Checked by	Approved by
Receipt of funds	1. Scheme Cash Book 2. Scheme Ledger	Accounts Assistant	Assistant Accounts Officer	Executive Officer
Recording of Expenses	1. Scheme Cash Book 2. Scheme Ledger	Accounts Assistant	Assistant Accounts Officer	Executive Officer
Bank reconciliation	1. Bank Statement 2. Bank Reconciliation Statement	Assistant Accounts Officer	NA	Executive Officer

Checklist for Banking Receipts & Expenditure accounting

- 1) Grants received through banking channel are deposited in a Bank account specifically opened for a particular Scheme
- 2) The receipt of funds is recorded in the Scheme Cash book and again in the relevant Scheme Income ledgers

- 3) Expenditure towards work is made as per the approved Action plan and the Scheme Guidelines
- 4) All the expenditure made are recorded in the Scheme Cash Book and in the Scheme Expenditure Ledgers
- 5) Advances given if any, are recorded in the Advances Register and regularly monitored
- 6) Unutilised amounts at the end of the year/scheme are refunded/carried forward as per the scheme/sanctioning authority

The following **Illustration** will explain the accounting of receipts and expenditure under Central Schemes (Banking Channel)

Illustration 5: Receipts under banking channel

Funds received from the Central Scheme towards Nirmal Bharat Abhiyan is Rs.1,00,000/-. An amount of Rs. 2,500 is received as interest from the bank to be part of the scheme funds as per scheme guidelines. Expenditure of Rs. 65,000 is made towards works under the scheme as per an approved action plan.

The receipt entries in the Scheme Cash Book would be:

Name of the Scheme: Nirmal Bharat Abhiyan

Scheme Code: 17

Name of the Bank: State Bank of Mysore

Bank Account Number: XXXXX

Receipts				
Date	Scheme HoA-Receipts	Particulars of Receipt	Instrument No.	Amount
1	2	3	4	5
<<date>>	1601-101-17-00	GO# 2012/KA/NRHM/TP001	354621	1,00,000
<<date>>	0049-101-17-00	Interest from SB Account		2,500
		Total		xxxxx

The entry in the Scheme Ledger for the receipt would be:

Scheme Ledger- Income

Nirmal Bharat Abhiyan

Name of the TP: << Name>>

1601-101-17-00-Grants in aid

				Cr
Date	Particulars	Reference	Amount (Rs.)	
4	5	6	7	
<<date>>	Grants Received	GO# 2012/KA/NRHM/TP001	1,00,000	
			1,00,000	
	Balance b/d		1,00,000	

Nirmal Bharat Abhiyan

Name of the TP: << Name>>

0049-101-17-00-Interest from SB Account

			Cr
Date	Particulars	Reference	Amount (Rs.)
4	5	6	7
<<date>>	Bank Interest		2,500
			2,500
	Balance b/d		2,500

The payment entry for expenditure in the Scheme Cash Book would be:

Name of the Scheme: Nirmal Bharat Abhiyan

Scheme Code: 17

Name of the Bank: State Bank of Mysore

Bank Account Number: XXXXX

Payments					
Date	Vch No.	Object code	Particulars of Expenses	Cheque #	Amount
6	7	8	9	10	11
<<date>>	<<Vch no>>	2515-102-17-23	Works Expenditure	879618	65,000
			Total		xxxxx

The expenditure entry in the Scheme Ledger would be:**Scheme Ledger- Expenditure**

17- Nirmal Bharat Abhiyan

Name of the TP : <<Name>>

2515-102-17-23- Works

Dr			
Date	Particulars	Reference	Amount (Rs.)
1	2	3	4
<<date>>	Paid to Mr. xxxx	Vch No. xx	65,000
			65,000
<<last day of month>>	Balance b/d		65,000

Khajane II vis-a-vis current setup

- Entries for receipts and payment vouchers are recorded in the system instead of manual entry;
- Scheme Cash book and Scheme Ledger entries are automated once receipts and payments are entered;
- Electronic bank reconciliation.

Funds transferred by the TP to Line Departments for Expenditure

At present, the TP expenditure through the banking channel is done by the TP itself. No Central Scheme operated through the banking channel is routed down to the Line Department by the TP for incurring expenditure on its behalf. In case the funds are routed to the Line Department by the TP in future, the following section guides the user in accounting and maintaining documents to record the transactions.

Process for recording and presenting expenditure made by Line Department

A separate cash book shall be opened by the TP EO for recording all the transactions made through the Line Department's Bank Account. At the time of making a transfer from the TP Scheme Bank account to the DDO Bank Account, a Fund Transfer voucher shall be generated for accounting such transfer. The expenditure made through the DDO Bank account shall be reflected in the TP Books and not in the Line Department books. A subsidiary Cash Book shall be maintained by the DDO of the Line Department also to record all his transactions pertaining to the Scheme. The opening and closing balances in the DDO Bank Account shall also be a part of the TP Receipts & Payments Account. The DDO of the Line Department shall prepare a Monthly Statement of Expenditure, showing the opening balance, receipts and expenditure during the month and closing balance, alongwith the Bank Reconciliation Statement.

Accounting treatment for recording expenditure incurred by the Line Departments

1. At the time of transfer of funds from the TP Scheme bank account to the DDO bank account, an entry shall be made on the payments side of the TP Scheme Cash Book operated by the EO and a corresponding receipt entry shall be made in the Scheme Cash book of the DDO maintained at the TP on the receipts side. This entry is similar to the contra entry made under the double entry system. The LD DDO on receipt of such funds into his bank account shall make an entry on the receipts side of the Scheme Cash Book.
2. The expenditure incurred at the Line Department shall be entered into the Scheme Cash Book (maintained at the Line Department) by the DDO as and when the bank payment voucher is raised. The TP EO shall also make a corresponding entry in Scheme Cash book of the DDO maintained at the TP EO and the concerned Scheme Expenditure ledger account maintained in TP. The Head of Account for recording the expenditure made by the Line Department shall be the same that is used for recording TP expenditure.

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 13** below

Table 13: Activities for Receipts and Expenditure under Central Schemes (Banking Channel)

Activity	Entry Register/Documents	Registers affected	Accounting responsibility
Receipt of release from ZP to TP Scheme Bank A/c	Scheme Cash Book of TP on the receipt side	Credit side of concerned Scheme Income Ledger of TP	TP Accounts Staff
Transfer from TP Scheme Bank A/c to DDO Scheme Bank A/c	Scheme Cash Book of TP (Payments Side), Scheme Cash Book of Line Dept maintained by the TP (Receipts Side)	NA	TP Accounts staff
	Scheme Cash Book of DDO on the receipts side	Scheme Cash Book	LD Accounts Staff
Expenditure incurred at LD	Bank Payment voucher	Concerned Scheme Expenditure Ledger of the TP	Entered by DDO of the Line Department
	Scheme cash book of the DDO		TP Accounts Staff
Expenditure classification & reconciliation with bank passbook	Scheme Cash Book of Line Dept maintained at the TP (payments Side)		
	Bank Reconciliation Statement and Monthly Statement of Expenditure	NA	DDO of the concerned Line Department

The following **Illustration** will explain the accounting of expenditure made by Line Department under Central Schemes (Banking Channel)

Illustration 6: Expenditure of TP Central Scheme funds by Line Departments

Rs.5,00,000/- was received under Central Scheme XXXX by ABC TP. Out of that amount Rs.2,00,000/- was transferred to Education Department by the TP on 01st April 2013 as per Scheme guidelines. The DDO utilised Rs.1,00,000/- towards purchase of Black boards for Primary Schools.

Step 1: Transfer of funds from TP to Education Department

ABC Taluk Panchayat Funds Transfer Voucher		
Transfer from: TP XXX A/c # 900135212, SBM		Transfer to: Education Dept. A/c # 900978721, SBM
From Fund: XXX		To Fund: XXX
Voucher No: FT 001/1314		Date : 01 st April 2013
SI No	Particulars of Transfer	Amount Transferred (Rs)
1	3	4
1.	Transfer of Scheme grants to Education department	2,00,000
Total		2,00,000
Cheque no. and date:		
Narration: Transfer of grants to Education Department as per guidelines (Contra)		
Prepared by		Approved by

Step 2: Entry at the ABC TP in Scheme Cash Books of TP and Scheme Cash of Education Department maintained at ABC TP**Scheme Cash Book (ABC TP)**

Name of the Scheme: XXX
 Scheme Code: xx
 Name of the Bank: State Bank of Mysore
 Bank Account Number: 900135212

Payments					
Date	Vch No.	Object code	Particulars of Expenses	Cheque #	Amount
6	7	8	9	10	11
<<date>>	FT001/1314	1601-101-19-00	Fund transfer to Education Dept		2,00,000
Total					2,00,000

Scheme Cash Book (Education Department) maintained at ABC TP

Name of the Scheme: XXX
 Scheme Code: xx
 Name of the Bank: State Bank of Mysore
 Bank Account Number: 900978721

Receipts				
Date	Scheme HoA- Receipts	Particulars of Receipt	Instrument No.	Amount
1	2	3	4	5
01-04-2013	1601-101-19-00	Funds transferred from 900135212 Bank account vide vch # FT 001/1314		2,00,000
Total				2,00,000

Step 3: Entry at the Education Department in Scheme Cash Book (Subsidiary Cash Book)

Name of the Scheme: XXX
 Scheme Code: xx
 Name of the Bank: State Bank of Mysore
 Bank Account Number: 900978721

Receipts				
Date	Scheme HoA-Receipts	Particulars of Receipt	Instrument No.	Amount
1	2	3	4	5
01-04-2013	1601-101-19-00	Funds received from ABC TP		2,00,000
		Total		2,00,000

Step 4: Entry in the Scheme Cash book of the Education department (Subsidiary Cash Book)

Name of the Scheme: XXX
 Scheme Code: xx
 Name of the Bank: State Bank of Mysore
 Bank Account Number: 900978721

Payments					
Date	Vch No.	Object code	Particulars of Expenses	Cheque #	Amount
6	7	8	9	10	11
<<date>>	003/1314	2515-102-xx-31	Purchase of Black boards		1,00,000
			Total		1,00,000

Step 5: Entry in the Scheme Expenditure Ledger maintained by the TP on expenditure incurred by Education Department**Scheme Ledger- Expenditure**

xx-XXX

Name of the TP: ABC TP

2515-102-xx-31- Materials & Supplies

Dr			
Date	Particulars	Reference	Amount (Rs.)
1	2	3	4
<<date>>	Paid towards purchase of Black Boards	Vch No. 003/1314	1,00,000
			1,00,000
<<last day of month>>	Balance b/d		1,00,000

Khajane II vis-a-vis current setup

- Same set of entries (transfer to LD by TP and expenditure by LD) give effect to entries to the TP books as well as the Cash Book of the LD DDO.
- Electronic bank Reconciliation of the LD Scheme Cash book maintained at the TP by the LD account staff; and
- Scheme Ledger entries are automated once receipts and payments are entered.

5.2.6. Accounting Process TP-06: Receipts and Expenditure of Surcharge on Stamp Duty

Surcharge on Stamp duty is treated similar to TP's own source income and is a major source of Fund III receipts for the TP. The process for receipt of surcharge on stamp duty is similar to the receipt of budgetary releases through Treasury discussed in TP-01. Utilization is made against approved action plan through the Treasury channel. The process flow is given in **Annex 3 Chart 6**.

Process for receipts and expenditure of surcharge on stamp duty

This process begins with the receipt of release order from the Registrar of Stamps. The registrar uploads the share of stamp duty in the Treasury and release order is generated automatically in the system. On receipt of the release order, the Accounts Assistant generates a Payee's receipt (CTS-8) for drawing the funds from the Consolidated Fund of the State. He also generates a Remittance Challan (Yellow) for credit of the releases to the TP Fund III Account with the Treasury. The Payee's Receipt along with the Remittance Challan is presented to the Treasury after approval. On receipt of the Payee's Receipt and the Remittance Challan, the Treasury credits the releases to the TP Fund III Account against the Heads of Account mentioned.

To utilise the money the TP shall prepare an Action Plan as per the guidelines for spending and get it approved. The process for preparation and approval of action plans is shown in TP-04 earlier. The process for expenditure is explained in detail in TP-10.

Flow of accounting entries for recording receipts & expenditure of Surcharge on Stamp Duty

The accounting entries flow for receipt of surcharge on Stamp Duty is similar to that of Figure 3 given in *Section 5.2.3* and accounting entries flow for recording expenditure is the same as given in Figure 8 given in *Section 5.2.10*.

Accounting treatment

Surcharge on stamp duty remitted to the TP Fund III Account is entered in the Treasury Release Register after the Payee's Receipt and Remittance challan are generated. On receipt of releases, the TP shall account the same in the Treasury Release Register under the Major Head 0030 and Minor Head 901.

The amount received as surcharge on stamp duty shall be again entered on the 'Receipts' side of the RET Register mentioning the release order under the Head 2515-102. 'Payments' side of the RET Register is updated when expenditure is incurred under that Head of Account.

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 14** below.

Table 14: Activities for Receipts and Expenditure of Surcharge on Stamp Duty

Activities	Registers/Records	Prepared by	Checked by	Approved by
Receipt of funds	1. Treasury Release Register 2. Receipts & Expenditure Tracking Register	Accounts Assistant	Assistant Accounts Officer	NA
Action Plan preparation	1. Action Plan	Planning Officer/Assistant Accounts Officer	Executive Officer	TP Body
Expenditure accounting	1. Receipts & Expenditure Tracking Register	Accounts Assistant	Assistant Accounts Officer	NA

The following **Illustration** will explain the entire flow of accounting treatment for receipts and expenditure of surcharge on stamp duty.

Note: Documentation and Verification process for receipt of Stamp Duty is similar to that of Fund Releases discussed in detail in *Section 5.2.3*.

Illustration 7: Receipt and Expenditure of surcharge on stamp duty

Receipt of surcharge on stamp duty Rs.1,00,000/- from the Registrar of Stamps intimated via Release Order No. RO/2012/KA009/1213. An expenditure of Rs. 65,000 is incurred against approved action plan.

Receipt entry in Treasury Release Register:

Treasury Release Register

Name of TP: <<name>>

Details of Receipt							
Date	Release Order No. and Date	Remittance Challan #	Head of Account	Amount of Release	Particulars of Release		Date of onward release to Line Department
					Expenditure Head of Account	Amount (Rs.)	
1	2	3	4	5	6	7	8
<<date >>	RO/2012/KA009, 15/09/2012		0030-901-00-00	1,00,000	2515-102-27-23	1,00,000	NA

Entry in the RET register:

Name of the TP: <<Name>>

Expenditure Head of Account: 2515-102-27-23

Receipts		
Date	Release Order Particulars	Amount Released
1	2	3
<<date>>	RO/2012/KA009/1213	1,00,000
	Total	1,00,000

Entry in RET register for expenditure:

Name of TP: <<name>>

Expenditure Head of Account: 2515-102-27-23

Payments				
Date	Voucher #	Particulars of Expenditure	Amount (Rs.)	Total
4	5	6	7	8
25-05-13	DC Bill # 65768	Paid to Ramanna for asphalt of road		65,000
		Total		65,000

Khajane II vis-a-vis current setup

- Automated transfer of releases from Registrar of Stamps to TP;
- System based generation of payee's receipt and Remittance challans;
- Recording of receipt of fund releases in the system on presentation of payee's receipt and remittance challan by the TP;
- System generated entries in Treasury Release Register and Receipts & Expenditure Tracking Register

5.2.7. Accounting Process TP-07: Rent Receipts

Rent receipts to the TP are by way of letting out properties owned by the TP. Properties owned by the TP are Staff quarters and commercial establishments like shops. The staff quarters are let out to Government employees and rent receivable are deducted from their salaries. The commercial establishments are let out to outsiders and the rent receipts are received through cash/cheques.

The activities undertaken by the TP in this process begins with ascertaining the amount of rent receivable and recording it. The collection of rent from the employees or from others periodically is the next activity. After collection the TP staff shall record the receipts under the appropriate head of accounts and remit the rent receipts to the Treasury. The process flow is given in **Annex 3 Chart 7**.

Process for recording Rent receipts

The rent receivable from the tenants shall be determined periodically from the rent agreement. The rent receivable shall be entered in the DCB register (format given in **Annex 5 Monthly & Annual Accounts Formats**) against the names of the individual tenants. With regard to staff quarters, the monthly rent amount is deducted from the salaries of employees during the monthly salary processing cycle in HRMS. The amount so deducted shall be adjusted against the TP rental receipts by the Treasury at the time of disbursement of salary. The DCB shall be updated with the amounts deducted against the respective staff names.

In cases of rent from commercial establishments let out, on receipt of rent from the tenant, the TP staff shall issue an acknowledgment (**format given in Annex 4 Form No. TP02**) and record the receipt. The receipt shall be in the form of cash or cheques. A remittance challan is generated from Khajane II and the cash/cheque received is deposited into the Bank account of the Treasury by the TP along with the challan. On deposit, the Fund III account of the TP is credited by the Treasury. The TP staff shall ensure that all rents due are collected regularly and duly deposited into the TP account. The DCB shall be updated as and when collections are made by the TP.

Flow of accounting entries for recording rent receipts

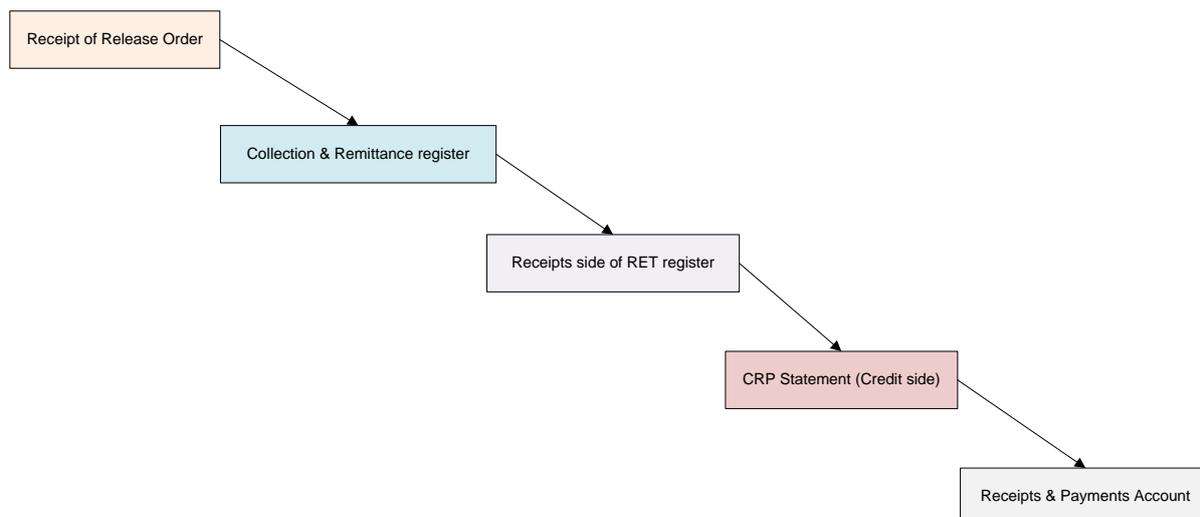


Figure 6: Flow of accounting entries for recording TP Rent receipts

Accounting treatment of rent receipts

The rent receipts are TP own funds and hence shall be accounted in the TP FUND III of the Treasury. The accounting head for rent receipts shall be 0515-102-42-00. Rental receipts are first recorded in the Collection and Remittance Register. The format of Collection and Remittance register is given in **Annex 4 Form No. TP13**. On deposit of such amounts to the Treasury, the challan number and date of deposit shall be mentioned against the receipt entry in the Collection and Remittance Register.

The rent received by the TP shall be utilised as and when the TP body decides to utilise it. At the time of utilisation an entry in the RET Register shall be made from the Collection & Remittance Register for the amount approved for utilisation as per the Action Plan under the appropriate expenditure heads having major and minor head 2515-102.

DCB Register: For the purpose of tracking rent receivables, TP shall maintain a DCB register in the format prescribed. The DCB register will have a folio for each tenant. Any balances due from the previous year shall be entered as Opening Balance in the Balance column.

The demand for rent from staff quarters arises at the month end. Consequently a demand entry shall be made at the month end by the TP. The collection entry shall be made on deductions of rent amounts from the salaries of employees.

With regard to rent from commercial establishments, demand for rent arises periodically in accordance with the terms of the rental agreement. A separate folio shall be created for each tenant in the DCB register. As and when demand is raised, the amount shall be

recorded in the DCB register under the ‘Demand’ side. Collections made shall be recorded under the ‘Collections’ side as and when received.

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 15** below.

Table 15: Activities for Rent Receipts

Activities	Registers/Records	Prepared by	Checked by	Approved by
Opening of new tenant folio	1. DCB Register	Assistant Accounts Officer	Executive Officer	NA
Recording of Receipts – Staff quarters	1. Salary register (generated in HRMS) 2. DCB Register 3. Collection & remittance Register 4. Receipts & Expenditure Tracking Register	First division Assistant (establishment staff)	Accounts Assistant	NA
Recording of Receipts – Rent from outsiders	1. DCB Register 2. Collection & remittance register 3. Receipts & Expenditure Tracking register	Accounts Assistant	Assistant Accounts Officer	NA
Issuing acknowledgement on rent receipt	1. Acknowledgment Receipts	Accounts Assistant	NA	NA
Remittance of rent receipts to Treasury	1. Payee’s receipt 2. Collection & remittance register	Accounts Assistant	Assistant Accounts Officer	
Month end entry for consolidated rent	1. RET register	Accounts Assistant	Assistant Accounts Officer	
Reconciliation of rent receipts with Treasury Plus/Minus Memorandum	1. Treasury Reconciliation Statement	Assistant Accounts Officer	NA	Executive Officer

Checklist for Rent Receipts accounting

- 1) Rent is collected promptly as agreed in the rental agreement
- 2) The DCB is updated and maintained properly in respect of Rent
- 3) Acknowledgements have been issued for all rent receipts
- 4) Collections are promptly deposited to Treasury Bank account
- 5) With regard to staff quarters, the monthly rent amount is deducted from the salaries of employees during the monthly salary processing cycle in HRMS

- 6) Rent receipts are accounted in the Collection & Remittance Register under the correct Head of Account
- 7) Receipt has been credited to TP Fund III

The following **Illustration** will explain the entire flow of accounting treatment for rent receipts.

Illustration 8: Accounting for rent receipts

Monthly rent receivable from A an employee, Rs.500/-. Deduction from salary could not be made for the month of July. He paid Rs.500/- on 16th August for which receipt # TP01/712 was issued. The amount of Rs. 500/- collected is deposited into the Treasury account on 17th August. An amount of Rs.500/- was deducted from his salary on 31st August.

The following shall be the entries to be made in TP books.

Step 1: Demand entry in the DCB Register

Name of the Tenant: Mr. A

Nature of Property: Staff Quarters

Employee ID: KA/656

Folio No: 15

Month	Demand				Collection		Balance
	Date	Current Month	Write offs/permissions to Write off	Initials of AAO	Date	Current Month	
1	2	3	4	5	6	7	8
July	31-07	500					500
August	31-08	500					

Step 2: Deduction of Rs. 500 from August salary

- Entry in Collection & Remittance Register

Collection & Remittance Register

Name of TP: << name >>

Date	Receipt No.	Head of Account	Particulars of Remitter	Particulars of Receipts				Amount (Rs.)	Mode	Cheque No. & Date	Drawn on	Initials of the EO
				Rent	Licence Fees	Service Fees	Other Fees					
1	2	3	3	4	5	6	7	8	9	10	11	12
31-08	Salary Pay Bill #	0515-102-42	Mr. A	500				500	Salary Dedn			

2. Entry in DCB Register

Name of the Tenant: Mr. A

Nature of Property: Staff Quarters

Employee ID: KA/656

Folio No: 15

Month	Date	Demand			Collection		Balance
		Current Month	Write offs/ permissions to Write off	Initials of AAO	Date	Current Month	
1	2	3	4	5	6	7	8
July	<<date>>	500					500
August					16-08	500	0
August	<<date>>	500			31-08	500	0

Step 3: Collection of Rs. 500 from Mr. A

1. Entry in Collection & Remittance Register

Collection & Remittance Register

Name of TP: << name>>

Date	Receipt No.	Head of Account	Particulars of Remitter	Particulars of Receipts				Amount (Rs.)	Mode	Cheque No. & Date	Drawn on	Initials of the EO
				Rent	Licence Fees	Service Fees	Other Fees					
1	2	3	3	4	5	6	7	8	9	10	11	12
16-08	TP01/712	0515-102-42	Mr. A	500				500	Cheque	056201 dt. 10 th Sep	Corpn Bank	
31-08	Salary Pay Bill #	0515-102-42	Mr. A	500				500	Salary Dedn			

Step 4: Remittance of rent received to the Treasury

Remittance Details			
Deposited to	Deposited on	Treasury/Bank Account	Initials of the Executive Officer
13	14	15	16
Treasury Fund III	17-08	3625412546	
Treasury Adjustment on 31 st August			

Khajane II vis-a-vis current setup

- System based generation of Remittance challans;
- Recording of remittance of rent in the system on generation of remittance challan by the TP;
- System generated remittance entries in Collections & Remittance Register.

5.2.8. Accounting Process TP-08: Other Receipts

Other receipts of the TP are receipts from sale of scrap, disposal of fixed assets, sale of timber, receipt of interest from savings bank account etc. The money received under this process does not account for a significant source of receipts. The activities undertaken by the TP under this process include the receipts of sale, deposit of money to the Treasury and the accounting entries to be made in the relevant registers. The process flow is given in **Annex 3 Chart 8**.

Processes undertaken by the TP

This process for accounting other receipts begins when the receipts are received by the TP. The TP staff shall issue acknowledgement (format given in **Annex 4 Form No. TP02**) of money received and record the receipts. A remittance challan is generated in the Khajane II system and the receipt of money (either in cash, cheque or DD) shall be deposited in the Bank Account of the Treasury. On deposit, the Fund III Account of the TP is credited. All the receipts from other sources shall be recorded and deposited to the Treasury as early as possible.

In case of Interest received from amounts lying in the Scheme Bank Account only an accounting entry in the Scheme Cash Book of the TP shall be made based on the entries in the Bank Pass Sheet.

Disposal of Assets of the TP shall be approved by the TP committee on Finance, Audit & Planning before they are disposed and such receipts shall be deposited to the Treasury.

Flow of accounting entries for recording other TP receipts

The accounting entries flow for recording the other TP receipts is exactly the same as given in Figure 6 of *Section 5.2.7*.

Accounting treatment of Other Receipts

The other receipts are TP own funds and hence shall be accounted in the TP FUND III of the Treasury. The accounting head for other receipts shall be 0515-102-46-00/0515-102-47-00/0515-102-48-00 based on the nature of receipts. The receipts are first recorded in the Collection and Remittance Register. The format of Collection and Remittance register is given in **Annex 4 Form No. TP13**. The Accounts Assistant shall deposit the money/cheque received from the tenants into the Treasury within one working day. The remittance details shall be entered by him in the Collection & Remittance register. The EO shall verify the entries made along with the challan and cheque details and attest his signature in the remittance details.

The TP AAO shall reconcile the receipts under the Monthly Plus/Minus Memorandum with the Collection & Remittance register at the month end and any discrepancy shall be reported to the Treasury by the EO.

The other receipts of the TP shall be utilised as and when the TP body decides to utilise it. At the time of utilisation an entry in the RET Register shall be made from the Collection & Remittance Register for the amount approved for utilisation as per the Action Plan under the appropriate expenditure heads having major and minor head 2515-102.

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 16** below.

Table 16: Activities for Other Receipts

Activities	Registers/Records	Prepared by	Checked by	Approved by
Issuing acknowledgement on receipt of money	1. Acknowledgment Receipts	Accounts Assistant	NA	NA
Recording of Receipts	1. Collection & remittance register 2. Receipts & Expenditure Tracking register	Accounts Assistant	Assistant Accounts Officer	NA
Remittance of receipts to Treasury	1. Payee's receipt 2. Collection & remittance register	Accounts Assistant	Assistant Accounts Officer	NA

Documents and Verification process for Other Receipts

- 1) Acknowledgements are serially numbered and issued for all receipts
- 2) The monies collected (either in cash, cheque or DD) are deposited in the Bank Account of the Treasury (Fund III) within the next working day
- 3) Receipts entries are made in the Collection & remittance register under the correct Head of Account
- 4) Assets have been properly listed before sale/disposal and approval for sale is obtained
- 5) Asset register suitably updated to reflect disposal

The following **Illustration** will explain the entire flow of accounting treatment for other receipts.

Illustration 9: Accounting for other Receipts

TP sold timber to Mr. Z amounting to Rs.5,000/- on 25th August 2012. He paid vide cheque numbered 567890 drawn on SBM Bank. An acknowledgement, #TP/01713 for the receipt of money was issued to Mr. Z.

The steps for accounting the entries are given below.

Step 1: Entry in the Collection & Remittance Register on receipt of money and remittance to Treasury**Collection & Remittance Register**

Name of TP: <<name>>

Date	Receipt No.	Head of Account	Particulars of Remitter	Particulars of Receipts				Amount (Rs.)	Mode	Cheque No. & Date	Drawn on	Initials of the EO
				Rent	Licence Fees	Service Fees	Other Fees					
1	2	3	3	4	5	6	7	8	9	10	11	12
16-08	TP01/01713	0515-102-42-00	Sale of timber to Mr.				5,000	5,000	Cheque	567890/25-08-2012	SBM	
Remittance Details												
Deposited to			Deposited on			Treasury/Bank Account			Initials of the Executive Officer			
13			14			15			16			
Treasury			26-08-12			<<seal>>						

Khajane II vis-a-vis current setup

- System based generation of Remittance challans;
- Recording of remittance of other receipts in the system on generation of remittance challan by the TP;
- System generated remittance entries in Collections & Remittance Register

5.2.9 Accounting Process TP-09: Expenditure on Salaries

Salary is one of the major expenditures incurred by the TPs. The TP EO is the Drawing and Disbursing Officer for salaries of TP personnel. Salaries of line department staff are processed by the respective line departments. Monthly payroll cycle is computerised by means of HRMS software implemented at the State level. The process flow is given in **Annex 3 Chart 9**.

Process for salary expenditure

Monthly payroll data in the form of attendance, leave information and other information for TP employees is entered into the HRMS software. HRMS generates the monthly consolidated pay bill. The monthly Salary Register is generated from the HRMS and other supporting documents to ensure that all the deductions including Income tax, advances and staff rent are properly calculated. The monthly pay bill is verified and approved. After approval, the monthly payroll data is uploaded into Khajane II (manually or automated) for the purpose of generation of the salary bill. The salary bill is generated by the TP from Khajane II and presented to the Treasury for payment. The Treasury Officer issues an acknowledgement to the TP for the salary bill presented.

On presentation of the salary bill, the Treasury Officer issues the salary cheques to all the TPs for disbursement of salaries to employees. All Treasury inter-head adjustments for salary deductions shall be effected automatically in Khajane II. Remittances to external agencies such as Income Tax, KGID etc. are remitted by the State Treasury and necessary entries are passed in Khajane II. For deductions which are to be remitted to external agencies at the TP level, such as court recoveries, the Treasury Officer issues a cheque to the TP to be paid to the respective agency.

Though the remittance of income tax deducted out of salaries is made centrally by the State Government, the actual filing of e-TDS returns is the responsibility of the TP EO. It is the responsibility of the EO to check the monthly deductions and remittance details from the Treasury records.

Unadjusted Advances

The unadjusted advances arise in the case of transfer of TP staff. On transfer, the reason for non-adjustment of advances shall be clearly mentioned in the Advances Register in all the appropriate folios in which the advance entries are recorded and closed.

Flow of accounting entries for recording expenditure on Salaries

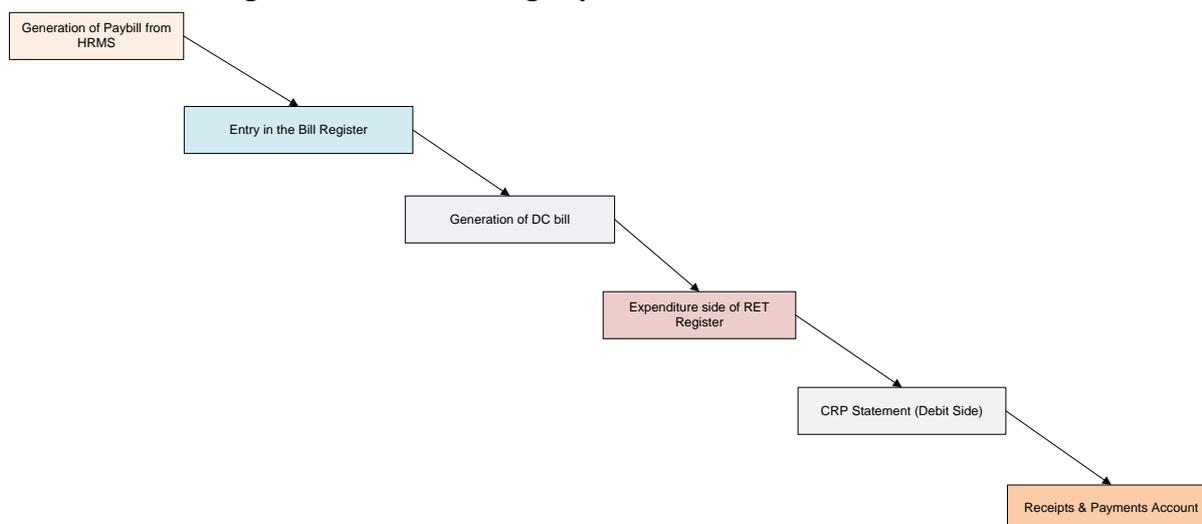


Figure 7: Flow of accounting entries for recording salary expenditure

Accounting treatment of salary expenditure

The accounting treatment of salary expenditure begins with the generation of the consolidated monthly Pay Bill from the HRMS system. The monthly pay bill shows the gross earnings and deductions towards rent for staff quarters, income tax and other deductions. It is the responsibility of the AAO to ensure that the deductions made are correct. Necessary entries for accounting of gross salary and deductions are originated at the time of generation of the Salary Bill after upload of HRMS data into Khajane II. In a Khajane II environment, the actual entry into the TP books of account is passed on the preparation of the cheque for payment by the Treasury Officer.

The gross amount is recorded as expenditure under the Salary Head of Account and all deductions adjustable to the TP funds or to be remitted by the TP to any external agency are accounted under the respective Heads of Account under 7610-, 8443-, 8658- as appropriate. Remittances to external agencies by the TP, if any are adjusted against the Heads of Account under 8443- on actual remittance.

The gross salary expenditure shall be recorded in the RET register on the payment side on receipt of acknowledgement from the Treasury on the Salary Bill generated from Khajane II. Corresponding entries shall be made in the Payables Register for the deductions effected.

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 17** below.

Table 17: Activities for Expenditure on Salaries

Activities	Registers/Records	Prepared by	Checked by	Approved by
Entry of monthly payroll data into HRMS	1. Pay Bill 2. Attendance records	Establishment Staff	Assistant Accounts Officer	NA
Generation of pay bill	1. Consolidated Pay Bill	Accounts Assistant	Assistant Accounts Officer	NA
Upload of consolidated pay bill into Khajane II		Accounts Assistant	Assistant Accounts Officer	NA
Generation of Salary Bill from Khajane II	1. Salary Bill	Assistant Accounts Officer	NA	Executive Officer
Accounting of salary expenditure	1. Receipts & Expenditure Tracking register 2. Advances register	Accounts Assistant	Assistant Accounts Officer	NA
Filing of e-TDS returns	1. E-TDS returns 2. Deductions statement from Treasury	Assistant Accounts Officer	NA	Executive Officer

Checklist for Salary expenditure accounting

- 1) Monthly Pay Bills are prepared correctly indicating the salary expenditure Head of Account-wise.
- 2) Separate pay bills are prepared for Permanent and Temporary establishments
- 3) Claims i.e. gross amount, deductions and net amounts shown in the bills are arithmetically correct
- 4) In respect of officials for whom Conveyance Allowance/Fixed Travelling Allowances is drawn, required certificates are furnished by the Drawing Officer in the bills
- 5) Salary of employees are paid to the individual bank accounts of the employees
- 6) With respect to pay bills in which annual increments of employees are claimed, an Increment Certificate is attached to such bills
- 7) Salary deductions towards various recoveries are watched through Advances Register and recovery schedules prepared for each type of recovery effected
- 8) Statutory deductions are made in respect of employees liable to pay it, based on their income
- 9) All claims relating to terminal benefits of the employees if any, drawn are supported by sanction orders / authorization of the competent authority and its computation is correct

The following **Illustration** will explain the entire flow of accounting treatment for salary expenditure.

Illustration 10: Accounting for salary payments

Salary payment of Mr. A Rs. 40,000/- of which Rs. 5,000 is given as festival advance for the month of August 2012. Income tax deduction of Rs.500 and Rs.500 towards KGID is deducted. Salary was paid to Mr. B Rs. 24,000/- of which Rs. 400 was deducted for Income Tax and KGID Rs. 500.

Step 1: Generation of salary Paybill for the month of August 2012.

Sl No.	Name of the employee	Designation	Basic Pay	DA	HRA	Any other allowances	Advances	Gross salary (4+5+6+7)	KGID premium	PF	Income Tax	Gross recovery (9+10+11)	Net salary (9-14)
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	2	3	4	5	6	7	13	8	9	10	11	12	14
1	Mr. A	XXX	15,000	10,000	5,000	0	5,000	30,000	500	3,000	500	4,000	31,000
2	Mr. B	XXX	13,000	7,000	4,000	0	0	24,000	500	2,000	400	2,900	21,100

Step 2: Entries in the Advances Register**Register of Advances**

Taluk Panchayat: <<name>>

Head of Account: 7610-104-00-00

Folio # 123

Payments				Receipts/Refund			Initials of EO
Date of payment of Advance	Particulars of Advance paid	DC bill/Bank Payment Voucher #	Amount paid (Rs.)	Date of Refund	Details of Remittance of refund	Amount (Rs.)	
1	2	3	4	5	6	7	8
31-08-12	Festival Advance paid to Mr. A	123	5,000				

Step 3: Entry in cheque movement register

Receipt of salary cheque from the Treasury & issue of salary cheque to employees

Cheque Movement Register

Name of the Taluk Panchayat: <<name>>

Cheque Receipt Details				Cheque Paid out Details				
Sl. No	Cheque No. & Date	Amount (Rs.)	Initials of AAO	Payable to	Reference Details	Paid on	Initials of the Payee	Initials of the EO
1	2	3	4	5	6	7	8	9
1	123678, 31-08-2012	31,000		Mr. A	DC Bill #....	01-09-2012		
2	123679, 31-08-2012	21,100		Mr. B	DC Bill #....	01-09-2012		

Step 5: Entry in the RET register on the payments side

RET Register

Name of the Taluk Panchayat: <<name>>

Expenditure Head of Account: 2202-102-23-01

Payments			Folio No. 14
Date	Particulars of Expenditure	Amount	Total
4	5	6	7
31-08-2012	DC Bill # __ for Salary for August 2012	30,000	
			30,000

Expenditure Head of Account: 2215-102-27-01

Folio No. 15

Payments			Folio No. 15
Date	Particulars of Expenditure	Amount	Total
4	5	6	7
31-08-2012	DC Bill Salary # __ for August 2012	24,000	
			24,000

Note: In the RET register PF, KGID and Income Tax deductions are not recorded. Only the gross salary is accounted as all statutory deductions are deducted and paid by the Treasury.

Khajane II vis-a-vis current setup

- Processing of salary bill after upload of HRMS data;
- System based generation of salary bill;
- Payment of salaries to employee bank accounts directly by Treasury;
- System generated payment entries in RET Register and Advances Register in two stages i.e. origination of accounting entry on generation of salary bill and passing of entry on preparation of cheque.

5.2.10 Accounting Process TP-10: Expenditure on Works/Goods/Services

The expenditure on works/goods/services are incurred at the TP out of untied grants, Central Scheme grants through the banking channel and the TP's own source revenue. The expenditure incurred is governed by the KTPP Act. In case of procurement not attracting the provisions of KTPP Act, 1999; the orders of Government issued from time to time shall be applicable. As per prescribed Government order, the open market purchase limit has been raised from Rs. 500/- to Rs. 5,000/- and obtaining quotations for procurements exceeding Rs. 5,000 but not exceeding Rs. 1,00,000. The process flow for this process is given in **Annex 3 Chart 10**.

Sanctioned Action Plan is a pre-requisite for undertaking any expenditure related to Works/Goods/Services procurement at the TP. The expenditure shall be incurred only after the Action Plan is approved by the TP Body.

In case of expenditure from the budgetary releases, the expenditure is recognised on the presentation of DC bills along with works bills to the Treasury for payment. For expenditure from Central Scheme grants operated through the banking channel, the expenditure is recognized when the bills are presented to it for payment.

Process for recording expenditure on Goods/Works/ Services

In case of works contract the contractor shall deposit the EMD money, wherever applicable, to the TP. The EMD shall be in the form of Account Payee DD only. The EMD received shall be deposited into the Treasury/appropriate Scheme Bank account by generating a remittance challan. The process for collection of EMD is similar to the process for collection of own source receipts as explained in *Section 5.2.8 - Accounting Treatment of Own Source Receipts*.

All works shall be accompanied by an estimate and it should be technically sanctioned and approval shall be obtained. Before awarding the contract for works the EO shall ensure that:

- procurement procedures prescribed under the KTPP Rules and Government Orders is followed
- Work order stipulates the commencement date and expected date of completion
- Mode of getting the work executed is decided by the competent authority

In case of Services, the EO shall ensure that:

- Appropriate selection method is adopted and deviations properly explained
- Weightage to both technical and financial aspects are given as necessary
- Officials working in the Government or its undertakings are not hired
- Proper TOR and RFP have been prepared and evaluated

On commencement of work, the contractor prepares running bills as and when the works are executed. On receipt of a bill, an entry is made in the Bill Register recording the bill particulars. The format of the Bill Register is given in **Annex 4 Form No. TP16**. The works shall be verified and approved by the Engineering department and then by the EO following the due procedures as prescribed. After verification of bills by EO with relevant documents like approved Action Plan, Sanction Order, Measurement book etc., the bill is approved for payment. The appropriate deductions are made (such as mobilization advance, security deposit, statutory deductions and so on). The details of the works executed shall be entered in the Works Register (format given in **Annex 4 Form No. TP30**). The entry in the Works Register ensures effective tracking of the different works undertaken by the TP.

At the time of payment, a DC bill (for Treasury payment) or Bank Payment Voucher (for bank payment) shall be generated. All the deductions including statutory deductions such as TDS and VAT shall be deducted and shown in the DC bill/Bank Payment Voucher. The bill prepared shall be countersigned by the CAO of the ZP. After countersignature, the bills shall be presented to the Treasury and the payment cheque is obtained. In the case of bank payments, a cheque is prepared and signed by the EO. The Treasury/Bank cheque is handed over to the contractor/supplier and acknowledgement taken.

All Treasury inter-head adjustments for deductions shall be effected automatically in Khajane II. Remittances to external agencies such as Income Tax, KVAT etc. are remitted by the State Treasury and necessary entries are passed in Khajane II. For deductions which are to be adjusted/repaid by the TP, such as advances and deposits, the necessary adjustment happens in the Fund III balance of the TP.

Though the remittance of income tax deducted out of salaries, works and other services received are made centrally by the State Government, the actual filing of e-TDS returns is the responsibility of the TP EO. It is the responsibility of the EO to check the monthly deductions and remittance details from the Treasury records.

With regard to expenditure incurred through the banking channel, all deductions are adjusted to the respective heads of account in the books of the TP itself. Separate Bank Payment Vouchers and cheques shall be prepared for remitting such deductions to the respective authorities.

After completion of works, as per the terms of agreement, the security deposit shall be refunded to the contractor as explained in *Section 5.2.13 - Other TP Transactions*.

A similar procedure is followed for expenditure on procurement of goods/services. Certain deductions applicable for works bills may not be relevant for procurement of goods and services.

Flow of Accounting Entries for recording Expenditure on Works/Goods/Services

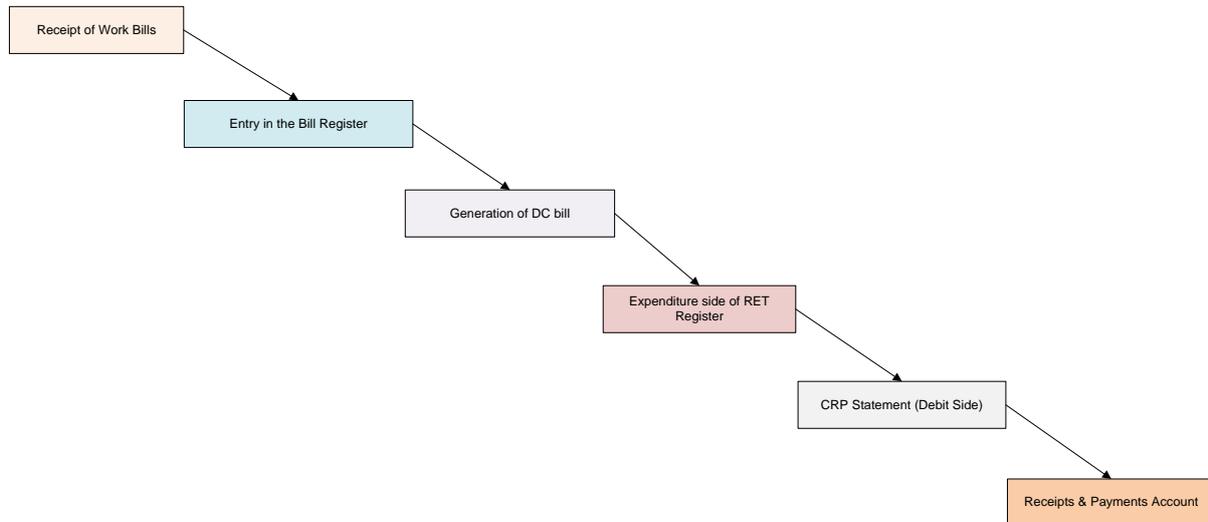


Figure 8: Flow of accounting entries to record expenditure on Works/Goods/Services

Accounting treatment for expenditure on Works/goods/services

a. Accounting of EMD received

The EMD received from the supplier/contractor shall be acknowledged by issuing a Receipt to the payee (**Annex 4 Form No. TP02**). The details of the receipt shall be entered in the Collection & Remittance register under the Deposits Received column mentioning the date of deposit, Cheque/DD No. alongwith the particulars of the payee. As and when the remittance is made to the Treasury/Bank, an entry in the Remittance side of the register shall be made.

For EMD remitted into the Fund III account of the TP with the Treasury, the amount remitted is accounted under the Head of Account 8443-101/102-00-00 on generation of the Remittance Challan.

For remittance of the EMD into the bank, the EMD received shall be recorded on the receipts side of the Scheme Cash Book mentioning the Head of Account 8443-101/102-00-00, the particulars of payee, date of deposit, cheque/DD No. and deposit received. A simultaneous entry shall be made in the Deposit register (format given in **Annex 4 Form TP 26**) mentioning the date of receipt, amount received, Head of Account credited and nature of deposit.

The TP shall return the EMD money received from the unsuccessful bidders instead of depositing the money into the Treasury account/Scheme Bank Account.

For refund of EMD through the Treasury channel, the accounting entry is passed on generation of the DC bill for refund of deposit. For refund of EMD through the Banking Channel, an entry shall be made in the Scheme Cash book under the payments side on generation of the Bank Payment Voucher. Another entry shall be made in the Deposit Register in the Adjustment/Payment side mentioning the amount paid out or deducted against the Head of Account 8443-101/102-00-00. In case the payment is made by Treasury Cheque an entry shall be made in the Cheque Movement register and for payment made by Bank cheques an entry shall be made in the Cheque Outward register.

The deposits received from the employee of the TP shall be accounted in the same manner as EMD receipts.

b. Accounting of expenditure incurred

For expenditure incurred through the Treasury channel, the gross amount is recorded as expenditure under the major head 2515-102 in the RET Register and all deductions adjustable to the TP funds or to be remitted/refunded by the TP to any external agency are accounted under the respective major heads 8443, 8658 as appropriate in the Payables Register. Deductions not adjustable to the TP funds like Income tax, KVAT etc. are not reflected in the TP accounts and are accounted and remitted at the State level. However, the amount of deduction made is captured in the RET register.

Remittances and refunds to external agencies by the TP, if any, are shown on the Remittance side of the Payables register against the Heads of Account under 8443, 8658 on actual remittance.

For expenditure incurred through the Banking channel, the net amount paid is recorded in the Scheme Cash Book (mentioning the deductions made) and the gross amount is recorded in the Scheme Expenditure Ledger under the major head 2515. All deductions are accounted under the respective Heads of Account under 8443, 8658 as appropriate in the Payables Register. Remittances and refunds to external agencies by the TP are recorded in the Scheme Cash Book on Payments side and are adjusted against the major head under 8443, 8658 in the Payables Register on actual remittance/refund.

The expenditure incurred in respect of utility services like telephone charges, electricity charges, water charges etc., shall be recorded in the Utility Watch register (format given in **Annex 4 Form No. TP29**) and in the RET register. The utility watch register shall have a separate folio for each of the utilities e.g., Telephone charges shall have a separate folio, Electricity charges shall have a separate folio. The reason for having a Utility Watch register is to ensure that all the utility expenditure are adequately tracked and paid in time.

The statutory deductions (TDS, VAT) shall be deducted by the Treasury and the net amount shall be paid through a Treasury cheque. After receipt of the Treasury Cheque an entry shall be made in the Cheque Movement Register for recording the receipt of the cheque and the delivery of the cheque to the payee. For bank payments, the cheque issued to the contractors/suppliers/service providers and to the Statutory authorities shall be entered in the Cheque Outward Register.

Works/goods procured could be either revenue or capital in nature. If the works/goods procured are capital in nature then on completion of the work or procurement, such goods or works shall be entered in the relevant Asset register after certification by the Engineering department. The formats for the Asset Registers are given in **Annex 5 - Monthly & Annual Account Formats (Formats V, VI, VII of MPAS)**.

The TP might also incur an expenditure of a capital nature which involves grants in aid to Societies and other implementing agencies. Such grants though of a capital expenditure, do not result in creation of a fixed asset for the TP and hence no entry is made in the FA register.

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 18** below.

Table 18: Activities for Expenditure on Works/Goods/Services:

Activities	Registers/Records	Prepared by	Checked by	Approved by
Receipt of EMD/Security deposit and remittance to Treasury/Bank Account	1. Acknowledgement of Cheques received 2. Collection & Remittance Register 3. Scheme Cash Book 4. Deposit Register	Assistant Accounts Officer	NA	Executive Officer
Returning the EMD/Security Deposit	1. Scheme Cash Book 2. Cheque Movement Register 3. Cheque Outward Register 4. Deposit Register	Assistant Accounts Officer	NA	Executive Officer
Accounting expenditure on works/goods/services	1. RET Register 2. Scheme Cash Book 3. Scheme Ledger (Expenditure) Account	Accounts Assistant	Assistant Accounts Officer	NA
Payment to contractors/service providers/suppliers	1. Cheque Movement Register 2. Cheque Outward Register	Accounts Assistant	Assistant Accounts Officer	NA
Statutory deduction and remittance	1. Deposit register	Accounts Assistant	Assistant Accounts	

Activities	Registers/Records	Prepared by	Checked by	Approved by
			Officer	
Utilities payment by TP	1. Utility Watch register 2. RET register 3. Cheque Movement register	Accounts Assistant	Assistant Accounts Officer	NA

Checklist for Procurement of Works/Goods/Services

- 1) All supporting documents such as approved Action Plan, Sanction Order, Measurement book etc. are available for every payment
- 2) Bills have been verified and approved by competent authorities and updated in Bill Register
- 3) All the Utility bill details are entered in the Utility Watch Register and the payments made to various utilities are updated regularly
- 4) Arithmetical accuracy of claims with regard to quantity, rate and amount claimed is checked
- 5) In case of running bills security deposits are deducted from the bills and deposited correctly to the Treasury/bank account
- 6) EO has prepared a DC bill/Bank Payment Voucher enclosing the work bills to the treasury for payment
- 7) For all payments the statutory and other deductions have been made
- 8) The EO has issued cheque of the concerned bank account for payment made through banking channels
- 9) Cheque Movement/Outward Register is updated with Cheque details
- 10) The final bill of the work is supported by the completion report

The following **Illustration** will explain the entire accounting treatment for receipts, remittance and payment of EMD/Security Deposits.

Illustration 11: Accounting for EMD/Security Deposit

An EMD of Rs.5,000/- is received from **contractor A** vide Account Payee Demand draft # 123456, by the TP for public works on 30-08-2012. The contract provides for deduction of 5% of bill amount as security deposit. The contractor has submitted a bill of Rs.1,00,000/- on 15-10-2012 which was approved for payment. The work was completed and on 30-11-2012 and Security deposit was refunded to the contractor vide a Cheque # 654321.

The accounting entries for recording the transactions are as follows:

Step 1: Issue of Acknowledgement for receipt of EMD cheque or DD

Step 2: Recording of receipts of EMD in the Collection & Remittance Register**Collection and Remittance Register**

Name of the Taluk Panchayat: <<name>>

Date	Receipt No.	Head of Account	Particulars of Remitter	Particulars of Receipts				Amount (Rs.)	Mode	Cheque No. & Date	Drawn on	Initials of the EO
				Rent	Licence Fees	Service Fees	Other Fees					
1	2	3	4	5	6	7	8	9	10	11	12	13
30-08	123	8443-101-00-00	EMD received from A					5,000	DD	123456, dt 30-08-2012	SBM	
Remittance Details												
Deposited to			Deposited on			Treasury/Bank Account			Initials of the Executive Officer			
14			15			16			17			
Treasury			01-09-12			<<seal>>						

In case of EMD received for works under Central Schemes the entries will be in the Scheme Cash Book as below:

Scheme Cash Book

Name of the TP: <<name>>
 Name of the Scheme: SSA
 Scheme Code: 19
 Name of the Bank: SBM
 Bank Account Number: 123476765

Receipts				
Date	Scheme HoA- Receipts	Particulars of Receipt	Instrument No.	Amount
1	2	3	4	5
01-09-12	8443-101-00-00	EMD received from A	123456	5,000

Step 4: Entry in the Deposit register on receipt of EMD**Register of Deposits**

Name of TP: <<name>>
 Head of Account: 8443-102-00-00

Folio # 123

Receipts/Deductions				
Date of Receipt	Particulars of Receipts	Date of remittance to Treasury/Bank	Remittance details	Amount Received (Rs.)
1	2	3	4	5
01-09-2012	EMD from A	02-09-2012	Ch no. 123456	5,000
15-10-2012	Security deposit	16-10-2012	DC Bill # 2231	5,000

Entries for returning the EMD and Security Deposit to Mr. A**Step 5: Entry in the Deposit Register on return of the EMD and Security Deposit to Mr. A****Register of Deposits**

Name of the TP: <<name>>

Head of Account: 8443-101-00-00

Folio # 123

Receipts/Deductions					Payments			Initials of EO
Date of Receipt	Particulars of Receipts	Date of remittance to Treasury/Bank	Remittance details	Amount Received (Rs.)	Date of payment	DC Bill/Bank Payment Voucher #	Amount paid (Rs.)	
1	2	3	4	5	6	7	8	9
01-09-2012	EMD from A	02-09-2012	Ch no. 123456	5,000	30-11-2012	DC Bill # 2454	10,000	
15-10-2012	Security deposit	16-10-2012	DC Bill # 2231	5,000				

Step 6: Entry in the Scheme Cash Book on the Payments side**Scheme Cash Book**

Name of the TP: <<name>>

Name of the Scheme: SSA

Scheme Code: 19

Name of the Bank: SBM

Bank Account Number: 123476765

Payments					
Date	Vch. No.	Object Code	Particulars of Expenses	Cheque No.	Amount
6	7	8	9	10	11
		8443-101	Return of EMD and Security Deposit to A	654321	10,000

Step 7: Entry in the Cheque movement or Cheque Movement register (Treasury cheque)**Cheque Movement Register**

Name of the TP : <<name>>

Cheque Receipt details				Cheque Paid out details				
Sl No.	Cheque No. & date	Amount	Initials of AAO	Payable to	Reference Details*	Paid on	Initials of Payee	Initials of EO
1	2	3	4	5	6	7	8	9
1	654321	10,000		Mr. A	EMD/Security Deposit returned	30-11-2012		

Cheque Outward Register (Bank cheque)

Name of the TP : <<name>>

Sl No.	Cheque No. & Date	Drawn on	Amount	Reference No	Issued on	Initials of EO	Initials of Payee
1	2	3	4	5	6	7	8
1	654321,30-11-12	SBM	10,000		30-11-12		Mr. A

The following **Illustration** will explain the entire accounting treatment for expenditure on works/goods/services.

Illustration 12: Accounting for expenditure on works/goods/services – treasury channel

Mr. B performed construction as per the contract with TP for Rs. 1,25,000. His bill was paid duly. A TDS deduction of Rs. 12,500 was made from the bill amount.

The accounting entries will be as follows:

Step 1: Entry in the RET register on the payment side**RET Register**

Name of TP: <<name>>

Expenditure Head of Account: 2515-101-23-27

Payments			
Date	Particulars of Expenditure	Amount	Total
4	5	6	7
<<date>>	Paid to Mr. B as per DC Bill #2215		125,000
	Less: TDS @ 10%	12,500	
	Net Paid	112,500	

Step 2: Entry in the Payables register**Payables Register**

Name of TP: <<name>>

Head of Account: 8658-101-40

Folio #

Deductions				Remittance			Initials of EO
Date of Deduction	Particulars of Deduction	Voucher #	Amount Deducted(Rs.)	Date of Remittance	Cheque No. & date	Amount Remitted(Rs.)	
1	2	3	4	5	6	7	8
<<date>>	TDS deducted from Mr. B	DC Bill # 2215	12,500				

Step 3: Entry in the Cheque Movement register**Cheque Movement Register**

Name of TP: <<name>>

Cheque Receipt details				Cheque Paid out details				
Date	Cheque No. & date	Amount	Initials of AAO	Payable to	Reference Details	Paid on	Initials of Payee	Initials of EO
1	2	3	4	5	6	7	8	9
<<date>>	687651	112,500		Mr. B	DC Bill #2215	30-10-2012		

Illustration 13: Accounting for expenditure on works/goods/services – banking channel

Mr. C performed construction as per the contract with TP for Rs. 1,00,000. His bill # 123 was paid duly. A TDS deduction of Rs. 2,000 and VAT of Rs.4,000 and a Security deposit of Rs. 5,000 was deducted from the bill amount.

Step 1: Entry in the Scheme Cash book**Scheme Cash Book**

Name of the TP: <<name>>

Name of the Scheme: SSA

Scheme Code: 19

Name of the Bank: SBM

Bank Account Number: 123476765

Payments						
Date	Vch. No.	Object Code	Particulars of Expenses	Cheque No.	Amount	
6	7	8	9	10	11	
	DC Bill 2215	Paid to Mr. B towards works bill no 123				
		2515-101-23-27	Gross – Rs. 1,00,000			
		Deductions:				
		8658-101-00-40	TDS – Rs. 2,000			
		8658-101-00-41	VAT – Rs. 4,000			
		8443-101-00-00	Security Deposit – Rs. 5,000			
		Net amount			564362	89,000
	DC Bill 2215	8658-101-00-40	Remittance of TDS deducted in Bill no 123 on works executed		564363	2,000

Step 2: Entry in the Scheme Ledger (Expenditure) Account**Scheme Ledger – Expenditure**

19- Sarva Shiksha Abhiyan

Name of the TP: <<name>>

Dr		2515-102-19-23					Cr
Date	Particulars	Reference	Amount	Date	Particulars	Amount	
1	2	3	4	5	6	7	
30-10-2012	Expenditure on Works	DC Bill #2215	1,00,000				

Step 3: Entry in Payables register on deduction and payment of TDS & VAT

1) On deduction of TDS

Payables Register

Name of Taluk Panchayat: <<name>>

Head of Account: 8658-101-40-00

Folio # 126

Deductions				Remittance			Initials of EO
Date of Deduction	Particulars of Deduction	Bank Payment Voucher #	Amount Deducted (Rs.)	Date of Remittance	Cheque No. & date	Amount Remitted (Rs.)	
1	2	3	4	5	6	7	8
30-10-12	IT deducted on bill # 2215		2,000	02-11-12	536756	2,000	

2) On deduction and payment of VAT

Name of Taluk Panchayat: <<name>>

Head of Account: 8658-101-41-00

Folio # 127

Deductions				Remittance			Initials of EO
Date of Deduction	Particulars of Deduction	Bank Payment Voucher #	Amount Deducted (Rs.)	Date of Remittance	Cheque No. & date	Amount Remitted (Rs.)	
1	2	3	4	5	6	7	8
30-10-12	VAT deducted on bill # 2215		4,000	02-11-12	536757	4,000	

Step 4: Entry in Deposit register on deduction of Security Deposit**Register of Deposits**

Name of Taluk Panchayat: <<name>>

Head of Account: 8443-102-00-00

Folio # 128

Receipts/Deductions					Payments			Initials of EO
Date of Receipt	Particulars of Receipts	Date of remittance to Treasury /Bank	Remittance details	Amount Received (Rs.)	Date of payment	DC Bill/Bank Payment Voucher #	Amount paid (Rs.)	
1	2	3	4	5	6	7	8	9
30-10-12	Security Deposit deducted on bill # 2215	02-11-12	DC bill #2215	5,000				

Step 5: Entry in the Cheque outward register**Cheque Outward Register**

Name of the TP: <<name>>

Date	Cheque No. & Date	Drawn on	Amount	Reference No	Issued on	Initials of EO	Initials of Payee
1	2	3	6	7	8	9	10
01-11-2012	564362,30-10-12	SBM	112,500	DC Bill #2215	30-10-12		Mr. B
01-11-2012	563363,30-10-2012	SBM	12,500	DC Bill	08-11-12		NA

Khajane II vis-a-vis current setup

- System based generation of DC bill;
- System generated payment entries in RET Register, Register of Advances, Register of Deposits and Payables register in two stages i.e. origination of accounting entry on generation of bill and passing of entry on preparation of cheque.

5.2.11 Accounting Process TP-11: Expenditure by Line Departments

The expenditure made by Line Departments is out of budgetary releases received from the TP. The Line Department expenditure includes both plan and non-plan expenditure. The expenditure incurred by the line departments on taluk level schemes is recorded in the TP books and the corresponding vouchers are also maintained in the TP. The TP EO is the countersigning authority for all line department expenditure apart from salaries. The process flow is given in **Annex 3 Chart 11**.

The line department incur expenditure after the releases are made by the TP. On approval of bills, the line department officer generates a Treasury bill from Khajane II. All non-salary bills are sent to the TP for counter signature by the EO. All bills received for counter signature are tracked by entering them into a Countersignature Register at the TP. The format of Countersignature Register is given in **Annex 4 Form No. TP19**. Bills received after countersignature is presented by the line department to the Treasury for payment. The Treasury prepares and issues the payment cheques to the line department officers.

On a monthly basis, the accounts staff of the line department shall reconcile his records with the expenditure figures recorded by the TP (based on the Treasury Schedules received). After reconciliation, the line department officers shall prepare a monthly Statement of Expenditure covering all payments made during the month. The Statement of Expenditure along with the monthly reconciliation statement shall be submitted to the TP EO. The Statement of Expenditure shall be prepared in the format given in **Annex 4 Form No. TP11**.

Flow of accounting entries for recording expenditure incurred by Line Departments

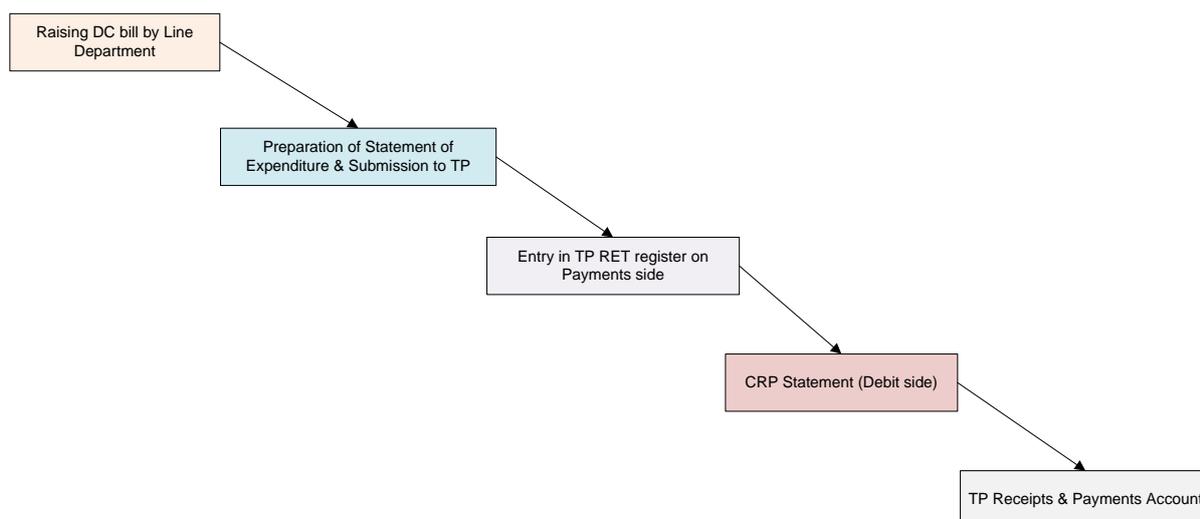


Figure 9: Flow of accounting entries for recording expenditure incurred by Line Departments

Accounting treatment of the expenditure of line departments

On receipt of the monthly Treasury Schedules by the TP, all the expenditure of Line Departments shall be recorded (manual/automated) in the RET register on the payments side under the appropriate Heads of account mentioning the date, DC bill number and the amount paid. E.g.: education department expenditure shall be recorded in the RET register under the major head 2202.

Note: The banking channel transactions of the Line Departments for TP Schemes are discussed in *Section 5.2.5* extensively.

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 19** below

Table 19: Activities for Expenditure by Line Departments

Activities	Registers/Records	Prepared by	Checked by	Approved by
Generation of Treasury bill at line department	1. Treasury Bill	Line dept. Accountant	NA	Head of Dept.
Counter signature of non salary bills	1. Counter signature register	Assistant Accounts Officer	NA	Executive Officer
Accounting expenditure of line departments	1. Receipts & Expenditure Tracking register	Accounts Assistant	Assistant Accounts Officer	NA
Reconciliation of expenditure records and Treasury Plus/Minus memorandum	1. Treasury Reconciliation Statement	Line department accountant	Assistant Accounts Officer	NA

Checklist for Expenditure of Line Departments

- 1) All Non Salary Treasury bills have been countersigned by TP EO
- 2) The TP EO has actually exercised the checks before countersigning the bills
- 3) Regular updation of Counter Signature Register
- 4) On receipt of the monthly Treasury Schedules, payments side of the RET Register is updated with the details of Line Department expenditure. This is recorded correctly under the appropriate Heads of account (till the object code level)
- 5) Statutory deductions, as applicable, have been deducted from the bill amount and have been deposited to the concerned authority without delay.

The following **Illustration** will explain the entire accounting treatment for expenditure by line department.

Illustration 14: Accounting for line department expenditure

Education department incurred expenditure of Rs.2,50,000/- towards scholarships to Primary School students as recorded in DC Bill # 345 on 26th of August 2012.

The accounting entry in the RET Register will be as follows:

RET Register

Name of the TP: <<name>>
Head of Account: 2202-101-27-27

Payments				
Date	Vch #	Particulars of Expenditure	Amount	Total
4		5	6	7
26-08-2012		DC Bill #345	2,50,000	
				2,50,000

The above entry shall be made by the TP after receipt of the Treasury schedules.

Khajane II vis-a-vis current setup

- System based generation of Treasury bill;
- System generated entries in RET Register from the Treasury Schedules

5.2.12 Accounting Process TP-12: Beneficiary Payments

Beneficiary payments under various schemes are another area of expenditure of the TPs. The beneficiary payments could be in the form of SC/ST Scholarships, Hostel Fee payment for students, etc. All beneficiary payments are made against approved action plans for the scheme. The TPs reach out to the beneficiaries directly or indirectly by routing the beneficiary payments through other executing agencies like line departments, GPs, Co-operatives, NGOs and other institutions. Direct payments to beneficiaries by the TP are covered here. The process flow of beneficiary payments is given in **Annex 3 Chart 12**.

Process for recording beneficiary payments

The beneficiary payments can be made only to beneficiaries whose names have been approved as per scheme guidelines. Beneficiary payments can be made by the TP out of its untied grants or Central/State Scheme grants.

The approved beneficiary list is the supporting document for any payment to beneficiaries. The payment may be made either through a Treasury cheque or through a cheque on the scheme bank account.

Payments through Treasury

On approval of the beneficiary list, a DC bill is generated from Khajane II and approved by the EO. The DC bill generated is presented to the Treasury for payment. On presentation of the DC bill the accounting entries are made in the TP books.

The process for beneficiary payments by line departments is similar to any other expenditure and has been explained in section 5.2.11 - **Process for Expenditure by Line Departments** above.

Payments through scheme bank account

On approval of the beneficiary list a Bank Payment Voucher shall be prepared for making the payment to the concerned beneficiaries. Payment shall be made either by way of cheque or Demand Draft only. The payments made shall be entered in the TP books after the cheque or DD has been issued to the concerned beneficiary.

Flow of accounting entries for recording Beneficiary Payments

The accounting entries flow for recording Beneficiary Payments is similar to that of Figure 8 given in *Section 5.2.10*.

Accounting treatment for Beneficiary Payments

For beneficiary payments made through the Treasury channel, the expenditure is recorded under the Head of Account 2515-102-29-28 in the RET Register. On receipt of the cheque from the Treasury an entry is made in the Cheque Movement Register for recording the receipt and delivery of the cheque to the beneficiary.

For beneficiary payments made through the Banking channel, the amount paid is recorded in the Scheme Cash Book and in the Scheme Expenditure Ledger under the major head 2515-101/102. On issue of cheques to the beneficiaries, the details of the cheque issued to them shall be entered in the Cheque Outward Register.

Note: Beneficiary payments made by the Line Departments through the banking channel is explained in *Section 5.2.5*

Activity-Responsibility Matrix

The activities along with responsibilities discussed above are summarized in **Table 20** below

Table 20: Activities for Beneficiary Payments

Activities	Registers/Records	Prepared by	Checked by	Approved by
Approval of beneficiary list	1. Beneficiary list	Executive Officer	NA	TP General Body
Generation of DC Bill	1. DC Bill	Accounts Assistant	Assistant Accounts Officer	NA
Preparation of Bank Payment Voucher	1. Bank Payment Voucher	Accounts Assistant	Assistant Accounts Officer	NA
Cheque signing	1. Beneficiary payment cheque	Executive Officer	NA	NA
Accounting beneficiary payments – Treasury	1. RET Register 2. Cheque Movement Register	Accounts Assistant	Assistant Accounts Officer	NA
Accounting beneficiary payments - Banking	1. Scheme Cash Book 2. Scheme Ledger (Expenditure) Account 3. Cheque Outward Register	Accounts Assistant	Assistant Accounts Officer	NA

Checklist for Beneficiary Payments Accounting

- 1) Every payment is supported by an approved beneficiary list and an approved Action Plan
- 2) All beneficiary payments are duly acknowledged
- 3) Where cheques have been reissued/revalidated, necessary entries are made in the books of account

- 4) Correct accounting entry in the relevant scheme and head of account has been passed
- 5) In case of payment through Banking Channel, an officer other than the cheque signing authority i.e., AAO/AA has verified the voucher before issue of cheque to beneficiary. Entry updated correctly in the appropriate Scheme Cash Book, Scheme Expenditure Ledger and Cheque Outward Register
- 6) In case of payment through Treasury Channel - Entry updated in the RET Register and Cheque Movement Register
- 7) Contributions from beneficiaries, if prescribed, have been recovered and properly accounted for

The following **Illustration** will explain the entire accounting treatment for expenditure by line expenditure.

Illustration 15: Accounting for beneficiary payment- treasury channel

An amount of Rs. 50,000 is paid to a beneficiary under scheme XYZ through the Treasury channel on 20th August 2012 vide DC Bill # 845.

The accounting entry in case of payment made will be in the RET register as follows:

Step 1: Entry in the RET register

RET Register

Name of the TP: <<name>>

Head of Account: 2515-102-27-28

Payments			
Date	Particulars of Expenditure	Amount	Total
4	5	6	7
16-08-2012	DC Bill #845, Financial Assistance paid under XYZ scheme	50,000	50,000

Step 2: Entry in the Cheque Movement register

Cheque Movement Register

Cheque Receipt details				Cheque Paid out details				
Date	Cheque No. & date	Amount	Initials of AAO	Payable to	Reference Details	Paid on	Initials of Payee	Initials of AAO
1	2	3	4	5	6	7	8	9
	687652 dt. dd-mm-yyyy	50,000		Mr. B	DC Bill #845	20-08-2012		

Illustration 16: Accounting for beneficiary payment- banking channel

Assistance paid to beneficiary group through bank manager under SGSY amounting to Rs. 1,25,000/- as recorded in Bank Payment Voucher # 845 on 16th of August 2012.

Step 1: Entry in the Scheme Cash Book**Scheme Cash Book**

Name of the TP: <<name>>
 Name of the Scheme: SGSY
 Scheme Code: 13
 Name of the Bank: SBM
 Bank Account Number : xxxxxxxx

Payments					
Date	Vch. No.	Object Code	Particulars of Expenses	Cheque No.	Amount
6	7	8	9	10	11
16-08-12	845	2515-102-13-00-28	Financial assistance to SHG	564365	1,25,000

Step 2: Entry in the Scheme Ledger (Expenditure) Account**Scheme Expenditure (Ledger) Account**

Swarnajayanti Rozgar Yojana

Name of TP: <<name>>

Dr	2515-102-13-28					Cr
Date	Particulars	Reference	Amount	Date	Particulars	Amount
1	2	3	4	5	6	7
16-08-12	Financial assistance to _____ SHG	Vch no. 845	1,25,000			

Step 3: Entry in cheque Outward Register**Cheque Outward Register**

Name of the TP: <<name>>

Sl No.	Date of issue	Cheque No. & Date	Drawn on	Reference No & date	Amount	Initials of AAO	Initials of Payee
1		2	3	7	6	9	10
	25-08-2012	564365 dt. 16-08-12	SBM A/c no. xxxxx	Vch no. 845 dt. 16-08-2012	1,25,000		

Khajane II vis-a-vis current setup

- System based generation of DC bill/Bank Payment Voucher
- System generated payment entries in RET Register, Scheme Cash Book, Scheme ledger;

5.2.13 Other Transactions of the Taluk Panchayat

1. Accounting for AC/NDC bills

Ac advances when paid out are charged to the concerned expenditure head of account. The process and accounting treatment is the same as explained in *Section 5.2.10 – Expenditure on Works/Goods/Services*. Further an entry is made in the Register of Abstract Contingent Bills for the purpose of tracking. The format of the Register is given in **Annex 4 Form No. TP18**.

The NDC bill submitted shall contain the actual expenditure incurred against the advances made. If the expenditure incurred is in excess of advance given, excess expenditure is accounted against the concerned expenditure Head of Account following the same process explained in the *Section 5.2.10 – Expenditure on Works/Goods/Services*. Where the expenditure incurred is less than the advances given, the amount refunded is treated as a receipt and accounted against the concerned expenditure Head of Account. The process followed is similar to the process explained in *Section 5.2.8 – Other Receipts*.

2. Payment of Advances

The advances can be made to employees, contractors and suppliers as per prescribed rules. The advances paid shall be recorded in the Advances Register under the head of account 7610 for employee advances and 8550 for advances made to outsiders.

3. Recovery/Refund of Advances

Advances made are either recovered out of salaries/bills or refunded by the party. All advances recovered/received are recorded in the Advances Register under the Head of Account 7610 or 8550 on the Receipts side.

4. Unadjusted Advances

Generally arise in the case of employee advance wherein he is transferred or deputed. In such cases necessary entries are made in the respective folios for closing mentioning how such advances have been treated. There is no accounting implication for unadjusted advances since such advances have been accounted as expenditure when paid out

5. Receipt of deposits

Deposits are either received (e.g.: EMD) or deducted from bills (e.g.: Security deposits). The detailed procedure and accounting entries are explained under the relevant processes for expenditure. All deposits received/deducted shall be entered on the Deposits Register under 8443-101/102/103-00-00 Head of Account under the Receipts side of the Deposits register.

6. Refund of deposits

The procedure for refund of deposits is the same for other payments. As and when deposits are refunded, the refund is recorded in the Deposits Register under the Head of Account 8443-101/102/103-00-00 on the Payments side.

7. Forfeiture of EMD or Security Deposits

The forfeited EMD or Security Deposits shall be treated as own source receipts of the TP. A transfer entry in **Annex 4, Form No. TP04** for transferring the forfeited amount from the Deposit Head (8448) to Own Source Receipts (0515) shall be prepared and presented to the Treasury. Two entries shall be passed in the TP books for recording the forfeiture of deposits received viz.,

- a. Entry in Deposits register to record the forfeiture in the respective folio;
- b. Entry in Collection and Remittance register to take the forfeited deposit amount as receipts of the TP.

8. Statutory deductions and remittances

All the Statutory deductions made on the TP bills Treasury or Banking channel shall be recorded in the Payables Register under the Head of Account 8658-101-40/41/42 on the Receipts side. On remittance of such deductions to the respective authorities either by the Treasury or by TP itself, it shall be recorded in the Payables Register under the Head of Account 8658-101-40/41/42 on the Payments side.

9. Transfer entries

Transfer entries shall be passed by the TP AAO with the approval of the EO. The transfer entries are made to rectify mistakes in accounting, account inter head transfers and for recording forfeiture of deposits (EMD/Security Deposit) as TP's own receipts. A transfer entry voucher shall be prepared to record the transfers/rectifications. AAO prepares the voucher approved by EO and presented to the Treasury. Upon acceptance by Treasury necessary entries shall be passed in the TP books.

In cases where the TP transfers the Scheme Fund to the LD DDO's bank account a Fund Transfer voucher (format given in **Annex 4, Form No. TP05**) shall be used to record the transfer. This voucher shall also be used to transfer the balance amount lying in the Scheme Bank Account which has expired to a new Scheme. This voucher shall be prepared by the AAO and approved by the EO.

10. Rectification entries

Rectification entries shall be passed by the TP AAO with the approval of the EO. The rectification entries could be due to incorrect posting of amounts to the appropriate heads

of accounts, arithmetical errors and the like. The rectification entries are passed to rectify the discrepancies found at the time of preparing the Reconciliation statements. All rectification entries are passed as Transfer Entries in Khajane II.

11. Reversal of lapsed funds

The balance in the Fund II account of the TP shall lapse at the end of the year if it remains unutilised. The TP shall reconcile the fund balances with the Treasury at the end of the year and approved by the EO. The funds lapsed shall be written back by the Treasury after approval by the Accountant General, Karnataka (AG) to its Account 8448-__ from the Grants- in-aid Head of Account 1601-102 by drawing a Remittance challan on the TP.

5.3 Counter Signature of Bills

5.3.1 Need and relevance of Counter Signature

Counter signature of bills is an internal control measure and has been prescribed under the relevant statutory provisions. While on the one hand the counter signature ensures expenditure within the allocation on the other hand it acts as a check on the propriety of the expenditure. The relevant provisions of the KFC, MCE and other applicable statutes relating to counter signature have been summarised in **Annex 7**.

With the computerisation of the Treasuries in Karnataka the control on budgetary allocations has been well established. The role of the Counter signing officer as a checker on the available allocations has become redundant. However the check on the propriety aspect of the expenditure continues to be relevant.

In case of TPs, counter signature of expenditure bills is required in the following cases⁴:

- a) All bills drawn by the TP EO to be counter signed by the CAO of the ZP
- b) All bills drawn by the officers of the Line Department at the Taluk level (pertaining to TP schemes) apart from salary bills shall be counter signed by the EO of the TP.

5.3.2 Important aspects to be checked while counter signing bills

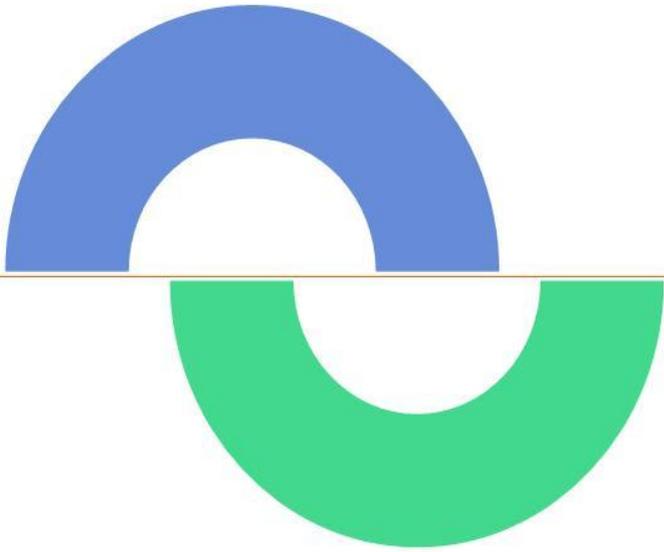
The counter signing officer while counter signing bills presented to him by the drawing officer shall verify the following:

- 1) Necessity and frequency of purchases made or tours undertaken.
- 2) Sanction for the expenditure is obtained from the competent authority.
- 3) Required appropriation to meet the expenditure is available.

⁴As per RDPR Circular No. RDP 09 AFN 2009 dt. 18th January 2010

- 4) Rates claimed are in order and economical.
- 5) Arithmetical accuracy of the claims preferred.
- 6) Sub-vouchers in support of the expenditure are attached to the bills, wherever required.
- 7) Money is drawn only when it is required for immediate disbursement or already paid out of the permanent advance.
- 8) Moneys drawn on AC bills by the DDOs are promptly accounted and adjusted by submission of NDC bills within specified time.
- 9) Claims, other than those of certain types of expenses payable within the prescribed dates demanded by servicing agencies like Escoms, BSNL, Municipal/Panchayat authorities, etc, are not paid without scrutiny of a higher authority of the department concerned.
- 10) Some of the common aspects to be checked and countersigned in respect of beneficiary related schemes are indicated below:
 - Selection of a beneficiary covered under the approved categories people/land, etc, of the scheme;
 - Fulfillment of the selection criteria by the selected beneficiary;
 - Selection of the beneficiary is approved by the competent authority as evidenced from the list of selected beneficiaries;
 - Extent of cash benefit/subsidy element/material component claimed is in accordance with the scheme;
 - Beneficiary now included has not availed such benefit previously, under this/similar scheme, earlier;
 - Compliance to other technical details, etc.

Accounts Compilation



Chapter 6: Accounts Compilation

6.1 Introduction

Accounts Compilation means entire set of activities starting from checking of entries in various registers for the month/year, reconciliation (treasury, bank, others), preparation of TP CRP Statement and preparation of the required statements forming part of the monthly/annual accounts. The compilation process is the most important function of the Accounts department of the TP from the view point of accountability and transparency. Accounts compilation covers all the activities related to accounts and financial transactions of the TP. EO is the person responsible for accounts of the TP and he shall be assisted by AAO of the TP and other Accounts staff. Accounts are compiled at the TP on a monthly and annual basis.

The Monthly/Annual accounts of the TP have to be prepared as per the MPAS formats issued by the Comptroller and Auditor General of India since 2008. Hitherto TPs have been preparing their monthly/annual accounts in the formats prescribed in the KPRTP (F&A) Rules. For the year 2011-12, many TPs have prepared their annual accounts in the MPAS formats. However, such annual accounts do not fully conform to the reporting formats of the MPAS.

As explained in the *Chapter 2 - Overview of TP Accounting*, fund flows in a TP are through two channels of operations viz., Treasury and Bank which are very different in terms of their nature and accounting implication. The current accounts compilation is a mix of:

- a) Reporting under the Scheme Heads of Account of the Link Document for Fund I and Fund II;
- b) Reporting receipts and payment out of Fund III (no separate head of account classification);
- c) Reporting receipts and payments out of bank accounts (no separate head of account classification).

6.2 Reporting Requirements as per MPAS

The information which is spread over multiple statements in the formats prescribed under the KPRTP (F&A) Rules has been included in a single statement in the MPAS formats. The comparison between the KPRTP (F&A) Rules and MPAS formats is given in **Annex 8**. In addition, in the MPAS formats, information on receivables & payables and fixed assets (movable and immovable) are also required to be given thus providing a comprehensive view of the TP finances as compared to the existing formats under the KPRTP (F&A) Rules. Reconciliation statements have also been made part of the annual accounts under the

MPAS. The following are the additional formats prescribed under the MPAS as part of annual accounts:

- Consolidated abstract
- Reconciliation statements
- Statement of receivable and payable
- Register of immovable property
- Register of movable property
- Inventory register
- Register of demand, collection and balance

6.3 Registers and Documents required for Taluk Panchayat Accounts Compilation

The TP accounts staff maintains the registers mentioned in the KPRTF (F&A) Rules and certain additional registers for the purpose of control. In order to suit the accounting system prescribed, certain new registers have been prescribed in this manual. The manual has also modified formats of the existing registers as necessary. Certain registers not relevant in the present day context due to simplification have been left out. The registers prescribed have been discussed in detail in **Chapter 7 Documents and Registers**.

The key registers based on which the accounts are compiled in a TP are:

- Treasury Release Register – receipt of grants during a period
- Receipts & Expenditure Tracking (RET) Register – expenditure incurred during a period head of account wise
- Collection & Remittance Register – own source receipts during a period
- DCB Register – receivables position as on a date
- Scheme cash book – Closing balances of scheme bank accounts of the TP as well as the LD DDOS
- Scheme ledger – Income and expenditure details under schemes
- Treasury Fund Watch Register - Closing balances of fund accounts of the Treasury

6.4 Monthly and Annual Accounts of Taluk Panchayat

The monthly accounts shall contain the following statements:

1. Consolidated Receipts and Payments (CRP) Statement of the TP

All the transactions of the TP for a period are summarized in the TP CRP Statement. The TP CRP Statement is explained in detail under the TP CRP Statement section. The format of the TP CRP Statement is given in **Annex 5 Monthly & Annual Accounts formats**.

2. TP Monthly Receipts and Payments Account (Format I of MPAS)

The receipts and payments made by the TP by itself or by the line departments during a period is summarised in this statement Head of Account wise. The CRP Statement is the basic document from which the Receipts and Payments account of the TP is prepared. The figures against each Head of Account (apart from Bank balance and Treasury Fund balances) are carried to the Receipts and/or Payments side of the Receipts and Payments account depending on the column in which they appear in the TP CRP Statement. In addition to the head of account wise receipts and payments, the statement shall also show the opening and closing balances of all bank accounts and Treasury Fund accounts separately. The format of the Receipts and Payments Account is given in **Annex 5 Monthly and Annual Accounts Format I.**

Note:

1. The expenditure figures shown in the Receipts & Payments Account reflect the amount that has actually been expended either by the TP or by the Line Departments. These figures do not cover expenditure incurred but yet to be paid. Similarly, the receipts do not cover revenues receivable and show the actual collections only.
2. The Receipts and Payments Account format prescribed by the MPAS has been revised to include Banking channel transactions of the TP and LDs also.

3. Abstract of Demand Collection and Balance Register (Format VIII of MPAS)

The DCB register contains the individual receivables of the TP. The abstract of this register mentioning the amount receivable, received and outstanding shall be presented in the Monthly Accounts of the TP. The format of the abstract DCB register is given in **Annex 5 Monthly & Annual Account Format VIII.**

4. Statement of Receivables and Payables (Format IV of MPAS)

The statement of receivables and payables shows a summary of all the receivables that are due to the TP and all the liabilities of the TP. Receivables cover revenue receivables as well as advances and loans outstanding. Similarly, Payables could be on account of bills outstanding, deposits received outstanding or payables outstanding. The source records for Receivables of the TP are the DCB register and Advances Register and for Payables is the Bill Register (bills received but not paid), Deposits register and Payables Register. The format of the Statement of Receivables and Payables is given in **Annex 5 Monthly and Annual Accounts Format IV.**

The Annual accounts of the TP shall comprise of the following statements in addition to the Monthly statements explained above.

1. Consolidated Abstract Statement (Format II of MPAS)

It shows the summarized budget provision, amount released, utilised and balance release left for utilisation month wise for the financial year. The abstract statement shall present the information under each Head of Account for Plan and Non-Plan. The format of the Consolidated Abstract Statement is given in **Annex 5 Monthly & Annual Account Format II**.

2. Banking and Treasury Reconciliation Statement (Format III of MPAS)

The Banking and Treasury reconciliation statement for the year shall form part of the TP Annual Accounts. The preparation of Bank Reconciliation Statement is explained in *Section 6.8* of this chapter. The Treasury Reconciliation Statement shall be prepared comparing the Treasury Schedules and the Registers of the TP. All the fund balances mentioned in the Treasury Schedule shall be reconciled with the TP records. The differences (if any) shall be addressed by the TP AAO before closing the fund balances. The format of the Reconciliation Statement is given in **Annex 5 Monthly & Annual Account Format III**.

3. Asset registers

- a. **Abstract of Register of Immoveable Property (format V of MPAS)** – lists the immoveable assets like land held, buildings and other immoveable assets owned by the TP along with the necessary information as prescribed by the MPAS. The format of this register is given in **Annex 5 Monthly & Annual Account Format V**.
- b. **Abstract of Register of Moveable Property (format VI of MPAS)** - lists the moveable assets like vehicles, furniture, office equipments and other moveable assets owned by the TP along with the necessary information as prescribed by the MPAS. The format of this register is given in **Annex 5 Monthly & Annual Account Format VI**.
- c. **Abstract of Register of Inventory (format VII of MPAS)** – this register provides details of materials and supplies held by the TP. The format of the register is given in **Annex 5 Monthly & Annual Account Format VII**.

The asset registers shall be maintained from a view point of exercising control and only the abstract of the asset registers shall be a part of the Annual Accounts of the TP.

Note: While this Accounts manual does not prescribe maintenance of accounts under the accrual based system, the formats of annual accounts ensure:

- a) That the annual accounts provide complete information on the financial position of the TP;
- b) That the necessary information for switching over to an accrual based accounting system is available.

6.5 Process of Accounts Compilation

The accounts compilation process has been shown in the form of a chart and given in **Annex 3 Chart 13**.

6.5.1 Monthly Accounts

The accounting transactions of the TP pertain to receipts of grants through the Treasury and Banking channel, expenditure by the TP on its own through the Treasury and Banking channels and also expenditure incurred by the Line Departments on taluk schemes. All the transactions are recorded in the appropriate registers which are discussed in detail in **Chapter 7**. In addition to recording the transactions the TP accounts staff shall exercise certain controls and checks on a daily basis to ensure the correctness and completeness of accounts. *Section 6.7* gives a list of checklist that helps the TP Accounts staff in preparing TP Monthly Accounts.

After the month has ended, the TP receives the Treasury Schedules from the Taluk Treasury Office. The Treasury Schedules comprise of the following:

- Plus and Minus memorandum;
- Schedule of Receipts;
- Schedule of Payments;
- Remittance Challans;
- Treasury vouchers;
- Statement of fund balances.

On receipt of the Treasury schedules, the TP checks the entries in its books with the Treasury schedules. The TP accounts staff shall also exercise certain month end controls and checks. Any discrepancies in classification/amounts noticed are rectified by passing rectification entries (inter head transfer entries). The Transfer Entry voucher shall clearly mention the heads of account from which the funds have to be adjusted and the correct heads of account to which it is to be adjusted.

Similarly, the accounts staff of the line department shall verify the entries in the Treasury schedules with the books of account and make corrections as appropriate. Similarly, for banking channel transactions, they check their records with the bank statements and also reconcile the closing bank balances. On completion of the verification and reconciliation, the corrected Monthly Statement of Expenditure and Bank Reconciliation Statement of *DDO Bank Accounts of the TP* duly certified by the line department officer shall be submitted to the TP EO.

The TP shall obtain bank pass sheets for each of the scheme bank accounts from the bank. On receipt of the bank pass sheets, the entries shall be verified with the books of account, any missing entries in books shall be passed and discrepancies if any shall be corrected.

After verification of all entries for both the Treasury as well as the banking channel, the TP shall prepare reconciliation statements separately for each Fund/Bank Account. The preparation of Reconciliation Statement is explained in a separate section in this chapter.

Note: In a Khajane II environment, the scope and extent of reconciliation procedures are expected to be significantly less since the data capture is at the point of transaction itself. All entries in the TP books as well as Treasury records happen simultaneously. There are no separate sets of records to be reconciled unlike the current system.

After all verification and reconciliation, the EO of the TP shall certify the receipts and payments for the month as per the books of the TP. On certification, the books of accounts are closed for the month.

On closure of books, the TP shall generate a monthly CRP Statement. The CRP Statement is the basic output based on which the monthly/annual accounts are prepared. It is explained in detail in the subsequent section. The monthly accounts are generated and approved by the EO. The monthly accounts so approved are placed before the Standing Committee on Finance, Audit and Planning. The monthly accounts are also sent to the CAO of the ZP.

The entire sequence of activities in the preparation of the monthly accounts of the TP shall be done in a time-bound manner. **Table 21** below gives the calendar of key activities in the preparation of monthly accounts of the TP.

Table 21: Timeline for preparation and submission of Monthly Accounts

Activity	Time line	Responsibility
Furnishing of Treasury schedules	10 th of following month	Taluk Treasury Office
Obtaining of bank statements	10 th of following month	TP AAO & LD accounts staff
Reconciliation by the Line Dept	15 th of following month	Accounts staff of Line Dept
Reconciliation of TP own transactions	15 th of following month	Assistant Accounts Officer
Submission of Statement of Expenditure by line dept to the TP	17 th of following month	Line Department Officer
Bank Reconciliation Statement for each Scheme	15 th of following month	TP Assistant Accounts Officer & LD accounts staff
Generation of monthly CRP Statement	18 th of following month	Assistant Accounts Officer
Placing of monthly accounts before Standing Committee	20 th of following month ⁵	Executive Officer
Submission of Monthly Accounts to ZP CAO	25 th of following month	Assistant Accounts Officer

An easy reference Calendar showing the above dates is given in **Annex 9**.

⁵ As per Rule 30(3) of the KPRTF(F&A) Rules, 2006

6.5.2 Annual Accounts

The annual accounts compilation exercise involves certain additional activities apart from the regular procedures for monthly accounts compilation. The annual accounts preparation process shall be preceded by the fund balances reconciliation with the Treasury and the TP records. The TP Fund I and III balances can be carried forward whereas the TP Fund II balance lapses at the year end. Lapsing of Fund II balances happens when the balances are reversed to the appropriate receipt heads of account.

The balances in the Fund II are blocked on the last day of the financial year by the Treasury in order to prevent any further entries being made. On reconciliation and certification of the closing fund balances by the EO, the Fund I and Fund III balances are carried forward as opening fund balances to the next financial year and Fund II balance shall be reversed by the Treasury automatically.

For the purpose of generation of annual accounts, the TP AAO shall ensure that certain controls and checks are exercised as detailed in the *Section 6.7-Compilation Checklist*. The TP Annual Accounts shall be prepared by the EO and placed before the General Body within the time prescribed. The approved annual accounts shall also be submitted to the ZP CAO. The timeline for preparation and submission of Annual Accounts of the TP is given in **Table 22** below.

Table 22: Timeline for preparation and submission of Annual accounts

Activity	Time line	Responsibility
Reconciliation of fund balances with the Treasury	15 th April	Assistant Accounts Officer
Preparation of Monthly Accounts for March	18 th April	Assistant Accounts Officer
Certification of Treasury Fund balances	30 th April	Assistant Accounts Officer
Reversal of Fund II balances	5 th May	Treasury
Preparation of Annual Accounts	31 st May ⁶	Assistant Accounts Officer
Approval of Annual Accounts by the Standing Committee on Finance, Audit & Planning and TP General Body	30 th June ⁷	TP Standing Committee on Finance, Audit & Planning and General Body
Submission of Annual Accounts to ZP CAO	5 th July	Executive Officer

⁶As per Rule 30(4) of the KPRTP(F&A) Rules, 2006

⁷As per Section 250(3) of the KPR Act, 1993

6.6 Consolidated Receipts & Payments Statement of Taluk Panchayat (TP Trial Balance)

A Consolidated Receipts & Payments (CRP) Statement is a summary of all the transactions of a TP during a period, classified Head of Account wise. A CRP Statement ensures arithmetical accuracy and gives an assurance that the underlying books of accounts are complete. The TP CRP Statement eliminates the need for preparation of Consolidated Abstract of Receipts and Consolidated Abstract of Expenditure by bringing both the statements together.

Benefits of a Consolidated Receipts & Payments (CRP) Statement

1. It ensures arithmetical accuracy due to its self balancing nature;
2. All the fund balances, receipts and expenditure of the TP are readily known in a single statement;
3. CRP Statement provides a ready base for transition to double entry system of book keeping at any future date;
4. Since the TP CRP Statement only summarizes the transactions, all the data required for its generation is already available in the Khajane II system.

The TP's CRP Statement is the equivalent of a Trial Balance under the double entry system of accounting. The concept of a *CRP Statement* for the TP and its generation is shown in the **Figure 10** below.

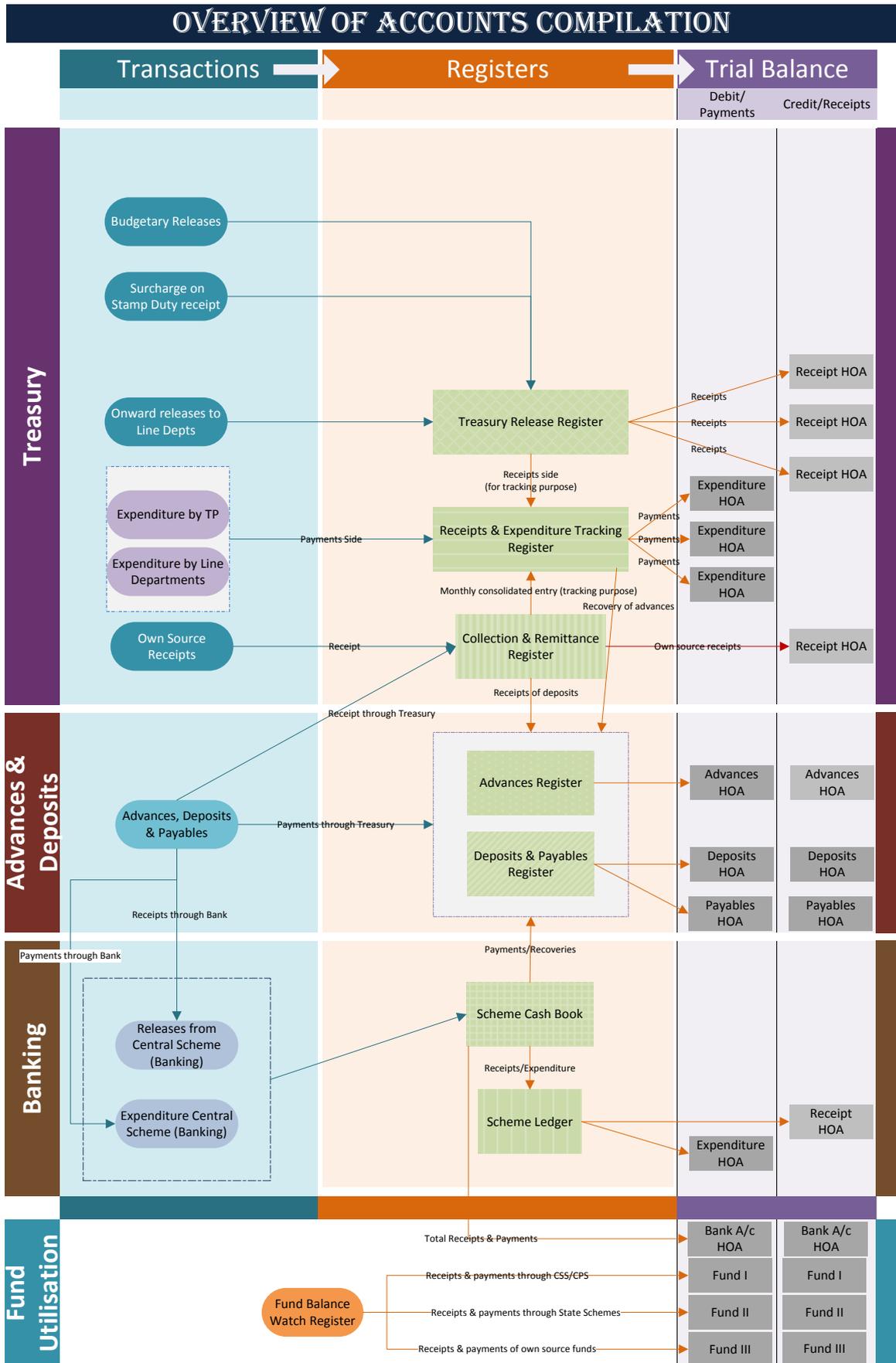


Figure 10: TP CRP Statement

TP CRP Statement

The receipts in the form of grants routed through the Treasury are entered in the Treasury Release register which shall be carried to the receipts side of the CRP Statement. The own source receipts are recorded in the Collection and Remittance register head of account wise and the total receipts for a period shall be transferred to the Receipts side of the CRP Statement. All the expenditure paid through the Treasury channel is recorded in the RET register Head of Account wise. The total of the expenditure under a particular Head of Account is carried to the Payments side of the CRP Statement.

The receipts and payments through the banking channel shall be recorded in the Scheme income and expenditure ledgers and accordingly all the income account balances shall be recorded in the CRP Statement on the Receipts side and all the expenditure account balances shall be recorded in the Payments side of the CRP Statement.

Advances paid by the TP shall be recorded in the RET register Head of Account wise and monthly balance from each Head of Account shall be posted in the Advances register. The Advances register shall record the advances recovered back as well. The advances paid shall be recorded on the payments side of the CRP Statement and advances recovered shall be recorded on the receipts side of the CRP Statement.

Deposits received from the outsiders could be either Earnest Money Deposit/Civil deposits. The deposits received by the TP shall be deposited either to the Treasury or to the Scheme Bank account based on the nature of the Scheme and fund flow. The deposits received by the TP through the Treasury channel shall be recorded in the Collection and Remittance register and deposits received through the banking channel shall be recorded in the Scheme cash book and later posted to the Scheme Ledger. The balances from the Collection and Remittance register and Scheme ledger accounts shall be posted in the Deposits register. The deposits paid out by the TP shall also be recorded in the Deposits Register. The deposits received shall be recorded on the receipts side of the CRP Statement and deposits paid back shall be recorded on the payments side of the CRP Statement.

Fund Balance Watch Register: All the releases of the TP under different Funds (Fund I, Fund II and Fund III) are tracked through the Fund Balance watch register. When a remittance challan is drawn on the Treasury to transfer funds from the Treasury account to the TP fund Account, an entry on the Receipts side under the appropriate Fund is made in this Register. Similarly when any bills of the TP or Line Departments are paid through the Treasury an entry under the appropriate Fund on the Payments side of the Register is made. The format of this register is given in **Annex 4 Form No. TP28**. The total of receipts and payments shall be reconciled with the Treasury Schedules and the amounts shall be taken to the CRP Statement for compiling TP accounts.

Correct posting from the registers and Treasury Schedule ensures correct tallying of the CRP Statement. The Khajane II system ensures that for every transaction accounted the self balancing is ensured at the time of entry itself. The total of debits equals the total of credits for every entry passed thus providing a tallied CRP Statement. **Annex 10** gives the account head(s) to be debited and account head(s) to be credited for every type of transaction (Treasury as well as Banking channel) taking place in a TP. **Annex 10** provides the necessary framework for migrating to complete double entry system of accounting in the future.

6.7 Compilation Checklist

Before the TP Accounts are prepared the TP Accounts Staff shall ensure the following checks are made.

- All the TP registers have been updated and all entries are completed before TP CRP Statement is generated
- All Fund/Bank balances are tallied/reconciled with the corresponding Treasury/Bank statements before TP CRP Statement is generated
- Certified Statements of Expenditure is obtained from all line departments
- Figures in monthly/annual accounts with respect to line departments tally with the certified Statements of Expenditure

6.8 Bank Reconciliation Statement

A periodic statement which is prepared to reconcile the closing balance of cash book (bank column) with the closing balance of pass book (or bank statement) is known as Bank Reconciliation Statement (BRS). The process of preparation of the BRS is called Bank Reconciliation. The preparation of BRS ensures a good internal control system as it shows reasons for mismatch between the balances in Cash Book and Bank Pass Book.

Advantages of preparing a Bank Reconciliation Statement (BRS)

Bank Reconciliation is an integral part of any accounting system. BRS is prepared to identify the differences between the closing balance of the bank account as on a particular date and the closing balance as shown by the pass book (or bank statement). The following are the advantages of preparing BRS.

- a) **Identification of errors:** Preparation of BRS enables identification of errors in recording transactions. It also brings to light errors that may have occurred while recording the transaction at the banker's end;

- b) **Disclosure of fraud:** By preparing BRS any fraud, embezzlement, or theft by a cashier can be identified;
- c) **Wrong transaction recorded by Bank:** Certain amounts may have been credited/debited to the TP bank account by the banker by mistake. BRS helps in identifying such entries;
- d) **For Auditing:** BRS is also a key statement for the auditors who vouch for the correctness of the closing bank balances.

Preparation of Bank Reconciliation Statement

Bank reconciliation shall be done for each bank account independently. It shall be done before closing the cash book for the month so that missing entries if any can be passed. A BRS is always prepared as on a particular date. The steps for preparation of BRS are as given below:

- a) Check whether all entries in the amount column of the cash book are reflected in the bank statement;
- b) Identify all entries which appear either only in the cash book or only in the bank statement;
- c) For entries which are missing in the cash book obtain the necessary supporting documents from the bank and pass entries;
- d) Correct any mistakes in the cash book;
- e) After all missing entries and corrective entries are passed calculate the closing bank balance as per cash book;
- f) Prepare a bank reconciliation statement. The format of the bank reconciliation statement is given later in the **Annex 5 Reconciliation Statement**;
- g) Follow up with the bank for any missing/erroneous entries in the bank statement and get them corrected.

Any unresolved items of the monthly BRS shall be followed up in the subsequent months and closed at the earliest. The BRS drawn for the month of March shall not have any unresolved or pending items. The format of the BRS is given in **Annex 5, Reconciliation Statement**.

Illustration 17: Preparation of Bank Reconciliation Statement

Following are the Bank Statement and TP Scheme Cash Book for the month of May 2013.

BANK STATEMENT

Date 2013	Description	Deposit (Rs)	Withdrawal (Rs)	Balance (Rs)
01 May	Opening Balance			35,000
	Cheque 1004	1,500		26,500
02 May	Cheque 5201		3,000	23,500
05 May	Cheque bounce 1333		2,000	21,500
	Cheque bounce charges		100	21,400
15 May	Cheque 5203		1,400	20,000
25 May	Cheque 3333	5,000		25,000
28 May	Salary transfers		10,000	15,000
31 May	Bank Interest	500		15,500

BANK ACCOUNT IN ABC TP BOOKS

Date 2013	Description	Debit (Rs)	Credit (Rs)	Balance (Rs)
01 May	Opening Balance			35,000
	Cheque 1004	1,500		26,500
01 May	Cheque 5201		3,000	23,500
05 May	Cheque 5202		1,500	22,000
13 May	Cheque 5203		1,400	20,600
20 May	Cheque 3333	5,000		25,600
26 May	Salary transfers		10,000	15,600

Solution: The Bank Reconciliation Statement for the month of May 2013 will be as shown below.

Bank Reconciliation Statement of ABC TP for the month of May 2013		With Bank
		Amount (Rs.)
Balance as per Bank Book		15,600
A. Add		
i) Cheques/ Cash credited directly into the bank but not taken into the Bank Book		1,500
ii) Bank interest not credited in Bank Book		500
B. Deduct		
i) Cheque Dishonoured		100
ii) Bank charges deducted from bank balance but not taken into Bank book		2,000
Adjusted closing balance as per Bank Book		15,500
Balance as per Bank statement		15,500
Mr AAA	Mr XYZ	

Prepared By	Executive Officer Approval
03 Jun 13	04 Jun 13

The AAO shall get the Scheme Bank Pass Book updated at least for three times in a month preferably at the beginning of the month, in the middle of the month and at the end of the month. With the updated pass sheet AAO shall prepare the BRS for every month and that shall be countersigned by the EO. The EO shall go through the Scheme Cash Book and the Pass book and satisfy himself about the veracity of the contents in the BRS. The BRS shall form part of the TP Monthly Accounts Statements.

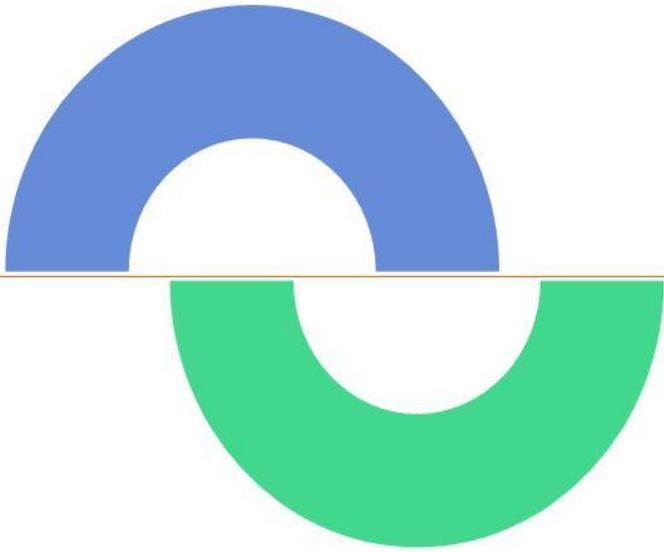
The EO shall obtain Monthly BRS from the Line Departments to whom the Scheme grants have been made. The DDO of the concerned Line Department shall be responsible to prepare and submit the BRS in due time.

6.9 Preparation of Utilisation Certificates

As and when monthly/annual accounts are compiled, the TP shall prepare and submit Utilization Certificates for all Central Schemes as required by the scheme guidelines. The period of coverage of the Utilisation Certificate is determined by the Scheme Guidelines. The Utilisation Certificate prepared shall be sent to the ZP CAO within the time prescribed in the scheme guidelines. The format of the Utilisation Certificate is given in **Annex 4 Form No. TP31**.

At the time of consolidation and generation of the Utilisation Certificates at the ZP level, all inter institutional transfers i.e., transfers from ZP to TP and/or GP shall be eliminated while arriving at the actual expenditure so that the same expenditure is not booked twice.

Documents and Registers



Chapter 7: Documents and Registers

7.1 Introduction

The documents and registers maintained at the TP have been prescribed based on the requirements of the MPAS formats. Some of the registers maintained as per the KPRT (F&A) Rules have been amended to suit the requirements of the TP accounting. Some of the registers have also been newly designed. The registers shall also ensure adequate control besides providing basis for accounts compilation. The documents and registers that are prescribed in the **Table 23** below shall ensure that all the transactions of the TP are captured and reported under the MPAS system.

7.2 Description of Registers and Documents

The registers and documents prescribed in this manual are given below in **Table 23**. The table lists the different forms and registers and a brief description about its utility. All the formats of the documents and registers are given separately in the **Annex 4 Documents & Register formats**.

Table 23: Description of Registers & Documents

Format Code	Name of the Document/Register	Existing Document/Register Number	Manual/Computerized (Khajane II)	Brief description of the Document/Register
TP01	Receipt for Licence Fee/Rent	Form No. TP 2 [Rule 16]	Manual	All the money received in the Taluk Panchayat Office shall be acknowledged on the same day by a receipt in carbon duplicate. The carbon copy of the receipt shall be given to the party making the payment. Only printed forms of receipts and their pages machine numbered at the printing press shall be used.
TP02	Acknowledgement for cheque received	Form No. TP 3 [Rule 17 (2)]	Manual	When the amounts due to the Taluk Panchayat are paid by the parties by means of cheque, an acknowledgement shall be given. A final receipt for the net amount realised shall be issued in the format TP 02 after the cheque is cleared.

Format Code	Name of the Document/Register	Existing Document/Register Number	Manual/Computerized (Khajane II)	Brief description of the Document/Register
TP03	Bank Payment Voucher	Newly Introduced	Computerised	All the payments made through the banking channel shall be supported by the Bank Payment Voucher. It will be generated as soon as the expenditure entry in the Bill Register is passed in Khajane II.
TP04	Transfer Entry	Form No. TP 14 [Rule 29 (7)]	Computerised	used to account all adjustment entries, transfer entries and rectification of errors in the TP accounts. It forms the base document for accounting the transfers and rectification of errors. The form shall be prepared by the TP EO.
TP05	Fund Transfer voucher	Newly introduced	Computerised	Used to transfer funds from one Scheme bank account to another under exceptional conditions and as per GOs or directions issued from the ZP
TP06	Remittance Challan	Form No. TP 5 [Rule 19]	Computerised	Any person paying money into the Treasury to the credit of the TP Fund shall present the money along with Remittance Challan in triplicate, showing distinctly the nature of payment and the head of account in full.
TP07	Stock Account of Receipt Books, Licence Forms, Cheque Books	Form No. TP 1 [Rule 11(2)]	Manual	The entire stock of receipt books, forms and registers received from the Zilla Panchayat CEO shall be taken to stock in the Stock Register and kept in safe custody. Separate pages shall be allotted in the stock register for the stock account of each kind of receipt books, forms and registers.
TP08	Stamp Account	Form No. TP 25 [Rule 42]	Manual	A stamp account in showing the purchases, issues and balances of stamps with the TP shall be recorded in this register by the AAO. The balances shall be physically verified and reconciled.
TP09	Receipt Schedule of Treasury	Form No. TP 8 [Rule 24 (6)]	Computerised	The Treasury Officer shall send Schedule of Receipts in the format. The format shall be accompanied with challans in support of the receipts credited to TP Fund.

Format Code	Name of the Document/Register	Existing Document/Register Number	Manual/Computerized (Khajane II)	Brief description of the Document/Register
TP10	Payment Schedule of Treasury	Form No. TP 9 [Rule 24 (6)]	Computerised	The Treasury Officer shall send Schedule of Payments. The format shall be accompanied with bills in support of the payments debited to TP Fund.
TP 11	Statement of Expenditure	Newly Introduced	Manual	This is a statement that shall be submitted by the Heads of the various Line Department under the TP. This statement records all the expenditure incurred by the Line Departments with respect to taluka schemes month wise. This statement serves as a document for certifying balances of TP Funds and for reconciliation of balances with the Treasury.
TP12	Treasury Cheque Movement Register	Form No. TP 4 [Rule 17 (2)] -	Manual	In order to keep a track of all the cheques received and cheques paid the Treasury Cheque Movement Register shall be maintained. The AAO shall initial every receipt of the cheque after checking all the cheque details entered. The initials of the payee shall be taken for all the payments made. Every cheque payment shall be initialled by the Executive Officer. In the Reference column of the "Cheque Paid Out Details" of the Register the DC bill against which the cheque is paid shall be mentioned by the AAO.

Format Code	Name of the Document/Register	Existing Document/Register Number	Manual/Computerized (Khajane II)	Brief description of the Document/Register
TP13	Collections and Remittance Register	Revised Form No. TP 6 [Rule 20]	Computerised	<p>The Assistant Accounts Officer who shall be responsible for collecting all the revenue receipts and other dues of the Taluk Panchayat and remitting the amounts collected to the Treasury for credit to TP Fund shall maintain a Collections & Remittance Register showing particulars of amounts received.</p> <p>The own source receipts of TP is accounted in this register and total receipts from own sources is transferred to the TP CRP Statement.</p> <p>Subsequently when amount is remitted to Treasury the Remittance details are entered in the columns provided.</p> <p>The initials of the EO shall be taken for Collections as well as remittances to the Treasury.</p>
TP14	Treasury Release Register	Form No. TP 31 [Rule 48]	Computerised	<p>Grants received by the Taluk Panchayat from Government or any other agency through the Treasury channel shall be entered first in the Treasury Release Register. All the subsequent releases to the Line Departments are also recorded in this register.</p> <p>This register feeds to the TP CRP Statement with regard to all Treasury Receipts to the TP.</p>
TP15	Cheque Outward Register	Newly Introduced	Manual	<p>Cheque Outward Register is used to enter details of all the bank cheques issued by the TP. The Register shall be updated with details like cheque number, Head of Account, Scheme Name, Amount and so on. The Payee will initial the register for acknowledging receipt of cheque from TP.</p>

Format Code	Name of the Document/Register	Existing Document/Register Number	Manual/Computerized (Khajane II)	Brief description of the Document/Register
TP16	Bill Register	Newly Introduced	Computerised	All the bill details of the TP shall be entered in the Bill Register. Both DC bills and Bank Payment vouchers shall be generated after the EO approves the entries in the Bill Register.
TP17	Register of Bills Drawn	Form No. TP 7 [Rule 23 (vi)]	Manual	The Executive Officer being the Drawing Officer of TP shall maintain a register of Bill Drawn. All the details pertaining to the particulars of bill shall be entered in the columns provided.
TP18	Register of Abstract Contingent Bills	Form No. TP 24 [Rule 39 (3)]	Manual	All the Abstract Contingent bills drawn by the TP shall be recorded in this register to ensure the tracking the bills and an Abstract Contingent bill shall be closed by passing a Non detailed Contingent bill. The reference of the NDC bill shall be given in this register
TP 19	Counter Signature Register	Newly Introduced	Manual	This register is a control register maintained to keep a track of all the bills that requires the counter signature of the TP EO. It shall be maintained folio wise.
TP20	Register of Remissions and Write offs	Form No. TP 23 [Rule 35]	Manual	All the cases of remissions shall be recorded in the Register of Remissions and Write offs

Format Code	Name of the Document/Register	Existing Document/Register Number	Manual/Computerized (Khajane II)	Brief description of the Document/Register
TP21	Receipts & Expenditure Tracking Register	Newly Introduced	Computerised	<p>The TP shall maintain a Receipts & Expenditure Tracking Register (RET) wherein all releases received are recorded against the respective Expenditure Heads of Account. The Receipts & Expenditure Tracking Register shall contain a separate folio for each Head of Account. The allocation under a particular Head of Account in the current release shall be entered on the 'Receipts' side of the RET Register against the release order. Similarly in respect of own source receipts a consolidated monthly entry is made on the receipts side against the expenditure heads of account (out of own sources).</p> <p>The 'Payments' side of the RET Register is updated when expenditure is incurred under that Head of Account.</p> <p>This register feeds the TP CRP Statement with respect to all the payments made by the TP through Treasury. The total of the payments side in each folio shall be entered in the Payments column of the CRP Statement.</p>

Format Code	Name of the Document/Register	Existing Document/Register Number	Manual/Computerized (Khajane II)	Brief description of the Document/Register
TP22	Scheme Cash Book	Newly Introduced	Computerised	<p>This is the primary register for recording all the receipts and payments of the TP under the banking channel. For every Central Scheme the TP shall maintain a separate cash book called the Scheme Cash Book. Receipts of scheme grants, interest received on deposits shall be entered on the 'Receipts' side of the Scheme Cash Book on receipt of intimation of release from the ZP. All expenditure transactions shall be recorded on the payments side of the Scheme Cash Book. Amounts transferred to LD implementing officers will also be entered on the Payments side.</p> <p>For schemes where the spending officer is the LD DDO, the TP shall maintain a separate cash book showing the receipts (transfers by the TP) and expenditure of the DDO under that scheme.</p>
TP23	Scheme Ledger (Income)	Newly Introduced	Computerised	<p>For all scheme receipts, in addition to the entry in the Scheme Cash Book, a corresponding entry is made on the 'Credit' side of the concerned Income Head of Account in the Scheme Ledger.</p> <p>The total of the receipts received under a single head of account shall be entered in the TP CRP Statement separately.</p>
TP24	Scheme Ledger (Expenditure)	Newly Introduced	Computerised	<p>All scheme expenditure in addition to an entry in Scheme Cash Book, entry shall also be made on the 'Debit' side of the concerned Head of Account of the Scheme Ledger.</p> <p>The total of the payments made under a single head of account shall be entered in the TP CRP Statement separately.</p>

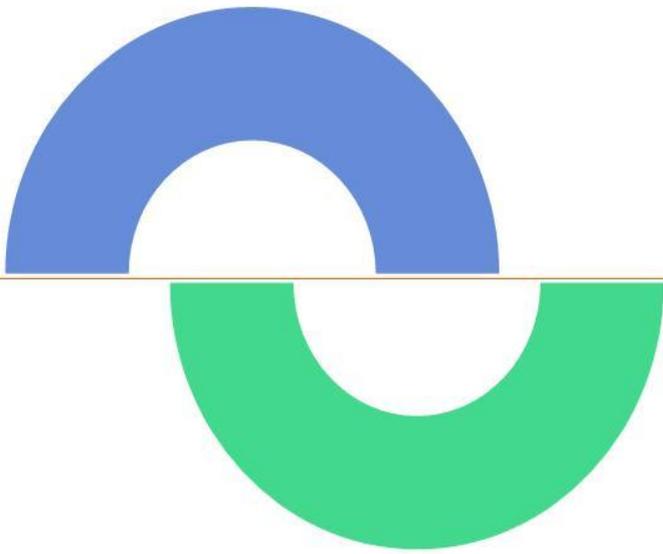
Format Code	Name of the Document/Register	Existing Document/Register Number	Manual/Computerized (Khajane II)	Brief description of the Document/Register
TP25	Register of Advance	Newly Introduced	Computerised	<p>The advances made by the TP and its subsequent recovery shall be recorded in this register folio wise. Every advance made will have a separate folio and the Head of Account under which the advances are paid and recovered are also entered.</p> <p>The total advances paid shall be entered in the Payments side and total advances recovered shall be entered in the TP CRP Statement under the appropriate Heads of Account and subsequently to the Statement of Payables and Receivables.</p>
TP26	Register of Deposits	Newly Introduced	Computerised	<p>All the deposits received/deducted and paid/refunded by the TP are entered in this register folio wise.</p> <p>The total deposits received shall be entered in the receipts side and total of refunds paid shall be entered in the payments side of the TP CRP Statement under the appropriate Heads of Account and subsequently to the Statement of Payables and Receivables.</p>
TP27	Register of Payables	Newly Introduced	Computerised	<p>The statutory and other deductions made by the TP are recorded in this register. The subsequent payment of deductions is also tracked through this register. This register shall be maintained folio wise as well.</p> <p>The folio wise balance of deductions not remitted shall be entered in the CRP Statement of the TP and subsequently to the Statement of Payables and Receivables.</p>

Format Code	Name of the Document/Register	Existing Document/Register Number	Manual/Computerized (Khajane II)	Brief description of the Document/Register
TP28	Fund Balance Watch Register	Newly Introduced	Computerised	<p>This register records all the releases received to the TP fund wise as well as all the expenditure incurred by the TP or Line Departments fund wise. The releases shall be recorded in the receipts side and the total of each fund receipts shall be transferred to the CRP Statement under the Receipts side.</p> <p>The payments made under each fund account shall be entered DC bill wise on the Payments side and total payments made under each fund shall be transferred to TP CRP Statement under Payments side.</p>
TP29	Utility Watch Register	Newly Introduced	Manual	All receipt of utility bills and their payments on a monthly basis is watched by entering the details in Utility Watch Register
TP30	Works Register	Newly Introduced	Manual	Helps in effective tracking of progress of the various works undertaken by TP
TP31	Utilisation Certificate	Newly Introduced	Computerised	Shows the Scheme wise opening and Closing balances, receipts and expenditure made by the TP for a given period

7.3 Taluk Panchayat Link Document

A format for the Taluk Panchayat Link Document is given in **Annex 6, Format I – III of TP Link Document**. The TP Link Document is presented in three formats similar to the Link Document of the ZP. Format I of the Link Document shows the budgetary allocations for the year for all the Major Heads under Plan and Non plan. Format II shows the plan and non plan allocations of each TP falling within a ZP up to the Major Head level. Format III shows the detailed Head of Account wise plan and non-plan allocations to the TP under each Major Head. The MPAS Heads of Account corresponding to the Link Document codes are also mapped. The Central and State allocations for each head of account is also shown in this document.

**Statutory Provisions under KPR Act & KPRTP (F&A)
Rules**



Annex 1: Statutory Provisions under KPR Act and KPRTTP (F&A) Rules

The relevant statutory provisions of the KPR Act, 1993 for the TPs are given below:

Statutory Provisions under KPR Act, 1993

Relevant Sections	Provisions under the KPR Act
119	Establishment of TP
120	Constitution of TP
121	Elected members
122	Determination of elected members after each census
123	Reservation of seats
124	Delimitation of territorial constituencies
125	Right to vote
126	List of voters
127	Qualifications of a candidate
128	Disqualification for members
129	Vacancy of seat
130	Method of voting and procedure for election
131	Prohibition of simultaneous membership
132	Application of certain sections relating to elections
133	Publication of names of members
134	Term of office of members
135	Resignation of members
136	Removal of members for misconduct
136A	Members to declare assets
137	Casual vacancies
138	Election of President, Vice President of the TP body
139	Salary, allowance of President, Vice President and Members
140	Resignation or removal of Adhyaksha and Upadhyaksha
141	Meetings of the TP body
142	Interpellations and resolutions
143	Attendance of the Government Officers at the meeting
144	Validity of proceedings
145	Functions of the TP
146	Assignment of functions
147	Entrustment of functions by the State/ Central Government
148	Standing Committees of the TP
149	Functions of the Standing Committees of the TP
150	Procedure of committees
151	Delegation of TP functions to the EO
152,153	Powers and duties of the President and Vice President
154	Procedure of making contracts

Relevant Sections	Provisions under the KPR Act
155	Executive Officers and staff of TPs
156	Functions of the EO and staff of TPs
157	Executive Officer's right to requisition records, etc
204	Levy of Local Cess by Government
205	Levy of Surcharge on Stamp duty @3% on instruments of transfers of immovable properties situated within the limits of TP
207	Staff salary grants to TPs by Government
208	Discretionary grants for specified purposes and conditions to GPs, TPs and ZPs by Government
215	Acquisition, holding and disposal of properties by TP
218	Taluk Panchayat Fund
219	Utilisation of TP Fund and Properties
220	Borrowing and creation of Liability Relief Fund (Sinking Fund) by TP
221	Rents and Fees of TP
232	Powers of Inspection and Supervision of ZPs, TPs & GPs
233	Technical supervision and inspection
234	Powers of Government and the CEO of ZPs over TPs and GP
235	Powers to issue notice in case of default in performance of its duties to ZP, TP and GP
236	Investigation by Government
237	Power of suspension orders or decision of GP by the President of the TP, order/decision of TP by the President of ZP and by Government in the case of orders/decisions of ZP
238	Purchase of articles and equipments by PRIs
240	Powers of Govt. to define the role of panchayats in implementation of the functions laid down in Annexure I, II and III of the Act
241	Presentation of GP accounts and budget-role of TP
Proviso to Section 245	Power of TP to write off irrecoverable amount GP revenue
246(7)	Powers of EO of TP with regard to the compliance to the audit report on GPs, decision on compliance in consultation with the auditor and power to surcharge on the persons responsible for illegal expenditure
247,248,249	Presentation of accounts and budget of TPs, Revised Budget and Supplemental budget
250,251 and KPRTP (F&A) Rules 1996	Maintenance of accounts of income and expenditure of the TPs as per the rules framed
252	Powers of TP to write off irrecoverable dues of TP

Relevant Sections	Provisions under the KPR Act
253,254,255	Audit of accounts of TPs, action on the audit report, surcharge of illegal expenditure and losses, etc
265,266	Recovery procedure for recovery of dues of ZP and TP
267	Constitution of State Finance Commission once in five years to determine devolution fund
300	Annual Administration Report- After April, GPs and TPs to submit the report after its approval by the respective panchayat to ZP and ZP to Government
301	Adjustment of Government dues
309	Preparation of Development Plan for GPs, TPs and ZPs, every year
310	District Planning Council
310-A	Constitution of State Panchayat Council
311	Power of Government to frame Rules
312	Amendment to Annexure I,II and III
313,314	Power of ZPs and TPs to frame Regulations
315	Power of GPs to frame Bye-laws
316	Model Regulations and Bye-laws
317	Power of Government make laws
318	Repeal and Savings

The accounting functions of the TP are governed by the KPRTP (F&A) Rules, 2006 and the gist of the provisions given in the rules are summarised in the tables below.

General Provisions

Rule #	Provisions under the KPRTP (F&A) Rules
Chapter II General Provisions	
3*	TP to maintain separate accounts for each financial year
5*	TP to conduct all its financial business through Taluk Treasury by remitting all receipts and obtaining cheques for all expenditure by presenting bills and the Treasury to account all such transactions under head of account "8448-Local Fund Deposits.....109 Panchayat Institutions Fund-Taluk Panchayat fund-..... Taluk Panchayat fund"
6	To maintain the TP accounts in the Treasury as per the provisions of Chapter XVII of KFC and provisions of Section 222 of the KTC
7(1)	EO of TP to compile and prepare the monthly and annual accounts of TP
7(2)	CAO of ZP can issue directions to the District Treasury Officer for transfer of any amount from the ZP fund to any TP fund account and fund of any TP to the ZP fund from time to time and the Treasury to effect such transfer of funds on the specific directions with the prior concurrence of the institution from which funds are to be transferred. Provided , no such concurrence is needed in case of directions for rectification of mistakes or transfer directions issued are in accordance with provisions of these rules or general or special orders of Government

Rule #	Provisions under the KPRTP (F&A) Rules
8	Applicability of Govt. Financial codes/rules mutatis mutandis to the TPs i.e., KFC, KTC, Budget Manual, MCE, PWA code/PWD code, Stores Manual, etc
9	Power of EO to exercise administrative and financial powers delegated to him under Section 151 of the Act, in due performance of his duties and to declare certain officers of the TP as Head of Offices
10	Officers of TP to strictly implement the projects and action plans pertaining to District, State or Central sector schemes/projects and to maintain prescribed records by the authorities
11	Procedure relating to procurement of Receipt Books, License Forms, other forms and registers from the CEO of ZP by placing indents, safe custody of books and records received, maintenance of accounts thereof, etc.,
12	Procedure relating to corrections/modifications in the accounts records, etc.,
13	Accounting of revenue receipts of TP by any officer or staff in the books of accounts of TP without delay and arrange for its remittance to Treasury under relevant receipt head of account of Govt. and not to remit it to TP's fund account
14	Not to issue duplicate 'Receipt' for any amount received or Voucher for any amount paid but to issue a certificate to the effect of receipt of an amount or payment, based on the original, when any proof in this behalf arises due to loss of original document
15	Procedure to be followed in case of theft of TP fund or any valuable article or misuse or fraud is noticed in any office of the TP

Provisions in respect of Receipts of TP

Rule #	Provisions under the KPRTP (F&A) Rules
Chapter III - Receipts	
16	Issue of receipt in form TP 2 for all amount collected by authorized person and instructions for writing of receipts
17	Acceptance of cheque drawn on local banks and issue of acknowledgement in for TP 3 on receipt of cheque and final receipt in form TP 2 only realization and credit to TP fund. Accounting of cheques received in a 'Register of cheques received' in form TP 4
18	When to issue stamped receipts (when amount collected exceeds Rs.500/-)
19	Preparation of challan in form TP 5 for remittance of collections to TP fund account
20*	Maintenance of 'Remittance Register' in form TP 6 for remittance of cash collections and cheque collections, showing it separately and obtaining acknowledgement of the officer of the Treasury/Bank therein
21	Responsibility of the head of offices of TP in preparation of a statement of revenue receipts and other remittances made to Treasury/bank, every month and ensuring reconciliation of remittances with Treasury/bank statements and requirement of recording a certificate of reconciliation in the monthly statement of receipts

Rule #	Provisions under the KPRTP (F&A) Rules
22*	<ul style="list-style-type: none"> All amounts of grants and loans to TPs to be released through the respective ZPs only. For this purpose, Government to clearly specify the head of account (HOA) of consolidated fund of the state from which the amount is payable. On receipt of such orders of Government, the CAO of ZP is authorized to draw the amount of grants/loans by preparing a Grant-in-aid bill indicating the HOA and send it to the Treasury for credit to the ZP fund. Such bills do not require countersignature of any other authority. Account all such amounts sanctioned for TPs by the ZP in its accounts under 'Taluk Panchayats Suspense Account' and on transfer of the amount to TPs, the same to be charged in this account. The CEO of the ZP to issue grant distribution orders for grant payable to TPs concerned and endorse it to Treasury and also authorize the EOs of TPs to draw the sanctioned amount from ZP fund from Treasury by submitting 'Payees' Receipt' along with a copy of the sanction order, to the Treasury. Responsibility of CAO of ZP to report to Government, receipt of grant by the TPs, as soon as the amounts are adjusted to the TP fund account. This procedure is not applicable in respect of release of surcharge on stamp duty collected by the designated department (i.e., Department of Registration and Stamps). In this case, the EO of TP can draw the amount sanctioned by the IGR by preparing a payee's receipt and getting countersignature of the District Registrar and submitting the same along with a copy of the sanction order, to the Treasury

Provisions in respect of Payments of TP

Rule #	Provisions under the KPRTP (F&A) Rules
Chapter IV - Payments	
23*	<ul style="list-style-type: none"> Deals with the procedure and responsibilities of the officers drawing money from TP fund in the Treasury Claims to be preferred in the bill forms prescribed in KFC, MCE and other department manual applicable and all instructions laid down to be followed and countersigned by the officer designated by the EO Bills (yellow color) submitted to Treasury to be affixed prominently as chargeable to TP Fund All officers to authorized draw money from TP fund required to maintain a 'Register of Bills' in form TP 7 Instructions regarding adjustment of deductions made in the bills and payment of deductions payable to other agencies Responsibility of the officers of the TP provided with funds for expenditure towards safe custody of all accounts records and production for audit

Provisions in respect of Treasury Function

Rule # Provisions under the KPRTP (F&A) Rules

Chapter V - Treasury Functions

- 24 This chapter deals with functioning of the Government District treasuries and sub-treasuries at taluk with regard to financial transaction of ZP and TP:-
- Maintenance of separate TP fund ledger in the sub-treasuries as prescribed under Article 222 of KTC read with Article 290 of KFC
 - Duties and responsibilities of sub-Treasury officer with regard to scrutiny of bills presented for payment out of TP funds, accounting of transactions of TPs, furnishing statement of receipts (TP 8) and schedule payments (TP9) of TP to the concerned EO of the TP, furnishing of OB, Receipts, expenditure and closing balance position of TP fund for each month to the EO

Provisions in respect of Duties and Responsibilities of the Accounts Staff

Rule # Provisions under the KPRTP (F&A) Rules

Chapter VI - Duties and Responsibilities of the Accounts Staff

- 25, 26* Duties and responsibilities of EO, Chief Accounts Officer (AAO) and the Assistant Accounts Officer are exhaustively laid down in this chapter

Chapter VII – Budget*

- 27, 28 deals with procedure for preparation of budget, assessment of funds under plan and non-plan heads, revision of budget and supplemental budget, etc.,

Provisions in respect of Compilation of Accounts and control over expenditure

Rule # Provisions under the KPRTP (F&A) Rules

Chapter VIII - Compilation of Accounts and control over expenditure

- 29 – 32* • Check of schedules received from Treasury to ensure receipt supporting challans and vouchers in support of the entries made in the schedules.
- Recording the financial transactions of the TP in the Compilation Sheets under relevant major/ minor-head/sub-head and detailed heads of account, as per TP budget HOA
 - Ensuring accounting of deductions made in the expenditure towards dues adjustable as receipts in TP fund.
 - Accounting of transactions of receipts not supported challans and payments not forthcoming in the schedules under 'Treasury suspense' under major head 'Suspense account (civil)' under '8658-Suspense Account', till it is cleared subsequently.
 - Compilation of Adjustment sheets in TP 12, in respect of amounts adjustable to TP fund and posting of total amount adjusted under major/minor heads of account are taken to Proof Sheets in TP 13
 - Rectification of errors in the accounts of earlier months if any, is necessitated, such adjustments are noted by Transfer Entry in form TP 14
 - Preparation of monthly Classified Abstract of Receipts & Expenditure in form TP 15 and 16, respectively.
 - Preparation of consolidated abstract of receipt and payments under each HOA, in

Rule # Provisions under the KPRTP (F&A) Rules

form TP 17.

- Preparation of monthly accounts of the TP in form TP 18, based on the consolidated abstract by 20 of the following month and placing it before the Accounts, Audit and Planning Committee of the TP, by the EO.
- Preparation of Annual Accounts in Annexure containing three parts, along with notes on any differences between budgeted figures and actual as per annual accounts and placing it before the above committee of TP.
- Submission of accounts approved by the committee to the TP, and it shall be ensured that the annual accounts are approved by the TP within three months of the end of the financial year (Section 250 (3)) of the Act.
- Submission of annual accounts adopted by the TP to the ZP as stipulated under Section 251 of the Act, and submission of one copy to the AG.
- Responsibilities of the TP officers relating to control of expenditure and monthly expenditure statement to the EO and reconciliation of expenditure

Provisions in respect of Salaries of Staff**Rule # Provisions under the KPRTP (F&A) Rules****Chapter IX - Staff**

- 33** This chapter deals with drawal and disbursement of salary of the staff of TP. The rule prescribes:
- Maintenance of a Scale Register in form TP 19, indicating staff working under plan and non-plan schemes in separate pages.
 - Heads of offices of TP are required to submit salary claims of staff as prescribed under Article 115 & 116 of KFC and are responsible for maintenance of accounts relating to payment of advances and its recovery.

Provisions in respect of collection and remittance of TP money**Rule # Provisions under the KPRTP (F&A) Rules****Chapter X - Procedure for collection and remittance of TP money**

- 34** This rule deals with procedure relating to collection of various fees, rent from TP properties and other dues, maintenance of Collection Register in **Form TP 12**, a DCB Register in form TP 21, a Daily Collection Register in **Form TP 22** by the persons authorized to collect dues of TP by the EO, accounting of all collections in the Office Cash Book, preparation of challan in **Form 5** by the Accounts Assistant/cashier and recording of the collections in the Remittance register, EO to ensure remittance of collections Treasury/bank. Any other head of office of the TP collecting TPs due to follow the above procedure.

Provisions in respect of Remissions, Write off and Refunds

Rule #	Provisions under the KPRTP (F&A) Rules
Chapter XI - Remissions, Write Off and Refunds	
35 & 38	<p>They deal with the following procedures:</p> <ul style="list-style-type: none"> • Requirement of Sanction of ZP for all cases of write off exceeding Rs.1000/- (Section 252 of KPRA). • Compliance to procedure laid down in KFC and KTC relating to refund of fees/deposits. • Maintenance of Register of remissions and write off in Form TP 23 and requirement of specific authorization of the EO, TP on the refund bills, after due scrutiny of the claims relating to refunds.

Provisions in respect of Contingent and other expenses and stock account of articles

Rule #	Provisions under the KPRTP (F&A) Rules
Chapter XII - Contingent and other expenses and stock account of articles	
40 - 45	<ul style="list-style-type: none"> • Application of provisions of MCE for incurring of drawal of money and contingent expenditure relating to TPs • Drawal of money on AC bills and procedure to be followed for adjustment of AC bills through NDC bills and recording of all such bills in the Register of AC Bills in Form TP 24. • Responsibility of the EO in keeping a watch over adjustment of AC bills and power to recover/adjust the same. • Procedure relating to sanction of Permanent Advance (PA) to officers of the TP and its drawal. • Maintenance of Stamp account in Form TP 25 and responsibility of the head of the office to verify the accounts at least once in a month. • Maintenance of stock account of machineries, equipments, furniture and other articles in movable properties stock register in Form TP 26, stock account of consumable articles in Form TP 27. • Account of all immovable properties of the TPs, other than lands, roads and completed works in stock register of immovable properties in Form TP 28. Maintain a separate account in respect of works vested, transferred to TP and those completed by it, in the same format given in Form TP 28. • Account all lands transferred from Govt., ZP and other organizations and those acquired by TP in Form TP 29. • Account all roads vested in TP or transferred to it and newly formed in Form TP 30 • The concerned officers of the departments of TP to maintain detailed account of all agricultural/non-agricultural lands, buildings, roads, irrigation tanks, lakes, wells, water works schemes, parks and gardens, play grounds vested, transferred to TP and furnish it to the EO of TP, who shall maintain consolidated account of all these immovable assets of the TP. • Annual physical verification of stock at the end of each year-procedure to be

Rule # Provisions under the KPRTP (F&A) Rules

followed.

Provisions in respect of Stores account of articles and public works**Rule # Provisions under the KPRTP (F&A) Rules****Chapter XIII - Stores account of articles and public works**

46 & Procurement of stores, works & contracts etc., It provides for:

- 47**
- Application of provisions of Govt. notifications and orders issued under Section 238 (1) of KPR Act pertaining to works and action plan.
 - In respect of all other matters, application of KPWA Code, KPWD Code and Stores Manual.
 - Execution of all water supply, irrigation, public works, forest related works, etc, related TP to be generally carried out by the implementing officers of ZP, however, the officers of ZP implementing such works of TP shall be responsible to the EO of the TP.
 - The TP, its Standing Committee and the EO have rights to supervise the implementation/maintenance of TP works and action plans being implemented by the ZP level functionaries.

Provisions in respect of Grants**Rule # Provisions under the KPRTP (F&A) Rules****Chapter XIV - Grants**

48,49 Receipt of Grants from Government, other agencies and procedure of accounting of grants in **Form TP 31**-register of Grants, submission of utilization certificate in respect specific purpose grants to the concerned authorities, etc.,

Provisions in respect of Debt Heads**Rule # Provisions under the KPRTP (F&A) Rules****Chapter XV - Debt Heads**

- 50 – 53**
- Maintenance of Register of Loans in **Form TP 32** and accounting all loans received from Government, ZP and other sources; procedure for raising and repayment of loans.
 - Creation and maintenance of Sinking Fund for repayment of loans and procedure to be followed, conditions relating to operation of Sinking Fund.
 - Maintenance of Investment Register in **Form TP 33** (for investment of funds transferred to Sinking Fund and also when surplus funds not required for immediate use is invested)
 - Responsibilities of the EO with regard to SF operations and returns.
 - Sanction of advances to the employees of TP- procedure of sanction, accounting of payments, watching of recoveries, etc, and maintenance of register of Advances in **Form TP 34**.
 - Types of Deposits received by TPs, its accounting in **Form TP 35** and procedure for refund, etc.,

Provisions in respect of Internal and Statutory Audit

Rule # Provisions under the KPRTP (F&A) Rules

Chapter XV - Internal and Statutory Audit

54	<p>The responsibilities of the CAO of the ZP in respect of audit of TPs is given below:</p> <ul style="list-style-type: none"> • Audit of certain documents in the central office (TP) and initial accounts maintained by the implementing officers of line departments in TP. • Aspects to be seen in the central audit of expenditure. • Duties of the internal auditors • Communication of result of audit to head of offices of line departments and follow-up action on compliance reports received. • Responsibility of CAO of ZP in planning of audit programme of TPs and line departments, review of audit reports before issue and placing of the issues noticed in audit warranting decision of the TP shall be routed through the standing committee finance, audit and planning, by the EO and the decision of the TP shall be final in all such cases.
55	<p>It deals with the statutory audit conducted by the Accountant General of Karnataka in terms of Section 253 of the KPR Act and his duties and powers. Responsibilities of the EO and other officers of the TP in furnishing compliance to audit reports</p>

Provisions in respect of Miscellaneous Receipts

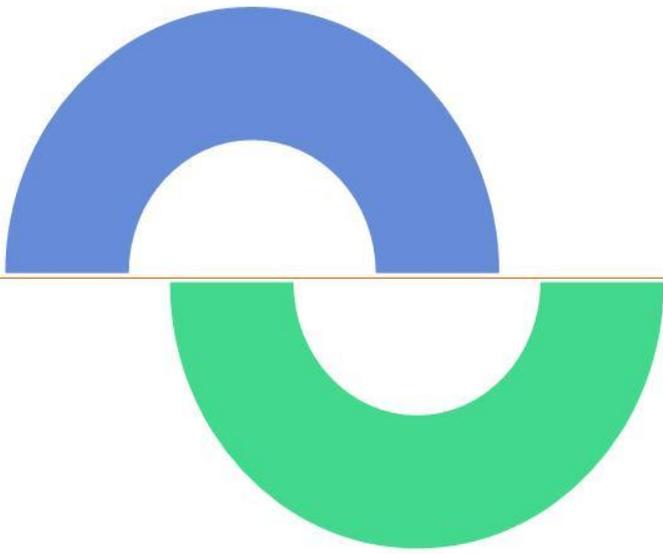
Rule # Provisions under the KPRTP (F&A) Rules

Chapter XV - Miscellaneous Receipts

56	<p>Determination of Security Deposit to be paid by certain categories of employees of TP and its procedure-governed under Article 352 to 359 of KFC.</p>
57	<p>investment of surplus funds of TP</p>

*to be amended suitably to conform to the TPAM and Khajane II environment.

Chart of Accounts



Annex 2: Chart of Accounts

List of Major Heads applicable for TPs

Revenue Receipts Major Heads

Major Head	Nomenclature
1601	Grants in Aid
0515	Panchayati Raj Programmes
0030	Stamps and Registration Fees
0049	Interest Receipts

Revenue Expenditure Major Heads

Major Head	Nomenclature
2049	Interest Payments
2059	Maintenance of Community Assets
2071	Pension and Other Retirement Benefits
2202	General Education
2204	Sports and Youth Services
2205	Art & Culture
2210	Medical and Public Health
2211	Family Welfare
2215	Water Supply and Sanitation
2216	Housing
2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes
2230	Labour and Employment
2235	Social Security and Welfare
2236	Nutrition
2401	Crop Husbandry
2402	Soil & Water Conservation
2403	Animal Husbandry
2405	Fisheries
2406	Forestry and Wild Life
2425	Co-Operation
2501	Special Programmes for Rural Development
2505	Rural Employment
2515	Other Rural Development Programmes
2551	Hill Areas
2575	Other Special Area Programme
2702	Minor Irrigation
2810	New and Renewable Energy
2851	Village and Small Industries
3054	Roads and Bridges
3425	Other Scientific Research
3451	Secretariat Economic Services
3456	Civil Supplies
3475	Other General Economic Services

Capital Receipts Major Heads

Major Head	Nomenclature
4000	Capital Receipts

Capital Expenditure Major Heads

Major Head	Nomenclature
4202	Capital Outlay on Expenditure
4205	Capital Outlay on Art, Culture and Libraries
4206	Capital Outlay on Market and Fairs
4210	Capital Outlay on Health and Family Welfare
4215	Capital Outlay on Water Supply and Sanitation
4216	Capital Outlay on Rural Housing
4235	Capital Outlay on Social Security and Welfare
4402	Capital Outlay on Soil and Water Conservation
4405	Capital Outlay on Fisheries
4406	Capital Outlay on Forestry
4408	Capital Outlay on Public Distribution System
4435	Capital Outlay on Agriculture including Agriculture Extension
4515	Capital Outlay on Panchayat Raj Programmes
4702	Capital Outlay on Minor Irrigation
4801	Capital Outlay on Rural Electrification
4810	Capital Outlay on Non-Conventional Sources of Energy
4851	Capital Outlay on Village and Small Scale Industries
5054	Capital Outlay on Transportation

Deposits, Advances & Payables Major Heads

Major Head	Nomenclature
7610	Loans to Panchayat Employees
8443	Civil Deposit
8550	Civil Advances
8658	Suspense Account

Detailed Head-wise presentation of Chart of Accounts

Major Code	Major Head	Minor Code	Minor Head	Scheme Code	Scheme Head	Composite Code
Receipts						
1601	Grants in Aid					
	101	Grants from Central Government				
		11		NREGS		1601-101-11
		12		Sampoorna GraminRozgar Yojana (SGRY)		1601-101-12
		13		Swarnajayanti Gram SwrozgarYojana (IAY)		1601-101-13
		14		Indira AwasYojana (IAY)		1601-101-14
		15		National Rural Health Mission (NRHM)		1601-101-15
		16		Accelerated Rural Water Supply Programme (ARWSP)		1601-101-16
		17		Total Sanitation Campaign		1601-101-17
		18		Mid Day Meal Scheme		1601-101-18
		19		Sarva Shiksha Abhiyan		1601-101-19
		20		Pradan Mantri Gram Sadak Yojana (PMGSY)		1601-101-20
		21		Integrated Watershed Management Programme		1601-101-21
		22		Integrated Child Development Services (ICDS)		1601-101-22
	102	Grants from State Government				
		27		Grant –in-Aid		1601-102-27
	103	Grants from other institutions				
0515	Panchayati Raj Programmes					
	102	Panchayat Samiti				
		40		Licence Fees		0515-102-40
		42		Rent from use of land		0515-102-42
		46		Other Service Fees		0515-102-46
		47		Other Fines		0515-102-47
		48		Other Receipts		0515-102-48
0030	Stamps and Registration Fees					
	901	Share of net proceeds assigned to Panchayats				0030-901-00
0049	Interest Receipts					
	101	Interest on Savings Bank Account				
		11		NREGS		0049-101-11
		12		Sampoorna GraminRozgar Yojana (SGRY)		0049-101-12
		13		Swarnajayanti Gram SwrozgarYojana (IAY)		0049-101-13
		14		Indira AwasYojana (IAY)		0049-101-14
		15		National Rural Health Mission (NRHM)		0049-101-15

Major Code	Major Head	Minor Code	Minor Head	Scheme Code	Scheme Head	Composite Code
				16	Accelerated Rural Water Supply Programme (ARWSP)	0049-101-16
				17	Total Sanitation Campaign	0049-101-17
				18	Mid Day Meal Scheme	0049-101-18
				19	Sarva Shiksha Abhiyan	0049-101-19
				20	Pradan Mantri Gram Sadak Yojana (PMGSY)	0049-101-20
				21	Integrated Watershed Management Programme	0049-101-21
				22	Integrated Child Development Services (ICDS)	0049-101-22
Expenditure						
2049	Interest Payments					
		101	Interest on Provident Fund			
		102	Interest on Insurance and Pension Fund			
		103	Interest on Other Deposits and Accounts			
2059	Maintenance of Community Assets					
		101	Maintenance & Repairs			
		102	Furnishing			
		103	Lease Charges			
		104	Machinery and Equipments			
2071	Pension and Other Retirement Benefits					
		101	Superannuation & Retirement Allowance			
		102	Commutated value of Pension			
		103	Gratuities			
		104	Family Pension			
		105	Leave Encashment Benefit			
		106	Other Pensionary Benefits			
2202	Education					
		101	Primary Education			
			18	Mid Day Meal Scheme	2202-101-18	
			19	Sarva Shiksha Abhiyan	2202-101-19	
			27	Grant-in-Aid	2202-101-27	
			28	Construction, Addition & Alterations	2202-101-28	
		102	Secondary Education			
			32	Buildings & Immoveable Assets	2202-102-32	
		103	Adult Education			
		104	Non-formal Education			
			19	Sarva Shiksha Abhiyan	2202-104-19	
2203	Technical Training and Vocational Education					
		101	Assistance to Universities			
		102	Technical Schools			
		103	Polytechnic Colleges			
		104	Vocational Education			
2205	Art, Culture and Libraries					

Major Code	Major Head	Minor Code	Minor Head	Scheme Code	Scheme Head	Composite Code
		101	Promotion of Art & Culture			2205-101
		102	Public Libraries			2205-102
		103	Public Exhibition			2205-103
		104	Sports and Youth Services			2205-104
2206	Markets and Fairs					
		101	Market			2206-101
		102	Fairs			2206-102
2210	Health and Family Welfare					
		101	Primary Health Centres			
				15	National Rural Health Mission (NRHM)	2210-101-15
				30	Primary Health Centres	2210-104-30
		102	Community Health Centres			
				15	National Rural Health Mission (NRHM)	2210-102-15
		103	Hospitals and Dispensaries			
				15	National Rural Health Mission (NRHM)	
		104	Health Sub-Centres			
				15	National Rural Health Mission (NRHM)	2210-104-15
				30	Primary Health Centres	2210-104-30
				31	Supplies of Materials	2210-104-31
		105	Other System of Medicines			
		106	Family Welfare Services			
2211	Women and Child Welfare					
		101	Women Development Programmes			
				15	National Rural Health Mission (NRHM)	2211-101-15
		102	Child Development Programmes			
				15	National Rural Health Mission (NRHM)	2211-102-15
				22	Integrated Child Development Services	2211-102-22
				32	Buildings & Immoveable Assets	2211-102-32
				35	Scholarships, Stipends & Financial incentives	2211-102-35
				39	Maintenance programmes	2211-102-39
2215	Water Supply and Sanitation					
		101	Maintenance of Water Supply Line			
				39	Maintenance programmes	2215-101-39
				31	Supplies of Materials	2215-101-31
		102	Maintenance and Repair of Tube wells			
				39	Maintenance Programmes	2215-102-39
		103	Sewerage and Sanitation			
				17	Total Sanitation Campaign	2215-103-17

Major Code	Major Head	Minor Code	Minor Head	Scheme Code	Scheme Head	Composite Code
2216	Rural Housing					
	101	House site for Landless				
		14	Indira Awas Yojana (IAY)			2216-101-14
	102	Construction of Houses				
		14	Indira Awas Yojana (IAY)			2216-102-14
	103	Maintenance & Repairs of Houses				
2225	Welfare of Scheduled Castes, Scheduled Tribes and other weaker sections					
	101	Welfare of Scheduled Castes				
		28	Construction, Addition & Alteration			2225-101-28
		29	Financial Assistance & Reimbursements			2225-101-29
		33	Executive Establishment			2225-101-33
		35	Scholarships, Stipends & Financial Incentives			2225-101-35
		36	Untouchability Assistance			2225-101-36
		38	Welfare programmes			2225-101-38
		39	Maintenance programmes			2225-101-39
	102	Welfare of Scheduled Tribes				
		28	Construction, Addition & Alteration			2225-102-28
		29	Financial Assistance & Reimbursements			2225-102-29
		35	Scholarships, Stipends & Financial Incentives			2225-102-35
		38	Welfare programmes			2225-102-38
		39	Maintenance programmes			2225-102-39
	103	Welfare of other weaker sections				
		28	Construction, Addition & Alteration			2225-103-28
		35	Scholarships, Stipends & Financial Incentives			2225-103-35
		37	Training & Vocations			2225-103-37
		38	Welfare programmes			2225-103-38
2235	Social Security and Welfare					
	101	Social Welfare				
		38	Welfare programmes			2235-101-38
	102	Welfare of Handicapped				
	103	Welfare of Mentally Retarded				
	104	Assistance to Voluntary Organisation				
	105	Deposit linked Insurance Schemes				
2402	Soil and Water Conservation					
	101	Land Improvement				
	102	Land Reforms				
	103	Land Consolidation				
	104	Soil and Water Conservation				

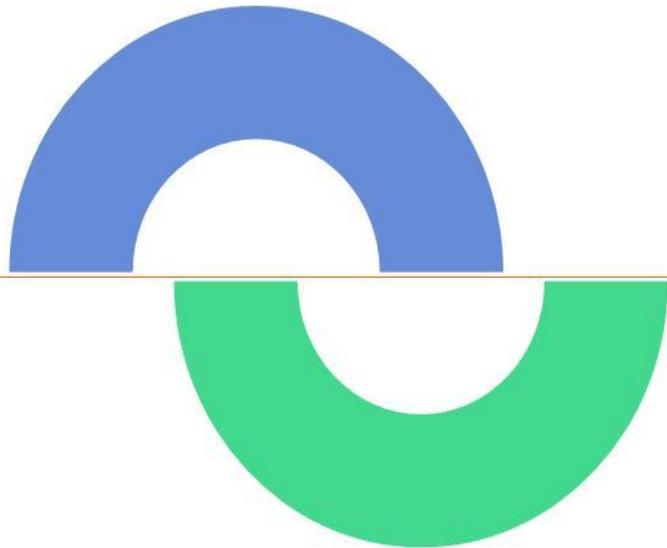
Major Code	Major Head	Minor Code	Minor Head	Scheme Code	Scheme Head	Composite Code
2403	Animal Husbandry, Dairying, Poultry and Fuel and Fodder					
		101	Cattle and Buffalo Development			
				32	Buildings & Immoveable properties	2403-101-32
				39	Maintenance Programmes	2403-101-39
				43	Meet, Exhibitions, Publicity & Camps	2403-101-43
				54	Works	2403-101-54
		102	Piggery Development			
		103	Poultry Development			
		104	Fuel and Fodder Development			
		105	Insurance of Live Stock and Poultry			
		106	Dairy Development Projects/Schemes			
		107	Extension and Training			
2405	Fisheries					
		101	Processing Preservation and Marketing			
		102	Fishery Cooperatives			
		103	Extension and Training			
		104	Development Schemes			
2406	Forestry					
		101	Social Forestry			
		102	Farm Forestry			
		103	Zoological Parks			
		104	Public Garden			
		105	Minor Forest Produce			
2408	Public Distribution System					
		101	Procurement & Supply			
				31	Supplies of Materials	2408-101-31
		102	Assistance to Cooperatives			
				42	Capital & Loan Assistance	2408-102-42
		103	Storage & Warehousing			
				39	Maintenance programmes	2408-103-39
2435	Agriculture including Agriculture Extension					
		101	Crop Husbandry			
				29	Financial Assistance & reimbursement	2435-101-29
				37	Training & Vocations	2435-101-37
				43	Meet, Exhibitions, Publicity, Camps	2435-101-43
		102	Watershed Development Programmes			
2501	Poverty Alleviation Programme					
		101	Central Schemes			
				11	National Rural Employment Guarantee Scheme (NREGS)	2501-101-11
		102	State Schemes			
		103	Panchayat Samithi Schemes			
				38	Welfare programmes	2501-103-38

Major Code	Major Head	Minor Code	Minor Head	Scheme Code	Scheme Head	Composite Code
				13	Swarnajayanti Gram SwrozgarYojana (IAY)	2501-103-13
		104	Grama Panchayat Schemes			
2515	Panchayat Raj Programmes					
		101	District Panchayat Programmes			
		102	Panchayat Samithi Programmes			
				27	Grants-in-Aid	2515-102-27
				54	Works	2515-102-54
				63	Provision for Vacant Posts & Medical Reimbursement	2515-102-63
		103	Grama Panchayat Programmes			
2702	Minor Irrigation					
		101	Minor Irrigation Projects			
		102	Water Management			
2801	Rural Electrification					
		101	Purchase of Power			
		102	Transmission and Distribution			
		103	Maintenance of Street Light			
2810	Non-conventional Sources of Energy					
		101	Maintenance of bio-gas plants			
		102	Maintenance of Solar Energy Centre			
		103	Maintenance of Wind Energy Centre			
2851	Village and Small Scale Industries					
		101	Handloom Industries			
		102	Handicraft Industries			
		103	Khadhi and Village Industries			
		104	Sericulture Industries			
				35	Scholarships, Stipends & Financial Incentives	2851-104-35
		105	Power loom Industries			
		106	Food Processing Industries			
		107	Other Village Industries			
3054	Transportation					
		101	Roads			
				54	Works	3054-101-54
		102	Culverts			
		103	Bridges			
		104	Ferries			
		105	Waterways			
		106	Other means of transportation			
Capital Account - Receipts						
4000	Capital Receipts					
Capital Account - Expenditure						
4202	Capital Outlay on Expenditure					
		101	Construction of Primary School			
		102	Construction of Secondary School			

Major Code	Major Head	Minor Code	Minor Head	Scheme Code	Scheme Head	Composite Code
		103	Construction of Centre for Adult & Non formal Education			
4205	Capital Outlay on Art, Culture and Libraries					
		101	Construction of Public Libraries			
		102	Construction of Sports Stadiums			
		103	Construction of Training Centre for Art & Culture			
4206	Capital Outlay on Market and Fairs					
		101	Construction of permanent structure for Market			
		102	Construction of permanent structure for Fairs			
4210	Capital Outlay on Health and Family Welfare					
		101	Primary Health Centres			
		102	Community Health Centres			
		103	Hospitals & Dispensaries			
		104	Health Sub-Centres			
		105	Other system of medicine			
4215	Capital Outlay on Water Supply and Sanitation					
		101	Laying of Water Supply Line			
				16	ARWSP	4215-101-16
		102	Drilling of Tube well			
				16	ARWSP	4215-102-16
		103	Sewerage and Sanitation			
				17	Total Sanitation Campaign	4215-103-17
4216	Capital Outlay on Rural Housing					
		101	Purchase of Land			
				14	IAY	4126-101-14
		102	Construction of Houses			
				14	IAY	4126-102-14
4235	Capital Outlay on Social Security and Welfare					
		102	Construction of training Centre for welfare of handicapped			
		103	Construction of Anganwadi Centres			
4402	Capital Outlay on Soil and Water Conservation					
		101	Land Improvement			
		102	Land Reforms			
		103	Land Consolidation			
		104	Soil and Water Conservation			
4405	Capital Outlay on Fisheries					
		101	Construction of Fisheries/Ponds			
4406	Capital Outlay on Forestry					
		103	Development of Zoological Park			
		104	Development of Public Garden			
4408	Capital Outlay on Public Distribution System					
		103	Construction of Godowns & Warehouses			
4435	Capital Outlay on Agriculture including Agriculture Extension					
		101	Construction of Training Centre			
4515	Capital Outlay on Panchayat Raj Programmes					
		102	Panchayat Samiti Programmes			
4702	Capital Outlay on Minor Irrigation					

Major Code	Major Head	Minor Code	Minor Head	Scheme Code	Scheme Head	Composite Code
		101	Construction of Works of Minor Irrigation Projects			
		102	Construction Works on Water Management			
		103	Construction Works Watershed Development			
4801	Capital Outlay on Rural Electrification					
		102	Capital Outlay on construction of sub-station			
		103	Installation of Street Lights			
4810	Capital Outlay on Non-Conventional Sources of Energy					
		101	Construction of Bio-Gas Plants			
		102	Construction of Solar Energy Centre			
		103	Construction of Wind Energy Centre			
4851	Capital Outlay on Village and Small Scale Industries					
		101	Handloom Industries			
		102	Handicraft Industries			
		103	Khadhi and Village Industries			
		104	Sericulture Industries			
		105	Power loom Industries			
		106	Food Processing Industries			
		107	Other Village Industries			
5054	Capital Outlay on Transportation					
		101	Construction of Village/District Roads			
			20	PMGSY		5054-101-20
		102	Construction of Culverts			
			20	PMGSY		5054-102-20
		103	Acquisition of Land for Construction of Roads/Bridges			
			20	PMGSY		5054-103-20
		104	Construction of Ferry Ghats/Ferries			
Provident Fund Etc						
7610	Loans to Panchayat Employees					
		101	House Building Advance			
		102	Motor Car/Motor Cycle Advance			
		103	Cycle Advance			
		104	Festival Advance			
8443	Civil Deposit					
		101	Earnest Money Deposit			
		102	Security Deposit			
		103	Panchayat Deposit			
8550	Civil Advances					
		101	Advances to PRI functionaries for Works & Supplies			
		102	Advances to agencies for Works and Supplies			
8658	Suspense Account					
		101	Tax deduction at Source suspense			
		102	Unclassified Suspense			
		103	Treasury Suspense			

Accounting Process Flowcharts



Annex 3: Accounting Process Flowcharts

Chart 1: Budget Preparation

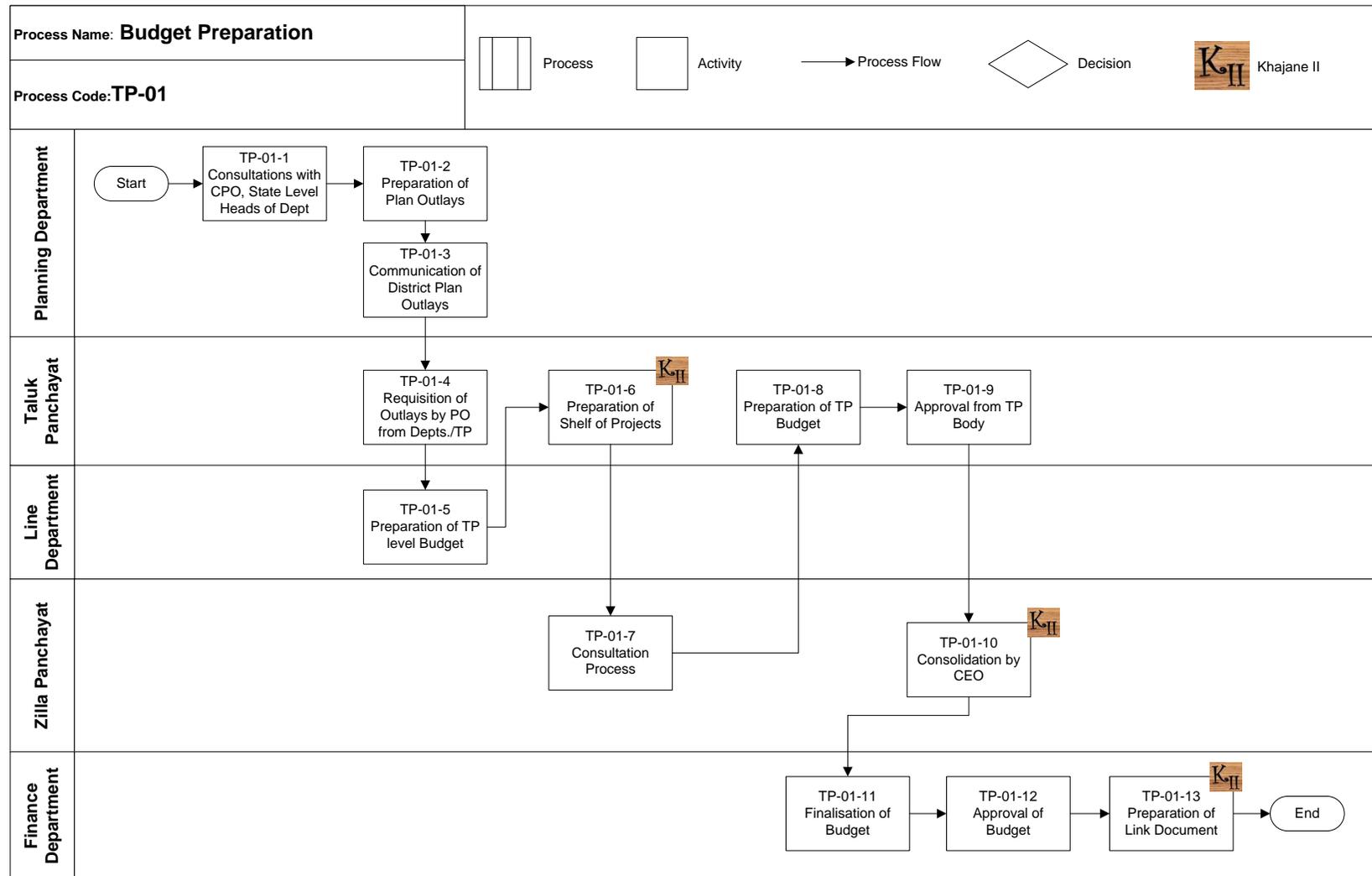


Chart 2: Preparation of TP Link Document

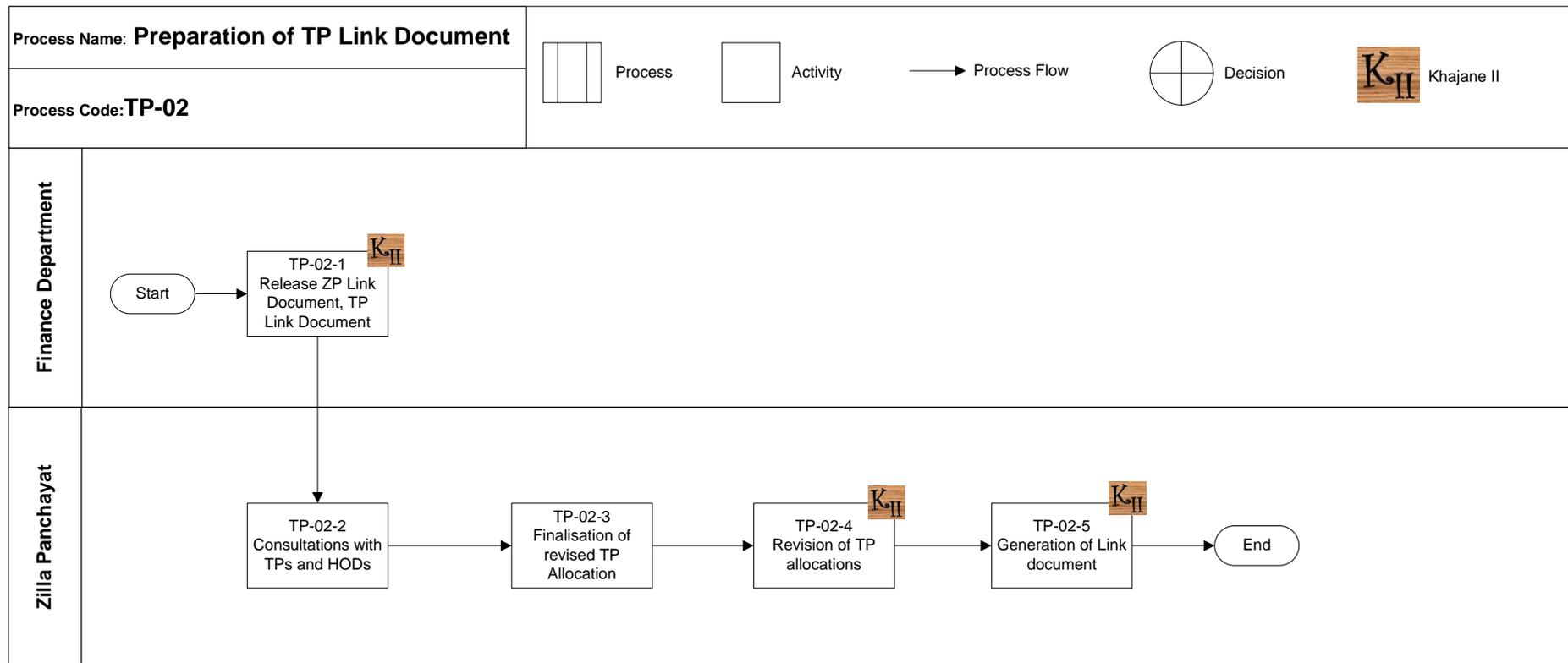


Chart 3: Fund Releases by State to Taluk Panchayat

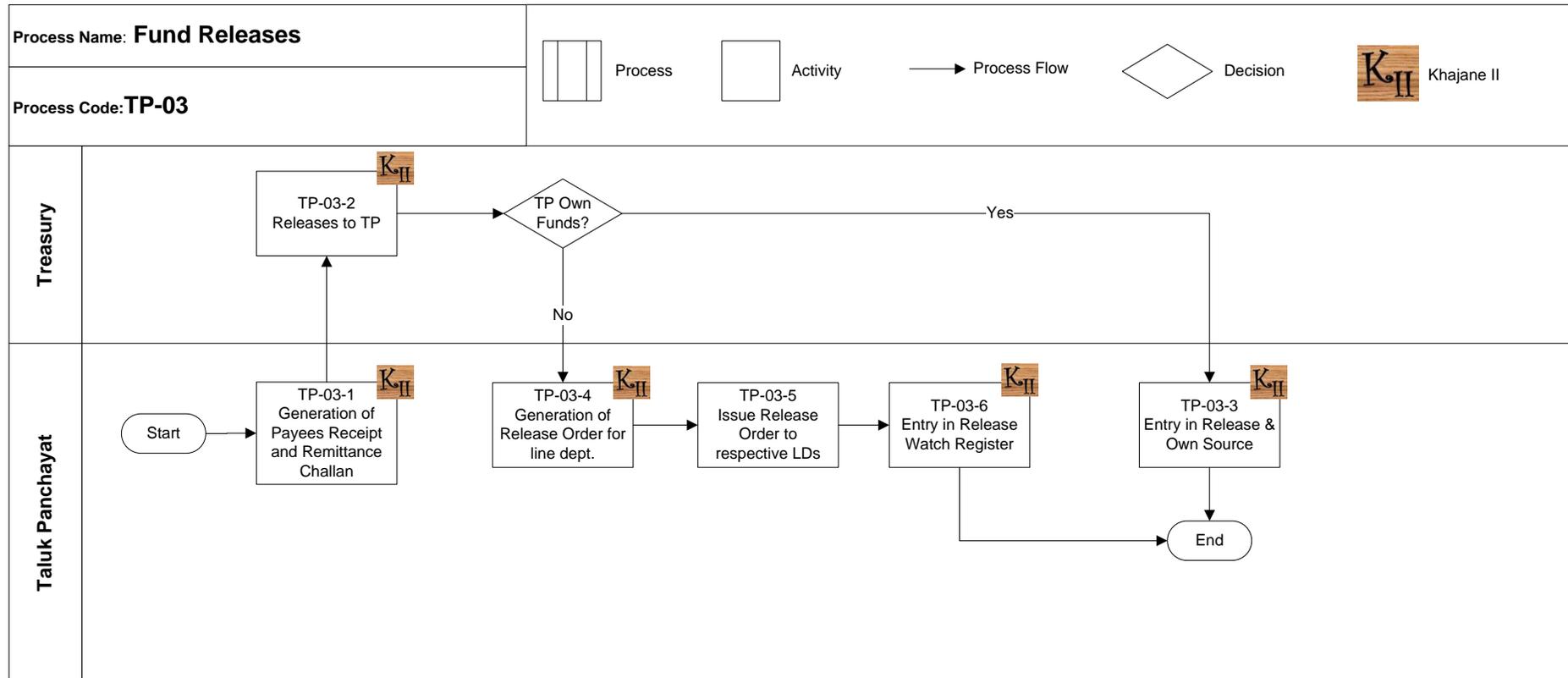


Chart 4: Action Plan Preparation & Approval

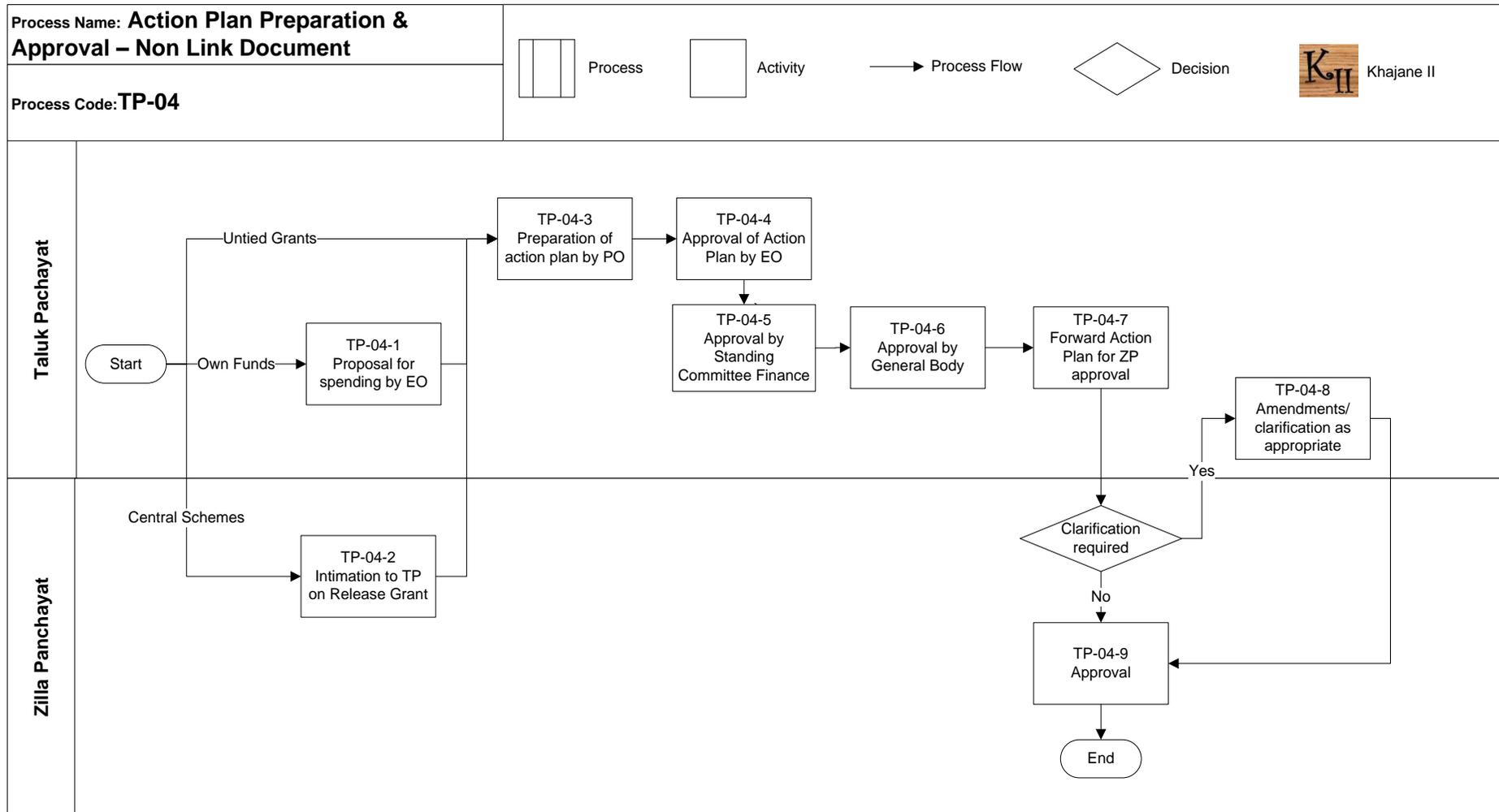


Chart 5: Receipts & Expenditure of Central Scheme grants (Banking Channel)

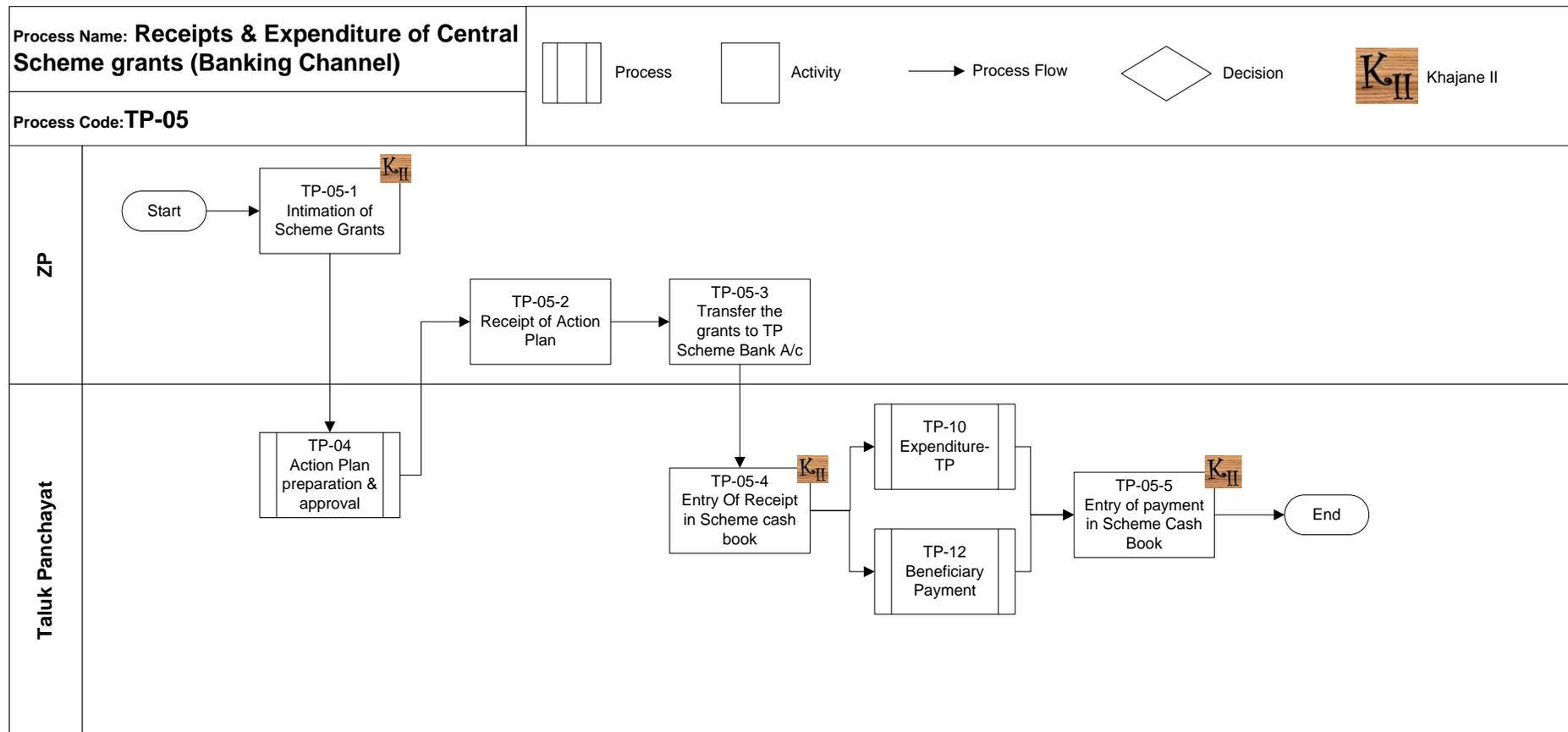


Chart 6: Receipts & Expenditure of Surcharge on Stamp Duty

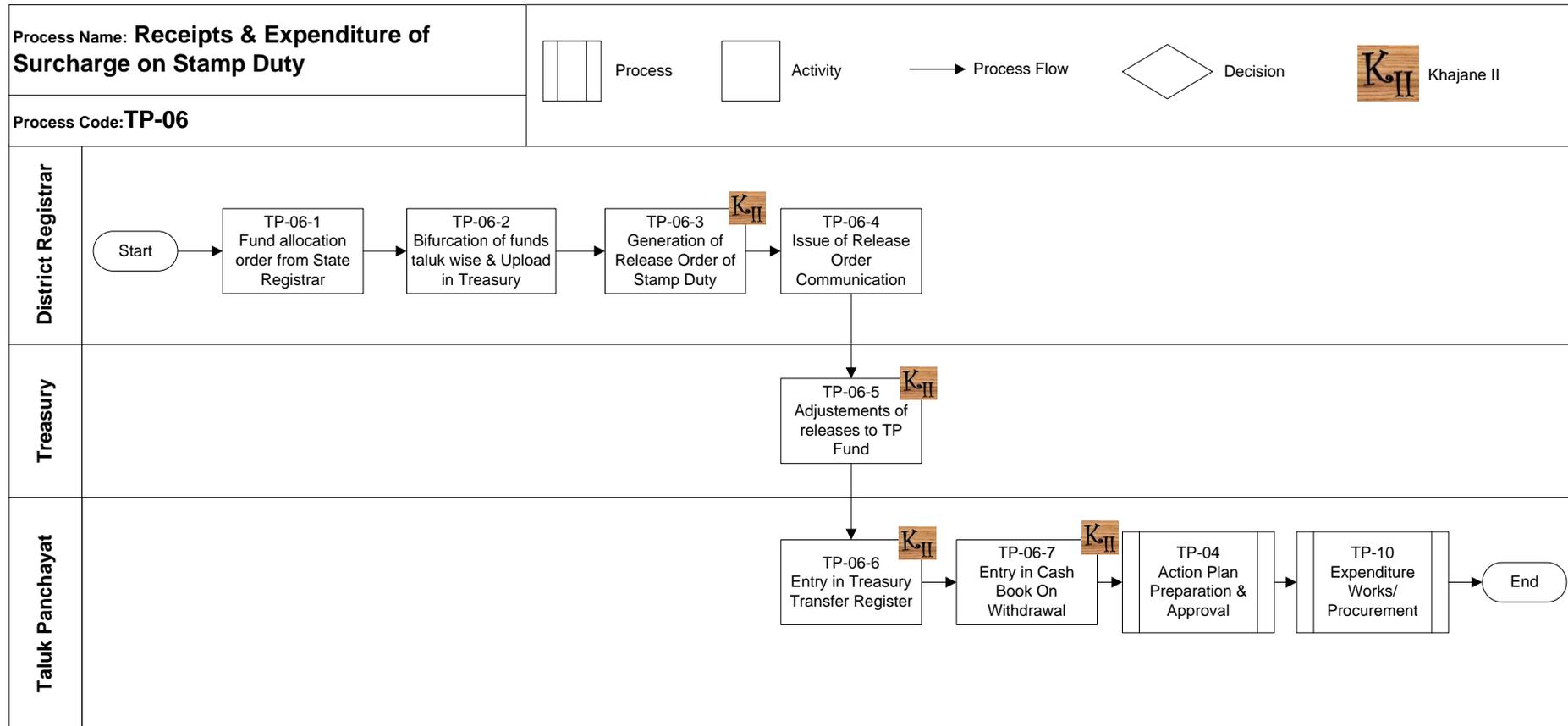


Chart 7: Rent Receipts

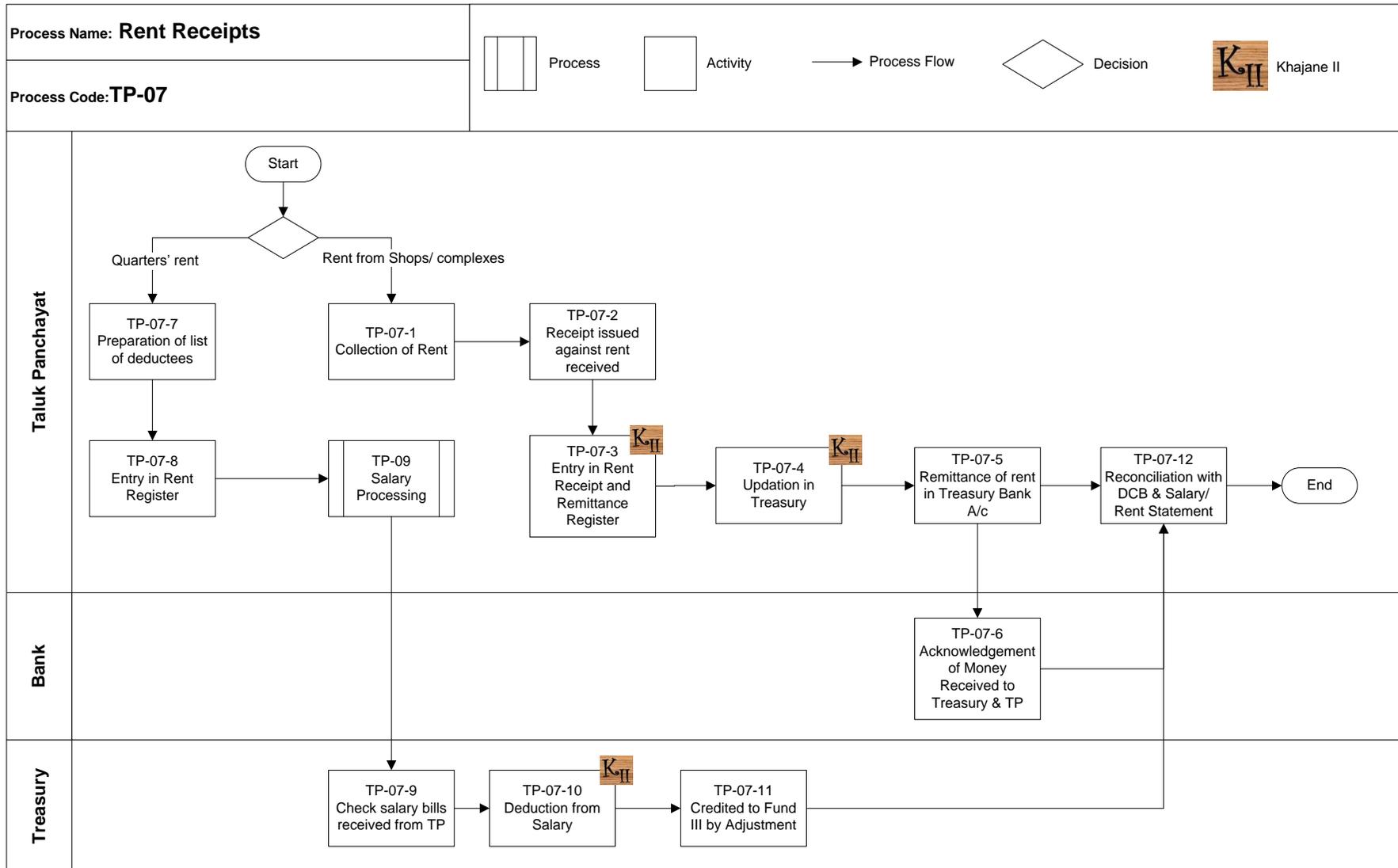


Chart 8: Other Receipts

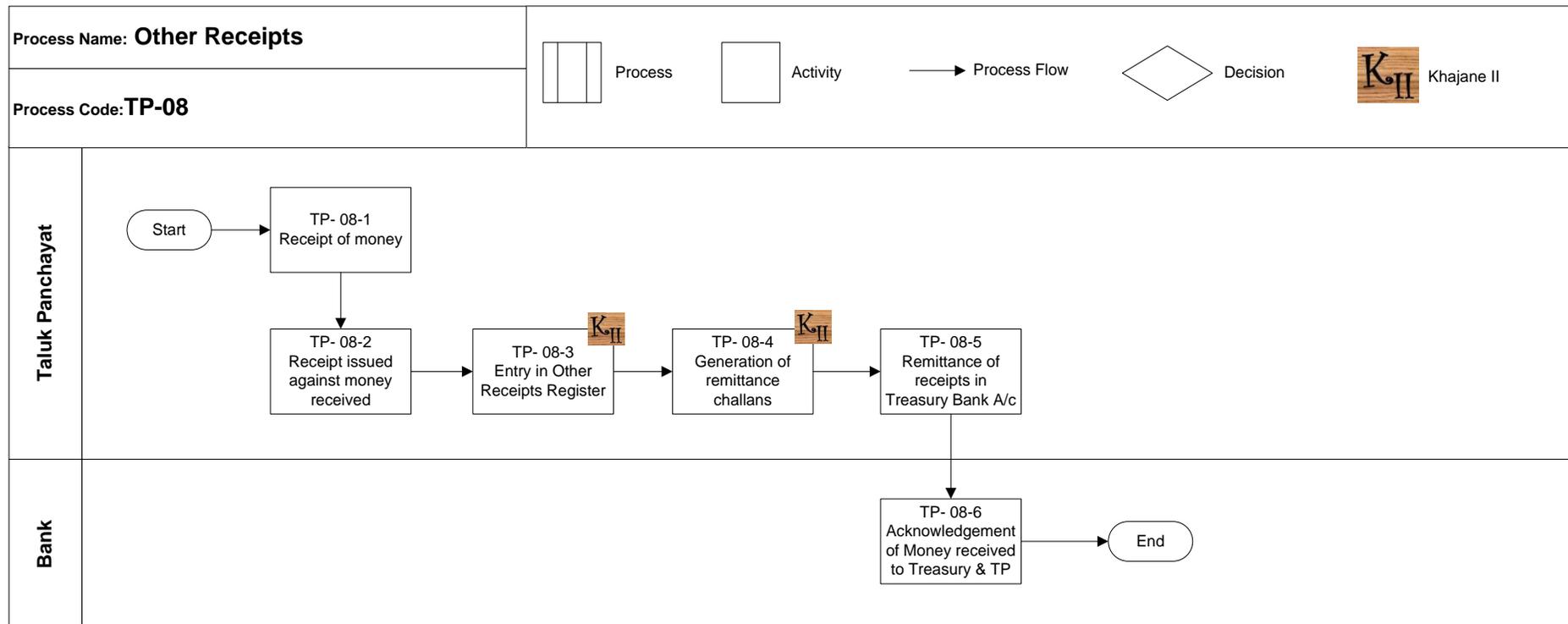


Chart 9: Expenditure on Salaries

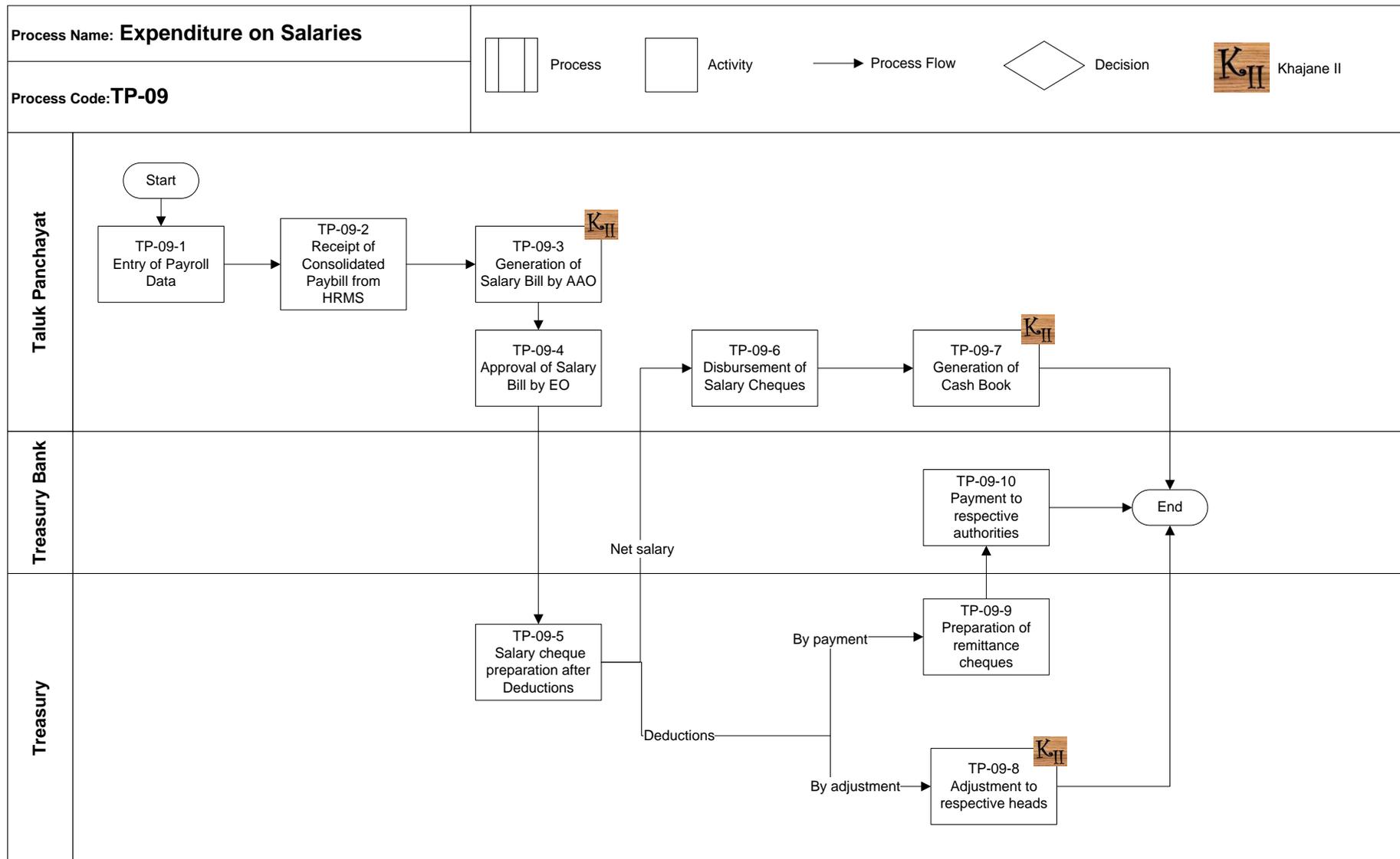


Chart 10: Expenditure on Works/Goods/Services

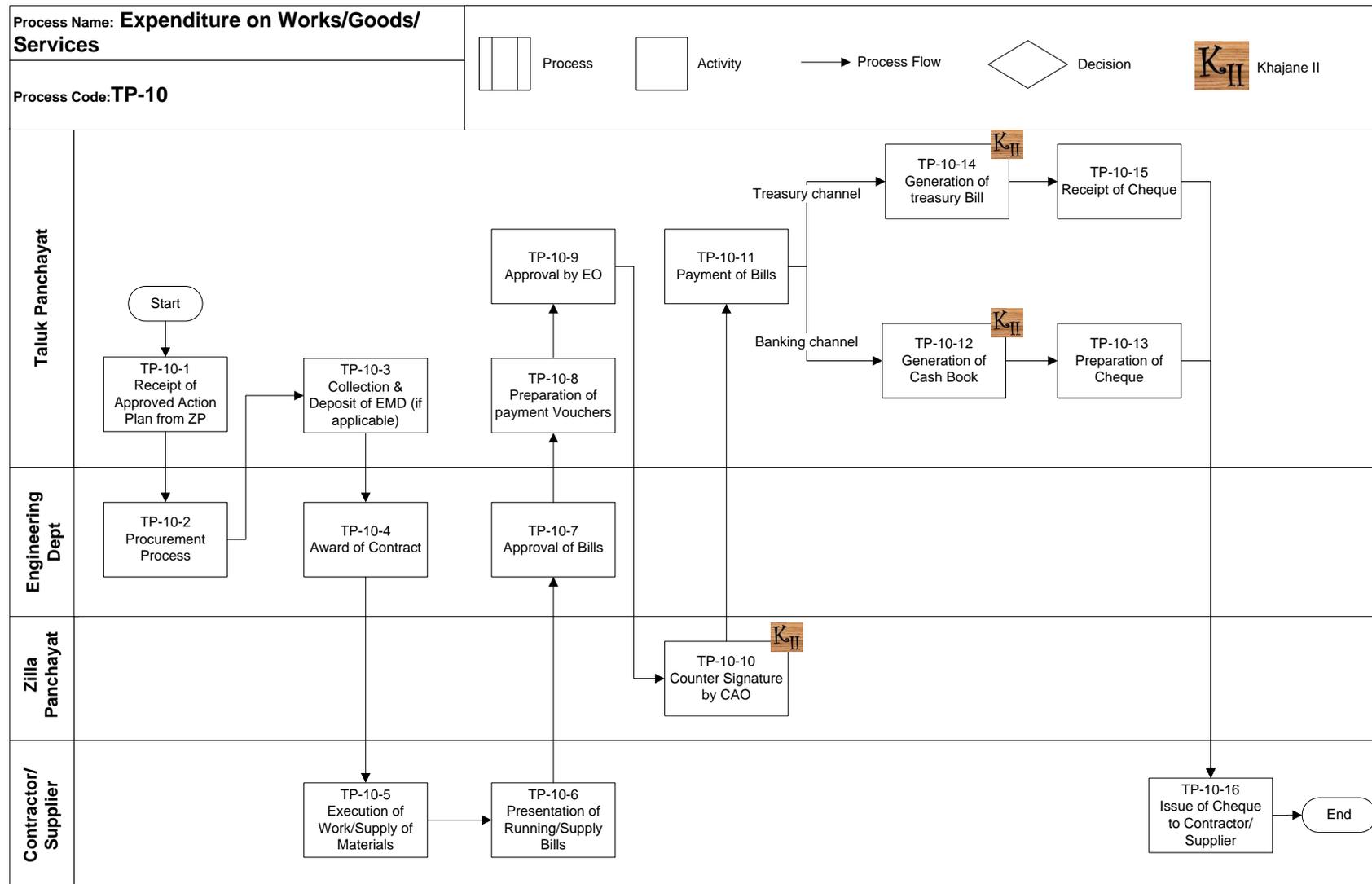


Chart 11: Expenditure by Line Departments

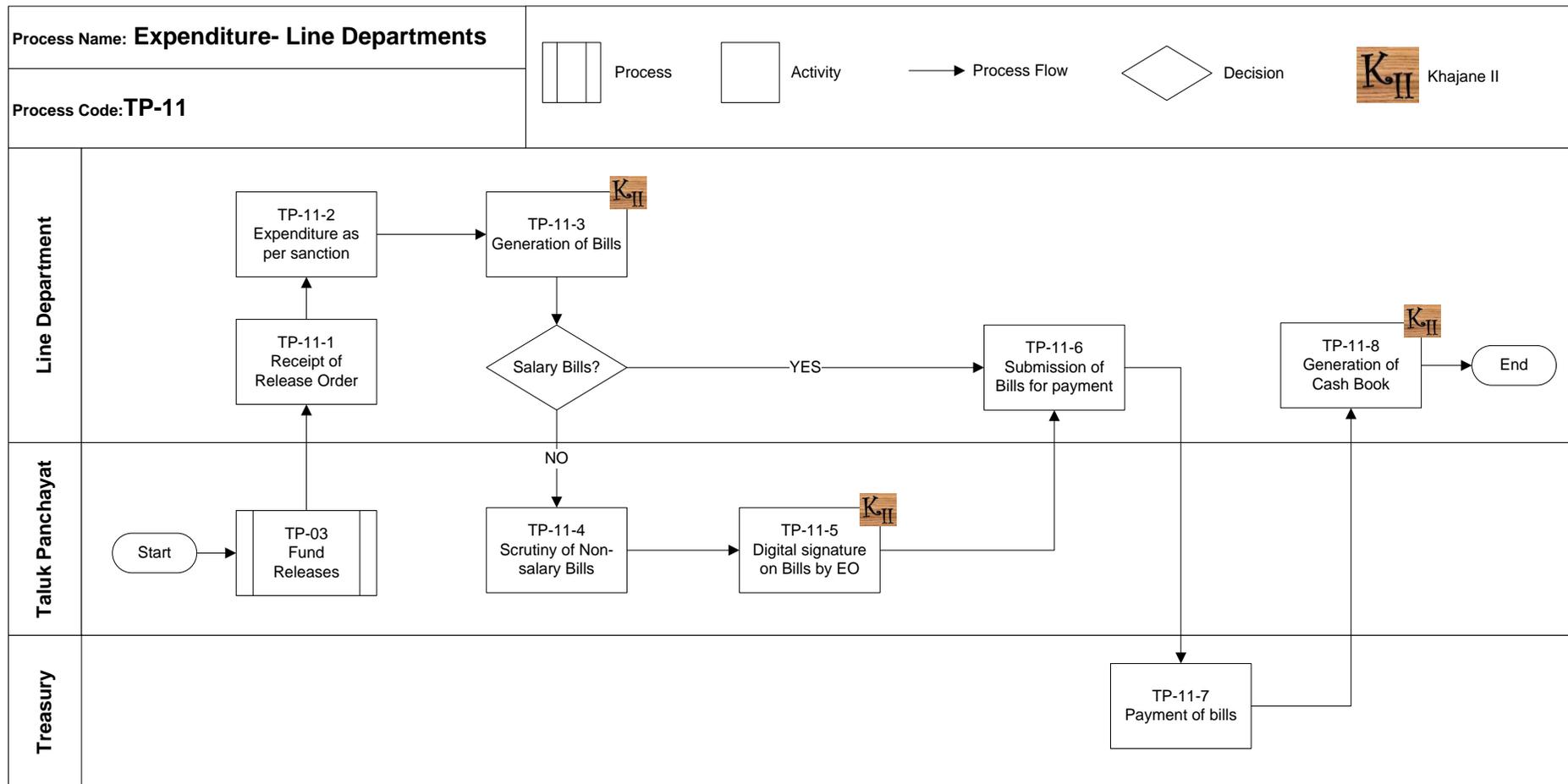


Chart 12: Beneficiary Payments

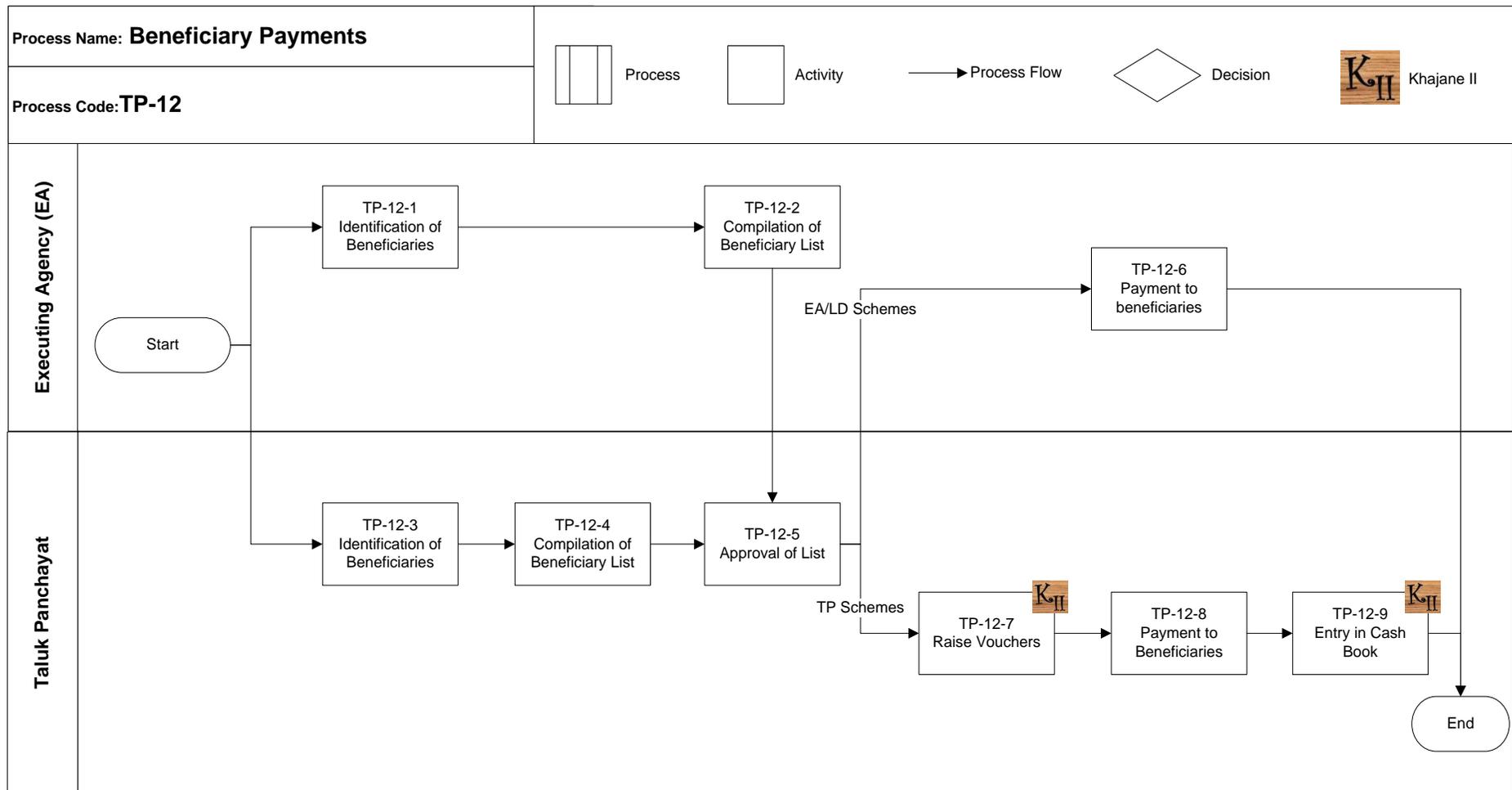
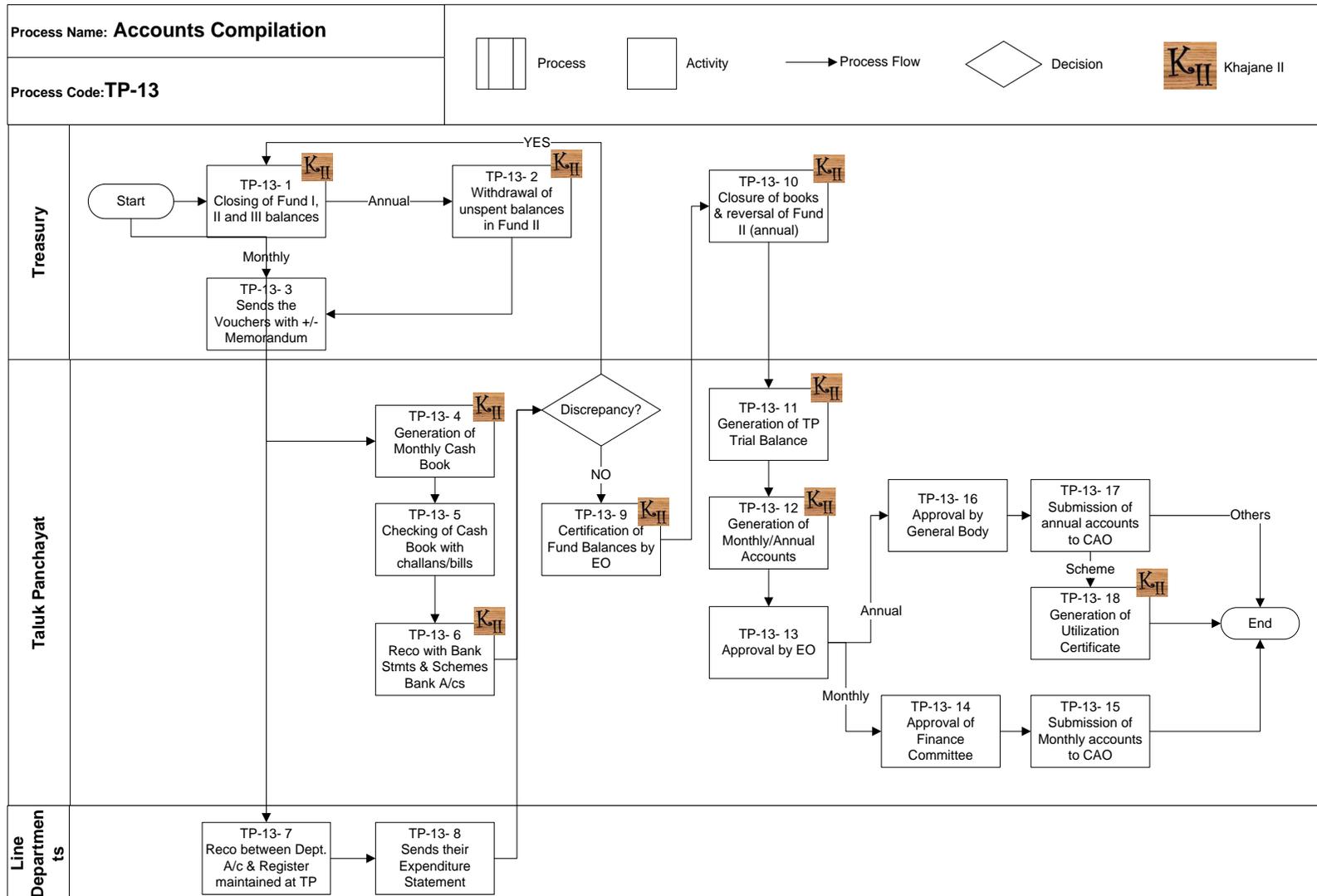
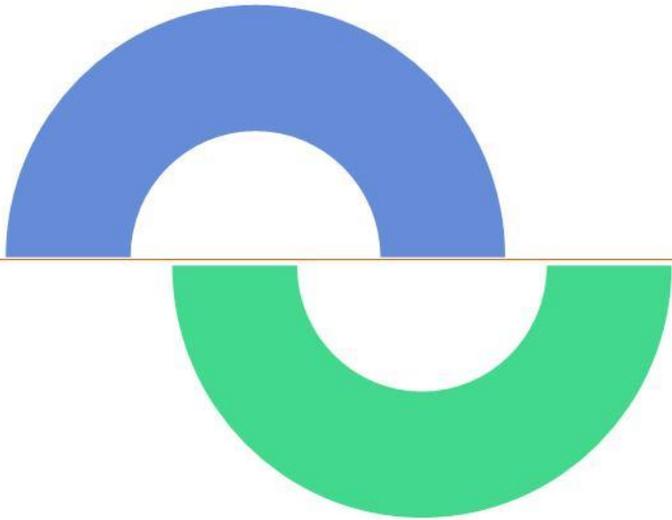


Chart 13: Accounts Compilation



Document and Register Formats



Annex 4: Document and Register Formats

Form No. TP01
Receipt for Licence Fee/Rent

Taluk Panchayat.....
Office.....
Receipt Book No.....

No.....
Date.....

The under mentioned amount has this day been received from (Name).....
(Address)..... Towards... .. for the period.....

Particulars of Receipts	Amount	
	Rs.	Ps.

Total

Amount received (in words).....

Signature of the Cashier/
Accounts Assistant

Form No. TP02
Acknowledgement for Cheque Received

Taluk Panchayat.....
Office.....
Book No.....

No.....

Date.....

Received from..... Cheque No. Dated the.....
..... For Rs. (Rupees)..... and Paisa..... (In words) Drawn by
..... on Bank. Subject to Realisation, on Account of.....

Signature of the Assistant Account Officer

Form No. TP03
Bank Payment Voucher

Bank Payment Voucher				
Name of the Taluk Panchayat				
Scheme Bank Account No.				
Voucher No.			Date :	
Account Code	Account Head	Budget Head	Gross (Rs)	Deductions(Rs)
1	2	3	4	5
		Total		
Amount paid (in words)				
Cheque No & date				
Narration:				
Prepared by		Approved by		
Received Payment				
(Signature of the receiver)				

**Form No. TP04
Transfer Entry**

Name of the Taluk Panchayat							
Counterfoil No:	Transfer Entry order No.						
Dated:	Dated:						
Particulars of the transaction	Particulars of the transactions with reasons for the proposed adjustment	Debit			Credit		
Reasons for Transfer		Head of Account*	Amount		Head of Account*	Amount	
	Rs.		Ps.	Rs.		Ps.	
To be Debited to*: Rs. Ps.							
To be Credited to*: Rs. Ps.							

*Mention Major, Minor, Sub and Detailed Head of Account

Note: Mention whether the transaction comes under "Plan" or "Non-Plan". Adjusted in the accounts for the month of.....

Dated initials of Assistant Accounts Officer of the Taluk Panchayat

Signature of the Executive Officer of the Taluk Panchayat

Form No. TP05
Fund Transfer Voucher

_____ Taluk Panchayat Funds Transfer Voucher		
Transfer from <<Bank Name & A/c No>>		Transfer to <<Bank Name & A/c No>>
From Fund: <<name of the Scheme>>		To Fund: <<name of the Scheme>>
Voucher No:		Date :
SI No	Particulars of Transfer	Amount Transferred (Rs)
1	3	4
	Total	
Cheque no. and date:		
Narration:		
Prepared by		Approved by

**Form No. TP06
Remittance Challan**

Creditable to "8448-109-..... Taluk Panchayat Fund

Challan paid into the..... Treasury / Bank at..... For credit toTaluk Panchayat Fund.

Treasury Code	Drawing Officer Code	Date	Challan No.
By whom Remitted			
Address			
Purpose of Remittance		Verified Please receive	
Head of Account		Signature and Designation of officer countersigning Challan	
Details of Remittance	Head of Account Code	Amount Rs.	
1)			
2)			
3)			
4)			
	Total		
(In words) Rupees.....			
Date:			
Place:		Signature of Remitter	
Received Rs..... (in words) Rupees.....			
Cashier	Accountant	Treasury / Bank Officer	

Form No. TP07
Stock Account of Receipt Books, Licence Forms

Taluk Panchayat:					Office:				
Kind of Receipt Book/Licence Form:									
Receipt					Issue			To whom Issued	
Date	From whom received	No. of Books/forms/pads	Sl. No. of Books/forms/pads	Voucher number and date	Initial of Executive Officer	No. of Books/forms/pads	Sl. No. of Books/forms/pads	Designation	Signature of the receiver
					Head of office				
1	2	3	4	5	6	7	8	9	10

Balance	Sl. No. of Books/forms/pads	Initials of the issuing authority	Return of the Used Receipt Books/Pads			By whom returned	Initials of the receiver
No. of Books/forms/pads			Date of return	No. of Books/forms/pads	Sl. No. of Books/forms/pads		
11	12	13	14	15	16	17	18

Form No. TP08
Stamp Account

Name of the TP:				Office:			Year:	
Date	Voucher No.	Value of stamps received (Rs)	Letter No. and date of despatch	Weight (where extra stamp is required)	Value of stamps affixed (Rs)	Daily balance	Initials of Accounts Assistant of T.P./Head of Office	Remarks
1	2	3	4	5	6	7	8	9

Note: The balance of the stamps on hand shall be verified and certified by the Head of Office or any other officer authorised by him at least once at the end of the each month.

**Form No. TP10
Payment Schedule of Treasury**

Name of the Taluk Panchayat						Major Head of Account															
Date	Voucher No.	To whom paid and particulars of Bill/Cheque	I			II Amount Paid by Transfer			III Deductions creditable to Taluk Panchayat Fund												
			In Cash	I.T.	L.I.C.	H.R.			(a)	(b)	(c)	(d)	(e)	(f)							
1	2	3	4	5	6	Forest	P.W.D.	Z.P.							8						
IV Deductions Creditable to the Government						V Other Deductions*			Total Deductions (II+III+IV+V)			Gross Amount of the Bill (4+18)									
G.I.S.	K.G.I.D.	G.P.F.	H.B.A.		M.C.A.																
9	10	11	12		13	14	15	16	17	18			19								
			Govt.	H.D.F.C.																	

*to be specified

Form No. TP11
Statement of Expenditure

Name of the Line Department:

Period of the Statement: <<month & year>>

Major Head of Account: <<separate page for each Major Head>>

SI No	Head of Account	Plan/Non-plan	Budget Provision (Rs.)	Expenditure(Rs.)		
				Upto Previous month	Current Month	Upto Current month
1	2	3	4	5	6	7
	<<till object code>>					
	<<till object code>>					
	<<till object code>>					
	<<till object code>>					
Grand Total						

CERTIFICATE

CERTIFIED that the figures of expenditure reflected in the above statement are reconciled with the figures booked by the Executive Officer of the _____ Taluk Panchayat and found to be in agreement

Checked by

Approved By

Signature of the Head of the Office (Line Department)

Form No. TP13
Collections and Remittance Register

Name of the Taluk Panchayat:												
Receipt Details												
Date	Receipt No.	Head of Account	Particulars of Remitter	Particulars of Receipts				Amount (Rs.)	Mode	Cheque No. & Date	Drawn on	Initials of the EO
				Rent	Licence Fees	Service Fees	Other Fees					
1	2	3	3	4	5	6	7	8	9	10	11	12
Remittance Details												
Deposited to			Deposited on				Treasury/Bank Account			Initials of the Executive Officer		
13			14				15			16		

Note: More columns can be added under particulars of receipts as required

Form No. TP14
Treasury Release Register

Name of the Taluk Panchayat:							
Details of Receipt							
Date	Release Order No. and Date	Remittance Challan #	Head of Account	Amount of Release	Particulars of Release		Date of onward release to Line Department
					Expenditure Head of Account	Amount (Rs.)	
1	2	3	4	5	6	7	8

**Form No. TP16
Bill Register**

Taluk Panchayat.....

Date	Bill Details	Bill Particulars	Payee Details	Gross Amount (Rs.)	Deduction	Net	DC Bill/Bank Payment Voucher	Paid Date
1	2	3	4	5	6	7	8	9
				<< total for the month>>				

Signature of the EO on the last date of the month

Form No. TP17
Register of Bills Drawn

Name of the Taluk Panchayat:				Office:			
Sl. No.	Bill No. and Date	Particulars of the Bills	Gross Amount of the Bill (Rs.)	Net Amount of the Bill (Rs.)	Major Head Minor Head Sub Head Detailed Head	Name and Designation of officer in whose favour Cheque is to be drawn	Signature of the Head of Office / Assistant Accounts Officer
1	2	3	4	5	6	7	8
Initials of the Head Accountant/Staff of Try/ Token No. and Date		Amount passed by the Treasury Officer	Voucher No. and Date	Date of Receipt of cheque	Date of Entry in the Cash Book		Initials of Head of office / Assistant Accounts Officer
9		10	11	12	13		14

Form No. TP18
Register of Abstract Contingent Bills

Name of the Taluk Panchayat					Designation of the Drawing Officer			
Date	Voucher No.	Amount (Rs.)	Head of Account	Purpose for which drawn	Date of receipt of N.D.C Bill	Amount (Rs) admitted/adjusted	Amount (Rs) refunded (if any)	Initials of the Accounts Assistant of T.P.
1	2	3	4	5	6	7	8	9

Note:

1. Separate pages shall be set apart for each Drawing Office
2. An abstract of pending A.C. Bills and inadmissible transactions shall be drawn up Drawing Officer-wise at the end of each month and put up to the Executive Officer.

Form No. TP19
Counter Signature Register

Taluk Panchayat:

Name of the Line Department:							Folio No.
Date	Particulars	DC Bill No. & Date	Head of Account	Amount (Rs.)	Amount Disallowed (Rs.)	Reason for disallowance	Initials of EO with date
1	2	3	4	5			6
			<<till object code>>				

Form No. TP20
Register of Remissions and Write-offs

Name of the Taluk Panchayat					Office					
Sl. No.	Name of the Party	Assessment No. if any and the amount due	Date of receipt of notice of vacancy or the application for remission	Period for which the remission or write off is proposed	Grounds on which the remission or write off is proposed	Amount (Rs) remitted or write off	Balance due, if any (Rs)	Reference to the authority Sanctioning the remission or write off	Initials of the Executive Officer/Head of Office	Remarks
1	2	3	4	5	6	7	8	9	10	11

Form No. TP21
Receipts & Expenditure Tracking Register

Receipts & Expenditure Tracking Register							
						Folio No.	
Name of the Taluk Panchayat:			Expenditure Head of Account:*				
Receipts			Payments				
Date	Release Order/Remittance Particulars	Amount (Rs.)	Date	DC Bill/Voucher #	Particulars of Expenditure	Amount (Rs.)	Total
1	2	3	4	5	6	7	8

Note:

1. *For own funds the Head of Account will start from 2515...
2. In case of Own source remittances, mention the remittance details in column 2

Form No. TP22
Scheme Cash Book

Name of the TP	
Name of the Scheme:	
Scheme Code:	
Name of the Bank:	
Bank Account Number:	

RECEIPTS					PAYMENTS							
Date	Scheme HOA - Receipts	Particulars of Receipt	Instrument No.	Amount (Rs.)	Date	Voucher No.	HoA-Expenditure	Particulars of Expense	Cheque No.	Amount (Rs.)	Amount (Rs.)	

Note: Bank Book shall be closed on a daily basis

Form No. TP24
Scheme Ledger - Expenditure

Name of the Taluk Panchayat:						
Dr				Cr		
Date	Particulars**	Reference	Amount (Rs.)	Date	Particulars	Amount (Rs.)
1	2	3	4	5	6	7
						xxx*

Name of the Taluk Panchayat:						
Dr				Cr		
Date	Particulars**	Reference	Amount (Rs.)	Date	Particulars	Amount (Rs.)
1	2	3	4	5	6	7
						xxx*

Note:

1. *Take the amount to the Banking R&P account which forms part of TP Monthly/Annual Accounts
2. ** Nature of income could be interest income etc

Form No. TP25
Register of Advances

Taluk Panchayat:									
Head of Account:								Folio #	
Payments				Receipts/Recovery			Balance Amount (Rs.)	Initials of EO	
Date of payment of Advance	Particulars of Advance paid	DC bill/Bank Payment Voucher #	Amount paid (Rs.)	Date of Refund	Details of Remittance of refund	Amount (Rs.)			
1	2	3	4	5	6	7	8	9	

Form No. TP26
Register of Deposits

Taluk Panchayat:									
Head of Account:					Folio #				
Receipts/Deductions					Payments			Balance Amount (Rs.)	Initials of EO
Date of Receipt	Particulars of Receipts	Date of remittance to Treasury/Bank	Remittance details	Amount Received (Rs.)	Date of payment	DC Bill/Bank Payment Voucher #	Amount paid (Rs.)		
1	2	3	4	5	6	7	8	9	10

Form No. TP27
Register of Payables

Taluk Panchayat:								
Head of Account:							Folio #	
Deductions				Remittance			Balance Amount (Rs.)	Initials of EO
Date of Deduction	Particulars of Deduction	Voucher #	Amount Deducted (Rs.)	Date of Remittance	Cheque No. & date	Amount Remitted(Rs.)		
1	2	3	4	5	6	7	8	9

**Form No. TP28
Fund Balance Watch Register**

Taluk Panchayat:

Receipts						Expenditure						Balance		
Date	Particulars	Reference Details	Amount(Rs.)			Date	Particulars	Reference Details	Amount (Rs.)			Amount (Rs.)		
			Fund I	Fund II	Fund III				Fund I	Fund II	Fund III	Fund I	Fund II	Fund III
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Form No. TP29
Utility Watch Register

Name of TP:

Type of Utility: <<telephone, electricity, etc>>

Folio #:

Month for which it is due	Bill Number	Bill Amount (Rs)	Bill Received date	Last date for payment	Actual Date of Payment	Payment Particulars	Penalty/Fine for late payment (Rs)
1	2	3	4	5	6	7	8
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							

Form No. TP30
Works Register

Name of the TP: <<name>>

Name of the Works undertaken: <<Particulars of Work>>

Work Order #:

Name of the Contractor:

Head of Account: <<Expenditure HoA>>

Folio #:

Particulars of Work done	Bill #	Gross Bill Amount (Rs)	Particulars of Deductions	Amount Deducted (Rs)	Net Amount (Rs)	Paid date	Initials of EO
1	2	3	4	5	6	7	8

Form No. TP31
Utilisation Certificate

Part A

Certified that out of Rs. <<amount received>>, <<Rupees in words>>, Grants sanctioned during the year <<Financial Year>> in favour of <<name of TP>> under this Ministry and Rs <<opening balance >>, <<Rupees in words>>, spent on account of unspent balance of the previous year, a sum of Rupees <<amount of expenditure>>, <<Rupees in words>>, has been utilized for the purpose of <<purpose of expenditure>> and the balance of Rs <<closing balance>>, <<Rupees in words>>, remaining unutilized at the end of the year has been surrendered to Government. (Vide Cheque/DD No....., dated) / will be adjusted towards the grants payable during the next year.

Sl No	Letter No. and Date	Amount
	Total	

Certified that I have satisfied myself that the conditions on which the grants was sanctioned have been duly fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Checks exercised

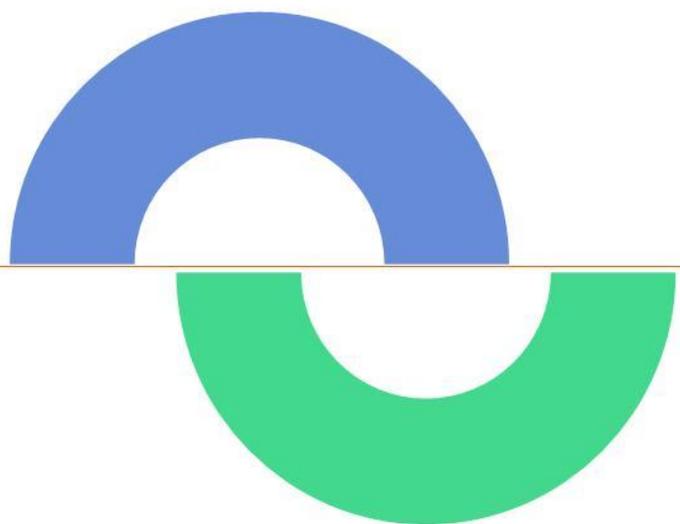
- 1.
- 2.
- 3.
- 4.
- 5.

Signature:

Designation:

Date:

Monthly and Annual Accounts Formats



Annex 5: Monthly and Annual Accounts Formats

TP CRP Statement

Heads of Account	Account Code	Debit			Credit		
		Treasury	Banking	Total	Treasury	Banking	Total
Receipt Heads							
<i>Grants in aid</i>	1601						
- Central Government	1601-101						
XIII FC Grants	1601-101-53						
Nirmal Bharat Scheme	1601-101-17						
- State Government	1601-102						
Untied Grants	1601-102-27						
<i>Own Sources receipts</i>	0515 & 0030						
- Rent receipts	0515-102-40						
- Stamp Duty Grants	0030-901						
Revenue Expenditure Heads							
<i>Education</i>	2202						
-Salary to Primary School Teachers	2202-101-27-01						
-Salary to High School Teachers	2202-102-27-01						
<i>Panchayat Raj Programmes</i>	2515-102						
- Works Untied Grants	2515-102-27-23						
- Works XIII FC	2515-101-53-23						
-Beneficiary Payments	2515-101-17-29						
Advances	7610						
Festival Advances	7610-104						
Deposits	8443						
Earnest Money Deposit	8443-101						
Security Deposit	8443-102						
Payables	8658						
Income Tax	8658-101-40						
Sale Tax (VAT)	8658-101-41						

Heads of Account	Account Code	Debit			Credit		
Fund balances							
<i>Fund I</i>							
<i>Fund II</i>							
<i>Fund III</i>							
Scheme Bank Account – XIII Finance Commission Grants							
Scheme Bank Account –TP							
Scheme Bank Account –LD DDOs							
GRAND TOTAL				-			-

Receipts and Payments Account

(As per MPAS Format I)

Monthly / Annual Receipts and Payments Accounts

of

Taluk Panchayat..... for the month/year of.....

Receipts										Payments									
Heads of Accounts	Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)			Heads of Account	Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total
Opening Balance																			
i. Balance in Fund I																			
ii. Balance in Fund II																			
iii. Balance in Fund III																			
iv. Bank balance - TP																			
v. Bank balance - LD DDO																			
Total Opening Balances																			
Part 1 – Panchayat Fund										Part 1 – Panchayat Fund									
Revenue Account – Receipts										Revenue Account - Expenditure									
Tax Receipts										2049 Interest Payments									
0028 Taxes on Profession, Trades etc.										101 Interest on Provident Fund									
101 Profession Tax										102 Interest on Insurance and Pension Fund									
102 Trade Tax										103 Interest on Other Deposits and Accounts									
103 Trade Licence Fees										2059 Maintenance of Community Assets									
901 Share of net proceeds assigned to Panchayats										101 Maintenance & Repairs									
0029 Land Revenue																			

Receipts										Payments											
Heads of Accounts		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)			Heads of Account		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total			Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total
901	Share of net proceeds assigned to panchayats										101	Primary Education									
0042	Taxes on Goods and Passengers										18	Mid-day Meal Scheme									
101	Toll Tax										19	Sarva Siksha Abhiyan									
											27	Grants in aid									
											101	Salaries									
40	Road, Culvert Bridge										102	Secondary Education									
											27	Grants in aid									
											01	Salaries									
41	Ferry										103	Adult Education									
42	Water Ways										104	Non-formal Education									
43	Others										2203	Technical Training and Vocational Education									
102	Taxes on entry of Goods into Local Area										101	Assistance to Universities/ Colleges for Technical Training									
103	Taxes on Passengers/Pilgrims										102	Technical Schools									
901	Share of net proceeds assigned to panchayats										103	Polytechnic Colleges									
0044	Service Tax										104	Vocational Education									
101	Service Tax										2205	Art, Culture and Libraries									
901	Share of net proceeds assigned to panchayats										101	Promotion of Art & Culture									
0045	Taxes on Duties and Commodities										102	Public Libraries									

Receipts										Payments											
Heads of Accounts		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)			Heads of Account		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total			Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total
101	Entertainment Tax										103	Public Exhibition									
102	Advertisement Tax										104	Sports & Youth Services									
103	Receipts under Education Cess										2206	Market and Fairs									
104	Receipts under other Acts										101	Market									
105	Forest Developments Tax										102	Fairs									
901	Share of net proceeds assigned to panchayats										2210	Health and Family Welfare									
											101	Primary Health Centres									
											15	NRHM									
											102	Community Health Centres									
											15	NRHM									
											103	Hospitals & Dispensaries									
											15	NRHM									
											104	Health Sub-Centres									
											15	NRHM									
	Non-Tax Receipts										105	Other System of Medicine									
0049	Interest Receipts										106	Family welfare Services									
101	Interest on Bank Deposit										2211	Women and Child Welfare									
102	Interest on Loans and Advances										101	Women and Development Programmes									
800	Other Receipts										15	NRHM									

Receipts										Payments											
Heads of Accounts		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)			Heads of Account		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total			Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total
0059	Maintenance of Community Assets										102	Child Development Programmes									
101	Rent from Buildings										15	NRHM									
102	Recovery of percentage charges										2215	Water Supply and Sanitation									
103	Hire Charges of Machineries and Equipments										101	Maintenance of Water Supply Line									
0071	Contribution & Recoveries towards Pension and other Retirement Benefits										102	Maintenance and Repair of Tube wells									
101	Pension Contribution										103	Sewerage and Sanitation									
102	Leave and Pension Contribution not levied separately										17	Total Sanitation Campaign									
0202	Education										2216	Rural Housing									
101	Primary Education										101	House site for Landless									
102	Secondary Education										14	Indira AwasYojana (IAY)									
103	Adult Education										102	Construction of Houses									
104	Non-formal Education										14	Indira AwasYojana (IAY)									
0206	Market & Fairs										103	Maintenance & Repairs of Houses									
101	Receipts from Markets/Hut										2225	Welfare of Scheduled Castes, Scheduled Tribes and other Weaker Sections									
102	Receipts from fairs										101	Welfare of Scheduled Caste									

Receipts										Payments											
Heads of Accounts		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)			Heads of Account		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total			Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total
104	Receipts from Fodder and Feed Development										43	Maintenance of Weaker Sections' Hostels									
105	Receipts from Other Livestock Development										2235	Social Security & Welfare									
106	Receipts from Milk Supply Scheme										101	Social Welfare									
0405	Fisheries										102	Welfare of Handicapped									
101	Sale of Fish, Fish Seeds etc										103	Welfare of Mentally Retarded									
102	Auction of Fishing Rights										104	Assistance to Voluntary Organisations									
103	Licence Fees, Fines etc										105	Deposit linked Insurance Scheme									
104	Services and Service Fees										2402	Soil and Water Conservation									
0406	Forestry										101	Land Improvement									
101	Social forestry										102	Land Reforms									
40	Sale of Timber & other Forest Produce										103	Land Consolidation									
42	Receipts from Forest Plantation										104	Soil and Water Consolidation									
43	Receipts from Firewood Plantation										2403	Animal Husbandry, Dairying, Poultry and Fuel and Fodder									
102	Farm Forestry										101	Cattle and Buffalo Development									
40	Sale of Timber & Other Forest Produce										102	Piggery Development									

Receipts										Payments									
Heads of Accounts	Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)			Heads of Account	Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total
42	Receipts from Forest Plantation									103	Poultry Development								
43	Receipts from Firewood Plantation									104	Fuel and Fodder Development								
103	Fees									105	Insurance of Livestock and Poultry								
0435	Agriculture including Agriculture Extension									106	Dairy Development Projects/ Schemes								
101	Crop Husbandry									107	Extension & Training								
40	Sale of Seeds									2405	Fisheries								
41	Receipts from Agriculture Farm									101	Processing, Preservatives Marketing								
42	Sale of Manure and Fertilizers									102	Fishery Cooperatives								
43	Receipts from Commercial Crop									103	Extension & Training								
102	Lease charges for Storage and Warehousing of Agricultural Product									104	Developmental Schemes								
0515	Panchayati Raj Programmes									2406	Forestry								
102	Panchayat Samiti									101	Social Forestry								
40	Licence Fee									40	Economic Plantation								
41	Fees for use of quarry									42	Forest Conservation and Development								
42	Rent for use of Land									102	Farm Forestry								
43	Receipts from Community Development Project									40	Economic Plantation								
44	Other Rates & Fees except Tax Receipts									42	Forest Conservation and Development								

Receipts										Payments									
Heads of Accounts	Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)			Heads of Account	Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total
45	Registration charges (Other than those not covered under respective functional major heads)									103	Zoological Parks								
46	Other Service Fees									104	Public Garden								
47	Other Fines									105	Minor Forest Produce								
0702	Minor Irrigation									2408	Public Distribution System								
101	Receipts from Water Tanks/Ponds									101	Procurement & Supply								
102	Receipts from Tube wells									102	Assistance to co-operatives								
0801	Rural Electrification									103	Storage & Warehousing								
101	Sale of Power									26	Maintenance of Warehouses								
0810	Non-Conventional Sources of Energy									2435	Agriculture including Agriculture Extension								
101	Sale of Bio-Energy									101	Crop Husbandry								
102	Sale of Solar Energy									40	Extension of Farmers Training								
103	Sale of Wind Energy									41	Crop insurance								
0851	Village and Small Scale Industries									42	Scheme for small marginal farmers and agricultural labourers								
101	Handloom Industries									43	Horticulture and vegetable crops								
102	Handicraft Industries									44	Assistance to farmer cooperation								

Receipts										Payments											
Heads of Accounts		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)			Heads of Account		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total			Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total
103	Khadi & Village Industries										102	Watershed Development Programmes									
104	Sericulture Industries										2501	Poverty Alleviation Programme									
105	Power loom Industries										101	Central Schemes									
106	Food Processing Industries										11	NREGS									
107	Other Village Industries										102	State schemes									
	Grants-in-aid										103	Panchayat Samity schemes									
1601	Grants-in-aid										104	Gram Panchayat schemes									
101	Grants from Central Government										2515	Panchayati Raj Programmes									
11	NREGS										101	District Panchayat Programmes									
12	Sampoorna Garmin RozgarYojana (SGRY)										102	Panchayat Samiti Programmes									
13	Swaranjayanti Gram SwarozgarYojana (SGSY)										103	Gram Panchayat Programmes									
											17	Nirmal Bharat Scheme									
											27	Grants in aid									
											53	XIII FC Commission									
14	Indira AwasYojana (IAY)										2702	Minor Irrigation									
15	National Rural health Mission (NRHM)										101	Minor Irrigation Projects									
16	Accelerated Rural Water Supply Programme (ARWSP)										102	Water Management									

Receipts										Payments											
Heads of Accounts		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)			Heads of Account		Budget estimates (Rs.)			Amount Actuals (Rs.)			Amount Actuals (Rs.)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total			Plan	Non-Plan	Total	Plan	Non-Plan	Total	Treasur y	Bankin g	Total
										101	Roads										
										102	Culverts										
										103	Bridges										
										104	Ferries										
										105	Waterways										
										106	Other means of Transportation										
											Total Revenue Expenditure										
Total of Part I										Total of Part I											

Part-II					Part-II						
RECEIPTS					PAYMENTS						
HEADS OF ACCOUNT		Budget estimates (Rs.)	Amount Actuals (Rs.)			HEADS OF ACCOUNT		Budget Estimates (Rs.)	Amount Actuals (Rs.)		
			Treasury	Banking	Total				Treasury	Banking	Total
Deposit & Advances Section						Deposit & Advances Section					
PART II – Provident Fund ETC						PART II – Provident Fund ETC					
Loan Section						Loan Section					
7610	Loan to Panchayat Employees					7610	Loan to Panchayat Employees				
101	House Building Advance					101	House Building Advance				
102	Motor Car/Motor Cycle Advance					102	Motor Car/Motor Cycle Advance				
103	Cycle Advance					103	Cycle Advance				

Part-II					Part-II						
RECEIPTS					PAYMENTS						
HEADS OF ACCOUNT		Budget estimates (Rs.)	Amount Actuals (Rs.)			HEADS OF ACCOUNT		Budget Estimates (Rs.)	Amount Actuals (Rs.)		
			Treasury	Banking	Total				Treasury	Banking	Total
104	Festival Advance					104	Festival Advance				
8443	Civil Deposit					8443	Civil Deposit				
101	Earnest Money Deposit					101	Earnest Money Deposit				
102	Security Deposit					102	Security Deposit				
103	Panchayat Deposit					103	Panchayat Deposit				
Civil Advances Section					Civil Advances Section						
8550	Civil Advances					8550	Civil Advances				
101	Advances to PRI functionaries for Works & Supplies					101	Advances to PRI functionaries for Works & Supplies				
102	Advances to agencies for Works & Supplies					102	Advances to agencies for Works & Supplies				
Suspense Account					Suspense Account						
8658	Suspense Account					8658	Suspense Account				
101	Tax deduction at source suspense					101	Tax deduction at source suspense				
40	Income Tax					40	Income Tax				
41	Sale Tax					41	Sale Tax				
42	Profession Tax					42	Profession Tax				
102	Unclassified Suspense					102	Unclassified Suspense				
103	Treasury Suspense					103	Treasury Suspense				
	Total of Part II						Total of Part II				

Part-II					Part-II				
RECEIPTS					PAYMENTS				
HEADS OF ACCOUNT	Budget estimates (Rs.)	Amount Actuals (Rs.)			HEADS OF ACCOUNT	Budget Estimates (Rs.)	Amount Actuals (Rs.)		
		Treasury	Banking	Total			Treasury	Banking	Total
Total Receipts					Total Payments				
					Closing balance				
					i. Balance in Fund I				
					ii. Balance in Fund II				
					iii. Balance in Fund III				
					iv. Balance in Bank – TP				
					v. Balance in Bank – LD DDO				
					Closing Balance Total				
GRAND TOTAL					GRAND TOTAL				

Consolidated Abstract Register
(As per MPAS Format II)

Name of the Taluk Panchayat:

Consolidated Abstract Register of for the year of.....

Head of Accounts	Budget Provision		April		May		June		July		August		September		October		November		December		January		February		March		March Supplementary		Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	P	NP	P	NP	P	NP	P	NP	P	NP	P	NP	P	NP	P	NP	P	NP	NP	P	NP	P	NP	P	NP	P	NP	P	NP	P
Total																														

Reconciliation Statement

(MPAS Format III)

Reconciliation Statement of.....for the month of.....

Balance as per Bank Book	With Bank	With Treasury
	Amount (Rs.)	Amount (Rs.)
C. Add iii) Cheques/ Cash credited directly into the bank/Treasury but not taken into the Bank Book iv) Details of cheques etc., issued by PRIs but not yet encashed in bank/Treasury v) Cheque drawn but actually not delivered to the parties vi) Cheque issued but dishonoured vii) Bank interest not credited in Bank Book viii) Others.....		
D. Deduct iii) Details of cheques etc., received and entered into Bank Book but not actually deposited into bank/Treasury iv) Bank charges deducted from bank balance but not taken into Bank book v) Others.....		
Adjusted closing balance as per Bank Book		
Balance as per Bank statement/Treasury schedule		

Prepared By:

Executive Officer Approval

c. Others

Sl. No	Date of acquisition, purchase, construction or received or transfer	No. and date of orders under which the property was acquired, purchased, constructed/transferred	Description and location of Assets	Purpose for which acquired	Valuation at the beginning of the year	Revaluation if any, the date and actual amount of revaluation (as per rules)
1	2	3	4	5	6	7

Depreciation/ Appreciation as per rules	Valuation of the end of the year	If disposed Date of disposal	Reasons for disposal with authority	Amount realized on disposal (in Rupees)	Initials of competent authority	Remarks
8	9	10	11	12	13	14

Register of Moveable Property

(MPAS Format VI)

Register of Moveable Property for the Year _____

Sl. No	Date of acquisition, purchase, construction or received on transfer	No. and date of orders under which the property was acquired, purchased, constructed or transferred		Description and situation of the property	Whether the property is used for any purposes	Valuation at the beginning of the year	Revaluation if any, date and actual amount of revaluation (as per rules)
1	2	3		4	5	6	7
Depreciation as per rules	Valuation of the property at the end of the year	Whether disposed	Reasons/Authority for disposal	Amount realised on disposal (Rs.)	Initials of the competent authority		Remarks
8	9	10	11	12	13		14

Inventory Register

(MPAS Format VII)

Name of the Taluk Panchayat:				Office:			
Description of Articles:							
Date	Opening Balance		Voucher No. and Date	Receipt		Total	
	Quantity	Value		Quantity	Value	Quantity	Value
1	2	3	4	5	6	7	8
Issue				Closing Balance		Signature of Issuing Officer	Signature of Receiving Officer
To whom or what purpose	Date	Quantity	Value	Quantity	Value		
9	10	11	12	13	14	15	16

Demand Collection and Balance Register
(MPAS Format VIII)

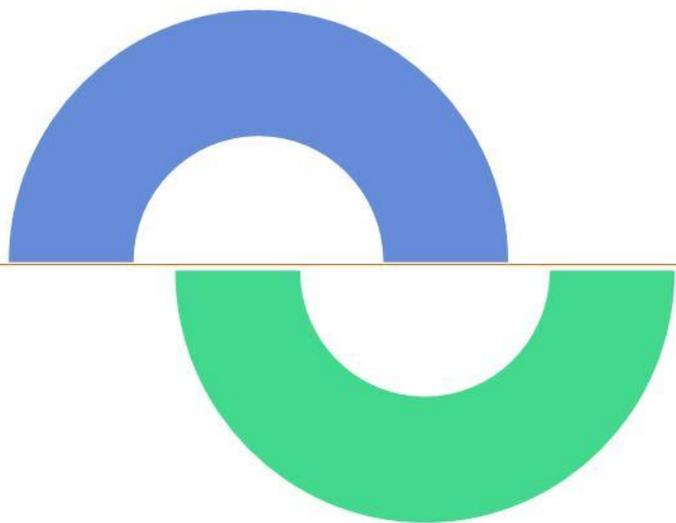
Worksheet # 3.10

Name of the Taluk Panchayat:	
Name of the Tenant:	
Address of the Tenant:	
Nature of Property:	
Contract No. / Employee ID:	

Folio No.

Month	Demand				Collected		Balance	Initials of AAO
	Date	Current Month	Write offs/ permissions to Write off	Initials of AAO	Date	Current Month		
1	2	3	4	5	6	7	8	9
Opening Balance								
April								
May								

Formats of Budget Documents



Annex 6: Formats of Budget Documents

Shelf of Projects

Head of Account:				
Project ID	Description of Project	Work Code*	Proposed Expenditure (Rs)	Signature of PO/EO
1	2	3	4	5
	Total expenditure budgeted		xxxx	

Head of Account:				
Project ID	Description of Project	Work Code*	Proposed Expenditure (Rs)	Signature of PO/EO
1	2	3	4	5
	Total expenditure budgeted		xxxx	
	Grand total of expenditure		xxxxx	

TP Resolution No.& Date

Project ID could comprise of TP name followed by the Year of project and followed by number starting from 001.

E.g., HOS1213001, stands for Hoskote TP for 2012-13 FY followed by the unique number of the project

* Can be used for tracking different works under same project/HoA and can be incorporated in the Works Management Software

Action Plan

Head of Account:									
Project ID	Action Plan #	Description of the works	Plan/Non Plan	Work Code	Amount proposed in SoP (Rs.)	Revised Amount (Rs.)	Expenditure already incurred (if any)	Implementing Officer	Signature of PO/EO
1	2	3	4	5	6	7	8	9	10

TP Resolution No & date

The project ID shall be the same as it is in Shelf of Projects. This acts as the link between the Shelf of Project document and Action Plan

SoP - Shelf of Projects

Annual Budget

Name of the Taluk Panchayat:

Budget for the Year:<<financial year>>

Receipts or Grants								
Head Of Account code	Head of Accounts	Actuals for the Previous Year	Original estimate for the Current Year 20..-20..	Revised Estimate for the current year 20..-20..			Budgeted Year	
				Actuals for _ months	Probable for _ months	Total	Estimates	% increase YoY
1	2	3	4	5	6	7=5+6	8	9=(8-7)/7*100
<<Receipts>>								
GRAND TOTAL								

Expenditure								
Head Of Account code	Head of Accounts	Actuals for the Previous Year	Original estimate for the Current Year 20..-20..	Revised Estimate for the current year 20..-20..			Budgeted Year	
				Actuals for _ months	Probable for _ months	Total	Estimates	% increase YoY
1	2	3	4	5	6	7=5+6	8	9=(8-7)/7*100
<<Expenditure>>								
GRAND TOTAL								

Format I of TP Link Document – Major Head wise distribution of Releases

Taluk Panchayat budgetary releases for the year 20__ - __

Major Head wise distribution of Releases

Name of the Zilla Panchayat:									
Major Head	Nomenclature	Plan		Non Plan		Total			
		State	Central	State	Central	Plan	Non Plan	State	Central
1	2	3	4	5	6	3+4	5+6	3+5	4+6
2202	General Education								
2204	Sports and Youth Services								
2205	Art & Culture								
2210	Medical and Public Health								
2211	Family Welfare								
2215	Water Supply and Sanitation								
2216	Housing								
2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes								
2230	Labour and Employment								
2235	Social Security and Welfare								
2236	Nutrition								
2401	Crop Husbandry								
2402	Soil & Water Conservation								
2403	Animal Husbandry								
2405	Fisheries								
2406	Forestry and Wild Life								
2425	Co-Operation								
2501	Special Programmes for Rural Development								
2505	Rural Employment								
2515	Other Rural Development Programmes								
2551	Hill Areas								
2575	Other Special Area Programme								

Name of the Zilla Panchayat:									
Major Head	Nomenclature	Plan		Non Plan		Total			
		State	Central	State	Central	Plan	Non Plan	State	Central
1	2	3	4	5	6	3+4	5+6	3+5	4+6
2702	Minor Irrigation								
2810	New and Renewable Energy								
2851	Village and Small Industries								
3054	Roads and Bridges								
3425	Other Scientific Research								
3451	Secretariat Economic Services								
3456	Civil Supplies								
3475	Other General Economic Services								
Grand Total									

Format II of TP Link Document – TP wise allocation of Releases

Name of the Zilla Panchayat:

TP wise allocation of releases

Major Head	Nomenclature	Taluk Panchayats																	
		TP 1			TP 2			TP 3			TP 4			TP 5			Grand Total		
		Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
1	2	3	4	5=3+4	6	7	8=6+7	9	10	11=9+10	12	13	14=12+13	15	16	17=15+16	18=3+6+9+12+15	19=4+7+10+13+16	20=5+8+11+14+17
2202	General Education																		
2204	Sports and Youth Services																		
2205	Art & Culture																		
2210	Medical and Public Health																		
2211	Family Welfare																		
2215	Water Supply and Sanitation																		
2216	Housing																		
2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes																		
2230	Labour and Employment																		
2235	Social Security and Welfare																		
2236	Nutrition																		
2401	Crop Husbandry																		
2402	Soil & Water Conservation																		
2403	Animal Husbandry																		
2405	Fisheries																		
2406	Forestry and Wild Life																		
2425	Co-Operation																		
2501	Special Programmes for Rural Development																		
2505	Rural Employment																		

Major Head	Nomenclature	Taluk Panchayats																	
		TP 1			TP 2			TP 3			TP 4			TP 5			Grand Total		
		Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
1	2	3	4	5=3+4	6	7	8=6+7	9	10	11=9+10	12	13	14=12+13	15	16	17=15+16	18=3+6+9+12+15	19=4+7+10+13+16	20=5+8+11+14+17
2515	Other Rural Development Programmes																		
2551	Hill Areas																		
2575	Other Special Area Programme																		
2702	Minor Irrigation																		
2810	New and Renewable Energy																		
2851	Village and Small Industries																		
3054	Roads and Bridges																		
3425	Other Scientific Research																		
3451	Secretariat Economic Services																		
3456	Civil Supplies																		
3475	Other General Economic Services																		
	Grand Total																		

Format III of TP Link Document – Head of Account wise allocation of Releases

Name of the Taluk Panchayat:

Sector Details					Plan		Non Plan		Total			
Sector Name & Major Head	Nomenclature of Scheme	Existing Head of Accounts	Scheme Head of Account	Link document code	State	Central	State	Central	Plan	Non Plan	State	Central
1	2		3	4	5	6	7	8	5+6	7+8	5+7	6+8
General Education - 2202	Primary Schools	2202-00-102-0-61		2202-01-197-1-01								
	High Schools	2202-00-102-0-62	2202-102-32	2202-02-197-1-01								
		2202-00-102-0-62	2202-102-32	2202-02-197-1-01								
	Elementary Schools - GIA	2202-00-101-0-63	2202-101-27	2202-01-197-1-01								
		Inspection	2202-00-101-0-64		2202-01-197-1-01							
	Pre Elementary Schools	2202-00-101-0-65		2202-01-197-1-01								
	Additions & Alterations	2202-00-101-0-66	2202-101-28	2202-01-197-1-01								
	Residential Schools for SC/ST Talented Students	2202-00-101-0-67		2202-01-197-1-01								
	Residential High Schools	2202-00-101-0-68		2202-01-197-1-01								
	Medical and Public Health - 2210	Establishment of Sub-centres	2210-00-104-0-61	2210-104-30	2210-80-197-1-01							
Strengthening of PHCs - Maternity Homes		2210-00-101-0-62	2210-104-30	2210-80-197-1-01								
Buildings including (I S M)		2210-00-104-0-63		2210-80-197-1-01								
Supplies and Materials		2210-00-104-0-64	2210-104-31	2210-80-197-1-01								
Telephone Charges (includes ISM)		2210-00-102-0-65	2210-102-31	2210-80-197-1-01								
Water and Electricity (includes ISM)		2210-00-102-0-66	2210-102-31	2210-80-197-1-01								
Payments Under the Karnataka Guarantee of Services Act - Compensatory Cost		2210-00-104-0-68		2210-80-197-1-02								
Family Welfare -		Crèches for Children of	2211-00-102-0-63	2211-102-32	2235-02-197-1-01							

Sector Details					Plan		Non Plan		Total			
Sector Name & Major Head	Nomenclature of Scheme	Existing Head of Accounts	Scheme Head of Account	Link document code	State	Central	State	Central	Plan	Non Plan	State	Central
1	2		3	4	5	6	7	8	5+6	7+8	5+7	6+8
2211	Working Women											
Water Supply and Sanitation - 2215	Repairs & Carriages	2215-00-101-0-61		2215-01-197-2-01								
	New Supplies	2215-00-101-0-62	2215-101-31	2215-01-197-2-01								
Housing - 2216												
Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes - 2225	Post-Metric Scholarship to Scheduled Castes	2225-00-101-0-02	2225-101-35	2225-01-197-6-03								
	Parametric Scholarship to the Children of those engaged in Unclean Occupation	2225-00-101-0-03	2225-101-35	2225-01-197-6-04								
	Removal of Untouchability and Assistance to Inter Caste Married Couple	2225-00-101-0-05	2225-101-36	2225-01-197-6-05								
	Maintenance of Pre-metric Hostels	2225-00-101-0-61	2225-101-39	2225-01-197-1-01								
	Infrastructure Development in SC Colonies	2225-00-101-0-62	2225-101-28	2225-01-197-1-01								
	Assistance to Scheduled Caste Families	2225-00-101-0-64	2225-101-29	2225-01-197-1-01								
	Payment of Extra Boarding & Lodging Charges	2225-00-101-0-65	2225-101-38	2225-01-197-1-01								
	Maintenance of Pre-Metric Government Hostel Buildings	2225-00-101-0-67	2225-101-39	2225-01-197-1-01								
	Pre Metric Scholarship to SC Students	2225-00-101-0-68	2225-101-35	2225-01-197-1-01								
	Incentive to SC Law Graduates	2225-00-101-0-80	2225-101-35	2225-01-197-1-01								

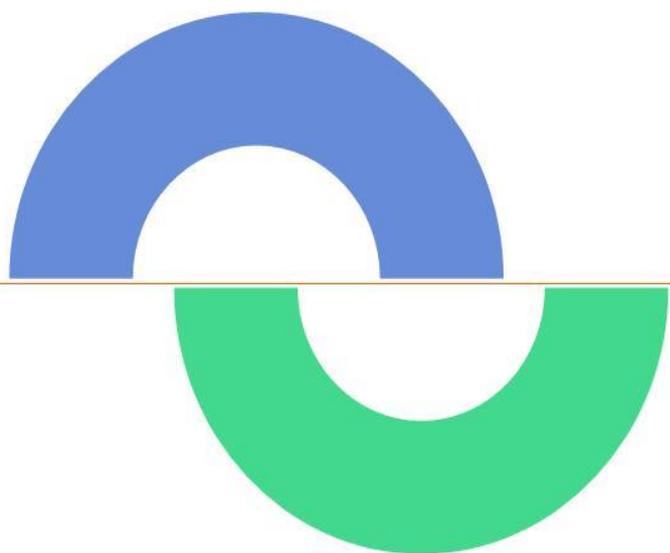
Sector Details					Plan		Non Plan		Total			
Sector Name & Major Head	Nomenclature of Scheme	Existing Head of Accounts	Scheme Head of Account	Link document code	State	Central	State	Central	Plan	Non Plan	State	Central
1	2		3	4	5	6	7	8	5+6	7+8	5+7	6+8
	Direction & Administration	2225-00-101-0-87	2225-101-33	2225-01-197-1-01								
	Post-Metric Scholarship to Scheduled Tribes	2225-00-102-0-07	2225-102-35	2225-02-197-6-03								
	Pre Metric Scholarship to ST Students	2225-00-102-0-68	2225-102-35	2225-02-197-1-01								
	69 - Infrastructure Development in ST Colonies	2225-00-102-0-69	2225-102-28	2225-02-197-1-01								
	Assistance to ST Families	2225-00-102-0-70	2225-102-29	2225-02-197-1-01								
	Pmt. Of Extra Boarding & Lodging Charges to Post Mat. Students	2225-00-102-0-71	2225-102-38	2225-02-197-1-01								
	Maintenance of Pre Metric Government Hostel Buildings	2225-00-102-0-77	2225-102-39	2225-02-197-1-01								
	Scholarships to BC Students	2225-00-103-0-66	2225-103-35	2225-03-197-1-01								
	Improvement of Parametric and Post metric Hostels	2225-00-103-0-72	2225-103-28	2225-03-197-1-01								
	Grant-in-aid to Orphanages	2225-00-103-0-73		2225-03-197-1-01								
	Backward Class Taluk Extension Offices	2225-00-103-0-74	2225-103-37	2225-03-197-1-01								
	Nursery-cum-Women Welfare Centres	2225-00-103-0-75		2225-01-197-1-01								
	Payment of Extra Boarding & Lodging Charges	2225-00-103-0-76	2225-103-38	2225-03-197-1-01								
	Tailoring Training Centres	2225-00-103-0-78	2225-103-37	2225-03-197-1-01								
	Incentives to Hostellers	2225-00-103-0-79	2225-103-35	2225-03-197-1-01								
	Residential Schools Transferred from	2225-00-101-0-82	2225-101-38	2225-01-197-1-01								

Sector Details					Plan		Non Plan		Total			
Sector Name & Major Head	Nomenclature of Scheme	Existing Head of Accounts	Scheme Head of Account	Link document code	State	Central	State	Central	Plan	Non Plan	State	Central
1	2		3	4	5	6	7	8	5+6	7+8	5+7	6+8
	Education Department											
	Depressed Class Hostels	2225-00-101-0-83	2225-101-38	2225-01-197-1-01								
	Stipend to Trainees of Ind.Training.Institutes/ Diploma Courses - Minorities	2225-00-103-0-84	2225-103-35	2225-03-197-1-01								
	Parametric Scholarship to the Children of those engaged in Unclean Occupation	2225-00-101-0-85	2225-101-35	2225-01-197-1-01								
Labour and Employment - 2230	Special Component Plan for Training Programme for SC/ST	2230-00-101-0-61	2230-101-37	2230-03-197-1-01								
Social Security and Welfare - 2235	Centrally Sponsored Scheme of Integrated Child Development Service	2211-00-102-0-22	2211-102-22	2235-02-197-6-03								
	Maintenance of Anganwadi Buildings	2211-00-102-0-61	2211-102-39	2235-02-197-1-01								
	Attendance Scholarship	2211-00-102-0-62	2211-102-35	2235-02-197-1-01								
	Crèches for Children of Working Women	2211-00-102-0-63	2211-102-32	2235-02-197-1-01								
Nutrition - 2236	Pre-School Children Feeding Programme	2235-00-101-0-61	2235-101-38	2236-02-197-6-01								
Crop Husbandry - 2401	Assistance to farmers	2435-00-101-0-62	2435-101-29	2401-00-197-2-01								
	Assistance to farmers	2435-00-101-0-63	2435-101-29	2401-00-197-1-01								
	Training to Farmers	2435-00-101-0-64	2435-101-37	2401-00-197-2-01								
	Agricultural Fairs and Exhibitions	2435-00-101-0-65	2435-101-43	2401-00-197-1-01								
	Taluka Establishment	2435-00-101-0-61		2401-00-197-1-01								
Soil & Water Conservation - 2402	Soil Conservation on Watershed Basis	2402-00-104-0-61		2402-00-197-1-01								
Animal Husbandry - 2403	Control of Animal Diseases	2403-00-101-0-01	2403-101-39	2403-00-197-6-01								

Sector Details					Plan		Non Plan		Total			
Sector Name & Major Head	Nomenclature of Scheme	Existing Head of Accounts	Scheme Head of Account	Link document code	State	Central	State	Central	Plan	Non Plan	State	Central
1	2		3	4	5	6	7	8	5+6	7+8	5+7	6+8
	Opening of Rural Veterinary Dispensaries and their Up gradation as Taluk Dispensaries	2403-00-101-0-61	2403-101-32	2403-00-197-1-01								
	Disposal of Bio-Medical Waste	2403-00-101-0-63	2403-101-54	2403-00-197-6-01								
	Organisation of Sterile/Infertile Live Stock Camps	2403-00-101-0-64	2403-101-43	2403-00-197-1-01								
Co-Operation - 2425	SCP-Subsidy on Loans Sanctioned by PCARDB for Assets Creation	2425-00-101-0-61	2425-101-41	2425-00-197-1-01								
	Investment in Women's Co-operatives	4425-00-101-0-62	4425-101-42	2425-00-197-1-01								
	Special Component Plan for S.C.s	6425-00-101-0-63	6425-101-29	2425-00-197-1-01								
	Loans to Women Cooperatives (Working Capital) and Construction of Business Premises	6425-00-101-0-64	6425-101-41	2425-00-197-1-01								
Special Programmes for Rural Development - 2501	SGSY Monitoring Cell - Block Assistance to ZPs and GPs	2501-00-102-0-61	2501-102-13	2501-01-197-1-01								
Other Rural Development Programmes - 2515	Taluk Panchayat Maintenance Grants	2515-00-102-0-61	2515-102-27	2515-00-197-1-10								
	Untied Grants to Talukas	2515-00-102-0-62	2515-102-27	2515-00-197-1-07								
	Vacant Post Provision	2515-00-102-0-63		2515-00-197-1-10								
	Grants Under XIII FC Recommendations - TPs - Basic and	2515-00-102-0-64	2515-102-44	2515-00-197-6-09								

Sector Details					Plan		Non Plan		Total			
Sector Name & Major Head	Nomenclature of Scheme	Existing Head of Accounts	Scheme Head of Account	Link document code	State	Central	State	Central	Plan	Non Plan	State	Central
1	2		3	4	5	6	7	8	5+6	7+8	5+7	6+8
	Performance											
	Special Works in Backward Taluks Identified by the High Power Committee for the Redressal of Regional Imbalance - SDP	2515-00-102-0-65	2515-102-54	2515-00-197-1-22								
	Development Grants to Taluk Panchayat	2515-00-102-0-66	2515-102-27	2515-00-197-1-22								
Village and Small Industries - 2851	61 - Production/Productivity Linked Incentives	2851-00-104-0-61	2851-104-35	2851-00-197-1-01								
Roads and Bridges - 3054	62 - Concreting/Asphalting of Roads in Village Limits	3054-00-101-0-62	3054-101-54	3054-80-197-1-01								
Grand Total												

**Statutory Provisions with respect to Counter
Signature of Bills**



Annex 7: Statutory provisions with respect to Counter Signature of bills

Bills requiring countersignature under different statutory provisions are indicated below:-

1. Karnataka Financial Code:

Article 17 (b) (1) to (11) lays out the provisions with respect to payments that may be made by the TO on the authority of signing or countersigning officers of Government:-

- Make payment of pay and allowances of an old establishment on the authority of the signing or countersigning officer, without authorization of AG
- Contingent and TA bills of old establishments
- Bills of grant-in-aid, stipends, scholarships, contributions, etc, supported by a copy of the sanction order and bills signed or countersigned by a competent authority of the department concerned
- Bills of advances sanctioned to a Govt. servant for personal use or for public purposes, signed or countersigned by a Gazetted Govt. servant duly enclosing a certified copy of the sanction order. However, drawal of HBA,MCA, etc, shall be as per the procedure laid down in the relevant rules
- Bills of loans and advances to private persons on enclosing original sanction orders of Govt.
- Bills of remuneration to examiners drawn in prescribed forms and duly countersigned by a designated officer of the department concerned, etc.,
- Payments towards Govt. investments in Company, Corporations or other bodies (except Govt.'s investment in co-operative societies)-17 (c)KFC

2. Manual of Contingent Expenditure

2.1. Rule 22 - Responsibility of Controlling Authority (CA)

The Controlling Authority authorized to countersign the bills of the officers coming under his control is responsible to ensure compliance to the following:

- Necessity and the rates claimed are reasonable and economical.
- Previous sanction for the expenses if any required, is attached to the bill.
- Sub-vouchers in support of the expenses are received and in order
- Arithmetical calculations are correct
- The expenses do not exceed the appropriation made or where it is likely to exceed reasons and the action taken to obtain funds are intimated to audit office or a note to that effect recorded on the bill.

- If the pace of incurring expenses is not proportionate to the appropriation provided to the DO, this should be communicated to him
- Monthly statement of progressive expenditure under each unit of appropriation under which allotments are made is obtained regularly and watch that allotment made is not exceeded

During local inspection of the offices under his control, he is required to review the Register of Contingent Charges in Form 1, prescribed in Rule 32 and satisfy himself as to the proper maintenance of the register, necessity, correctness of rate and competency of sanction, etc.

In the case of Detailed Contingent Bill - Not Payable at the treasury prepared and submitted by the DO in Form 3 of MCE furnishing details of expenditure for the amount or amounts drawn on Abstract Contingent bill in Form 2 of MCE, he is required to sign the 'Countersigning Officers Certificate' printed in the bills duly complying with the purport of the certificate.

2.2. Rule 4 (iv) - Countersigned contingencies

Contingent charges that require approval of a controlling authority for acceptance of the claim against Government for payment, in the form of countersignature, either before or after payment on a detailed bill forwarded to audit office.

2.3. Rule 20 & 21: Responsibility of Drawing Officer (DO)

- Every GS has to exercise the same vigilance in incurring petty expenses, as a man of ordinary prudence would exercise in spending his own money.
- Bills are prepared in the bill forms prescribed.
- Money is drawn only when it is required for immediate disbursement or already paid out of the permanent advance (imprest).
- The proposed expenditure does not or likely to exceed the available appropriation.
- Has to comply other instructions laid down in Article 24 of KFC regarding preparation of voucher

2.4. Rule 36 - Countersigned contingencies (drawal of money on Abstract Contingent Bills)

- Except contingencies which require counter signature of the Controlling Authority before payment, amounts required for contingent expenses for which details could not be furnished with supporting vouchers, may be drawn from treasury by presenting an Abstract Contingent Bill in Form 2, subject to presentation of a detailed contingent bill, Not Payable at Treasury, in Form 3 (NDC bills) to the Controlling Officer (CO) for countersignature and submission to the AG.
- Care should be taken by the Disbursing officer preparing the DC bill in Form 3 and the Countersigning Officer, while signing the certificates printed in the bill form.

3. Karnataka Civil Service Rules

3.1. Rule 472 : A Travelling Allowance bill (other than permanent TA) should be paid after counter signature of the controlling officer (superior officer of the drawer of the bill provided he is a Gazetted Officer). The notes under this rule indicate the officers that can countersign (c/s) TA bills.

3.2. Rule 575:Duties of CO/DO

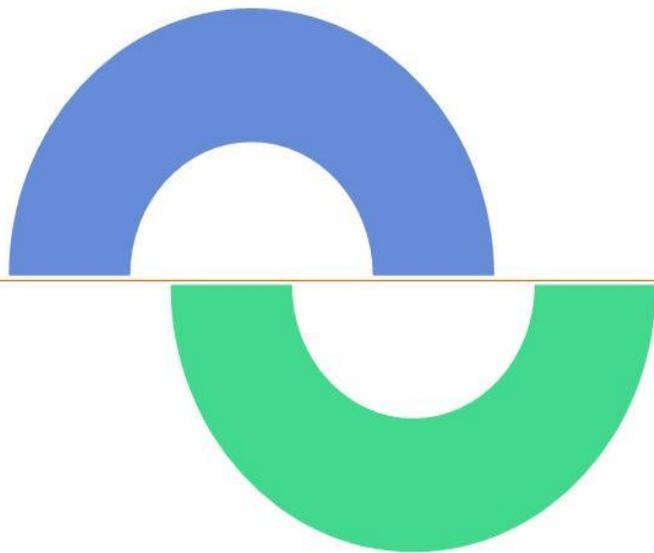
- In case of journeys on tour, should scrutinize the necessity, frequency and duration of journeys or halts;
- Distances shown for the journeys are not excessive;
- Correctness of the claims. Care taken in the case of claims to road mileage.

3.3. Rule 576 : Delegation of countersigning TA bills.

- COs cannot delegate the power of countersigning TA bills of subordinate officers.
- Exception is that one of his Gazetted Assistant may be authorized to c/s bills of non-Gazetted officers but not in respect of GOs.

3.4. Rule 576-A: Forfeiture of TA claims if claims are not preferred within one year of its becoming due.(Article 22-A of KFC also stipulates this)

**Comparison of Registers and Forms prescribed in
KPRTP (F&A) Rules and in this Manual**



Annex 8: Comparison of Registers and Forms prescribed in KPRTP (F&A) Rules and in this Manual

A comparison of the forms and documents used currently in the TP and the forms prescribed in this manual is given below in tabular formats. The **Tables below** give a comparative analysis on the accounting registers, control registers and forms used under the KPRTP (F&A) Rules and the registers proposed in this manual.

Comparative analysis of accounting registers currently used & prescribed

Form Number	Existing	Revised/New	Reasons for revision
Form No. TP 20	Collection Register	Collection & Remittance register	Avoids maintenance of separate books for collection remittance and cheque inward details
Not prescribed	Release Watch register	Receipts & Expenditure Tracking register	Receipts as well as Payments made by line departments as well as TP HoA wise is recorded
Form No. TP 21	DCB Register	Amended DCB register	As per the MPAS format
Form No. TP 22	Day Book of Collections	Scheme Cash Book	All banking channel receipt and expenditure are recorded which is not there currently
	Not Prescribed	Scheme Ledger	Individual accounts for all the expenses and income under the banking channel ensures complete control over banking transactions
	Not Prescribed	Transfer Entry register	A separate Transfer entry register is not prescribed only the form for Transfer entry is given in Rules
Form No. TP 31	Register of Grants	Treasury release Register	Tracks all the grants received from the Treasury in one place

Comparative analysis of Control Registers currently used and prescribed

Form Number	Existing	Revised/New	Reasons for revision
Form No. TP 4	Register of Cheques received	Collection & Remittance Register	Tracking movement of own receipts and advances received and deposited to Treasury
Form No. TP 6	Remittance Register	Collection & Remittance Register	Movement of own source receipts and advances, deposits received by TP to the Treasury is tracked
Not prescribed	Cash book	Cheque Movement register	Only Treasury cheques movement are tracked in this register

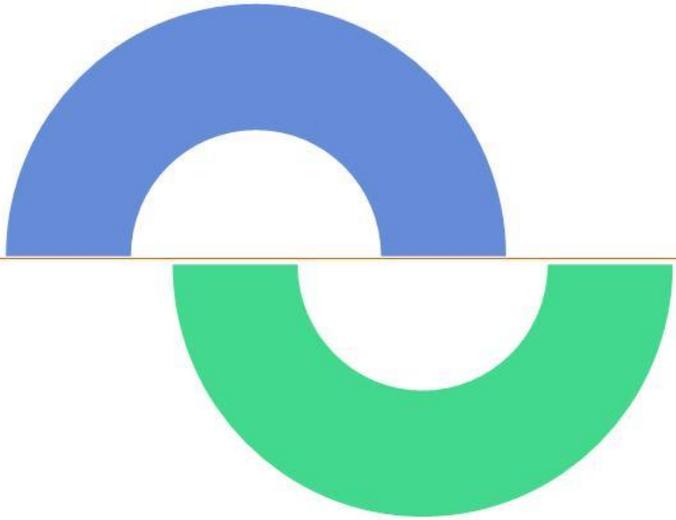
Form Number	Existing	Revised/New	Reasons for revision
Not prescribed	Cash book	Cheque Outward register	Issue of cheques for payments made under Central Schemes banking channel is tracked
Form No. TP 7	Register of Bills Drawn	Adopted	
Form No. TP 19	Scale Register	Adopted	
Form No. TP 23	Register of remissions and Write offs	Adopted	
Form No. TP 24	Register of Abstract Contingent Bills	Adopted	
Form No. TP 25	Stamp Account	Adopted	
Form No. TP 26	Register of Moveable Property	MPAS format	Mandated by CAG
Form No. TP 27	Register of Consumable Stores	MPAS format	Mandated by CAG
Form No. TP 28	Register of Immoveable Property	MPAS format	Mandated by CAG
Form No. TP 29	Register of Lands	MPAS format	Mandated by CAG
Form No. TP 30	Register of Roads	MPAS format	Mandated by CAG
Form No. TP 34	Register of Advances	Revised	Revised formats is simpler and easy to use
Form No. TP 35	Register of Deposits	Revised	Revised formats is simpler and easy to use

Comparative analysis of Forms currently used and prescribed

Form Number	Existing	Revised/New	Reasons for revision
Form No. TP 1	Stock Account of Receipt Books, Licence Forms	Adopted	
Form No. TP 2	Receipt of Licence Fee/rent etc	Adopted	
Form No. TP 3	Acknowledgement for cheque received	Adopted	
Form No. TP 5	Remittance Challan	Adopted	
Form No. TP 8	Receipt Schedule of Treasury	Adopted	
Form No. TP 9	Payment Schedule of Treasury	Adopted	
Form No. TP 14	Transfer Entry	Adopted	

Form Number	Existing	Revised/New	Reasons for revision
Form No. TP 15	Classified Abstract of Receipts	Treasury Release Register	Avoids duplication as all the transactions needs to be entered only once in this register
Form No. TP 16	Classified Abstract of Expenditure	Receipts & Expenditure Tracking	Avoids duplication as all the transactions needs to be entered only once in this register
Form No. TP 17	Consolidated Abstract of Receipts/Expenditure	Replaced by MPAS, consolidated abstract and TP CRP Statement	TB provides complete and comprehensive information and is mandated by MPAS

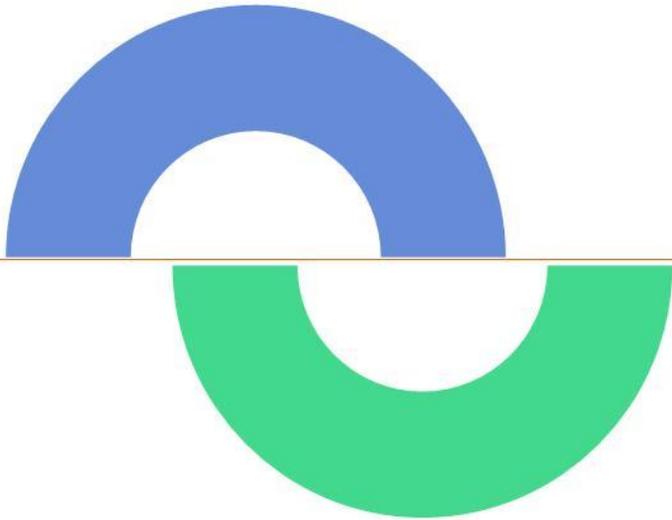
**Easy Referencer for Preparation and Submission
of TP Monthly Accounts**



Annex 9: Easy Referencer for Preparation and Submission of TP Monthly Accounts

1	2	3	4	5	6	7
8	9	10  Obtaining Treasury Schedules	11	12	13	14
15  <ul style="list-style-type: none"> • Reconciliation of expenditure by Line departments • Reconciliation of accounts by TP Bank Reconciliation of each Scheme Bank Account by TP	16	17  Submission of Statement of Expenditure & BRS by Line Department to TP	18  Generation of Monthly CRP Statement by TP	19	20  Placing of Monthly Accounts to TP Standing Committee	21
22	23	24	25  Submission of Monthly Accounts to CAO ZP	26	27	28
29	30	31				

Illustrative Accounting Entry Matrix for TP transactions



Annex 10: Illustrative Accounting Entry Matrix for TP Transactions

Treasury transactions

Sl No	Transaction	Account to be debited		Account to be credited	
		Account Code	Account Head	Account Code	Account Head
I Receipts					
1	Fund releases		Respective Fund Account	1601-102-27	Grants from State Governments
2	Receipt of Surcharge on stamp duty		Respective Fund Account	0030-901	Share of Net proceeds assigned to Panchayats
3	Receipt of own source		Respective Fund Account	0515-102-40	Panchayat Samiti – Licence fee
				0515-102-42	Panchayat Samiti – Rent from use of land
				0515-102-46	Panchayat Samiti – Other service fees
				0515-102-47	Panchayat Samiti – Other fines
				0515-102-48	Panchayat Samiti – Other receipts
II Expenditure					
Salary					
1	Salary Expenditure of primary school teachers	2202-101-27-01	Salaries (Gross)		Respective Fund Account (Net)
				8658-101-40	TDS-Suspense
				7610-104	Festival Advance recovery
					<Other deductions>
Office Expenditure					
2	Utility expenditure of primary schools	2202-101-33-08	Executive Establishment – Office expenses		Respective Fund Account
Works					
3	Works undertaken at primary schools	2202-101-54 -	Works - <<Object head>> (Gross)		Respective Fund Account (Net)

SI No	Transaction	Account to be debited		Account to be credited	
		Account Code	Account Head	Account Code	Account Head
		<<Object code>>		8443-102-00	Security Deposit
				8658-101-40	TDS-Suspense
				8658-101-41	VAT-Suspense
				8658-101-45	Royalty-Suspense
4	Supply of materials to primary schools	2202-101-31 - <<Object code>>	Supplies & Materials - <<Object Head>>		Respective Fund Account
5	Audit fees paid by TP	2515-102-27-19	Audit Fees		Respective Fund Account
Beneficiary Payments					
6	Scholarship given to primary school students	2202-101-35 - 27	Scholarships & Incentives		Respective Fund Account
7	Untouchability Assistance paid to Inter caste married couple	2225-101-36 - 27	Untouchability Assistance - Scholarships & Incentives		Respective Fund Account
8	Assistance towards construction of toilets	2515-102-29-19	Financial Assistance & reimbursements - Subsidies		Respective Fund Account
III Advance, Deposits & Payables					
Advances					
1	Festival Advance given to TP employee	7610-104-00-00	Festival Advance to TP employees		Respective Fund Account
Deposits					
2	EMD received		Respective Fund Account	8443-101-00-00	Earnest Money Deposit
3	EMD refund	8443-101-00-00	Earnest Money Deposit		Respective Fund Account
4	Refund of Security Deposit	8443-102-00-00	Security Deposit		Respective Fund Account
Payables					
5	TDS remitted to concerned authority	8658-101-40	Income Tax Deducted at Source - Suspense		Respective Fund Account
6	VAT remitted to concerned authority	8658-101-41	VAT Deducted at Source - Suspense		Respective Fund Account
IV Transfer Entries					
1	Forfeiture of EMD	8443-101-00-00	Earnest Money Deposit	0515-102-48	Other Receipts
2	Inter Head Receipt Rectification		<<Debit wrong HOA >>		<<Credit Correct HOA>>

SI No	Transaction	Account to be debited		Account to be credited	
		Account Code	Account Head	Account Code	Account Head
3	Inter Head Expenditure Rectification		<<Debit Correct HOA>>		<<Credit Wrong HOA >>
4	Reversal of lapsed funds	1601-102-27	Grants from State Governments	8448	Consolidated Fund

Note: Similar accounting entries to be passed in case of expenditure incurred under other major heads also.

Banking Transactions

SI No	Transaction	Account to be debited		Account to be credited	
		Account Code	Account Head	Account Code	Account Head
I Receipts					
1	Receipt of Grants		Respective Scheme bank Account	1601-101-<<Scheme code>>	Grants from Central Governments
2	Interest received		Respective Scheme Bank Account	0049-101-<<Scheme code>>	Interest receipts
II Expenditure					
Works					
1	Works undertaken by Taluk Panchayat	2515-102-<<Scheme Code>> - 23/31	Major/Minor works undertaken		Respective Scheme Bank Account
				8443-102-00	Security Deposit
				8658-101-40	TDS-Suspense
				8658-101-41	VAT-Suspense
				8658-101-45	Royalty-Suspense
2	Expenditure by LD DDO	2515-102-<<Scheme Code>>	Works		LD DDO Scheme Bank Account

Sl No	Transaction	Account to be debited		Account to be credited	
		Account Code	Account Head	Account Code	Account Head
3	Supply of materials	2515-102-<<Scheme code>> - 13	Supplies & Materials		Respective Bank Account
4	Service charges paid by TP	2515-102-<<Scheme Code>>-80	Other Expenditures		Respective Bank Account
Beneficiary Payments					
5	Scholarship given by TP	2515-102-<<Scheme Code>> - 27	Scholarships & Incentives		Respective Bank Account
6	Assistance given to beneficiaries	2515-102-<<Scheme Code>>-28	Financial Assistance & reimbursements		Respective Bank Account
III Deposits & Payables					
Deposits					
7	EMD received		<<Scheme Bank Account>>	8443-101-00-00	Earnest Money Deposit
8	EMD refund	8443-101-00-00	Earnest Money Deposit		<<Scheme Bank Account>>
9	Refund of Security Deposit	8443-102-00-00	Security Deposit		<<Scheme Bank Account>>
Payables					
10	TDS remitted to concerned authority	8658-101-40	Income Tax Deducted at Source - Suspense		Respective Bank Account
11	VAT remitted to concerned authority	8658-101-41	VAT Deducted at Source - Suspense		Respective Bank Account
IV Transfer Entries					
1	Forfeiture of EMD	8443-101-00-00	Earnest Money Deposit	0515-102-48	Other Receipts
2	Inter Head Receipt Rectification		<<Debit wrong HOA >>		<<Credit Correct HOA>>

SI No	Transaction	Account to be debited		Account to be credited	
		Account Code	Account Head	Account Code	Account Head
3	Inter Head Expenditure Rectification		<<Debit Correct HOA>>		<<Credit Wrong HOA >>
4	Fund Transfer (Contra)		<<Transferee Bank Account (Line Dept)>>		<<Transferor Bank Account (TP EO Bank Account)>>

Note: Similar accounting entries to be passed in case of expenditure incurred under other major heads also

