

Government of Jammu and Kashmir
Directorate of Rural Development Kashmir
Website, drdk.nic.in, email. billsdrdk@gmail.com

The Assistant Commissioner Development
_____ (All)

The Assistant Commissioner Panchayat
_____ (All)

The Executive Engineer (REW)
_____ (All)

The Block Development Officer
_____ (All)

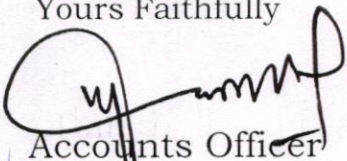
NO. DRDK/Bill Sec/ *CC-7044579* Dated: *04* -11-2022
Subject: Evolving guidelines for accounting treatment of funds
transferred to DDO's Bank Account.

Sir/Madam,

I am directed to enclose here with the Copy of O.M. No. FD-BDGTOAG/8/2021-03 dated: 14-09-2022 received from Administrative Department vide No. RDD-Acct0Misc/25/2022-04-O/O-RDD (CC 217840) dated: 14-09-2022 regarding above cited subject for information and further necessary action.

Encl: As above

Yours Faithfully


Accounts Officer
Rural Dev. Department
Kashmir



Satyameva Jayate

Government of Jammu & Kashmir
Department of Rural Development & Panchayati Raj
Civil Secretariat, Jammu/Srinagar

Email ID : secyrrd11@gmail.com website: jkpr.gov.in Tel. No. 0191-2564763 (J), 0194-2506269 (S)

The Director,
Rural Development,
Jammu/Kashmir.

The Director, Rural Sanitation.
J&K Jammu.

The Mission Director,
NRLM-UMEED.

Chief Operating Officer,
HIMAYAT,

Chief Executive Officer,
IWMP

No:RDD-Actt0Misc/25/2022-04-O/ORDD(CC217840) Dated: 07-10-2022
Subject: Evolving guidelines for accounting treatment Funds transferred to
DDO's Bank Account.

Madam/Sir,

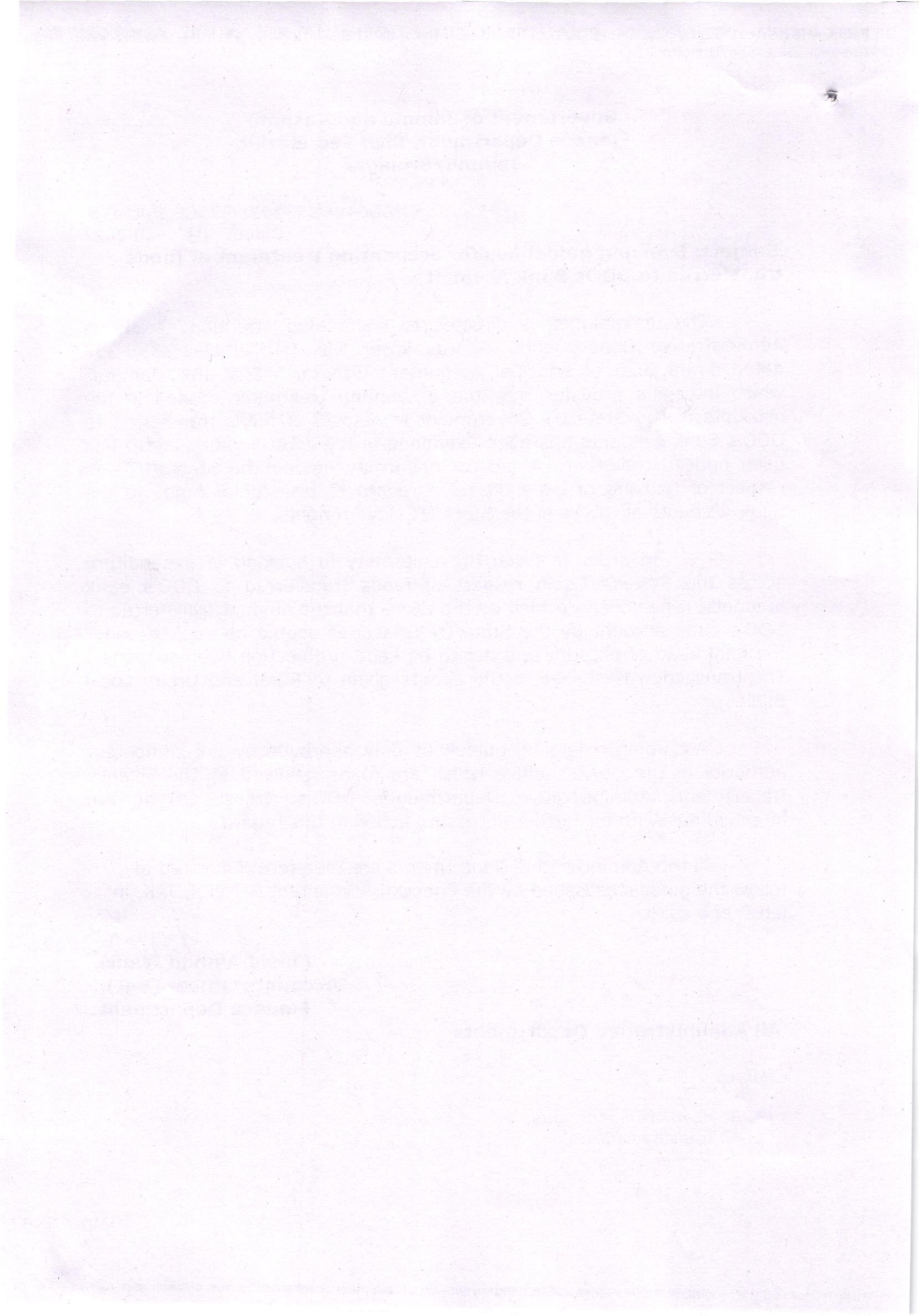
I am directed to forward herewith OM No:- FD-BDGTOAG/8/2021-03
dated 14/9/2022 received from the Finance Department (Budget), UT of J&K
regarding the subject cited above for information and necessary action.

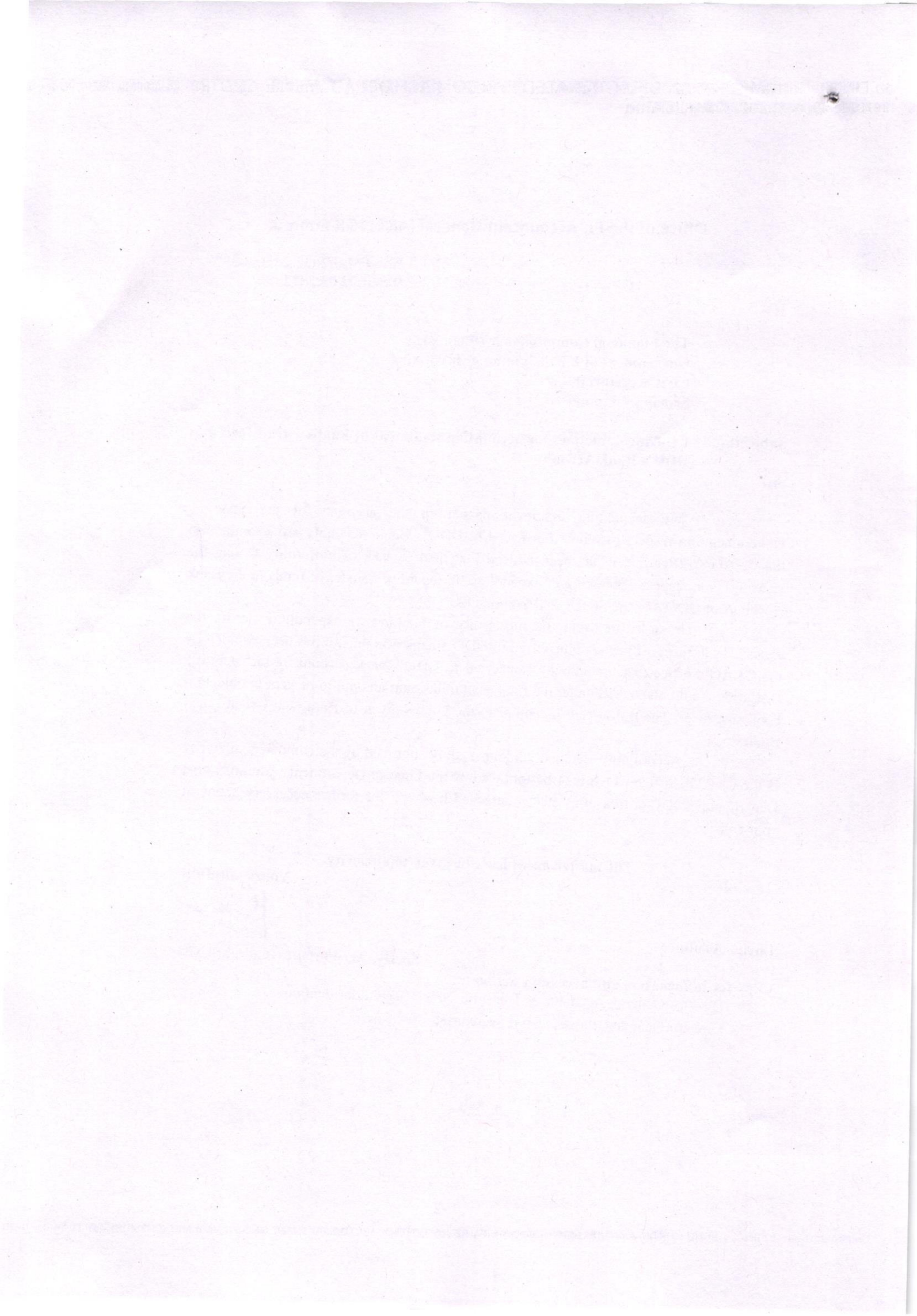
Encl: (as above)

Yours faithfully,

Director Finance
Department of Rural Dev. & PR

Copy to Private Secretary to Commissioner Secretary to Government
Department of Rural Development & PR for information.





Annexure-A

**Guidelines for Finance Department, Administrative Departments,
DDOs, Treasuries and Banks:**

(1) Opening of new bank account:

(i) The State Government should define the purpose of the Opening of the bank account and prescribe time limit for closure of the bank account. Preferably balance in the bank account should be made Nil by transferring the money to Government Account at the end of the financial year. The purpose should be in consonance with the principles of Rule 100 (2) of Central Government Account (Receipts and Payments) Rules, 1983, which specifies that no money shall be drawn from Government Account unless it is required for immediate disbursement. It is not permissible to draw money from Government Account in anticipation of demands or to prevent the lapse of budget grants.

(ii) Sanction of the Competent authority be made mandatory for the opening of a new bank account. In the case of Government Department (or its field offices), the competent authority shall be the concerned Administrative Department in the Secretariat. The Administrative department shall issue a Government Order (GO) permitting a new bank account only after obtaining the Finance Department's concurrence for the same.

(iii) A new bank account may be advised to be opened by Government departments only under the following circumstances:

(a). When the funding agency (GoI, World Bank, ADB, etc) provides for maintaining a separate bank account in the scheme/project guidelines.

(b). When it is found by the Administrative Department that the existing fund disbursement system does not support a specific operational requirement of a scheme/project.

(iv) If the scheme guidelines provide for it, the office/organization must enter into an MoU with the selected bank.

(2) Management of bank account:

(i) Financial Advisors of the Heads of the Departments while issuing sanction order should include a certificate stating that the amount released to the implementing agency during a particular year has been utilized and the amount released prior to

that has been fully utilized and the same is not lying unutilized and parked in bank account.

(ii) Finance Department of State Government should issue strict instructions that money should not be drawn from the treasury by the DDOs unless it is required for immediate disbursement. If instances of any such unauthorized drawal and parking of money in Bank Account is noticed, the concerned DDOs should be informed that they would be liable for disciplinary action.

(iii) The implementing agencies at State level, District level and Taluk level etc. may be advised to keep State share or Central share of the Centrally Sponsored Plan Schemes in Flexi Account instead of Savings Account, so that higher Interest accruals from the scheme funds can be ploughed back to expand the coverage of scheme without affecting the fund flow for the scheme.

(iv) Controlling Officers must watch the progress of scheme expenditure as laid down in relevant Financial Rules.

(v) Release of funds to bank accounts shall be made subject to utilization of the earlier instalments as prescribed in the delegation of powers issued by FD from time to time. Utilization of the grant should be supported by Bank statements.

(vi) Individual Utilization Certificates (UCs) must be submitted by the implementation authority to the fund releasing authority. The UC must have annexure with details such as purpose of release, works sanctioned and executed, amount spent, cheque number with date, closing balances duly reconciled with books of accounts maintained in the office, etc.

(vii) In addition to the implementation authority, the concerned controlling authority must certify the correctness of the information provided in the UC.

(viii) In case of bank accounts with funds of more than one scheme, Scheme-wise Cash books and accounts must be maintained by the office/organization to avoid mixing up of funds.

(ix) Bank Accounts opened for a specific scheme must be closed as soon as the scheme is wound up.

(x) All initial transactions of such Accounts need to be routed through Treasury Office only.

(xi) Single Bank, say State Bank of India or Bank of Baroda etc. may be selected to open such Bank Accounts for the DDOs, so that the verification of transactions is simplified and rectification of errors, if any, can be carried out smoothly.

(xii) The list of all DDOs having such Bank Account at present along with the details of opening balance, total credit, debit amounts and closing balance during the year should be provided by the State Government to the O/o the Accountant General (A&E).

(3) Reconciliation of accounts:

(i) DDO's must ensure reconciliation of the bank deposits with the cash book at the end of each month to cross check the accuracy of the transactions and avoid any possible error or omissions.

(ii) The Drawing and Disbursing Officer/CAO/CFO must submit a copy of the Bank Reconciliation Statement to the Controlling Officer/Head of the Organization with the certificate that the accounts are reconciled with the bank statements. This must be completed by the 10th of the ensuing month.

(iii) Reconciliation of office accounts with Bank statements must be done by the DDO of concerned office / department on a monthly basis. This must be ensured by the CAO/CFO/Head of Finance section.

(iv) Bank shall maintain all records necessary as per the Bank's Banking practice, laws and any other laws as applicable. Bank shall allow inspection of records of payment of monies under the MoU by officers of department/organization/Audit departments or its authorized representatives as may be required.

(4) Disclosure of accounts:

(i). DDOs shall furnish a cash balance report on 30th April in the format detailed below to the Controlling officers, who in turn will send the same to Finance Department.

Name and Designation of DDO	Name of HOD	Undisbursed amount of money drawn Prior to March	Undisbursed amount of money drawn in March	Total amount of Money	Break up of undisbursed money (cash, bank deposit, bank account)	Reasons for drawal and retention of undisbursed money
1	2	3	4	5	6	7

(ii) The IFA must ensure that all existing bank accounts in the name of the departments, Local Bodies or Authorities, Boards, Corporations, Societies,

Universities and other State autonomous bodies are notified annually. A copy of such notification is sent to the State Accounts Department, Department of Treasuries and the statutory auditors. UCs submitted by departments and other organizations are correct and complete in all aspects.

(iii) The number and details of bank accounts being operated by the department/organization must be disclosed in the Annual accounts/Annual reports along with a certificate by the Finance Officer / concerned officer dealing with Finance.

(iv) The Administrative Department must notify through a GO, all bank accounts, both old and new, that are being operated by the departments, field offices and autonomous/statutory institutions coming under its control by 31st July every year. The notification should also include the closing balance details of these accounts as on 31st March.

(v) All Boards, Corporations, Societies, Universities and other State autonomous bodies must include the list of bank accounts as an agenda item for information in its monthly/annual general body meetings.

(vi) FORMAT FOR ANNUAL DISCLOSURE OF THE EXISTING BANK ACCOUNTS OF GOVERNMENT DEPARTMENTS/ OTHER BODIES

(₹ in lakh)

Sl. No	Account Number	Name of Bank	Type of Account	Purpose of opening account	O/B on 1st April	Receipts	Expenditure	Balance on 31st March	Remarks
1									

CERTIFICATE

I, hereby, declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform the Government of any changes therein, immediately. In case, any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it.

Chief Finance Officer/Chief Accounts Officer

Single Nodal Agency in respect of Centrally Sponsored Scheme is implemented in the State. If not, the same may be pointed out in the NTA of Finance Accounts.

(8) The Accountant General (A&E) may circulate recommendations suggested for Finance Department, Administrative Departments, DDOs, Treasuries and Banks and check the compliance during the Treasury Inspection.

(9) Take up with the Finance Department to amend Treasury Rules to incorporate the Bank transactions in the Rules.

(10) In respect of non- submission of NDC bills in respect of AC bills and Utilization Certificate in respect of Grants-in-Aid bills, the AG (A&E) office will pursue with the DDOs, Controlling Officers and Heads of the Departments concerned and obtain the same. Also, periodically details of pending NDC bills and Utilization certificate may be taken up with the Principal Secretary Finance by DO letter and ensure that they issue circular instructions to the Administrative Departments.

(11) The unspent amount lying in the bank accounts of DDOs at the close of the Financial year may be shared with PASG/AsG (Audit).

(12) PASG/AsG should ensure obtaining the list of all DDOs having such Bank Account at present along with the details of opening balance, total credit, debit amounts and closing balance during the year from the State Government.

(13) Details of DDOs where funds are transferred to DDO's Bank Accounts should be captured in VLC so that information on funds transferred to DDO's bank account is available with A&E offices. The details of DDOs where funds have been transferred to DDO's Bank Account should be made available to A&E offices by the State Government through IFMS System. For this purpose, the State Government may be requested to allot necessary Code in their IFMS System in respect of DDO's where funds are transferred to the DDO's Bank Accounts.

(14) A report on funds transferred to DDO's Bank Account may be sent to Hqrs. office with quarterly KRA Report starting from December, 2022 Quarter in the following format.

Opening Balance (if any)	Funds transferred during the Quarter (₹ in lakh)	Closing Balance as on ----- (₹ in lakh)	Number of DDOs
