Government of Jannnu and Kashmir

Directorate of Rural Development Kashmir

Website,drdk.nic.in, email. billsdrdk@gmail.com

The Assistant Commissioner Development
(A11)
The Assistant Commissioner Panchayat
(A11)
The Executive Engineer (REW)
(A11)
The Block Development Officer
(A11)
NO. DRDK/Bill Sec/CC - 7044579 Dated: 04 -11-2022
Subject: Evolving guidelines for accounting treatment of fund transferred to DDO's Bank Account.
Sir/Madam, roctorate of Rotal Development Karlimin

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 ural Dev. Department

Wkashmir

Letters of Nov. 2022

Satyameva Jayate

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

Email ID: secyrdd11@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.

Government of Jammu and Kashmir Finance Department, Civil Secretariat, Jammu/Srinagar

OM No:- FD-BDGT0AG/8/2021-03 (CC 104293)

Dated:- 14 -09-2022

Subject: Evolving guidelines for accounting treatment of funds transferred to DDOs Bank Account.

The undersigned is directed to invite kind attention of all the Administrative Departments towards letter No. TM-J/2022-23/355-357 dated 03.08.2022 of Principal Accountant General (A&E), J&K, Jammu which inter-alia provides that the accounting treatment passed in the accounts of the State/UT Government in respect of funds transferred to DDO's Bank Accounts has been examined in the C&AG's office and it has been noticed that there is lack of uniformity among the States/UT's in respect of booking of expenditure in regard to transfer of funds to the Bank Accounts of DDO's of the State/UT Governments.

In order to bring the uniformity in booking of expenditure across the States/UT's in respect of funds transferred to DDO's bank accounts, it has been decided by the C&AG that the amount transferred to DDO's bank account by the State/UT treasuries should be booked under the final head of account and not to be kept in objection book suspense. The transaction is similar to the Grants given to Rural and Urban Local Bodies.

Accordingly detailed guidelines duly approved by the competent authority in the C&AG's office which are to be followed by the Finance Department, Administrative Departments, DDO's, Treasuries etc are attached herewith for further necessary action in this regard.

All the Administrative Departments are therefore requested to follow the guidelines issued by the Principal Accountant General, J&K in letter and spirit.

(Javid Ahmad Wani), Accounts Officer (Bgt), Finance Department.

All Administrative Departments

Copy to:

1. All Head of Departments.

2. All Treasury Officers.

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Office of the Pr. Accountant General (A&E) J&K Jammu

No:-TM-J/2022-23/355-357 Dated:02.08.2022

To

0 3 AUG 2022

The Financial Commissioner (finance), Government of UT of Jammu & Kashmir, Civil Secretariat, Srinagar/ Jammu

Subject: -

Evolving guidelines for accounting treatment of Funds transferred to DDO's Bank Account

DDOSD

Sir.

The accounting treatment passed in the accounts of the State/UT Governments in respect of funds transferred to DDO's Bank Accounts was examined in the C&AG's office and it has been noticed that there is lack of uniformity among the states/UT's in respect of booking of expenditure in regard to transfer of funds to the Bank Accounts of DDO's of the State/UT Governments.

In order to bring the uniformity in booking of expenditure across the states/UTs in respect of funds transferred to DDO's bank accounts, it has been decided by the C&AG's office that the amount transferred to DDO's bank account by the State/UT treasuries should be booked under the final head of account and not to be kept in objection book suspense. The transaction is similar to the Grants given to Rural and Urban Local Bodies.

Accordingly, detailed guidelines, duly approved by the competent authority in the C&AG's office which is to be followed by the Finance Department. Administrative Departments. DDO's, treasuries etc are attached herewith for further necessary action at your end.

The matter may please be given top priority.

Yours faithfully

Encl: - As above

Sr. Dy. Accountant General (A/Cs)

C.,py for information and necessary action to:

- 1. Director General, Accounts & Treasuries, Civil Secretariat, Jammu
- 2. Director General (Budget), Civil Secretariat, Srinagar.

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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 disbursal 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 O.DRIDIB-BUTTON 1/520/225-02002REGROWATEDER/BLODD MEAST 10 EP 40 UNSIDE AND THR ((Computer NA) 20

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.

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- (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		d amount of	Undisbursed amount of money drawn in March	amount of	Break up of undisbursed money (cash, bank deposit, bank account)	drawal and retention of
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,

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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	Type of Account	Purpose of opening account	O/B on 1st April	Receipts	Expenditure	Balance on 31st March	Rem- arks
1	Car Carlo		100 S 100 S					

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

Annexure-B

Guidelines for Office of the Accountant General (A&E):

- (1) For opening of the DDO bank account, the DDOs shall obtain the approval of Administrative Department, Finance and also the Accountant General (A&E).
- (2) Accountant General (A&E) shall obtain the list of DDOs with bank account and purpose for which the accounts have been opened. Review the bank accounts and take up with the Finance Department to close the accounts which are not required and the payments can be made directly through treasury instead of transferring to the DDOs bank account.
- (3) Ensure that the treasury drawing DDOs have reconciled the accounts with the bank pass book, cash book and the treasury documents.
- (4) Report consisting of opening balance, additions, payments and closing balance in respect of each treasury drawing DDOs may be obtained from the Finance Department. In the NTA to Finance Account include a point that the amount lying in the bank accounts of the DDOs does not form the part of the State Cash balance.
- (5) During treasury inspection, parties may check (i) Whether treasury maintains the details of the DDO-wise Bank accounts (ii) Whether treasury sends month-wise amount transferred to DDOs bank account-wise information to DDO, (iii) Whether treasury obtains DDO bank-wise opening balance, amount received from treasury, amount disbursed and closing balance from DDO to carry-out the periodical reconciliation between treasury balance and bank balances of DDO. Significant points from the check can be incorporated in the Annual Review of Working of Treasuries.
- (6) In case of Implementing agency drawing DDOs, Finance Department may be approached to obtain details of the Department-wise DDOs, particulars of reconciliation carried out, transactions particulars and closing balance. A comment may be included in the NTA of Finance Account about this transaction and unspent balances.
- (7) Examine in consultation with the Finance Department whether direction issued by the Department of Expenditure, Government of India regarding operation of

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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)	Number of DDOs
