

CHAPTER XIII

BUDGET AND ACCOUNTS

PART—I—BUDGET

13.1. Budget

Budget is an estimate for receipt and expenditure prepared for approval of State Government in the Finance Department. The budget estimates are prepared as a measure of financial control and are got approved from State Legislature by Government. The detailed instructions for preparation of budget are given in Punjab Budget Manual. Salient features relating to this department are contained in this chapter.

13.2. (i) *Head of Account* : The budget of the department is prepared under the following Heads of the Account :—

Receipt budget under	057—Supplies & Disposals—Misc. Receipt Non-Plan.
Expenditure budget	257—Supplies & Disposals 'A' Purchase Organisation Non-Plan.
Inspection Wing	257—Supplies & Disposals B—Inspection charges. Non Plan.

The Budget of this Deptt., is approved under Demand No. 16.

(ii) There is no plan scheme and the whole budget is prepared as non plan budget.

(iii) Generally the entire budget is for 'Voted' expenditure and there is no 'Charged' expenditure except when some decretal amount is required to be paid for which no provision has been made in the normal "Voted" budget of the Department.

13.3. Original Budget and Revised Budget :

(a) Original budget for receipt and expenditure for each year is submitted to Government usually in September, and October of preceding year. Revised budget or list of Excesses and surrenders is submitted by December every year, giving actual expenditure upto September and the expected expenditure for the balance period of the year.

(b) The proposal for reappropriation of the budget within the sanctioned grant is submitted to Finance Deptt., by the end of February or early March every year.

13.4. Sources of Receipt. :

The following are the sources of receipt in this department :—

- (i) Testing fees.
- (ii) Fees for procurement of stores.
 - (a) Receipts from sale of tender forms.
 - (b) Receipts from the contractors for registration.
 - (c) Registration fees.
 - (d) Forfeiture of security and earnest money.
- (iii) Fees for inspection of stores.
- (iv) Other receipts.

13.5. Items of expenditure :**A. Purchase Organisation**

- (i) Salaries.
- (ii) Medical Reimbursement.
- (iii) Dearness Allowance.
- (iv) Travelling Allowance.
- (v) Office expenses.
- (vi) Wages.
- (vii) Rent rates and taxes.
- (viii) Advertising, sales and publicity expenses.
- (ix) Maintenance of vehicles.
- (x) Other charges.

B. Inspection :

- (i) Salaries.
- (ii) Dearness Allowance.
- (iii) Travelling Allowance.
- (iv) Office Expenses.

13.6. Budget for Printing & Stationery.

Budget for Printing & Stationery is meant for the Stationery articles to be supplied by Controller Printing and Stationery. The Budget is submitted to the Controller, Printing and Stationery in the month of August/September and revised budget is submitted in the month of November each year.

PART II ACCOUNTS

13.7. Following accounts are maintained by this Directorate :

- (i) Receipt accounts for all the receipt heads mentioned above in Para 14.4 of this Chapter.
- (ii) Expenditure accounts.
 - (a) Salaries, travelling Allowance, Dearness Allowance and other allowances.
 - (b) Office Expenses : Postage and Telegrams, Rent Rate and Taxes, Advertising and Publicity, maintenance of vehicles and Misc. expenses etc.
- (iii) Deposit Accounts : In respect of earnest money and security deposits.
- (iv) Sales tax account in respect of sales tax realised from the purchaser of Unserviceable/surplus stores and deposit thereof into the treasury.
- (v) Accounts of Dead Stock & Consumable Stores.
- (vi) Accounts of Service Postage Stamps.
- (vii) Accounts of Priced Tender Forms.
- (viii) Accounts of Stationery Articles.

13.8. Receipt Account :

- (i) Receipt from the sale of tender forms .
 - (a) The tender forms are priced according to the provisions of rule 17 of Store Purchase Rules. The tender forms alongwith tender documents are sold in accordance with the para 6.6. (iii) of Chapter VI. The tender forms are sold at the counter of the office for cash or in lieu of postal orders received by post. Tender fee in the form of postal order is received alongwith the tenders. Sale of tender forms is also conducted by Industries Liaison Officer, Haryana Bhawan, New Delhi, and various General Managers, Distt. Industries Centres in the State.
 - (b) The official concerned responsible for the sale of tender forms at the counter of the office maintains a separate record for the sale of tender forms of various denominations in the Daily Tender Sale Register in form SP-26. He issues a receipt for each amount of cash received

by him and enters the same in chronological order in the tender sale register alongwith the name of the firm, date of sale and tender form number. He also enters in this register the money orders received by him during the day and the tender forms sent to the parties by post. At the end of the day he adds all the amount and hands over the cash to the Cashier in the office. The Cashier in the office checks the sales and enters each receipt in main cash book of the office.

- (c) The Postal orders received for the purchase of tender forms are given by the Dak Clerk to the official responsible for the sale of tender forms. The official issues a regular receipt for each postal order and sends the forms to the party who has asked for it by post. He then records the particulars in the Daily Tender Sale register. He hands over all the postal orders to the cashier. The cashier maintains a separate record for the postal orders.
- (d) The postal orders received alongwith the tenders are passed on to the cashier by the concerned purchase section who enters the same in the postal order register.

The postal orders are sent to the State Bank of India alongwith the treasury challan duly filled for collection of the amount from the post office and credit of the same into the Government treasury under the receipt head of the department. The receipt on account of postal orders is also entered on the receipt side of the main cash book. The deposit of the amount in the treasury should be shown on the payment side.

- (e) The cash or money order received in connection with the registration fees are received by the cashier against proper receipt. He enters the receipts in the cash book and sends the intimation to the Registration Section, regarding the receipt of renewal fees of registration.
- (f) When the renewal fees of registration is received by postal order, the postal order alongwith the forwarding letter is placed on the relevant file of Registration Section and then it is passed on to the cashier for detaching the postal orders. The cashier detaches the postal orders and enters in the postal orders register. Thereafter it is sent to the State Bank of India with Treasury Challan for collection and credit to Govt. account.
- (g) The postal orders are also entered on the receipt side of the cash book. The total amount of postal order sent to the bank for collection and credit to the Government Treasury is also entered on the payment side of the cash book.
- (h) The postal orders are valid for payment by post office for six months from issue. Care should be taken to see that the amount is realised and credited to Govt., account within validity period. If the validity expires for one or the other reason sanction of the Post Master General, Ambala be obtained to extend the validity and payment of the same. In case the sanction is refused the amount shall be recovered from the official who is found responsible for delay.

13.9. Receipt on account of forfeiture of earnest money/securities :

- (a) On receipt of forfeiture order from the concerned purchase section the relevant security is traced out by the deposit clerk. A note of forfeiture is recorded against the original entry in deposit or earnest money register under the initials of head of the office. Simultaneously an entry is made in the forfeiture of security/earnest money register in form SP 27 giving particulars of the security forfeited. The security is then forwarded to the State Bank of India for collection and credit of the amount to the receipt head of account of the Dept. Care should be taken to write clearly on the back of the security that the amount is to be credited under the head 057 supplies and disposals and this endorsement should be signed by the Head of the office.
- (b) The credit of the amount by the bank to the Government account should be watched carefully and the treasury challan number and date vide which the amount forfeited has been credited into the Govt. account should be entered against each entry in the forfeiture register. In case a security is received back from the bank under some objection, the same is to be entered in a separate register maintained for the purpose. The objection should be complied with immediately and the security sent back to the bank, clearly noting this in the forfeiture of security register as well as in the register of Securities received back under objection.

13.10. Payment Account :

The detailed instructions regarding the preparation of pay bills and office expenses bills are given in the P.F.R. Vol. I and Treasury Rules. The following payment accounts and registers are to be maintained regularly :—

- (i) Office cash book.
- (ii) T.A. Check Register.
- (iii) Office expenses account register.
- (iv) Bill Register in which all the bills sent to the treasury are entered. The bill No. starts in this register from the beginning of each year.
- (v) Token Register for bills submitted and received back from the treasury.
- (vi) Acquittance Rolls Register to get the receipt of the payments made to the staff.
- (vii) Vouchers files, in which office copies of Pay Bills, T.A. Bills all the vouchers relating to office expenses are kept.

13.11. Treasury Schedules and preparing forms B M 26 and 29 :

- (a) After close of the month a treasury schedule in respect of payments is obtained from the treasury. The voucher numbers contained in the treasury schedule are noted in the office copies of the bills as well as in the bill register. The entries in the schedule are compared

with the bill register to see that no bill not entered in bill register has been paid. After the entries in the bills register have been compared with the schedule the office will also come to know about the bills sent to the treasury but not received back duly passed. Steps may be taken to watch the clearance of outstanding bills from the treasury.

- (b) After the comparison of the treasury schedule with the amounts of the bill, a statement in form BM 26 is prepared to show all the details of the vouchers paid during the month. The total of the payment during the month is worked out and a progressive total of the payment made during the year upto date is also worked out. This progressive total is compared with the budget allotment in the form BM 29. Form BM 26 and 29 are thus important statements and enable the Drawing and Disbursing Officer to watch the actuals.

13.12. Preparation of Arrear Bills :

(a) When claims are sanctioned with retrospective effect, the arrears bill has to be prepared. Four steps should carefully be noted while preparing the arrear bills :—

- (i) A statement showing the amount due, the amount drawn already and the difference of amount now to be paid as arrear should be prepared for each official from the start of the date of the claim. This statement should be prepared even if the amount of arrear is nil. The amount due, drawn and difference should be shown for each head of column i.e. Pay, D.A. special pay, compensatory allowance etc.
- (ii) The amount of arrear payable should be worked out at the rate of difference of amount due to an official.
- (iii) The Treasury voucher No. and date vide which the amount was short drawn in the previous bills should be noted in the arrear bill.
- (iv) A note that no arrear bill has been prepared before should be given on all the office copies of the previous bills relating to the period for which arrear bill has been prepared.

(b) In all arrear bills the following certificate should be recorded :—

“that the arrear claimed in this bill has not been drawn before and a note of this claim has been given on the office copies to the bills to avoid double claim.”

Sd/-”

- (c) The arrear claims become time barred after lapse of the periods given in P.F.R. Vol. I rule 2.25. Care should, therefore, be taken to prepare the arrear bills well in time to prevent their becoming time barred. The time barred claims have to be submitted to the Accountant General for pre-audit or to the Government for sanction of the audit. The claim becomes due from the date on which the claim was sanctioned. A claim once sent to the treasury within the time limit does not become

time barred even if it remains under correspondence with the Treasury Officer and the time limit expires.

13.13. Loss of Bills :

- (a) *Loss of bill before the same has been presented and passed by the treasury.* A thorough search should be made and steps should be taken to ensure that the bill, if traced out, will not be presented to the Treasury. The Treasury Officer should be informed not to entertain the bill if presented. Steps should then be taken to prepare a duplicate bill and present it to the treasury.
- (b) *Loss of bills after the same has been presented to and passed by the treasury :*

The Treasury Officer and the bank should be directed to stop payment on the lost bill. A non-payment certificate should be obtained from the Treasury Officer and then the duplicate bill should be prepared for presentation to the treasury.

- (c) The following certificate should be recorded on all the copies of duplicate bills presented to the treasury :—

“Certified that the payment against the original bills has not been drawn and will not be drawn if traced out subsequently and the same will be destroyed.

Sd/-

DDO”.

13.14. Bills for Service Postage Stamps :

The bills for service postage stamps are drawn on normal office expenses bill form. After they are passed by the treasury, a R. T. R. is got prepared in favour of the Postal Authority. The R. T. R. is then handed over to the Postal Authority alongwith the details of service postage stamps required and an authority letter in favour of the official who is to bring the service postage stamps from the Post Office.

13.15. Bills for Petrol, Oil and Lubricant charges for staff car :

The bills for petrol, oil and lubricant charges for the staff car are to be prepared on normal office expenses bill form but these must be supported by the petrol, oil and lubricant (POL) forms to be supplied by the Finance Department. Even advance payments for such charges are to be supported by POL forms.

13.16. Bills for Special drawal from treasury :

Bills for following drawal are prepared on the form noted against each:—

- (i) Loans and Advances (House Building Advance, Scooter Advance, Car Advance, Wheat Advance etc.). The bills are prepared on normal pay bill forms.

(ii) G. P. Funds and final withdrawal of G. P. Fund: These are drawn on special form No. STR 42 prescribed by the Govt.

(iii) Medical Reimbursement Bill:

These are drawn on special form No. STR 29-A prescribed by the Government.

13.17, Pay Books :

The system of pay books was introduced by State Govt. vide letter No. 4/4(2)/78-2FR dated 19-9-1978. The printed pay books are obtained from Controller, Printing & Stationery. The cost of the same is to be borne by the official concerned. The pay books are kept by the Account Section and entries therein are made from month to month for the pay and allowances drawn in respect of each official yearwise. The entries are attested by the D. D. O.

13.18, Accounts of Securities and Earnest Money :

(a) Securities and earnest money are receivable in the form of deposit at call on any scheduled bank located at Chandigarh. Fixed deposit receipts, post office pass books, bank guarantee for the amount exceeding Rs. 10,000 and, where the transactions are to be completed within a short period, by bank draft. These securities when received in the department are placed in relevant file. The file is passed on to the Account Section for detaching the security by Security Clerk. Arrangement may also be made for the detachment of earnest money at the time of opening of tender itself.

(b) Separate registers are maintained to record transactions relating to earnest money and security of purchase cases and permanent securities received from Registered Contractors, in form SP 28. The securities are kept in safe custody by the security clerk who is responsible to keep security register upto date.

(c) Release of earnest money and security.

Whenever earnest money/security are free, the purchase section issues a release order in form S.P. 29 and sends the same to the Account Section alongwith the purchase file. The Account Section detaches the release order.

(d) The securities are then traced out by the security clerk. Note of release order is recorded against the original entries in the security register. An authority letter of release addressed to the party with a copy to the bank and Purchase Section concerned is then prepared in form SP 30. These are then put up alongwith the release order to the D. D. O. through branch incharge. The D.D.O. will verify with reference to the release order received from the purchase section that correct security is being released. He will then sign the authority letter of release addressed to the parties with a copy to the bank concerned and to the Purchase Section. He will also sign the endorsement on the back of the security.

(e) After the signature of the D.D.O. the security should be despatched under registered cover. The delivery of securities by hand is not normally permissible. This may, however, be allowed by the Director of Supplies & Disposals in cases where the identity of the person who is to receive this security is undisputed.

(f) Adjustment of Earnest money/securities.

Earnest money of successful tenderer is adjustable towards his security. The earnest money of unsuccessful tenders, not released, may also be adjusted towards earnest money/security in other cases at the discretion of the Director of Supplies & Disposals. In such cases the purchase section concerned should send to the Account Section a U.O. reference desiring the adjustment. The adjustment will be carried out if the earnest money/security is free and a note is given against the original entry in the security register. In case the earnest money is not free because it has already been released or forfeited or referred in another case, the Account Section will promptly intimate the facts to the Purchase section.

(g) The security when free, can also be adjusted as security in another case, on the request of the party concerned. The Purchase Section will make a U.O. reference to Account Section for making such adjustment. The adjustment is carried out if the security is free and a note is given against the original entry in the security register. If it has been forfeited, released, referred to in some other case, then the Account Section will intimate the facts to the Purchase Section promptly.

13.19. Accounts of Dead stocks and Consumable stores :

- (i) Separate account shall be maintained for dead stock and consumable stores as laid down in chapter 15 of P.F.R. Vol. I.
- (ii) D.D.O. should see that the entries are made in the register immediately on purchase or receipt of a new article and a note to this effect is recorded on the bill invoice relating to the item. The entry in the register should describe the stores purchased, date of purchase and the cost of the material purchased.
- (iii) The accounts for each type of dead stock of article should be maintained separately like Tables, Almirahs, Chairs, Druggets, Carpets, Heaters etc.
- (iv) Each dead stock article should be numbered. The system of numbering should indicate the initial of the department, the nature of the article, Sr. No. in stock register and year of purchase. For example if a table has been purchased in the year 1982-83 and has been entered at Sr. No. 5 of the Dead Stock Register for the pages allotted to tables, the marking should be as follows :—

D.S.D./H.R./T-5/82-83.

- (v) The stores articles in the office should be verified annually by the officer to be nominated by the Director Supplies & Disposals. The officer responsible for the physical verification should verify the articles with reference to the register and prepare a distribution list showing the place where the article is lying. He should sign the verification report. The verification report should be put up to the D.S. & D and then placed on record. The verifying officer will also give a note of verification on the register.

- (vi) When stores are rendered unserviceable, the stores incharge should prepare a list of the same mentioning the book value and put up the same for obtaining orders for their declaring unserviceable and disposal thereof. The orders should also be obtained regarding the replacement of such articles by making new purchase under proper authority.
- (vii) The disposal of stores should be made in accordance with the provisions of Annexure 'C' to chapter 15 of P.F.R. Vol. I. The stores of upto the value of Rs. 10,000 and Rs. 1,00 can be declared unserviceable by the Director, Supplies & Disposals and Head of the office respectively. The stores declared unserviceable by competent authority can be disposed off by Director of Supplies & Disposals.

13.20. Accounts of Service Postage Stamps :

The service postage stamps purchased from Postal Authorities as given in para 14.15 of this Chapter will be entered in a separate register by the cashier. Whenever these are issued to the despatch clerk, an entry of issue will be made and signature of the despatch clerk will be obtained. The despatch clerk will maintain a detailed account of consumption of postage stamps in the dak register. He will show the receipt of postage stamps issued by the cashier and will indicate the consumption of stamps against each despatch No. from day to day. He will strike a balance of stamps in hand every day. The account of service stamps will be checked periodically by some responsible official as may be ordered by Director, Supplies & Disposals, Haryana.

13.21. Accounts of Priced Tender Forms :

The tenders forms are got printed from Controller, Printing & Stationery. When these forms are required for sale, these are got machine numbered and enfacd with a price stamp. These are then entered in the register of Tender forms in form, S.P. 31 by the care taker or some other official as may be ordered by D.S. & D. Haryana. These are issued to the official responsible for the sale of tender against proper receipt in the register and balance is worked out. The official receiving the forms maintains a detailed account of issue of these forms in the Daily Tender Sale Register.

13.22. Accounts of Stationery Articles :

A proper account of receipt and issue of stationery articles is maintained by the care taker or some other official as may be ordered by the Director, Supplies and Disposals, Haryana. The entry on receipt of articles will be made in this register from the invoices received from Controller, Printing & Stationery. The issues of articles will also be shown and the balance is worked out. The official is responsible to get the articles physically verified as and when required.

13.23. Administrative Report :

An annual administrative report outlining the achievements of the Directorate during the previous year is sent in the month of September/October to the State Government. Amongst other things this report must contains information

on the following points namely :—

- (i) Number of indents received.
- (ii) Value of purchase orders placed.
- (iii) Number of firms registered/blacklisted.
- (iv) Forfeiture of Earnest Money./Security.
- (v) Income from condemnation & disposals of unserviceable stores.,
- (vi) Any other item which may be considered important enough to find mention in the administrative report.