

## **THE TREASURY CODE**

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## **CHAPTER I INTRODUCTORY**

1. In exercise of the powers conferred by Article 283 (2) of the Constitution of India, the Governor of Karnataka is pleased to make the following rules namely

These rules may be called the Karnataka Treasury Code.  
They shall come into force on the first day of July 1963.

1-A. If the Government considers it necessary or expedient so to do for avoiding any hardship or removing any difficulty that may arise as a result of the application of these rules, it may subject to such restrictions and conditions, if any, as it may think fit to impose or dispense with or relax the provisions of any of these rules in any case or class of cases.

### **I SCOPE OF THE RULES**

2. The directions contained in this volume deal primarily with the procedure to be followed and the initial accounts to be kept at the State Treasuries, and with the accounts returns to be rendered by the Treasuries to the Accountant General. They are supplementary to the general directions contained in the Karnataka Financial Code, and include, in their appropriate places, the mandatory provisions of the Accounts Code, Volume II – Treasury Accounts, issued by the Comptroller and Auditor General.

Important extracts from the 'Compilation of the Treasury Rules' of the Central Government, required for reference by treasuries, are given in Appendix I.

The procedure laid down in the Compilation of Treasury Rules is to be followed wherever specific instructions regarding the same have not been included in this Code. Detailed instructions or deviations from any of the procedure detailed in the extracts of the C.T.Rs., will be issued in the form of directions by the State Government. These directions would be posted against the relevant Central Treasury Rules in K.T.C Volume II. In so far as Central Transactions are concerned, the provisions contained in Karnataka Treasury Code-Volume II are applicable.

The forms of initial accounts are based on the standard or model forms prescribed by the Comptroller and Auditor General, with such modifications as are found necessary to suit local requirements in consultation with the Accountant General. As regards accounts, the Accountant General has power to introduce such changes as he may deem necessary.

## II DEFINITIONS

3. In these rules, unless the context requires otherwise, the following expressions have the meaning hereby assigned to them, that is to say :-

(1) "Accountant General" means the Accountant General Karnataka to whom the accounts of the State Treasuries are rendered.

(2) "The Bank" means the Reserve Bank of India, or any office or agency of the Reserve Bank of India, and includes any branch of the State Bank of India, or the State Bank of Mysore, or the State Bank of Hyderabad acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (Act II of 1934).

(3) "Bank Treasury" means a treasury, the cash business of which is conducted by the Bank and a "Non-Bank Treasury" means a treasury other than a Bank Treasury.

(4) "Chief Accounts Officer" in relation to the accounts of Railways means the head of a Railway Accounts Office.

(5) "Competent Authority" means the Government or any other authority to whom the relevant powers may have been delegated by Government.

(6) "Deputy Commissioner" means the chief officer in charge of the revenue administration of a district and includes, for the purpose of these rules, any other officer for the time being authorised to discharge the duties of the Deputy Commissioner.

(6-A) The "Director of Treasuries" is the Chief Controlling Authority of the Treasuries in the State and their administration devolves on him.

(7) "Divisional Commissioner" means the Commissioner in charge of the revenue administration of a Division comprising two or more districts, and includes, for the purpose of these rules, any other officer for the time being authorized to discharge the duties of the Divisional Commissioner.

(8) "Government" means the State Government unless the context implies otherwise.

(9) "Tahsildar" means the chief officer in charge of the revenue administration of a Taluk, and includes, for the purpose of these rules, any other officer for the time being authorized to discharge the duties of the Tahsildar.

(10) "Treasury" includes State Huzur Treasury, District Treasury and/or Sub-Treasury.

(11) "Treasury Officer" or "District Treasury Officer" means the Chief Officer in charge of the Treasury concerned and includes Assistant Treasury Officer or any other officer for the time being authorized by the said Chief Officer in consultation with the Director of Treasuries to discharge the duties of the Treasury Officer in respect of the work entrusted to him in the Treasury concerned and Sub-treasury Officer in so far as it relates to a Sub-treasury".

(12) "Shroffs" includes "Cashiers".

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## **CHAPTER II**

### **CONSTITUTION AND ADMINISTRATION OF TREASURIES**

#### **1. CASH BALANCE OF THE GOVERNMENT**

4. The cash balance of the Government is made up of the balance in its account with the Reserve Bank, and the balances at its treasuries the cash business of which is not conducted by the Bank.

Note:- For a copy of the agreement with the Reserve Bank, see Appendix II.

#### **II CONSTITUTION**

5. Treasuries are functioning in the State at the following places :

- (1) District Treasuries at the headquarters of all districts;
- (2) Sub-Treasuries at the headquarters of all taluks and a few other places.

Note 1:- The District Treasury at Bangalore is referred to as "The State Huzur Treasury".

Note 2:- A list of treasuries and sub-treasuries in the State is given in Appendix III.

6. The District Treasuries in the State are under the administrative control of the Director of Treasuries, their immediate executive charge being entrusted to the District Treasury Officers subordinate to him.

7. The sub-treasuries in the District are similarly under the administrative control of the District Treasury Officer in whose jurisdiction the sub-treasuries are situated. The executive charge of a sub-treasury is entrusted to the Treasury Shirastedar who will be referred to as Sub-Treasury Officer.

#### **III. RESPONSIBILITY FOR MANAGEMENT**

8. Director of Treasuries:- The responsibility for the proper management and working of the treasuries rests entirely with the Director of Treasuries and the District Treasury Officers and no part of such responsibility devolves on the Accountant General. The Director of Treasuries is the Chief Controlling Authority of the Treasuries in the State and their administration devolves on him.

9. The Director of Treasuries is responsible to Government for the general administration and working of treasuries in the State. The Director of Treasuries or an officer authorized by him should satisfy himself by periodical examination at least once in six months that the actual stock of cash (notes and coins) is kept under double lock and corresponds with the book balances, and that a larger sum than is necessary for the convenient transaction of Government business is not held. The Director of Treasuries or the Deputy Director of Treasuries should inspect each District Treasury at least once a year and prepare a report as to whether the rules relating to the custody of treasuries and the transaction of treasury business are closely followed whether the registers are in good order and whether the prescribed accounts are sent correctly and punctually. The Director of Treasuries is responsible for securing implicit and prompt compliance by Treasury Officers of the instructions issued by the Accountant General, Currency Officer or other competent authority and for the immediate detection and regularization of any irregular practice observed on the part of subordinate officer. Reports of subordinate officers on irregularities pointed out by the Accountant General, should be forwarded by the Director of Treasuries to the Accountant General, only after he satisfies himself that the report furnished by the subordinate officer is correct in all particulars and fully meets the observations made by the Accountant General.

Note:- The following functions, however, devolve on the Deputy Commissioner vis-à-vis the treasuries :-

(i) The Deputy Commissioner can call for Treasury paper on matters connected with general administration.

(ii) In circumstances of emergency, the Deputy Commissioner can authorise the Treasury Officer to made payments without complying with the provisions of the K.T.C.

(iii) The Deputy Commissioner can direct the Treasuries to be kept open after working hours in periods of emergency.

10. The Director of Treasuries or an officer authorized by him should satisfy himself by periodical examination (at least once in six months for depositis, cash, stamps, opium, ganja securities, bills forms and sealed boxes and articles kept, under safe custody at the District Treasury).

(1) that the actual stock of cash, stamps, opium and ganja is kept under joint lock and key and corresponds with the book balances;

(2) that the Treasury/Shroff does not hold a sum larger than is necessary for the convenient transactions of the Government business and that this sum together with the value of stamps, opium, etc., in his sole custody is not larger than the security given by him;

(3) that the stock of bills and similar forms which are intended for use monetary transactions, is carefully kept under lock and key by the Treasury Officer and periodically tallied with the nominal balance of such forms on the stock books;

(4) that the deposit registers are kept up in accordance with the prescribed rules and that all necessary entries are made and initialed therein without fail at the time of the transaction;

(5) That the Sub-treasury balances are verified by Sub-treasury Officer every month, besides the verification done by the Director/Deputy Director/Assistant Director/District Treasury Officer during their inspection.

Note 1:- The result of such periodical verification of stamps should be communicated to the Commissioner of Stamps in Form K.T.C I.

Note 2:- Officers verifying stocks of stamps, opium, etc., should record certificates of verification in their own land.

Note 3:- The District Treasuries being all bank treasuries, have only imprest cash with them.

Note 4:- A certificate of verification as required under Article 274 of K.F.C must be recorded on the extract register of receipts of the District Treasury.

(6) That the register of sealed boxes and articles are kept in accordance with rules and that the entries made therein are correct and that the seals are intact.

11. The District Treasury Officers when assuming or making over charge of a District Treasury should see that the balance of cash, stock of stamps, opium, etc., and sealed boxes and articles kept in safe custody are thoroughly verified and that the certificate of taking over charge in Form No. K.T.C 2, is invariably dispatched to the Accountant General, on the same day that the transfer takes place.

Note 1:- A certificate should be recorded in the charge report from that the stock of stamps was actually counted.

Note 2:- Certificates of transfer of charge of Cypher Code, Check Signal Book and Secret Memorandum as provided in Rule 93 under Chapter V, Reserve Bank of India, appendix I, K.T.C Volume II (p-123) should be recorded in Form K.T.C 2 and the same sent to the Currency Officer, Reserve Bank of India, Bangalore on the same day the transfer takes place.

12. Deleted.

13. District Treasury Officer:- It is primarily the duty of the District Treasury Officer to see that the transactions taking place in all the treasuries in the district strictly conform to the rules and that the prescribed returns and vouchers are unfailingly submitted to the Accountant General and other officers on the appointed dates in a complete and correct condition. It is also his duty to carefully study the codes and circular orders bearing upon treasury work and guide the subordinate staff.

Note:- Wherever Assistant Treasury Officers are not attached to District Treasuries, during the absence of the District Treasury Officer on casual leave, or on other duty such as inspection of sub-treasuries, the Head Accountant will be in charge of the Treasury.

14. The Sub-Treasury Officer is responsible for the due accounting of all monies received and disbursed and for the safe custody of all coins, currency Notes, Stamps, Opium, Ganja, etc., and other Government property in the Sub-Treasury. He will seek instructions of the District Treasury Officer with regard to all payments which the Sub-Treasury is not competent to make under rules in the Karnataka Financial Code or in other matters about which he feels any doubt.

15. Every Sub-Treasury Officer on taking over charge for the first time, should satisfy himself that the accounts, books, etc., of the sub-treasury, are in proper order

and brought up-to-date. He should also count all cash, notes, stamps, opium cakes, ganja boxes in stock including sealed boxes, and take charge of them, after satisfying himself that the balances agree with those shown in the accounts and see that the condition of sealed boxes is intact. He should send up a report of the taking over in Form K.T.C –2 to the District Treasury Officer and to the Accountant General, immediately.

Note:- Certificates of transfer of charge of Cypher Code, Check Signal Book and Secret Memorandum as provided in Rule 93, Chapter V, Reserve Bank of India, Appendix – I, K.T.C. Volume – II (P-123) should be recorded in form No. K.T.C 2 and the same sent to the Currency Officer, Reserve Bank of India, Bangalore on the same day the transfer takes place.

16. Head Accountant:- . The Head Accountant of the District Treasury is responsible under the order of the District Treasury Officer for keeping complete records of cash and transfer transactions of the district and sub-treasuries and for the compilation of the prescribed accounts and returns strictly in accordance with the directions and orders in force. He is also required to ensure that the rules and orders in force are observed in respect of all transactions of the treasury and should bring all cases of irregularity to the notice of the District Treasury Officer.

He may be required, under the orders of the District Treasury Officer, to inspect the account records of sub-treasury and to check a percentage of their initial accounts.

17. Sub-treasury Officers:- (Sub-treasury Officers ) is responsible for the thorough observance of all rules prescribed for his guidance in every branch of his duties and for strict attention to all details of the daily routine of the work of the sub-treasury. As regards payments, he is personally responsible for the recovery of any erroneous payment made by him or on his pay order. He is also responsible for the safe custody of cash balance stamps, opium and other Government property in the sub-treasury.

#### **IV. BUSINESS HOURS AND HOLIDAYS**

18.(a) All the treasuries in the State will be kept open to the public from 10.30 a.m. to 12.00 noon on Saturdays and from 10.30 a.m. to 2.30 p.m. on other days excluding Sundays and other authorized holidays. Ordinarily, no work should be done in the treasury after sunset. If, in cases of urgency, any work is required to be done after sunset, such work should on no account be done without sufficient light.

Exception :- Sealed covers containing question papers of Departmental Examinations kept for safe custody in the strong room of Treasuries should be handed over to the Supervisors appointed in this behalf, one hour before the commencement of the concerned examination.

(b) Notice boards specifying the hours for the transaction of business at the treasury, and the dated on which the treasury will be closed on account of public holidays during the ensuing quarter should be posted up conspicuously at each district and sub-treasury.

(c) If any law requires that the treasury be kept open till a named hour on any day, the accounts cannot of course be closed till after that time, but should then be closed and agreed in the usual manner before any one leaves office.

Note :- The Director of Treasuries should see that the instructions at (a) to (c) supra are strictly observed by all the treasuries under his control.

18 (d). District Treasury Officers (in the case of District Treasuries) and (Sub-Treasury Officers) (in the case of Sub-treasuries) may issue orders for closure of treasuries even during working hours, if circumstances like civil disturbances, flood, fire

or earthquake warrant it. In all such cases, telegraphic intimations should be sent to the Director of Treasuries by the District Treasury Officer and to the concerned ). District Treasury Officer by the (Sub-Treasury Officer). The Treasury should not be kept closed for public transactions any longer than is absolutely necessary.

## **V. NOTICES**

19. Treasury Officers should themselves see that the notices, which they are required to exhibit under standing orders or other instructions received from time to time, such as those regarding the encashment of currency notes, the supply of small coin and copper and the like, are exhibited conspicuously in places which the public enter freely, and that no favouritism is shown in the conveniences which the treasury can offer.

## **VI. CORRESPONDENCE**

20. All Communications regarding treasury work will be addressed to the Director of Treasuries or the concerned District Treasury Officers, as the case may be.

(1) The responsibility for all the treasury and account business rests entirely with the District Treasury Officer.

(2) The Accountant General, may direct his Communications regarding Treasury accounts and procedure either to the Director of Treasuries or to the District Treasury Officer but all important communications to the Accountant General (and other officers) must issue through the Director of Treasuries.

## **VII Security from Staff**

21. (i) The Director of Treasuries shall obtain every year effective from 1<sup>st</sup> January to 31<sup>st</sup> December a fidelity Guarantee Bond (Group Insurance Scheme) in respect of officials holding under mentioned posts to the extent of amount noted against such posts, to guarantee their honest and faithful accounting for all moneys, stores, stamps or any other property received by or entrusted to them in such capacity :-

(a) Assistant Treasurer (Office of the Superintendents of Stamps)	Rs. 5,000/-
(b) Treasurers and Stamp Head Clerk ( in all other treasuries	Rs.3,000/-
(c) Sub-Treasury Officers	Rs. 1,000/-
(d) Shroffs/Cashiers	Rs. 500/-
(e) Gollars incharge of cash and stamps	Rs.100/-

(ii) The Group Insurance taken as above does not however absolve the officials holding the posts from any liability to which they may be held responsible and in recovering from them any loss to Government due to their actions or from taking such departmental action against them as the authority competent to inflict penalty considers it necessary.

Note :- The authorities competent to sanction leave may place officials in charge of Treasury work during the absence of the regular incumbents on casual leave or other leave or deputed to other duty after thoroughly satisfying :-

(i) about the reliability of the official concerned ;

(ii) that there is no risk involved.

22. The security furnished by a Government servant may be returned to him after six months from the date of vacation by him of the office for which the security was given, but the bond should be retained permanently, or until it is certain that there is no necessity for keeping it any longer.

Note :- The Director shall send a report to Government before 31<sup>st</sup> December each year stating that all the posts mentioned in Article 21 of K.T.C are covered for the coming year by obtaining a Fidelity Guarantee Bond under Group Insurance Scheme).

### **VIII AUDIT OBJECTIONS**

23. (1) Detailed instructions regarding the disposal of objections raised by the Accountant General are contained in Chapter IV Karnataka Financial Code.

The objection slips and the periodical objection statements showing the result of the examination of the Lists of Payments and Cash Accounts should be returned punctually, and the replies in them should be such as will enable the Audit Office to adjust the items under objection without further correspondence.

23 (ii). The District Treasury Officer should not simply forward replies received from the Sub-Treasury Officer without further investigation. Such replies as Sub-Treasury Officer's reply attached "correspondence relating to the subject forwarded herewith", will not ordinarily be accepted. If it be considered necessary to forward such replies or correspondence in original to the Audit Office, a brief abstract thereof in English (if the correspondence is not in English) should invariably be given with the remarks thereon of the District Treasury Officer. Such correspondence received from the Sub-treasuries should ordinarily be retained in the District Treasury and not sent to the Audit Office. In case of recoveries of over payments, it is not sufficient to say 'the amount recovered' the number and date of voucher in which the amount has been short drawn or the treasury item of credit in the schedule concerned, if it is a cash recovery, should invariably be stated.

(iii) The original objection statement received from the Audit Office should on no account be sent out of the head-quarters of the treasury. Where necessary only extracts there from may be sent to the sub-treasuries concerned. The return of the statement should not be delayed beyond the due date for the reason that complete disposal has not been possible. If replies from the sub-treasuries are not received in time for the return of the objection statement to the Audit Office, the fact should be noted in the reply column in the statement and the receipt of the reply and its transmission to the Audit Office carefully watched. A copy of the objection statement should be kept in the treasury.

(iv) The check delays in the submission of the objection statement, the Treasury Officer should maintain a register showing the dates of their receipt in the Treasury and the dates of their dispatch to the Audit Office.

(v) Explanation should be written as concisely and neatly as possible.

(vi) A register in Form K.T.C 3 should be kept in the treasury in which separate pages should be set apart for each officer or department (as may be convenient), drawing money from the treasury. As soon as any money is retrenched, whether by separate slip or objection statement, it should be entered at once in this register for

recovery, and should be recovered from the next bill presented by the Officer concerned. When a certificate, bill presented by the Officer concerned. When a certificate, bill or other information is required, a note should similarly be made in this register and its submission watched. When any bill is presented for payment, the register should be consulted to see whether any recovery has to be effected. If any recovery is made it should be noted in the register, the number and date of the voucher being also quoted in it.

(vii) When a recovery is made at a treasury by compulsory deduction from a bill, the bill from which deduction is made should be one containing a claim similar to that which was retrenched. Thus a retrenchment of a contingent expenditure should be from a contingent bill and not from a salary or establishment bill; the recovery of a sum retrenched from a pay bill need only be made from the next pay bill and of a sum retrenched from a traveling allowance bill from the next bill for travelling allowances must be recovered in cash or from pay bill when the officer does not, within a month, present a travelling allowance claim from which they can be recovered.

(viii) Recoveries should be distinctly shown at foot of the bills (not on sub-vouchers), the number and date of the objection statement or other authority being quoted.

## **IX TREASURY IRREGULARITIES**

24. Treasury Officers are enjoined to follow the rules in this Code and the relevant provisions in the Karnataka Financial Code strictly. Violation of these rules or the instructions laid down in the circulars issued by the Audit Office will be recorded as treasury irregularities by the Accountant General. Requisitions for corrections of accounts for which treasuries are responsible are also recorded in the treasury irregularity register.

## **X. TREASURY INSPECTION**

25. As the Director of Treasuries is the head of the treasuries in the State, it is necessary that he should be inspecting the treasuries, acquire a direct knowledge of the State of each treasury and set right the defect. His attention during such inspection will be confined only to important matters such as those specified in Article 29 below. The District Treasuries will be inspected by him or by the Deputy Director at least once a year. Except reporting grave irregularities or serious defects, if any noticed during such inspections, the reports of such inspections need not be sent to Government in the Finance Department. It is the responsibility of the Director of Treasuries to see that the treasuries work smoothly and efficiently without giving room for complaints from the public, and that the irregularities in the working of the treasuries noticed by this office, the Accountant General, the Reserve Bank of India and others are all set right promptly. As the object of the inspection is to effect an improvement in the administration of Treasuries, it will be entirely with the discretion of Director to conduct inspections in any manner he deems fit. The communications to him of the irregularities detected in the course of audit in the office of the Accountant General will enable the Director really to know what defects and drawbacks in each treasury required to be remedied.

26. Deleted.

27. The sub-treasuries in a district should be inspected as follows :-

(1) There should be one annual technical inspection of each Sub-treasury. In his Jurisdiction by the District Treasury Officer, and one general inspection once in three years by an Assistant Director of Treasuries. In addition the District Treasury Officer

should make surprise inspections of cash and other valuables in the Sub-treasuries at least once every half year.

Note 1:- Wherever there are posts of Assistant Treasury Officers in the District Treasuries, Officers may, at their discretion, depute the Assistant Treasury Officer for conducting annual technical inspection of the sub-treasuries.

Note 2:- The District Treasury Officers are, however, permitted to depute the Assistant Treasury Officer or the Head Accountant, to conduct surprise inspection of Sub-treasuries on their behalf.

(2) During their inspections, the Inspecting Officers should direct their attention especially towards verifying the stocks of stamps in addition to checking cash balance opium, ganja, etc., articles kept in safe custody, stock of forms, etc., and other valuable and ascertaining whether the staff is duly qualified and efficient whether the conveniences of the public having transactions with the treasury are attended to and whether the treasury business is conducted according to the instructions laid down in the Code and in the Accountant General's Circulars. The questions prescribed for use during technical inspections are given in Appendix IV. They should be answered by the inspecting officers after personal examination and a report submitted by him to the Director of Treasuries immediately after the inspection is over. The inspection report should be promptly reviewed by the Director of Treasuries and necessary instructions, should be issued for the rectification of defects brought to notice. The directions contained in Article 10 will also be followed mutates mutandis, by the inspecting officers.

(3) The District Treasury Officer's technical inspection of sub-treasuries once a year may be made without notice. During his inspection, the District Treasury Officer should see that the rules prescribed for the custody and periodical examination of cash, stamps and other valuable are strictly followed, that the accounts are correctly compiled and submitted in time, and that the working of the treasury has improved in every direction since the last inspection. The prescribed questions in the Inspection Report should be answered by the District Treasury Officer himself after careful examination.

28. Director of Treasuries should instruct officers inspecting sub-treasuries to note in their reports any irregularities or informalities which come under their observation in the course of inspection, though not connected with the printed questions of the report, and any suggestions that may appear deserving of consideration to promote the efficiency of the treasuries.

29. The Inspecting Officers should see in particular that the rules governing the custody of moneys, etc., under double locks are observed in letter as well as in spirit, that the boxes in which cash, stamps, etc., are kept are in good order, that the guard is posted properly, that the Treasurer or Shroff is not allowed to keep too much money in his hands, that the spare stocks of bill forms and cheque books are kept under proper custody, that the deposit registers and registers and files of Pension Payment Orders are all up-to-date, that the treasury returns are rendered punctually on the due dates, that the circulars received from the Accountant General are understood and filed to date, and generally, that the treasury registers and records are in good order. They should also notice the degree of supervision exercised by the Treasury Officer in respect of the examination of coin presented by the public and its withdrawal from circulation, if tampered with or unduly worn.

Note :- The disbursing officer's halves of the Pension Payment Orders should be checked individually with the entries in the Register of Pension Payment Orders to ensure that all the halves are in tact. A certificate should be furnished in the Inspection Report that this was done.

30. Each District Treasury will also be inspected periodically, by an officer of the Indian Audit Department.

A brief report of such inspection will be drawn up and sent to the Director of Treasuries. The report will be in two parts, one relating to currency, resource and public debt matters, and the other dealing with other points. The Accountant General will also send a copy of the first part of the report to the Currency Officer, Bangalore. The Director of Treasuries will pass such orders as he considers necessary on both the parts of the report, and send a copy thereof to the Accountant General, a copy of the orders on the first part being sent to the Currency Officer also, simultaneously. The Currency Officer will return his copy of the report with the copy of the orders of the Director of Treasuries thereon to the Accountant General indicating whether, so far as matters dealt with by the Reserve Bank are concerned, the action taken is adequate, or whether any further action is required. The Accountant General will report to Government any matter brought to notice in the report which, in his opinion, should receive the attention of Government, or in respect of which he considers that the action taken by the Director of Treasuries is inadequate.

The general result of the inspections and the final orders passed thereon will be summarized by the Accountant General and included in his Annual Review on the working of Treasuries.

The inspection of Treasuries by the officers of the Indian Audit Department does not in any way, lessen the responsibility of the Director of Treasuries for the management and inspection of treasuries in the State.

Note :- The Report of Inspection issued by the Accountant General should be disposed of expeditiously by the District Treasury Office, and the action taken thereon intimated to him within a month of its issue.

## **XI. ANNUAL REPORT ON THE WORKING OF TREASURIES**

31. A review of the working of the Treasuries will be prepared by the Accountant-General annually (for the year ending 31<sup>st</sup> March) embodying the results of their working only so far as accounts are concerned. This will be sent to Government in the Finance Department for necessary action and a copy to the Director of Treasuries simultaneously. The Director then, should prepare an administration report on the working of the Treasuries, as prescribed by Government from time to time for the year ending 31<sup>st</sup> March each year. This will be sent to Government along with his remarks on the review of the working of the treasuries received from the Accountant-General.

## **XII. DESTRUCTION OF RECORDS**

32. The periods for which the various records of the treasuries are to be preserved are given in Appendix V.

"The District Treasury Officer should also satisfy himself that the records proposed for destruction are non longer required for the use of the treasury for the purpose of reconciliation audit of interest in respect of unaudited savings Bank accounts and for such other similar purposes".

Note 1 :- If any case of defalcation relating to a treasury or sub-treasury is pending disposal, records connected therewith, either directly or even remotely, should not be destroyed without the specific orders of Government.

Note 2 :- In treasuries the records and registers to be preserved for several periods should be sorted and entered in the Records Receipt Register in Form K.T.C 70.

For the issue of records for reference to case workers, Register in Form No. XIII (Records Issue Register) prescribed in the Manual of Office procedure should be maintained."

Note 3:- The records should be destroyed after completion of the period of retention as per Appendix V Karnataka Treasury Code Volume II computing the period from the last day of the financial year in which the record is completed.

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## **CHAPTER III**

### **CUSTODY OF TREASURY**

#### **I. Introduction**

33. The directions in this chapter relate to the custody of treasure and other valuables in treasuries, and are intended for their safety. They shall therefore be observed in every minute detail by Treasury Officers.

Director of Treasuries, District Treasury Officers and Tahsildars are responsible to see that these directions are strictly complied with, in the treasuries under their control, and to take serious notice of any tendency to disregard them.

Note- As there are no non-bank district treasuries in the State the procedure relating to such treasuries is not dealt within the following rules.

#### **II. SECURITY OF STRONG ROOMS**

34. The following rules shall regulate the security of strong rooms of Treasuries:-

(a) Without the special permission of Government, no place shall be used as a strong room unless it is first certified to be secure and fit for use as such by an officer of the Public Works Department not below the rank of an Executive Engineer. In certifying to the suitability of the room the inspecting officer mentioned in clause (b) may prescribe any necessary conditions as to the manner of storing the coin as e.g., that it must not be piled on trestles, but must be kept in boxes, that no bags or boxes be

placed within a prescribed distance of the wall or in any particular part of the room. The inspecting Officer must specially examine the condition of any of the enclosing walls which are so situated that they are not, on the outside, under the observation of the guard.

(b) In order to ensure security arrangements in Treasuries, the strong rooms of the Treasuries should be jointly inspected by the officers of the Police, Public Works and Treasury Departments annually before 30<sup>th</sup> June as indicated below.

1. District Treasuries:
  - (1) Superintendent of Police
  - (2) Executive Engineer and
  - (3) District Treasury Officer.
2. Sub Treasuries:
  - (1) Inspector of Police
  - (2) Assistant Engineer and
  - ((3)Sub Treasury Officer)

The Officers should examine the defects, if any, in the strong rooms or the security arrangements made in respect thereof and take remedial measures promptly in so far as the defects relates to their Departments. The report of joint inspection should be hung inside the strong room in a conspicuous place.

A copy of the report of the joint inspection and order of the district Superintendent of Police of the District Treasuries should be sent to the Director of Treasuries and the copies of reports in regard to Sub-Treasuries should be sent to the District Treasury Officer who in turn will keep the Director of Treasuries informed of this.

“Note: - The district Superintendent of police shall record an order prescribing the positions of the centries and may also require any additional precautions to be taken in the strengthening of fastenings, burning of lights, etc., but the responsibility for the security of the building and its fixtures shall remain with the Executive Engineer and that for the security of the chests and other treasury furniture, not being part of the building or fixtures with the officer in charge of the treasury.”

(c) The doors and windows of the strong room shall remain permanently closed and locked, except during the time necessary for moving coin or other valuables into or out of it.

(d) As an exception to the last rule, the opening of the shutters is permitted during office hours, in the aperture which is otherwise barred, if it is necessary for the admission of light or air to any other part of the building; provided that coin or valuable remain securely packed under lock and key.

(e) Only Chubbs, Hobbs or Godrej locks should be used for the treasury strong rooms and double lock for main stores.

### **III. CUSTODY OF PADLOCKS AND DUPLICATE KEYS OF STRONG ROOMS.**

35.(a) The following are the rules for the custody of padlocks and duplicate keys of treasury strong rooms: -

(1) A register of all padlocks belonging to the District and Sub-treasuries shall be maintained in Form No. K.T.C. 68.

(2) Every padlock shall have a number impressed upon it, or attached to it by a metal or other label, and the same number shall be impressed on or attached to each key belonging to it. No two padlocks in the same district shall bear the same number.

(3) If padlock becomes unserviceable, or ceases to be required, or if any one of the keys belonging to it is lost, the circumstances shall be reported to the Director of Treasuries, who shall pass orders regarding the disposal of the padlocks and keys. No padlock, of which a duplicate key has been lost, shall continue to be used in the same district. No spare padlocks should be kept at a sub treasury, or except with permission of the Director of Treasuries, at a district treasury.

(4) No local mechanic shall ever be allowed to repair a treasury padlock or to make a new key for one.

(5) The duplicate keys of the locks of the strong room (including the duplicate keys of all receptacles, of the sub-treasury, should, as far as possible, be deposited for safe custody, in a sealed packet, in the local branch of the Agency Bank free of charge and on reciprocal basis. Where the above course is not feasible, the keys should be deposited, in a sealed packet, in the District Treasury.

"Note: - The packet containing the duplicate keys of the sub-treasuries should be sealed with the official seal of the Treasury in the presence of double lock officers who should affix their signatures on the sealed packet."

(6) All spare padlocks with their keys, which are held in the district treasury with the approval of the Director of Treasuries, and all duplicate keys except those belonging to the locks of the headquarters strong room door and those deposited in the bank, vide sub-rule (5) supra, shall be kept in the headquarters strong room under double locks, the key of one lock being in the hands of the Treasury Officer and of the other, in the hands of the Treasurer/Stamp Head Clerk. Shroff. The duplicate keys of the district Treasury Strong Room should be secured in a packet duly sealed with the official seal of the Treasury in the presence of both the double lock officers who should affix their signatures on the packet and then deposited for safe custody in the local branch of the Agency Bank free of charge on reciprocal basis.

Note: - The District Treasury Officers are, however, empowered to supply spare padlocks and keys to sub-treasuries in their districts in case of emergency, and also for emergent use at district treasuries and a report should be sent to the Director of Treasuries.

(7) The duplicate keys of the locks of the strong room of the State Huzur Treasury shall be deposited in the State Bank of Mysore, Bangalore.

(8) Once a year, soon after April, the duplicate keys shall be sent for, Exchanged, and returned to the appointed place, under fresh seals of the Treasury Officer and the Treasurer/Stamp Head Clerk/Shroff, a note being made in the register vide sub-rule (1) that they have been Exchanged.

Note: - The sealed packets of duplicate keys of sub-treasuries deposited in the district treasury will be taken to those treasuries by the District Treasury Officer himself, personally, at the time of his inspections and got back under fresh seals of the double-lock officers.

(9) Whenever the change of a Bank treasury is transferred or a Treasurer/Stamp Head Clerk/Shroff is changed, all padlock and duplicate keys belonging to the treasury shall be examined and compared with the register and a certificate signed that they have been found to be correct.

(b) There is no objection to the above rules being modified in particular points to suit local convenience under special orders of the Director of Treasuries, the matter being simultaneously reported to Government. The essential points to be borne in mind in sanctioning any modification of the rules prescribed are: -

(1) that some person or persons shall be definitely responsible for the custody of duplicate keys:

(2) that the where about of the keys shall be enquired into, periodically, and also whenever charge is transferred:

(3) that when the loss of a key is discovered, the loss shall at once be reported to the Director of Treasuries by whom such orders should be issued as will prevent the risk of access to the lock by any one into whose hands the lost key may have fallen; and

(4) that an unnecessary number of duplicate or spare locks and keys shall not be supplied in the first instance, or retained when they have ceased to be required.

(c) At every inspection of a treasury, the inspecting officer shall report whether he has found the padlocks and all keys (except the duplicate keys of the strong room locks deposited elsewhere) correct and deposited in accordance with these rules.

#### **IV. STORING OF TREASURE**

36. (1) The following are the authorized methods of storing coins and notes in strong rooms: -

(i) Coin: - Coin should be made up in bags of uniform size each containing Rs.100, Rs.500 Rs.1,000 or Rs.2,000, as is estimated to be most convenient for local conditions; but one of these sizes must be selected and adhered to. A slip in Form K.T.C. 4 showing the description and tale of the contents and signed by the persons who have counted and examined them should be placed in each bag. The bags should then be tied up with string.

(ii) Notes:- Notes should be made up in bundles of 100 each for each denomination, any balance of less than 100 forming a separate bundle. Each bundle should then be stitched with a label in Form K.T.C. 5 at the top, showing the denomination and number of the notes and signed by the person by whom they have been counted and examined.

(2) Coin may be stored in either of the following ways: -

(i) uniform contents, placed in strong iron boxes or safes, or wooden chests, or built recesses or wells, each of which has two independent locks, both of which must be opened before access is obtained to the contents. One of the keys should remain in charge of the Treasurer/Stamp Head Clerk/Shroff, the other in that of the Officer in charge; or

(ii) In bags of uniform contents piled upon trestles, but this method is not admissible unless every door, window, drain, skylight, ventilator, or other aperture in the walls of the strong room are so closed as to prevent the insertion of any rod or instrument within the room.

(3) Coin may also be stored temporarily in boxes prepared for remittances in the manner prescribed in Appendix I- Part XI.

(4) All notes should be stored separately from coin in a tin box, or other receptacle designed to protect them from injury by damp, insects, etc.

37. To guard against the risk of uncurrent or counterfeit coin being substituted in a treasury for good coin presented by the public or received in remittance, Shroffs or other Government servants who handle coin in treasuries should, on arrival for the day's work, give up to the Treasury Officer or a responsible subordinate to whom the Treasury Officer may delegate the duty, all coins carried with them at the time. The coins will be restored, when the men leave office at the close of the day's work.

## **V. CUSTODY, OF MONEY, ETC., UNDER DOUBLE LOCK**

38. (A) Save as provided in this Article, the bulk of the treasure must remain under double locks in the treasury strong room, with double locks for its entrance also. The keys of one set of these locks shall invariably be with the Treasury Officer while those of the other set shall be with the Treasurer/Stamp Head Clerk/Shroff.

Note 1:- Wherever receptacles with single lock have to be used within the strong room unavoidably, which should be for a temporary period only. Treasuries should adopt suitable devices which will necessitate the presence of both the double-lock officers for unlocking and locking the receptacles.

Note 2:- These rules apply mutatis mutandis to the custody of Stamps and other valuables also.

Note 3:- The account of the stock, sales and issue of the cheque books and service registers shall be maintained in Form K.T.C. 71 in the Treasuries.

(b) The Treasurer/Stamp Head Clerk/Shroff holds in his separate custody a sum sufficient for the convenient transaction of the Government business, and this sum, together with the value of stamps, opium, etc., in his sole custody, must not be larger than the security given by him. The sum so held should be seen and roughly verified by the Treasury Officer every evening and locked up in the strong room under double locks.

39. (a) The treasury Officer and the Treasurer/Stamp Head Clerk/Shroff must both personally unlock the double locks of the strong room door with the keys in their custody when it is necessary to give out any cash or stamps in the morning, or to put away in the evening the collections of the day or Stamps, which are in excess of the amount allowed to be kept under single lock. On no account should the Treasury Officer or the Treasurer/Stamp Head Clerk/Shroff hand over his key or send it through a messenger, to the other. Both of them must be present in the strong room from the time it is opened till it is closed and locked. If any one of them has to leave the strong room before the double lock transactions are completed, the strong room should be double-locked immediately and re-opened only when both become available.

(b) A double-lock receptacle shall not be kept open or unlocked for longer than is necessary, and in no circumstances shall more than one double-lock receptacle be kept unlocked at a time. As soon as the transaction relating to a receptacle has been completed. It shall be properly double-locked.

(c) Only the persons necessary for the work to be done in the strong-room should be taken into it, and immediately one of the double-lock officers shall close the strong-room and secure its entrance by a chain, or other impediment to free ingress, so that no one else will be able to enter without attracting attention. The door shall not be reopened until the work has been completed and the cash, stamps, or other valuables, are ready to be taken out of the strong room. A register in form KTC 72 showing the names of all persons who enter the strong room on each occasion, with the time of entry

and leaving, shall be maintained by the Treasurer/Stamp Head Clerk/Shroff or cashier and kept in a locked receptacle inside the strong room. The treasury Officer shall check and initial it before closing the strong room on each occasion.

40. Before closing the strong room for the day, the Treasury Officer and the Treasurer/Stamp Head Clerk/Shroff shall each satisfy himself that every double-lock receptacle in the strong room has been double-locked. Then both the sets of keys relating to those receptacles should be deposited in the strong room itself in a separate double-lock receptacle and double-locked. The key of one lock of this receptacle will be taken to the custody of the Treasury Officer, while that of the other will be taken by the Treasurer/Stamp Head Clerk/Shroff. The strong room should thereafter be got closed, and the padlocks on its entrance locked personally with their keys by the said double-lock Officers. The padlocks of the entrance of the strong room should be sealed by the official seal of the Treasury Officer in the presence of both the double lock officers and the Officer-in-charge of the Police Guard, who has been done properly. Thereupon the two double lock officers shall place both of their keys, one relating to one of the locks of the double lock receptacle of keys inside the strong room and the other relating to one of the padlocks of the strong room door in separate leather bags. The leather bags of these keys shall remain in the personal custody of the double lock officer the official seal being kept in the personal custody of the Treasury Officer.

#### **VI. RECEIPT AND ISSUE OF MONEY INTO AND FROM DOUBLE LOCKS**

41. The following rules must be carefully observed in receiving money into or giving it out from double locks: -

(a) In receiving coin into double locks, the Treasury Officer should cause the contents of each bag to be emptied into the scales, weighed and pured into another bag which should be tied up in his presence with the slip in Form K.T.C. 4 placed inside it. The bags thus tested should then be counted into the chest.

(b) In receiving notes into double locks, the Treasury Officer should count the notes in each bundle and satisfy himself that the notes are all of the alleged value, that is, that a note of a lower denomination has not been included in a bundle for a higher denomination, and sign the label in Form K.T.C. 5 on the top as a token of this verification. The bundles thus tested should then be counted into the chest.

In the case of fresh notes of the denominations of Rs.10 and Rs.5 received in a remittance from the Currency Office, the detailed check may be confined to one bundle in every ten taken at random.

(c) Notes may be given out of double locks by counting the number of bundles.

(d) Coins may be given out of double locks by counting the number of bags.

(e) Every amount passed into or passed out of double locks in a non-bank sub-treasury should be registered at the time in Form K.T.C. 6 (Register of Double Lock Cash transactions) by the Sub-Treasury Officer with his own hand, and a memorandum should be kept in each chest showing its contents. Each transaction entered in this register shall be initialed at the time by the Treasury Officer and the Shroff, while the corresponding entries in the Shroff's Daily Balance Sheet, Form K.T.C. 7 shall be made by the Shroff. The Treasury Officer's Register Form K.T.C.6 shall be kept in the Strong room, and at the end of each day, the Treasury Officer shall carefully check and attest, by his initials, the double lock entries in the Shroff's Daily Balance Sheet by comparison with those in his Register of Double lock Transactions.

(f) Money arriving from a distance too late in the day for examination may be kept in sealed bags under double locks but only until the next working day, the fact being recorded in the prescribed register.

## VI. VERIFICATION OF CASH BALANCE

[42. In non-bank sub-Treasuries the Sub-Treasury Officer should verify the cash balance on the evening of the closing day of the month and sign the daily sheet and the cash balance report to be rendered to the District Treasury. The cash balance report will be in Form K.T.C.8].

Note 1:- Closing days of the several months in the year shall be as under:-

31<sup>st</sup> in March;

25th in other months.

If those days happen to be holidays the previous working day shall be the closing day.

(Note 2.- District Treasuries and Sub-Treasuries the cash balance of which is conducted by the bank, have been allowed imprest to meet certain payments. The balance held in such imprests in the Sub-Treasuries should be verified by the District Treasury Officers during their technical inspection. The Sub-Treasury Officer should verify the balances and record the result of such verification every month on the last working day of the month.)

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43. The following procedure shall be adopted for verifying in the cash balance:-

(a) **Rupee coins.**- Every bag should be opened and the contents poured into the scales and weighed; but if the coins are kept in net bags, the bags may be passed through the scales without being opened. If scales of sufficient size are not available, the bags must all be examined by actual count of the coins.

(b) **Copper, bronze and nickel coins.**- there is no specific rule in regard to these coins. The verifying officer may adopt any method of verification which he thinks satisfactory; but he must remember that he is personally responsible for the correctness of the balance stated by him. He should occasionally count the bags and examine their contents; but it is not essential to do so every month.

(c) All notes of denominations above Rs.100 must be personally counted by the verifying Officer. For notes of lower denominations, the following procedure be followed:-

The notes being in bundles of certain marked number, a few notes at the top may be folded back and the rest counted by the clerks or Assistants. The verifying officer will then see in the case of each bundle whether the addition of the notes folded back to the number already counted and marked makes up the whole alleged number of the bundle. The clerks or Assistants so engaged should not be persons responsible for the correctness of the bundles and the verifying officer should satisfy himself that the notes in the bundles are all of the alleged value that is for example that a ten rupee note is not counted as one of a fifty rupee note bundle.

(d) These rules should be printed and pasted on to a board and hung up in the strong room, in a conspicuous place.

## **VII. EXAMINATION OF CALENDAR RETURNS**

44. At the time of verification of the cash balance, the verifying officer should personally examine the calendars maintained at the Treasury and satisfy himself that all accounts and returns due up to that date have been sent by the treasury.

In the case of bank sub-treasuries, these calendars will be examined by the 1(x x x) Sub-Treasury Officer at the time he signs the daily sheet for the closing day for the month and the fact certified in that sheet before its dispatch to the District Treasury.

In the District Treasuries which are all bank treasuries, the calendar of returns should be examined by the District Treasury Officers, at the time they sign the monthly accounts to be sent to the Accountant General.

## **IX CASH BALANCE REPORT**

45. (a) A cash balance report for the district for the last day of the month should be prepared in Form K.T.C.9, for transmission to the Director of Treasuries vide Article 159. It shows separately the value of each kind of coin as well as each denomination of notes held in the district.

(b) The total balance should be stated in words, and its distribution between the several non-bank sub-treasuries should be exhibited so as to show the amounts held in each in notes, in whole rupees, in small silver, in nickel and in bronze and copper.

Note:- The balances included in this report will be those of non-bank sub-treasuries shown in their cash balance report for the closing day of the month in Form K.T.C.8.

46. The report provides also for a memorandum detailing: -

(i) the remittances to other districts, dispatched, in the past month, with any of previous months for which first acknowledgments have not been received, the date of dispatch being given in each case;

(ii) the remittance received from other districts in the past month, with dates of dispatch and receipt and of the dispatch of the first and the final acknowledgments.

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## **CHAPTER – IV**

### **CLASSIFICATION OF TRANSACTIONS**

#### **I. Board Classification**

47. Unless expressly provided otherwise, each item of receipt and payment occurring at a treasury should be broadly classified in the treasury accounts-

(a) firstly, with reference to the Government to which the transaction appertains, t.e., the Central or the State Government concerned; and

(b) secondly, with reference to the department or such heads of receipts and expenditure as may be required by the Accountant General.

Note 1.- The name of the government to which the transaction relates will be marked prominently on challans and vouchers.

Note 2.- In order that the transactions pertaining to the Central Government may be correctly recorded against the balance of the Central Government, all challans, bills, cheques, etc., which serve as evidence for payments into or withdrawals from the Consolidated Fund and the Public Account of India, or on the authority of which adjustments in the initial accounts are made against the balance of the Central Government by treasuries and the Bank, shall be printed on blue paper: whenever forms other than those of blue colour are used such forms must invariably be so prominently marked as to indicate clearly that they pertain to transactions of the Central Government.

48. Any transaction which cannot be allocated directly to any particular department or to any of the prescribed heads of classification, should be entered in the accounts as an "un-classified item", the debits and credits to this suspense head being cleared by the Accountant General, by adjustment under the appropriate head of account.

#### **II. Transactions with other Government**

49. The transactions of the Central Government, excluding those of the Railways, the Posts and Telegraphs and the Defence Services in the treasuries should be accounted for in sets of books and registers entirely separate from those of the State Government.

50. The transactions of the Central Government, excluding those of the Railways, the Posts and Telegraphs and the Defence Services in the treasuries should be which will be taken by the Bank direct to the accounts of the Central Government should be incorporated in the "central" section of the treasury accounts under the appropriate heads of classification, the net credit or debit being taken to the head "reserve Bank Deposits-Central". Such transactions occurring at a non-bank treasury should likewise be

accounted for under the appropriate heads of receipts and payments in the "Central" section of the treasury accounts, but the daily totals of those receipts and payments should be entered in the State cash book under the suspense head "Adjusting Account between Central and State Governments".

Note- Transfer transactions whether at a bank treasury or non-bank treasury will be cleared through the Adjusting Account between Central and State Government.

51. Transactions relating to other States whether taking place at a bank or non-bank treasury should be classified in the "State" section of the treasury accounts under the suspense head "Inter-State Suspense Account-Government of .....".

### **III. Transactions on behalf of Railways**

52. Transactions with or on behalf of Railways taking place at a treasury should be classified under the head "Adjusting account with Railways" in the "State" section of the account. These transactions should be entered in the treasury accounts in lumpsums for each Railways without details in the manner prescribed for departments which draw money by cheques (vide Article 66).

Note- The transactions of Railways of Offices and branches of the Reserve Bank of India or its agencies will be taken against the Railway Fund in the books of the Reserve Bank direct and such transactions will not pass through the treasury accounts.

### **IV. Transactions on behalf of the Posts and Telegraphs**

53. Transactions with or on behalf of the Posts and Telegraphs Department, taking place at a treasury, should be classified under the head "Adjusting account with Posts and Telegraphs" in the State section of the treasury accounts. These transactions should be entered in the treasury accounts in lumpsums for each Posts and Telegraphs Accounts Officer without details, in the manner prescribed for Departments which draw money by cheques.

Note 1.- Transactions on behalf of the Posts and Telegraphs Department taking place in branches and agencies of the Reserve Bank will not pass through the treasury accounts. But deductions of the Postal Life Insurance premia from pay bills, payments by Postal Money Orders by Treasury Officers, and sale of postage stamps, taking place at bank treasuries, will not however be taken direct against the accounts of Posts and Telegraphs, but will appear in the treasury accounts under the head "adjusting accounts with Posts and Telegraphs".

Note 2.- A covering schedule in Form No.K.T.C.29-A along with the deduction statements of the Postal Life Insurance Premia may be sent to the Accountant General along with the receipt schedule of postal transactions to be rendered with the monthly cash accounts, care being to see that the total amount of the covering schedule agrees with that shown in the receipt schedule under Form No.K.T.C. 29- Miscellaneous receipts-Postal receipts by transfer.

Note 3.- The transactions relating to sale of B.R.L. Fee Stamps should be classified under the minor head 'B.R.L. Fee Suspense' under the major head "858-Suspense Account" under Central Section.

The head adjusting account with Post and Telegraph should not be operated for these transactions from 1<sup>st</sup> April 1975 and onwards.

The Treasuries will prepare separate schedule of B.R.L. Fee Stamps sold to Post Offices indicating therein the name of the Post Office and the value of the B.R.L. Fee Stamps sold to him. This schedule should be sent by the Treasuries direct to the Accountant General along with the monthly accounts together with one copy of the requisition from ACG-39 in support of the entries in the schedule of B.R.L. Fee Stamps sold to Post Offices”.

#### **V. Transactions on behalf of the Defence Services**

54. Transactions with or on behalf of the Defence Department, taking place at a treasury, should be classified under the head “Adjusting Account with Defence” in the ‘State’ section of the treasury accounts. These transactions should be entered in the treasury accounts in lumpsums for each Defence Accounts Officer without details, in the manner prescribed for departments which draw money by cheques.

Note.- Transactions on behalf of the Defence Department taking place in branches and agencies of the Reserve Bank will not pass through the treasury accounts, as they will be taken direct against the Pro forma Defence Account in the books of the bank.

#### **VI. Transactions Relating to Pakistan**

55. The transactions relating to Pakistan should be booked under the major head ‘Accounts with the Government of Pakistan’ under “S-Deposits and Advances Part III-Advances not bearing Interest” in the ‘State’ section of the treasury accounts. Under that head, the transactions relating to each Provincial Government in Pakistan will appear under separate minor heads supported by separate schedules.

#### **VII. Transactions on behalf of other Foreign Governments**

56. Transactions on behalf of other foreign Governments should be classified under appropriate heads of account in the “Central” section of the treasury accounts.

#### **VIII. Accounts with the Reserve Bank**

57. Receipts and payments on account of the Reserve Bank originating in a treasury or sub-treasury should be credited or debited to the head “Accounts with the Reserve Bank” in the “State” section of the treasury accounts.

“The accounts in respect of expenditure initially incurred by treasuries on account of remittance of treasury on behalf of the Reserve Bank of India should be prepared and submitted to the audit office along with the treasury accounts each month. The particulars of remittances accounts with the R.B.I. with details such as (i) amount of cash transferred (ii) places from and to when transferred (iii) orders of competent authority ordering the remittance and (iv) date and remarks. In respect of telegram charges claimed the sub-vouchers with ‘paid’ stamps should invariably be attached to the treasury schedule along with other supporting vouchers. The references received from the Accountant General in this behalf should be promptly attended to by Treasury Officers in order that the claims for reimbursement of remittance charges could be presented to the R.B.I. by Accountant General within a period of three years from the date on which the relative charges have been paid by the treasuries”.

#### **IX. Remittances**

58. A remittance whether made direct or through currency chests between two treasuries in different districts should be classified as a “Local Remittance”.

Remittances between two treasuries in the same district should be treated merely as "Transfers within the Treasury" and watched through the Head Accountant's Balance Sheet (Form K.T.C.10). If, however, the business of the remitting or receiving treasury is conducted by the Bank, the remittance should be classified as a 'Local Remittance'.

59. Remittances from a district treasury, whether bank or non-bank, to the Mint should be accounted for in the treasury accounts as payments on account of the Central Government and classified as "Foreign Remittances".

60. Remittances between a treasury and a Small Coin Depot should be accounted for in the treasury accounts as receipts or payments of the Central Government and classified under the following heads:-

'Small Coin Deposit Remittances'- If the depot and the treasury render accounts to the Accountant General, Karnataka.

'Foreign Remittances'- If the depot and the treasury render accounts to different Accounts General.

#### **X. Reserve Bank of India Remittances**

61. All transactions connected with the drawings and encashments of Telegraphic Transfers and Drafts on Reserve Bank Account, should be classified in the accounts of the treasury as "Reserve Bank of India Remittances" receipts or payments, as the case may be.

Note.- Actual telegram charges recovered by Treasuries for issue of Telegraphic Transfers will be credited as miscellaneous receipts of the Treasury, the expenditure for the dispatch of telegrams being debited to Treasury Contingencies.

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### **CHAPTER-V**

#### **PAYMENT OF MONEYS INTO THE TREASURIES AND WITHDRAWALS THEREFROM**

##### **SECTION A-INTRODUCTORY**

62. The rules in this Chapter shall regular the procedure to be followed for the payment of moneys into the Consolidated Fund and the Public account of the State and the withdrawal of moneys therefrom. Directions applicable to non-bank treasuries are given in Section 'B' and those applicable to bank treasuries, in Section 'C'.

Note 1.-These directions, being analogous to the corresponding provisions in the Complication of the Treasury Rules of the Central Government, can be applied by the treasuries for regulating the payment of moneys into and withdrawals of moneys from the consolidated Fund and the Public Account of India also subject to the special

provisions laid down in the Central Treasury Rules in respect of particular classes of transactions.

Note 2.-A bank Treasury differs from a non-bank treasury only in regard to the mode of conduct of its cash business. In the case of a non-bank treasury its cash business is conducted at the treasury itself, in the Cash Department, under the Control of the Treasury Officer, after the relevant challans, bills or cheques are scrutinised and passed in the Accounts Department. In such a Treasury, entry of the transactions in the treasury account precedes the actual receipt for payment of cash, and as the returns of one department are used as a check over those of the other both the above processes have necessarily to be completed the same day.

In the case of a bank treasury, however the cash business be conducted at the bank, under bank's control, generally, after the relevant challans, bills or cheques are scrutinised and passed by the treasury. This prior scrutiny by the treasury is dispensed with in the case of challans or cheques passed or drawn, as the case may be, by departmental officers. In specified cases, moneys are accepted for credit to Government account at the bank even without the scrutiny either of the treasury or of the departmental officers. In the above circumstances, the system followed in a non-bank treasury of entering the transactions in the relevant accounts at the treasury before moneys are received or paid and of securing agreement between the returns of the Accounts and the Cash Departments at the close of the day, is not practicable in a bank treasury. The transactions are therefore, entered in the treasury accounts only after are reported by the bank through its daily accounts as explained in Chapter VI

Note 3.-The term 'cash business' does not include receipts or issue of stamps, opium, ganja, etc.

Note 4.-All the district treasuries and a number of sub-treasuries in the State are bank treasuries.

## **SECTION B SECTION B-NON-BANK SUB-TREASURIES**

### **1. General**

63. The Treasury is divided into two department, viz., the Accountants Department and the Cash Department. The Accounts Department is under the charge of the Nagadi Gumasta, while the Cash Department is in charge of the Shroff.

Note: The Accounts and Cash departments shall be separate so far as the officers and the record of transactions are concerned, the return of one being used as a check over that of the other, by the Sub-Treasury Officer. The departments should if possible, be in different rooms. The sub-treasury officer however will sit in front of the strong room in sight of the shroff. No persons unconnected with treasury should, on any pretence, be allowed admission either into the Accounts f the Cash department beyond the bar or the counter.

Note 2.- The directions in chapter IV do not apply to the Cash Department.

64. No sum paid by any party into the treasury may be kept out of the Treasury accounts.

### **I. Payment into the Treasury (a) Detailed Procedure**

65 (a) A person having to pay money into a sub-treasury, should first go to the Nagadi Gumasta with challans prepared in the prescribed form, showing briefly the head of account, the purpose, and the amount. If the amount is creditable to a head of receipt for which detailed collection registers are maintained in the revenue branch of the Taluk Office, it is essential that the credit should first be noted in the departmental record concerned. Accordingly, a Village Officer (i.e., a Shanbhog, Patel or Village Accountant) paying his collections for which a departmental register is maintained in the Taluk Office, should present his vasuli book along with the challans, which will be drawn up in the prescribed form, to the departmental Gumasta, who after making the necessary entries in his accounts, will initial the challans and pass them on to the Nagadi Gumasta. If no departmental register is maintained, the challans should be presented to the Nagadi Gumasta direct.

Note: Revenue and connected cesses may be included in the same challan.

(b) The Nagadi Gumasta, if there is no objection to the receipt of money, will enter it in the proper subsidiary register, or the Day Book. Central or State, initial the challans, and then place both the challans and the subsidiary register or the Day Book, before the Sub-Treasury Officer, who, after examining the challans and satisfying himself about their correctness, will compare them with the entries made in the subsidiary register, or the Day Book, initial the latter, and sign a receiving order on the duplicate copy of the challan authorising the shroff to receive the money. The challans should then be handed over not to the party, but to the Shroff direct for receipt of money.

(c) The Shroff after counting and examining the money will receive it, making an entry in his cash book (Form KTC I I) He will then affix his signature in the acknowledgement portion of the original challans and initial the second copy in acknowledgement of the amount and then return the challans to the Nagadi Gumasta for the preparation of the receipt. The Nagadi Gumasta after satisfying himself that the receipt of money is acknowledged by the Shroff on the Challans, will affix his signature also in the acknowledgement portion on the original challans and after obtaining the signature of the Sub-Treasury Officer also thereto, return it to the remitter of money, as a receipt. where a remittance book is presented with the money, that book takes the place of the original copy of the challans.

Note: - All receipts must be written in figures and in words in the original and such other copies of challans as are required to be given to the tenderers of money, and signed in full over the cash received/received payment Stamps; other copies of challans may however be initialled against the amount already indicated therein over the Cash received/received payment Stamps.

(d) Receipts given in village Officers' vasuli or irsal book should be similarly signed by all the three officials. The Shroff should not, on any account, receive any money, on any challans, unless supported by a receivable order thereon signed by the Sub-Treasury Officer, if the Shroff does not actually receive the amount receivable on a challan passed by the Accounts Department, he will take it back to the Sub-Treasury Officer, who will then have the entries in the subsidiary register, or the Day book, as well as his signature on the receivable order on the challans cancelled.

(e) The following points should also receive attention: -

(1) It is important that the public who tender money at a sub-treasury should know that no receipt is valid or binding on Government unless it is signed by the Sub-Treasury Officer, the Nagadi Gumasta and the Shroff. A notice to this effect in both English and Kannada should be hung up in a place where it would be prominently in evidence.

(2) It is necessary to arrange for the receipt of land revenue collections to the sub-treasuries before a certain fixed date in each month as to allow sufficient time to challans and khirdies, duly prepared, should therefore be presented to the taluk office before the 23<sup>rd</sup> in ordinary months, and before the 28<sup>th</sup> in March. No remittances received after that date should ordinarily be accepted.

(3) When a Village Officer remits the land revenue collections of more than one village to the treasury, on the same day, it is not necessary for him to present a separate challan for the collections of each village. He may present one challan in which are entered (1) the total collections of all the villages, in separate money columns according to their nature, for being entered in the concerned subsidiary register, and (ii) the total collections [without details] for each of the villages, for comparison with vasuli book by the departmental Gumasta.

(4) Where a subsidiary register is kept, the sub-treasury should enter, in the appropriate columns thereof, all the items of credit as given in the challans presented to it.

(5) Challans must be numbered in a separate monthly series for each subsidiary register with a distinguishing letter, or letters, prefixed to denote the subsidiary register concerned. Challans entered direct in the Day Book will also be numbered in a separate monthly series.

(6) When money is received by postal money order, the money order coupon which contains full particulars will be the challan, and simultaneously with the signing of the acknowledgement in the money order form, the entry in the subsidiary register, or the Day Book; should be attested by the Treasury Officer, and the credit number and date should be noted in the acknowledgment portion to be delivered to the remitter.

(7) Deleted.

(8) Fees for examinations will be presented entries with a challan in duplicate, or with a single challans and the application. In the former case, the procedure laid down in clause (c) above will apply. In the latter case the Treasury Officer will retain the challan and acknowledgement the receipt of the fees in the application form itself.

(9) Fees tendered by candidates for examination conducted by the Union Public Service Commission may be received in treasuries and classified under the major head XXI. Miscellaneous Departments". IN the 'Central' section of the treasury accounts. A single receipt only is to be given and a duplicate should on no account be given.

"(10) When money has been paid into a Treasury, the Treasury Officer should not sign a duplicate memorandum or a copy thereof on the allegation that the original has been lost. The Sub-Treasury Officers may issue credit certificate in terms of provisions of Article 31(a) of KFC and 256 of KTC. in respect of credits recorded in the subsidiary registers maintained at the Sub-treasuries under the provisions of Article 106 KTC. All other applications received by the sub-treasuries for the issue of duplicates or copies of Treasury documents should be referred to the District Treasury for disposal. For further instructions relating to the issue of duplicates or vouchers see Article 31 KFC".

(ii) Supplemental

66. (a) The special procedure to be observed by Treasury Officers with regard to the remittances of certain Departments of the Union Government is laid down in the Compilation of the Treasury Rules of the Central Government, the relevant portions of which are reproduced in Appendix 1-Part VII.

(b) The special instruction applicable to remittances relating to deposits, Public Woks, Forest and other Departments, Government Commercial Undertakings, Corporations. etc., are laid down in Chapters IX and XII.

### **III Withdrawals from the Treasury**

#### **(i) General**

67. Save as otherwise specially provided in these rules as well as in the Karnataka Financial Code, money may not be permitted to be withdrawn from the treasury except on bills.

The purposes for which and the conditions under which money may be drawn by cheques are specified in this code as well as in the Karnataka Financial Code.

Explanation- A bill is a statement of claims against the Government containing specification of the nature and amount of the claim either in gross or by items, and includes such a statement presented in the form of a simple receipt.

A bill or a cheque becomes a voucher only when it is receipted and stamped "paid".

#### **(ii) Procedure in the Accounts Department**

##### **(a) Bills**

68. The bill other document presented as a claim for money will be received and examined by the Nagadi Gumasta and they laid before the Sub-Treasury Officer, who, if the claim is admissible, the authority good, the signature and countersignature true and in order, and the receipt a legal quittance, will sign the order for payment, specifying the amount in words and figures at foot of the bill, etc., taking care to adopt the precautions prescribed in Article 24, Karnataka Financial Code. '[The Treasury Officer should also see that a Register of bills received and a Register of bills passed for payment are maintained in his treasury in Form KTC 67 and Form KTC 16-A respectively.] Care should be taken to see that all bills and cheques passed for payment are paid on the same day, and that no payment is made except under the written orders of the Sub-Treasury Officer.

When a bill is presented by a person who is not the drawing officer himself or his duly authorised Banker, he shall be required to produce a letter from the drawing officer or the endorsee Bank, in Form KTC 12 messenger or his thumb impression, if illiterate, shall be taken on the bill as a proof that the messenger actually received the money on behalf of the drawing officer,

Any alternation in the net amount of claim, made by the treasury, should be intimated to the drawer/payee by means of a Treasury Objection Slip in Form KTC 17.

Note 1.-The Treasury Officer should see that except in the case of pension bills of pensioners, pay bills of Gazetted Officers and bills presented by persons other than Drawing Officers like grant-in-aid Bills, etc., all bills are invariably presented with bill presentation slip in Form No.KTC 65-A.

Note 2.- The Treasury Officers are authorised to make necessary deductions towards insurance premium in the salary of a Government Servant whenever non-deduction or short under insurance Rules is noticed in departmental salary bills and as intimated by the District Insurance Officers.

Note 3.- Every Drawing Officer is responsible for maintaining a Register of Bills for encashment in a revised Form No.KFC 62-A in which all bills presented to the Treasury, whether pertaining to him or not should be entered. He will also be responsible to see that particulars such as Voucher Number and the dates of encashment of the bill referred to in Column 14 of the Register of Bills for encashment are invariably obtained and regularly noted in that Register by deputing his official to the Treasury for the purpose atleast twice a month by the 15 th and 28 the of each month. The Treasury Officer should render necessary assistance to such staff deputed by the Drawing Officers by furnishing the relevant particulars.

68-A In case of doubt about the signature of the drawing office on the bills presented at the treasury, the treasury officer should obtain the orders of the Director of Treasuries who is expected to take such action as may be considered necessary depending on the merits of the case and should allow withdrawal of funds from the Treasury only after satisfying himself about the bona fides of the drawing officer.

69. The rules laid down in Articles 93, 96 to 98 or Section C are applicable to non-bank sub-treasuries also subject to the proviso that where the instructions of the Accountant General or of any other authority is required the same will be sent to the sub-treasury through the District Treasury Officer, or under advice to him.

69-(A) The detailed principles regarding the Inter departmental adjustments in cases of transactions between two service departments are explained under Rule 50 of Manual of Contingent Expenditure, 1958. For this purpose, the supplied department should present bills at the treasury for the cost of supplies or services along with accepted invoice and challan in quadruplicate in KFC 2D Form indicating the designation of the supplying officer, invoice number and the head of account to which the amount claimed to be paid by transfer credit. The Treasury Officer should check the Head of classification noted in the challan with that noted by the supplying officer in the invoice and pass the bill for payment by transfer credit to this above head of account debiting the amount to the head indicated in the bill by the supplied officer. After the adjustment, the Treasury Officer should retain the original copy of the challan and send the Duplicate and Triplicate copies to the supplied officer. The fourth copy of the challan shall be attached to the voucher to be sent to the accountant general.]

### **(b) Cheques**

70. (a) When a cheque is presented, care should be taken to ascertain by examination of its printed number, that it really was taken from the book notified as in use by the officer who is said to have signed it, care should also be taken to ensure that the signature on the cheque agree with the specimen of the signature of the drawing officer filled in the treasury. The instructions given in Articles 66 to 75, Karnataka Financial Code, should be specially borne in mind.

(b) Cheques crossed in accordance with the provisions of Chapter XIV of the Negotiable Instruments Act should be honoured when presented at the treasury.

Note: Payment of cash to recognised Banks or co-operative Banking Institutions on cheques drawn on treasuries, whether crossed generally or specially or specially to them is permissible, provided the presenting banker's signature is known to the treasury, and the messenger who brings the instrument has a letter of authority to receive payment and is properly identified to be an employee of the concerned bank.

(c) The following points also should receive attention: -

(1) when a public officer sends a cheque to a treasury not for cash payment, but for credit of its amount in the treasury accounts, he must, before he signs, the receipts, add

to the words 'Received Payment, the further words by transfer credit to and should also cross the cheque omission to do this facilitates fraudulent appropriation of money. Treasury Officers should not make cash payments on such cheques.

(2) If the payee is unknown at the treasury, the Treasury Officer should make any enquiries, he thinks necessary, and should specially consider the date, serial number, and the amount of the cheque, as well as its handwriting and if suspicion arises he may defer payment until he has referred to the drawer.

Note: when an illiterate payee who is unable to sign his name in any languages, presents a cheque for payment at the treasury, he should furnish his thumb impression on the cheque in the presence of the Treasury Officer, and some person known to the Treasury Officer should identify him and attest his thumb impression to taken thereof. The person who attests the thumb impression should be one who is not employed in the treasury and should furnish his address.

### **(c) Endorsements on Bills and Cheques**

71. Bills and cheques preferable at a treasury for payment, being non-negotiable instruments, can be endorsed only once in favour of the party to whom money is to be paid provided that-

(i) when the endorsement is made on a cheque or a bill in favour of a banker, a second endorsement can be made by the banker in favour of a messenger or an agent for collection only.

(ii) In the case of contingent bill which has been endorsed in favour of a firm of supplies, etc., the firm etc., can re-endorse, it to its banker or to a messenger for collection only, and the banker can, in turn, endorse it to a messenger or an agent for collection only. Thus in all three endorsements are permissible in such cases provided that, of the three, one is to the payee's banker and one is to a messenger or agent for collection only and

(iii) an agent may, notwithstanding anything contained in the above clauses, endorse the cheque or bill in favour of his messenger, for the purpose of collecting it.

Note 1- In this rule a banker includes a post office savings bank and an agent means any bank including post office savings bank acting as a collecting agency for and on behalf of the payees banker.

Note 2- Cheques drawn directly on the bank are negotiable instruments and are not subject to the provisions of this Article.

### **(b) Letters of Credit**

72. (a) Every payment made on the authority of any letter of credit must, without fail, be noted against it and a balance struck in a register in Form KTC 28 under the Treasury Officer's initials at the time of passing the cheque.

(b) The Treasury Officer must bear in mind that the letter of credit shows the maximum amount he has authority to pay. or the Government servant credited has authority to ask for, and any further payment is made at the Treasury Officer's risk. He should, therefore, be careful so to record the progressive total of his payments that there may be no risk of overpayment.

Note\_ A letter of credit is only an authority to honour cheques and payments can only be made on cheques drawn against it. A Government Servant in whose favour a

letter of credit has issued on a treasury cannot, therefore, draw a cheque in his own favour for the whose amount and open a separate drawing account, or place it in deposit. Such a procedure is most irregular and the Treasury Officer should report to the Accountant General as soon as circumstances cause him to suspect the irregularity.

(c) Letters of credit lapse at the close of the financial year in which they were issued, except Postal letter or credit which lapse at the close of the month for which issue.

**(e) Special procedure applicable to particular departments of classes of payments.**

73 (a) Special Rules applicable to the payments of pensions, deposits, bills, etc., are laid down in chapter VIII IX and X.

(b) The detailed procedure to be followed for withdrawing moneys from the treasuries by the Departments of the Union Government, is laid down in the Compilation of the Treasury Rules of the Central Government the relevant portions of which are reproduced in Appendix I.

(c) Supplementary directions regulating the withdrawal of funds by the State Forest, Public Works and Ports Departments, Government commercial Undertakings and Corporations, are detailed in Chapter XII.

(d) The expenditure to be reimbursed to the State Government servants on account of medical attendance and treatment will be drawn in the manner laid down in Article 146-A of the Karnataka Financial Code.

**(f) Supplementary Directions applicable to Bills**

74.(a) If, any case, the use of a bill purely in an Indian language becomes unavoidable. a brief abstract should be endorsed in English under the signature of the preferring officer, stating the amount, the name of the payee, and the nature of the payment.

(b) When bills presented for payment contain obvious arithmetical mistakes or trifling errors which can easily be corrected, the Treasury Officer should not return the bills for correction, but should himself rectify them and pay the corrected sum, informing the Government servant concerned, and if necessary, the Accountant General.

(c) Treasury Officers should see that every pay bill of officers or establishments is accompanied by the prescribed certificates and statements and that the deductions made in the bill under each head agree with the total in such statements.

(d) When the whole or a part of the amount of a bill is required to be remitted to a person or persons by Postal Money Order, the Treasury Officer shall, if the bill is in order, pass it for the net amount after, deduction of the amount to be remitted and the commission due thereon, certificate to the effect that the amount of the money order the money order form or forms to the Post Office with a certificate to the effect that the amount of the money order with the commission due, which must be specified in the certificate to the effect that the amount of the money order transfer, The words "Adjusted by book transfer" shall invariably be written, in red ink, across the money order form. The Treasury Officer shall also see that the purpose of the money order is stated in the acknowledgement portion of the money order form.

On obtaining the money order receipt, the Treasury Officer shall check it with the amount deducted from the bill, and transmit it, where necessary, to the drawing officer concerned.

### **(g) Mode of Treasury Enfacement on Bills and Cheques**

75.(a) No order of payment should ever be passed on a bill or a cheque unless an actual payment in cash is intended. It is an infringement of this rule to pass a payment order for the full amount of a bill or a cheque and attach to it a receipt challan for a credit to made from the money so paid. in such cases, the payment and receipt transactions should be treated and dealt with independently, in every respect.

b) Bills or cheques passed for payment by transfer wholly should not be sent to the Cash Department. They should be entered in the Register of Transfer Transactions (Form KTC 13) maintained in the Accounts Department and thereafter the voucher stamped by the Nagadi Gumasta 'paid by transfer'. For the receipt by transfer, no challan will be necessary but only a credit slip in form KTC 14 on the basis pf which the transactions will be entered if the relevant receipt subsidiary registers or the Day Book. The serial numbers of Credit Slips should be noted on such vouchers for purposes of reference.

In all such cases, the payment order should indicate the major, minor and detailed receipt heads affected, and should run, e.g. Pay Rs.-----by transfer credit to IX Land Revenue –a Ordinary Revenue- (1) Assessment on Lands."

(c) Bills or cheques payable partly in cash and party by transfer should be passed for payment in accordance with the facts of the case, the order to "Pay by Transfer" being stamped "Paid by Transfer" after necessary entry in the Register or Transfer Transactions, before the bills are sent to the Cash Department.

(d) When part of a bill has to be paid at another treasury, or when the whole amount of a bill has to be paid in cash at more than one treasury, it should be passed for payment thus, Pay Rs.-----transfer credit to reserve Bank of India Remittances or Remittance Transfer Receipt. It will be entered in the Register of Transfer Transactions (Form KTC 13) and in the relevant subsidiary registers or the Day Book, Vide clause (b) Supra, and the necessary drafts or remittance transfer receipts issued.

Note - Only treasuries having currency chests will issue drafts.

### **(iii) Procedure in the Cash Department**

76. After the bills, etc., have been completely entered in the books of the Accounts Department and the order to "pay" signed by the Treasury Officer, they should be passed on together with the payees to the Cash Department where the Shroff will make the payments and enter them in his cash book in which each transaction is posted as it occurs certificate to the effect that the amount of the money orders transfer. The words "Adjusted by book transfer" shall invariably be written in red ink, across the money order form. The Treasury Officer shall also see that the purpose of the money order is started in the acknowledgement portion of the money order form.

On obtaining the money order receipt the treasury officer shall check it with the amount deducted from the bill, and transmit it, where necessary, to the drawing officer concerned.

#### **iv Currency of Treasury Challan and payment orders**

77.(a) Money should, under no circumstances, be received or paid except on documents which have been checked and registered in the Accounts Department the same day.

(b) It is essential that persons coming to the treasury to receive or pay money should complete the transactions on the same day. Having had the documents registered in away and return another day, as such a course would cause discrepancies between the accounts of the Accounts and the Cash Departments of the Treasury. Treasury Officers should issue positive instructions to the Shroff not to receive or pay any money except on documents which have been checked and registered in the Accounts Department on the same day.

(c) The Nagadi Gumasta should also be directed to warn all persons that they must pay in, or receive money. on the day on which they come to him for the purpose of registering the documents, and should they come on a subsequent day, that they will have to go through the form of registry, etc., second time. Notices to the above effect should be put up in both the Accounts and the Cash Departments.

### **SECTION C-BANK TREASURIES**

#### **II. GENERAL**

78. In a bank treasury, there is no Cash Department since the cash business of the treasury is handled by the bank. The work connected with the receipt, custody and issue of stamps, opium, ganja and other valuables is therefore under the control of the Accounts Department itself.

79. The bank will be kept open for the transaction of treasury business on a recognised holiday, if so required by the Deputy Commissioner.

79-A In the event of the Agent of a branch of the State Bank of India or any of its Subsidiaries which conduct Treasury Business dying or becoming suddenly incapacitated for duty and it being not possible for the State Bank, or its subsidiary to make immediate arrangements for the transaction of business at the branch, the Government official named hereafter should, provided the concerned Bank has by prior arrangement requested that he should do so at once-

- (a) Visit the Bank in person, take over the keys of the strong room and other receptacles of treasure, notes or books and ensure that the strong room is properly secured and direct the guard to report to him:
- (b) Telegraph information of the occurrence to the Local Head Office/Head Office of the concerned Bank; and
- (c) Arrange for the due transaction of urgent treasury business at the Branch.

[The responsibility for performing the functions herein stipulated is that of the District Treasury and Sub-Treasury Officer in the case of Sub-Treasuries.]

The concerned Government official should on no account take any action in regard to the Bank's private business, which together with such treasury business which is not of an urgent nature may remain in abeyance till a responsible official the concerned Bank takes charge of the branch.

When it is impossible for the concerned Government official to take the action mentioned above in person, e.g., on account of absence in camp, he may delegate his functions in this connection to any other Government official not below the rank of a confirmed Sub-Treasury Officer, who is within easy reach of the branch; he should nominate such Government Official for this purpose specially on each occasion when the necessity arises.

Neither the Government nor any Government servant will incur any responsibility either to the State Bank of India or to its subsidiaries or to any third party by reason of anything done bona fide under these instructions. The Government official concerned would, however, be responsible for the safe keeping, as a bailee of the keys of the strong room etc., taken over by him and the accounting for the cash and other contents which he takes out from the strong room.

### **III. Payments into the Bank**

#### **(a) With Treasury Officer's authorisation**

80. (1) Save as provided in Articles 81 and 82, any person who desires to pay money into the bank, on Government account, shall first present at the treasury, a challan in duplicate [which, if necessary, will be prepared in the Treasury] The Head Accountant in the case of a district Treasury, or the Nagadi Gumasta in the case of a sub-treasury, shall, after necessary examination, write on both the original and duplicate, the word 'correct'. He shall then affix his initials to the challans with date and submit them to the Treasury Officer who, if they are in order in all respects, shall endorse the challans with an order to the bank to receive the money and to grant a receipt.

Note 1.-In a district treasury, challans for sums of '[Rs.2500]' and above must be endorsed by the Treasury Officer, but those for sums less than '[Rs.2500]' may be endorsed by the Treasury Head Accountant. All challans presented at a sub Treasury must invariably be endorsed by the Sub-Treasury Officer.

Note 2.-The above procedure will not apply to remittances to the treasury Savings Bank. Such payments will be received at the treasury itself and receipts issued as in the case of non-bank treasuries. Savings Bank transactions are confined to the treasuries in ex Mysore area.

Note 3.-Maintenance of register of orders in Form K.T.C. 15 is not necessary in so far as the State transactions are concerned. But such a register will have to be maintained by the treasuries in respect of Central transactions. However, the checks to be exercised in respect of challans prescribed in this Article should be exercised by the Treasury.

(2) Both the original and duplicate copies of the challans thus endorsed shall then be returned to the payer, who will proceed with them to the bank. There the money will be received and credited to the Government account and an acknowledgment will be granted to the payer by the bank on the original copy of the challan, or the remittance book, the duplicate being by the bank to be forwarded to the treasury with the daily account.

(3) In cases in which challans are presented in triplicate or quadruplicate, the acknowledgement of the bank will be given only on the original or on such other copy as may specially be marked for the purpose, the other copies being retained by the bank to be forwarded to the treasury with the daily account.

Note 1.-For instructions regarding the preparation of challans, see article 8, Karnataka Financial Code.

Note 2.-The acknowledgement on the challans for moneys received, may be signed by the authorised officer of the bank, under his full signature, only in the original and such other copies as are required to be returned to the tenderer, the acknowledgment in the other copies being merely initialled by him.

Note 3.-Acknowledgement on Challans may be given in Ball point Pens.

### **(b) Without Treasury Officer's Authorisation**

81. Moneys tendered with challans signed or countersigned by any departmental officer central or state may be received direct at the bank without the intermediary of the Treasury Officer.

When a remittance book accompanies such remittances, the bank will furnish its acknowledgement in the book itself, a copy of the challan being forward to the treasury with the Daily Account.

Exception-Government may direct that challans relating to specified Personal Deposit Accounts be routed through the treasury.

Note.-In respect of challans for credit of money under Revenue Deposits, the challans should be presented at the Treasury for scrutiny in accordance with Article 80 above, before the money is credited at the Bank.

82. In the following cases, moneys, will be received at the bank from the public, directly even through the relevant challans are not passed even by a departmental officer:-

- (a) remittances of Life Insurance premia creditable to the state Life Insurance Fund;
- (b) remittances of Sales Tax;
- (c) remittances of Income-tax and Super-tax in special forms of challans prescribed for the purpose; and
- (d) tax payable in advance under Rule 38 of Agricultural Income Tax Rules 1957 when accompanied by challans in form Appendix 1-A to the Karnataka Agricultural Income Tax Rules 1957.
- (e) Other remittance including those of Local Funds when specially a thorised by government.

Note 1.-Remittance of the Karnataka State Electricity Board and the Karnataka State Road Transport Corporation are permitted to be tendered at the bank direct.

Note 2.- Remittance of local funds viz., Municipal Funds, Taluk Board Funds and Village Panchayath Funds are permitted to be tendered at the bank direct.

### **(c) Cheques on Local Banks**

83. [Cheques and Drafts drawn on Local Banks will be accepted by the bank accordance with the provisions of Article 9, Karnataka Financial Code Volume-1] There will be a daily clearance of cheques accepted, and the transactions will be included in the daily account rendered to the treasury after the cheques have been cleared.

[Note.-Postal Orders accompanied by the necessary challan indicating the Head of Account and presented by the Departmental Officers for credit to the appropriate Head

of Account may be accepted by the local Banks if the Postal Department is having account with the Bank.

#### **(d) Supplemental**

84. The provisions of clause (a) and sub-clauses 2, 3, 7 and 10 of clause(e) of Article 65 and of Article 66 are applicable to bank treasuries also.

85. Wherever payment of moneys into the bank involves the issue of receipts in a special form, remittance transfer receipts or cash orders in exchange, or release of stamps, opium or ganja, such work is attended to at the treasury on the basis of the receipted challans and credits in the bank account.

#### **(e) Currency of Challans**

86. Challans which have been passed by a treasury or a departmental officer shall be valid only for such time not exceeding ten days, as may be fixed by the Director of Treasuries. If they are presented after the allotted time, the money will not be received by the bank unless they are revalidated by the treasury or the departmental officer concerned.

### **III Withdrawals from the Bank**

#### **(i) On Bills**

87. (1) Subject as hereinafter provided all bills for pay and allowances, contingent expenses, pensions, deposit repayments, refunds of revenue, etc., which are ordinarily drawn upon the treasury, shall be presented to the Treasury Officer in the first instance for examination.

[Except in the cases of pension bills of pensioners, pay bills of Gazetted Officers, and bills presented by persons other than the Drawing Officers such as grant-in-aid Bills, etc., every bill shall be accompanied by bill presented slip in Form No. KTC 65-A before it is presented to the Treasury. This procedure will be followed in all the Banking and Non-Banking Treasuries whether the cheques system is in vogue or not. In places where the Treasury is a banking Treasury and the cheque system is not vogue, the Bill presentation slip will be presented to the Bank before the cash is received]

[Note.-1 The Treasury Officers are to make necessary deductions towards insurance premium in the salary of Government Servant whenever non-deduction or short deduction to premium as calculated as per the rate prescribed under Insurance Rules is noticed in Departmental Salary Bills and same is intimated to them by the District Insurance Officers.]

(2) The Treasury Officer, if he passes the claim, shall enface on each bill, on order to the bank to pay a specified amount. Such orders shall be recorded in the Register of Payment Order Issued, Form KTC 16, and shall be numbered, dated and signed. The bill shall then be return to the person presenting it, or sent to the bank in a locked box wherever such an arrangement is in force.

Exception- Pensions not exceeding Rs.150 p.m., payable at the State Huzur Treasury, Bangalore, are paid in cash at the Treasury itself. Withdrawals from the Treasury Savings Bank are made in cash at the treasuries themselves. An imprest has been allowed to the treasuries for meeting such payments.

Savings Bank transactions are however confirmed to the treasuries in ex-Mysore area.

[Note: - All Karnataka Government pensions sanctioned on or after 1<sup>st</sup> October 1984 shall be disbursed through public sector Banks irrespective of the amount of pensions. However in respect of pensioners residing beyond the limits of cities. District Head quarters Towns, Taluk Headquarters Towns and Headquarters of Sub-treasuries situated outside the taluk headquarters shall continue to have the facility to draw their pensions by money orders subject to the conditions prescribed in Clause I of Article 209-AA (as introduced in Notification No.FD 3 TTC 80. Dt 28<sup>th</sup> June 1982.)]

(3) The bill will be paid at the bank in accordance with the order of the Treasury Officer, the bank being responsible only for strict adherence to this order and for obtaining a proper discharge from the payee/endorsee on the bill, in addition to his signature at foot of the bill.

In cases where the payee/endorsee does not find it convenient to receive payment personally, this discharge should be signed before the bill is presented at the treasury. In such cases, the person through whom payment is desired to be made shall be required to produce a letter in Form KTC 12, authorising him to take the payment.

"The letters of authority obtained in Form KTC 12 should be preserved by the Bank/Treasury according as it is Bank/Non-Bank Treasury for a period of ten years. Acknowledgement in Form KTC 12 shall be obtained from the messenger at the time of payment by the Bank/Non-Bank Treasury in addition to the signature of the messenger to be obtained on the bill".

Note 1- In Treasuries where the system of sending passed bills to the banks in locked boxes is in force the following detailed procedure will be followed: -

- (b) the passed bills be sent to the bank direct in a locked box in convenient batches, about 2 or 3 times a day, with a covering list in duplicate in form KTC 69 showing, in respect of each bill, the name of payee, [number of bill presentation slip] number of token (which will also be prominently noted on the relevant bill) and the amount payable.
- (c) copies of such lists will be put up simultaneously on the Notice Board of the Treasury, for the information of the payees. A lists of bills objected to will similarly be notified to enable the payees to take delivery of the bills. If any payee does not turn up to take delivery of the objected bill within three days, an advice in Form KTC 17 should be sent to him.
- (d) the locked box will have two sets of keys, of which one set will be with treasury and the other set with the bank. On receipt of the box from the treasury the bank will open the box, check up the covering list with the bills sent, and return the duplicate copy to the treasury with an acknowledgement for the receipt of bills.
- (e) the payees will obtain payment at the bank on surrendering [bill presentation slip/treasury token] and after giving a proper discharge on the bills.
- (f) in the case of payees who cannot attend the bank, in person, the procedure laid down in Article 91 (2) shall apply.
- (g) the bank will return the surrendered tokens to the treasury with a covering list in duplicate showing the numbers of tokens, which will be arranged serially. One copy of the list will be returned to the bank duty receipted by the treasury.
- (h) passed bills remaining unpaid with the bank for over 10 days will be returned to the treasury for revalidation and retransmission.

- (i) the treasury will send to the bank a list of tokens brought into use and advise the bank of any changes therein.
- (j) If a token relating to a passed bill is lost, payment will be made by the bank only against a fresh token issued by the treasury under advice to the bank. A new token will be issued by the treasury after such enquiries as it may deem necessary and on payment of a fee of Re.1 to the bank to the credit of the head 'LII Miscellaneous-n-Miscellaneous-Miscellaneous Receipts'. Immediately a token is lost, its holder should notify the fact to the treasury and to the bank so as to prevent its fraudulent use. A notice to this effect should be put up on the Notice Board of the treasury.

Note 2.-When payment is desired wholly or partly in Reserve Bank Draft, and a formal application for the draft accompanies the bill, the Treasury Officer, if he is satisfied that the grant of the Draft is permissible, will forward the application to the bank specifying in the pay order the manner in which the payment should be made.

Note 3.-The procedure outlined in clauses 2 and 3 of this Article does not apply to treasuries where the system of authorising payments by cheques on the bank is in force. In such cases the bills after being passed by the treasury will be retained at the treasury itself and cheques on the bank issued in settlement of the claims. The detailed procedure in this behalf is laid down in Appendix VI.

88. The provisions of Article 87 do not apply to the following cases: -

- (a) Refunds of Income-Tax, Agricultural Income tax and Sales tax.- In the case of such refunds, the Income-tax or the Sales-tax Officer is authorised to make out the refund in the form of a direct order on the bank and the endorsement of second payment order thereon by the Treasury Officer will be unnecessary.
- (b) Interest on Government Promissory Notes.-  
The note on which interest is to be drawn shall be presented to the Treasury Officer, who after necessary examination and record, shall give the holder an order on the bank in the following form:  
pay to-----Rupees -----  
being interest for -----half year at-----per cent due on  
Government Promissory Note No.-----of -----for  
Rupees -----
- (c) Interest on Stock Certificates.- This will be paid by the bank on Interest warrants issued by the Public Debt Officer concerned without the intervention of the Treasury Officer.
- (d) Payment of principal of any Promissory Note, or stock Certificate, which may be notified for discharge.-  
The rules at (b) and (c) apply mutatis mutandis, to such cases also, but noting in these rules shall be deemed to override any rule, order contained in the Government of India Securities Manual regulating the procedure for the payment of interest on or principal of any Public Debt.

Note.- In treasuries which issue cheques on banks for withdrawal of moneys, treasury authorisations referred to in (b) will be made by cheques themselves.

#### (ii) On Cheques

89. (a) cheques of departmental officers authorised to draw funds by cheques will be drawn on and cashed at the bank direct without the intervention of the Treasury Officer.

[Note.-The procedure enunciated in this Article will also apply in case of refund cheques drawn by the Court]

(b) In respect of the drawings of Public Works Sub-Divisional Officers by cheques, the bank will observe the prescribed limitation intimated by the Divisional Officers. In all other cases, cheques will be cashed without any limitation, if otherwise in order.

(c) Wherever the system of drawing funds against letter of credit is in vogue (vide Article 72), the prescribed limitations will be observed by the bank.

(d) Cheques on Personal Deposit Accounts will be drawn on the bank direct. Such Deposit accounts are kept at the bank also to prevent overdrawals. Towards this end, all adjustment made to the debit/credit of such accounts either by the Treasury, or by the Accountant General will without delay be communicated by the Treasury to the Bank Government may, where necessary, direct that the cheques for withdrawals from particular Personal Deposit Account, or specified classes of them, be drawn on the treasuries concerned and not on the bank direct.

In the case of personal ledger accounts of Civil and Criminal Courts which are kept at the bank also, each court will duly intimate to the bank, from time to time, the amount of lapsed deposits to be deducted from the personal ledger pass book.

90. Unless Government order otherwise in any particular case or cases, cheques of non-Government bodies like Municipal Funds, Taluk Boards, Corporations, etc., shall be drawn on the treasury and cashed at the bank on the authorisation of the Treasury Officer.

Note.- Cheques of the Karnataka Electricity Board and the Karnataka State Road Transport Corporation are permitted to be drawn on the bank direct.

(iii) Supplemental

91. (1) All bills, cheques and other documents passed by Treasury Officers for payment at the bank, as well as interest payment orders, etc., being non-negotiable instruments, warrant special precaution on the part of the bank in the matter of identification of payees. All such claims have normally to be presented by the payees personally.

(2) But where payment is desired to be made to an endorsee (other than a banker) or a messenger, the provisions of Rule 42 of the manual of contingent expenditure or of Article 87 (3) as the case may be should be strictly followed by the drawing officer. The bank will not, however, disburse payments of such claims unless it is satisfied about the identity of the person receiving payment as attested by the drawing officer in accordance with Rules 42 of the Manual of Contingent Expenditure, or Article 87(3) as the case may be. The bank shall also verify before making the payment that the signature of the drawing officer attesting the payee's signature tallies with that on the bill as passed by the Treasury Officer.

92. The rules in Articles 68, 70 and 72 to 75, in so far as they relate to the scrutiny of bills and cheques at a non-bank treasury before they are passed for payment, are applicable to bills and cheques drawn on bank treasuries also.

Note.-Cheques referred to in this Article are those drawn on the treasury and not those drawn on the bank direct.

93. The following are the other points which should receive the special attention of Treasury Officers in passing bills drawn by Government Officers on the treasuries:-

- (1) A Treasury Officer must not honour a claim which on the face of it is disputable; he should request the claimant to refer the question to the Accountant General.
- (2) Nor may he undertake correspondence for a gazetted government servant making a claim to any special allowance, but will request him to address the Accountant General, either direct or through his own official superiors.
- (3) No payments shall be authorised to meet the pay leave salary or allowances of a Gazetted Government servant, or a reward or honorarium payable to a Gazetted Government Servant, or any pension, except under the authority of the Accountant General. For detailed rules on the subject, see chapter VI, KFC and chapter VIII of this Code.

As each pay bill of a Gazetted Government servant is presented for payment authorisation, reference should be made to the register in Form KTC 18, maintained at the treasury, to see that the sanctioned rate is not exceeded. The register kept in the district treasury should show the payments made at sub-treasuries also.

Note 1.- Bills for fees or honoraria for invigilation work as well as remuneration for setting question papers and or valuation of answer papers due to Gazetted Officers in connection with the various public examinations, whether conducted under the direction of the Karnataka Public Service Commission or the Department themselves, should be honoured at the treasuries on the basis of sanctions communicated by the chairman, Secretary, Commissioner or Controller or other authorised officer of the concerned examination without insisting on the authority from Accountant General. They should be preferred in the prescribed form, separately for each Gazetted officer and countersigned by the concerned authorities of the examinations. The Treasury Officer will record the payment individually, so as to watch the recovery of Income tax.

Note 2.- Bills for remuneration preferred by doctors performing operations under the Family planning Scheme duly countersigned by the District Health Officers concerned should be honoured at the Treasuries, without any authorisation from the Accountant General. The bills containing similar claims of the District Health Officer himself countersigned by the Deputy Director of Health Service (Family Planning Maternity and Child Health) should also be honoured at Treasuries without insisting on any authority from the Accountant General.

Exception-Non recurring Honoraria may be drawn by the Gazetted Officer himself by presenting a bill in the Treasury in a simple receipt form on the authority of the sanction issued by the competent authority, or a duly certified copy thereof appended to the bill, without the authorisation of the Accountant General, Karnataka.

- (4) No orders regarding changes in establishments will be communicated by the Accountant General to the treasury, nor need any special register be maintained to note the establishment bills paid. But a register should be maintained showing the names and containing the specimen signatures of all Government servants authorised to draw bills on the treasury. This should be referred to who passing bills. Passing of bills drawn by Government servants newly authorised to do so, requires the previous intimation of the Accountant General. The register will be in Form KTC 19.
- (5) The Treasury Officer should also see that the bill is complete in all respects(vide Article 24 Karnataka Financial Codes).

Note.- The Treasury Officers will not be justified in passing a bill, presented during the last quarter of the financial year, if the budget allotment which is required to be noted, is not noted on the bill by the Drawing Officer, The Drawing Officer should obtain the allotment in time. The allotment need not, however, be noted in the case pay bills and salary bills.

94. When a bill is presented at the District Treasury and payment is desired at a sub-treasury, the district treasury may either endorse a pay order on the bill making it payable at the sub-treasury, or credit the amount payable on the bill by transfer to 'Remittance Transfer receipts" and issue a Remittance Transfer Receipt on the sub treasury or authorise the issue of a Reserve Bank Draft by the Bank. When a pay abstract or other bills has to be paid in full at one sub-treasury, it may be endorsed for payment thereat, without any immediate entry in the district treasury accounts.

Note.-The above endorsements are current for three months after the month of issue.

95. where sub-treasuries have been permitted to cash certain classes of bills without reference to the District Treasury Officer, the payment of such bills should not except under special arrangements and on particular occasions, be allowed at the district treasury also.

96. When a person not in the Government service claims payments for work done, service rendered, or articles supplied, the Treasury Officer should require-

(a) The submission of the claim by the Head of the Department, or other responsible Government servant under whose immediate order the service was done or the equivalent was given for which payment is demanded.

Note 1.- Treasury Officers can honour bills for honoraria, travelling allowances, etc., preferred by persons not in the service of Government including retired Gazetted Officers, when they are countersigned by the Head of the Department or other officer nominated by Government, in that behalf.

Such passed bills will be sent to the treasuries direct, and only advices thereof will be sent to the payees for receiving payment at the treasuries on production of the advices and after furnishing a proper discharge on the bills.

Note 2.-Bills in Form MCE 9 containing claims on account of Bus Warrants issued to the Police personnel, preferred by bus owners will be honoured at the treasuries when they are duly countersigned by the Superintendent of Police of the District concerned or other Police Officer authorised to do so, and are supported by the relevant Bus Warrants.

(b) Failing the above, in cases where it may be necessary to pay the amount of a bill drawn by a person not in the Government service and also when the authority of the Head of the Department or other responsible Government servant is insufficient, an order from the Accountant General should be sought by furnishing that officer with any necessary particulars for obtaining the sanction of Government, should such be needed.

(c) In any event, if a bill be preferred by a person not in the Government service, the treasury officer should use special precautions for satisfying him self of the identity of the applicant for payment.

Note: In the case of contingent bills preferred by supplies to whom they have been endorsed. Treasury Officers should invariably check them with the advice received from the countersigning of drawing officers.

(d) In all doubtful cases, the Treasury Officer should take the orders of the Director of Treasuries, who must assume the responsibility of his position. He would doubtless be supported by the Government if he can show that he has exercised a proper amount of care and discretion in the matter. When this necessity occurs, however, he should immediately report the fact to the Accountant General.

Note: Sub treasuries will seek the instructions of the District Treasury Officer in cases falling under clauses (b) and (d).

97. The Treasury Officer should take special care to see that receipt stamps affixed to vouchers are so defaced that they cannot be used again, and offer no temptation to their removal or the abstraction of vouchers for the sake of the stamps upon them. Several cases of loss of vouchers have occurred owing to the neglect of this precaution.

98. The Accountant General will supply all Treasury Officers with an attested copy of the specimen signature or all gazetted officers serving under him who are authorised to sign payment orders on bills, or to issue letters of authority for payment to be made by Treasury Officers. When any change of office occurs among the gazetted officers aforesaid, the fact will be intimated, and attested copies of the specimen signatures of the relieving officers supplied to the Treasury Officers.

#### **(iv) Currency of Payment Orders**

99. Payment Orders issued on the Bank shall be valid only for a period of ten days from the date of such payment order. If presented thereafter payment will be refused by the bank until revalidated by the Treasury Officer.

#### **(v) Specimen Signatures of Drawing Officers**

100. Specimen signatures of all officers who are authorised under the provisions of these rules to draw cheques or issue payment orders on the bank shall be supplied to the bank by the departmental or other authority concerned whose specimen signatures is already with the bank.

100-A Changes in Treasury arrangements consequent on the conversion of non-banking treasuries into Banking Treasuries and the special procedure to be adopted in Banking Treasuries are detailed in Appendix IX to Karnataka Treasury Code, Volume II.

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## CHAPTER VI

### ACCOUNTS TO BE KEPT AT TREASURIES

#### Section A – Introductory

101. The account books to be kept at the treasuries and the manner of posting and closing them are described in this Chapter.

Note :- The accounting procedure of both bank and non-bank sub-treasuries is the same. As regards district treasuries, all of which are bank treasuries, they incorporate, in their accounts, not only their own transactions but also those of sub-treasuries under their control, as if those transactions had taken place at the district treasuries themselves. With a few minor exceptions as mentioned in chapter VII, the treasury returns of the whole district are compiled and rendered by the district treasuries themselves in all cases.

102. The Treasury Officer shall prohibit any erasures or overwritings in the Day book, Cash Book and other registers of initial record or in any account or schedule, and verify and initial every correction in them.

#### Section B – Non-Bank Sub-Treasuries

##### I. General

##### Mode of Entry in Accounts

103. Every item of receipt or payment must be entered in the relevant subsidiary register, if there is one, or in the Day book, Form M.T.C. 20, Central or State as the case may be, before the relevant challans, bills or cheques are passed on to the Cash Department. The mode of posting the Day Book and subsidiary registers and of numbering the challans and vouchers is laid down in Article 65, Chapter V.

##### II. Accounting Procedure

##### (i) Day Book and Subsidiary Registers

102. (a) A complete account of cash and transfer transactions relating to the Sub-treasury should be kept in the Day Book. A separate day book will be kept for entering the transactions in the 'Central' Section of the treasury accounts.

(b) The pages of the Day Book will be numbered in the Press. Every transaction for which a separate subsidiary register has not been prescribed should be entered in this book in clear and concise detail, receipts being entered on the receipt side and payments on the payment side, in the order of occurrence. Transactions entered in separate subsidiary registers will not be recorded in detail in the Day book; only the daily totals from those registers will be taken to the Day Book, Central or State as the case may be, at the close of the day. Transfer transactions are posted into the Day Book in the manner indicated in Article 112.

(c) Any correction found necessary in the entries of the day already made should be effected neatly by scoring out the original entries under the dated initials of the Sub-Treasury Officer. Corrections found necessary after the dispatch of the Daily Sheet to the district treasury are dealt with as laid down in Article 114.

105. Subsidiary registers are mere expansions of the Day Book. They should therefore be kept with the same case as the Day books themselves. Registers in printed forms should be made use of as far as possible. The pages of the registers should invariably be numbered in manuscript before use.

Note:-1. Immediately a subsidiary register is taken up for use in the month of April, it should be seen that the account heads, if any, mentioned in the register accord with those shown in the approved Budget Estimates of the year. Where they differ, the classification should be corrected and the correction repeated in subsequent months also, if necessary.

Note:-2. Transfer transactions will be posted in the subsidiary registers in the manner indicated in Article 112.

Note:-3. For the general form of subsidiary registers, see Articles 125 to 127.

106. The following are the heads of account for the transactions of which separate subsidiary registers may be kept at sub-treasuries:

- (i) II Union Excise Duties.
- (ii) IV Taxes on Income other than Corporation Tax.
- (iii) IX Land Revenue.
- (iv) X State Excise Duties
- (v) XI Taxes on Vehicles
- (vi) XII Sales Tax
- (vii) XIII Other Taxes and duties
- (viii) XIV Stamps
- (ix) XV Registration fees
- (x) XIX Police (State and Central)
- (xi) XXI Miscellaneous
- (xii) XXIV Public Health
- (xiii) XXVIII Co-operation
- (xiv) 124. Capital Outlay on Schemes of Government Trading Receipts.
- (xv) Insurance Funds-Receipts
- (xvi) Taluk Board Funds
- (xvii) Municipal Funds
- (xviii) Mysore State Road Transport Corporation Fund-Receipts
- (xix) Village panchayat funds
- (xx) Mysore state electricity board fund – receipts.
- (xxi) Muzarai funds.
- (xxii) Revenue Deposits
- (xxiii) Civil and Criminal Courts Deposits
- (xxiv) Personal Deposits.
- (xxv) Government Commercial undertakings.
- (xxvi) Revenue Advances.

The above list may be modified with the approval of Government.

Note 1. Challans/daily sheets should be forwarded to the Accountant General through the District Treasury in respect of :-

- (i) Unclassified items and recoveries of over-payments.
- (ii) Recoveries towards cost of establishment lent by police and coOperation Department, audit fees, et.
- (iii) Receipts under Arms Act classified under the head XIX police (Central).

Note 2. In treasuries conducting Savings Bank business, the transactions will be recorded in the journal prescribed in the Mysore Government (Treasury) Savings Bank Rules. The journal should be written up in triplicate.

### **(ii) Adjustments by Transfer**

107. When a payment is authorised to be made 'by transfer' that is, by entry of the amount in the accounts as a paid under one head of account and as received under another head, the amount should be debited to the appropriate head of payment by 'per contra' credit to the receipt head concerned. Such transfers including corrections affecting fund and other heads, vide Article 139(b)(2), are recorded in detail in the Register of Transfer Transactions, Form MTC 13 wherein every item, or groups of items, will be numbered serially, separate serials being adopted for the entries of each day. The register should be closed at the end of the day after entering the total in the money column. The daily closing should be attested by the Sub-Treasury Officer.

108. There should be two Registers of Transfer Transactions in each sub-treasury, one for the adjustments in the 'State' section and the other for the adjustments in the 'Central' section. Bills or cheques relating to Central section, the amounts of which have to be adjusted by transfer, wholly or partly, have to be entered in the register relating to the Central Section. Other adjustments should be recorded in the register relating to the State Section.

109. Whenever an adjustment involves transfer of amounts from the State to the Centre or vice versa, the corresponding adjustment in the Central or State section, as the case may be, should be caused to be recorded in the concerned register of transfer transactions, without loss of time. Such transfers should be effected on the basis of a suspense slip in form MTC 14, the number of which should also be indicated in the Register of Transfer Transactions in which the initial adjustment is recorded, to ensure completeness of the transactions.

110. When a payment has to be made partly in cash and partly by transfer, the relevant bill or cheque should after the record of the necessary pay order, be entered in the Register of Transfer Transactions indicating the amount payable by transfer, the bill or cheque should thereafter be stamped "Paid by Transfer" indicating the number of adjustment and the amount adjusted below the stamp under the initials of the Sub-Treasury Officer. It is only thereafter that the bill or cheque can be sent to the cash department for payment, vide Article 75(c), Chapter V.

111. Amounts of bills or cheques wholly payable by transfer should similarly be entered in the register of Transfer transactions, and the adjustment items numbered. The bills or cheques should be rubber stamped "Paid by transfer" mentioning therein the number and date of the adjustment, under the initials of the Sub-Treasury Officer.

112. Transactions entered in the Register of Transfer transactions should be taken to the subsidiary register or the day book, as the case may be, before closing those registers for the day. In the case of bills or cheques paid partly in cash and partly by transfer, however the gross amount themselves may be entered in the subsidiary registers or the day book, as transactions take place.

113. Save as provided in clauses (1) to (6) below, or as may be authorized by the Accountant General in any special case, the net cash payment only should be entered in the treasury accounts, that is to say, there must not be a gross debit with a 'per contra' credit even when a sum is being recovered under the orders of the Accountant General.

- (1) In the case of Local funds, the gross amount of a voucher will be charged and the deductions credited by transfer.

- (2) When a deposit is subject to abatement, the full sum must similarly be charged and the sum abated brought to credit.
- (3) In the case of bills of officers and establishment of the Forest Department containing deductions on account of rents of building (including electric installations, water supply, etc), borne on the books of the Forest Department, the gross amount should be debited, and the recoveries credited by transfer to the Forest head of account concerned, as noted in the Divisional Forest Officer's demand statement".
- (4) In the case of bills containing deductions on account of rents of buildings (including electric installations, water supply, etc), borne on the books of the Public Works Department, the gross amount should be debited and the recoveries credited by transfer to the Public works head of account concerned, as noted in the Divisional Officer's demand statement.
- (5) In the case of pay bills of officers and establishment containing recoveries on account of Court attachments, the gross amounts of the bills should be debited, and the amounts recovered under warrants credited by transfer to Judicial Deposits if payable to courts in the same station, and to Treasury cash orders for issue of the necessary cash order, if payable to courts at outstations.
- (6) In the case of bills (Central or State) containing deductions on account of Income Tax Recoveries towards additional wages and additional dearness allowance under the Additional Emoluments (Compulsory Deposit) Act 1974 and subscriptions to the funds mentioned below, the gross amounts of bills should be entered as payments and the recoveries credited as receipts under the heads concerned by transfer.
  - (i) Postal Life Insurance Fund
  - (ii) Indian civil services Family pension fund.

Note: In non-bank treasuries, recoveries in bills, on behalf of the Life Insurance Corporation of India will also be credited by transfer to the special deposit head opened for the purpose.

- (7) Any other deductions from Central/State bills which are creditable to the State/Central Government should likewise be credited to the head concerned by transfer.

Note-In the case of establishments, the pay of which is drawn by cheques, for example, local fund establishments, a separate cheque will be drawn for the net amount required for disbursement by the drawer of the cheque. Another crossed cheque for insurance premia, provident fund subscriptions, etc, payable by the establishment will be drawn simultaneously in favour of the Treasury officer and sent to him duly accompanied by schedules giving details of the premia provident fund subscription, etc. The amounts of such crossed cheques should be adjusted by the Treasury Officer through the Register of Transfer Transactions, and no cash payments should be made on them.

- (8) When the whole or part of the amount of a bill should be remitted to a person or persons by postal money order, the gross amount of bill should be entered as payment and the amount of money order, with the amount of commission due thereon, credited to the head 'adjusting Account with posts and telegraphs'.

Note – The gross amount referred to in this Article refers to the net amount payable on the bill plus the amounts adjustable by transfer at the treasury.

### **(iii) Alteration in Accounts**

114. (a) If a mistake in posting the day's transactions in a subsidiary register, or the Day book, is discovered before the despatch of Daily sheet for the day to the district treasury, the same will be corrected under the initials of the Nagadi Gumasta and the Sub-Treasury Officer. If discovered afterwards, the error should be merely reported to the District Treasury Officer. A note of the error should simultaneously be made against the original entries in the registers concerned. If the corrections affect the postings made in the subsidiary registers kept in the sub-treasury, and the accounts of the month are still open, the District Treasury Officer may require the Sub-Treasury Officer himself to incorporate the corrections in his subsidiary registers. In such a case, the corrections are incorporated as under: -

A minus or deduct entry will be made on the date on which the error is to be corrected in the register in which the original entry was made, giving reference to the date and serial number of the original entry, a note being at the same time made against the original entry referring to the correction carried out. The item will then be posted with full particulars in the proper subsidiary register with a note giving reference to the original incorrect entry. The progressive totals under the heads affected will then be corrected and no correction need be made in the totals of the date on which the item was first incorrectly entered. For example, if on the 12<sup>th</sup> Rs.50 was entered as Revenue Deposit, instead of as Land Revenue, and the error is to be corrected on the 20<sup>th</sup>, the correcting entries will be as follows :-

Subsidiary Registers Revenue Deposits: -

Correction of error on the 12<sup>th</sup>: - Item No.156-minus Rs.50.

Subsidiary Register of Land Revenue :-

From 'A' towards Kandayam, due to lands situated in ----- taluk, erroneously credited as Revenue Deposit on the 12<sup>th</sup>, vide Item No.156 Plus Rs.50.

(b) In respect of mistakes of past months under heads for which subsidiary registers are kept at the sub-treasury, the procedure, laid down in article 139 will be followed. In all such cases, the sub-treasury will be guided by the instructions issued by the District Treasury Officer.

#### **(iv) Closing for the day**

115. The process of closing the accounts for the day is as follows :-

(a) After the several subsidiary registers have been written up, and completed in respect of the day's cash and transfer transactions, the daily total of each register should be carried into the Day Book (Central or State).

Note – Progressive totals for the month also may be worked out in the subsidiary registers for use in the Sub-Treasury.

(b) The Central Day Book should then be totaled, in pencil, and the gross totals of its receipts and payments of the day less amounts adjusted by transfer in the Central Register of Transfer Transactions, should be taken to the State Day Book to the receipt land disbursement sides, indicating the head of receipt/payment as "Adjusting Account between Central and State Government".

Note – As the cash balance in a non-Bank treasury belongs entirely to the State Government, transactions of Central Government taking place at such a treasury are initially taken against the cash balance of the State. For this reason, the totals of the cash transactions accounted for in the Central Day Book have to be transferred to the State Day Book before it can be closed. The totals so transferred will however be shown in the State Day Book against the suspense head "Adjusting Account between the

Central and State Governments". The clearance of the net debit (amount payable to the Central Government), under this suspense head at the end of the month, is arranged by the Accountant General by issue of advices to the Central Accounts Section of the Reserve Bank- vide Article 13, Account code, Volume I.

(c) The totals of the State Day Book should now be worked out, and from the gross totals of receipts and disbursements, the day's total in the State Register of Transfer Transactions should be deducted so as to bring out the total receipts and disbursements of the day in cash, which should agree with the corresponding totals shown in the Shroffs cash book.

(d) For the above purpose, the Shroff will also sum up both sides of his cash book (Form M.T.C.II) and draw up his balance memorandum, in Form M.T.C.7, appending details, in kind, of the notes, coin etc., composing the balance.

(e) The Central Day Book should then be closed after entering the totals of cash receipts and cash payment of the day (as taken to the State Day Book, vide clause (b) Supra on the disbursement and receipt sides, respectively, of the Day book, noting the head of account as "Adjusting account between Central and State Governments". After these entries are made, totals on both sides of this Day book will agree.

Note: The debit balance under the above account represents the amount recoverable from and the credit balance, the amount payable to the State Government on account of Central transaction taken against the cash balance of the State in the first instance. When the balance under the corresponding suspense head in the State section is cleared by the Accountant General, vide Note under sub-clause (b) supra, the outstanding under this head gets automatically cleared. Transactions connected with such clearances, do not however enter the treasury accounts.

(f) The following is a memorandum of some of the more important parts of verification. The Sub-Treasury officer should

(1) examine the totallings in each of the subsidiary registers, marking the totals as 'exd.' under his initials,

(2) see that the totals are correctly carried from the subsidiary registers to the Day books, initialing the totals as he thus compares them, and satisfying himself that there are no erasures and that all corrections have been initialed by him.

Note – This must be done in the case of receipt registers, even when the total for the day is blank to guard against fraud or mistake of omitting to bring an entry from these registers upon the Day Book. This precaution will not be complete, if the Sub-Treasury officer examines only those registers from which an entry is made upon the Day book.

(3) Verify the totallings of the Day books and initial them as correct.

(4) see that the total receipts and total payments of the day, as shown in the state Day book, after deducting the days total in the Register of Transfer. Transactions agree with receipts and payments as in the shroff's cash book.

(g) Thereafter the Sub-Treasury Officer should sign the Day book, the shroff's cash book and the shroff's daily balance sheet after satisfying himself of the correctness and good order of all these documents, and giving special attention to the reconciliation of the account balance with that actually in the treasury, vide clause (i) infra.

(h) He should also verify the balance in the sole charge of the shroff and satisfy himself on the following points:

(1) that no uncurrent coins are left in charge of the Shroff.

“(2) that no more coin is so left than is actually required for current use”.

(3) that the balance, including the value of stamps, opium (if any), et., in charge of the shroff, is correct as per accounts signed, and exceeds neither his current requirements nor the amount of his security.

(i) When a deficiency is found in the cash balance of any day, it should be made good at once by the person responsible for it, and the closing cash balance of the day should be the full balance including the amount lost and made good. If, however, for any exceptional reason, the amount of deficiency is not immediately restored to the treasury balance, it should be charged in the accounts of the day on which the deficiency is discovered, on a voucher signed by the Sub-Treasury Officer specifying the name of the person who should make good the amount. The amount so charged should be debited to ‘Objection book Advances’ and recoveries made subsequently taken against the same head. When any excess is found in the cash balance, it should be credited to ‘Revenue Deposit’ on the day on which the excess is found, pending enquiry and disposal of the amount.

If the investigation does not establish beyond doubt, that the excess is due to a particular person, it should be credited to Government under “LII Miscellaneous”. If the amount is proved to be payable to any particular person, the refund should be made under the orders of the Director of Treasuries.

Such deficiencies or excesses should be reported on the same day to the Director of Treasuries and to the Accountant General.

(j) The Sub-Treasury Officer should always be careful to sign the Shroff’s cash book and the daily balance sheet on the evening of the day itself to which they refer and invariably date his signature. They should not however be signed until they have been carefully agreed with the State Day Book, which fact should invariably be recorded above his signature in the Shroff’s daily balance sheet.

(k) Thereafter the vouchers should be kept under lock and key by the Nagadi Gumasta till their dispatch to the Dist. Treasury.

### **(v) Daily Sheet**

116 (a) The day’s transactions of the sub-treasury as recorded in the State and Central Day Books should be reported to the district treasury, daily, in a Daily sheet. Form MTC 21 (supported by challans and vouchers). The State Daily sheet will show the receipts, the disbursements, the opening and the closing balances of the day while the Central Daily sheet will show only the receipts and the disbursements of the day.

(b) Each Daily sheet should be accompanied by (1) a major head abstract of the day’s transactions, and (2) extracts of the day’s transactions in the subsidiary registers of receipts in respect of heads for which such registers are kept.

(c) The daily sheet for the closing day of the month will be accompanied by the following documents also: -

(1) One copy of the journal of Savings Bank transactions for the month, vide Note to Article 106.

(2) Cash balance report in form MTC 8 vide Article 42.

(d) The daily sheets should be true copies of the entries in the relevant Day books and be written up neatly and carefully. The closing cash balance in the State Daily sheet should be entered both in words and figures. After check of their totals independently, the Daily sheets should be signed by the Sub-Treasury officer and despatched, either by post or by messenger, to the district treasury with all enclosures the same evening or the next morning.

## SECTION C – BANK TREASURIES

### I. General

#### (i) Mode of Entry in Accounts

117. As explained in the Note-2 under Article 62, in a non-bank treasury the transactions are entered in the accounts of the Accounts Department before cash is actually received or paid in the cash Department. But in a bank treasury the transactions are entered in the treasury accounts after they are reported by the bank through its accounts.

#### **(ii) Daily Accounts and Returns from the Bank**

118. The accounts and returns to be rendered by banks to district treasuries and sub-treasuries in respect of transactions of the state and Central Government consists of –

(i) a daily account of receipts and payments of the State Government including transactions on behalf of other State Governments together with connected challans and vouchers,

(ii) a daily account of receipts and payments of the Central Government together with connected challans and vouchers.

(iii) a pass book or register of receipts and payments (Central as well as State) to be daily forwarded to and returned by the Treasury Officer, and

(iv) a copy of the daily schedule of receipts and disbursements on account of the Central Government which is forwarded by the bank to its head office.

Note-1. The Reserve Bank of India, Bangalore, will render its daily accounts to the State Huzur Treasury, in Form MTC 22 classifying the transactions by major heads, and supporting them with copies of detailed scrolls.

Note-2. In the case of agencies of the Reserve Bank they will render to the treasuries, daily, simple scrolls, one for receipts and one for payments in which the transactions appear chronologically.

119. The daily account will be prepared everyday. The Manager or the Agent, as the case may be, after satisfying himself as to its accuracy will docket and forward it to the Treasury or Sub-Treasury Officer with the register of daily receipts and payments and with all the appertaining challans and vouchers at the close of the day.

Net payments only are to be entered in the bank accounts, that is, when a deduction is made from the amount of a bill, the daily account will show only the amount paid after deduction, and not the gross amount of the bill.

Note-1. It is of importance that these documents should be sent to the Treasury officer by the bank secured in a locked box, in order that there may be no possibility of any alteration or abstraction of any paper before they reach the hands of the Treasury officer.

Note-2. With the concurrence of the Accountant General, the daily accounts may be submitted in the morning following the date to which they refer, instead of at the close of the same day.

Note-3, Care should be taken to ensure that the vouchers sent to the treasury are conspicuously marked by the bank with the word 'PAID'. In attention to this rule may lead to documents being paid twice, in the event of their falling into unscrupulous hand.

120. The register of daily receipts and payments (vide Article 118(iii)) will contain five columns for (1) the date, (2) the total receipts of the day (3) the total payments of the day (4) the initials of the Manager or Agent as the case may (5) the initials of the Treasury officer. It will be written up and forwarded with the daily account to the treasury, the entries being certified by the initials of the Manager or the Agent in the 4<sup>th</sup> column. The Treasury Officer shall check the receipts and the disbursements columns of the daily account, agree their totals with the figures entered in the register, examine the vouchers, and after initialing in the 5<sup>th</sup> column of the registers in token in his verification, return the register to the Manager or the Agent.

(2) As sometime will have to be allowed to the Treasury and Sub-treasury Officers to scrutinize entries in the scrolls and totally them with the pass book everyday, tow pass books may be maintained and they may be used on alternate days so that one whole day might be available to the Treasury or Sub-Treasury for checking the challans and vouchers. The pass book as scrutinized at the District Treasury or Sub-Treasury should be returned positively on the succeeding day to the Agency Bank with the signature of the District Treasury Officer/Sub-Treasury officer with a memorandum indicating the corrections which are required to be made.

(3) The Agency Bank should prepare the monthly statement in triplicate in the case of District Treasury and in quadruplicate in the case of Sub-Treasury and send it to the District Treasury Officer/Sub-treasury officer as the case may be not later than the 1<sup>st</sup> working day of the succeeding month to which they relate. The District treasury Officer should scrutinize the statements prepared by the Bank and return one of the three copies to the Agency bank with a certificate to the effect that it has been checked and found correct and forward to the Accountant General, another copy of the statement with the certificate and retain the third copy for his record. In the case of Sub-treasury, one of the four copies of the monthly statement will be retained by the Sub-treasury for its record and the other three copies duly certified by the Sub-treasury officer will be forwarded to the District Treasury by 3<sup>rd</sup> of every month. The District Treasury officer will forward one of the three copies received from the Sub-Treasury to the Accountant General another one will be returned direct to the Agency Bank serving the Sub-Treasury and the third one will be retained by the District Treasury for its record. The District Treasury will submit the consolidated statement to the Accountant General by the 10<sup>th</sup> of month succeeding the month to which it relates, for months other than March. The monthly statement for March should be sent to the District Treasury not later than 8<sup>th</sup> of the succeeding month by the Sub-Treasury and by 15<sup>th</sup> of the following month by the District Treasury to the Accountant General, Karnataka, Bangalore.

(4) There may be occasions when the books of the banks remain unbalanced for many a days and the daily statements of receipts and payments may be provisional. In such cases and in cases of clerical errors or omissions in the daily statements furnished to the Reserve Bank and the Treasury by the Agency Banks, subsequent rectification is

necessary. The Banks should therefore, maintain an error scroll and error pass books for the Central or State as the case may be. After the entries in the error pass books are verified by the District Treasury Officer/Sub-treasury Officer they can be incorporated in the monthly statements.

121. Advices of receipts or payments which according to any rule or order have to be sent to public officers to departments and consolidated receipts or certificates and receipts or payments required by any rule or order to be given to any rule or order, have to be sent to public officers to depart treasury and not in the Bank, as the point to be advised or certified, is not that the money has been received or paid at the Bank, but that the receipt or payment has entered the Treasury accounts.

Nothing contained in this Article shall be deemed to override any local usage or practice under which advices and certificates referred to above are prepared by the Bank.

Note-At places where pass books maintained by drawing officers are required to be completed by the Bank and the number of entries to be made is large, the Bank may furnish pen-carbon copies of the payment scrolls containing full details of the paid cheques duly attested by an authorized official. In such cases, the no. of the first cheque paid may be written in full in the scroll and thereafter only the last three digits of the numbers of the subsequent cheques in the same series may be recorded.

In cases where pen-carbon copies of the payment scrolls are furnished, the daily total of the cheques paid may only be indicated in the relative pass books which should be written up once a month.

### **(iii) Scrutiny of the Daily Accounts received from the Bank**

122.(a) When the daily account with the challans and vouchers is received from the bank at a district or sub-treasury the account should first be examined against the challans and vouchers which support it. Then the challans and vouchers which have been already approved and registered by the Treasury officer shall first be marked off in the register of challans issued and of orders for payments, that is, the date of discharge shall be noted against the entries of them in the registers. It is only thereafter that the posting of the subsidiary registers with the challans and vouchers should be taken up.

Note-1. In treasuries which authorize payments on bank by cheques, the check of payments included in the bank's daily accounts with reference to the entries in the Register of cheques delivered and making necessary notes of payments there against, should invariably precede the entry of transactions in the treasury accounts.

Note-2. The posting of the transactions from the daily accounts of the bank into the treasury accounts should be completed and the books closed and proved on the working day following the date of transactions.

Note-3. Treasury Officers should invariably note the date of closing the treasury books, in the Day book in the case of Sub-treasuries, and in the cash book in the case of district treasuries. Any delay in the daily closing requires the approval of the District Treasury Officer or the Director of Treasuries who should accord it only in exceptional circumstances. See also Article 140(c).

(b) The difference between the total receipts and the total payments as reported in the bank's daily accounts, should be taken to the head 'Reserve Bank Deposits'. Central or State as the case may be, in the treasury accounts. If the total payments exceed the total receipts, the difference will appear as a receipt under the head. In the other case will appear as a payment under the head.

(c) The daily figures of Reserve Bank Deposits worked out as above should be posted in a subsidiary register called the Register of Reserve Bank Deposits, Form MTC 23. This register should be kept in two volumes, one for the transactions of the Central Government and the other for those of the State Government. The figures posted in this register should be checked and agreed with those in the pass books forwarded by the bank along with its daily accounts.

Note.- In the case of bank Sub-Treasuries, extracts of the entries in this register for the calendar month will be sent to the District Treasury so as to reach it on or before the 2nd of the following month.

## **II. Accountant Procedure**

### **(a) Sub-Treasuries**

123. (a) The provisions of Articles 104 to 109 111 to 114, 116, 130 and 132 are applicable to bank sub-treasuries also subject to the directions in Articles and 117.

Note.- There will be no opening and closing balances in the State Dally Sheet.

(b) The process of closing the accounts for the day is slightly different from that applicable to non-bank sub-treasuries (vide Articles 115) as indicated below:-

(1) After the daily totals of the subsidiary registers are taken into the Day Book (Central or State), totals will be made in the Day Books, From the gross totals so made the daily total of transfer transactions, as entered in the Register of Transfer Transactions, Central or State as the case may be, is deducted and balances struck which should agree with the daily totals of receipt and payments in the bank account (Central or State).

(2) The following is a memorandum of some of the more important parts of verifications:-

The Sub-Treasury Officer should:-

- (i) see that the entries in the subsidiary registers and in the Day Books have all been scrutinized by him and attested in token thereof.
- (ii) Examine the totallings in each subsidiary register and mark them as 'exd.' Under this initials.
- (iii) See that the totals are correctly carried from the subsidiary registers to the Day Book, and initial the entries in the Day Book as he thus verified them.
- (iv) Satisfy himself that there are no erasures and that all corrections have been initialed by himself.
- (v) Verify the totals of the Day Book and initial them as correct, and
- (vi) See that the total receipts and total payments of the Day as shown in the Day Book agree with the total receipts and total payments of the day in the bank account after deducting from the former, the day's total in the Register of Transfer Transactions.

Thereafter the Sub-Treasury Officer should sign the Day Book., affixing the date also invariably to his signature.

### **(b) District Treasuries**

(i) **Cash Book and Subsidiary Register**

**124.** A complete account of cash transactions and book transfers relating to the district treasury including those of sub-treasuries within its jurisdiction should be kept in the Cash Book in Form K.T.C.24. This book should be kept in two parts-one for receipts and the other for disbursements.

Note.- The Cash Book will furnish only daily totals of transactions by major heads, or groups of major heads. The figures are taken either directly, or through an intermediate register of daily totals, from the subsidiary registers wherein the transactions are entered in detail.

125. The subsidiary registers shall be in the same form as that of the corresponding receipt or payment schedule to be rendered to the Accountant General, and in all such cases the requisite number of extra copies should be prepared simultaneously by carbon process.

126. (a) Save where other forms or registers are present subject to such for particular classes of transactions, and subject to such modifications as may be authorised by the Accountant General to meet his requirements, departmental receipts for which separate returns are required to be submitted to the Accountant General, are recorded in separate registers in Form K.T.C. 26, according to the departments to which they relate.

Note- Receipts and payments relating to Debt, Deposits and Remittance heads not falling under any of the classes referred to in clause (b), though relating to a department, are entered in separate sets of registers, vide Article 127.

(b) The following instructions should be followed in writing up the registers:

(i) There should be a separate subsidiary register for the receipt/expenditure for each department, and for each major head of account not relating to any particular department. All revenue receipts and service payments should appear in one or other of these registers. Receipts on account of departments for which descriptive major heads are not opened on the receipt side should be included in the subsidiary register for the major head 'XLII Miscellaneous'.

Recoveries of service payments including unclassified items of receipts relating to '18 Parliament and State Legislatures', '19 General Administration', '20 Audit' and '27 Scientific Departments' will however be entered in separate subsidiary registers.

Note.- In the case of revenue heads, the realizations should be classified under the relevant minor and detailed heads also.

In the case of service payments, in addition to entering the net amounts of vouchers, paid in cash and by transfer, the deductions/recoveries not adjusted at the treasury level should be detailed in their respective columns so as to work up to the gross amounts of vouchers which should be mentioned in the last columns.

(ii) Unclassified items of receipts and recoveries of service payments should be shown with full particulars in the receipt register of the department by or at the instance of which the money is presented at the treasury.

(iii) Advances of pay, traveling allowances, etc., to Government servants and recoveries of such advances should be included in the subsidiary registers of the department to which the Government servants concerned belong.

(iv) Payments relating to personal claims of gazetted officers should be shown in a separate register, for each department or major head, the daily totals of which should be carried over, in a single line, to the relevant subsidiary register of payment referred to at (i) above.

(v) Refunds of revenue should be shown in a separate column in the payment subsidiary register of the department or major head concerned.

Note.- An item of receipt which cannot be classified under any of the prescribed heads of classification, should be treated as an unclassified item in the receipt schedule of the department to which it relates. For this purpose, every subsidiary register of departmental receipts will provide a column 'unclassified items of receipts and recoveries of service payments' as shown in Form K.T.C. 25.

127. Subject to such modifications as may be authorized by the Accountant General, the posting of subsidiary registers relating to other classes of transactions is regulated as under: -

(a) The receipts and disbursements in a treasury on behalf of other State Government should be posted in registers in Form K.T.C. 27 and 28.

(b) The receipts and disbursements on behalf of Railways originating in a treasury should be posted, separately for each Railway, in registers in Forms K.T.C. 27 and 28.

(c) The receipts and disbursements on behalf of the posts and Telegraphs originating in a Treasury should be posted, separately for each Postal Accounts Officer, in registers in Forms K.T.C. 29 and 30.

Receipts and payments originating in the Civil Departments should not be included under any Post Office in the above registers, but should be shown in the column headed 'Miscellaneous'.

(d) Moneys received from or on behalf of departmental officers who render separate cash accounts to the Accountant General should be recorded in a register in Form K.T.C.27. In the same way, funds supplied to such departmental officers on cheques drawn against letters of credit or otherwise, should be entered in a register in Form K.T.C.28.

(e) Receipts and payments of the Defence Department should be entered in separate registers in Forms K.T.C.27 and 28.

(f) Transactions of the treasury Savings Bank should be entered in the journal of Savings Bank deposits and withdrawals. They however enter the treasury accounts only after the relevant receipts are paid into the Bank and the payments out of imprest on account of withdrawals, are recouped there from.

Note.- The journal, will be written up in duplicate, The sub-treasury transactions will not be incorporated in this journal, but in a separate Subsidiary Register in Form K.T.C. 37 in which only daily totals of deposits and withdrawals of district and sub-treasuries will be entered treasury-wise and the grand totals thereof agreed with the corresponding figures in the Head Accountant's Cash Book.

(g) In regard to the entry of transactions relating to Revenue Deposits civil and Criminal Courts Deposits Personal Deposits, Deposits of Local Funds, etc., detailed rules are given in Chapter IX.

(h) In respect of transactions not falling under any of the classes referred to above, a separate subsidiary register will be kept for each major head, or part of it, as may be convenient, or as prescribed by the Accountant General. Where no special form is prescribed Forms K.T.C. 27 and 28 will be used for the purpose.

Exception.- The transactions of the Treasury Savings Bank of the last working day of the month which are not recouped by remittance into or drawl from the Bank the same day, are incorporated in the treasury accounts of the month by per contro debit or credit to the head "Suspense Accounts-Receipts Adjusted or Payments Adjusted". These suspense items will be cleared on the following working day by paying into the Bank the unremitted receipts of the previous day to the head "Suspense Accounts-Receipts-Receipts in cash", or by drawing from the Bank the amount of Saving Bank withdrawals of that day on a treasury pay order under the head "Suspense Accounts-Payments-Payments in cash".

128. The district treasury vouchers pertaining to each subsidiary register should be numbered in monthly series, along with the sub-treasury vouchers the transactions of which are incorporated in the accounts of the district treasury during the day, and kept in that order under lock and key, by the Head Accountant till they are dispatched to the Accountant General.

Note- The above rule applies to challans also.

129. Every item of transaction entered in the subsidiary registers shall be verified by a Deputy Accountant, or the head Accountant, and attested by him in token thereof. The Treasury Officer shall test-check not less than 25 per cent of the entries in the subsidiary registers and attest them.

#### **(ii) Adjustments by Transfer**

130. Provisions of Articles 107 to 109, 111 and 113 apply to the district treasuries also. In regard to bills or cheques payable partly in cash and partly by transfer the adjustment is recorded in the Register and Transfer Transactions only after the relevant voucher is received with the bank account.

131. The transactions recorded in the Register of Transfer Transactions are posted into the relevant subsidiary registers before they are closed for the day.

Note1.- In the case of deductions in bills adjustable at the treasury level vide Article 113 supra, payments made by transfer should be entered in the subsidiary registers voucherwise, in the separate column prescribed therefore while entering the cash payments made on such vouchers. In such cases, it would be sufficient if the daily totals only of debits and credits made by transfer are taken from each subsidiary register to the Register of Transfer Transactions, either directly or after consolidating the transactions in the Register of Deductions, Form K.T.C.31. The figures on the credit side should be taken into the relevant subsidiary registers before they are closed.'

Note.2- The daily closing should be attested by the District Treasury Officer.

#### **(iii) Misclassification in Bank Accounts**

132. State transactions misclassified in the Central Scroll, and vice Versa, in the daily accounts, rendered by the bank, should initially be taken in the treasury accounts in lumpsum to the head "Adjusting Account between Central and State Governments" in the Section in which they are misclassified by the bank. But on no account should the

classification adopted in the bank accounts be altered, as it will affect the figures under the head 'Reserve Bank Deposits' vide Article 122(b). The misclassification should however be corrected in the treasury account subsequently, through the Register of Transfer Transactions, in the manner indicated below: -

State transactions erroneously entered in the bank's daily statement of transactions of the Central Government and vice versa, should be entered in the Register Misclassifications by the Bank, Form K.T.C. 33. The form is divided into two parts namely- (1) Central transactions included in the State Statement and (2) State transactions included in the Central statement. Each part is further sub-divided into 'Receipts' and 'Payments' so that separate totals may be struck for receipts as well as for payments. The transactions should then be posted into the appropriate subsidiary registers, and the credits and debits initially taken to the heads 'Adjusting Account between Central and State Governments' cleared by adjusting entries in the Register of Transfer Transactions, as under.

**In the Central Register of Transfer Transactions:**

(a) Central transactions included in the State Statement-

	CREDIT	DEBIT
Receipts	Sundry Central heads	Adjusting account between Central and State Government.
Payment	Adjusting account Between Central and State Government	Sundry Central heads

**In the State Register of Transfer Transactions:**

(b) State transactions included in the Central Statement-

	CREDIT	DEBIT
Receipts	Sundry State heads	Adjusting account between Central and State Government.
Payment	Adjusting account Between Central and State Government	Sundry Central heads

Note.- The sundry heads here refer to the credit or debit heads in the Central or State subsidiary registers to which the misclassified items would already have been posted from the Register of Misclassifications by the Bank, according to directions in this Article.

**(iv) Daily Incorporation of Sub-Treasury Transactions**

133. The transactions occurring at Sub-Treasuries reported to the district treasury in daily sheets under the provisions of Article 116, should be posted from the daily sheets into the subsidiary registers of the district treasury as if they had taken place at the district treasury itself.

Note-1. Transfer transactions relating to sub-treasuries will as far as possible be effected at the sub-treasuries themselves as laid down in Articles 107 to 113 supra. Any omission at sub-treasury level will be rectified in the district treasury at the time of incorporation of sub-treasury transactions.

Note-2 In respect of heads referred to in Article 106, only daily totals of sub-treasuries, as reported in their daily sheets, will be incorporated in the subsidiary registers of the district treasury. This arrangement does not however apply to transactions of payments under those heads. Such transactions should be incorporated in detail.

134. The following items of receipts or payments in the daily sheets of sub-treasuries should be excluded from the accounts of the district treasury in which they will remain as part of the cash balance: -

(1) Remittances of cash to or from a non-bank sub-treasury, from or to another non-bank sub-treasury within the district.

(2) Transfer of funds through currency between non-bank sub-treasuries subordinate to the same district treasury.

Note- The Daily Sheets of sub-treasuries received on a day should be incorporated in the district treasury accounts on the same day or the following working day. The check register in Form K.T.C.34 should be used to collect the sub-treasury transactions by major heads and work out the totals thereunder to facilitate the posting of the transactions correctly in the subsidiary registers of the district treasury. At the time of posting the check register any misclassification or error found in the sub-treasury Daily Sheet should be corrected, wherever practicable, on the basis of the relevant chalan or voucher. Where a mistake cannot be so rectified, the incorporation should not be held up on that account. The item, or the difference, should be provisionally classified under the head to which it appears to relate, pending clearance. An objection memo should be issued to the Sub-Treasury Officer concerned immediately calling for the information in respect of the discrepancy observed the information obtained and the discrepancy rectified, promptly.

In the case of Daily Sheets of 26<sup>th</sup> and on-wards received before the end of the month in months other than March, the incorporation of the transactions should not be held over on the ground that they are to find place in the district treasury accounts of the following month. They should be consolidated in the check register, and the transactions posted in the relevant subsidiary registers for the following month where they will appear as transactions of the first working day.

#### **(v) Examination of the Sub-Treasury Daily Sheets by the District Treasury Officer**

135. It is the duty of the District Treasury Officer to scrutinize and examine every item of receipt and payment shown in the sub-treasury daily sheets and point out and watch against all irregularities **in the same way as those at the district treasury**. He shall examine and regulate the procedure of sub-treasuries, as far as he can, from the daily examination of their accounts.

Note- If the Treasury Officer owing to the volume of sub-treasury transactions finds it difficult to scrutinize each and every sub-treasury voucher, he may at his direction leave over the work to the Head Accountant, a percentage check not less than 20 per cent being effected by him. All vouchers checked by the Treasury Officers himself must be initialed by him and the corresponding entries in the district treasury subsidiary registers attested also in proof of this check.

136. The Treasury Officer shall see that the cash balance of the sub-treasury has been actually counted and certified by the Tahsildar on the closing day of the month The balance must be written in words as well as in figures the words being written in such a manner as to leave no room for alteration or interpolation. The treasury Officer is also

required to observe special precaution to satisfy himself that sub-treasury officer's signature on the daily sheets and supporting documents is genuine and that the accounts have not been tampered with the transit.

**(vi) Encashment 1 (Register) of Bills**

137. Under Article 346 of Karnataka Financial Code all bills other than pay bills of Gazetted Officers, pension bills of pensioners and bills drawn by the persons other than the drawing officer such as grant-in-aid bills etc., should invariably be presented at the treasuries along with the bill presentation slip to each bill in form KTC 65A.)

**(vii) Alteration in Accounts**

138. If a mistake in posting the day's entries into a subsidiary register is discovered before the closing of the cash book for the day, the same will be corrected under the initials of the Accountant and the head Accountant. If discovered afterwards but before closing the cash book for the last working day of the month, the correction should be made not by altering the erroneous entry but by a correcting entry, in red ink, in the accounts of the day on which the error is discovered in the manner indicated in clause (a) to Article 114.

139.(a) No alterations should be made in the district treasury office copies of the accounts and other returns after their submission to the Accountant General. When after the dispatch of a treasury account, a Treasury Officer discovers that the classification of any item in that month's account is erroneous, or when a departmental officer brings any misclassification in accounts to the notice of the Treasury Officer, he will prepare an alteration memorandum in Form K.T.C. 36, and submit it to the Accountant General, explaining clearly the necessity for the alteration, and showing the addition or deduction to be made under the heads of account affected. A note should be made in the original account of the communication of the error to the Accountant General.

Note.- If the requisitions for corrections do not arrive in time in the Office of the Accountant General to be incorporated in the same month's accounts they will be included in a subsequent month's accounts.

(b) (1) The corrections proposed by the treasuries will be incorporated in the books of the Accountant General, and the corrections made and the month of adjustment will be intimated to the treasuries in a special form (which also provides for the reply), for noting the corrections in the office copy of the accounts and also for noting the number and date of the Accountant General's letter and the month of adjustment against the original item. The Accountant General's advise will be pasted to the counterfoils of the alteration memoranda, by treasuries, and the fact will be reported to the Accountant General in the trefoil of the form received from the Accountant General.

(2) In the case of corrections affecting fund and other heads, the transactions of which are of the nature of banking accounts, all adjustments have to pass through the treasury accounts. Corrections proposed by the treasuries affecting such heads will be merely approved by the Accountant General, and the approval communicated to treasuries in a special form (which also provides for a reply). On receipt of the Accountant General's approval the treasury will effect necessary corrections in the treasury accounts on hand, through the Register of Transfer Transactions, and record the transactions in the treasury subsidiary registers. The adjustment entry should contain full details of the original transaction, and should clearly specify the month in which the error occurred and the item number of the original subsidiary register. A note should be made in the original subsidiary register, against the item concerned, of the month in which adjustment was effected in the treasury accounts. The Accountant

General's advice will be treated as a voucher in support of the debit entry. The fact of adjustment and the month of adjustment should be reported to the Account General in the special form received from him.

Note- In all cases of corrections proposed by treasuries (whether for incorporation in the Accountant General's books or in the treasury books) the receipt of Accountant General's replies should be watched, the number and date of the reply and the month of adjustment being noted in the office copy of the alteration memorandum.

(c) In certifying, for purposes of revenue returns, the amount credited in the treasury, the Treasury Officers will save much trouble to those who have to effect comparisons at headquarters, if they will quote first, the actual figures of the accounts as originally sent to the Accountant General, and state separately any subsequent corrections which they have applied to them.

(d) No corrections of accounts of a past year, so far as concerns Government revenue or expenditure, can be admitted later than 15<sup>th</sup> May, but if any such errors affecting balanced heads (such as Deposits, Advances, Local Funds etc.), are discovered, they should, however old, be specially reported to the Accountant General, in order that he may adjust the error brought to notice in the current month's accounts.

**(viii) Closing for the day**

140. The process of closing the accounts for the day in a district treasury is as follows: -

(a) After the several subsidiary registers have been written up, and completed in respect of cash and transfer items of the district treasury and transactions of the sub-treasuries, the daily total of each register should be carried into the cash book, Central or State as the case may be, either directly or through a register of daily totals, Form K.T.C. 37. as may be necessary. The cash book should then be totaled, and to the gross totals receipts and disbursements thus worked out, the deductions and additions indicated below should be applied so as to bring out the net totals of receipts and disbursements which should agree with the totals shown in the daily accounts received from the bank: -

Deduct-

- Transactions of Sub-Treasuries
- Transfer Transactions
- Reserve Bank Deposits (District Treasury)

Add-

- Remittances and transfers within the District (applies to non-bank Sub-treasuries)

Net Receipt/payments

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(b) The following is a memorandum of some of the more important parts of verification. The Treasury Officer should-

(1) see that the entries in the subsidiary registers are all checked and attested by the Deputy/Head Accountant and that they are also test-checked by him in the manner laid down in Article 129;

(2) examine, at random, the totals in the subsidiary registers marking the totals as 'Exd.;

(3) see that the totallings are correctly carried from the subsidiary register to the registers of daily totals and from the latter to the cash book, or direct to it, initialing the totals as he thus compares them, and satisfying himself that there are no erasures, and that all corrections have been attested by the Head Accountant or by himself;

(4) have the totallings of the cash book verified by himself or by some principal subordinate Government servant other than the Head Accountant, who should initial it as correct;

(5) see that the net total receipts and the net total payments, as shown in the cash book, vide Article 140(a), agree with the total receipts and total payments in the bank's daily account;

(6) see twice every week that all vouchers are kept properly arranged for each subsidiary register.

He should thereafter sign the cash book and the Head Accountant's Daily Balance sheet (Form K.T.C. 10) affixing the date also to his signature in both those records.

(c) The Treasury Officer should see that the transactions reported by the bank as well as those reported through the daily sheets of sub-treasuries, are posted into the subsidiary registers of the district treasury and the books closed before the evening of the day, following the date of transaction, or of receipt of the sub-treasury daily sheets, as the case may be. He is not permitted to close the office until this is done. As the transactions during the first three days will be generally heavy, time is allowed to close the cash books of those three days only up to the 5<sup>th</sup> of the month.

#### (ix) Closing for the month

141. In addition to the usual daily closing, the month's totals will be made in the subsidiary registers and in the cash books, and the figures agreed with one another.

142. With the single exception of March for which the accounts of the district treasury must be kept open until receipt of Daily Sheet of every sub-treasury for 31<sup>st</sup> March (or the previous working day if 31<sup>st</sup> happens to be a holiday), the monthly accounts of the district treasury shall be closed without fail **on the last (working) day** of each month. Every endeavor shall be made to close the March accounts at the earliest possible date, and in any case not later than the 5<sup>th</sup> of April.

Note-1. The transaction of sub-treasuries will be included in the accounts of the district treasury, from the 1<sup>st</sup> to the 25<sup>th</sup> in the case of April, from 26<sup>th</sup> of the previous month to 25<sup>th</sup> of the current month in other months excluding March, and from 26<sup>th</sup> of February to 31<sup>st</sup> of March in the case of March. The district treasury cash books for March will accordingly be kept open until the Daily Sheet of every sub-treasury up to and inclusive of 31<sup>st</sup> March is received and incorporated in order that all receipts and payments taking place at the sub-treasuries within the financial year may without exception be brought into the accounts of the year.

Note-2. In months other than March, if any sub-treasury Daily Sheets of the closing day or days be not received in time for closing the cash book of the district treasury for the month, such accounts may be left over for inclusion in the accounts of books should not be delayed on that account.

143. After the subsidiary registers and the cash books are closed as laid down in Article 141 the month's totals of the subsidiary registers will be carried into the Cash Account in the case of receipts, and into the List of Payments in the case of payments. The money columns of the Cash Account and the List of payments should then be totaled and the total is so worked out agreed with the corresponding figures in the cash book.

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## **CHAPTER VII**

### **ACCOUNTS RETURNS TO BE RENDERED BY TREASURIES**

#### **SECTION A General**

144. The returns which the treasuries have to render to the Accountant General, the Currency Officer and other officers, periodically, are detailed in Appendix VII. They should be prepared from the registers of the treasury and dispatched to the offices concerned punctually on the prescribed dates. The returns due for dispatch on a holiday may be sent one day (but not more than one day) late.

Such of the returns as the bank is instructed to furnish under the rules in this Code, or under the express orders of the Accountant General, are prepared in the bank itself.

145. Separate returns should be rendered by the treasuries in respect of the transactions included in the Central Section of the treasury accounts.

146. The more important treasury returns to be rendered to the Accountant General and the Currency Officer are described in Section 'B'.

## **SECTION B**

### **I. Weekly Intimation of Central Transactions initially taken against the balance of the State.**

147. On the 8<sup>th</sup>, 16<sup>th</sup>, 24<sup>th</sup> and the last day of each month (or the previous open day if any of these days is a holiday), the District Treasuries should forward to the Accountant General a statement in Form M.T.C. 38 showing separately Central Transactions as detailed below occurring in the non-Bank sub-treasuries under them

(1) Transactions of the Central Government other than those relating to the Railways, the Posts and Telegraphs and the Defence Services.

(2) Transactions of the Railways.

(3) Transactions of the Posts and Telegraphs.

(4) Transactions of the Defence Services. The last three will be further classified by each Accounts Officer. No vouchers should accompany these statements.

The District Treasuries should also send similar periodical statements in respect of the amounts adjusted by them and by the Bank sub-treasuries subordinate to them under the head, "adjusting account between Central and State Governments" in accordance with the provisions contained in the Article 132 idid.

### **II. Accounts of Savings Bank Transactions**

148. Sub-treasuries conducting Savings Bank transactions should send a copy of their Savings Bank journal for the month (vide Article 106), supported by the relevant challans, vouchers, index cards, etc., to the Accountant General, direct the same evening or the next morning after closing the accounts of the closing day of the month.

Note. 1. Another copy of the journal (without challans, vouchers, etc.) will be sent to the district treasury with the Daily Sheet for the closing day, vide Article 116 (b). It will contain a certificate in the following form signed by the Sub-Treasury Officer.

"Certified that the challans, vouchers, index cards, etc., relating to the transactions covered by this journals have this day been dispatched to the Accountant General in a complete form.

Note. 2. In the district treasury, the monthly totals for each sub-treasury, worked out in the Subsidiary Register of Receipts/Payments of Savings Bank transactions [vide Article 127 (f)] should be agreed with the totals shown in the copies of the journals received from sub-treasuries before closing the accounts of the month.

Note. 3. The district treasury journals of Savings Bank Deposits and withdrawals for the month, supported by challans, vouchers, index cards, etc., copies of sub-treasury journals and the copy of the district treasury Subsidiary Register of Receipts/Payments of Savings Bank transactions will accompany the Cash Account and the List of Payments.

### **III. Cash Account and List of Payments Central/State.**

149. The Cash Account and the List of Payments should be prepared in Forms M.T.C. 39 and 40 respectively, in which heads of receipts/payments should be printed in the order prescribed by the Accountant General. The Cash Account should show the total receipts collected, and the List of Payments, the total payments made in the treasuries of the district during the month, vide Article 124.

Note. 1. The returns are written up from the Cash Book and the Subsidiary Registers after they are closed for the month and the figures agreed, vide Article 141.

Note. 2. The figures under the head 'Adjusting Account between Central and State Governments' appearing in the 'State' Section should invariably be tallied with the corresponding figure appearing in the 'Central' Section of these accounts.

Note. 3. The figures of receipts or payments against 'Reserve Bank Deposits, Central or State' should be reconciled with those worked out in the register of Reserve Bank Deposits kept in the District Treasury and in the extracts from the Register of Reserve Bank Deposits, received from sub-treasuries, vide Article 122©.

150. The State Cash Account should be supported by a closing abstract in Form M.T.C. 41.

It should be supported by the certificate that the cash balance shown in the account has been verified according to the prescribed rules and that it agree with the balance reported in the Cash Balance Report of the District for the closing day of the month (vide Article 45).

A certificate in the following form should also be furnished in both Central and State Cash Accounts in respect of transactions in bank treasuries.

"Certified that the net amount credited/debited under the head 'Reserve Bank Deposits Central/State' agrees with the net disbursements/receipts shown in the daily statements of Central/State receipts and disbursements received from the Bank during the month, the total of which were checked and agreed with the totals shown in the copies received in the respective treasuries of the daily schedules rendered by the Bank to its Head Office".

151. The District Treasury Officer must always sign the account to be rendered to the Accountant General and the Currency Officer, after necessary scrutiny of the cash books, calendar of returns, etc.

152. The due dates of dispatch of the Cash Accounts and the List of Payments are noted below: -

	For months other than March	For March
1. Class District Treasury	5 <sup>th</sup> of the following month	8 <sup>th</sup> of the following month.
2. Class and III class District Treasuries.	4 <sup>th</sup> of the following month	7 <sup>th</sup> of the following month

The classification of the District Treasuries for this purpose is determined by the Accountant General from time to time with reference to the volume of transactions conducted thereat.

[Note- The Payment relating to Central Civil and Freedom fighters Pensions which are paid at the Treasury Counter will hereafter be classified under the Head of Account "8658 Suspense

PAO Suspense Transactions adjustable by the Central Pension Accounting Office New Delhi in the State Section of the Accounts].

#### **IV. Supporting Schedules**

##### **Schedules of Payments, Central/State**

153. These schedules are copies of the subsidiary registers of payments at the treasuries under service and capital heads of account and are written up in the manner laid down in Article 126. The schedule of each department/major head for a month should be prepared in two parts, the first part relating to the payments made from the 1<sup>st</sup> to the 10<sup>th</sup> of the month, and the second part, to those made during the rest of the month. The total of the first schedule of payments should be brought below and added to the total of the second schedule of payments so that the grand total in the latter may agree with the corresponding entry in the List of payments against the department/major head concerned.

154. The first Schedules of Payments, Central/State, with the connected vouchers and a memorandum in form M.T.C. 42, should be sent to the accountant General on the 11<sup>th</sup> of the month and the 2<sup>nd</sup> schedules with the connected vouchers together with a memorandum in Form M.T.C. 42, should be despatched to him along with the Cash Accounts and the List of Payments on the dates specified in Article 152.

The following schedules also will accompany the first/second schedules of payments with the supporting vouchers.

- (i) Schedules of Public Works Cheques paid;
- (ii) Schedules of Forest Cheques paid;
- (iii) Schedules of Repayments of Revenue Deposits.

[Note The first schedule of payments and the second schedule of payments are to be prepared in triplicate and two copies thereof sent to the Accountant General with the connected vouchers together with a memorandum in Form K.T.C. 42.

Exception. In respect of the transactions of the Railways, the Posts and Telegraphs and the Defence Services, both the schedules of payments with vouchers and an extract from the Register of Receipts by each Accounts Officer should be sent direct to the Accounts Officer concerned on the dates specified above, only copies of such schedules being sent to the Account general with the First Second Schedules of Payments/Cash Account.

Note 1. In respect of recoveries towards premia, etc., deducted in the bills under Service Heads under Mysore Government Insurance, Department (M.G.I.D) and Hyderabad State List Insurance (H.S.L.I) the deduction statements should be listed voucherwise according to the list of payments for each Major Head in a covering schedule in Form No. M.T.C. 26-A separately for M.G.I.D and H.S.L.I. These covering schedules for each Major Head of account should be sent to the Secretary, Mysore Government Insurance Department at the same time the first and second lists of payments are sent to the Accountant General. Copies of these covering schedules with the general abstract should be sent to the Accountant General along with the lists of payments for verification and transmission to Mysore Government Insurance Department with a certificate of agreement.

**Schedules of Receipts of Departmental Revenue and Schedules of Receipts and Payments under Debt, Deposit and Remittance heads-Central/State, excluding those accompanying the 1<sup>st</sup> and 2<sup>nd</sup> schedules of payments.**

155. One copy of the schedule relating to each department or Major Head of Account containing all particulars required in the prescribed form (Form No.M.T.C. 25) should accompany the Cash Accounts/List of Payments.

(ii) Challans should accompany the receipt schedule only in respect of the schedule relating to debt, deposit and remittance head of accounts. Also, all challans should accompany which relate to.

(a) recoveries relating to overpayments of the current year shown, as minus expenditure under the overcharged detailed head.

(b) recoveries relating to the overpayments of the previous years shown in the concerned departmental head.

(c) Recoveries of overpayments of a previous year in the case of departments not having a corresponding receipt head and credited to 'LII Miscellaneous'.

(d) XVI Interest.

Note. Where a separate schedule has been prescribed by the Accountant General, it should be prepared invariably even if there be no transactions in the treasury accounts under the head concerned during the period in respect of which the schedule is prepared. In such cases the schedules should show the transaction as nil'.

"155A. The District Treasury Officers should prepare subsidiary schedules with the challans in respect of each detailed head of account under 'XVI – Interest' as shown below:

1. A: Loans to local Funds, Private parties etc; Loans to Municipal Corporations and Municipalities.

2. B: Loans to Government Servants :

- (i) House Building Advances (N.G.Os).
- (ii) Advances for purchase of Motor Conveyance (N.G.Os).
- (iii) Advance for purchase of other conveyances.
- (iv) House Building Advance (Gazetted Officers)
- (v) Motor Conveyance Advances (Gazetted Officers)

3. C: Other interest receipts :

- (i) Interest on Loans and Advances by the State.
- (ii) Loans to Local Funds, Private parties etc.
- (iii) Loans to statutory Corporations, Boards and Government Companies.
- (iv) Loans to District Boards and other Local Fund Committees.
- (v) Loans to Co-operative Industrial Banks.
- (vi) Loans to land holder's and other notabilities.

IX. Loans under Community Development.

- (x) Revenue Advances.
- (xi) Miscellaneous Loans and Advances.
- (xii) Loans and Advances to displaced persons.

They should furnish the challanwise details in the subsidiary schedules and only the lumpsum amount from the subsidiary schedules will be incorporated in the main schedule.

156. Before dispatch of the payment schedules referred to in Articles 154 and 155, the Treasury Officer should personally satisfy himself that the requisite vouchers are all attached. He will have no difficulty to do this as he is required to see twice a week that all the vouchers are kept in proper order, vide Article 140(b). As no payment could be made without a voucher, there can be no excuse for the absence of any voucher unless it be for a specie remittance.

157. The totals of all accounts returns/schedule/and the closing cash balance in the Cash Account should be entered in word as well as in figures, and there must not be left before the entry such space as would allow a fraudulent alteration of the amount.

158. Plus and Minus Memoranda should be prepared in Form M.T.C. 43 or 51 for the transactions on account of each class of deposits, of each Local Fund, of each kind of stamps (general, adhesive, bill, court fee) of match excise banderols and of excise opium. The deductions from balance should tally with the corresponding entries of receipts in the accounts, except as regards stock of stamps sent to other treasuries or sub-treasuries or damaged or absolute stamps written off the accounts, and the closing balances should be certified as agreeing with the stock registers and accounts maintained in the treasury. Plus and Minus Memorandum in the same form may also be prepared in respect of the outstanding balance or revenue or special advances made at the treasury. These memoranda should accompany the Cash Accounts.

Note. 1 The plus and minus memoranda should be prepared in such separate parts as may be determined by the Accountant General. Those relating to particular departments may be furnished, wherever this is possible on the reverse of the receipts schedules concerned.

Note 2 No defference should ever exist between the closing balance of one month and the corresponding opening balance of the next; any addition to, or deductions from, the balance should be made by a special entry to be explained by a foot-note.

Note. 3 In every treasury from which revenue advances are made, one or more plus and minus memoranda (Form M.T.C. 43) should be kept, in which the advance should be debited and all recoveries credited. One of these plus and minus memoranda should be used for the account of revenue advances; and other special accounts may be opened from time to time for any special officers authorised to make such advances, who may, under the orders of competent authorities, keep and submit accounts separate from the accounts of the District Officer. Unless the Government requires otherwise, the treasury shall keep no detailed accounts of these advances.

An advance treated as irrecoverable by such authorities should be written off the treasury plus and minus memorandum under the authority of the Accountant General: any subsequent recoveries should not affect the treasury plus and minus memorandum but should be taken direct to revenue.

Exception. In respect of transactions of Local Funds banking with sub-treasuries, the plus and minus memorandum will be prepared by the sub-treasuries themselves and sent to the district treasury, in triplicate, within five days after the closing date for the month. The district treasury will forward then to the Accountant General, accompanied by the plus and minus memorandums of the district treasury proper, in duplicate, and also an abstract consolidating the figures of the whole district so as to agree with the figures worked out in the relevant district treasury subsidiary registers for the month.

## **V. Monthly Cash Balance Report**

159. This report shows the cash balances at the Non bank treasuries in the district for the closing day of the month, and is prepared in Form M.T.C. 9 as laid down in Article 45. It should be signed by the District Treasury Officer and despatched to the Director of Treasuries, Bangalore, on the 1st working day of the following month.

Note. 1. As the cash business of all district treasuries and a number of sub-treasuries in the State is conducted by the bank, the report will show details of the balance at the non-bank sub-treasuries only. But a separate memorandum should be attached showing the value of small coins of each denomination and of uncurrent coins of each class held by the bank, necessary information being obtained from the bank.

## **SECTION C**

### **Calender of Returns**

160. Every District Treasuries Officer must keep on his table a Calendar, in Form M.T.C. 44, showing, for each month, the accounts and returns which he has to received submit, the offices from/to which they are due, the due dates, of their receipt/despatch, and the dates of their actual receipt/submission. He should review the Calendar invariably on the first working day of every week and endorse the fact on the covering page, under his dated initials.

At the time of signing the accounts/returns, he should see that all the documents to go with them are ready for despatch, and that none of them are withheld for future submission.

Sub-Treasury Officers shall keep a similar Calendar for the accounts and returns they have to submit to the District Treasury and other offices. They should note the date of actual despatch of the accounts/returns therein, in their own kind.

Note. The Director of Treasuries should see that the Treasuries maintain strict punctuality in the submission of their accounts and returns and check any tendency to depart from the due dates, vide Article 9.

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**CHAPTER VIII  
PENSION PAYMENTS**

**SECTION A – INTRODUCTORY**

161. (1) Subject as hereinafter provided, the rules in this Chapter shall regulate the procedure with regard to the payment, in treasuries, of pensions payable out of the Consolidated Fund of the State.

(2) Nothing contained in this rule shall be taken as affecting: -

- (i) the provisions of the Pensions Act (Act XXIII of 1871) or of any rules made thereunder;
- (ii) the provisions of any rule contained in the Mysore Civil Services Rules, or of any departmental regulation issued by, or under the authority of the Governor, prescribing the procedure for the payment of any pensions payable by, or out of the Consolidated Fund of the State;

Note. – 1. Being analogous to the corresponding provisions in the Compilation of Treasury Rules of the Central Government, these rules can be followed mutatis mutandis for payment, in State Treasuries, of pensions payable out of the Consolidated Fund of India also. In any case of doubt, the provisions of the Central Treasury Rules will apply.

Note. – 2. Disbursement of pensions chargeable to other State Governments is done on the authority of the Accountant General and will be subject to such general or special instructions as may be issued by him.

Note. – 3. Payment of pensions (including gratuities) debitable wholly, or partly, to Local Funds is subject to the rules applicable to service pensions. The recovery of the charges from the Funds concerned is watched by the Accountant General.

Note. – 4. Military Pensions are paid on Pension Certificates or other authorities issued by the Controller of Defence Accounts (Pensions) Allahabad. Detailed instructions for the payment of such Pensions are contained in the hand-book of instructions issued by that officer.

162. In this chapter, except where it is expressly otherwise provided, or the context otherwise requires: -

“Service Pension” means a pension, payable to, or in respect of a person, in consideration of his past employment under the State and includes a gratuity so payable;

“Political Pension” means a pension, not being a service pension, granted or customarily payable to, or in respect of a person, on political considerations, or on compassionate grounds, or in consideration of distinguished or meritorious services, or

of the surrender of rights or emoluments, and includes assignments of compensations when payable in the form of fixed allowances or grants.

Note.-1. In this Chapter the term "Disbursing Officer" refers to the Treasury or Sub-Treasury Officer as the case may be.

Note.-2. In the District Treasuries the Head Accountants will be the disbursing officers of pensions up to Rs.75 (inclusive of Dearness Allowance).

163. Pensions or any other sums payable in respect of contributions to a family pension fund, and any sums payable under the Workmen's Compensation Act are not subject to the rules in this Chapter.

## SECTION B – PLACE OF PAYMENT

164. Subject as hereinafter provided, and subject also to such conditions as may be laid down by the Accountant General, service pensions may be drawn from any treasury in the State.

Note. – The Accountant General may, on application and on sufficient cause being shown, arrange payment of pension in any treasury in India outside the State.

## SECTION C – AUTHORITY FOR PAYMENT

### I. Pension Payment Order

165. (1) Unless the Government order otherwise in the case of any particular class of pensions, payment of pensions can be made only upon Pension Payment Orders issued by the Accountant General.

(2) In issuing a Pension Payment Order, the Accountant General will-

- (i) attach to the order a specimen signature of the pensioner if he can sign his name in English, Hindi, or the official regional language, otherwise the thumb and finger impressions of his left hand, the specimen signature or the thumb and finger impressions being duly attested by the head of the office concerned, or by some other responsible person, and
- (ii) paste a certified copy of the pensioner's photograph in passport size on the disburser's portion of the Pension Payment Order and in case of Government servants governed by the Mysore Government servants (Family Pension) Rules 1964, of his wife or her husband also, as the case may be.

This requirement will not apply to pardahnashin ladies, persons who are in receipt of family pensions granted under the Wound and Extraordinary Pension Rules and the Liberalised Pension Rules, persons who hold Government titles, or to any other persons specially exempted by the Government from the operation of this rule.

Note.- Please also see "Note" below Article 185.

166. (1) On receipt of a Pension Payment Order at a treasury, the pensioner's portion shall be made over to the pensioner, after proper identification, when he appears to receive his pension for the first time. The specimen signature or the thumb impression, as the case may be of the pensioner shall be taken, where necessary, in the space provided for the purpose in the disburser's portion of the Pension Payment Order.

Note.-1. In cases where pension is drawn through authorised agents (who have indemnified Government against overpayments) personal appearance of the pensioner is not necessary even on the first occasion.

Note.-2. In cases in which payments are to be made at sub-treasuries, both halves of Pension Payment Orders received from the Accountant General should be forwarded, in original, to such treasuries. No copies of such orders need be maintained in the district treasuries nor need payments thereof be noted at headquarters.

(2) The disburser's portions of the Pension Payment Orders shall be pasted in serial order in separate files, one for each class of pensions, such as Service, Political, etc., These files must be kept in the personal custody of the Treasury Officer in such a manner that pensioners shall not have access thereto.

Note.- The files of Pension Payment Orders should be kept under lock and key by the Treasury Officer. Even when the files are taken out during working hours they should be under his personal supervision till they are restored to the receptacle and locked.

167. When a pensioner is specially exempted from personal appearance, the fact shall be noted by the Treasury Officer on his Pension Payment Order and in all cases of Non-appearance of a pensioner, a note shall be made on the Pension Payment Order of the form in which proof was given within each year, of the pensioner's continued existence, e.g., "appeared in person on ....." and the initials of the disbursing officer or of the officer verifying the facts shall be put against the note.

168. District Treasury Officers are authorised to renew Pension kPayment Orders issued on them without reference to the Accountant General in cases in which pensioner's portion is lost, worn, or torn, or the entries on the reverse of either the pensioner's or the disburser's portion are completely filled up. The renewed Pension Payments Orders shall bear the old number, date and facsimile of signature of the issuing officer, and the old ones, if available, shall be retained by the disbursing officer for three years and then destroyed. A note of the issue of the new Pension Payment Order shall be made in the 'Remarks' column of the register mentioned in Article 173.

Note.-1 In case in which, disbursing officer's half is not also renewed but only the pensioner's half, the above note will be made in the disbursing officer's half of the original Pension Payment Order also. The word 'renewed' should be stamped or written in bold letter in red ink across the new orders, and the date of issue should also be entered in red ink at the top. While issuing duplicate payment orders in the place of those alleged to be lost, the circumstances of the loss should be investigated, and a fee of 25 naye paise levied.

Note.-2. in the case of pension paid at sub-treasuries the Pension Payment Orders should be returned to the District Treasury for renewal. The discarded originals of the Pension Payment Orders so renewed should be retained in the District Treasury for the period prescribed above and then destroyed.

169. On the renewed of a Pension Payment Order, the portion of the original order containing the facsimile of the pensioner's signature, or his thumb impression as the case may be, and the copy of his photograph, where it is kept shall be cut off from the old and pasted on the renewed Pension Payment Order before the latter is signed by the Treasury Officer.

170. On receipt of the authority for the payment of commuted value of a portion of pension and the revised Pension Payment Order for reduced pension, from the Accountant General, the Treasury Officer should pay the commuted value of pension and

hand over the pensioner's only after recovering from him the pensioner's half of the original Pension Payment Order. The pensioner's half of the original Pension Payment order. The pensioner's half of the original pension payment order together with the Treasury half and the voucher in support of payment of commuted money should then be forwarded to the audit office in a separate schedule.

171. If the Pension Payment Order received from the Accountant General relates to a pensioner in whose favour an Anticipatory Pension Payment Order has been issued, special care shall be taken to return both halves of the Anticipatory Payment order, together with the voucher for the first payment of the final pension, to the Accountant General's Office in a registered cover in advance of the treasury schedule.

#### **IV. II. Payment at Sub-Treasuries**

172. The rules in this chapter regulating the procedure for the disbursement of pensions including gratuities and commuted value of pensions are applicable to sub-treasuries also *mutatis mutandis*.

#### **III. Register of Pension Payment Orders**

173. Each disbursing officer shall keep a register in Form M.T.C. 45 of the Pension Payment Orders issued on his treasury, which will serve as an index to the files of orders referred to in clause (2) of Article 166. In the register kept at the district treasury, the Pension Payment Orders payable at sub-treasuries also will be included. After seeing that a new order is correctly entered in this register, the disbursing officer shall put his initials in the column "Name of Pensioner", and rule a red ink line across the page below the entry. The column of remarks will be blank as long as the order of payment is in force; but when both portions of the order are returned on account of death of pensioner or application for transfer or otherwise, which causes strike it permanently off the list of pensioners under his payment, the date and cause of return shall be entered under the disbursing officer's initials.

If the original only be returned on account of non-appearance of a service pensioner, the date will be entered in red ink and on reclamation, this date will be simply struck out.

174. On receipt of an intimation about the death of a pensioner prompt action shall be taken to record the fact in the register and on the disburser's portion of the Pension Payment Order.

In the case of pensioners whose pensions are paid by money order under the provisions of Article 197 the necessary note shall be made on both portions of the Pension Payment Order.

175. Pensions which are not granted for life but are subject to special conditions, eg., when they are to cease on marriage, or at a given age or under other specified circumstances, shall not be entered in the same register with other pensions, but shall be recorded in special registers to be kept for the purpose. All Pension Payment Orders of such pensions will bear the letter "S" in addition to the number.

Additional columns shall be opened in such registers to show clearly and precisely the special limitations and conditions attached to each pension of this category.

## **V. SECTION D-MANNER OF PAYMENT**

### **Due Date**

176. Pensions fixed at monthly rates are payable monthly on and after the first day of the following month;

Provided that Government shall have power to arrange for the disbursement of the commuted value of the portion thereof, pension for the broken part of the month at the original rate may be paid before the end of the month.

Provided also that when there is a variation in the rate of pension consequent on the disbursement of the commuted value of portion there of pension for the broken part of the month at the original rate may be paid before the end of the month.

177. If the first four days of a month are public holidays on which pensions are not disbursed at the treasury, the Government may, if they think fit, direct the payment on the last working day before the holidays, of pension bills of pensioners drawing pensions of Rs.200 or less.

The Government may in special cases relax any of the conditions specified in this Article.

### **Payment of Claims**

178. Save as hereinafter provided, a pensioner must take payment in person after identification by comparison with the Pension Payment Order.

179. A pensioner specially exempted by Government from personal appearance, a female pensioner not accustomed to appear in public, or a pensioner who is unable to appear in consequence of bodily illness or infirmity, may receive his or her pension through a representative upon the production of life certificate signed by persons detailed in Article 180 of Mysore Treasury Code.

180. A pensioner of any description, who produce a life certificate signed by some person exercising the powers of a Magistrate under the Criminal Procedure Code, or by any Registrar or Sub-Registrar appointed under the Indian Registration Act, 1908, or by any Gazetted Officer in Service or retired, or by a Munsiff, or by a Police Officer Not below the rank of Sub-Inspector, by an Inspector-in-charge of a police station, or by a police station, or by a Postmaster, a Departmental Sub-Postmaster, or an Inspector of Post Offices, or by a class I Officer of Reserve Bank of India, or a Stac Officer or a Staff Assistant of the State Bank of India or a Branch Manager of the State Bank of Mysore, or a Branch Manager of the State Bank of Hyderabad or by a Member of Parliament or Member, Legislative Assembly or Member, Legislative Council or the President of the Municipality or the Chairman of the Village Panchayat or by a bank included in the Second Schedule to the Reserve Bank of India Act, 1934, in respect of a pensioner drawing his pension through that Bank, is exempted from personal appearance.

Note :- 1. Life certificate signed by Magistrates or Gazetted Officers serving the Central Government or other State Government duly bearing their Court Seal or Office Seal as the case may be, or the Life Certificate signed by the Banker may be accepted by Treasury Officers in respect of Pensioners residing outside the Mysore State."

Note :- 2. It is not necessary that the life certificate should be in respect of the date on which the pension bill is presented for payment, if that happens to be later than the date of the signature of the pensioner on the bill.

A pensioner not resident in India in respect of whom his duly authorized agent produces a life certificate signed by a Magistrate, a Notary, a Banker, or a Diplomatic Representative of India, is exempted from personal appearance.

181. Payment of pensions to police pensioners may be made in accordance with the rules in this Section, but if the disbursing officer entertains any doubts as to the identity of such a pensioner he may require the local inspector of Police to identify him. The Inspector would then be responsible for the correct identification of the pensioner.

182. A Pensioner not resident in India may with the Permission of R.B.I. draw his pension in India through a duly authorized agent, possessing a legally valid power of attorney, who must produce a life certificate on each occasion, unless the duly authorised agent has executed an indemnity bond to refund overpayments in which case he has to produce the life certificate at least once a year.

183. A pensioner of any description resident in India is exempted from personal appearance if he or she draws his or her pension through an agent who has executed a bond to refund overpayments and produces at least once a year a life certificate signed by a person authorized under Article 180 to sign such certificates.

Note :- 1. Government may, by order, direct that a life certificate signed by such persons as may be specified in the order shall not be accepted and thereupon a certificate signed, by any such person shall not be deemed to be a life certificate for purposes of Articles 179 and 180.

Note :- 2. The name of the authorized agent who has furnished the indemnity bond and is allowed to draw the pension under Articles 182 and 183 above, should be entered prominently on the Treasury Officer's Half of the Pension Payment Order.

Note :- 3. The procedure to be followed for executing such bonds is laid down in Article 86, M.F.C.

Note :- 4. The agents are authorized to prefer the pension claims on behalf of their clients at the treasuries five clear days before the last working day of each month. In such cases, payments will be made to the agents by the treasuries on the first working day of the following month. In the case of Bank-treasuries, a consolidated payment order or cheque will be issued in payment of the claim on the last working day of the month itself so as to facilitate its encashment on the first working day of the following month.

Note :- 5. The pensioners who are sanctioned pension under Mysore State Freedom Fighters Welfare Rules shall not be entitled to the facility of drawl of pension through Banks/Agents holding power of attorney. They may however draw pension through messengers on bills signed by themselves".

184. The pension of a person drawing his pension through an authorized agent who has executed a bond to refund overpayments shall not be paid on account of a period of more than a year after the date of the life certificate last received, and the disbursing officer shall be on the watch for authentic information of the disease of any such pensioner, and on receipt thereof, shall promptly stop further payments.

185. When a pensioner is a minor with no surviving parent or is for any other reason incapable of managing his own affairs and has no regularly appointed manager or guardian, the Deputy Commissioner may on application by, or on behalf of the

pensioner, and subject to such conditions as he may impose, declare any suitable person to be the manager or guardian for the purpose of receiving, on behalf of the pensioner, the pension due to him, and payments of pension may be made to such manager or guardian in the same way as to the original holder, provided that sufficient proofs are forthcoming at the time of each payment of the original holder being alive and eligible to receive the pension for the period covered by the payment. Such declaration may, at any time, be revoked or altered at the discretion of the Deputy Commissioner.

Note :- 1. In cases where payments are to be made to the guardians or to the Managers on behalf of the minor pensioners, the departmental Officers have to see that the guardians or the Managers are appointed by the competent authority and that the photographs etc., of such guardians or managers only are enclosed along with the pension records so as to enable the Audit Office to forward the same to the concerned Treasury Officers along with the pension payment order, with a view to facilitate identification of the payee by the Treasury Officer at the first appearance and at subsequent payments on behalf of the minor. The Treasury Officer should also note that in the case of a person appointed as a guardian or manager by Court to receive pension at the Treasury on behalf of minor pensioner, the photo copy and other identification marks are obtained from the payee himself duly attested by a Gazetted Officer.

Note 2. Pension of person who is certified by a Magistrate to be a lunatic should be paid in accordance with the procedure prescribed in Article 80(e) of the Mysore Financial Code, 1958.

Note 3. In the case of a minor pensioner having a surviving parent, his pension shall be paid to the parent, as the natural guardian, unless the parent happens to be a muslim lady. In the latter case payment shall be made only to the person producing a guardianship certificate granted by a Court of Law.

Note 4. The term 'Surviving parent' used in this rule does not include surviving step-father or step-mother.

### **Forms of Pension Bills and connected Certificates**

186. (1) Save as hereinafter provided in this Article, claims for payment of pensions shall be presented on bills in Form M.T.C. 46, a copy of which will be supplied by the disbursing officer to each pensioner or his agent or representative. The bill must be duly receipted by the pensioner or by some other person authorised to give legal acquittance on his or her behalf, and if the pensioner cannot sign his name, his or her behalf, and if the pensioner cannot sign his or her name, his or her thumb impression shall be taken on the bill.

Save as provided in clause (2) of Article 193, the pensioner's portion of the Pension Payment Order must invariably be presented with the bill.

In the case of illiterate pensioners and pardhanashin ladies acquittance by seal mark atleast by some well known and respectable person may be accepted in lieu of thumb impressions.

Exception. A leper pensioner, on account of the contagious nature of his disease should be paid without being called upon to produce a Pension Payment Order or a bill. He should simply appear before the Treasury Officer who will order one of the staff to fill up (in lieu of the pensioner doing so himself) a pension bill form on which payment should be made and the fact recorded in the register, which should be initialed by the disbursing officer. The pension bill should then be stamped by the disbursing officer as having been paid in his presence. Lepers should never be allowed to sign or affix their thumb impressions on pension bills.

(2). Instead of requiring each individual pensioner to present a separate bill in Form M.T.C. 46 the disbursing officer may, subject to such general or special instructions as the

Accountant General may issue in this behalf, prepare a single bill, in form M.T.C. 47, for all on account of each class of pensions. On this plan the receipt of each pensioner appearing personally shall be taken in the column provided for that purpose in the consolidated bill while separate receipts shall be appended to the bill in support of payments, if any, made on life certificates, note being made in the latter case, on the separate receipts of the names of persons actually receiving the money. On all such documents shall be entered the number of the entry in the bill.

187. In cases (other than those specified in Rules 182 and 183) where the pensioner desires to draw pension through an agent or a representative nominated by him, a life certificate must accompany every pension claim for the months of June and December. The life certificate shall be signed by a person authorised under these rules to sign such certificates and must be dated not earlier than the last day of the month concerned.

188. When a pensioner draws his pension through an agent or representative, the claim must be supported by the written authority of the pensioner to pay the pension to the agent or the representative nominated by him or her to receive payment on his or her behalf. In such cases the endorsement "Received Payment" must be signed by the pensioner and a separate receipt which need not be stamped shall be endorsed by the agent or the nominee, as the case may be, in token of having actually received the payment.

189. Where the determination of a pension cannot be fixed for a precise date, the pensioner's bill must be accompanied by a certificate in Form M.T.C. 48, (included in the Pension Bill – Form M.T.C. 46) duly signed by any of the authorities referred to in article 180.

Note 1 In the case of female pensioners whose pensions are terminable on their marriage or remarriage, the certificate in form M.T.C. 48 shall not be necessary for the month of December as the pension bills for that month will be supported by a declaration in form M.T.C. 49 vide Article 190.

Note 2 In the case of female pensioners where the pension is determinable on their marriage or re-marriage, the certificate envisaged in this Article, signed by a responsible Officer or well known person including a Municipal Councilor, M.L.A. or M.P. may be accepted.

190. A declaration in Form M.T.C. 49 (included in the Pension Bill –Form M.T.C. 46) shall be obtained yearly from female pensioners whose pension is terminable by their marriage or re-marriage, and shall be attached to the bills, for pension paid for December.

Every pension disbursing officer shall submit to the Accountant General a statement showing particulars and date of last payment of pensions in respect of the cases of failure to furnish the above declaration in the month of January.

191. (1) A certificate of non-employment as printed on the forms of bills, shall be obtained from all pensioners in receipt of service pensions, other than ex-class IV servants and ex-policeman who are in receipt of pensions of not more than Rs. 10 a month. If a pensioner, who is required to sign the certificate is re-employed either permanently or temporarily in a Government establishment, or in an establishment paid by the Central or other State Governments or by a Local Fund, during the period for which pension is claimed, he must furnish the necessary particulars therein, and the disbursing officer shall ascertain the report whether the rules regarding such reemployment have been duly observed. If the pensioner cannot read English, the disbursing officer should satisfy himself that he understands the vernacular language in which the certificate is printed. In other cases, the certificate should be explained verbally on him each time the pension is disbursed.

In the case of a pensioner permitted under the Mysore Civil Service Rules to draw pension re-employment, the certificate must be modified according to facts.

In the case of an employed/re-employed pensioner drawing family pension under the liberalized pension rules/extraordinary family pension rules the pensioner shall furnish the details of his/her emoluments on employment/re-employment, duly verified by the head of office where he/she is employed/re-employed once a year in the pension bill for the month of December.

(2) When a pensioner draws his pension through an agent who has executed a bond of indemnity under Article 86 M.F.C. the certificate modified suitably may be signed by the agent, provided that the pensioner himself furnishes once a year a certificate concerning the period for which the pension has been drawn on the basis of the agent's certificates. The fact of submission of this certificate by the pensioner should be noted by the Treasury Officer in his copy of the Pension Payment Order.

191A. A Treasury Officer will, in case of death of a pensioner governed by the Mysore Government servants (Family Pension) Rules, 1964, start paying family pension to the widow/widower on receipt of death certificate of the Pensioner and the application in Form No.MTC 49 – A for grant of family pension to her/him and he will also send an intimation in this regard to the Accountant General in form No. MTC 49-B.

#### **IV. Rate of Exchange for Conversion of Pension fixed in another Currency.**

192. The payment in rupees of pensions fixed in sterling or in other foreign currency shall be regulated by such general or special instructions as may be issued by the Government in this behalf. In issuing Pension Payment Orders for such pensions, the Accountant General will either mention the exact amount to be paid in rupees, or indicate the rate at which amount stated in sterling or in any other currency shall be paid.

#### **V. Checks to be applied by the Disbursing Officer**

193.(1) On appearance of the pensioner claiming payment of pension his personal marks shall be checked by the disbursing officer and the signature on the receipt shall be compared with the facsimile of the signature taken on the Disburser's portion of the Pension Payment Order. If the pensioner cannot sign his name, his thumb impression on the receipt shall be compared with the original impression taken on the Order. In cases of doubt, payment may be made on the strength of the resemblance between the pensioner and his photograph, where one is pasted on the Disburser's portion of the Pension Payment Order, pending final settlement of any question which may arise about identification marks, signature, or finger impressions.

(2) A pensioner drawing pension for the first time shall be required to produce his or her personal copy of the letter of the Accountant General forwarding his or her pension payment order to the Treasury Officer, and his or her signature or thumb impression on the bill shall be compared with the specimen signature or thumb impressions received with the Pension Payment Order.

Note 1. The disbursing officer should, before passing a pension bill for payment, satisfy himself that the name of the pensioner, the number of the Pension Payment Order, and the amount of pension, as entered in the bill correspond with those on the Pension Payment Order in the file kept under his lock and key and that pension for the period claimed has not already been noted as drawn in the tables of both halves of the Pension Payment Order.

Note 2. To ensure that a pensioner attends personally once a year, the Treasury Office should note "L.C" while recording the date of payment under his initials on the reverse of the disbursers half of the Pension Payment Order, each time that a payment is made on a life certificate which is to be submitted once in six months and should send out a call for the personal appearance of the pensioners or required proof, independent of that furnished by the life certificate, of the continued existence of the pensioners, when the period of continuous non-appearance approaches a year.

Note 3. In the case of pensioners attending in person, a note "attended in person" is to be endorsed on the reverse of the person bill.

Note 4. Treasuries may come across cases of the following type also.

An illiterate pensioner who has furnished his thumb impression in the disburser's half of the Pension Payment Order may subsequently become literate and, therefore, able to sign. The signature of a literate pensioner may owing to over age or ill-health, change to such an extent as to differ materially from the specimen pasted on the disburser's half of the Pension Payment Order. A literature Pensioner may become unable to sign owing to loss of a thumb, or one or more fingers, or all of them, or due to disease like paralysis. In all such cases, the Treasury Officers should take a specimen of the Pensioner's new signature or thumb of finger impression, as the case may be, after necessary identification,. And paste it in place of the old on the disburse's half of the Pension Payment Order. Another set of such specimen signature or thumb or finger impressions should be sent without delay to the Account General.

194. When a pensioner draws his pension through another person, the disbursing officer must take special precautions against fraudulent presentation of claims, and satisfy himself of the existence of the pensioner and of the identity of the payee before any payment is ordered, and if he feels any suspicion, shall refer it to the pensioner before payment.

195. In view of the special risk of fraud involved in the payment of pensions of women who do not appear in public, special care shall be taken in the identification of such pensioners. The descriptive rolls when originally prepared and the periodical certificates of the continued existence of such women shall be attested by two or more persons of respectability in the town, village or total

## **VI Record of Payment**

196. Every payment must be entered on the reverse of both portions of the Pension Payment Order as well as in a subsidiary register in Form M.T.C. 26, and the entries attested by the initials of the disbursing officer.

## **VII Payment of Pensions by Postal Money Order.**

197. The payment of pension not exceeding Rs.250 a month may be made by Postal Money Order at the option and expense of pensioner. When this mode of payment is adopted, the following rules shall be observed: -

(i) A pensioner who elects to have his pension paid by money order, should present in person to the Treasury Officer, a declaration to that effect with his copy of the Pension Payment Order. The Treasury Officer should then identify the Pensioner as laid down in Art. 193. After this has been done, he should place the declaration and both portions of Pension Payment Order in a separate file headed "Pensions Payable by Money Order". On a date not later than the 10<sup>th</sup> of each month, the Treasury Officer should arrange to make out a money order form for each pension recorded in the file mentioned above for each pension recorded in the file mentioned above, less money order commission, and make corresponding payment entries in the table in the Pension Payment Orders. The Treasury Officer should Sign the money order form and initial the entries on the Pension Payment Orders after carefully comparing the three documents.

Note 1. The pensioner should be instructed to communicate to the Treasury Officer any change in his address, promptly.

Note 2. If any money order sent for any of the previous months has been returned unpaid, further money orders should not be sent without an application from the pensioners.

Note 3. Pension payments by money order should be made only to those pensioners who are resident within the revenue district in which the treasury of disbursement is located.

Note 4. Immediately on receipt of an application from the pensioner requesting for the remittance of pension by money order, accompanied by the pensioner's half of the pension payment order, the Treasury Officer should send to the pensioner an attested copy of the pensioner's half of the PPO for his record. The cases meant for noting payments of pension should be scored out with an endorsement "Not to be used for obtaining payment".

(ii) The receipt of the money order acknowledgements should be watched carefully. In order to minimise the risk of fraud, the Treasury Officer should compare the signature on the money order acknowledgement, every month, with the pensioner's signature on the disburser's portion of the Pension Payment Order. The Treasury Officer should also satisfy himself, once a year, in such manner as he thinks desirable, that the pensioner is actually alive. In token of having done so, he must endorse, on the schedules of payments for the month of April each year, a certificate to the effect that he has satisfied himself that the pensions were remitted to them and that he has obtained a similar certificate from each of the Sub Treasury Officers in respect of pensions remitted by them by money order.

(iii) In cases where determination of a pension cannot be fixed for a precise date, the Treasury Officer should, before remitting the pensions for December and June, obtain from the pensioners the certificates, in Form M.T.C. 48. In the case of female pensioners whose pensions are terminable on their marriage or re-marriage however, before remitting their pensions for December only the alternative yearly declarations in Form M.T.C. 49 prescribed in Article 190 above may be obtained.

(iv) The Deputy Commissioner should arrange with the village patels, or other suitable subordinate agency officer as the police, for reporting promptly to the Treasury money the death of a pensioner whose pension is paid by money order.

(v) It will not be necessary to prepare separate pension bills for such payments, The payments should also be shown in a separate schedule which will serve as vouchers. A certificate in the following form in the handwriting of the Treasury Officer should be endorsed on the schedule.

"Certified that I have satisfied myself that all payments noted in the schedule have actually been remitted by money order.

Note: A similar certificate should be endorsed in the hand written of Sub-Treasury Officers on the schedules of pensions remitted by money order, furnished by them.

(vi) In the schedules for January and July each year, an additional certificate in the following form should be added: -

"Certified (1) that I have obtained, where necessary, from each pensioner a declaration that he has not received any remuneration for serving in any capacity under the Government, Central or other State Governments, or under a Local Funds during the past six months, and (2) that in all cases where determination of a pension cannot be fixed for a precise date, I have obtained the certificates, in Form M.T.C. 48 or the declaration in Form M.T.C. 49, as the case may be."

Certified that I have obtained a similar certificate from each of the Sub-Treasury Officers who remitted pension by money order during the previous half year.

Note. The words or the declarations in form M.T.C. 49 as the case may be will appear in the certificate attached to the schedule for January only; Vide Article 190.

(vii) In the schedule for the month following the month of payment, the Treasury Officer should furnish the following certificate:-

"Certified that I have satisfied myself that all pensions included in the schedule for the previous month have been paid to the proper persons, and that I have obtained all money order acknowledgement, in support of these payments and filed them in my office".

A similar certificate should be furnished by Sub-Treasury Officers in their schedules of pensions paid by money order for the month.

Note. If any acknowledgement is not received at the time of furnishing the above certificate, the certificate should be altered suitably and the amounts for which acknowledgements are not received indicated therein. Information of the subsequent receipt of such acknowledgements should be furnished to the Accountant General as soon as possible.

(viii) The Amount to be remitted by money order should be adjusted by transfer credit to the Post Office in accordance with the procedure prescribed in Article 74(d).

(ix) Whenever a money order is returned as unpaid for any reason, the amount thereof should be adjusted by transfer in the treasury accounts as a recovery of service payment and shown in the schedule of 'XLVIII Contributions and Recoveries towards Pensions and other Retirement Benefits' under column "Recoveries of Service Payments".

(x) On an application being made for the disbursement of a pension amount sent by money order but returned undischursed, the amount may be paid on a voucher headed in red ink 'Payment of undischursed pension amounts credited to R.S.P. after carefully verifying with and making a note of refung against the credit in the treasury copy of the schedule referred to at (ix).

Such refunds, which will be less money order commission will be subject to the rules applicable to disbursement of arrears of pensions.

Note. The procedure authorised in this Article may be applied mutates mutandis to pensions payable at a sub-treasury.

198. (1) Where owing to old age or infirmity, or in consequence of some physical disability, it is not possible for a pensioner to present in person to the Treasury Officer, a declaration electing to have his pension paid by money order, the Treasury Officer may accept instead a written declaration signed by the pensioner, which is duly verified by a gazetted officer or a Magistrate. The officer verifying the declaration shall specify the circumstances in which he holds that it is not possible for the pensioner to present the declaration in person to the Treasury Officer.

(2) Should the pensioner be physically incapable of signing the declaration the Treasury Officer may authorize payment on production of a certificate from the Civil Surgeon of the district, or a registered medical practitioner, to the effect that the pensioner is alive but is unable to sign the required declaration. In such a case, the pension may be paid to the heir, not being a minor, who would receive payment of the arrears of pension in the event of the pensioner's death, provided it is certified by the Deputy Commissioner that the person claiming that the person claiming to be the heir is in fact the heir and continues to be the heir throughout the period for which he draws the pension.

### **VIII. Change of Place of Payment**

199.(a) A pensioner requiring the transfer of payment of his pension from one Treasury to another in the State, should apply to the Treasury Officer stating the reason for the transfer

and surrendering the pensioner's half of the Pension Payment Order. If the transfer is desired merely for a temporary purpose, it may be avoided by the application of Article 183.

(b) District Treasury Officers are empowered to transfer the payment of service pensions from one treasury to another either within their district or outside.

(c) The transfer endorsement should be in the following form: -

TRANSFERRED FOR PAYMENT

At the ----- Treasury Dated -----  
-----19.

Treasury Officer,  
-----District.

This endorsement should be recorded on both halves of the Pension Payment Order and the Pension Payment Orders sent to the new treasury of payment.

(d) In the case of transfers outside the district, both halves of the Pension Payment Order should be sent to the District Treasury Officer of the district to which payment is transferred with an advice in the following form a copy of which should be sent on the same day to the Accountant General.

To  
The District Treasury Officer,  
District.

I hereby advise that payment of the following pension has been transferred from the ----  
-----  
to the -----

District Treasury Officer.

1. Name of Pensioner-----
2. Class and pension Payment Order No.-----
3. Amount of Pension-----
4. Up to what date paid-----

On receipt, the District Treasury Officer of the new district should deal with it as in the case of a Pension Payment Order received from the Accountant General Mutatis mutandis.

### **IX Special Rules applicable to Political Pensions**

200. Every disbursing officer shall maintain a register of political pensions payable by himself, showing for each pension separately; -

- (i) Origin and nature of the pension and the ground on which it was sanctioned;
- (ii) the amount and period of payment;
- (iii) the orders of competent authority sanctioning its payment;
- (iv) the name and residence of the pensioner, with specification of shares, if any;
- (v) reference to the Register of Pension Payment Orders;
- (vi) whether tenable for life only; or if it is heritable, the manner and extent to which it will descend, with quotation of orders affecting it;
- (vii) any special condition attached to the grant of the pension;

(viii) any other matter worthy of note in connection with the pension.

Note 1.- The whole or a portion of political pension is continued to the successor of holders under the orders of Government in each case.

Note 2.- Pallegar Pensions have, from the beginning, been disbursed in the State Huzur Treasury, except in a few cases which were transferred to any other Treasury under orders of competent authority." In special cases, when owing to infirmity or other cause, a pallegar pensioner prays for remittance of his or her pension, as a temporary measure through the Tahasildar of the taluk in which he or she resides, the officer in charge of the State Huzur Treasury is empowered to comply with the request, and to make needful arrangements as a special case. These pensions should not be remitted by Postal Money Orders.

Note.-3 On receipt of a Government order sanctioning the continuance of a pension, the Accountant General issue the Pension Payment Order in favour of the party after obtaining the particulars of identification marks, etc., from the Deputy Commissioner of the district in which the pensioner is living. No payment may be made before the old Pension Payment Order is surrendered. In other respects, the payments are regulated by the rules applicable to Service Pensions.

201. In cases in which political pensioners are exempted from personal attendance, the disbursing officer, if he entertains any doubt which he has no convenient means of removing, shall refer the case to the Government through his immediate superior for orders, but payment of the pension may not be suspended pending the result of such reference.

### **X Payment of Commutation Money**

202. The payment of the commuted value of portion of a pension can be made upon the authority issued by the Accountant General only to, and upon the receipt of, the person legally entitled to receive it, and not otherwise.

### **XI Gratuities**

203. (1) Save as hereinafter Gratuities shall not be paid except on the authority received from the Accountant General to whom the sanction is communicated by sanctioning authority. Payment can be claimed on the letter of authority itself, and no separate bill is necessary. Payment when authorised, shall be made on the personal receipt of the gratuitant or when he is absent from India, on that of his duly authorised agent. Payments may, however, be made to an authorised banker if so desired by the gratuitant in the same manner and subject to the conditions laid down in Article 86 and 96 M.F.C.

Note.- When at the opinion of the gratuitant, the gratuity is to be drawn by the Head of an Office, he shall do so by presenting a bill in form MTC 46-A and shall furnish to the Accountant General, within a month of the date of drawal, a certificate of disbursement.

203A. Provisional gratuity sanctioned by a competent authority in respect of a retired non-gazetted Government servant or a retired Gazetted Government servant whose pay and allowances immediately before retirement were being drawn on establishment pay bills, shall be drawn separately for each gratuitant by the head of office in which he last served. in Form 46-B and disbursed to the gratuitant."

## **SECTION E - PERIODICAL IDENTIFICATION OF PENSIONERS**

### **General Rules**

204. (1) On the first appearance of a pensioner on or after the first of April each year, the disbursing officer shall, except in the case of pensioners whose specimen signatures are

attached with the Pension Payment Order, take an impression of the thumb and all fingers of the pensioners left hand on the pension bill, The pensioner shall then be identified from the particulars given in the disburser's portion of the Pension Payment Order. Identification shall also be made by an examination of the impressions given on the bill with those attached to the Pension Payment Order or by reference to the pensioners photograph where one is pasted on the disburser's portion of the pension order. If he cannot be identified by other means with absolute certainty.

The provisions of the above rule with regard to the taking of the thumb and finger impression of pensioners and the examination of such impressions for purposes of identification may be relaxed or modified by the disbursing officer.

(2) Purdanashim ladies and illiterate pensioners must give a thumb impression on their bills in the presence of the person who grants the life certificate or, in the case of illiterate pensioners who personally attend the paying office, before the disbursing officer.

205. In all cases referred to in Article 179, 180 and 185 the disbursing officer must take special precautions to prevent impostions and must at least once a year, receive proof independent of that furnished by the life certificate of the continued existence of the pensioner. For this purpose, the disbursing officer shall, save in case of exemptions from personal appearance allowed by orders of Government, require the personal attendance and due identification of all male pensioners who are not incapacitated by bodily illness or infirmity from so attending, and in all cases where such inability may be alleged, he shall require proof, thereof in addition to the proff submitted of the pensioners existence, the disbursing officer is personally responsible for any payment wrongly made, and in all cases of doubt he must consult the Accountant General.

## **SECTION –F UNDRAWN PENSIONS AND ARREARS**

### **GENERAL**

206.(1) Unless the Government by general or special orders direct otherwise, a pension remaining undrawn for more than a year shall cease to be payable by the disbursing officer and the Pension Payment Order must be returned to the Accountant General as provided in Article 208, If the pensioner afterwards appears or a claim is presented on his behalf. the disbursing officer may make the payment but the arrears can be paid.

(i) If the amount in arrears does not exceed Rs.2500 or with the previous sanction of the Deputy Commissioner of the district in which the pension payment office is located if it exceeds Rs.2500 but does not exceed Rs.5000 provided that in both cases the arrears are not to be paid for the first time and

(ii) in all other cases with the sanction of the authority by whom the pension was sanctioned.

Provided that if in any case, a pension remains undrawn for three years in the case of a service pension or six years in the case of a political pension, it cannot be paid without the authority of the Accountant General.

Note-1. In the suspense of the payment is attributed to error or neglect by any Government Officer, the Accountant General may direct payment of the arrears on his own authority.

Note 2. The duty of returning the Disbursing officers of pension payment orders when pension is not drawn for more than one year, on death of pensioner, etc., will rest on the Treasury actually making the payment. Such communications from Sub-Treasuries should always be addressed through the District Treasury Officer.

(2) A gratuity payment order shall remain in force for 1 year only and no such orders shall be retained in a disbursing office if payment is not been made on it within a year of its issue.

## **II Death of Pensioners**

207. (1) (a) On the death of a pensioner, payment of any arrears actually due may be made to his heirs, provided that they apply within one year of his death. They cannot be paid thereafter without the sanction of the authority which sanctioned the pension obtained through the Accountant General provided that, if the arrears do not exceed Rs.500 and the case presents no peculiar features, the Accountant General may pass the arrears on his own authority.

(b) Subject to the provisions of clause (a), the arrears of pension of a deceased pensioner may, if the amount does not exceed Rs.1500/- be paid to the heirs of the deceased pensioner without the production of the usual legal authority to the extent of Rs.500/- under the orders of the Tahsildar and Rs.1500/- under the orders of the District Treasury Officer, after such enquiry into the right and title of claimants as may be deemed sufficient.

(c) In any case of doubt, payment should be made only to the person producing legal authority.

(2) Any person claiming as the heir of the deceased pensioner shall be required to produce the pensioners portion of the pension payment order, or if no pension payment order has been issued, the copy of the order in which the sanction to the pension was communicated to the pensioner, or the heir.

(3) After payment of the arrears of the pension, both portions of the pension payment order shall be returned to the Accountant General, with the report of the date of death of the pensioner except in the case of the pensioners governed by the Mysore Government servant (Family pension rule 1964 in which case the pensioners portion of PPO will be returned to the widow or widower and the disburser half will be retained by the Treasury Officer).

Note- Pension is payable for the day of pensioner's death; the hour at which death takes place has no effect on the claim.

## **III. Reports to the Accountant General**

208. Every pension disbursing officer shall submit to the Accountant General, every six months, a statement of cases of failure to draw pensions. The statement shall show the names of all pensioners who have not drawn their pensions for 6 months, or for one year, according as the pensions are political pensions or other pensions.

The reason for the non-drawal, if known, shall be stated against each name.

The disburser's portions of the PPO of all pensioners whose names are included in the statement shall be returned to the Accountant General along with the statement. The Disbursing officer shall sort out such cases by examining the files of pension payment orders every month.

208A. When a pension ceases to be payable during the life time of the pensioner, both portions of PPO shall be returned by the Disbursing Officer to the Accountant General after making the last payment and with a note according to the reasons for the cessation of the pension.

209. Deleted.

#### **IV Special Annual Enquiries Dearness Allowances to Pensioners**

209A. (1) In the case of pensioner who has commuted a portion of his pension the original amount of pension including the commuted portion should be taken into account for determining the admissibility and rate of Dearness Allowance.

(2) Dearness Allowance is admissible only in respect of following classes of pensions:

- i) Ordinary Service Pension;
- ii) Wound or Injury or family Pension admissible under the Extraordinary Pension Rules.
- iii) Pensioner re employed in post offices as extra-Departmental Agents as well as short duty clerks/sorters/mazdoors, Stamp vendors and non-department Telegraphists and also the pensioners re-employed on part time basis whose cases are analogous to the extra-departmental pensioners.

(3) Dearness Allowance is not admissible in respect of the following classes of Pensions: -

- i) Family Pensions admissible under the New Ordinary Pension Rules;
- ii) Compassionate Gratuity or allowance paid in instalments;
- iii) Political and other pensions;

(4) Re-employed pensioners on full-time basis are not entitled to dearness allowance in respect of their pensions.

(5) If a pensioner is in receipt of two pensions, he is entitled to only one Dearness Allowance, assessed on the combined pension.

(6) In cases where the original pension is partly borne by Local Funds and partly by the State Government, the Dearness Allowance should be distributed pro rata between such bodies and the State Government.

(7) If a pension is divisible between the Mysore State and the central Government or any other State, the dearness Allowance will be calculated on the basis of the total amount of the pension and should be divided proportionately between the two Governments.

(8) In case where a pensioner is in receipt of two pensions one from Mysore State and the other from the Government of India and the rates of dearness Allowance, for pensions

allowed by the two Governments are not identical, Dearness Allowance should be based on the total of the two pensions and determined under whose rule making powers he served at the time of the final retirement and the Dearness Allowance apportioned between the two Governments.

(9) In cases where Dearness Allowance is divisible under clauses (7) to (9) any share of less than Re. 1 should be disregarded and debits of less than a rupee need not be raised against the Local Funds or Government concerned.

(10) The original allocation of the Dearness Allowance (Temporary increase) should remain unaffected by subsequent commutation of basic pensions.

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## **CHAPTER IX – DEPOSITS**

### **I. Introductory**

210. The rules governing the receipts and repayment of Revenue, Personal, Civil and Criminal Courts Deposits and Deposits of Local Funds, and the lapsing of unclaimed balances of Revenue, Civil and Criminal Courts Deposits are laid down in Chapters XVI and XVII, Mysore Financial Code.

The following rules regulate the procedure to be followed at the treasuries in connection with the transactions of such deposits.

Note- These rules are analogous to the corresponding provisions in the Central Treasury Rules. They therefore serve as guidance the Central Section also.

### **II. Revenue Deposits**

211. Each item of deposit received should at once be entered in a register, in Form M.F.C. 56, and numbered. The receipts of each year should be numbered in a separate series beginning a new from 1<sup>st</sup> April. The District Treasury Officer should check the amount and particulars of each entry carefully, and then set his initials in the proper column of the register. The daily total will be carried from the register to the Register of Daily Totals.

212. Every item should be recorded in the name of the person from whom, not that of the Government officer through whom, it is received. It must be passed through the accounts even though repaid on the day of receipt, and be kept distinct, however small it be, till finally disposed of, never being consolidated with others.

Note- When deposits are made by one party, to be repaid to another the name of the second party should be clearly stated in the column 'Nature of Deposit' so as to prevent the sum being refunded to the depositor.

213. (a) In respect of earnest money deposits made by intending tenderers of the Public Works and other departments which are creditable as Revenue Deposits, no previous authority of the departmental officer is necessary. But the depositor must state the designation of the officer in whose favour he makes the deposit, and that designation must be stated on the receipt given by the treasury. these deposits may be received at sub-treasuries as well as at district treasuries.

(b) Such deposits cannot be refunded except under the authority of an order endorsed upon the original deposit receipt of the Treasury Officer by the departmental officer in whose favour the deposit was made, and under no circumstances can part payments be made.

(c) If the departmental officer desires that an item of earnest money deposit, instead of being refunded, be carried to the credit of the Government, he must return the deposit receipt with this direction, where upon the Treasury Officer will make the necessary transfer on the authority of this voucher.

Note- Such earnest money deposits made in treasuries outside the State will be passed on to Accountant General, Mysore through the 'Inter-State Suspense Accounts', Repayment will be arranged by the Accountant General on refund orders passed by the departmental officer concerned on the original treasury receipts, vide Note 2 to Article 30 M.F.C.

214. Each repayment of deposit should at once be recorded both in the Register of Repayment, Form M.F.C 54 (from which the daily total should pass into the Register of Daily Totals), and in the Register of Receipts, Form M.F.C. 56, against the original credit the date and amount of repayment being also noted in the latter.

Note-1. When in the case of a bank treasury a deposit is repaid by an order on the Bank, the entry in the Register of Receipts should be made when the order is issued, and that in the Register of Repayments, when the repayment is reported in the daily account of the Bank. If, in any case repayment is not made on the date of order on the Bank, the actual date of repayment should also be noted in the Register of Receipts just below the entry of the date of the Order.

Note-2. Voucher number should invariably be noted in the Register of Repayments to facilities check.

Note-3. The amount of lapsed deposit refunded should be charged as refund of revenue in the subsidiary register of payment relating to, 71 'Miscellaneous" and not as a repayment of deposit. The repayment should, however be recorded in the Register of Receipts of Deposit also against the original entry so as to guard against a second payment.

Note-4. A deposit repayment voucher must in no case be prepared at the treasury. As a safeguard against fraud, the authority ordering repayment shall enter the name of the payee after the words "passed for payment" thus

"Passed for payment to ....."

215. Unless it be otherwise provided by any law, or rule, or order, issued by competent authority, a deposit repayment order shall remain in force for a period of three months from the date on which it was issued, after which no payment can be made on its authority unless it is revalidated.

216. when a deposit is adjusted by transfer to some other head of account, the head of account to which it is transferred, and the item in which it is included in the treasury account, should be noted both in the Register of Receipts and in the Register of Repayments, and the credit should be entered in the subsidiary register concerned through the Register of Transfer Transactions. The voucher, which should be in Form M.T.C 50, should state these facts under the signature of the Treasury Officer. these vouchers should be forwarded to the Accountant General with the Schedule of Repayments.

Note- When several items of deposits are adjusted by transfer on one day, they may be included in one voucher, but transfers effected on different days should not be included in the same voucher.

217. (a) The deposit register, both of receipts and repayments are written up like other subsidiary registers maintained in the District Treasury, and the copy of the register of repayments should be sent to the Accountant General along with the concerned vouchers.

(b) The treasury copy of the Receipt Registers of Deposits, which will be in Form M.F.C 56 will contain four sets of columns for pasting repayments under the Treasury Officer's initials besides two columns, one for noting total repayments and the order for noting amounts lapsed and credited to Government.

Note- While writing up the Receipts Registers with carbon, care should be taken to ensure that in the Extract Register each deposit is exactly confined to its own cage, as repayments have to be detailed against it by Accountant General.

### **III. Personal Deposits**

218. (a) Receipts and payments on Personal Deposit Accounts should be recorded in personal ledgers in Form M.T.C. 31.

(b) In this register, every personal account will have its own ledger page, which provides inter alia, one column for receipts, one for payments, and a third to show the balance after each transaction, with spare for the Treasury Officer's initials. Here in the receipts are entered in regular order, without being numbered as in the case of Revenue Deposits. Repayment which are made not with reference to any particular item but from the aggregate balance at credit in each account, are entered as they are made without any further remarks. A carbon copy of this account is sent to the administrator after the close of the month.

(c) The Treasury Officer's duty is simply to see that the withdrawals are made only on cheques, signed by the responsible administrator, which are current for three months after the month of issue, and that the withdrawals never exceed the balance in the deposit account. The special procedure applicable in the case of bank treasuries is laid down in Article 89.

(d) From these ledgers, the daily totals of receipts and payments will be carried into the Register of Daily Totals of Personal Deposits, Form M.T.C 37, from which again the aggregate daily totals will be carried to the Register of Daily Totals.

Note- In addition to copies of accounts of Personal Deposits in Form M.T.C. 31, duly supported by the paid cheques, a return in Form M.T.,C. 51 showing the totals of receipts and repayments on each personal deposit account during the month, should accompany the monthly Cash Account and the List of payments sent to the Accountant General. The totals of the two columns, receipts and payments of the month, in this return should agree with the corresponding figures in the Cash Account and the List of payments.

### **IV. Civil and Criminal Courts Deposits**

219. The Civil and Criminal Courts merely bank with the treasuries i.e., they remit without detail their gross deposits for credit in a personal ledger and make repayments by cheques drawn on the personal ledger account. The accounts of these deposits are kept at the treasuries in the forms prescribed for Personal Deposits, but quite separate from those of Personal Deposits proper.

The Treasuries will keep for each Court two personal ledgers, one for general deposit items and the other for petty items. In the case of bank treasuries the personal ledger accounts of the Courts are maintained by the Bank also, Vide Article 89.

220. Transactions in the personal ledger of general deposits and in the ledger account of petty items, will be advised to the Court concerned monthly, by means of a carbon copy of the treasury subsidiary register.

221. A notice of the amounts to be lapsed must be sent by the Court concerned to the Treasury Officer, and the Bank also in the case of Bank Treasuries, to enable the amounts being deducted from the balances in the personal ledgers.

#### **V. Deposits of Local Funds**

222. The transactions of all Local Funds, including Taluk Boards, Village Panchayats, Municipal and Corporation Funds, should be recorded in the manner prescribed for Personal Deposits (vide Article 218). These should however be kept quite distinct, and should pass into the treasury accounts as Deposits of Local Funds, and not as Personal Deposits.

Unless in any case the Government direct otherwise, withdrawals can be made only by cheques signed by the administrator or some responsible office of the Local Body concerned.

The special procedure applicable in the case of Bank treasuries is laid down in Article 90.

#### **VI. Deposits at Sub-Treasuries**

223. (a) Revenue Deposits made at a sub-treasury which are reported through the Daily Sheets, should be brought, item by item, upon the district registers and must be numbered in the district series.

As Sub-treasury Officers are empowered to repay such deposits without formal authority from the district treasury, a register of such deposits should be kept at the sub-treasuries also to facilitate repayments. In vouchers of such re-appeared should be indicated clearly so that it may be easy to trace the item and to charge off the payment correctly in the district treasury accounts.

(b) In respect of Personal Deposits, Civil and Criminal Courts Deposits, and Deposits of Local Funds made at a sub-treasury it will be sufficient to enter in the district treasury registers merely the daily totals of receipts in each account, unless the Accountant General for special reasons instructs otherwise in any case.

Repayments of such deposits which are allowed by the Sub-treasury Officer on his own authority should however be incorporated in the district treasury registers in detail item by item.

#### **VII. Plus and Minus Memoranda**

224. A plus and minus memorandum, showing for the whole district, opening balance, receipt, repayment and closing balance, under each head of deposits, including Personal Deposits, must be submitted along with the monthly accounts. As this balance should always equal the aggregate of repayable deposit balances upon the deposit registers, it has to be reduced in the April return by the amount reported for lapse in the case of Revenue and Civil and Criminal Courts Deposits.

Note-1. In the case of Local Funds banking with sub-treasuries, the transactions of which are not posted in detail for each fund in the district treasury accounts, the District Treasury Officer should obtain the relevant plus and minus memoranda, from the sub treasuries concerned as indicated in Article 158.

Note-2. The adjustment in the plus and minus memorandum should be carried out by reducing the opening balance in the month of April after the supplementary accounts are closed by the Accountant General and till such time the opening balance should be treated as provisional.

## **CHAPTER X**

### **BILLS OF REMITTANCE**

#### **I. Introductory**

225. The general procedure governing the issues of Bills of Remittance is laid down in Chapter XIV, Mysore Financial Code. The following rules regulate the procedure to be followed at the treasuries in connection with the issue and encashment of such bills.

Note- Rules governing the issue and encashment or Reserve Bank of India Remittances are found in Appendix I-part XII.

#### **II. Issue of Remittance Transfer Receipts**

226. The register of Remittance Transfer Receipts issued will be in Form M.T.C 55. the general series of number in these registers will commence anew with the financial year. The remarks column will be used for note of issue of duplicates of cancellations and the like.

Note-1 Remittance Transfer Receipt will be in Form MTC 54.

Note-2. The register, in Form K.T.C 55, will not be kept at sub-treasuries. In its place, a copy of the Advice List, Form K.T.C. 56, will be kept for future reference.

227. Remittance Transfer Receipts should be prepared and signed from time to time as they are applied for immediately on the receipt of cash, or its equivalent, the business of signing them should not be postponed till the close of the office, and on no account may the treasury be closed till all Remittance Transfer Receipts applied for have been issued. Each must be signed legibly with the signature of the drawer (who should take pains to maintain a uniform signature) and should then be torn by him from the book. The purchaser should be given the Remittance Transfer Receipt along with its counterfoil for his reference.

228. At the Time of signature, the application cum challan furnishing particulars for the Remittance Transfer Receipts applied for and containing acknowledgment for credit of the amount to the treasury, the book of forms, the Advice List (Vide Article 229) and the Register of Remittance Transfer Receipts Issued if it is a district treasury, will be laid before the Treasury Officer, who will initial each entry therein, at the same time he signs the Remittance Transfer Receipts after he has satisfied himself that.

- (a) the several documents agree
- (b) the authority for issue is sufficient

(c) the date, the name of the payee, the treasury drawn upon and the amount are legibly and distinctly entered in the body of the bill and the treasury seal affixed.

Note- In the case of Remittance Transfer Receipts drawn in favour of a public officer, the purpose for which the remittance is made must be plainly stated in the body of the bill in order that the document may be complete in itself and independent of a covering letter, but the drawer's omission to give this information will not justify the drawee in refusing payment.

(d) in addition to the amount being entered in figures, the amount of whole rupees is entered a second time in words, and the naye paise, if any, in words or figures, that the words are written continuously without lifting the pen, and that when the amount consists of rupees only the words end with the word "only".

(e) a sum a little in excess of that for which the bill is granted is entered in words across the bill at right angles to the type.

Note-1. "Under thirty Rupees" will mean that the bill is for a sum not less than Rs.29 but less than Rs.30 and similarly, "under eight hundred rupees" will mean that it is for less than Rs.800 but not less than Rs.799.

Note-2. The Treasury Officer should clearly indicate in red ink at the top of the R.T.Rs issued as well as on their counterfoils the fact of their having been issued at par or at premium as follows:

Issued at par or Issued at a premium of Rs.----- and paise -----  
----- only.

(f) the bill is signed in every case by the Head Accountant / the Nagadi Gumasta and also by the Accountant / shorff when the bill is issued in exchange for cash remitted to the Bank or the treasury.

Note-1. When the amount of a bill is received by transfer, the clerk or the Accountant in charge of the Register of Transfer Transactions should affix his signature in place of Shroff or Account.

Note-2. In the case of Bank sub-treasuries, the clerk checking the daily accounts received from the bank should sign in the place reserved for Shorff.

229. The special printed forms on which the bills are drawn the signature of the Treasury Officer and the treasury stamp constitute sufficient safeguards against fraudulent payments. As an additional safeguard, advice of issue of bill will be sent on the day of issue by the drawing treasury to the treasury on which the bill is drawn. The Advice List (Form M.T.C 56) should include all the Remittance Transfer Receipts drawn on the same day on a particular Treasury, wherein all the relevant particulars should be furnished in the prescribed columns. As each bill is signed, its amount as noted in the advice List will be initialed by the Treasury Officer, and after all the entries of the day in the list are attested in this manner, the amount columns will be totaled the Advice List closed and signed by the Treasury Officer in ink, and dispatched through official tappal without a covering letter, without fail, before the treasury closes on the day of issue.

Note- In sub-treasuries an extra copy of the Advice List is prepared simultaneously by carbon process for future reference.

230. If alterations be made in a bill prior to issue, the corrections should be noted in the Advice List and each alteration both in the bill and in the Advice List, should be authenticated by the drawer's full signature in order to prevent hesitation on the part of

he drawee. If the drawer should enter the amount so carelessly as to enable a stranger to alter it and fraudulently obtain payment of a larger amount, the drawer and not the drawee must bear the loss. But the drawee must remember and apply the defensive checks provided for him

### III. Account of Remittance Transfer Receipts Issued

231. The Advice List (Form M.T.C 56) will be the only detailed record of issues in a sub-treasury. In the district treasury, the Register of Bills Issued, Form M.T.C 55, will be the detailed record of issues for the whole district, and a copy of it is simultaneously prepared with carbton for transmission to the Accountant General with the monthly account.

Note- The issues made at sub-Treasuries should be incorporated in the above register through the Daily Sheets, item by item, and numbered in the district series. the printed numbers of bills as reported by sub treasuries will be reproduced in these registers.

### IV. Regularity of Signature

232. Variation in the signature of the drawer often entails much trouble on the paying treasury, and the drawer will be held responsible for any inconvenience or delay which may be caused to individuals in consequence of change in, or illegibility of, his signature, or other serious irregularity on the face of the bill, as the drawee would be justified in suspending payment in cases of doubt arising from such causes.

233. When any change of Treasury Officer occurs, a specimen of the signature of the newcomer should be forwarded by the outgoing officer to all treasuries usually drawn on in the following form.

The undersigned begs to notify to ----- that he has on this day been relieved of the executive charge of the treasury at ----- by ----- a specimen of whose signature is annexed.

-----  
Relieved Officer

The ----- 19

Relieved Officer

Note- When an officer who was formerly in charge of a treasury resumes charge of it after a lapse of time his signature need not again be circulated among Treasury Officers.

### V. File of Advice Lists

234. (a) the Advice Lists received from the issuing treasuries must be opened in the presence of the Treasury Officer, and each list dated and initialed by him after he has satisfied himself of its genuineness by examining the signature of the drawer and if necessary, the post mark on the cover. They should then be pasted chronologically in guard files which should be kept under lock and key. If the number of Advice Lists received is large, it will be convenient to sort and arrange them according to the treasuries from which they are received, and to keep together the Advice Lists received from each treasury.

(b) The Advice Lists, arranged in the manner described above, will serve to facilitate the examination and identification of bills presented for payment, and will constitute an additional obstacle to the encashment of bills forged or fraudulently altered.

235. A register be kept in the treasury for noting all calls for Advice Lists, of references touching irregularities of cancellation, and issue of certificates of non-payment. The Treasury Officer should see that these notes are punctually made in the register which should be referred to before payment in all cases. A note which has served its purpose and ceases to be of use will be struck out in red ink by the Treasury Officer.

## **VI. Examination of Bills presented**

236. (a) On presentation of a bill for payment, the Treasury Officer should see that-

- (i) it is in the special printed form
- (ii) it bears the stamp of the issuing treasury,
- (iii) the signature of the drawer is genuine.
- (iv) it contains the signature purporting to be that of the Head Accountant or the Nagadi Gumasta.
- (v) it has not been tampered with.
- (vi) it is not a cancelled or a lapsed bill, or one of which duplicate has been paid
- (vii) it is in order in other respects.
- (viii) the issue of the bill has been advised and that its amount agrees with that in the relevant Advice List, and
- (ix) it is receipt on the back by the person able to give a legal acquittance.

(b) It should be borne in mind that in the case of a Remittance Transfer Receipt the liability of Government to the payee named there in can only be discharged by payment of the amount due there under to the said payee, or his lawful agent, or to a recognized bank in whose favour it is endorsed for the purpose. In cases, therefore, where payment is not made on an endorsement in favour of a recognized bank, the treasury officer should not merely satisfy himself of the genuineness of payee's signature to the receipt on the back of the bill, but should assure himself, if the payee himself is not in attendance, that the presenter of the Remittance Transfer Receipt is the agent or the messenger of the payee duly authorized to receive payment. If then, the presenter is unknown to the treasury officials, or if known, should there be reasonable grounds for questioning his being in lawful possession of the Remittance Transfer Receipt, the Treasury Officer should demand a written authority from the payee authorizing the presenter to receive payment on his (payee's) behalf. Similarly, in cases where payment is made on an endorsement to a recognized bank, the Treasury Officer must assure himself that the presenter of the Remittance Transfer Receipt, is the authorized agent or messenger of the bank.

(c) Remittance Transfer Receipts received by others 'for' the payees named there in cannot be accepted and treasuries will decline payment on bills so received. Heads of Offices may however authorize their Gazetted Assistants to sign on their behalf, Remittance Transfer Receipts when the amounts thereof are payable by transfer credit in the treasury accounts.

Note-1. Except as provided above, Personal Assistance cannot sign 'for' their principals, although they may be in the habit of signing bills and other correspondence.

Note- If a Remittance Transfer Receipt bears no signature purporting to be that of the Head Accountant or Nagadi Gumasta. it may still be honoured if otherwise in order

but the fact should be immediately brought to the notice of the Treasury Officer who issued the bill in order that he may ascertain whether the amount was actually credited in the treasury accounts.

(d) A bill may be paid:-

(i) Without advice, if there is no reason whatsoever to doubt its genuineness and if sufficient security is offered. In the case of well known and reliable holders, this security may be dispensed with. The Treasury Officer should in all such cases apply for the necessary Advice without delay.

(ii) Even though differing from the amount advised, at the discretion and risk of the drawee provided there is no suspicion of fraudulent alteration, nor any possible doubt of the genuineness of the bill. But great caution should be exercised before paying on a bill an amount larger than that named in the Advice List.

237. In case of erasure, alteration, or other serious cause for suspicion, the drawee should before payment of a bill refer to the drawer. Any alteration in a bill affecting the date, the amount or place of payment, will invalidate it; but the mere correction of mistake, will have no such effect. A merely technical defect, such as the omission by the drawer to note the purpose for which a Remittance Transfer Receipt is required will not justify the drawee's refusal to pay.

Note- Remittance Transfer Receipts cannot be endorsed and Treasury Officers are justified in declining to cash them if they bear any such endorsement on a Remittance Transfer Receipt in favour of a recognized bank is not deemed to be an endorsement for this purpose, vide Article 236(b).

## **VII. Form of Receipt**

238. For the sufficiency of the receipt, it is necessary to see that it is not for a part only of the bill, and that it is given by the legal holder. On no account may a bill be paid by instalment; receipt for the full amount must be given on the reverse and the full amount must be paid

(a) If the legal holder be dead, payment should be made only to his legal representative; a bill for less than Rs.100 may, however be paid without a certificate of administration.

(b) If the receipt be signed by an agent or attorney, note of the existence and of the record in the treasury, of the power of attorney should be made on the bill.

(c) If more than one person be named in the bill, all must join in order to give a valid endorsement or receipt.

(d) A bill payable to A.B. cannot be cashed on the receipt of his partner C.D without production of formal power of attorney; a bill payable to A.B and Co., can be paid on the receipt as A.B and Co., any member of the firm.

(e) Bills payable to an incorporated company or any other corporate body may be paid on the receipt of the official authorized, generally, or specially, by its regulations, or by power of attorney to receive moneys payable to such company or body.

Note- In the case of bills payable to an unincorporated body, payment may be made to a person holding authority to receive moneys payable to such body but the Treasury Officer should first satisfy himself that the authority has been duly conferred.

(f) If the amount of the bill be payable by transfer to some head of account, the head of account to which it is transferred and the item of the subsidiary register in which it is included in the treasury accounts should be noted in the Advice List. Such credits should be given through the Register t Transfer Transactions. the voucher submitted with the monthly accounts will contain a certificate to this effect over the signature of the Treasury Officer.

239. A Public officer when he sends a Transfer Receipt to a Treasury not for cash payment but for credit of its amount in the treasury accounts, must before he signs the receipt, add to the words "Received Payment" The further words 'by transfer credit' and should also cross the Remittance Transfer Receipt. Treasury Officers should not make cash payments on such Remittance Transfer Receipts. Omission of this endorsement facilitates fraudulent appropriation of money.

### **VIII. Currency of Bill**

240. A bill can be honoured by a treasury only within three months after the month of issue. If presented later, it should be returned for being renewed by the drawing officer.

### **IX Account of Bills Paid**

241. Bill paid, will be entered in the Register of Bills Paid (Form M.T.C 57) and also in the Advice List, and the entries initialed by the Treasury Officer.

Note-1. The payments at sub treasuries will be incorporated in the registers of the district treasury from the sub-treasury Daily Sheets, in detail.

Note-2. A copy of this register will be prepared simultaneously for being transmitted to the Accountant General with the monthly accounts. The paid bills will be attached thereto.

In sub-Treasuries registers in Form M.T.C. 57 are not kept. Bills paid thereat will be entered in the Day Book direct.

### **X. Issue of Duplicates**

242. A duplicate of a bill may be issued under the circumstances stated in Article 253, Mysore Financial Code, and in the event of the loss of both original and duplicate, a triplicate may be issued on the same terms as the duplicate, the non-payment of the others being certified. the same forms any be used for issue of duplicates or triplicate but they should be prominently marked as such in red ink at the top, and the issue of such bills noted against the entry of original bill in the Register of Bills Issued, or in the office copy of the Advice List, as the case may be. Neither duplicate nor triplicate can be issued without reference to the Accountant General if the bill has lapsed.

243. The duplicate and triplicate must be drawn in exactly the same terms as the original bill, with the same date, the same number, the same amount, and the name of the same payee, so that if a lost bill has been endorsed, the endorsee must apply for a duplicate through the original payee. It will be issued under the signature of the officer in charge of the treasury at the time, although he be not the person who signed the original bill.

No duplicate or triplicate not presented for payment within three months after the month of issue should be paid without renewal.

## XI Cancellation

244. When a bill is cancelled as provided in Article 256 Mysore Financial Code, the fact of cancellation should be conspicuously noted across the face of the bill and noted also against the relevant entry, in the Register of Bills Issued (Form M.T.C. 55) or in the copy of the Advice List in the case of a sub-treasury. At the same time, advice of its cancellation should be sent to the officer drawn on, who should at once record the fact in the register referred to in Article 235 and in the remarks column of the relevant Advice List, against the item concerned. The amount refunded should be charged in the treasury accounts (Vide Article 241) indicating also the name of the treasury drawn upon. The entry must be supported by the cancelled and duly receipted bill as voucher, and it must appear in the treasury accounts, even though issue and cancellation take place in the same month.

Note- Omission to send the requisite advice of cancellation has frequently resulted in the bills cancelled appearing as remaining undischarged in the Advice Lists of the treasuries drawn upon. A strict adherence to the rule is therefore, essential.

## XII. Exchange

245. When a bill is exchanged for another (see Article 259 M.F.C.) the original bill will be treated and charged as a bill presented for payment, and the amount again credited as received for the issue of the new bill.

## XIII Lapse of Bills

246. Remittance Transfer Receipts, which are not paid before the end of the third account year after that in which they are issued, lapse and their amount is transferred to the credit of Government by an account entry made by the Accountant General. Should any one apply for payment of a lapsed bill a reference should be made to the Accountant General. If payment be sanctioned, the amount should be treated as refunds of revenue under "LII Miscellaneous" and noted against the original credit also to prevent a double payment.

## XIV Supply and Custody of Forms

247. Forms will be supplied to Treasury Officers by the Government Press. Indents for supplies which should be in the following form, should ordinarily be for twelve months requirements and should state the quantity issued during the past twelve months and the stock of forms on hand.

Indent for Remittance Transfer Receipts / forms and other connected forms required for use of the Treasury at -----

Description of Forms	Issued in the past twelve months-Qty.	Spoilt and returned after defacement or other-wise disposed of in the past 12 months Qty.	Balance number in Store Qty.	Last number in Store	Indented for Qty.

Treasury Officer.

Note-1. All these forms are printed with a coloured around pattern on water marked paper. Any fraudulent erasure is impossible is as much as it involves the removal of so much if the coloured ground pattern as to ensure detection.

Note-2. Both the letter press and the ground pattern will be in one colour, the printed number alone being in black.

248. Immediately on receipt of parcel of forms of bills they should be carefully examined. They are made up in books of 100 forms each, and bear a printed number in a general series, the series of numbers in each book should be checked, and the books themselves compared with the particulars given in the invoice. The acknowledgement should certify that the forms have been counted and found correct.

249. The forms of bill and of advice lists should be placed in store under the key of the Treasury Officer, who should be checked and the books themselves compared bill forms, for the day's use. He must be careful not to issue a book of a later serial number before an earlier, and therefore should see that the store is so arranged as to prevent mistakes. Every evening the unused forms will be returned to him, and he should see that the series is unbroken, that no form is kept back un-issued unless it be spoilt, and that the number expended in the day agrees with the total number of bills issued.

250. Spoilt forms should never be destroyed; they should be defaced under the Treasury Officer's initials and sent to the Accountant General with the List of Bills Issued.

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## CHAPTER XI MISCELLANEOUS

### **I. Custody, Supply and Sale of Stamps**

251. Rules regulating the custody, supply and sale of stamps are found in Appendix XI Karnataka Treasury Manual.

### **II. Opium and Ganja**

252. Opium and Ganja are stocked at the State Huzur Treasury and supplied to other treasuries on indents. The quantities stocked at these treasuries should not normally exceed their estimated consumption for three months.

253. The stock register of Opium and Ganja will be in Form K.T.C 58. At the close of each month the treasury Officer should verify the book balance with the stock on hand by actual weighing. The Sub-Treasury Officers should furnish to the district treasuries with their Cash Balance Reports for the month, a plus and minus memo showing the stock held at the beginning of the month, the quantities received and sold during the month, and the stock remaining on hand at the close of the month. The plus and minus memo will be in Form K.T.C 43.

### III. Interest on Government Debt

254. The procedure with regard to payments of interest on different forms of Government securities shall be regulated by the rules and orders contained in this behalf in the Government Securities Manual, issued by the Central Government.

255. Payments of interest are recorded in the interest payment register in Form G.S.M 14 (Government Securities Manual). Unless the note relates to a loan the interest on which is not liable to income – tax, the payment should be for the net amount, after deducting income-tax.

But the gross amount will be charged in the treasury accounts by per contra credit of the amount recovered to income-tax”.

### IV. Refunds of Revenue

256. The rules governing ‘refunds of Revenue’ are found in Chapter IX, Karnataka Financial Code.

Such refunds may be made to the refundee himself, or to a person duly authorized by him to receive payment, provided that the receipt at the foot of the refund bill is signed by the refundee himself. The precautions prescribed in Article 96 should be observed in this case with special care.

Note :- Bills for Refunds of Revenue remitted to sub-treasuries should be dealt with by the Sub-treasury Officers themselves finally. The certificate in the refund bill prescribed under Article 143 K.F.C should be recorded by the Sub-treasury Officer after verification of the credit in the treasury subsidiary register or the Day Book, as the case may be.

A Note of refund should be made against the entries of original credits in the treasury records in all such cases under the attestation of Sub-treasury Officer.

### **V. Grants-in-aid, Contributions, etc.,**

257. In regard to disbursement of grant-in-aid, contributions, etc., at the Treasuries, the Treasury Officers shall be guided by the rules laid down in Article 17, Karnataka Financial Code.

### VI. Permanent and Temporary Loans

258. When under the terms of a Loan Notification, issued by the Government, subscriptions to any new loan, are receivable at treasuries, the procedure to be observed by Treasury Officers in receiving such subscriptions and crediting them into the Consolidated Fund shall be regulated by the relevant provisions of the Government

Securities Manual and by such supplementary instructions as may be issued by the Government in this behalf.

259. The procedure to be followed by Treasury Officers in making payments in respect of the principal of any loan when it falls due, shall also be governed by the rules contained in the Government Securities Manual and supplementary instructions issued by the Government in this behalf.

#### VII. Other Obligations

260. **Karnataka Government Savings Bank Current Deposits :-** (1) The transactions under these deposits are confined to the treasuries in the ex-Mysore area. The rules governing such deposits are detailed in Karnataka Government Saving Bank Rules, issued separately. The provisions in the Note under article 106 and in articles 116 (b), 127 (f) and 148 are supplementary to those rules.

(2) The deposits and their withdrawals appear under the appropriate detailed head under the minor head "Savings Bank Deposits" When an account is transferred from one treasury to another, the transferring treasury will note the balance of the account transferred in the "Journal of Savings Bank Accounts Transferred", and the treasury to which the account is transferred should likewise note the balance of the account received by transfer in the "Journal of Savings Bank Accounts received by transfer". Copies of these journals should be forwarded to the Accountant General along with the relevant monthly journals of Savings Bank Current Deposits.

Note 1:- The Treasuries conducting the savings bank transactions were also issuing Savings Bank Fixed Deposits and Savings Certificates. Their issue has been discontinued from 1<sup>st</sup> November 1956.

Note 2 :- Transactions relating to transfers of Savings Bank Current and Fixed Deposits and Savings Certificates will not enter the accounts of the treasury. Repayments of Fixed Deposits and Savings Certificates already issued but not yet discharged, will appear in the accounts of the treasuries concerned.

#### VIII. Provident Funds – Withdrawals

261. (a) Advances from a Provident Fund, if permissible under the rules of the Funds, should be drawn by Gazetted Government servants, in Form 5, General Provident Fund Rules, the bills being supported by duly certified copies of the orders sanctioning the advances. In the case of non-gazetted Government servants, the advances should be drawn in the same form, the bills being supported by a copy of the sanction duly attested by the head of the office.

(2) Payments may be made on the authority and responsibility of the officers sanctioning the advances without the previous authority of the Accountant General provided that every bill is supported by a certificate in the following form:

"Certified that the balance at my credit/credit of the subscriber on the date of withdrawal covers the sum drawn on this bill."

(3) Withdrawals to meet payments towards policies of Life Insurance, or subscriptions to a Family Pension Fund, when permissible under the rules of a Fund, may be made, as and when required, by heads of offices for their non-gazetted subordinates on their own authority and responsibility, without previous reference to the Accountant General, Gazetted Government servants may also draw the amount required for their own policies, etc., in a similar manner and under similar conditions. The bills may be prepared in the same manner as for advances mentioned in clauses (1) and (2), the

particulars regarding the policy or policies on which premium or subscription, is to be paid being noted on the bills.

In all such cases, the drawing officer shall be responsible for seeing that there is no over drawal. The first withdrawal for the payment of premia, shall however be made on the authority of the Accountant General.

(4) Save as provided in this Article, no payment on account of any Provident Fund, whether as a refund of subscription overpaid or as a repayment of the whole or a part of the amount accumulated to the credit of the subscribed, can be made without the express authority of the Accountant General.

Note :- 1. Bills for advances and final withdrawals from Departmental Provident Funds the accounts of which are not kept by the Accountant General, may be paid at the treasuries on the authority of the counter-signature of the Head of the Department concerned.

261 A. When a subscriber to a Provident Fund is about to retire and under the rules of the Fund the money lying at his credit in the Fund becomes payable to him, he shall place himself in communication with the Accountant General by whom his fund account is maintained giving the date of his retirement and requesting that steps be taken to close his account and pay him the amount due. The Accountant General being satisfied of the correctness of the claim, and on ascertaining the date upto which the subscription has been paid, will arrange for the payment of the amount at credit of the subscribing in the account of the Fund. The bills may be prepared in Form No. 5, prescribed in the General Provident fund Rules, 1957, and supported by a duly certified copy of the letter of authority from the Audit Officer. In case of non-gazetted Government servants the letter of authority should be attested by the head of the Office. Bills for final withdrawal from Provident Fund shall be signed and presented, in the case of a Gazetted Officer by the Officer himself and in the case of a non-gazetted officer by the Drawing and disbursing Officer of the Office concerned unless the subscriber has in writing opted for receiving the payment at the Treasury, in which case the bill shall be signed and presented by the non-gazetted officer himself and for purpose of identification a copy of his specimen signature sent to the Accountant General along with the requisite application for withdrawal of provident fund balance shall be forwarded by the Accountant General to the Treasury Officer, concerned.

Note :- So for as the provisions of this Article relate to preparations, signing and presentation of bills, these will not apply to cases in which an Accountant General makes final payment of the provident fund balances outside is jurisdiction under article 261 B.

The Accountant General shall arrange to issue payment authorization atleast 15 days prior to date of retirement payable on the date of retirement. In Treasuries where cheque system is in vogue the Treasury Officer shall issue post-dated cheque to the retiring Government servant as soon as the authorization is received by him without insisting on the personal appearance of the subscriber.

261 B. When the final payment of the balance at the credit of subscriber to a Provident Fund is to be made outside the jurisdiction of the Accountant General who maintains the Provident Fund Account of the subscriber, that Accountant General will instead of issuing a special seal authority on another Accountant General for arranging the payment, make payment to the payee by a crossed Bank draft. For this purpose the Accountant General will intimate the amount payable to the payee, and also send a form of receipt to be filled in by him which is given below. On return of the form of receipt duly signed by the payee, a Bank draft will be purchased by the Accountant General and sent to the payee by registered post.

Received payment of Rs.....(Rupees.....) only being the accumulation in my .....Provident Fund.

Account No.....

Station.....

Dated.....

Signature.....

Address.....

Signature.....

Address.....

261 C. For improvement in the maintenance of Provident Fund Accounts the following checks shall be exercised by Treasury Officers: -

Check List for the Treasury Officer

(i) Ensure that the schedule of Provident Fund deductions in the prescribed form is attached with the bill and that all columns of the schedule are properly filled ;

(ii) Ensure that where no account number is given against any of the subscriber in the Provident Fund recovery schedule the remarks such as "New subscriber Account number called for from Accounts Officer Vide No.....dated.....are recorded in the remarks column of the recovery schedule;

(iii) Ensure that the total of the General Provident Fund schedule attached with the bill tallies with the amount of recovery of General Provident Fund shown in the bill ;

(iv) See that account number and sanction is quoted in all debt vouchers ;

(v) In case of money deposited in cash see that full particulars of fund deductions and classification etc., are correctly shown in the challan together with the particulars such as name of subscriber, his account number, amount of subscription, particulars of advance, if necessary, and the name of the Accounts Officer by whom adjustable ;

(vi) Do not entertain the bill if it is not accompanied by a complete and neatly prepared General Provident Fund Schedule or the total amount of General Provident Fund Schedule does not tally with the amount of recovery of General Provident Fund shown in the bill ;

(vii) Do not accept a challan if it does not indicate full particulars such as the name, the account number, the month of deductions etc.

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## **CHAPTER XII**

### **SPECIAL RULES APPLICABLE TO PARTICULAR DEPARTMENTS OR CLASSES OF TRANSACTIONS**

#### Section A-Introductory

262 (a) The special procedure applicable to the transactions in the treasuries of the Forest, the Public Works and the State Ports Departments, Government Commercial Undertakings and important Corporate Bodies are described in this Chapter. The special rule applicable to the transactions of the departments of the Central Government, are found in Appendix I – Part VII.

At places where the cash business of the treasury is conducted by the Bank, these rules shall have effect subject to the provisions of Section C of Chapter V.

(b) The Forest, the Public Works and the Ports Departments draw funds from the treasuries on bills as well as on cheques. Withdrawals on bills comprise pay and allowances and other personal claims of officers and establishment and contingent expenses of the offices. Such drawals on bills, as also cash recoveries or refunds connected therewith, are subject to the general rules in the Karnataka Financial Code, the Manual of Contingent Expenditure and the preceding Chapters of this Code. The rules in Section B apply, therefore, to their transactions of payments into treasuries and withdrawals on cheques, which are accounted for in lumpsums under the departmental remittance heads in the treasury accounts.

Note :- 1. Receipts realized in the Public Works and the Ports Departments creditable to heads appearing in the treasury accounts are credited to the concerned heads direct and not to the departmental remittance heads.

Note :- 2. All payments including those relating to pay and allowances and other personal claims of Officers and Staff of Public Works Department, except in the case of Direction and Special Offices will be made by cheques. The Pay and Allowances and other personal claims of Officers and Establishment of Direction and Special Offices and contingent expenses of these offices will continue to be drawn on bills from Treasuries.

(C ) Government Commercial Undertakings draw funds required for their expenditure from the treasuries on cheques and remit thereto all their cash realizations. The procedure applicable to them is detailed in Section 'C'.

(d) Transactions of Corporate Bodies banking with treasuries, are governed generally by the rules laid down in Article 222 for Deposits of Local Funds. The special rules applicable to the transactions of the State Electricity Board and the Karnataka State Road Transport Corporation which have their offices all over the State are found in section 'D'.

#### **SECTION B**

Forest, Public Works and Ports Departments

##### **I – Forest Department**

##### **Remittance To Treasury**

263 (a) A Treasury Officer shall receive Forest revenue and other receipts (accompanied by challans in the prescribed form): -

- (1) if the challan is countersigned by a Forest Officer ; or
- (2) When paid in by others ;
  - (i) if the challan is countersigned by a Forest Officer ; or
  - (ii) if the Treasury Officer is specially authorized to receive it.

In cases falling under (2) (i) and (ii) the remittances will be accompanied by challans in triplicate one copy of which with the treasury acknowledgement and also with an endorsement to the effect 'Entered in treasury account serial No.....of the list.....shall be forwarded by the Treasury Officer direct to the Forest Department Officer, mentioned in the challan on the same day, in order that the receipt may be brought to account in the books of the latter.

Note :- In respect of Bank Treasuries, one copy of the challan with the requisite endorsement shall be forwarded on the next working day following the date of transaction.

(b) Forest revenue collected at outlaying stations may be remitted to treasuries by means of money order. In such cases, the remittances will be credited to the Forest Department without any challan. The money order coupon itself will serve the purpose of the challan in the treasury, vide Article 65 (e) (6). The Treasury Officer shall send to the Divisional Forest Officer an advice of all the remittances received by money orders, on each day on which such transactions occur.

(c) Such receipts will be credited in the treasury accounts to the Head "Forest Remittances".

Note :- Earnest money deposits tendered by contractors or purchasers of forest produce can be received at treasuries for credit to 'Forest departments creditable to heads appearing in the treasury accounts are Remittances'. No precious authority of a Forest Officer to receive such sums is necessary ; but the depositor must state the name of the Forest Officer to whose account the deposit should be credited. These deposits may be received at district treasuries as well as sub-treasuries.

264. In sub-treasuries the remittances will be entered in the Day Book direct. In the district treasury, they will be entered in a subsidiary register in Form K.T.C 27. When two or more Divisional Forest Officers function in the same district, the remittances made on behalf of each Divisional Officer will be entered in separate subsidiary registers (See also Article 133).

265. Immediately after the close of the month, the District Treasury Officer shall furnish to each Divisional Forest Officer, dealing with the treasury, a consolidated receipt, in the following form, showing the total amount received and credited during the month to 'Forest Remittances' in all the treasuries of the district, on behalf of the Divisional Forest Officer: -

Consolidated Receipt-cum Schedule of Forest Cash Remittances for the month of.....					Form.....Forest Division.....
.....Treasury.					
Received from the Officer in-charge of.....Division the sum of Rs.....as detailed below for credit to the Forest Department.					
Date of Remittance of Treasury or Sub-Treasury	Name of Treasury or Sub-Treasury	By whom remitted	Number of each challan	Amount Remitted with each challan	Number of Credit item and the date of entry in Forest Account
Date..... Treasury Officer					Countersigned Forest Officer .....Division Date.....

#### Drawing From Treasury

266. Officers in-charge of Forest Divisions obtain funds required for disbursement falling under the head Conservancy and Works by drawing cheques on treasuries with which they may be placed in account by the Accountant General. No letter of credit will be issued specifying the limit up to which such cheques may be drawn.

Note :- No charges on account of (1) Conservancy and Works, (2) Revenue Refunds, (3) Repayments of Deposits and (4) Advances and Final withdrawals pertaining to the Forest Department Provident Fund can be drawn otherwise than on cheques.

267. A Treasury Officer may cash, against the drawing account of Divisional Officer, cheques drawn by a subordinate officer holding charge of a Forest Sub-Division or Range, provided that he has received the requisite authorization from the Conservators. Such authorizations should specify the extent to which the subordinate officer is permitted to draw. That Officer must not use the same cheque book as that used by the Divisional Officer ;

268. The District Treasury Officer shall arrange to provide funds to meet the demands of a Forest Officer for drawing at a sub-treasury, provided that he has received due warning from that officer of the probable amount to be so drawn.

269. Payments on cheques will be charged in the treasury accounts to the head "Forest Remittances". In the district treasury they will be entered in a subsidiary register, in Form K.T.C 28, separate registers being used for the drawings by, or on behalf of, each Divisional Forest Officer (See also Article 133).

A copy of the above register for the month will be sent to the Divisional Forest Officer concerned soon after the close of the month with a certificate of total issues in the following form :-

"I hereby certify that the total issues made from the treasuries of the district on cheques drawn against the account of the Divisional Forest Officer.....Division during .....amount to Rs.....(in words)  
....."

Treasury Officer.

## II- Public Works Department

### General

270. The rules in the following Articles apply, equally to expenditure chargeable to works: and receipts connected therewith, of Special Land Acquisition Officers and other Officer not belonging to the Public Works Department, who may be authorized to incur expenditure against the grants of the Public Works Department.

271. Save as provided in these rules, Treasury Officers are prohibited from issuing any money for the disbursements of Civil Officers acting as Public Works Disbursers.

### Remittance to Treasury

272 (a) Public Works revenue except rents on Government residential buildings is generally received by Public Works Officers and remitted to Treasury. Remittances either by the Divisional Officer himself, or by the subordinate officers on his behalf, will be shown inter alia the head of officers on his behalf, will be accompanied by challans and remittance book which will shown inter alia the head of account to which the amount remitted is to be credited in the treasury accounts. The challans will be retained by the Treasury and the remittance book returned duly acknowledged.

Note:- Where it is not convenient to keep a remittance book, a challan will take its place.

(b) Public Works receipts paid in to treasuries direct by others will be accompanied by challans in triplicate. In such cases a copy of the challan will be forwarded by the Treasury Officer to the Divisional Officer concerned, on the same day.

273. Receipts which are creditable to final heads not found in the treasury accounts, are classified under the head " Public Works Remittances-1 Remittances into Treasuries". Such receipts will be entered in the district treasury in a subsidiary register in Form M.T.C. 27. In sub-treasuries they will be entered in the Day Book direct. When two or more Divisional Officers function in the same district the remittances made on behalf of each Divisional Officer will be entered in separate subsidiary register. (See also Articles 133 and 281).

274. The Treasury Officers are responsible to watch the recovery of rents due from Gazetted Government servants to the Public Works Department. For this purpose, the Divisional Officer concerned will furnish to them, by the 25<sup>th</sup> of each month, a demand statement in Form No. KFC 7, in duplicate, or rents recoverable from the pay bill of each Gazetted Government servant, vide Article 41 (3) of KFC 58 Mysore Public Works Account Code Volume I. The Treasury Officers will effect the necessary recoveries and return one copy of the statement to the Divisional Officer, duly noting the recoveries made, before the close of the following month; the other copy will be attached to the pay bill in which recovery is made.

275. The duties of the Treasury Officers in this respect are: -

(1) to recover the amount of rent specified in the statement sent by the Divisional Officers without prior reference to the tenants and to continue to recover the rents at those rates, whether or not the monthly demand statements are received from the Divisional Officers, until advised to the contrary: -

(2) to note in column 9 of the Statements of Rents, the emoluments actually drawn by the tenants where they differ from those entered by the Divisional officers and

also any sums drawn by the tenants as arrears of emoluments with details of the rates and the periods for which they have been drawn.

(3) To note in column 8 of the statement, amount recovered with the number of the Treasury voucher in which the recovery was made, and if, any case, rent noted in column 7 has not been recovered, or recovered only in part, to furnish reasons therefore the information of the Divisional Officer.

(4) When a Gazetted Government servant is transferred, proceeds on leave or retires, Treasury Officers will unless otherwise instructed by the Divisional Officers,--

(i) if the Gazetted Government servant is paid up to the date of making over charge, recover through the pay bill the rent due up to that date.

(ii) If the Government servant is not paid up to the date of making over charge, recover the rent due for the period covered by the pay bill, and note on the reverse of the Last Pay certificate, the balance of rent due for recovery for the remaining period up to the date of making over charge;

" If the Officer has not vacated the Government Quarters on the date on which he handed over charge of the post the fact should be recorded in the Last Pay Certificate so that the officer who disburses his pay in respect of the post to which he is transferred may continue to recover the rent till the quarters are vacated"

They will not conduct any correspondence with the tenants on the subject of their rents but will refer them to the Divisional Officers concerned.

### **Drawing from Treasury**

276. ( a) For making payments for works, Divisional Officers are authorized to draw funds by cheques on treasuries, with which they may be placed in account by the Accountant General.

(b) Divisional Officers can, in turn, authorize their Sub-Divisional Officers to draw funds by cheques on any of those treasuries. Such drawing will be taken against the accounts of the Divisional officers under whom they are working.

277. The drawing of Sub-Divisional Officers are subject to monthly limits prescribed by the Divisional Officer under paragraph 55. P.W.A. C, volume I. Treasuries will follow the procedure prescribed in Article 72. mutates mutandis, to see that the limits are adhered to.

278. when funds are required at a treasury other than that on which the divisional officer is empowered to draw, he should obtain the orders of the Accountant General to enforce his or his Sub-Divisional Officer's cheques as payable at the treasury desired. Funds should not be made available for such a purpose by means of Remittance Transfer Receipts or Reserve Bank Drafts.

279.(a) A Divisional Officer may enforce his cheques as payable at any of the district or sub-treasuries within his jurisdiction or at which the Accountant General has specially permitted him to draw.

(b) The Divisional Officer should keep the Treasury Officer informed from time to time of the extent to which he will draw on and sub-treasury, in order that funds may, as far as is convenient, be provided thereat.

280. The amount of each cheque paid should be entered in the day book in the sub-treasury and in a subsidiary register,

in Form M.T.C. 28, in district treasury. A separate subsidiary register should be kept for the account of each Divisional Officer and the register return of in triplicate by carbon process. (see also Article 133).

A copy of subsidiary register containing the entries of the month should be sent to the Divisional officer concerned after the close of the month.

### **Monthly Settlement**

281. (a) Immediately after the close of each month the District Treasury Officer shall arrange to effect a monthly settlement with each Divisional Officer in regard to the remittances into and drawals from the treasuries during the month on the latter's account.

(b) In respect of remittance into treasuries under the head " P.W. Remittances—1 Remittances into treasuries", the Divisional Officer will send to the Treasury Officer, on a date mutually agreed, a statement of remittances made by him, or on his behalf, to the several treasuries of the district during the previous month. The District Treasury Officer will verify the statement with figures in his subsidiary register (vide Article 273), and return it to the Divisional Officer with consolidated receipt for the month actually credited in treasury accounts.

A reconciliation statement should be furnished wherever the credit claimed by the Divisional Officer differ from those in the treasury accounts, vide paragraph 507 M.P.A.C., volume 1.

(c) In respect of amounts drawn from the treasuries he shall furnish each Divisional Officers with a certificate of total issues as follows :-

I hereby certify the total issues made from the treasuries of the district on cheques drawn against the account of Divisional Officer  
..... Division during ..... amount to Rs..... (in words) .....

Treasury Officer.

The certificate should be sent to the Divisional Officer along with the copies of the District Treasury subsidiary register of cheques paid, vide Article 280.

## **III—PORTS DEPARTMENT**

### **Remittance to Treasury**

282. Receipts of this Department which are not creditable to the revenue head 'XXXIX Ports and Pilogtage' or other heads of account direct in the treasury accounts, are taken to the head " T. Remittances—Miscellaneous Remittances – Ports Department Remittances—I Payments into Treasuries."

283. Such credits will be accounted for in the same way as " Publics Works Remittances—I Payments into Treasuries ", vide 272, 273 and 281.

### **Drawings from Treasury**

284. Funds required for expenditure on works are drawn on cheques. The amounts drawn are classified in the treasury accounts under the head " T-Remittances Miscellaneous Remittances—Ports Department Remittances—s Cheques" The provisions of Articles 276 to 281 shall apply to such drawals also, mutatis mutand's.

## **SECTION C – GOVERNMENT COMMERCIAL UNDERTAKINGS.**

### **Remittance to Treasury**

285. The sale proceeds and other receipts of the undertakings will be remitted to the treasury for credit under the detailed head "Remittances into Treasury" under a separate sub-head opened for such undertaking under the remittance head " cash remittances and adjustments between officers rendering accounts to the same Accountant General – Remittances of Government Commercial Undertakings".

### **Drawings from Treasury**

286. The undertakings draw funds from the treasuries on cheques and the drawing officers are themselves responsible for seeing that the funds are not drawn in excess of the allotments placed at their disposal. The amount of cheques cashed in respect of each undertakings will appear in the treasury accounts under the detailed head " Cheques" under the relevant sub-head, as indicated in Article 285.

287. District treasuries will maintain two subsidiary registers, one for receipts and another for drawings, in Forms M.T.C 27 and 28 for each commercial undertaking. These register will be written up in triplicate, by carbon process. One copy of each of these registers will be sent to the commercial undertakings concerned on or before the 5<sup>th</sup> of the succeeding month. The commercial undertakings are themselves responsible to reconcile, monthly, the figures of remittances and drawings according to their books with those in the treasury registers.

## **SECTION D—KARNATAKA ELECTRICITY BOARD AND KARNATAKA STATE ROAD TRANSPORT CORPORATION FUNDS.**

### **1.GENERAL**

288. In bank treasuries the transactions of both these funds are conducted at the bank direct without the intervention of Treasury Officers.

### **II.KARNATAKA ELECTRICITY BOARD FUND**

#### **Remittances to Treasury**

289. The Divisional and other offices of the Board located all over the State remit their revenue and other receipts to the treasuries, accompanied in each case by a remitted book and a challan in the prescribed form. The treasuries will credit such amounts to the Mysore State Electricity Board Fund and return the remittance book with acknowledgement.

The remittances, whether into a sub-treasury or to a district treasury, are entered in a subsidiary register in Form M.T.C 27. In sub-treasuries the daily total from this register will be taken to the Day Book. In the district treasury, remittances made to sub-treasuries will not be incorporated in the subsidiary register in Form M.T.C. 27 but in a separate register in Form M.T.C/ 37, in which only daily totals of each treasury (including the district treasury) will be entered, treasury-wise so as to facilitate monthly totals of remittances into each treasury being worked out.

290.(a) after the close of each month, the remitting offices of the Board will arrange to effect a re-conciliation between their figures of remittance during the month and the corresponding credits actually appearing in the treasury accounts and get a certificate in the following form from the Treasury Officer concerned;

‘Certified that the credits aggregating Rs..... to the head Mysore State Electricity Board Fund)”, as shown in the statement of remittances of ..... office for the month of ..... agree with the corresponding figure appearing in the treasury accounts”.

Treasury Officer.

In the case of sub-treasuries, this certificate will be furnished by the Sub-treasury Officer himself forwarding, at the same time a copy thereof to the district treasury for verification and record.

(b) The offices of the Board making the remittances will be solely responsible for effecting such reconciliation and for watching the rectification of misclassifications.

(c) A copy of the district treasury subsidiary register for the month in Form M.T.C 37, will be sent to the Divisional Officer concerned by the 5<sup>th</sup> of the following month.

### **Drawings from Treasury**

291. Funds required for expenditure by the various offices of the Board are drawn by means of cheques on treasuries. The cheques are issued by the Chief Accounts Officer and, also by the respective Divisional Officers. The responsibility watching that such drawings are within the balance at credit of the Board Fund in the Public Account of the State, devolves on the Board and not on the treasuries.

Payments made at the sub-treasuries are entered in the Day Book direct. Those made at the district treasuries are entered in a subsidiary register, in Form M.T.C. 28, in which payments at sub-treasuries are also incorporated, vide Article 133. Payments made on cheques issued by the Chief Accounts Officer will, however, be entered in separate subsidiary registers. A copy of this register containing the entries of the month will be sent to the Chief Accounts Officer or the Divisional Officer issuing the cheques, by the 5<sup>th</sup> of the following month.

## **III KARNATAKA STATE ROAD TRANSPORT**

## **CORPORATION FUND**

### **Remittance to Treasury**

292. The Unit and other offices of the Corporation located all over the State, remit their revenue and other receipts to the treasuries, accompanied, in each case, by a remittance book and challans in duplicate. The treasuries will credit such amounts to the Mysore State Road Transport Corporation Fund and return the remittance book and one copy of the challan with acknowledgement

The remittance, whether into a sub-treasury or to a district treasury, are entered in a subsidiary register in Form M.T.C. 27. In sub-treasuries, the daily total from this register will be taken to the Day Book. In the district treasury, remittances made to sub-treasuries will not be incorporated in the subsidiary register in Form M.T.C. 27, but in a separate register, in Form M.T.C. in which only daily total of each treasury (including the district treasury) will be entered, treasury-wise so as to facilitate, monthly total remittances into each treasury being worked out.

293. (a) after the close of each month, the remitting offices of the Corporation, or an office nominated on their behalf, will arrange to effect a reconciliation between their figures of remittances during the month and the corresponding credits actually appearing in the treasury accounts, and get a certificate in the following form from the Treasury Officer concerned.

Certified that the credits aggregating Rs..... To the head " Mysore State Road Transport Corporation fund" as shown in the statement of remittances of ..... office for the month of ..... Agree with the corresponding figure appearing in the treasury accounts."

Treasury Officer,

In the case of sub-treasuries, this certificate will be furnished by the Sub-treasury Officer himself forwarding, at the same time, a copy thereof to the district treasury for verification and record.

(b) The offices of the Corporation making the remittances will be solely responsible for effecting such reconciliation and for watching the rectification of misclassifications.

(c) A copy of the district treasury subsidiary register for the month, in Form M.T.C. 37, will be sent to the Unit Officer concerned by the 5<sup>th</sup> of the following month.

#### **Drawing from Treasury**

294.(a) Funds required for expenditure by the various offices of the Corporation are obtained by means of cheques which are drawn only on band treasuries. There will be three drawing accounts for the purpose in the Reserve Bank of India and in the State Hizur Treasury, Bangalore, as a number of offices are authorized there to draw on the fund account, as noted below: -

Designation of the officers drawing cheques	Account on which drawn	Office to whom copy of the Treasury Subsidiary Register should be sent
1.The chief Accounts Officer Accounts Officer, Executive Engineer, Central Offices; Dy Engineer, M.S.R.T.C. Sub-Divi. Bangalore	Mysore State Road Corporation Fund Sub Account No.21	Chief Accounts Officer
Asst. Engineer M.S.R.T.C. Regional Workshop Sub-Division, Bangalore, and Works Manager, M.S.R.T.C Regional Workshop, Bangalore.		
2. Deputy General Manager M.S.R.T.C Bangalore Division	Mysore State Road Transport Corporation Fund- Sub-Acct No.2	Deputy General Manager M.S.R.T.C. Bangalore Division
3. Deputy General Manager, M.S.R.T.C Bangalore Transport Service Division	Mysore State Road Transport Corporation Fund-Sub Account No.3	Deputy General Manager M.S.R.T.C. Bangalore Transport Service Division

In other places cheques are drawn by unit Officers and such other officers as are authorized by the corporation in this behalf. The responsibility of watching that such

drawals are within the balance at credit of the Corporation Fund in the Public Account of the State, devolves on the Corporation and not on the treasuries.

(b) Payments made at the bank sub-treasuries are entered in the Day Book direct. Those made at district treasuries other than the State Huzur Treasury, are entered in the subsidiary register, in Form M.T.C. 28, in which payment at sub-treasuries are also incorporated, vide Article 133. In respect of payment made at the Reserve Bank of India , Bangalore separate subsidiary registers will be kept at the State Huzur Treasury for each drawing account, and the daily totals thereof taken to the debit of the Fund. Payments at bank sub-treasuries of Bangalore District will be incorporated in Sub-Account No. 2 a copy of these registers containing the entries of the month, will be sent to the Unit Offices or the offices noted at (a) above, by the 5<sup>th</sup> of the following month.

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## **CHAPTER XIII PROVISION OF FUNDS AT TREASURIES AND SUB-TREASURIES**

### **I ..... Supply of Funds**

#### **Bank Treasuries**

295. At district treasuries and sub-treasuries the cash business of which is conducted by the Bank, the Manager or Agent, as the case may be, is responsible for the provision of funds to meet Government disbursement.

### **Non- Bank Sub-treasuries**

296. In non-bank sub-treasuries, the Treasury Officer is responsible for keeping sufficient funds at the treasury to meet all Government disbursements and, at the same time, for maintaining the balances as low as possible, in order that money may not be locked up unnecessarily.

297. The District Treasury Officer is responsible for watching the balances at sub-treasuries. He should arrange to transfer funds from and to such treasuries, either through currency, or by remittance of notes and coin, in accordance with procedure prescribed in Appendix I. Part XI.

## **II NORMAL BALANCES**

298. In January of each year, the District Treasury officer will be informed by the Government through the Director of Treasuries, of the normal balances fixed for his district for each month during the ensuing financial year.

There upon, the District Treasury Officer should fix the normal balance for each of his non-bank sub-treasuries during the ensuing year. He should watch their balances carefully to see the balance for the district as a whole does not exceed by any appreciable amount the balance fixed by the Government.

Note—1. The balance at a bank treasury or sub-treasury

Note---2. The normal balances may be fixed at a higher figure to certain months of the year, should this be deemed necessary.

299. whenever the balance in a Sub-treasury exceeds the normal balance fixed by rs.5000 or more the excess cash may be remitted to the nearest agency Bank under advice to the District Treassury Officer and Agency Bank under advice to the District Treasury Officer and Agency Bank in Form M.T.C. 59 unless the excess is expected to be wiped out within a fortnight. Whenever the normal balance falls below Rs .5000 or more a remittance order may be obtained from the District Treasury Officer for replenishing the Treasury balance unless the deficiency is expected to be wiped out within a fortnight. The remittance order for replenishment in Form M.T.C. 59 will be prepared in Triplicate and sent to the District Treasury Officer who will send one copy of his order to the Treasury receiving it, another to the Officer issuing the remittance and third, retained at the District Treasury.

300. deleted.

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