

## PREFACE TO THE FIRST EDITION

The preface to Volume I gives a general description of the Tamil Nadu Account Code. The Directions in Volume III have been grouped into three distinct parts. Part-I contains general directions regarding the forms of accounts to be kept and rendered by departments whose initial and subsidiary accounts are compiled departmentally, and the definitions of certain terms used in this Volume. The Directions in Parts II and III relate to the methods and principles in accordance with which the initial and subsidiary accounts should be kept and the compiled accounts rendered to the Accountant-General by officers of the Public Works Department and the Forest Department respectively.

2. The several chapters in Parts II and III have been so arranged as to distinguish from one another (i) Directions of the Auditor-General regarding classification which are mandatory, (ii) Director, regarding the form of the accounts to be kept, which the Government may modify in matters of detail in consultation with the Accountant-General, and (iii) Directions regarding the form of the Accounts Returns, in which changes of a local nature may be authorized by the Accountant-General.

3. The Auditor-General's directions relating to Central transactions and those which have no application to this province have been omitted in this Tamil Nadu Account Code and the omissions have been indicated by asterisks, "Local Rulings" based on the provisions of the Tamil Nadu

PREFACE TO THE FIRST EDITION

Public Works Account Code and the Tamil Nadu Forest Department Account Code have been added where necessary with reference to local variations in regard to accounts procedure.

The rules laid down in this Volume in regard to transactions of the Public Works Department will apply to the Electricity Department also except where otherwise stated.

4. The Forms prescribed in this Volume have been grouped into two series, namely P.W.A. (an abbreviation for Public Works Accounts) and F.A. (an abbreviation for Forest Accounts) so that it may be determined readily to which department the particular form relates. In addition to the forms prescribed by the Auditor-General some forms in the Tamil Nadu Public Works Account Code and the Tamil Nadu Forest Department Account Code have been included in this Volume in order to provide for local variations in accounts procedure, and these latter forms should be deemed to be forms prescribed by the Government in consultation with the Accountant-General. Modifications have been made in some of the Forms prescribed by the Auditor-General on account of local variations in accounts procedure. The Forms prescribed by the Auditor-General have been given Arabic numbers, and the Forms prescribed by the Government have been given Roman numbers. The distinguishing numbers and letters given to the Forms in this Volume should also be adopted for the preparation of indents for the Forms.

*Fort St. George,  
Madras-9,  
1941.*

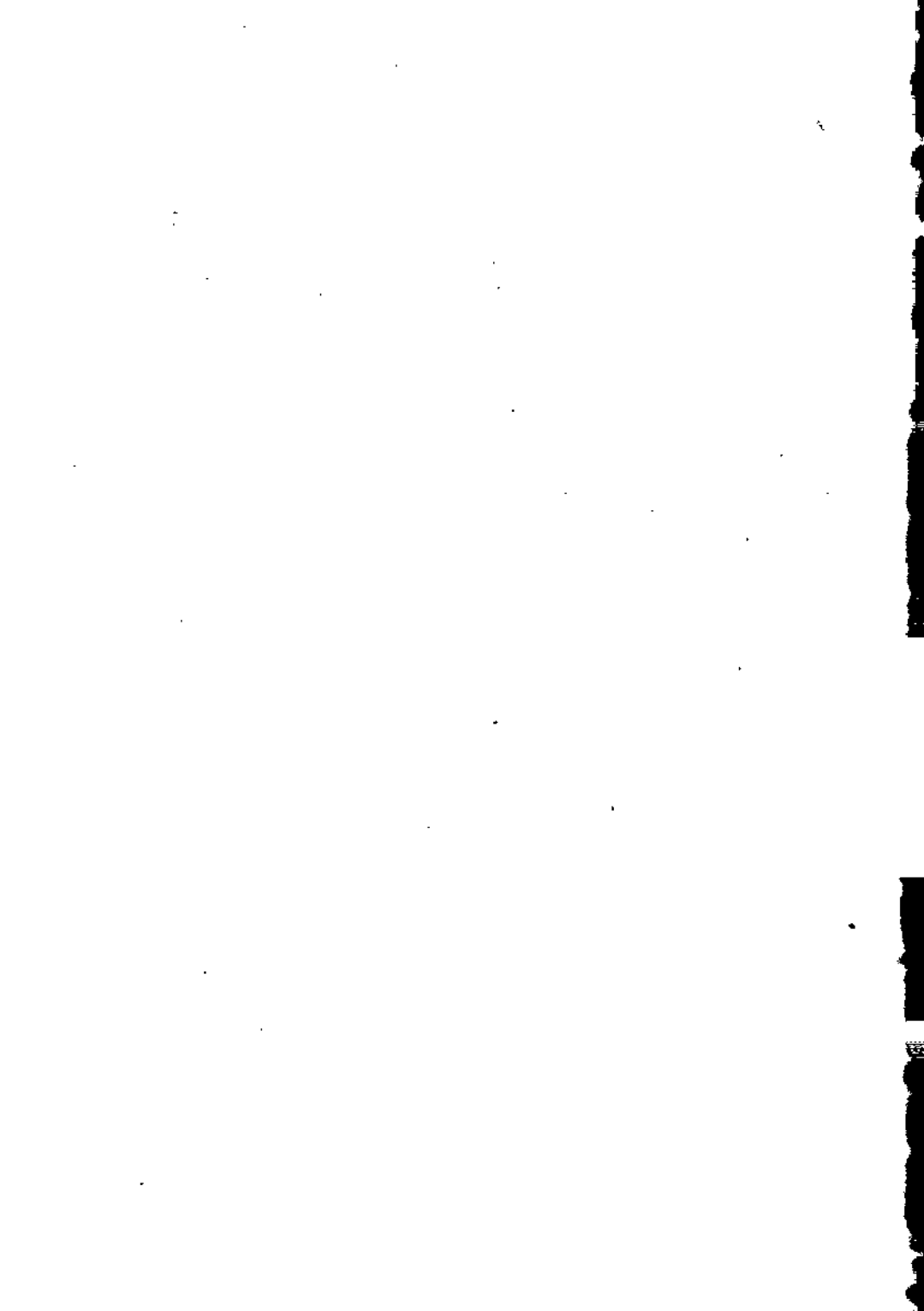
## PREFACE TO THE SECOND EDITION.

Since the issue of the First Edition, the Comptroller and Auditor-General has issued certain amendments to Volume III of this Account Code consequent on the constitutional and other changes. Several amendments have been issued by this Government also to the Local Rulings, etc., in this Code. The amendments issued upto 30th September 1953 have been embodied in the main Articles and in the Local Rulings, etc., in this edition.

*Fort. St. George,*

Madras-000 009.

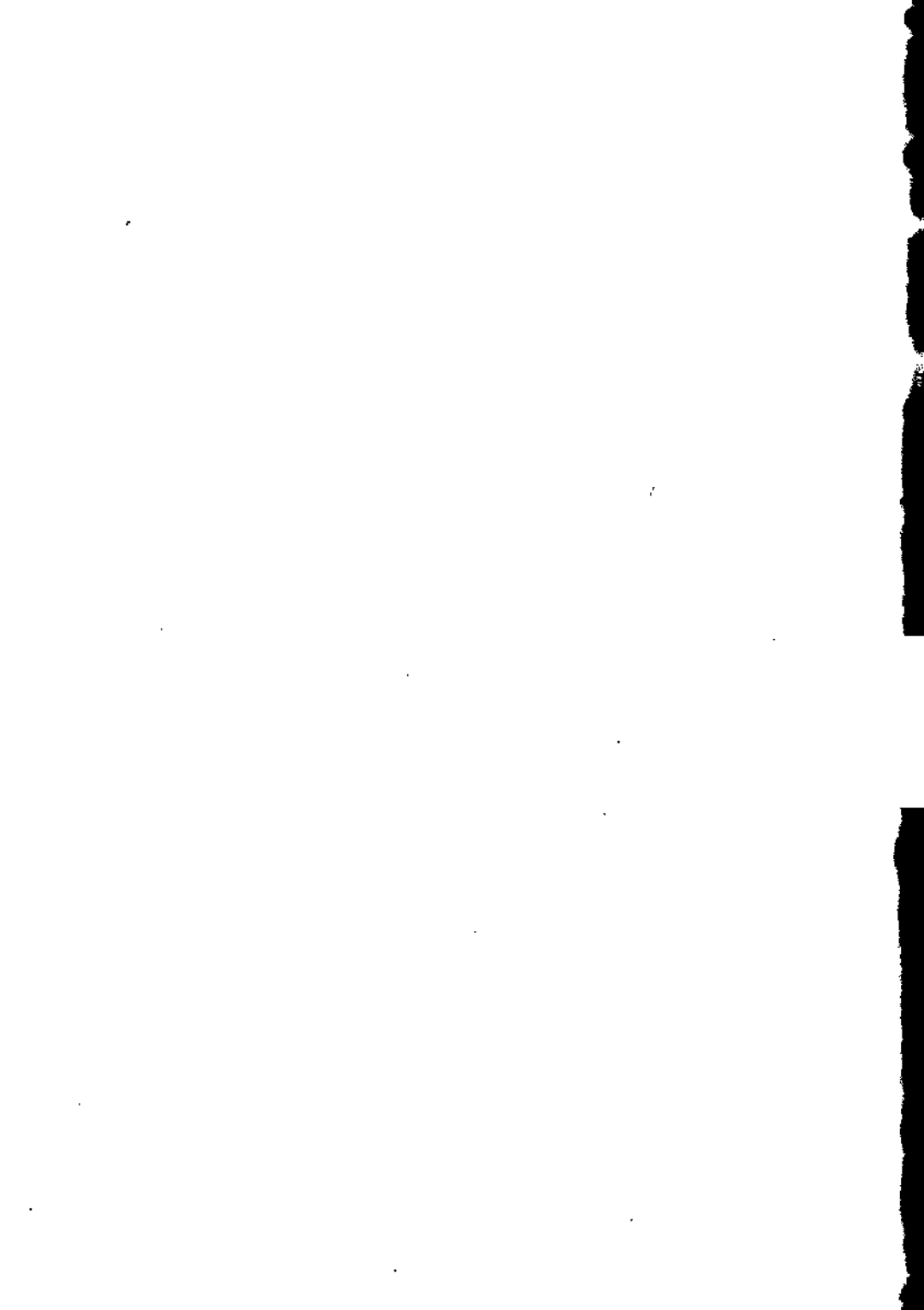
1956.



## PREFACE TO THE SECOND EDITION FIRST REPRINT.

Since the issue of the Second Edition (corrected upto 10th September 1953), several amendments have been issued by this Government to the local rules, etc., in this Code. The amendments issued upto 30th June 1963 have been embodied in this edition. Changes consequent on the orders issued in G.O. Ms. No. 353, Finance, dated 30th March 1962 with reference to the decision of Government of India to rationalise the accounting classification of Government transaction have also been incorporated in this edition. Errors and omissions, if any may be intimated to Finance Department.

*Fort St. George,*  
Madras-9,  
1963.



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# THE TAMIL NADU ACCOUNT CODE

## VOLUME III

### DEPARTMENTAL ACCOUNTS

#### PART I.—GENERAL

##### CHAPTER I.—GENERAL

###### A.—INTRODUCTORY

The directions given below shall apply to departments of Government whose initial and subsidiary accounts are compiled in whole or part departmentally the accounts so compiled being rendered monthly or periodically to the Account and Audit offices

###### B.—PUBLIC WORKS AND FOREST DEPARTMENTS.

2. The directions, in accordance with which the initial and subsidiary accounts should be kept in the Public Works and the Forest Departments and the forms in which the compiled accounts of these departments should be rendered to the Accountant-General, have been prescribed in detail in the following chapters of this volume. These directions are supplementary to the general directions contained in Volume I, which are applicable to these departments unless there be something repugnant in the subject or context and except to the extent that they are modified by the directions in the following chapters.

NOTE.—In their application to—

(1) the accounts to be kept in the Public Works and the Forest Departments of Part B States.

(2) the classification of the transactions in the accounts of the Central and the Part A States Public Works and Forest divisions or subdivisions on behalf of the Part B State Governments, and

(3) the classification of the transactions in Part B States Public Works and Forest divisions on behalf of other Part B State Governments, Part A State Governments and the Central Government, the directions shall have effect subject to such modifications as may be authorised by the Comptroller and Auditor-General of India, with the approval of the President, to suit the transitional arrangements for the settlement of transactions between the Central Government and Part B States, between Part A and Part B States and between one Part B State and another, on a cash basis.

3. The forms of initial and subsidiary accounts prescribed should be regarded as standard or model forms which may be notified by Government according to local requirements in consultation with the Accountant-General concerned. Similarly the Accountant-General may introduce such changes in the detail of accounts returns as he may deem necessary.

#### *Local Ruling under Article 3.*

The forms and returns embodied in this Code are those prescribed by the Government in consultation with the Accountant-General to suit local requirements. Any proposal to amend any of the accounts forms or to introduce a new form should be submitted to the Government in the Finance Department through the Accountant-General.

#### C.—OTHER DEPARTMENTS.

4. Whenever an order is passed by competent authority, *vide* Article 33 of Volume I, transferring any Public Works to the administrative control of a department other than the Public Works Department and the department itself arranges for the execution of those works, the detailed classification of the transactions connected with the works so transferred should be such as the Accountant-General may determine in consultation with the Comptroller and Auditor-General. Subject to such exceptions as may be authorized by the Accountant-General with the previous concurrence of the Comptroller and Auditor-General, the transactions should be accounted for in the forms and in accordance with the directions prescribed in Chapters III and IV for similar transactions of the Public Works Department.

5. \* \* \* \* \*

6. In the case of all other departments of the Central and State Governments whose initial and subsidiary accounts are compiled departmentally, the orders and instructions contained in the relevant departmental Code, Manual or Regulations in so far as they provide for the forms of initial and subsidiary accounts kept in any department, shall continue to be followed unless the Accountant-General considers it necessary to replace the existing forms or any of them by some other forms or form. In the event of any difference of opinion between the Accountant-General and the

departmental authority concerned, the question should be referred by the Accountant-General to the Comptroller and Auditor-General for issue of necessary directions under paragraph 4 (b) of the Initial and Subsidiary Accounts Rules (*vide* Appendix 1 to Volume I).

7. The directions regarding the accounts to be rendered to audit by the departments, mentioned in Article \* \* 6 and the forms in which such accounts are to be rendered have been issued separately and incorporated in the Manuals of the Audit Officers concerned.

8. Whenever the activities of a Government department are such as to require the maintenance of initial and subsidiary accounts not covered by the directions contained in Articles 6 and 7, the forms of the accounts should be such as may be settled by Government after consultation with the Accountant-General and subject to the previous concurrence of the Comptroller and Auditor-General.

#### D. DEFINITIONS

9. Unless there be something repugnant in the subject or context, the terms defined below should be interpreted in the following chapters and forms in the sense herein explained.\*

(1) *Advance Payment* means a payment made on a running account to a contractor for work done by him but not measured.

(2) *Assets*.—In the accounts of works this term indicates all outstanding or anticipated credits, which have to be taken in reduction of final charges. *Examples*:— Recoveries of advance or recoverable payments and sale-proceeds or transfer value of surplus materials.

(3) *Bank*.—The term “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 *Imperial Bank of India* acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act (Act II of 1934).

(4) *Cash*.—The term “Cash” includes legal tender coin, notes, cheques and drafts payable on demand. A small number of ten paise revenue stamps may be treated as part of the cash balance.

(Memo. No. 79271-A/S VI/62-29, dated 16th August 1966.)

NOTE.—Government securities, deposit receipts of banks, debentures and bonds accepted as security deposit under the rules of Government do not fall under this term.

\*In respect of the Electricity Department, the definitions in the Chapter *e.g.* & s regards items (2), (9), (12), (17), (20) and (41) should be supplemented by those the Electricity Department Manual.

(4-A) *Central Division or Subdivision* means any division or subdivision, not being a division or subdivision under the control of a Part A or a Part B State.

(5) *Competent Authority*.—The term "Competent Authority" means the Government or other authority to whom the relevant powers may be delegated by the Government.

(6) *Completion and Completed*.—The expression "completion of work" may be understood to include "abandonment of a work," and "completed" to include "abandoned."

(7) *Contingencies*.—When used in respect of the accounts of works, the term "Contingencies" indicates the incidental expenses of a miscellaneous character which cannot be classified appropriately under any distinct sub-head or sub-work, yet pertain to the work as a whole.

(8) *Contract and Contractor*.—The term "Contract" means any kind of undertaking, written or verbal, express or implied, by a person, not being a Government servant, or by a syndicate or firm, for the construction, maintenance or repairs of one or more works for the supply of materials or for the performance of any service in connection with the execution of works or the supply of materials. The term "Contractor" means a person, syndicate or firm that has made such an undertaking, but often its use is restricted to contractors for the execution of works or for services in connection therewith.

(9) *Deposit Works*.—This term is applied to works of construction or repair the cost of which is met, not out of Government funds, but out of funds from non-Government sources, which may either be deposited in cash or otherwise placed at the disposal of the Divisional Officer. Works executed for municipalities and other public bodies fall under this category when the cost is debitable either to cash deposits made for the purpose, or to their credit balances at treasuries.

(10) *Direct and Indirect Charges*.—"Direct Charges" are those charges pertaining to a work, project or job, which are incurred directly for its execution and are included in the regular



accounts of it. " Indirect Charges " are those charges which pertain, or are incidental to a work, project, workshop job, or manufacture job, but which are not incurred directly and solely in connection therewith and thus cannot be taken directly into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the department.

(11) *Direct and Indirect Receipts.*—“ Direct Receipts ” are those items of revenue receipts which are realised in connection with a work or project either by officers of the Public Works Department or other departments and are brought to account directly as appertaining to the work or project. “ Indirect Receipts ” are those receipts which pertain, or are incidental to a scheme or work, but cannot be taken directly into such detailed accounts of it as are incorporated in the regular accounts of the receipts of the department.

(12) *Division and Divisional Office.*—These terms are used to denote respectively the executive charge held by a Divisional Officer [clause (13) below] and the head office of such a charge. Thus, the office of an independent executive subdivision is a divisional office for the purposes of this volume, as also that of the Superintendent of a Workshop working independently of a Divisional Officer.

(13) *Divisional Officer.*—This term is applied to an executive officer of the Public Works or Forest Department who is not subordinate to another executive or disbursing officer of the department, even though the executive charge held by him may not be recognized as a “ division ” by the Government concerned. Thus, the officer in-charge of an independent sub-division is also treated as a Divisional Officer for the purposes of this volume.

Disbursing officers of other departments, if they spend Public Works funds and are required to render their accounts direct to the Accountant-General, are also included in the term *Divisional Office* in this volume.

(14) *Final Payment* means the last payment on a running account made to a contractor on the completion or determination of his contract and in full settlement of the account.

(15) *Government* means the "Central Government" in respect of matters relating to Central division and sub-division and "State Government" in respect of those relating to State divisions and subdivisions.

(16) *Imprest*.—This term represents the Standing advance of a fixed sum of money given to an individual to enable him to make certain classes of disbursements which may be entrusted to his charge by the Divisional Officer or the Subdivisional Officer.

(17) *Intermediate Payment* is a term applied to a disbursement of any kind on a running account, not being the final payment. It includes an "Advance payment", a "Secured advance" and an "On account payment (other than the final payment on a running account)", or a combination of these.

(18) *Issue Rate*.—This term denotes the cost per unit fixed, in respect of an article borne on the Stocks of the Department, at a valuation for the purpose of the calculation of the amount creditable to the sub-head concerned of the Stock account (i.e., the sub-head under which the article is classified) by charge to the account or service concerned, when any quantity of that article is issued from Stock. This does not take into account the storage charges mentioned in clause (33).

(19) *Labour*.—When a separate materials account is kept for one or more sub-heads of an estimate and the term "Labour" is used in connection with such an account, it denotes all charges pertaining to each of those sub-heads, other than (1) the cost of materials issued direct and (2) carriage and incidental charges in connection with the materials.

(20) *Liabilities*.—When used in respect of accounts of works, this term includes all anticipated charges which are adjustable as final charges, but have not been paid, regardless of whether or not they have fallen due for payment, or, having fallen due have or have not been placed to the credit of the persons concerned in a suspense head subordinate to the accounts of the work concerned.

(21) *Local Loan Works*.—This expression indicates works executed by the Public Works Department on behalf of a Municipality, Port Trust or other Corporation when the cost of the works is to form part of a loan given to it by Government for the purpose.

(22) *Lump Sum Contract* is a contract for a complete work which a contractor agrees to execute with all its contingencies for a fixed sum subject to such conditions as the Government may lay down.

(23) *On Account Payment or Payment on Account* means a payment made on a running account to a contractor in respect of work done or supplies made by him and duly measured. Such a payment may or may not be for the full value of work or supplies, if it is an intermediate payment, it is subject to the final settlement of the running account on the completion of the contract for the work or supplies.

(24) *Operation*.—Used in respect of the accounts of manufacture and workshop transactions, this term indicates the charges incurred on the manufacture operations connected with specific jobs.

(25) *Out turn*.—Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done, in cases in which the articles wrought are not supplied departmentally) of manufacture operations connected with specific jobs.

(26) *Progress* means the up-to-date quantities of work done or supplies made.

(27) *Quantity*.—In the accounts of works this expression is used to describe the extent of work done, supplies made or services performed, when these can be measured, weighed or counted.

(28) *Rate*.—In estimates of cost, contracts, contractors, bills and vouchers generally, rate means the consideration allowed for each unit of work, supply or other service.

(29) *Rate of cost and Inclusive Rate of Cost*.—*Rate of Cost* means generally the total cost of a work or supply divided by its quantity. In the accounts it represents the recorded cost per unit, as arrived at by dividing the up-to-date final charge on a sub-head, by the up-to-date progress thereof. *Inclusive Rate of Cost* means the rate of cost of the entire work relating to a sub-head, including the cost of materials if recorded separately in the accounts.

(30) *Recoverable Payment* means a payment to or on behalf of a contractor which does not represent value creditable or payable to him for work done or supplies made by him, and has, therefore, to be made good to Government by an equivalent cash recovery or short payment of dues.

(31) *Running Account* is a term applied to the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of the account on the completion or determination of his contract.

(32) \* \* \* \*

(32-A) *State Division or Subdivision* means a division or subdivision under the control of a Part A or a Part B State.

(33) *Storage Rate and Storage Charges*.—These expressions denote, respectively, the centage rate fixed for, and charges levied on, all issues of stock to cover such actual expenditure as is incurred, after the acquisition of the stores, on work-charged establishment employed on handling and keeping initial accounts, the custody of stock and the maintenance of the store godown or yards, etc.

(34) *Sub-divisional Officer*.—The designation is applied primarily to an official, whether a gazetted officer or not, who holds the charge of a recognised sub-division in subordination to a Divisional Officer, but when the immediate executive charge of any works or stores has not been constituted into a regular subdivisional charge, but is held by the Divisional Officer himself, the latter is also treated as the Sub-divisional Officer in respect of such charge. When a Divisional Officer holds the immediate charge of recognised subdivision in addition to his own duties as the executive head of the division, he is treated as the Sub-divisional Officer in respect of the charge of the subdivision.

(35) *Sub-head*.—In the accounts of works and in working estimates, this term is used to describe the sub-divisions into which the total cost of a work (or of its sub-works if it is a large work) is divided for purposes of financial control and statistical convenience. The several types of work that have to be executed in the course of construction or maintenance of a work or sub-work, e.g., excavation, brick-work, concrete, woodwork, etc., are treated usually as the sub-heads of it.

(36) *Sub-work*.—In the case of a large work consisting of several buildings or smaller works, or groups thereof the term sub-work is often applied to a distinct unit of the work if that unit is sufficiently large or important to be kept distinct for the purposes of accounts. For example, the outer wall, the solitary cells, the cook-houses, the jailor's quarters, etc., in the case of a large central jail. In the case of Irrigation, Navigation, Embankment, Drainage and Water Storage Projects, the Head Works, Main Line, each branch of a canal, each group of distributaries relating to each branch separately, the Drainage and Protective works, the Water-Course Scheme and Special Tools and Plant, all form separate sub-works.

(37) *Supervision Charges*.—This term in relation to stores, is applied ordinarily to the charges which are levied, in addition to book value and storage charges, in respect of stock materials sold or transferred, and are intended to cover such items of the expenditure incurred on the stores as do not enter their book value and are not included in the storage charges [see clause (33).]

(38) *Suspense Accounts*.—This term is applied primarily to certain heads of accounts, falling under the minor head "Suspense" of a major head of expenditure, which are reserved for the temporary passage of such transactions as must be taken at once the account of the sanction or grant concerned, but cannot be cleared finally either because the relevant payment, recovery or adjustment is awaited, or because it is necessary to keep an effective watch over the values of any stock materials, until their final disposal. The charges under a suspense account are taken in enhancement of the charges under the major head of expenditure concerned, and the receipts in reduction thereof. For suspense accounts within the accounts of works, see Article 136.

(39) *Takavi Works*.—This term denotes works of construction or maintenance relating to water-courses or any other works, expenditure on which is treated by Government as a *takavi* advance (i.e., an advance to cultivators) recoverable from the party or parties concerned.

(40) *Value*.—This term used in connection with the sale of stock materials (*vide* Article 55) or their issue to works (*vide* Article 127 and 128) includes storage charges.

(41) *Work*.—The term “work”, when by itself, is used in a comprehensive sense and applies not only to works of construction or repair, but also to other individual objects of expenditure connected with the supply, repair and carriage of tools and plant, the supply or manufacture of other stores, or the operations of a workshop.

(42) *Works Expenditure and Works Outlay*.—These terms are used to indicate respectively the expenditure, and the capital charges, on the special services concerned with the construction, repair and maintenance of works. The charges falling under these categories may be net when, under rule, any receipts are taken in reduction of the charges, but they do not include the cost of the general services. Tools and Plant and Establishment, or any charges not taken to final heads of account but kept under one of the suspense accounts.

*Local Rulings under Article 9.*

(i) *Commercial Department*.—See Article 59 of Volume I.

(ii) *Detailed head*.—See Article 26 of Volume I and Notes 1 and 2 below Article 10.

(iii) *Distributors*.—In the Forest Department, this term denotes those superior officers not in charge of District Forest Offices, such as Rangers, Foresters and other subordinates, permanent or temporary who are entrusted with sums of money as advances for carrying on works or for current expenditure.

(iv) *Ledger (Contractors' and Disbursers')*.—The ledger account is a running account with each contractor and disburser, from which the amount due by or to him can always be easily ascertained.

(v) *Major Estimate*.—This term is applied to the estimate for a work, when the sanctioned amount of the works expenditure exceeds Rs. 10,000. This term is also applied, for the sake of convenience, to the work itself.

(vi) *Major Head*.—See Article 26 of Volume I.

(vii) *Market Rate (Value of price)*.—Used in respect of an article borne on the Stock accounts of a division, this term indicate the cost per unit at which a stock of that article or a suitable substitute for it could be obtained at the time in question at the stores godown from the public market from which it could be obtained most advantageously.

(viii) *Minor Estimate*.—This term is applied to the estimate for a work, when the sanctioned amount of works expenditure does not exceed Rs. 10,000. This term is also applied, for the sake of convenience, to the work itself.

(ix) *Minor Head*.—See Article 26 of Volume I.

(x) *Sectional Officer*.—This designation is used in this Code in respect of the Public Works Department to describe those officials, usually non-gazetted subordinates, who are placed in responsible executive charge of works or stores under the orders of the officers in charge of a recognized subdivision, and the accounts of whose transactions are, therefore, ultimately incorporated in those of the subdivision.

(xi) *Special Officer*.—This term is applied in this Code, to such officials of the Public Works Department as are neither Divisional Officers nor officials subordinate to a Divisional Officer and have no Divisional Officers working under their control.

(xii) *Transfer Entry*.—See Article 105 (2).

(xiii) *Treasury*.—This term means any treasury in the State of Tamil Nadu and includes a sub-treasury.

(xiv) *Water-course*.—A water-course in a major system of irrigation for which Capital and Revenue Accounts are kept, is a minor channel intended for the supply of water to a particular block of fields and maintained by the joint labour of the ryots concerned.

#### E.—MISCELLANEOUS

9-A. The transactions of Railways, though they form part of the transactions of the Central Government, should be kept separate from other Central transactions. For classification in the accounts of the Public Works and Forest Departments, see Articles 15 and 243.

## PART—II PUBLIC WORKS ACCOUNTS

### CHAPTER II.—CLASSIFICATION OF PUBLIC WORKS RECEIPTS AND EXPENDITURE.

#### A.—GENERAL.

10. The major and minor heads prescribed for the classification of Public Works receipts and expenditure are set out in \*Appendix 2 to Volume I. Subject to any specific directions contained in this Code, the sub-heads, detailed heads or units of grants and appropriations will be determined by Government according to local requirements in consultation with the Accountant-General.

NOTE 1.—For departmental purposes, Public Works Officers usually divide a detailed head into a number of "service heads" and the latter into a number of departmental heads": but, for purposes of account, the single term, "detailed head" should be used for all divisions subordinate to a minor head.

NOTE.—In the case of Irrigation, Navigation, Embankment, Drainage and Water Storage Works, the subdivisions into which the minor head "works" is divided for departmental purposes are called "sub-works" and the further subdivisions of the latter, "detailed heads".

11. In the case of Irrigation other works for which separate capital and revenue accounts are kept, the allocation of expenditure between capital and revenue should be determined in accordance with such principles and methods as may be prescribed by Government in consultation with the Accountant-General.

#### *Local Ruling under Article 11.*

The rules framed by the Government in consultation with the Accountant-General in regard to the allocation of expenditure between capital and revenue are included in Appendix I.

This appendix contains also the rules for the allocation of expenditure relating to commercial departments and undertakings (*see Article 43 of Volume I*) and for the financing of capital expenditure generally.

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\* The list of major and minor heads issued by the Comptroller and Auditor-General is printed separately as Appendix 2 to the Account Code, Volume I, the portion of this Appendix relating to State transactions are reproduced in Appendix A to the Tamil Nadu Budget Manual.

† For the units of appropriation, *see* the Annual Detailed Budget Estimates.



12. A transaction of receipt or expenditure should be classified under the final or the debt or remittance head to which it pertains, if that be known, but if the exact head cannot be ascertained at once, the transaction should be classified temporarily under "Public Works Deposits" if a receipt, or under "Miscellaneous P.W. Advances," if a charge.

13. *Heads 43, 44 (1) and 48* are purely transfer heads, normally operated upon by the Accountant-General, in which the executive officers of the department are not directly interested. At the direction of the Government, executive officers may operate upon the transfer head "48" monthly, provided that the expenditure recorded thereunder, at the end of the year, is combined with the expenditure brought to account directly under the head "99" to show the total Capital expenditure relating to each canal and arrangements satisfactory to the Accountant-General are made for this purpose. When this procedure is adopted, the expenditure should be accounted for, separately for each irrigation project, in the same detail as regards minor and detailed heads as are prescribed for the major head "99".

NOTE.—A similar method of accounting may be adopted at the discretion of Government with regard to the transfer head 44 (1) where this head is used.

#### *Local Ruling under Article 13.*

The Government have directed that capital expenditure on Irrigation, Navigation, Embankment and Drainage Works, which it is proposed to meet from current revenues, should be accounted for initially and finally under the head "48" with the same details as are prescribed for the head "99".

#### B.—TRANSACTIONS WITH OTHER GOVERNMENTS AND DEPARTMENTS.

14. The general directions under which one department of the public service may raise debits against another department under the same Government or any department under another Government for services rendered or articles supplied to it are contained in Chapter 4 of Volume I.

15. In State Divisions, all transactions other than those of Railways, originating on behalf of the Central Government should be classified initially under the appropriate central head of account but in the compiled accounts they should be collected together under the head "Adjusting Account between the Central and State Governments". Transactions originating in State Divisions on behalf of other State Governments and those originating in Central Divisions on behalf of all State Governments, should be classified both initially and finally under the heads "Inter-State Suspense Accounts—Government of....." and "Adjusting Account between Central and State Governments, Government of....." respectively. Similarly, all transactions originating in a Central or State Division on behalf of a Railway should be classified both initially and finally under the head "Adjusting Account with Railways.....Railway." The requisite adjustment against the balances of the Government concerned or the Railway Fund, as the case may be, will be made by the Accountant-General himself through the Central Accounts Section of the Reserve Bank. In Central Divisions, such Central (non-Railway) transactions as are adjustable in another accounting circle should be classified under the Exchange Account head concerned (*vide* \*Appendix 2 to Volume I).

NOTE.—The expression Railway Fund used in this Article and other Articles of the Code is intended to represent a *pro forma* account and not a real fund.

16. All other remittance transactions, whether originating in the division or in another division or department of another Government, should be accounted for under the head "Transfers between Public Works Officers" or "Public Works Remittances", as the case may be (*vide* foot notes 399 to 402 in \*Appendix 2 to Volume I), unless the Accountant-General directs otherwise.

NOTE.—Transactions on account of cheques drawn on or remittances made to treasuries should be treated as originating at "treasuries".

17. In the case of works done as a standing arrangement for other departments when the cost is debitable to those departments, the prescribed classification applicable to the connected transactions will be intimated by the Accountant-General to the Divisional Officers concerned.

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\*See foot-note to Article 10 above.

C.—INTER-DIVISIONAL TRANSFERS.

18. Services rendered or articles supplied by one division to another under the same Government will *not* be charged for, except in the following cases :—

- (i) Stores—if they are issued from a Stock or Material Account or if their transfer affects a work for which a separate capital account is kept ;
- (ii) Other Services—if they affect the accounts of (a) any work for which a separate capital account is kept, (b) a work in progress, or (c) Suspense or Deposits.

19. When the cost of a service under taken on behalf of another division of the same Government is debitable to that division, the connected receipts and charges should be classified under the head “ Transfers between Public Works Officers ” and passed on for adjustment finally in the accounts of the latter division.

D. REVENUE RECEIPTS.

20. Public Works revenue should be brought to account in accordance with the classification prescribed by the Comptroller and Auditor-General *vide* Article 10. Distinction should be made between receipts which are finally creditable to Governments as revenue of the department and transactions which represent merely such cash or other value received as has either to be repaid eventually or to be utilized to meet the cost of some service to be rendered or already rendered or to be taken in reduction of expenditure previously incurred. Receipts of the latter class should be credited to the debt, deposit or expenditure, head concerned.

NOTE 1.—Should Government deem any source of revenue not specifically mentioned in the minor heads provided, to be of sufficient importance to justify the keeping of a separate account of it, a detailed head for the purpose may be opened under the minor head “ Miscellaneous ”.

Note 2.—

a            a            a            a            a            a

*Local Rulings under Article 20.*

1. When the fines collected for damaging toddy-yielding Government trees are credited to the Public Works Department the rewards payable to the Prohibition and Police officers for detecting the cases may be disbursed as refunds of revenue in this department under the authority of the Executive Engineer of the division.
2. Amounts realized by the sale of fruit, etc., should be credited to the "Revenue" head.
3. The sale-proceeds of trees felled in the compound of a public office should be treated as miscellaneous receipts of the Public Works Department, if the felling is done in the course of execution of works by the Public Works Department. In other cases, the sale-proceeds of the usufruct of trees and of trees felled should be credited to the department to which the cost of maintenance of the compound is charged.
4. The fees charged by Executive Engineers of divisions or the Electrical Engineer for testing the lighting conductors attached to explosive magazines should be credited to State Revenues under the head "XXXIX.—Civil Works".

21. Refunds of revenue actually collected and brought to account under "XXXIX.—Civil Works" or Irrigation heads, when made in cash, should be accounted for under the minor head "Deduct—Refunds" of the Revenue major head concerned. All other refunds of revenue, such as refunds of rents adjusted by short assessment to short realization in a subsequent month and repayments of receipts and recoveries on capital account, should be taken as reduction of revenue receipts or of "Receipts and Recoveries on Capital Account," as the case may be, under the heads concerned.

**E. WORKS EXPENDITURE.***I.—Original Works or Repairs.*

22. Subject to any general or special orders issued by Government in this behalf in consultation with the Accountant-General,

the following principles should be observed in classifying the expenditure between "Original Works" and "Repairs".

- (1) **Original Works** should comprise all new construction, whether of entirely new works or of additions and alterations to existing works, except as hereinafter provided; also all repairs to newly purchased or previously abandoned buildings required for bringing them into use.
- (2) **Repairs** should include primarily operations undertaken to maintain in proper condition buildings and works in ordinary use and also new works in circumstances indicated in clause (3).
- (3) When a portion of an existing structure or other work, not being a road, road surface, road bridge, causeway, embankment, ferry approach, projective or training work in connection with a road, is to be replaced or remodelled (whether or not the change involves any dismantlement) and the cost of the change represents a genuine increase in the value of the property, the work of replacement or remodelling, as the case may be, may be classed as "original works" the cost (which should be estimated if not known) of the portion replaced or remodelled being credited to the estimate for "original work" and debited to "repairs". In all other cases, the whole cost of the new works should be debited to "repairs".
- (4) When an existing portion of a road, road bridge, causeway, embankment, ferry approach, protective or training work in connection with a road is to be replaced or remodelled (whether or not the change involves any dismantlement) and the change represents genuine increase in the value of the property, the whole cost of replacement or remodelling, as the case may be, should be classified as "new work" and the cost or value of the portion replaced or remodelled should not be debited to "repairs".
- (5) In addition to all repairs and renewals in material similar to that pre-existing the following items of road work should be classed as "repairs":—
  - (i) ordinary repairs and maintenance including surface painting and the necessary addition of stone chips, gravel

or sand, but not including asphaltic concrete, premix asphalt macadam, bitumen grout, bitumen semi-grout, mix-in-place, cement concrete, or cement macadam :

- (ii) special repairs and periodical renewals ;
- (iii) petty and miscellaneous items of work in any material which are classed ordinarily as "new works," provided that the works in question do not in the opinion of the competent authority form part of any comprehensive scheme or project covered by a works estimate ; and
- (iv) surface dressing with pre-coated chips.

*Local Rulings under Article 22.*

The following rules have been issued by the Government in consultation with the Accountant-General—

1. The capital value of any portion of a building, which is abandoned or dismantled without replacement, should be written off the total capital value of the building, in any *pro forma* account of its cost.
2. The cost of restoration or special repairs to a building shall not be added to capital cost or present value, unless such restoration or repairs add to accommodation or involve replacement of the existing type of work by a work of a more expensive character.

*Illustrations.*—The cost of replacing palmyra rafters by Karimarudu, or bamboo hurdling by teak wood reepers, or lime plastering by cement plastering should not be added to the capital cost of building. The cost of deepening a well in order to restore the normal water-supply should also not be added to the capital cost of a building. But the cost of replacing country tiles by Mangalore tiles, or a mud compound wall by a wall of brick in mortar plastered with cement or a cement floor by tiles should be dealt with in accordance with clause (3) in the above Article.

**Exception.**—Petty and miscellaneous items of work in any materials, as hereinafter described, which ordinarily should be classed as “new works” should be debited to “repairs” up to Rs. 4,000 in any one case, provided that the works in question do not in the opinion of the Superintending Engineer form part of any comprehensive scheme or project covered by a works estimate:—

- (a) Super-elevation at curves.
- (b) Widening the formation or carriageway of a road, widening a drain or cutting back a hill-side to improve vision at curves, provided that acquisition of land is not involved in any case.
- (c) Improvements of alignment or gradients or changes of grade at Irish bridges or dips, carried out at the time of renewing a surface, provided that acquisition of land is not involved in any case.
- (d) Improvements to or reconstruction of the surface of a road in some different material where it is desirable to carry out such improvements or reconstruction at the time of renewing a surface.
- (e) The construction or reconstruction of road surfaces in different materials for the purposes of experiment.
- (f) The reconstruction or remodelling of bridges, culverts, causeways, embankments, ferry approaches, protective or training works in connection with a road.

**NOTE.**—Item (f) includes “replacement of boats and other apparatus connected with ferries”.

3 When the book value of the portion dismantled is dealt with under clauses (1) and (3) in the above Article, the cost of dismantlement should be charged to “Repairs” and the value of the dismantled materials treated as follows:—

- (a) If the dismantled materials are sold, the proceeds shall be credited against maintenance and repairs of the work during the year.

- (b) If they are brought on stock, the estimated value shall be credited to maintenance and repairs as under (a) and debited to stock.
- (c) If they are utilized in the construction of a new work on the same building, the estimated value shall be credited to maintenance and repairs as under (a) and debited to the new work if it consists of original work; should the work consist of repairs, no charge shall be credited or debited for the materials.
- (d) If they are re-utilized in the construction of a new work on a different building, the estimated value shall be credited to maintenance and repairs of the building from which the materials have been removed as under (a) and debited to the new work, under original works or repairs as the case may be.

When the capital value of a building or a portion of a building is written off under Local Furling I above, to proceeds under (a), (b), (c) and (d) above shall be credited to Revenue.

When land with buildings thereon is acquired and the latter have to be dismantled, the proceeds under (a), (b), (c) and (d) above shall be credited in reduction of the capital cost of the land instead of to "Repairs" or "Revenue".

The transactions under these rules—if foreseen—shall be provided for in the estimates.

4. When an entire structure is reconstructed owing to the occurrence of fire, flood or other calamity or owing to wear and tear, the cost of reconstruction should be treated as capital cost, and on completion the Government will decide what amount should be written off from the original capital cost. See also Appendix 1 and the rules in the Electricity Department Manual.

## II.—Civil Works.

23. The general principles to be followed in the classification of Civil Works expenditure are laid down in Article 33 of volume 1.



24. In State Public Works Divisions, transactions relating to **Central Civil Works**, which are to be accounted for finally in the books of the Accountant-General to whom the divisions render accounts, should be classified under the central final heads concerned, those relating to other works of the Central Government, under the remittance head concerned. For purposes of adjustment against the balance of the Central Government of the Railway Fund, the amounts involved should be included in the account of the head "Adjusting Account between Central and State Governments" or "Adjusting Account with Railways", as the case may be, *vide* Article 15.

### III.—*Irrigation, Navigation, Embankment and Drainage Works.*

25. All works of Irrigation, Navigation, Embankment, Drainage and Water Storage should be classified primarily into the following two sections:—

(A) *Irrigation Works*.—This section should include Water Storage Works also.

(B) *Navigation, Embankment and Drainage Works*.—This section should include receipts and charges relating to waterways, navigable canals, embankments and other agricultural and drainage works undertaken primarily not for irrigation purposes but for the general improvement of the country or for general administrative purposes.

25. Works for either of the two classes mentioned above, should be classified further into (1) Productive and (2) Unproductive in accordance with such general principles as may be determined by Government in consultation with the Accountant-General.

NOTE.—When, under the rules of Government, a work is transferred from the productive to the unproductive category or *vice versa*, no adjustment need be made in the general accounts in respect of past transactions but the necessary transfers may be made in the *pro forma* accounts of the work.

*Local Ruling under Article 26.*

For the rules framed by the Government in consultation with the Accountant-General for the classification of works into productive and unproductive, see Appendix I.

27. Works expenditure which under prescribed rules of allocation is debitable to the Capital account, should be classified under the minor head "Works" of the major head "19 of 68" as the case may be. \* That which is debitable to the Revenue account should fall under the minor head "Extensions and Improvements" or "Maintenance and Repairs" of the division "Working Expenses" of the major head "XVII" according as the expenditure pertains to the category of "Original Works" or "Repairs"; *vide* Article 22.†

28. The expenditure on a work or project which is classed as Productive by orders of Government, should be recorded in two sections separately for capital and revenue charges. For Unproductive works also, the arrangement should be similar where it is desirable or possible to maintain accounts on a quasi-commercial basis. When, however, a work of this class is too small to justify the maintenance of a separate account on such a basis, all expenditure upon it should be treated as a revenue charge, the work being classified as one for which no capital accounts are kept. In the category of Unproductive works should also fall "Miscellaneous Expenditure", which is expenditure upon the preliminary survey of new project and also the cost of famine surveys required for the preparation of famine programme.

29. Each of the three minor heads mentioned in Article 27 should be divided ordinarily into the following subdivisions:—

- (1) Head Works.
- (2) Main Canal and Branches.
- (3) Distributaries.

\* See also the Local Ruling under Article 13.

† See also foot-note (F) in Appendix A to the Madras Budget Manual.

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- (4) Drainage and Protective Works.
  - (5) Water-courses (for "Works" only).
  - (6) Special Tools and Plant (for "Works" only).
  - (7) Losses on Stock.

Under the minor head "Maintenance and Repairs" an eighth head "Compensation" may be opened. The detailed heads subordinate to these heads will be such as may be prescribed by Government after consultation with the Accountant-General.

*Local Ruling under Article 29.*

1. The detailed heads prescribed by the Government in consultation with the Accountant-General are enumerated in Appendix 2.

2. The following points should receive special attention :—

- (a) When land is taken up for two or more of the above sub-divisions at the same time, its cost must be divided in the best way practicable.
- (b) In the case of Storage Projects all works connected with supply channels to feed the head reservoir come under Head Works.
- (c) Water-power installations at the head works of a canal headlocks and head-regulators of main and branch canals fall under "Main Canal and Branches".
- (d) When a canal or a distribution channel therefrom and a drainage in connection with it, are planned simultaneously and the two works intersect, the cost of the crossing should be charged to "Drainage and Protective Works".
- (e) Buildings required for the general purposes of a canal system such as workshops, headquarters station, etc., are chargeable to "Main Canal and Branches".

3. For rules relating to Special Tools and Plant and Losses on Stock see Articles 41 and 102, respectively. The head "Water-courses" is not necessary in the case of the minor heads "Extensions and Improvements" and "Maintenance and Repairs".

The head "Losses on Stock" is intended for all general losses on stock which cannot be attributed to any work, the accounts of which are open.

30. All works expenditure relating to Main Canal and Branches may be divided into (1) main line of a canal, and (2) each of its branches separately; that relating to distributaries will also be grouped for the distributaries belonging to the main line of the canal and to each of its branches separately.

#### IV.—Non-Government Works.

31. Non-Government Works should, for purposes of classification, be divided into three broad classes—(1) Deposit Works, (2) Local Loan Works and (3) Takavi Works.

##### *Local Ruling under Article 31.*

There are no Takavi Works in Tamil Nadu.

32. Expenditure incurred on Deposit Works should be debited against the amount advanced by the party concerned to the extent of that amount. Any excess over that amount and also any expenditure on a deposit work which has been authorized by competent authority in anticipation of receipt of money, should be classified under "Miscellaneous—P.W. Advances" pending recovery. Expenditure incurred on District Municipal, Cantonment and Port Trust Fund Works may, if authorized by Government, be debited to the head "Deposits of Local Funds . . . ." in cases where the balances of the fund form part of the Public Account of the Government concerned.

33. Expenditure on a Local Loan Work including the portion of expenditure on a joint work, which is incurred against a sanctioned loan under orders of competent authority, should be classified under the head "Q.—Loans and Advances by the Central Government" or "R.—Loans and Advances by State Governments" as the case may be.

*V.—Famine Relief Works.*

35. The directions regulating classification of expenditure of Public Works undertaken for the purpose of famine relief, are given in foot-notes (271) to (273) of Appendix 2\* to Volume I.

*VI.—Road Development Works.*

36. The expenditure on works or portions of works, the cost of which is met from Central Road Fund, should be classified in accordance with the directions contained in foot-note (334) of Appendix 2 to Volume I. \*

*F.—EXPENDITURE ON STORES.*

37. (a) As a general rule, the cost of the acquisition of stores should be debited to the final head of account concerned or the particular work for which they are required if either of these can be determined at once. Otherwise, it should be kept in a suspense account pending clearance as the materials are issued actually by debit to specific heads of account or works.

(b) In accordance with this general rule, the cost of the supply of all stores required as tools and plant for the general use of the division should be debited at once to the minor head "Tools and Plant" subordinate to the major head under which such charges for the division are classified, and special items of tools and plant, which are required not for general purposes but for a specific work should be debited to that work. The question whether a particular item of supply should be treated as ordinary tools and plant or special tools and plant should be decided by Government.

(c) Similarly, all road metal required for the maintenance of a road or section of a road should be debited at once to the minor head "Repairs (Communications)" under the major head concerned against the estimate sanctioned for the collection of it, and when road metal is required specially for use in the construction of a road or other work, its cost should be debited to the estimate for such construction.

\* See foot-note to Article 10 above.

(d) In the case of other materials, when the purchases are made for the requirements of works generally, the cost should be accounted for under the suspense head "Stock". Materials purchased specially for a work should however be debited to that work.

*Local Ruling under Article 37.*

In cases of doubt, the Chief Engineer should decide whether any item of tools and plant should be classified as ordinary or special.

2. As an exception to the rule in clause (b), tools and plant, except tents, are held in the Public Works Stores Division, Madras as part of "Stock" and are accounted for as such, as they are intended for issue to other divisions and departments. The tools and plant and spare parts thereof kept in the Stores of the Krishna Central and Godavari Head Works Divisions for issue to other divisions and departments may also be accounted for as "Stock". When these are transferred to other divisions, the division receiving them will deal with them under the rules in section 2 of Chapter III. In the Electricity Department, tools and plant are held as part of 'Stock' and accounted for in accordance with the procedure specified in the Madras Electricity Department Manual.

G.—ESTABLISHMENT AND TOOLS AND PLANT CHARGES.

38. Charges on account of general services, like Establishment and Tools and Plant, should be classified in the accounts under the appropriate sub-head under the minor heads "Establishment" and "Tools and Plant", as the case may be, at the major head under which the division is classified for the purpose and, save as provided hereafter, no attempt should be made ordinarily to include in the cost of an individual work or another major head of expenditure any portion of expenditure on account of those services. See also Article 118.

39. As an exception to the foregoing rule, the undermentioned special establishments should be debited as indicated below:—

(i) \* \* \*

(ii) establishment employed on large irrigation surveys for new projects, to the surveys concerned under the head "44. Other Revenue Expenditure financed from ordinary Revenues—Miscellaneous Expenditure";

(iii) establishment employed on famine relief works, to the head "54-A.—Famine Relief";

(iv) establishment employed in workshops of a quasi-commercial character, to the workshop concerned under the major head under which its maintenance charges may be classified.

40. Subject to such general or special orders issued by Government in this behalf, pay and allowances of such temporary establishment as is employed upon the actual execution, as distinct from the general supervision, of a specific work or upon the subordinate supervision of departmental labour, stores, and machinery in connection with such a work may be debited to the account of that work.

41. The cost of special tools and plant, *i.e.*, tools, plant, machinery, etc., obtained to meet the special requirements of a particular work or project and of a nature not usually to be found in the general stores of the State or Administration: should be treated as a direct charge to that work or project; *vide* Article 37.

42. When the charges on account of Establishment and Tools and Plant of a division are met out of a single major head in the first instance a share of such charges may be debited, where necessary, to other major heads or accounts concerned in accordance with such methods as may be prescribed by Government in consultation with the Accountant-General. Similarly, the cost of special tools and plant (such as dredgers, etc.), debited to a single head in the accounts, may be distributed over the several sub-heads of works, in accordance with such methods as the Government may determine in consultation with the Accountant-General.

*Local Ruling under Article 42.*

The rules for the accounting and distribution of establishment and tools and plant charges prescribed by the Government in consultation with the Accountant-General are contained in Appendix 3.

## H.—GRANTS-IN-AID.

43. The general directions for the classification in the accounts of transactions relating to contributions by the Central or State Government to Local Funds and Public Bodies and *vice versa*, are given in Article 34 of Volume I.

44. In the Public Works accounts, contributions made to local bodies, whether in cash or in the shape of work done by the Public Works Department on their behalf, should be debited to the minor head "Grants-in-aid" under the major head "50. Public Works" or "44. Irrigation, Navigation, Embankment and Drainage Works (Non-commercial)", according as the contribution is made by the Civil Works or Irrigation branch of the Public Works Department.

45. When the Public Works Department entrusts to the agency of a District Board or other local body, the maintenance of Government buildings or roads without transferring the property to the local body, the payment made to it on this account should be debited to the estimate of the maintenance of the work and not classified as "Grants-in-aid".

*Local Rulings under Articles 43-45.*

1. If lump-sum payments have been agreed upon, the procedure for settling the account periodically, and for recording the cost of the works, may be simplified, with the concurrence of the Accountant-General, provided:—

(a) that a certificate that the work has been done in accordance with the conditions agreed upon is placed on record by the Executive Engineer or a Subdivisional Officer deputed by him for the purpose.



(b) that if the payments is made for a number of works, expenditure on all of which cannot be classified in the accounts under a single head of account, the necessary detailed classification of the charge is set forth, and

(c) that, as far as possible, the liability of a year is settled within that year (*see also Article 146*).

*See also Article 118.*

*Government Works partly contributed for by Local Bodies and Private Parties.*

2. (a) Annual contributions recovered from local bodies or private parties, which have been fixed as a specific sum without reference to the amount actually spent by the Government on certain works, e.g., maintenance of roads, bridges, hospitals, etc., taken over under Government control, or Government irrigation works, etc., should be credited finally in the accounts to the appropriate heads of revenue—*See Article 66*. The actual expenditure on the works will be charged in the Public Works Accounts in the same manner as on other Government works.

NOTE.—The Accountant-General will maintain a list of contributions recoverable annually and will watch the recoveries in audit through the Register of Special Recoveries.

(b) In the case of contributions which are not fixed once for all as a specific sum but which are fixed on each occasion either with reference to the total cost of the work or on the basis of certain revenue figures as in the case of Tank Restoration Scheme Works the contribution should be credited to "Public Works Deposits" and the outlay incurred should be charged against it in the first instance. After the deposit has been exhausted, any further outlay should be charged to the Government under the relevant head of account, and any adjustment which may become necessary on the basis of the agreed share of cost or the Collector's distribution in the case of the Tank Restoration Scheme Works, should be carried out just before the accounts of the works are closed.

NOTE.—Centage charges in respect of such contributions should, in addition, be recovered at the rates specified in the Madras Public Works Department Code. This will not apply to estimates for works

(relating to the maintenance of existing irrigation or navigation works) started before 21st December 1932 for which centage charges were not collected.

Kudimaramath Works, works connected with Railway affecting tanks and irrigation works referred to in the Madras Irrigation Works (Repairs, Improvement and Construction) Act, 1942.

3. The following procedure is prescribed for the accounting of expenditure incurred by the Public Works Department:—

(i) under Board's Standing Order No. 86 (5) and (6) when the ryots fail to do kudimaramath works—*Vide* the Madras Public Works Department Code.

(ii) on the execution of measures in respect of any irrigation work for the protection of any railway under section 9 or 11 of the Madras Railway Protection Act, 1886 (Madras Act IV of 1886), and

(iii) on the irrigation works referred to in the Madras Irrigation Works (Repairs, Improvement and Construction) Act, 1943.

(i) *Kudimaramath works*.—When the Public Works Department is entrusted with the execution of kudimaramath works, the expenditure incurred should be debited in the divisional accounts to "Public Works Remittances—III—Other Remittances—Payments on account of Civil" and then transferred to the final head "44-A. Irrigation Works—Minor Irrigation—In charge of Civil Officers—Maintenance and Repairs" in the books of the Accountant-General. On the completion of the work, the Executive Engineer shall intimate to the Revenue Department the date of completion of the work and the actual cost. No centage charges on account of establishment and tools and plant will be leviable on such works. The Revenue Department shall watch and effect the recoveries due from the ryots. The recoveries will be treated as "Revenue Receipts" under the major head "XXXV. Irrigation, Navigation, Embankment and Drainage Works for which no capital accounts are kept. A. Irrigation Works—Minor Irrigation—Direct Receipt—Miscellaneous.

This procedure will take effect from 1942-43.

(ii) *Railway protection works.*—The expenditure on the works (including the centage charges) should be debited to the Railway Administration by book transfer month by month as it occurs, the recovery of the centage charges—*vide* note below— being adjusted as laid down in rule 10 of Appendix 3. When recoveries from land holders are effected through the Revenue Department, the full amount of the recovery which will include the centage charges should be credited to the Railway Administration concerned. The Collector will arrange for the recovery of the amounts due from the landholders and see that the amounts recovered are passed on through the treasury accounts to the credit of the Railway Administration concerned.

This procedure will apply to works started on or after 1st April 1937.

NOTE.—In the case of these works centage charges will be calculated at the following percentages :—

|                                |                                  |
|--------------------------------|----------------------------------|
| For establishment .. .. .      | 10½ per cent on the works outlay |
| For tools and plant .. .. .    | 1 Do.                            |
| For audit and accounts .. .. . | 1 Do.                            |
| For pensionary charges .. .. . | 1½ Do.                           |
| Total .. .. .                  | 14 Do.                           |

Centage charges at the above rates should be levied (a) in cases where advance payment is made and (b) in cases where it is paid later without resort to a civil suit. If a suit is necessary, only the actuals limited to 14 per cent on the works outlay, even though the actual expenditure may exceed 14 per cent, should be claimed in the plaint. As the particulars necessary for the purpose should be in the form of documentary evidence for production in Courts, a separate account should be maintained in the case of all these works showing the items covered by centage charges, *viz.*, time and travelling allowance of inspecting officers, hire charges of tools and plant and the like for the purpose. No charges for the preparation and checking of plans and estimates should be included in the account. This account should be filed in the Court to show that the Government actually incurred that expenditure in connection with the execution of the work and that the claim is not merely an arbitrary one but is based on actual expenditure. If the question is raised in the Court why the Government have limited the claim to 14 per cent, it may be pointed out that this has been done in the interests of uniformity, as this is the percentage charged by Government in the case of works executed by them on behalf of local bodies and others.

(iii) *Irrigation works referred to in the Madras Irrigation Works (Repairs, Improvement and Construction) Act, 1943.*— In the case of repairs or improvements to irrigation works in private

ownership or construction of new works on land situated in an estate as defined in the Madras Estates Land Act, 1908, the expenditure on the works executed by the Public Works Department should be charged under the major head "44. Irrigation—Other Revenue Expenditure financed from Ordinary Revenues—A. Irrigation Works—Public Works Department" and the expenditure on works executed by the Revenue Department should be charged under the major head "44. Irrigation—Other Revenue Expenditure financed from Ordinary Revenues—Minor Irrigation—Revenue Department." Recoveries of the above expenditure which should include the cost of actual services rendered should be credited in respect of works executed by the Public Works Department to the head "XXXV. Irrigation, Navigation, Embankment and Drainage Works for which no Capital accounts are kept—Irrigation Works—Public Works Department—Direct Receipts—Recoveries of Expenditure" and in respect of works executed by the Revenue Department to the head "XXXV. Irrigation, Navigation, Embankment and Drainage Works for which no Capital accounts are kept—Minor Irrigation—Direct Receipts—Recoveries of expenditure."

In cases where the works are executed by the Public Works Department, the Executive Engineer should, on completion of the works, intimate the dates of completion of the works and the actual costs of the works to the Revenue Department, which will watch and effect the recovery of the costs of the works in such cases also. To ensure a regular watch being kept over the recoveries due, Executive Engineers should maintain a special register and review it periodically on the lines prescribed for works connected with railway-affecting tanks.

NOTE.—The provisions of the Note under item "(ii) Railway Protection Works" will apply in the case of these works also.

46. When works already constructed or land already purchased are transferred, free of charge, to local bodies, no re-adjustment of the accounts of cost should be made unless Government otherwise directs.

NOTE.—This direction shall not apply to Irrigation, Navigation, Embankment and Drainage Works for which capital accounts are kept.

I.--SUSPENSE TRANSACTIONS.

I.—General.

47. Suspense transactions should be classified under the minor head "Suspense" of the major head of expenditure concerned, unless they are required to be taken to the accounts of works—*vide* Article 136. The subdivisions into which this minor head should be divided and the nature of transactions to be classified under each are described below.

II.—Purchases.

48. When materials are received from a supplier or from another division or department, their value should be credited to purchases—

(i) immediately on their receipt, if they have been received for a specific work, so that, *per contra*, the cost may be included at once in the accounts of the work and those accounts, as well as the connected subsidiary accounts, may take cognizance of the receipt of materials at the earliest opportunity (*see* Articles 127 and 128); and

(ii) on closing the accounts of the month, if they have been received for stock and payment has not been made for them during the month, so as to secure agreement between the quantity and value accounts.

49. When the actual value of the materials is not known, an estimated figure should be adopted, any difference being adjusted, as soon as known by a *plus* or a *minus* credit to Purchases, as the case may be.

50. When the price of the materials is paid or adjusted by transfer, the payment should be debited to Purchases, and the outstanding credit thus cleared.

NOTE.—If the amount admitted in payment exceeds the amount credited to Purchases, the difference should be debited direct to Stock or to the work concerned.

### III.—Stock.

#### (a) General.

51. To the account head "Stock" should be debited all expenditure connected with the acquisition of stock materials and with all manufacture operations and the expenditure incurred on storage. To it should be credited the value of materials issued to works, sold, transferred or otherwise disposed of, and the balance of the account will represent the book value of the materials in Stock *plus* the unadjusted charges, etc., connected with manufacture *plus* the unadjusted expenditure on storage.

#### (b) Manufacture.

52. The manufacture transactions (detailed in Section 6 of Chapter III) should be classified in accounts as follows:—

(a) "Operation" charges should be shown as receipts of Stock under the sub-head "Manufacture", charges representing value of Stock materials issued to manufacture being treated simultaneously as issues of Stock under the sub-heads concerned.

(b) All outturn should first be brought formally on the Stock account, by credit of its value to "Manufacture", and the simultaneous exhibition of the articles as receipts of Stock under the sub-heads concerned.

#### (c) Land and Kilns.

53. When land is acquired for extracting road metal primarily intended for—

- (i) the maintenance of an existing road, or
- (ii) the construction of a new road or the raising in class of an existing road,

the following principles of classification should be followed in adjusting the charges connected with the land and quarries:—

- (a) When the charges do not exceed Rs. 1,000 or such other limit as may be prescribed by Government in

consultation with the Accountant-General, the amount should be debited direct to "Repairs" or to "Original Works", according as the quarry is intended to serve the purposes specified in clause (i) or (ii) above.

- b) When the charges exceed Rs. 1,000 or such other limit as may be prescribed by Government in consultation with the Accountant-General, and the road metal is required for the maintenance of an existing road or roads for a series of years, the total initial outlay should be debited to the sub-head "Land, Kilns, etc.," of the Stock Account, and this sub-head should be relieved gradually, by debit to the collection estimates of each year, in the manner prescribed in Article 158 for similar charges connected with manufacture operations.
- (c) When the charges exceed Rs. 1,000 or such other limit as may be prescribed by Government in consultation with the Accountant-General, and the road metal is required for the purpose specified in clause (ii) above a proper portion of the cost should be debited direct to the original work concerned. Any balance should be debited to the sub-head "Land and Kilns, etc.," of the Stock Account and this sub-head should be cleared eventually by debit to "Repairs" in the manner prescribed in Article 158 (b).

*Local Ruling under Article 53.*

The following procedure should be followed in Madras :—

- (a) When land is acquired for extracting road metal, if the cost of acquiring it and opening up a quarry is Rs. 1,000 or less, the whole cost shall be debited direct either to "Repairs" or to "Original works" according to the nature of the work for which the quarry was primarily intended, irrespective of whether the produce of the quarry is expected to be used up in full or not on the work.

- (b) In the case of a quarry, the cost of which exceeds Rs. 1,000 but does not exceed 10 per cent of the estimated cost of the work for which it was primarily acquired, the following procedure shall be followed:—
- (i) If the produce of the quarry is expected to be used up in full on the work, for which it was primarily acquired, its cost shall be debited at once to that work. If, later on, when the work is nearing completion, it is found that the quarry contains surplus metal which is likely to be used on other works, credit shall be given to the work to which the full cost of the quarry was debited in the first instance. This credit, which will represent the cost of the quarry proportionate to the quantity of surplus metal still available, will be set off by a corresponding debit under the sub-head "Land Kilns, etc.," under the suspense head "Stock" which will be finally cleared by debit to the work or works, repairs or original works on which the surplus metal is utilized.
  - (ii) If however, it is known at the outset that the quarry is likely to supply metal exceeding the requirements of the work for which it was primarily acquired, and if such surplus metal is likely to be used on other works, the Executive Engineer shall debit to the former work such portion of the cost of the quarry as he deems proper, and take the balance under the head "Land Kilns, etc." under "Stock" pending clearance later on by debit to the work or works on which the surplus metal is used.
- (c) In the case of a quarry, the cost of which exceeds 10 per cent of the estimated cost of the work for which it is acquired the procedure laid down in clause (b) (ii) above shall be followed.

*IV.—Miscellaneous—P.W. Advances.*

54. Transactions recorded under the head "Miscellaneous P.W. Advances" should be divided into the following classes:—

- (1) Sales on credit.



- (2) Expenditure incurred on Deposit Works in excess of deposits received or in anticipation of receipt of money (Article 32).
- (3) Losses, retrenchments, errors, etc.
- (4) Other items.

NOTE.—No charges should be debited to this head on the ground of absence or insufficiency of sanction or appropriation, except as provided in item (2).

*Local Ruling under Article 54.*

Personal advances drawn from the treasury, and audit retrenchments made from bills cashed direct at the treasury do not appear in the accounts of Divisional Offices. Advances made to contractors appear in the accounts of works.

55. When stores of any kind are sold on credit, their value (plus, if recoverable, the supervision charges) should be debited to Miscellaneous P.W. Advances under the sub-head "Sales on credit", so that (1) the accounts of Stock or works from which the materials are issued may be kept correctly, and (2) the recovery of the value from the local body or individual concerned may be watched through the regular accounts.

*Local Ruling under Article 55.*

No stores should be sold on credit without specific permission in each case from the Executive Engineer of the division.

*Exception.*—In the Electricity Department, such of the materials in stock as are required may be issued in advance of the counter signature of the Executive Engineer, in the following cases :—

- (a) for the propulsion of vehicles of officers who have to move urgently on inspections and breakdowns; and
- (b) for subordinates in out-of-the-way places.

56. Under the heading " Losses, retrenchments, errors, etc. " should appear the following:—

- (a) deficiencies in cash or stock,
- (b) actual losses of cash or stock,
- (c) errors in accounts awaiting adjustments, and
- (d) retrenchments and losses of other kinds recoverable from Government servants.

57. The head " Other items " should be used for all debits, the allocation of which is not known or which cannot be adjusted until recovery or settlement is effected or write-off ordered. The following are cited as examples: (1) debits, the classification of which cannot be determined at once, (2) recoverable debits not pertaining to the accounts of a work, and (3) recoverable out-standings pertaining to works, the accounts of which are closed.

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#### V.—London Stores.

58. The head " London Stores " is the suspense head through which should be passed all transactions connected with stores obtained through the India Store Department, London. The objects of this account are (i) that the stores received from England may be brought on the accounts of Stock or works immediately on their receipt without waiting for the advice of the payments made in England by the High Commissioner, (ii) that when the advice precedes the stores the receipt of the latter may be watched, and (iii) that in all cases agreement may be secured between the charge to Stock or works, and the payments made in England.

59. When the stores arrive, to the head " London Stores " should be credited, and to the accounts of the works concerned or Stock should be debited; the cost of the quantities actually received, the amount being determined by the conversion of the invoiced sterling value into rupees at the average rate of exchange (which will be communicated by the Accountant-General) for the month in which the payment was made in England.

NOTE.—If the month of payment is not known, the average rate of exchange for the month in which the stores were despatched from England should be adopted provisionally, subject to adjustment on receipt of the advice of payment.

60. When the debit for the payments made in England, which will be calculated in rupees at the average rate of exchange for the month of payments, is received from the Accountant-General, the head "London Stores" should be debited and the minor head "Public Works Remittances" credited.

61. Indian charges (*e.g.*, balance of sea-freight and carriage and incidental charges) should be debited direct to Stock or works concerned unless incurred prior to the arrival of the stores in the division, in which case they should be debited to "London Stores", and on receipt of the stores the charge should be transferred to the relevant accounts of works or Stock, when the adjustment of cost is made as laid down in Article 59.

#### *Local Fuling under Articles 58-61.*

Customs duty should be included in the cost of stores and debited either to "Stock" or to the works concerned.

#### *VI.—Workshop Suspense.*

62. Save as provided in Articles 63 and 64 below, direct outlay on the jobs executed in a workshop should be passed through the suspense head "Workshop Suspense". On the completion of a job, all outstanding charges on it should be debited, as soon as possible, to the head concerned, but in cases where this cannot be done, as in the case of expenditure incurred in excess of the deposit received, the unadjusted amount should be transferred to the head "Miscellaneous P.W. Advances" pending settlement.

#### *J.—WORKSHOP TRANSACTIONS*

63. Receipt and expenditure transactions in connection with workshops should be classified as follows:—

(a) where capital accounts are kept of a workshop intended mainly for the needs of the Irrigation Branch (*i.e.*, if the work-

shop is to be regarded as being on a *quasi* commercial basis), the capital expenditure should be classified under the relevant division and sub-division of the major head "99"; receipts representing recoveries of capital expenditure should be taken in reduction of such expenditure, while revenue receipts and working expenses should be classified under the minor heads opened under the corresponding division and sub-division of the major head "XXXIV" divided so as to meet the requirements of the *pro forma* accounts of the shop;

NOTE.—The procedure described above will apply *mutatis mutandis* to the transactions of a workshop established on a *quasi* commercial basis in connection with any other system or project for which regular capital accounts are kept.

(b) where capital accounts are kept of a workshop intended mainly for the needs of Civil Works Branch, all expenditure incurred upon it, whether of the nature of capital or of working expenses, should be classified under the major head "50". recoveries of capital expenditure should be taken in reduction of such expenditure; revenue receipts should be booked under the minor head, opened under the major head "XXXVII", entitled "Receipts from Workshops", divided so as to meet the requirements of the *pro forma* accounts of the shop; and

(c) where no capital accounts are kept of a workshop, for whichever branch intended, all expenditure should be classified under the major head "44" or "50", as the case may be, and all receipts, whether "recoveries of expenditure" or "revenue receipts", under the minor head "Miscellaneous" of the corresponding revenue head "XXXV" or "XXXVII".

#### *Local Ruling under Article 63.*

The procedure indicated in clause (c) above is followed in Madras; the expenditure and receipt are booked under the heads "50 Civil Works" and "XXXIX. Civil Works" respectively.

64. All Capital charges on buildings, plant and machinery and stock materials, and all Revenue charges incurred on their maintenance and on the upkeep of the necessary general establishment, should be classified as ordinary Public Works transactions under

the major head concerned, in accordance with the preceding Article and under the general directions in this Code. These are charges which neither pertain to any individual job executed in the shop, nor are capable of direct apportionment amongst all the jobs, and their distribution over individual jobs should be made in accordance with the rule in Article 177.

#### K.—RECOVERIES OF EXPENDITURE.

65. The general directions to regulate the exhibition of recoveries of expenditure are given in Chapter 5 of Volume I. The following Articles indicate their application to Public Works transactions.

66. Subject to the provisions of Article 75 of Volume I, all recoveries of expenditure appearing in the accounts of Public Works offices should be treated as revenue receipts and not as *minus* expenditure.

Recoveries in respect of overpayments made during the current year, however, should be adjusted ordinarily by deduction from the current year's charge under the detailed head previously overcharged.

67. Receipts and recoveries on Capital account, in so far as they represent recoveries of expenditure previously debited to a capital major head, should be taken in reduction of expenditure under the major head concerned. For convenience of accounting, they should be treated as receipts in the first instance and classified as "Receipts and recoveries on Capital Account", the necessary transfer at the end of the month being made to the capital major head of expenditure in a lump-sum.

68. Recoveries under stock and other suspense accounts and recoveries of expenditure upon works in progress should be treated as reduction of gross expenditure. The recoveries in the latter case should comprise sale-proceeds of surplus materials and plant acquired specially for any work or of materials received from dismantled structures, irrespective of whether the estimates for the works make allowance for such recoveries or not.

69. Recoveries on account of establishment and tools and plant charges should be treated as follows :—

(i) *Recoveries of establishment charges at percentage rates.*—These recoveries, in so far as they are effected from outside bodies and from other departments of the same Government, should be adjusted by deduction from expenditure under the minor head "Establishment". Recoveries for works carried out by one Government on behalf of another, however, should be treated as revenue receipts unless the recoveries relate to expenditure previously debited to a capital head in which case the credits should be adjusted in reduction of expenditure of the capital major head concerned; provided that if the works are carried out as a standing arrangement, the recoveries may be adjusted as reduction of expenditure.

(ii) *Recoveries of tools and plant charges at percentage rates.*—Recoveries from other departments of the same Government should be adjusted as reduction of expenditure under the minor head "Tools and Plant". In the same way, recoveries relating to expenditure previously debited to a capital head of account should also be treated as reduction of expenditure. All other recoveries should be treated as revenue receipts under the major head concerned; provided that if the recoveries relate to works carried out by one Government on behalf of another as a standing arrangement, those recoveries may be adjusted as reduction of expenditure.

(iii) *Pro rata share of the charges for establishment and tools and plant.*—The *pro rata* shares calculated at the end of the year should be treated as reduction of expenditure under the minor heads "Establishment" and "Tools and Plant", respectively, of the major head to which the total charges were debited in the first instance.

(iv) *Recoveries of charges for leave and pensions.*—When the recoveries on account of establishment charges include, as a distinct and separate factor, an element of the charges for leave and pensions, the portion of the recoveries representing leave should be treated as revenue receipts under the Public Works major head concerned. Recoveries of pensionary contributions should,

in the case of Civil Works, be credited to "XLVIII—Contributions and recoveries towards pension and other retirement benefits", while such recoveries in the case of the Irrigation Department should be credited to the Irrigation major heads concerned, as receipts or recoveries of expenditure according as they relate to Revenue or Capital major heads. In cases, however, in which the rates for leave and pension contribution are combined, the recoveries in the case of Civil Works should be taken to "XLVII " XLVIII—Contributions and recoveries towards pension and other retirement benefits", while such recoveries in the Irrigation Department should be credited to the Irrigation major heads concerned as revenue receipts or recoveries of expenditure according as they relate to Revenue or Capital major heads.

70. Recoveries of outlay on water-courses which are made by a general levy whether for a specified or indefinite period should be treated as follows:—

(a) *When the actual recoveries are to be set off against the outlay*—as receipts on capital account of the project, if the levy takes the form of a lump sum recovery of cost in one or more years.

(b) *When the actual recoveries are not to be set off against the outlay*—as revenue receipts of the project, if the levy takes the form of an enhancement of revenue, the exact classification being determined by the form in which the recoveries are made.

NOTE.—Recoveries of outlay on water course, where such recoveries have to be set off against the outlay, may, at the discretion of Government be taken in reduction of expenditure under the sub-head "Water-course".

71. The recoveries of expenditure which are finally creditable as revenue receipts should be recorded under the minor head "Recoveries of expenditure" of the major head XXXIV, XXXV or XXXVII, as the case may be; while those which are adjustable in reduction of expenditure under the capital major head should appear under the minor head "Receipts and Recoveries on Capital account" of the capital major head concerned.

NOTE :—Receipts on account of sale proceeds of land, building, special tools and plant or other assets purchase or constructed at the cost of a special project may, at the discretion of Government, be taken in reduction of expenditure under the appropriate sub-head subordinate to the capital major Head concerned.

72. *Recoveries on account of the cost of audit and accounts.*— These recoveries, when they are made in connection with works done for Railways, Defence, Posts and Telegraphs and other Departments of the Central Government, should be treated as reduction of expenditure under "20—Audit". In all other cases, such recoveries should be adjusted as receipts under the minor head. "Fees for Government Audit" subordinate to the major head "LII. Miscellaneous".

#### L.—DEPOSITS.

73. The following transactions should be classified under the head "Public Works Deposits":—

- (a) cash deposits of subordinates as security ;
- (b) cash deposits of contractors as security ;
- (c) deposits for work (other than Takavi Work) to be done ;
- (d) sums due to contractors on closed accounts ; and
- (e) miscellaneous deposits.

NOTE 1.— \*

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NOTE 2.—The head "Miscellaneous Deposits" should also accommodate, until clearance, all items or receipt, the classification of which cannot be determined at once, or which represent errors in accounting awaiting adjustment.

#### *Local Ruling under Article 73.*

The following transactions should also be classified under the head "Public Works Deposits" (see Part V of Appendix 21 of the Tamil Nadu Financial Code, Volume II):—

(i) Deposits from consumers or others for service connexion works and other works covered by the Indian Electricity Act, 1910 (India Act IX of 1910).

(ii) (a) Sums due to labourers on nominal muster rolls and to monthly work-charged establishment on pay-rolls in the Electricity Department (accounted for under the head "Net Wages Account").

(b) Sums due to contractors on their bills in the Electricity Department (accounted for under the head "Contractors' Balances").



74. Percentage deductions for security deposit made from contractors' bills should be credited to the head "Public Works Deposits—Cash deposits of contractors".

NOTE.—As an exception to this rule, when the security is exacted by withholding from payment the required Percentage of the value of work actually measured passed, the amount so withheld may appear in the suspense account "Contractors—Other Transaction" of the work concerned.

*Local Rulings under Article 74.*

1. The procedure indicated in the Note to this Article should not be followed in regard to any work when it would result in postponing to the next financial year the payment of an amount exceeding Rs. 500 for work actually measured and passed on account of that work.

2. The rule in the main Article above does not apply to works executed under contracts based on lumpsum tenders as defined in the Madras Detailed Standard Specifications *except* in the following respect, *viz.*, that the amount withheld from the final bill for such works at  $2\frac{1}{2}$  per cent on the total value of the work done should be credited to the head "Public Works Deposits" until it becomes due for payment under the terms of the contract.

M.—MISCELLANEOUS TRANSACTIONS.

75. The expense attendant upon the necessary examination of the soil for the foundation of works ordered by competent authority should be treated as outlay on works and not as a contingent charge.

76. Municipal or other rates and taxes on public buildings, residential or non-residential, when debitable to the Public Works Department, *vide* Article 40 of Volume 1, should be treated as expenditure on repairs and debited to the maintenance estimates of the buildings concerned.

77. Every payment made to a member of the work-charged establishment, whether on account of his wages or in recoupment of actual travelling expenses, should be debited to the work on which he is employed. *See* Article 40 also.

*Local Ruling under Article 77.*

The travelling allowance drawn by lascars of work-charged establishments for journeys to cash cheques at treasuries or to take

moneys from one office to another should, however, be debited to the contingencies of the subdivision or division to which the subordinates are attached.

78. The following transactions recorded in the initial cash and stock accounts, which are counter-balanced either at once or after an interval by a similar transaction of the reverse character, should be classified as indicated below, care being taken to see that all such transactions are cancelled by each other in due course.—

(i) *Cash from Treasury*.—A cheque drawn to replenish the cash chest should be debited to this head in the Cash Book, and *per contra* the amount of the cheque should be entered at once, as cash received, under the same head, a cheque drawn in favour of self being cash even though not cashed at once.

(ii) *Transfers within Division*.—Remittances of cash and stock by one accounting officer of the division to another should be debited or credited to this head when the remittance is actually made or received.

#### *Local Ruling under Article 78.*

Cash obtained from treasuries on cheques and cash receipts (including surplus cash) remitted to treasuries should be accounted for as remittance transactions—See the 'Note' under Article 16 above.

CHAPTER III—ACCOUNTS TO BE KEPT IN  
PUBLIC WORKS OFFICERS.  
SECTION I—CASH ACCOUNTS.

A. GENERAL.

79. The directions in this section shall apply to cash transactions, other than those relating to cash obtained on bills presented at treasuries. The payments on such bills will be brought to account by the Accountant-General himself from the date furnished to him direct by treasury officers.

B. CASH BOOK.

*I. Upkeep.*

80. An account of their cash transactions should be maintained in the Cash Book, Form P.W.A. 1, by all Government servants authorised, as a regular arrangement to receive money on behalf of Government, as well as by those entrusted with disbursements out of cash received by them in transfer from the divisional cash chest or obtained by cheques drawn on the treasury.

Note 1.—As an exception to this rule, Government may authorise Divisional Officers not to pass through the Cash Book earnest money received from and returned to, contractors on the same day the tenders are opened, provided that the contractors concerned are required to give a stamped receipt for the money in the Register of Tenders maintained in the divisional office and that the Register is, to that extent, treated as a subsidiary Cash Book and consequently as an accounts form.

Note 2.—Receipts on account of saks tax may be kept outside the regular accounts and they may be remitted every month into the treasury chalan (in triplicate) under the head "XII. Other Taxes and Duties".

*Local ruling under Article 80.*

"Cheques accepted in payment of Government dues should be entered in the cash account as "Receipts" as and when received and as "Disbursements" when remitted into the treasury for encashment, just like moneys received by a Government servants Cash Book. When they are sent to the Bank for encashment, they should be shown in the disbursement column as Remittances into treasury". In order, however, to relieve the cash book of a large number of details entries in case in which the transactions of receipt of private cheques are frequent and numerous may be initially entered in a "Register of cheques received and adjusted" in Form P.W.A. 1 (a) for watching the encashment of Cheques and only the daily totals of receipt and remittances entered in the Cash Book.

81. The Cash Book should be treated as one of the most important account records of the department: the detailed instructions given in the notes on Form P.W.A. 1, should be observed strictly in practice by all concerned.

### *II. Balancing.*

82. The Cash Book should be balanced on the date prescribed for closing the cash accounts of the month, but when the transactions are numerous, a weekly or daily balance is recommended, and it is advisable that the cash be counted whenever a balance is struck, or at convenient intervals, as this affords an independent check on the accuracy of the postings. The results of such intermediate counting may be recorded in the form of a note (specifying the actual cash and also the outstanding balances of imprests and temporary advances) in the body of Cash Book (column 8) so as not to interfere with the up-to-date totals; the actual balance of cash in the chest should be stated invariably in the note both in words and figures. The details of the actual cash found at the monthly counting should be recorded in Form P.W.A. 2 and a certificate of the reconciliation of the book balance with the actual one, recorded, below the closing entries of the month.

83. Whenever, on the contents of the cash chest being counted the balance as per Cash Book is found to be incorrect, it should, unless the error can be detected and set right at once, be rectified forthwith by making the necessary receipt or payment entry "To cash found surplus in chest" under "Public Works Deposits" or "By cash found deficit in chest" under "Miscellaneous—P.W. Advances", as the case may be.

### *III.—Rectification of Errors.*

84. An entry once made in the Cash Book should, in no circumstances, be erased. If a mistake has been made and it is discovered before the copy of the Cash Book has been submitted to the divisional office, the mistake should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The disbursing officer should initial every such correction and invariably date his initials. When the

mistake is discovered too late for correction in this way, an intimation of the necessary correction should be sent at once to the divisional office accompanied by a proposed transfer entry, if necessary. Except as indicated above, no correction of an entry once made in his Cash Book should be made by a Subdivisional Officer unless authorized by the divisional office to do so.

85. The same principles should be observed in correcting errors noticed in the divisional Cash Book. If the accounts of the month have been closed, no corrections of errors in amount, classification, or name of work, should be made in that book, but a transfer entry should be prepared for the necessary correction, a suitable remark in red ink (quoting reference to the correction in accounts) being recorded against the original erroneous entry in the Cash Book.

#### C.—IMPREST ACCOUNT.

86. An account of imprest cash should be kept in duplicate by the imprest holder in Form P.W.A. 3, "Imprest Cash Account", in accordance with the directions given in that form. The counterfoil should be retained by the imprest holder and the original supported by the necessary vouchers should be forwarded to the officer from whom the imprest is held, whenever the imprest holder finds it necessary to have the account recouped, or when it is proposed to increase or decrease the amount of the imprest or to close the account altogether. The account should, in any case, be rendered to the officer from whom the imprest is held, in time to enable him to examine and incorporate the account in his Cash Book (vide notes on Forms P.W.A. 1 and P.W.A. 2) before it is closed for the month on the date fixed for the purpose.

#### *Local Ruling under Article 86*

In Madras, the Imprest Cash Account (Form P.W.A. 3) should be printed so as to facilitate copies being taken by carbon process. The fast sheet should be retained by the imprest holder and the detachable sheet forwarded to the officer from whom the imprest is held, as prescribed in the above Article.

87. If any item in an imprest account appears to the recouping officer to be open to objection, that item may be entered in his Cash Book as "item awaiting adjustment in the imprest account of . . . " under "Miscellaneous P.W. Advances" to be watched under that head until either the objection is removed or the amount is made good by the imprest holder.

*Local Ruling under Article 87.*

The imprest should always be recouped in full subject to the observance of the procedure indicated in this Article.

*Exception.*—In the case of the Electricity Department, where the imprest holders are many, the account may be recouped to the net amount admissible, disallowed items being included in the Cash Balance.

D.—TEMPORARY ADVANCE ACCOUNT.

88. When a disbursing officer makes a remittance to a subordinate officer to enable him to make a number of specific petty payments on a muster roll or other voucher which has already been passed for payment, the amount remitted should be treated as a Temporary Advance and accounted for in Form T.W.A. 3 in the same way as an imprest. The account of a Temporary Advance should be closed as soon as possible.

E.—SETTLEMENT OF ACCOUNTS WITH TREASURIES.

89. As soon after the expiry of the month as possible, the divisional office should effect a monthly settlement with all treasuries in respect of the transactions of the entire division in accordance with such procedure as may be prescribed in the Treasury or Financial Rules of Government.\*

90. As subdivisional cash books are closed on various dates before the last date of the calendar month (*vide* Article 195), and the accounts of sub-treasuries are similarly treated, transactions recorded in the cash books of the Public Works Department for a month may be reported sometimes by the treasury in an earlier

\* See Instruction 49 under Treasury Rule 16 in the Tamil Nadu Treasury Code, Volume I. See also the Local Ruling under Article 61 of the Tamil Nadu Account Code, Volume II.

or a subsequent month. This disturbing factor should be borne in mind. Differences which are neither due to this cause, nor represent amounts of uncashed cheques, should be settled expeditiously in consultation with the Treasury Officer concerned.

## SECTION 2—STORES ACCOUNTS.

### A. GENERAL.

91. The four classes into which the Public Works Stores are classified, *vide* Article 37, should be divided into two distinct categories as shown below:—

- (1) Stores debited to final heads.
  - (i) Tools and Plant.
  - (ii) Road metal.
  - (iii) Materials debited to works
- (2) Stores debited to Suspense.
  - (iv) Stock.

92. Save as provided in this volume, the initial records of the stores which fall under category (1) will be kept in such forms and such manner as may be prescribed by Government with the object of controlling their balances until the stores are disposed of finally either by consumption on works or otherwise. The accounts of the stores mentioned in category (2) should be kept in accordance with the direction in Articles 94 to 103.

### *Local Rulings under Articles 91-92.*

#### (i) TOOLS AND PLANT.

##### I. GENERAL.

1. The tools and plant of a division are of two kinds:—

(a) General or ordinary tools and plant, *i.e.*, those required for the general use of the division.

(b) Special tools and plant, *i.e.*, those required not for general purposes but for a specific work.

The cost of the supply, repairs and carriage of articles of class (a) is charged to the minor head "Tools and Plant", whereas similar charges relating to articles of class (b) are borne by the work concerned. In both cases, estimates for the purchase of the tools and plant should be prepared and sanctioned and the expenditure incurred against sanctioned estimates, in the same way as expenditure on works.

2. Numerical accounts of articles of both classes should be kept in accordance with the following rules, a separate set of accounts being maintained in each subdivision and one in the Divisional Office for tools and plant directly under the Divisional Officer.

NOTE 1.—The rules relating to numerical accounts of tools and plant apply also to imperishable articles, e.g., typewriters, furniture of rest houses, surgical instruments and hospital furniture of canal dispensaries, etc., whether acquired by charge to heads of accounts other than "Tools and Plant" or received free of cost.

NOTE 2.—The sub-divisional returns in Forms P.W.A. I and II of the monthly accounts of Receipts and Issues, respectively, of tools and plant should be carefully filed together in the Divisional Office after audit, see Local Ruling 9 below.

3. The accounts of tools and plant issued for use by subordinates of the sub-division, or temporarily lent to contractors, as well as those of articles lent to local bodies and others under competent authority, should be specially reviewed periodically, and it should be seen that the articles are returned without unnecessary delay and in good condition.

NOTE.—This rule also applies to tools and plant sent out for repairs.

## II. NUMERICAL ACCOUNTS.

### (a) RECEIPTS.

4. All articles received should be examined and counted when delivery is taken, and the transaction should be posted in the Account of Receipts of Tools and Plant, Form P.W.A. I. Such acknowledgment as may have to be given to the person from whom the articles are received can be signed only by the Divisional or Sub-Divisional Officer. An acknowledgment should invariably be given when articles lent are received back.



NOTE 1.—In the case of purchasers from suppliers, the record of the detailed account should be kept in the Measurement Book in the manner prescribed under Article 123.

NOTE 2.—The entries in Form P.W.A. 1 regarding the receipt book of articles lent or sent out (see Local Ruling 3 above) should be made in red ink, with a reference to the original entries on the Account of Issues of Tools and Plant.

### (b) ISSUES.

5. All transactions of issues (including those of articles referred to in Local Ruling 3 above) should be posted in the Account of Issues of Tools and Plant, Form P.W.A. II. Except in the case of cash sales, unstamped but dated acknowledgments must be obtained in support of all issues and in the case of tools, etc., lent to contractors, such acknowledgments, should further set forth the valuation of the articles lent, as determined by the Sub-divisional Officer. See also the Note to Local Ruling 4 under Article 96.

NOTE.—The entries relating to the articles referred to in Local Ruling 3 above should be made in red ink.

### (c) REGISTER OF TOOLS AND PLANT.

6. A consolidated account of the receipts, issues and balances of tools and plant should be maintained in the Sub-divisional Office in Form P.W.A. III, Register of Tools and Plant. This Account should be for the twelve months ending September, that is, it should embrace transactions up to the date on which the accounts of the sub-division for that month are closed. It should be kept in three parts as follows:—

Part I.—Articles in hand.

Part II.—Articles temporarily lent or sent out (see Local Ruling 3 above).

Part III.—Shortages awaiting adjustment.

In Part I, articles should be grouped under the prescribed sub-heads, which are—(1) Scientific Instruments and Drawing Mats

rials, (2) Plant and Machinery, (3) Tools, (4) Navigation plant, (5) Camp equipage, (6) Livestock and (7) Office furniture. In Part II, the entries should be made in a separate section for each contractor or other person to whom the articles are lent or sent out for repairs, etc. Part III is brought into use only if any shortages come to notice, and the instructions, relating to it are given in Local Ruling 20 below.

7. Parts I and II of the Register should be posted thus—

(a) The Accounts of Receipts and Issues, Forms P.W.A. I and II should first be totalled up monthly when closing the accounts of the month.

(b) The total receipts and issues of each article thus arrived at should be posted in Part I of the Register, Form P.W.A. III, in the column for Receipts and Issues, respectively.

(c) Each separate transaction connected with articles lent or sent out (see Local Ruling 3 above) should further be posted in Part II in the section reserved for the contractor or person concerned, articles lent, etc., being shown under "Debits" and those received back under "Credits".

8. As soon as the transactions for the month of September have been posted, the account should be closed and balanced, and the closing balances should be carried forward to the next year's return.

(d) CHECK IN DIVISIONAL OFFICE.

9. The monthly accounts of Receipts and Issues of Tools and Plant in Form P.W.A. I and II received from the Subdivisional offices should be checked in the Divisional Office so as to see that all tools and plant purchased or transferred from other divisions or subdivisions have been brought on to Form P.W.A. I and that all issues of tools and plant are supported by receipts of the parties concerned and that, in the case of transfers, they have been brought on to the Account of Receipts in Form P.W.A. I of the subdivisions concerned. The annual returns of the subdivisions in Form P.W.A. III, Register of Tools and Plant, should

also be checked with the monthly returns in Forms P.W.A. I and II before submission to the Accountant-General (*see* the Local Ruling under Article 239).

### III. PAYMENT FOR SUPPLIES.

10. *Payment for tools and plant received from suppliers and other sources should be made generally in the manner prescribed for stock receipts (see Local Ruling 2 under Article 100). But when the Mathematical Instrument Department is unable to supply any instruments indented for and arranges for their purchase, the supplier's bill will, if that department so desires, be paid in cash or by a Government Draft.*

### IV. RECOVERIES.

#### (a) FOR USE OF TOOLS AND PLANT.

11. *The procedure to be observed in charging the cost of tools and plant in the accounts of a division and in making adjustments on account of cost of tools and plant used on works executed on behalf of other divisions, departments, etc., and on certain works of the division itself, is described in Appendix 3.*

12. *When tools and plant are lent to local bodies, contractors or others (see Local Ruling 3 above), the hire and other charges should be recovered regularly in accordance with the rules in the Tamil Nadu Public Works Department Code.*

NOTE.—A Sale Account in P.W.A. VII should be prepared in support of every transaction.

13. *The incidence of the cost of carriage of Government tents belonging to the Public Works Department for use during tours is governed by the rules against item 55, in Appendix 7 of the Tamil Nadu Financial Code, Volume II.*

#### (b) FOR SALES AND TRANSFERS.

14. *The Subdivisional Officer is responsible that, when tools and plant are disposed of, by sale or otherwise, with the sanction of the competent authority, the amount recoverable from the parties concerned is realized at the earliest opportunity. If the amount is not recovered within the month in which the articles are delivered, it should be charged to Miscellaneous Public Works Advances as a sale transaction by the issue of a transfer entry.*

NOTE.—A Sale Account in Form P.W.A. VII should be prepared in support of every transaction.

15. When tools and plant are transferred to other division or departments, the Subdivisional Officer should note their value in Form P.W.A. II in red ink just below the entries of quantities if the value is recoverable under the rules in Section 9 below. The Divisional Office will then make the necessary adjustment.

16. Local Rulings 14 and 15 above apply equally to the adjustment or transfer of the cost of special tools and plant charged to a work or project.

On the completion of a work or project on which special tools and plant were used or when these tools and plants are no longer required for use thereon, the Divisional Officer concerned may transfer them, if in efficient condition, to another work or project in the same division or in any other division where they may be required for immediate use, after suitable valuation in consultation, if necessary, with the General Superintendent, Public Works Stores Division, Tamil Nadu, crediting the values thus determined to the work from which they are transferred by debit to the new work.

A list of such tools and plant, whether originally purchased from the Public Works Stores Division or from any other source, should, when not required for immediate use on any other work or project in the same division or any other division, be circulated by the Executive Engineer concerned to all other Executive Engineers requesting them to report if any of the plant in the list is likely to be required for any work or project in their divisions in the near future. Such of the plant, as can be used on any works or projects in the near future, should be transferred to the Public Works Stores, with the information regarding the works for which they have to be reserved and the probable date when they will be required for the works.

Whenever it is proposed to return to the Public Works Stores articles purchased therefrom for use on any project work, the Executive Engineer of the division concerned should inspect them personally and satisfy himself if the articles, in their then condition, have a value more than, or at least equal to, the transport charges that may have to be incurred in returning them. In such cases only, should he give orders for the return of the articles to the Public Works stores.

In cases where the Executive Engineer, is of opinion that the articles are in such a bad condition that they will not be valued even at an amount equal to the transport charges that may have to be incurred, he should take necessary action to dispose of them locally or to write them off, according to the merits of each case with the sanction of the competent authority.

The Public Works Stores Division should not take into its stock articles of special tools and plant, unless it is known that they are likely to be required for use somewhere in the near future. Even in the case of ordinary plant offered by any division to the Public Works Stores, such as pumps, rollers, portable engines and all other articles that are in common and regular use in the department, the General Superintendent shall have the option of taking them over to the Stores stock or not, according to the stock existing at the time of the offer in the Stores.

**NOTE 1.**—It is not permissible to write back the cost of special tools and plant in anticipation of the possibility of the articles being utilised on another work or project at some distant date.

**NOTE 2.**—No articles may be removed from the numerical accounts on the plea that the accounts of the work to which the cost of the articles was charged have been closed, until they are actually transferred or until, owing to their having become unserviceable, sanction has been accorded by the competent authority to write them off.

17. When the General Superintendent, Public Works Stores Division, takes over any tools and plant from a division to the Stores stock under Local Ruling 16 above, he should value it by taking into consideration its life, its then actual condition, the then prevailing market price for new plant of the kind and the charges (to be estimated) that may have to be incurred on overhauling and repairs to the plant. Credit to the extent of the value so arrived at should be given to the work concerned by the Public Works Stores Division. In this case, the cost of overhauling and all repairs to the plant and replacements should be borne by the Public Works Stores Division but the freight charges to Madras should be borne by the work from which the plant is transferred.

If any plant, although serviceable, is not required for immediate use on any other work in any division or is not taken over by the Public Works Stores Division, it shall be sold with the sanction of the competent authority either by public auction at the

place at which it is kept, or by calling for sealed tenders, or by any other means considered desirable by the sanctioning authority.

If any plant is concerned unserviceable, it should be condemned and the sanction of the competent authority obtained on a survey report for its disposal either by auction as a whole at the place at which it is kept or by breaking it up for its component materials to be transferred to the stock of the Public Works Stores Division, Madras, as scrap cast-iron or gun-metal, etc., for remelting credit of the amount of the sale or the valuation of the scrap, as the case may be, being given to the work to which the value of the plant stands charged.

#### V. VERIFICATION.

18. The rule in Article 102 (a) regarding verification of stock applies also to verification of tools and plant, with the exception that when any articles are found deficient, the note of the deficiency should be made in red ink in the Accounts of Issues Form P.W.A. II, without making any entries in the quantity columns, so that the articles may continue to be borne on the accounts of tools and plant until the loss is adjusted by a recovery or a sanction write-off (*see* also Local Ruling 20 below).

#### VI. RECTIFICATION OF ACCOUNTS.

19. Clerical errors in the numerical accounts should be dealt within the manner prescribed in Article 101 for stock accounts, except that no transfer entries are necessary.

20. Discrepancies in quantities and losses should be dealt with as under—

(a) When they are noticed, action should be taken as indicated in Local Ruling 18 above, losses being treated as deficiencies.

(b) When writing up the Register Form P.W.A. III, the deficiencies should be registered in Part III under "Debits" and their clearance should be watched. Article, found surplus should be treated as receipts in Part I and will, therefore, require no further action.

(c) If the deficiencies are made good in kind, the receipt on recovery should be shown in the Account of Receipts, Form P.W.A. I, without making any entry in the quantity columns, and when posting the account into the Register, Form P.W.A. III, the articles received should not be entered in Part I, but taken (with a suitable remark) direct to Part III, under ("Credits" in clearance of the debit outstanding therein).

(d) If the deficiencies are made good by recovery of cost or their write-off is sanctioned, the articles should be shown, as issued, in the Account of Issues, Form P.W.A. II, with a suitable remark, and when this entry is transcribed into the Register, Form P.W.A. III, it should not only be entered in Part I in the ordinary way, but also entered with a suitable remark in Part III, as in case (c), thus clearing the debit outstanding therein.

**NOTE.**—The authority to write-off should be obtained on a Survey Report in Form P.W.A. VI.

## (ii) ROAD METAL.

### I. *Quantity Accounts.*

21. Supplies of road metal should be measured and paid for in the same way as supplies of other materials for works (see Section 5 below). But as metal is often kept in store at the roadside before being laid down, a quantity account of it should be maintained in the Subdivisional Office in Form P.W.A. IV, Statement of Receipts, Issues and Balances of Road Metal, copies on loose sheets being submitted monthly to the Divisional Office within a fortnight of the submission of the monthly accounts.

**NOTE 1.**—This statement should show, mile by mile, the receipt, disposal and balances of road metal of each kind (stone, kunker, etc.). The balance of metal in each mile should be shown, whether there are any transactions on it during the month or not.

**NOTE 2.**—This statement should show the total metal received and issued on each mile of the road and at the end of the account for any road or section of a road, an abstract should be worked out to show the receipts and issues according to estimates for the purpose of check with the works accounts. Reference should also be given in the abstract to the measurement books showing the receipt of metal and to paid vouchers showing the labour charges for spreading the same. The total balance according to this abstract should agree with the total balance of the statement.

22. Unused balances of road metal should be verified at least once a year in the manner prescribed in the Tamil Nadu Public Works Department Code. Whenever the Subdivisional Officer performs this verification, he should prepare a report of verification of the road metal, showing the balances according to the account in Form P.W.A. IV and the actual verified balances, with explanations for discrepancies and recommendations as to their adjustment. A similar verification should be performed when the Officer responsible for the balance of road metal is transferred.

### *II. Rectification of Accounts.*

23. Metal found surplus, as the result of check measurement or otherwise, should at once be brought on to the quantity accounts. Deficits should, however, not be removed from the quantity accounts until their value has been recovered or sanction has been received for their write-off; but a red ink remark should be recorded at once and carried forward, from month to month until the discrepancy is set right.

NOTE.—The authority to write-off should be obtained on a Survey Report in Form P.W.A. VI.

### *III. Schedule of rates.*

24. A rate-book or Schedule of Rates showing the lowest rate at which metal can be supplied to the road side throughout the division should be kept in the Divisional Office in Form P.W.A. V with such modifications as may be considered necessary to suit local conditions. The rates should be revised, from time to time, as old quarries are exhausted or new ones opened, or as other circumstances affect the rates.

### *IV. Material debited to works.*

25. The account procedure relating to the materials obtained specially for a work is described in Section 5 below. Special tools and plant charged to works do not fall under the category of 'materials debited to works' (see Local Rulings 1 and 2 above).



*V. Public Works Stores, Madras.*

26. In regard to the Public Works Stores, Madras, the rules in the Public Works Stores Manual should be observed as supplementing the rules in this Code.

93. In all cases, the initial record of the detailed count or measurement of all materials received, the cost of which has to be paid for or adjusted by book transfer in the accounts of the division, should be kept in the Measurement Book prescribed in Article 123.

**B.--Stock.***I.—General.*

94. Unless Government directs otherwise, the records and returns of all stores kept or rendered by sub-divisions should take account of quantities only, the value accounts being maintained in the Divisional office.

95. The stock account should be divided into the following sub-heads: (1) Small Stores, (2) Building Materials, (3) Timber, (4) Metals, (5) Fuel, (6) Painters Stores, (7) House Fittings, (8) Miscellaneous Stores, (9) Land, Klins, etc., (10) Manufacture and (11) Storage. Numbers (1) to (8) may be replaced locally by other suitable heads, if necessary.

*Local Rulings under Articles 94-95.*

1. The stock of a division is sometimes kept in a single godown or yard in the charge of a store-keeper or other officer, or each Sub-divisional Officer may have a separate stock in his charge either at his headquarters or scattered over the sub-division in the direct custody of subordinates or other sectional officers. Again the stock, although scattered over the entire division, may be in the general charge of a single official and the Sub-divisional Officers may merely indent upon him, he keeping all the accounts. The rules in this section apply to all divisions.

2. Stock Accounts may be maintained in a Sub-divisional Office even though the officer-in-charge is not authorized to keep a cash account in Form P.W.A. 1. A separate account should be kept on the Divisional Office of any stock which is directly under the charge of the Divisional Officer or of an officer under his orders and not under the orders of a Sub-divisional Officer.

3. [Deleted.]

### II.—Initial Accounts.

96. All transactions of receipts and issues—in quantities only—should be recorded by each officer authorized to receive and issue stock on behalf of Government in "Registers of Stock Receipts/Issues", Form P.W.A. 4 in the order in which and as soon as they occur.

NOTE 1.—These registers need not be kept in cases where a detailed account of any particular kind of stores is maintained in the form of card or leaf ledgers provided that suitable arrangements are made for the completion of the Abstracts of stock Receipts and Stock Issues (Articles 97).

NOTE 2.—Where this course is authorised by Government, the issues of petty stores by a sectional officer direct to works under his supervision may be shown in the accounts collective once a month when the accounts of the month are closed.

### Local Rulings under Article 96.

## QUANTITY ACCOUNTS

### (a) RECEIPTS.

1. Materials may be received on stock from the following sources:—

- (a) Suppliers,
- (b) Stores Department, London,
- (c) Other sub-divisions or departments (including Government workshops),
- (d) Manufacture and
- (e) works, buildings, etc

In all cases, there should be proper authority for the receipt, by the store-keeper or the sectional officer concerned, of materials to be brought on stock. This authority should be given in writing by the Divisional Officer or, if so authorised under the Divisional Officer's orders, by the Sub-divisional Officer.

2. All materials received should be examined and counted or measured, as the case may be, when delivery is taken. Only the Divisional or the Sub-divisional Officer is authorized to sign an acknowledgment to be given to a supplier for stores received from him. Any certificate that the store-keeper or sectional officer concerned may be called upon to record regarding the receipt of stores, for this or any other purposes, should be in the following form :—

“ Received on \_\_\_\_\_ and duly recorded in the Register of  
stock-Receipts. See also Page \_\_\_\_\_ of measurement Book No. \_\_\_\_\_

(Signature)

Date.....

2.1 In the case of the P.W. Stores Division, Madras, the record of detailed count or measurement is made in a Register in *Form P.W.A. III*, “Stores Receipt Book”. A daily report of receipts—one for each sub-section of the stores—should also be simultaneously prepared in *Form P.W.A. IX*, from which the quantity and value ledgers are subsequently posted.

#### (b) ISSUES.

3. Materials may be issued from stock for the following purposes :—

- (a) Use on works either by issue to contractors or direct,
- (b) Despatch to other sub divisions, divisions or departments, and
- (c) Sale to contractors, employees, other persons or local bodies.

They should be issued only on receipt of an indent in Form P.W.A. X, signed by the Divisional or the Sub-divisional Officer. But when a sectional officer has to issue stock materials for the requirements of works under himself, the use of this form is not obligatory, if the sectional officer has been authorised under the Divisional Officer's orders to draw such materials from his stock up to any assigned limit not exceeding the provision made for materials in sanctioned estimates.

NOTE 1.—When examining Registers of Stock Issues and Works Abstract Subdivisional Officers should see that, in practice, this rule is observed strictly and they should deal suitably with instances of unauthorised and excessive issues to works made by sectional officers without due cause.

NOTE 2.—The term "Works" includes manufacture operations. See definition (41) in Article 9 above.

4. When issuing materials from stock, the store-keeper or sectional officer should examine the indent in Form P.W.A. X and sign it in the space provided for the purpose, after making suitable alterations (attested in each case by the dated initials) in the description and quantities of materials, if he is unable to comply with the indent in full. He should then prepare and sign the form of the invoice attached to the indent according to the supply actually made, and simultaneously make an entry in his Register of Stock Issues, Form P.W.A. 4. The Indent should be returned at once to the indenting officer and the signature of the officer receiving the materials should be obtained, as soon as possible, on the invoice, which should be treated as a voucher in support of the entry in the register.

NOTE 1.—It should be seen that the acknowledgment of materials is signed either by the person to whom they are ordered to be delivered or despatched or by a duly authorised agent. This precaution is specially necessary in the case of issues to contractors and private persons, whose acknowledgments should set forth full particulars of the materials, the rates and the values chargeable to them. Acknowledgments should be taken in the same way when issues are made to contractors by the sectional officer himself without the production of an indent signed by higher authority (see Local Ruling 3 above).

37. The receipt and issue transactions of the entire sub-division, as entered in Form P.W.A. 4, should be abstracted monthly, by the Sub-divisional Office in a single "Abstract of

Stock Receipts" (Form P.W.A. 5) and in a single "Abstract of Stock Issues" (Form P.W.A. 6), in accordance with the instructions printed on these forms. No entries need be made in the Sub-divisional Office in any of the money columns in either part of the form, as these will be filled up in the Divisional Office, *vide* Article 94.

98. These abstracts should be completed in the Divisional Office in respect of (1) the values of quantities shown as received and issued, (2) the calculation of the storage charges on the issues and (3) cash or adjustment charges on account of manufacture operation, storage and incidental charges, such as those for carriage, the loading and unloading of stock materials. The cash and transfer entry debits and credits to stock should agreed with the transactions pertaining to Stock brought to account in the Cash Book and the Transfer Entry Book, *vide* Article 207. Carriage and other incidental charges should be debited to stock only when they are incurred in connection with the general stock requirements. These charges should be adjusted against the particular sub-head under which the item is classified or the sub-head "Storage" of the stock account, according as the charges have been incurred before or after the acquisition and delivery of the stores at the godown.

99. The general account of receipts, issues and balances of the suspense head "Stock" for the entire division should be kept in the Suspense Register prescribed in Article 164.

### III. Subsidiary Accounts.

100. Sub-divisional and Divisional Offices will keep subsidiary Registers of Stock in such form as the Government may determine in consultation with the Accountant-General, the objects being the effect a periodical reconciliation, after verification

of the quantity accounts with the general accounts (*vide* Article 99) and to revise the Issue and Storage rates fixed by competent authority.

*Local Rulings under Article 100.*

I. QUANTITY ACCOUNTS.

HALF-YEARLY BALANCE RETURN.

1. (a) The total quantities of the receipts and issues of each article of stock, as recorded in the Monthly Abstracts Forms P.W.A. 5 and 6, should, before the Abstracts are transmitted to the Divisional Office, be posted in the Half-yearly Balance Return, Form P.W.A. XI, in the columns provided for the month concerned under both "Receipts" and "Issues". As soon as the receipts, and issues of the last month of the half-year are posted, the closing balances should be worked out and entered both in column 21. "Closing balance carried forward", of the return for that half-year and in column 6. "Balance brought forward", of the return for the next half-year.

(b) A separate return in this form should be prepared for each of the half-years ending September and March, that for the September half-year embracing only transactions up to the date on which the monthly accounts of the sub-division are closed. The return for each half-year should embrace all articles in stock.

(c) Columns 22 and 23 of the form of the return are provided so as to give the Sub-divisional and the Divisional Officers an opportunity of commenting on the condition of the stores or on the rates, and noticing cases in which the balance are in excess of requirements.

II. VALUE ACCOUNTS

(a) PAYMENT FOR STOCK RECEIVED.

2. The general rules in Chapter 4 of Volume I and the relevant instructions in Sections 3, 5 and 9 below should be observed carefully.

(b) RECOVERIES FOR STOCK ISSUED.

(i) Issue Rates.

3. An Issue rate is assigned to each new article as it is brought on stock. This rate is fixed on the principle that the cost to be charged to works on which the materials are to be used should approximately equal to the actual cost of the stores, so that there may be no ultimate profit or loss in the stock accounts. It should provide for carriage and other incidental charges, if any, actually incurred on the acquisition of stores in addition to the original price paid.

NOTE 1.—It is not necessary that the Issue Rate for an item should be the same in all sub-divisions, but a uniform rate should ordinarily be proscribed for all localities in a sub-division.

NOTE 2.—The issue rates should be worked out nearest to the multiples of five paise.

(Memo. No. 79271--A/SVI/63-29, dated 16th August 1966).

NOTE 3.—In the case of the plant and machinery of the Public Works Stores Division, Madras, which are borne under "Stock" (see Local Ruling 2 under Article 37), the original book value should include the original price fixed and the cost of carriage to the Stores. This book value should be depreciated annually by the percentage fixed for "depreciation" in the Tamil Nadu Public Works Department Code.

The Superintending Engineer, Madras Circle, should sanction every year an estimate for working expenses of plant and machinery in the Stores Division under the sub-head "stock", and the depreciation charges referred to in the first sub-paragraph of this note should be debited thereto by credit to "Stock". The handling charges as well as all repair and renewal charges which are not recovered from the party hiring the plant should also be debited to the estimate. The handling charges realized from the hirers of plant and machinery and the portion of the hiring charges comprising the percentages for repairs and renewals and depreciation shall be credited to the estimate and the net figures shall, at the end of the year, be transferred to "50. Public Works—Civil Works—Losses on stock" or to the receipt head "XXXVII. Public Works—Miscellaneous", according as the net result is a loss or a profit. The portion of the hiring charges realized representing "interest" should be credited direct to the head "XXXVII. Public Works—Miscellaneous."

4. As purchases are made or contracts for the supply of materials are entered into, variations in cost should be watched. and if these are appreciable, Issue Rates may, and in important cases should, at once be raised or lowered, as may be necessary. Further, when closing the Half-yearly Register of Stock (Local Ruling 11 below) all rates must be reviewed and revised, if necessary, to bring them, within the market rates.

5. If the Issue Rate of an article of stock is appreciably less than the market rate, the following precautions should be taken in addition to any restrictions on sales or on issues outside the division which the Divisional Officer may prescribe:—

(a) Issues to contractors should be restricted to the *bona fide* requirements of the works. Excess issues to contractors and sales should be charged at the market rates. In the case of excess issues, the amount recovered should in no cases be less than that recoverable under the contract concerned for *bona fide* issues.

(b) Issues to other divisions and departments may be made at a rate higher than the Issue Rate.

(ii) *Storage Charges.*

6. A storage rate is fixed annually for the Public Works Stores, Madras, on the basis of actual storage charges Article 9) incurred in the year preceding the year previous to the year in question. This rule may, with the sanction of the Government, be extended to any other Stores in which appreciable storage charges are incurred.

While fixing the storage rates the past actuals have to be taken only as a guide and allowances may be made therein for possible changes in respect of any fall in the value of stores, change in emoluments of work-charged establishment, etc. The



details of such anticipated additional expenditure on storage should be clearly indicated in the proposals submitted for the fixation of storage rates.

(2) Such proposals for fixing storage rates should be submitted by the Superintending Engineers concerned direct to the Accountant-General so that the latter could scrutinise the correctness of the particulars to the extent possible and forward them to the Chief Engineer concerned who will after proper scrutiny accord sanction for the storage charges to be followed for the stores in question.

(3) Where there is a difference of opinion between the Chief Engineers and the Accountant-General, orders of Government shall be obtained for the storage charges to be fixed.

Note:—The Chief Engineers are competent to sanction estimates for write off of the debit balance under storage subject to the limit up to which they are empowered to write off losses under paragraph 451 VI of the Tamil Nadu PWD Code.

(Memo No. 128231/Codes/63-8, dated 14th September 1946)

(iii) *Mode of Recovery.*

7. (a) The Sub-divisional Officer is responsible that the value of materials sold to municipalities, local funds and the public and of issues made to contractors for private use, is recovered in cash at the earliest opportunity.

Note: A sale account in form PWA VII should be prepared in support of every such Sale.

(b) All adjustments of the value of stock issued except on sale should be made by the Divisional Officer as in the case of receipts. The Sub-divisional Officer is, however, responsible for the clearance from works accounts, of all outstandings against contractors on account of the recoverable value of materials issued to them by charge to works.

(c) The 10 per cent supervision charge should be realized in addition to the value of stock in all cases in which it is recoverable but the amounts recovered on this account should not be treated as receipts on account of stock, but as revenue receipts or receipts on capital account, as the case may be.

Note:—The 10 per cent charges referred to in clause (c) above should not be levied on stock materials issued to the works mentioned in items (a), (b), (c) and (d) of Rule 5 of Appendix 3, as centage charges are leviable separately on them.

## III. Half-Yearly Register of Stock.

8. An account should be maintained in the Divisional Office to record, month by month, separately for each sub-division, the transactions relating to each item of stock. This account should be in Form P.W.A. XII Half-Yearly Register of Stock, which is in three parts—

Part I—The Register.

Part II—The Summary.

Part III—The Review.

9. Part I should, as regards quantities, be posted monthly from the sub-divisional abstracts, Forms P.W.A. 5 and 6 and balanced half-yearly, in the same manner as the sub-divisional half-year balance returns *see* Local Ruling I above. The only values to be posted should, ordinarily, be the aggregate values of the total receipts and issues for each sub-head, as recorded in the upper part of these abstracts; but, if it is desired to maintain a value account of the receipts, issues or balances of any particular items, there is no objection to values being recorded in red ink, immediately below the respective quantities.

Note: The register should be laid before the Divisional Officer within a week, after the submission of the monthly account to the Accountant-General

10. At the end of the half-year, the closing balances of quantities should be reconciled with those shown in the Half-yearly Balance Returns received from Sub-divisional Officers. The closing balances of the aggregative values of sub-heads should also be struck. Their reconciliation with the accounts will be effected through Part II; *see* Local Ruling 12 below:

11. The register should then be closed, the following instructions being observed in respect of money columns 20 to 24:—

(c) *Market Rates (column 24)*--This column should be filled up, in respect of each item under the orders of the Divisional Officer, by a person other than a minis-

terial subordinate. It should be written up at or about the close of the half-year but before any entries are made in the column for Future Issue Rates.

(b) *Current Issue Rates* (column 20).—This column would have been filled up at the commencement of the half-year in respect of items brought forward from the previous half-year, and subsequently from time to time in respect of new items and the rates of which are received during the half-year.

(c) *Value at Current Issue* (column 21).—This column should be written up at the close of the half-year and should represent the value of the closing balance at the issue Rates current during the last month of the half-year.

(d) *Future Issue Rates* (column 22).—This column should show the rates for issues during the following half-year. The rate should be fixed separately for each item, in accordance with the principles laid down in Local Ruling 3 above, but should in no case be in excess of the market rate. When opening the register for the following half-year, the rates as shown in this column should be transcribed into the column for Current Issue Rates of that register.

(e) *Value at Future Issue Rates* (column 23).—This column should show against each item the value of the closing balance at the Future Issue Rate. The entries in this column should be totalled by sub-heads of stock for each sub-division, and to or from this total should be added or deducted, as the case may be, amounts which have been debited to stock in advance of the actual receipt of stores and other debits or credits which are awaiting adjustment under the sub-head concerned for known reasons (to be recorded). If the resultant figure does not agree with the corresponding book balance as brought out in column 19 see Local Ruling 10 above). an adjusting entry (*plus or minus* representing respec-

tively, the deficit or surplus due solely to the revision of rates) should be made and a further total struck which should agree with the book balance.

12. Part II, Summary is intended to serve two purposes— (1) to prove the value balances brought out in column 19 of Part I (see Local Ruling 10 above), and consequently the amounts of the surpluses and deficits requiring adjustment in consequence of the revision of rates and (2) to abstract the value balances, so as to bring out by sub-heads of stock for the entire division, the aggregate value at Current Issue Rates side by side with the balance as shown in the accounts.

13. When Part II is completed, the Divisional Accountant should write up his report in Part III and submit it to the Divisional Officer, who will then review the Register of Stock and record his remarks and orders in Part III.

Note—This review should be directed to seeing specially that stores are priced in accordance with the rules, that stocks are taken periodically by responsible officers and that stocks of individual items are regulated on a consideration of actual requirements of the near future and with due regard to the average consumption of the past and to the prevailing market conditions. The object is to make sure that the stocks on the register consists only of sufficient and necessary articles priced within the rates at which they could be purchased at the time.

14. It is open to the Government, in consultation with the Accountant-General, to prescribe the maintenance of yearly registers of stock in respect of divisions and to permit that they may be closed and reviewed annually. Important revisions of Issue Rates necessitated by fluctuations of cost should however, be made at once and not deferred till the close of the year (see Local Ruling 4 above).

#### IV. Ledger.

15. The maintenance of a continuous ledger for each article of stock is not necessary. It is permissible, however, to use loose card or leaf ledgers, in suitable form, in cases, e.g. electrical stores, where the number of articles handled is large and the frequency of transactions renders it desirable to maintain-

in respect of each article, a day-to-day record of the quantities received and issued, presenting the resultant balance after each transaction. Where this system is adopted the following instructions should be observed :—

- (a) The card or leaf ledgers should be written up in respect of quantities only; if values are entered therein for any purpose, they will not be recognised for purposes of accounts.
- (b) They should not replace the Register of Stock, Form P.W.A. XII, but should, on the other hand, be reconciled therewith at convenient intervals.
- (c) If the maintenance of the Registers of Stock Receipts and Stock Issues, Form P.W.A. 4, is dispensed with under Note 1 to Article 96, the Abstracts of Stock Receipts and Stock Issues, Forms P.W.A. 5 and 6, should be written up, as transactions take place, either by a responsible official or on the authority of written reports signed by such an official, and supported by the necessary vouchers.
- (d) The ledgers, may, if necessary, be kept in a convenient position in the store godown, but they should be kept locked up and the keys should be in the custody of the person responsible for making entries in the ledgers.

#### IV. Rectification of Errors.

101. (a) Any errors that may be discovered in the Registers of Receipts and Issues or in the Monthly Abstracts, before the accounts for the month are closed, should be set right by the Sub-divisional Officer. Such corrections should be made neatly by scoring out the incorrect figures or other entries and writing the correct ones above them and they should be attested by dated initials. Mistakes noticed subsequently should not be corrected except in accordance with a formal transfer entry or under instructions received from the Divisional Office.

(b) Clerical errors in value accounts should be dealt with generally in accordance with the directions in Article 84. Corrections of errors discovered after the accounts of the month are closed, should be made, when permissible (i) by entries of value (without quantities) in the Stock accounts of the current month when no change is to be made in the head of account affected, and (ii) by transfer entries in other cases.

*Local Rulings under Article 101.*

1. Store-keepers and sectional Officers may similarly correct their respective Registers of Receipts and Issues before submitting them to the sub-divisional office.

2. Erroneous entries noticed in a Half-yearly Balance Return which has not been submitted to the Divisional Office, may be corrected by the sub-divisional officer only if the corresponding entries in the Monthly Abstracts concerned, or in the previous Half-yearly Return are correct or have been duly set right.

102. Other corrections which may be necessary as the result of stock-taking or periodical revision of rates or declaration of stores as unserviceable, should be effected in the following manner:—

(a) Both in quantity and value accounts, all additions to quantities should be treated as Receipts and reductions therein as Issues, a suitable remark being made in the entries in Forms P.W.A. 5 and P.W.A. 6. These entries must be made as soon as differences in quantities come to notice, but in the case of materials, to be declared unserviceable no adjustment should be made until receipt of orders of competent authority.

- (b) The net surplus or deficit resulting from the periodical revision of rates should be adjusted by making suitable value entries, without any correction in quantities in the Abstracts of Receipts and Issues, Form P.W.A. 5, or P.W.A. 6 as the case may be, the values being classified in accordance with the principles enunciated below.
- (c) (1) The value of stores found surplus should be credited at once as a revenue receipt or a receipt on capital account, as the case may be.
- (2) The value of the deficit, should, however, not be debited to final heads, but kept under "Miscellaneous—P.W. Advances" pending recovery or adjustment under orders of competent authority. When the loss is declared to be irrecoverable and its writa off ordered, a transfer entry should be prepared to clear the head "Miscellaneous—P.W. Advances" by debit to (i) the works for which the stores were collected specially, if the accounts thereof are still open, or (ii) the general head "Losses of Stock" under one or more major heads as may be decided by competent authority, on consideration of the objects for which the stores were stocked.

#### *Local Ruling under Article 102.*

Alterations in rates made on occasions other than the closing of the Register of Stock should be noted at once in Part I of the Register of Stock, Form P.W.A. XII, by making a fresh entry (with the month of change) in column (20). The resultant rectification of the value of stock balances should in all cases, be made only when the Register of Stock is closed—*vide* clause (e) of Local Ruling 11 under Article 100.

103. No corrections should be made in the accounts in respect of stores declared to be in excess of requirements. Such

stores should continue to be borne on the Stock account until transferred elsewhere or otherwise disposed of in the ordinary course.

*Local Ruling under Article 103.*

The stock taking of a sub-division may go on gradually throughout the year. When the stocks of an article in a sub-division are scattered and it is not possible to test the aggregate book balance of any article for the whole sub-division by an actual verification of all the stocks of it at the same time, the following expedients may be adopted under the orders of the Government :—

- (a) Sectional Officers may be required to maintain quantity accounts of receipts, issues and balances (in a form similar to the Half yearly Balance Return) of stock materials in their charge. These accounts should be posted monthly from the Registers of Stock Receipts and Stock Issues before the latter are submitted to the Sub-divisional Officer.
- (b) These accounts should be submitted to the Sub-divisional Office at the close of each half-year for record after reconciliation with the half-yearly Balance Return of the sub-division.
- (c) As far as possible, the whole stock of a particular article in charge of a Sectional Officer should be verified at or about the same time, so that the difference between the sectional book balance and the actual balance may at once be known. This difference should be adjusted in the manner prescribed in Article 102 without waiting for the results of the verification of stocks in other sections.

NOTE 1.—Before the adjustment of a difference is accepted finally by the Sub-divisional Officer, he should test the correctness of the Sectional Officers' book balance by reference to the records of his own office.

NOTE 2.—In the case of materials to be declared unserviceable, no adjustment should be made until the orders of the competent authority have been obtained on a Survey Report in Form P.W.A. VI.



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C.—SPECIAL TOOLS AND PLANT.

104. If the cost of depreciated value of any Special Tools and Plant obtained for, or used on a project is required to be distributed over different units of the project, the forms of subsidiary accounts to be kept to facilitate that distribution may be settled by Government after consultation with the Accountant-General.

## SECTION 3: TRANSFER ENTRIES.

## A.—GENERAL.

\* 105. (1) Transfer entries, that is entries intended to transfer an item of receipt or charge from the account of a work in progress or of a regular head of account to the account another work or head, should be made—

(a) in order to correct an error of classification in the original accounts;

(b) in order to adjust, by debit or credit to the proper head of account (or work), an item outstanding in a suspense account or under a debit head.

(c) in order to bring to account certain clauses of transaction which do not pass through the cash stock account, *e.g.*—

(i) for credit to "Purchases" or "London Stores", as the case may be, on account of materials received for works from sources other than stock—*vide* Articles 127 and 128;

(ii) for credit to "Public Works Deposits" on account of balances due to contractors on closed accounts—*vide*—Article 138;

(iii) for credit to Revenue heads on accounts of revenue not recovered in cash;

(iv) for original debits or credits to Remittance heads based on transactions not appearing in cash or stock accounts. *e.g.*, transfer of Tools and Plant to another Division, Department or Government when the value is recoverable from them;

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\* For the adjustment of the value of materials issued to a work from stock and the debits to "London Stores" on account of the value of stores received from England, *see* Articles 128 and 60, respectively.

- (v) for credit to the heads concerned of the several percentages leviable under the rules, *e.g.*, those on account of supervision (when not recovered in cash), establishment, tools and plant and workshop charges—*vide* Article 177;
- (d) in order to respond to a remittance transaction advised by the Accountant-General or direct by the division or department concerned, if the corresponding debit or credit to the remittance head has not appeared already in the accounts;
- (e) in order to relieve the account of a work in progress of—
- (i) items which have ceased to be debitable to the estimate for the work, and
- (ii) suspense charges which can no longer be kept within the accounts of the work (*vide* Article 136); such transfer entries are necessary either when the accounts of any contractor or of the work itself are to be closed, or when any recoveries to be made (otherwise than in cash) have become due, *e.g.*, by the transfer of stores to any other work or account.

(2) Sometimes it may be more convenient to classify items pertaining to several heads (or works), under a single head in the first instance than to classify them under each from the beginning. For example, when a joint work in which several parties are interested is undertaken, the individual transaction relating to it may be taken by the account of a single party in the first instance, but before the accounts of a month are closed the necessary distribution over all the accounts should be effected by transfer entry.

#### B.—TRANSFER ENTRY ORDERS.

106. For every transfer entry either a Transfer Entry Order should be prepared in Form P.W.A. 7 or an order recorded on another document (*e.g.*, Survey Report and Final Bill of Con-

tractor's closed account placed under "Public Works Deposits" which sets forth all the necessary particulars; *see* Article 212.

NOTE 1.—In cases in which submission to the Accountant-General of the Transfer Entry Order with the Monthly Account, *vide* Article 282, is not required; the necessary order, if not initiated by a Subdivisional Officer may be signified by the divisional Officer's initials against the entry in the Transfer Entry Book (Article 110).

NOTE 2.—A single transfer entry may cover a number of adjustment and corrections, provided that all the necessary particulars are furnished in respect of each.

#### *Local Ruling under Article 106*

When a transfer entry is initiated by a Subdivisional Officer Form P.W.A. 7 should be prepared in triplicate by using carbon Form P.W.A. 7 should be prepared in triplicate by using carbon an abbreviated entry in the Transfer Entry Book and forward the second copy to the Audit Office in support of the monthly account; *see* Article 282.

107. A Transfer Entry Order may be initiated by the Subdivisional Officer, and should be so initiated by him in all cases falling within clauses (a), (b), (c) and (e) of Articles 105 (1) which come within his cognizance.

108. The Divisional Officer should see that no transfer entry is made in the accounts unless admissible under the rules, that a transfer entry is made as soon as it becomes necessary, and that Transfer Entry Orders in respect of transactions falling under clauses (a), (b) and (c) of Article 105 (1), proposed by Subdivisional Officers, are countersigned by himself in token of acceptance.

NOTE.—Transfer entries should receive the special attention of Divisional Officers so that habitual errors and misclassifications in the accounts of subordinate officers may not remain unnoticed.

109. All Transfer Entry Orders should set forth such explanation of the correction or adjustment proposed as establishes clearly the correctness and necessity of the entry.

NOTE.—In cases corrections involving a reduction in the charges against the estimate of a work, not only should contain full particulars of the vouchers and accounts in which the erroneous charges originally appeared be specified, but also the circumstances in which the charges are allocated wrongly under the estimate for the work should be set forth clearly. It is not sufficient to state that the charges were classified erroneously in the first instance.

### C.—TRANSFER ENTRY BOOK.

110. All transfer entries which have been approved for action should be registered in the Transfer Entry Book, Form P.W.A. 8, maintained in the Divisional Office. Entries should be grouped separately for each month in the accounts of which they are to be incorporated. Before the book is closed monthly, the Divisional Office should see that no adjustments which are required to be made under any rule or order are omitted.

111. Though no transfer should be made from one sub-head to another in the accounts of a work except on the authority of a formal Transfer Entry Order approved by the Divisional Officer, the order should not be entered in the Transfer Entry Book but filed with the Works Abstract for the month in which the transfer is effected.

*Exception.*—Transfer entries proposed for transferring the amount of advance paid to the land acquisition officers from the suspense head 'Land Acquisition' to the final sub-head 'Land' within the accounts of work, with reference to the accounts and land award statements and vouchers received from the Land Acquisition Officers should be entered in the Divisional adjustment register (with full details of award number, date, designation of land acquisition officer, name of each awardee and amount are accounted for in the works abstract and schedule docket) by exhibiting minus and plus figures. Such transfer entries duly supported by Land Acquisition vouchers should be sent to audit.

## SECTION 4—REVENUE RECEIPTS

## A.—GENERAL.

112. Except in the following cases, revenue should not be credited to the head concerned until it is realised:—

(a) supervision charge on sales of stock on credit.

(b) sale-proceeds of such articles of tools and plant as are creditable under the rules of Government to the minor head "Recoveries of expenditure" by debit to "Miscellaneous—P.W. Advances".

In the case of recovery of hire charges from contractors for departmental lorries and other heavy tools and plant lent to them, the procedure indicated, in Note 3 under Article 127 shall be followed.

## B.—REGISTERS OF REVENUE.

113. Save as provided in Article 116, all revenue receipts of the division should be classified and abstracted in a Register of Revenue, Form P.W.A. 9, maintained in the Divisional Office. The receipts relating to each Irrigation, Navigation, Embankment or Drainage project for which a separate revenue account is kept, should be registered separately, and all the other receipts pertaining to a major head should be booked collectively. In States, the receipts relating to transactions of the Central Government should be recorded in a separate register.

NOTE.—Revenue receipts pertaining to (a) Military Engineer Services, (b) Railway Works, (c) Posts and Telegraphs Department Works and (d) Archaeological Works of the Central Government referred to in Article 215, should be posted in separate registers.

NOTE 2.—Revenue receipts from Irrigation, Navigation, etc., works realized in the Civil Department and paid direct into treasuries under the rules of Government will be brought to account to the credit of the revenue heads concerned direct on the books of the Accountant-General without being passed on to the Divisional Officer for adjustment.

*Local Ruling under Article 113*

In regard to irrigation revenue collected in the Revenue Department as part of the land revenue, the Accountant-General will carry out the necessary adjustments in the accounts in consultation with the Board of Revenue.

114. In this register a column should be opened for each minor head of revenue (and detailed heads subordinate to it, as required) other than "Deduct—Refunds" for which a single deduction is made from the total revenue of the month. The details of the amounts which make up the figure to be deducted should be recorded in a separate Register of Refunds of Revenue, which may also be in the same form as that of the Register of Revenue.

*Local Ruling under Article 114.*

For the accounts procedure relating to refunds of rent, see the Note under Local Ruling 4 under Article 116.

115. All receipts falling under the minor head "Receipts and Recoveries on Capital Account" should be abstracted also in the same form as that of the Register of Revenue, separately for each major head of expenditure, a separate account being kept for each project the expenditure on which is booked separately. Receipts falling under the minor head "Recoveries of expenditure" should appear in the Register of Revenue for the major head concerned under three distinct detailed heads, namely, (1) Establishment recoveries, (2) Tools and Plants recoveries and (3) Other recoveries.

*Local Ruling under Article 115.*

The detailed head 'Tools and Plant recoveries' should be sub-divided into (a) percentage recoveries, and (b) other items. In Madras the Establishment and Tools and Plant charges are met in the first instance from the single major head "50. Public Works" and the three detailed heads mentioned in the above Article are, therefore, opened only under the head "Recoveries of expenditure" appearing in the Register of Revenue for "XXXVII Public Works".

116. If in respect of rent receipts of the buildings, lands and special services, subsidiary accounts are kept in a separate Register of Rents prescribed by Government, entries should not be made in detail in any of the registers mentioned in Article 114 to 115. The monthly totals only (excluding the amounts realized

by Treasury Officers under the same accounts circle) for each class of the rents for which separate detailed heads have been opened under the minor head "Rents" should be transferred from the Register of Rents to those Registers.]

**NOTE.**—The amounts realized by deduction from pay bills cashed at treasuries subordinate to the same Accountant-General as that Divisional Officer will be credited by the Accountant-General direct, in his books to the revenue heads concerned.

### *Local Ruling under Articles 116*

1. register in Form P.W.A. XIII (Register of Rents of Buildings and Lands) should be maintained in the Divisional office to show the

(a) \*Residences for the use of the Governor, monthly assessments, realization and balances of rents for all residential buildings including office buildings,

(b) Buildings situated with in the precincts of jails hospitals, police, lines, or educational institutions which are allotted *rent-free* (i.e., free of rent of all kinds, including rent for building meter, water-supply sanitary and electric installations, etc.) under the orders of the Government to Government servants who are required to occupy particular houses in order to ensure the proper performance of their duties. used as residences) and such other buildings, land, etc., as may be available for being let. No building or site other than those which fall in the categories indicated in the margin \* should be excluded from this register on the Plea that it is intended to be occupied rent free or it is not likely to be rented, but all such buildings and sites may be grouped separately.

**NOTE 1.**—Private buildings which have been hired for use as residences or are used as such wholly or in part, should be included in this register.

**NOTE 2.**—Rent-free quarters for menials need not be entered in this register except when allotted to persons from whom rent is recoverable. Nor need rest-houses and other travellers' bungalows be entered although, rent receipts from them are also treated as rents of buildings which are required to be booked under the minor head "Rents".

2. The entries relating to the assessment of rent should be made month by month, and for this purpose arrangements should be made to obtain timely intimation (with full particulars) of all changes of tenancy from the subordinates in charge of the properties.



**NOTE.**—If any property is occupied free of rent, or if the rate for any month's assessment is neither the standard rate nor the 10 per cent of the occupant's emoluments, a suitable remark (quoting authority) should be made against the entry relating to it. If a Government servant is not entitled to but is actually allowed the benefit of the 10 per cent concession [recognized by Fundamental Rule 45 A-IV (b)] a reference to the specific orders of the Government allowing it should be recorded in the remarks column of the Register of Rents of Buildings and Lands.

3. The Divisional Officer should credit the account of the tenants in the Register of Rents of Buildings and Lands with the recoveries as certified by the Treasury Officer or disbursing or drawing officer concerned each month, whether the actual adjustment is carried out in his accounts or not: see 'Note' under Article 116 and item (1) in Article 184.

4. The total realizations of each month should be abstracted at the foot of the register, so as to show separately (1) cash realized in the division, (2) recoveries by other disbursing officers, adjusted in the divisional accounts and (3) recoveries at treasuries of the State adjustable in the Audit Office for both rents of buildings and rents of lands, etc. If any buildings are provided with special services such as furniture, etc., for which rent is charged separately, the account of rent charged for each building in respect of these services should be kept separate from that of the rent of the building itself, and in the abstract also the realization on account of each of these services should be shown separately.

**NOTE.**—Refunds of amounts recovered towards rent should be shown in minus realizations in the Register of Rents of Buildings and Lands and thus distinguished from the gross realization on account of rent.

#### *Miscellaneous Local Ruling.*

When a recovery has been ordered to be made from a contractor or other person, which cannot be watched through a suspense or other account specially prescribed for the purpose, the order should be noted at once in a Register of Miscellaneous Recoveries (Form P.W.A. XIV) opened specially for the purpose, so that the amounts recovered from time to time (with particulars of the accounts concerned) may be recorded against it and prompt compliance with the order watched.

## SECTION 5—WORKS ACCOUNTS\*

## A.—GENERAL.

117. (a) Expenditure on the construction or maintenance of work may be divided broadly into two main classes, viz., (1) Cash and (2) Stock charges. As explained in sections 1 and 2 of this Chapter, these charges should be recorded in the cash and stock accounts respectively.

(b) In addition to the charges falling under the main classes, there are other transactions affecting the cost of a work. For example, there may be charges incurred in other divisions, departments or Governments, materials received from them or services rendered by them, or there may be cash receipts such as are taken in reduction of expenditure in accordance with the directions in Articles 65 to 72.

(c) Further more, in the case of certain works, there are departmental charges, known as Establishment, Tools and Plant and Audit and Accounts Charges, which are levied on those works under the rules of Government and included in the cost of those works.

(d) All these transactions pass into the general accounts of the division in the manner described in Chapter IV and are thence incorporated in the accounts of the State. As, however, the units of classification adopted in the general accounts in respect of expenditure are the heads of account not designed to correspond with individual estimates for works, or contract accounts, separate accounts have to be maintained in Sub divisional and Divisional Offices for recording (1) the cost of individual works and (2) the transactions of individual contractors. These are known as Works Accounts.

\* N.B.—The procedure prescribed in this section is primarily applicable to the Public Works Department. The detailed procedure for the Electricity Department, which is somewhat different, is outlined in the Departmental Manual.

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*Local Ruling under Article 117.*

Although the Primary object of the accounts of work is to exhibit simply, but accurately, the actual cost of work done, the rules frequently require the upkeep of separate accounts for the several component parts of a work which are not required to attain this object. There are two main reasons for this. In the first place, it is often desirable to have details which will satisfy the need for statistical information and for analysis of the comparative cost of various classes of work, of types of buildings, etc. The more important reason, however, is that in the case of the larger works, especially if the period of construction is a prolonged one, it would not be possible for the Divisional Officer to exercise efficient financial control over the recorded transactions of the cost of a work if only the total cost were recorded in the accounts of the work. The Divisional Officer's personal knowledge of the executive arrangements for the execution of a work, and of the actual progress of work, must be supplemented by a comparison, monthly, of the cost as recorded in the accounts with the value received in the shape of work done. This monthly comparison is obviously impossible unless the total cost is split up into convenient parts in such a way that, as far as possible, the cost of each distinct part may be compared with the work done thereon.

118. In recording the cost of an individual work in the accounts, no attempt should be made to include in the cost any charges for general services like Establishment and Tools and Plant, the entire cost of which should be adjusted in the general accounts under the prescribed heads of classification. But, if any service connected with the working estimate for a work is rendered by another division, department or Government and the claim made by it includes an authorised charge on account of such general services, such charge should be adjusted in the accounts of the work as part of the cost of the work in the same way as if the service had been rendered by a contractor.

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NOTE.—The cost of special establishment employed on the acquisition of land taken up for a work when debitable to the Public Works Department should be treated as a part of works expenditure.

*Local Rulings under Article 118.*

1. When the cost of special tools and plant is included in the cost of a work, the rules in section 2 regarding numerical lists of returns will apply *mutatis mutandis* and adjustments on account of the cost of tools and plant transferred to other works, divisions or departments will be governed by Local Rulings 16 and 17 under Article 92.

2. Lumpsum charges of the Establishment and Tools and Plant recoverable from other Governments and departments, for works executed for them as a standing arrangement, should not be included in the accounts of the works, but dealt with under the rules in Appendix 5.

119. All initial accounts and vouchers connected with charges relating to works must specify invariably—

- (1) the full name of the work as given in the estimate,
- (2) the name of the component part (or "sub-head") of it, if separate accounts are kept up for the several component parts; and
- (3) any charges which are of the nature of recoverable payments and the names of the contractors or others from whom recoverable.

**B.—DETAILED RECORDS.***1. —Cash Charges.**(a) INTRODUCTORY*

120. Cash charges on works consist of payments to (1) labourers and members of work-charged establishment of their wages and (2) contractors and others for work done or other services rendered.

*(b) Muster Rolls.*

121. Save as provided below, an account of labourers employed daily on each work the amount of wages due to each