

EXTENT OF APPLICATION
PUBLIC WORKS ACCOUNT RULES

CHAPTER I
EXTENT OF APPLICATION

1. The rules contained in this volume describe the financial transactions of the Public Works Department, the procedure followed in connexion with the initiation and execution of works, maintenance of the stock, stores, materials and tools and plant, the initial accounts maintained in the department and the accounts submitted to the Accountant-General. They are supplementary to the general rules contained in Volume V of the Financial Hand-book which are applicable to the Public Works Department, unless there are something repugnant in the subject or context or except to the extent that they are modified by the rules in this volume.

2. As explained in paragraph 2 of Volume V of the Hand-book, this volume contains subsidiary and Financial Rules of the Government and also the Rules made by the Comptroller and Auditor- General containing his directions under Article 150 of the Constitution and under Rules issued under paragraph 11 (3) of the Government of India Audit and Account Order, 1936 (See Appendix I to Volume V of the Handbook), as adapted by the Indian (Provisional Constitution) Order, 1947 prescribing the methods or principles in accordance with which accounts are to be kept in the department and rendered to the Accountant-General on prescribed dates and also the forms in which the accounts are to be maintained and rendered to the Accountant-General. No Rule of the Comptroller and Auditor-General, included in the Hand-book, should be amended without the concurrence of the Accountant-General.

2-A. The department is also occasionally entrusted with the execution or upkeep of buildings or works the charges on account of which are met from the revenues of the Central Government. Rules relating to such works or charges prescribed by the Comptroller and the Auditor-General are included in the relevant chapters of this book.

3. The rules in this volume may be supplemented by orders and detailed instructions which may be issued by the administrative department of the Government in consultation, where necessary, with the Finance Department. The orders and instructions so issued should be considered as authoritative in so far as they may not be in conflict or inconsistent with the Rules in this volume.

CHAPTER II

DEFINITIONS

- 4- Unless there be something repugnant in the subject or context, the terms defined in this chapter are used in this volume in the sense here explained. These definitions are supplementary to those contained in Chapter II of Volume V of the Hand-book.
- 5- Administrative Approval – See paragraph 316.
- 6- Advance Payment -- Means a payment made on a running account to a contractor for work done by him but not measured. See also paragraph 457.
- 7- Appropriation -- See paragraphs 113 and 114
- 8- 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 advances or recoverable payments and sale-proceeds or transfer value of surplus materials.
- 9- Assistant Engineer (\$) -- Unless the contrary is evident from the context, this term includes assistant executive engineers also.
- 10- Commercial Department – See Appendix IX to volume V of the Hand-book.
- 11- Completion and Completed – In this volume and in all the Public Works Account forms “Completion of a work” may be understood to include “Abandonment of a work” and “Completed” to include “Abandoned”.
- 12- Contingencies (Works) -- When used in respect of the accounts of works, the terms “contingencies” indicates the incidental expenses of a miscellaneous character which cannot appropriately be classified under any distinct sub-head or sun-work, yet pertain to the work as a whole.
- 13- Contract and Contractor-- The term contract, as used in this volume, 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 connexion with the execution of work 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.

14- Department—This term, when qualified by the prefix “The” , is used to indicate the Public Works Department, unless the contrary is evident from the context.

15- 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 chargeable either to cash deposits made for the purpose, or to their credit balances at treasuries. See also paragraph 629.

16- Detailed Head-- See paragraph 85.

17- Direct Charges and Direct Outlay -- These expressions, as distinguished from “Indirect charges” and “Indirect outlay” (vide paragraph 27) are applied to those charges pertaining to a work, project or job which are directly incurred for its execution and are included in the regular accounts of it.

18- Direction Office -- This term indicates the office of an administrative officer who has one or more divisional officers working under this orders and is not himself entrusted with the execution of works or with the receipt and disbursement of Government money, e.g., a chief, or a superintending engineer, or a superintendent of works of works; but if such an officer is also entrusted at any time with the receipt and disbursement of Government money, he is treated as a divisional officer for the purposes of this volume, even though some part of his emoluments may be treated as direction charges.

19- Direction Officer-- The head of a direction office is known by this designation .

Explanation – A government servant holding the rank of a superintending, or a chief engineer is not a direction officer, unless the direction of the business of one or more divisions is entrusted to him. Thus, a superintending engineer employed on special duty is not direction officer.

20- Direct Receipts -- These receipts, as distinguished from indirect receipts (vide paragraph 28) relate to items of revenue receipts which are realized in connexion with a work or project either by officers of the

department or of other departments and are directly brought to account as appertaining to the work or project.

21. Division and Divisional Officer -- Throughout this volume these terms are used to denote respectively the executive charge held by a divisional officer (paragraph 22 below) and the head office of such a charge. Thus, the officer of an independent executive sub-division will be treated as a divisional office for the purposes of this volume, as also that of the superintendent of a workshop working independently of a divisional officer.

22. Divisional Officer-- In this volume, this term is applied to an executive officers of the department who is in charge of the division and is usually of the rank of an executive engineer. It is also applicable to an officer of the 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. Thus, the officer in charge of an independent sub-division will also be treated as a divisional officer for the purposes of these rules. See also paragraph 18.

Government Servants of other departments who disburse money on behalf of the Public Works Department and are required to render their accounts direct to the Accountant-General, are also referred to as divisional officer in this volume.

NOTE :- In the absence of a specific delegation, the financial or administrative powers of an executive engineer may not be exercised by a divisional officer who dose not belong to the grade of an executive engineer by reason merely of his being treated as a divisional officer under this paragraph.

23. Expenditure Sanction – See paragraph 317.

24. 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.

25. Grant-- See paragraph 111.

26. Inclusive Rate of Cost-- See paragraph 47.

27. Indirect Charges and Indirect Outlay-- These expressions are applied to those charges and capital outlay respectively, which pertain, or are incidental to a work, project, workshop job, or manufacture job, but which are not incurred directly and solely in connexion therewith and thus cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the expenditure of the department.

28. Indirect Receipts-- Receipts which pertain, or are incidental, to scheme or work, but cannot be directly taken into such detailed accounts of it as are incorporated in the regular accounts of the receipts of the department.
29. 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.
30. 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 calculating the amount creditable to the stock account by charge to the account or service concerned, when any quantity of that article is issued from stock.
31. Labour-- When a separate materials account is kept for one or more sub-heads of an estimate and the term “Labour” is used in connexion 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 connexion with the materials.
32. 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, have fallen due, have or have not been placed to the credit of the person concerned in a suspense head subordinate to the accounts of the work concerned.
33. Local loan works -- As used in this volume expression indicates works executed by the department on behalf of a municipality, or other corporation, when the cost of the works is to form part of a loan given to it by Government for the purpose.
34. Major estimate -- Is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure exceed Rs. 50,000. This term is also applied, for the sake of convenience, to the work itself. See also paragraph 314.
35. Major Head-- See paragraph 85.
36. Market Rate-- Used in respect of an article borne on the stock accounts of a division, this term indicates the cost per unit at which the article, or an article of similar description, can be procured, at a given time, from the public markets suitable to the division for obtaining a supply thereof.

This cost should be inclusive of carriage and incidental charges, and may even include a reasonable provision for wastage and depreciation when these are inevitable.

37. Minor Estimate-- Is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure exceeds Rs. 20,000 but does not exceed Rs. 50,000. This term is also applied, for the sake of convenience, to the work itself. See also paragraph 314.

38. Minor Head-- See paragraph 85.

39. 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 duty 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.

40. 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.

41. Outturn -- Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished product (or of the work done in cases in which the articles wrought are not supplied departmentally) of manufacture operations connected with specific jobs.

42. Payment on Account-- See paragraph 39.

43. Petty Estimates-- Is a term applied to the estimate for a work when the sanctioned amount of the work expenditure does not exceed Rs. 20,000. This term is also applied, for the sake of convenience, to the work itself. See also paragraph 314.

44. Progress-- Means the up-to-date quantities of work done or supplies made.

45. 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.

46. Rate-- In estimates of cost, contracts, contractor's bills and vouchers generally, rate means the consideration allowed for each unit of work, supply,

or other service. Except in the case of lump sum contracts, every bill or other demand for payment should, as far as possible, set forth the unit rate at which payment is to be made.

47. 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 recoded cost per unit, as arrived at by dividing up – to-date final charge on a sub-head by the up-to-date progress there of “Inclusive rate of cost” means the rate of cost of the entire work relating to a sub-head, including the cost of material if recorded separately in the accounts.

48. Re-appropriation -- Means the transfer of funds from one unit of appropriation to another such unit. See also paragraph 113.

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

50. Running Account- Is a term applied to the account with 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.

51. Sectional Officer- this designation is used in this volume to describe those official, usually non- gazetted subordinates, who are placed in responsible executive charges of works of stores under the orders of the officer in charge of a recognized division or sub-division, and the accounts of whose transactions are, therefore, ultimately incorporated in those of the division or sub-division concerned.

52. Secured Advance-- Is a term applied specifically to an advance made, on the security of materials brought to sites of work, to a contractor whose contract is for the completed items of work. See paragraph 456

53. Special Officer-- The office of a special officer (vide paragraph 54).

54. Special Officer (or Specialist Officer)-- This term is applied, in this volume, to such officials of the department as are neither divisional officers nor official subordinate to a divisional officer and have no divisional

officers working under their control, e.g. the consulting architect the electric inspector, etc.

55. Sub-divisional Officer- this designation is applied primarily to an official, whether a gazetted government servant or not, who holds the charge of a recognized sub-division in sub-ordination to a divisional officer, but then immediate executive charge of any works or stores has not been constituted into a regular sub-divisional 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 holds the immediate charge of the recognized sub-divisional in addition to his own duties as the executive had of the divisional he is treated as the sub-divisional in respect of the charge of the sub-division

56. 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 descriptions 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, wood-work, etc, are usually treated as the sub-heads of it.

NOTE—The term “sub-head” as used for purposes of appropriation audit is explained in paragraph 111.

57. Subordinate (s)-- Unless the contrary is clear from the context, this term includes members of the subordinate engineering service of the department, also upper and lower sub-ordinates who have not been appointed to that service but hold the posts of overseers or sub-overseers.

58. Sub-work-- In the case of a large work consisting of several building or smaller works, or groups thereof, the term sub-work is often applied to a district of the same of 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 watercourse scheme, and special tools and plant, all form separate sub-works.

59. Supervision Charges-- This term is ordinarily applied to the charges which are levied in addition to book value, in respect of stock materials sold to the public or other departments, and are intended to cover such items of the expenditure incurred on the stores as do not enter their book value.

60. Suspense Account—This term is applied primarily to certain heads of account, falling under the minor head “suspense” of a major head of expenditure, which are reserved for the temporary passage of such transactions as must at once be taken to 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 accounts 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 paragraph 497.

61. Technical Sanction—See paragraph 318.

62. Water course-- This name is given to a channel for the supply of water from an irrigation work, which falls under the definition of the term as given in the canal Act applicable to the area concerned. The definition given in the Northern Indian Canal and Drainage Act of 1873 is as follows :

“Watercourse means any channel which is supplied with from a canal, but which is not maintained at the cost of Government, and all subsidiary works belonging to any such channel.”

63. 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 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 workshop.

64. Works expenditure and Works Outlay – These terms are used to indicate respectively the expenditure, and the capital charges, on the special services connected with the construction, repair, and maintenance of works. The charges falling under these categories may be met 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 establishment or any charges not taken to final heads of account but kept under one of the suspense accounts.

CHAPTER III
DUTIES OF THE DEPARTMENTAL OFFICERS
A- GENERAL

65. The duties of departmental officers are generally laid down in the rules of this chapter. In respect of particular matters, they are also laid down in the rules contained in other chapters of this volume.

B- CHIEF ENGINEER

66. The Chief Engineer will exercise a concurrent control with the Accountant General, over the duties of the officers of the department in maintaining accounts and will give legitimate support to the Accountant-General in enforcing strict compliance with the rules concerning the disbursement of money, the custody of stores and submission of accounts. He has a claim on the Accountant General for assistance and advice in matters relating to accounts and finance. He is also bound to arrange that the Accountant General is kept fully cognizant of all proceedings and proposals to enable the latter to fulfill his function.

67. He will prepare, annually, the portion of the budget estimates relating to the works under his control. It will be his duty to administer the grant, and with this object to keep a close watch over the progress of the expenditure against it, with a view to seeing that no excess is permitted to occur, and that, if additional appropriation is required, application for the same is made. The general supervision and control of the assessment of revenue from irrigation and navigation works within the limits of his charge will also rest with the Chief Engineer, who will frame the necessary estimates and watch carefully the progress of the realizations during the course of the year.

68. He will see that the grant of the year is fully expended in so far as is consistent with general economy and the prevention of large expenditure in the closing months of the year for the sole purpose of avoiding lapses and be responsible of ensuring that any money which is not likely to be needed during the year is promptly surrendered, so as to allow of its appropriation for other purposes by the proper authority.

69. *(Omitted)* .

C-- SUPERINTENDING ENGINEER

70. The Superintending Engineer will inspect the state of the various works within his circle and satisfy himself that the system of management prevailing is efficient and economical, that different articles in stock are duly verified according to the rules laid down, and that there is no accumulation of stock in any division beyond its requirements.

71. He will also inspect the divisional offices under him at least once a year, and will forward for the information of the Chief Engineer reports of his inspections in the prescribed form, detailing therein the result of his examination of initial accounts, accounts of stock, tools and plant and stock manufacture, register of works, and other divisional accounts and papers, mode of preparation of estimates, contract agreements, contractor's accounts, revenue registers and office work generally.

72. He will further see that the authorized system of accounts is maintained throughout his circle and examine the books of divisional officers and their subordinates, and see that matters relating to the primary accounts are attended to personally by the divisional and sub-divisional officers, and that the accounts fairly represent the progress of each work. He will examine the register of works so as to keep a vigilant watch over the rates of work, and when he considers it necessary, he may require a divisional officer to report to him monthly or at longer intervals on a works slip in form no. 39 the total expenditure to date under each sub-head of work, in contrast with the sanctioned estimate. It will thus be seen that it rests with the Superintending engineer to investigate excesses over sub-heads with a view to decide whether or not a revised estimate will be required for the work. When a revised estimate is required it will also devolve on the superintending engineer to see that it is submitted in due time to the sanctioning authority, vide paragraphs 79 and 395. He is also responsible that no delay is allowed to occur in the submission of completion reports.

73. The supervision and control or assessment of revenue from irrigation and navigation works within his circle will rest with the superintending engineer.

D—SUPERINTENDENT OF WORKS

74. For any particular work or series of works, too large to form a single executive charge, but requiring the entire energies of an engineer for their

efficient supervision, a superintendent of works (with divisional officers under him) may be appointed, who may, subject to competent sanction, receive a special pay or allowance in addition to his pay. A superintendent of works will exercise the powers laid down for superintending engineers.

E-- DIVISIONAL OFFICER

75. The divisional officer is responsible to the superintending engineer for the execution and management of all works within his division. He is strictly prohibited from commencing the construction of any work or incurring any expenditure without the sanction of the competent authority, also from making or permitting any, except trifling deviations from any sanctioned design in the course of execution except under specific authority, or in case of emergency, when the change should be forthwith reported to the superintending engineer. Immediately on a work being completed it will be the duty of the divisional officer to close the accounts and prepare the completion report, if required by the rules in paragraph 399.

76. The divisional officer will take necessary steps for obtaining cash for the works under his control, keep his accounts and submit them punctually to the Accountant General, under the rules for the time being in force and exercise a thorough and efficient control and check over his divisional accountant. He will also before submitting the monthly accounts carefully examine the books, returns and papers from which they are compiled.

77. The divisional officer is responsible for the correctness, in all respects, of the original record of cash and stores, receipts and expenditure and for seeing that complete vouchers are obtained. He is also responsible to see that his accounts are regularly posted from day to day and that the accountant carries out his duties regularly and punctually. The relative position of a divisional accountant to the divisional officer in respect of accounts is analogous to that of a sub-divisional officer to a divisional officer in respect of works, and the responsibilities of the latter for the work of the divisional accountant are similar to those which attach to him in respect of the execution of works in the charge of other subordinates.

78. The divisional officer is responsible for the detailed assessment of the revenue to be obtained from irrigation and navigation works within his division and will maintain such records and accounts for the purpose as may be prescribed.

79. The divisional officer is held primarily responsible for affording information in cases of probability of excess of actual over estimated cost of work, and is expected not to allow any delay to occur in reporting to the superintending engineer any such probability. Immediately on its becoming apparent that whether from excess of certain rates or from departure from a design or any other cause, the estimated cost of a work is likely to be exceeded, the divisional officer is bound to report the fact forthwith to the superintending engineer describing the nature and cause of the probable excess and asking for orders. This report should be made on works slip. Form no. 39. The divisional officer must also submit the works slip, with such explanation as will enable the superintending engineer to pass orders on the case, on the occurrence, or the probability of the occurrence, of any irregularity in the rate or cost of a sub-head. All important liabilities not brought to account should also be noted on the works slip.

NOTE—It will not be necessary for the divisional officer to submit the works slip in cases which he can pass finally excesses over estimates under his financial powers (See volume I of the Handbook).

CHAPTER IV
GENERAL OUTLINES OF SYSTEM OF ACCOUNTS
A—CLASSIFICATION OF TRANSACTIONS

80. The department executes primarily works of all classes under its control. It also

Civil works (Civil building and communication), Irrigation works, Navigation works Embankment works, Drainage works.

executes civil works required for other department of the Government, except such as are entrusted to the administration of the departments concerned, under the rules contained in Chapter XIII of volume V, part I of the Handbook. Civil works of the Central Government or other State Governments or of the Defence Department or

Railway works, may also be entrusted to the department, either occasionally or as a standing arrangement and at times works for the public works or other departments of other administrations and non-government works may also have to be undertaken.

NOTE- (1) Besides the foregoing petty services, such as the manufacture or supply of stores, are also undertaken by divisional officers.

(2) The general principles to be followed in the classification of Civil works expenditure are laid down in Article 33 of the Account Code, Volume I.

81. Transaction relation to the charges and receipts connected with the services pertaining of the Civil works chargeable to the revenues of the State are adjusted Finally in the accounts of divisional officers against the appropriations therefore Placed at their disposal. Transactions connected with the service for other Government works including civil works for departments of the central Government are not so adjusted finally, but pass eventually out of the accounts of divisional officers for incorporation in the account of the departments and administration concerned. Outlay on non-Government works is charged against the deposits received therefore.

1- When a public Works division undertakes a service on behalf of another division in the State, the connected receipts and charges are passed on for adjustment finally in the accounts of the latter division.

2. Operations undertaken in the manufactories and workshop of a division on behalf of other divisions, departments local bodies or individuals are treated as operation of the division in the first instance, but the entire cost is ultimately recovered from the party concerned.

82. In all cases the primary accounts of these transactions should be kept in accordance with the rules in this volume even though the ultimate cost of the transactions may not have to be brought to account finally in the books of the divisional officer.

83 The performance of these services and the subsidiary proceedings gives rise to a number of other transactions with other departments, etc. which have also to be brought to account e.g. fund have to be obtained from treasuries to meet liabilities incurred, receipts realized have to be lodged in treasuries, and stores have to be obtained from other divisions or departments or from England.

84. The transactions of Public Works Officers may thus be grouped under the head indicated below:

I. Expenditure heads: for charges adjustable finally in the accounts of divisional officers.

II. Revenue heads: for revenue receipts creditable finally to the revenues of the State in the accounts of divisional officers.

III. Remittance heads: receipts as well as payments for cash, stores or other values received from or paid to or on behalf of other divisions or departments.

IV. Debt and Deposits heads: for certain receipts and payments held in suspense pending clearance by payment or recovery (as the case may be) in cash or otherwise. The suspense accounts for transactions of this group are treated either as head subordinate to the expenditure heads or as independent heads of accounts as will be explained in later chapters.

85. The transactions under each of the above are further sub-dividend for purposes of accounts. In the case of expenditure and revenue heads, the main unit of classification is known as the major head, and the further divisions of it as minor heads, each of which has a number of subordinate heads, generally known as detailed heads (see also paragraph 111).

1. For departmental purpose, 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:" is used for all divisions subordinate to a minor head.

2. In the case of irrigation, navigation, embankment, drainage and water storage work the subdivisions into which the minor head "works" is divided for departmental purposes are called "sub-works" and the further sub-division of the latter as "detailed heads".

86. The detailed classification of the accounts heads used in respect of Public Works Accounts is given in Appendix I.

1- To meet local requirements, the Accountant General may subject to the direction contained in Article 27 of the Account Code Volume I, make necessary changes in the standard list of detailed heads.

2- In the case of works of other departments and Governments undertaken by the Public Works Department as a standing arrangement, the prescribed classification applicable to the connected transaction is intimated by the Accountant General.

87. The revenue and expenditure classified under the prescribed major and minor heads of accounts fall under two main divisions :

(1) Central – revenue and expenditure administered by the Central of the Government.

(2) State-- revenue and expenditure entrusted to the control of the Government.

88. Revenue is realised and placed to credit of the State Government as it falls due under the statutory or other rules governing it, but expenditure can be incurred only against grant voted by the Legislature, or against the appropriation provided for to meet charged expenditure. A list of items charged on the Consolidated Fund of the State (i.e. the items which are not subject to the vote of the Legislatures) will be found in the Budget manual.

NOTE-The term 'expenditure' includes expenditure on leave salary, deputation pay etc. incurred in England by the High Commissioner for India and eventually adjusted against the grant of Department.

89. *(Omitted)*

90. Revenue and expenditure relating to works of the Central Government entrusted to the control of the Public Works Department, should be classified separately from the transactions relating to the revenues of the State. (See paragraph 747 and 749).

The incidence of revenue and expenditure under the Central or State Government is determined by the division of subjects as detailed in the seventh schedule of the Constitution (See also paragraphs 445-A to 445-C of Volume V of the Handbook).

91 *(Omitted).*

B- SYSTEM OF ACCOUNTS

92. The main features of the system of Public Works Accounts are—

(a) The divisional officer is the primary disbursing officer of the division who is permitted to obtain by cheques on the treasury the funds required for all disbursements in connexion with the execution of works. He also collects some of the departmental receipts of the division and pays them into the treasury.

(b) The accounts of these receipts and disbursements (including-the transactions of subordinate official acting on his behalf) are compiled under his supervision by an accountant posted to his office by the Accountant-General and are submitted monthly to the Accountant-General who audits them against sanctions and appropriation of fund and then incorporates them in the accounts of the State.

(c) He is further required to maintain clear accounts of all stores received by him and to make these accounts available for audit by the Accountant-General.

(d) Under each major-head of expenditure, the charges on each project, work, or sub-work are recorded separately in the accounts of divisional officers. In the case of works of certain classes (See examples cited below), *pro forma* accounts of all transactions connected therewith are prepared annually by the Accountant-General and for this purpose, the receipts pertaining to each work of this class are also shown separately in divisional accounts :

(i) Irrigation, navigation, embankment and drainage works for which both capital and revenue or only revenue accounts are kept.

(ii) Quasi-commercial undertakings, such as self - supporting workshops.

(iii) Residential buildings.

(e) personal payments to all government servants of the department are made on bills presented at the treasury in accordance with the general rules in volume V of the Hand book applicable to all civil departments and are therefore brought to accounts by the Accountant-General himself from data furnished to him direct by treasury officers.

93. It is not sufficient that an officer's accounts should be correct to his own satisfaction. A disbursing officer has to satisfy not only himself, but also the Audit Department, that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an account is correct in all respects. It is necessary that all accounts should be so kept and the details so fully recorded, as to afford the requisite means for satisfying any enquiry that may be made into the particulars of any case, even though such enquiry may be as to the economy or the bona fides of the transactions. It is further essential that the records of payment, measurement

and transactions in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts, it required in a court of law. All transactions involving the giving or taking of cash, stores, other properties rights, privileges and concessions which have money values should be brought to account. The record of transaction of receipt or expenditure should always be made at once 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, then the transaction should be temporarily classified under the head "Deposits" if a receipt or under Miscellaneous P.W. Advances, if a charge. (See Appendix I).

CHAPTER V
RELATIONS WITH AUDIT
A—GENERAL

94. The divisional officer, as the primary disbursing officer of the division, is responsible not only for the financial regularity of the transaction of the whole division but also for the maintenance of the accounts of the transactions correctly and in accordance with the rules in force. (See paragraph 77).

95. The divisional officer is further required to submit his account to the Accountant-General who has to apply to them such audit checks as may, from time to time, be prescribed by the Comptroller and Auditor-General under the rules in Appendix I of Volume V of the Handbook. (See also paragraph 76).

The accounts returns which have ordinarily to be submitted for audit and compilation are enumerated in Chapter XXV, but the Accountant-General is authorized to call for additional accounts, books papers and writings having relation thereto, should he consider them necessary for the elucidation thereof.

96. The divisional officer is responsible that the accounts of his division are not allowed to fall into arrears; but if arrears or confusion arise which in his opinion cannot be cleared with-out the assistance of the Accountant-General he should once apply for such assistance.

B-DIVISIONAL ACCOUNTANT

97. To assist Divisional Officers in the discharge of their responsibilities referred to in paragraph 94 and 95 above, the Accountant-General will post a divisional accountant to each divisional office.

1- Rules regarding the establishment of divisional accountants are given in Appendices II and III.

2- The employment, as an accountant in a divisional office, of any person who does not belong to the establishment of divisional accountants is not permissible. But when a regular accountant is not available, and as a purely temporary arrangement, the Accountant-General has to entrust to a clerk the duties of a divisional accountant he will be appointed to officiate as a divisional accountant in the particular vacancy, even though he be not eligible for each appointment under the rule in Appendix II.

98. (a) The Functions of the divisional accountant are three fold :
(i) as accountant, i.e. as the compiler of the accounts of the division in accordance with the prescribed rules and from the data furnished to him;
(ii) as internal checker charged with the responsibility of applying certain preliminary checks to the initial accounts, vouchers etc. (See Chapter XXV) ; and

(iii) as financial assistant, i.e., as the general assistant and adviser to the divisional officer in all matters relating to establishment, the accountants and budget estimates, or to the operation of financial rules generally.

(b) In the discharge of these duties he is expected to keep himself fully conversant with all sanctions and orders passing through the office and with other proceedings of the divisional officer and his subordinates which may affect the estimates or accounts of actual or anticipates receipts and charges. He should advise the divisional officer or on the financial effect of all proposals for expenditure and keep a watch, as far as possible, over all the liabilities against the grants of the division as they are incurred.

(c) The divisional officer should see that he is given the fullest opportunity of becoming conversant with these sanctions, orders and proceedings. To enable him to discharge his duties efficiently the divisional accountant is treated as the senior member of the office establishment of the division, though his position is analogous to that of a sub-divisional officer, vide paragraph 77.

99- The divisional accountant is expected to see that the rules and orders in force are observed in respect of all the transactions of the divisions. If he considers that any transactions or order affecting receipts or expenditure is such as would be challenged by the Accountant General if the internal check entrusted to the accountant were applied by the former, it is his duty to bring this fact to the notice of the divisional officer with a statement of his reasons, and to obtain the orders of that officer. It will then be his duty to comply with the orders of the divisional officers, but if the has been overruled and is not satisfied with the decision, he should at the same time make a brief note of the case in the register of divisional accountant, objections form no. 60 and lay the register before the divisional officer, so that the latter may have an opportunity either of accepting the divisional accountant's advice on reconsideration and ordering action accordingly, or of recording for the information of the Accountant General his reasons for disregarding that advice. An objection entered in this register should not be considered as finally disposed of until it has been reviewed by the Accountant General for whose inspection the register should be available at all times.

If no audit inspection take place in a year and entries have been made in the Register during the period since the last inspection, the Register, or if the entries are an extract there from should be submitted to the Audit Office in the month of April for review.

99. A. (i) The Divisional Accountant is responsible for the arrangements for checking the computed tenders i.e. for seeing that satisfactory and efficient arrangements are made for checking.

(ii) He should conduct personally a test check of the computed and checked tenders sufficient to satisfy himself reasonably that the checking work has been properly done; and

(iii) He should see that the comparative statement correctly incorporates the totals as checked on the individual tenders.

100. (a) The divisional accountant should bring to the divisional officer's notice all instances in which subordinate officers exceed the financial limitations on their powers placed by the Divisional Officer or higher authority.

For example, if the divisional officer is allowed a lump sum appropriation for expenditure on a group of work, and he has made out of it appropriations for individual works, expenditure should be watched against individual appropriations and excess brought to the divisional officer's notice.

(b) He may further be required by the divisional officer to undertake, on his behalf, such other scrutiny of the accounts of the receipts and disbursements of subordinate officers falling within the divisional officers own powers of sanction, as the latter may consider necessary.

(c) The divisional accountant should not as a rule be required to receive, or pay out, cash, but in Irrigation and Local Self-Government Engineering Departments where the monetary transactions at the headquarters of the divisional office are not large either in number or in amount the divisional office may, on his own responsibility and with the previous consent of the Accountant-General entrust the receipt and disbursement of cash to the divisional accountant. The divisional accountant should not, however be normally authorised to issue final receipts in the forms prescribed in paragraph 149 over his own signature. (See also rule 1 under paragraph 149).

101- The divisional accountant is further expected to inspect periodically at least once a year under the orders of the divisional officer the accounts records of sub-divisional offices and to check a percentage of the initial accounts. The defects noticed should be reported to the divisional officer for orders, but the divisional accountant will be responsible, as far as possible, for personally explaining the defects of procedure and imparting necessary instruction thereon to the sub-divisional officers and their staff.

1- The results of these inspections should be placed on record for the inspection of the Accountant-General, but serious financial irregularities should be reported at once for the information of that officer, even though set right under the orders of competent authority. See paragraph 82 of Volume V of the Handbook, requiring a report to be made immediately to the Accountant-General of all defalcations or losses of Government money, Stores or other property.

2- The accounts of interest-bearing securities maintained by Sub-Divisional officers should be examined to see that the rules relating to them are observed and that the register in form no. 85 is correctly maintained and with this object a few transactions of the register should be compared with the entries in the cash-book or other account, and vice versa. The securities certified in the last annual account of interest bearing securities, form no. 86 as being on hand should be verified by inspection as far as possible, and it should be seen, in respect of such of them as are not produced for inspection that there are in existence either the original acknowledgements of the depositors bearing dates subsequent to the dates of the last account or the acknowledgements of the authorized custodians, as the cash may be.

102. Two sets of questions for the guidance of the divisional accountant are contained in Appendix IV. Part I of the questions contains the subjects, which should necessarily be examined by the Accountant. Part II refers to matters about which the accountant should obtain, before commencing his inspection, the specific orders of the divisional officer in writing as to whether he should examine them or whether the divisional officer would take them up. The accountant will then take up those subjects in Part II, which the divisional officer has ordered him to do so. The remaining points therein should be examined by the divisional officer himself.

103. The divisional officer has a right to seek the advice of the Accountant-General in all matters connected with the accounts of his division or the application of financial rules and orders concerning which there may be any doubt. It will usually be desirable, however, that he should first obtain the advice of the divisional accountant who is specially trained for this duty, and this should be done in writing in all cases of importance.

C—AUDIT INSPECTIONS

104. The Accountant-General arranges for the periodical test audit and local inspection of the accounts of divisional and sub-divisional offices, and the divisional officer is responsible that the initial accounts and other connected records are made available for inspection. Inspecting officers are required, if possible, to discuss the drafts of their reports with the head of the office inspected before submitting them to the Accountant-General and, for this purpose, it is desirable that the head of the office should be present at the inspection unless his presence is urgently required elsewhere.

D—COMMUNICATION OF SANCTIONS TO AUDIT

105. As a general rule, every sanctioning authority is responsible that all sanctions and orders against which audit of receipts or disbursements to be

conducted in the audit office are communicated to it.

1- In the Public Works Department sanctions to both estimates and appropriations are communicated by divisional officers to the Accountant-General through monthly lists of sanctions in form no. 60-A, while in the Irrigation Department sanctions to estimates are communicated monthly through minor works returns. Sanctions to appropriations of the divisional officers in the Irrigation Branch are communicated to the Accountant-General monthly in a consolidated statement through the superintending engineer, who includes therein his own sanction also, Copies of all sanctions by the deputy Chief engineer in the Public Works Department and other higher officer in both the departments are forwarded from time to time as they are accorded. (See paragraph 686 to 688).

2- Audit against sanctions accorded by the divisional officer is conducted in the audit office only in respect of technical sanctions to estimates and sanctions to write-off stores or losses of Government money. In respect of other sanctions of the divisional officer the divisional accountant is responsible for the necessary check, vide paragraph 100.

3- Sanctions to Contract agreements accorded by officers higher than the divisional officer should be communicated by them to the Accountant-General in such form as to enable that officer to audit the payments to contractors, on the basis of rate sanctioned for each item of work or supply and other necessary terms and conditions. Duplication of agreements in no case be required that is to say an authority, who has concluded an agreements should not be required to draw up and sign again an agreement already executed.

4- All Sanctions to works in connexion with official residences of the Governor whether original works or special or ordinary repairs, should be referred to the Accountant-General for pre audit and must be accepted by him before any expenditure on the works is incurred . The Military Secretary to the Governor may however authorise the execution of urgent works in any of the residences up to a limit of 10 per cent of the annual provisions for original works. (See Appendix VI).

5- It is not necessary to supply Administrative Approvals to the Accountant-General Technical sanctions need be communicated to the Accountant-General only in respect of work relating to projects costing more than Rs. 25 lakhs and non-project works costing more than Rs. 10 lakhs. Financial sanctions otherwise Known as expenditure sanction and allotment of funds should be communicated to Audit. Copies of abstract of estimates need not be supplied to audit unless specifically asked for.

E—RESULTS OF AUDIT

106. The results of audit are communicated to the divisional officer in the form of audit notes, objection statements, inspection reports, letter or memoranda. These should receive prompt attention, vide paragraph 79 of Volume V of the Handbook, and the replies of the divisional officer should be based, as far as possible, on his own knowledge. It is not enough to pass on the explanation of a subordinate; reports prepared in this manner have more than once by lulling suspicion, led to greater irregularity afterwards.

107- Part I of the audit note and inspection reports should be returned through the superintending engineer after the divisional officer has recorded his replies thereon. The superintending engineer will pass orders in respect of matters which he is competent to deal with finally and record his remarks (with a note of the action taken), on all other points, before returning the documents to the Accountant-General.

NOTE—As an exception to the above rule, the Divisional officer may send his first reply to an Inspection Report direct to the Accountant-General.

108- Once a transaction has been entered in the objection statement, or otherwise challenged in one of the other document referred to in paragraph 106, the responsibility for having the objection removed will devolve upon the divisional officer, and the Accountant-General is required to report to the higher authorities cases in which objection are not cleared within a reasonable time.

An audit objection is usually removed by obtaining the requisite sanction, by making the necessary recovery by correcting or completing the relevant account or voucher, by furnishing the necessary documents of information by otherwise securing compliance with the provision of a specified rule. In case in which a protest is made against an audit objection as being incorrect the objection should be held to be force unless a formal intimation of its withdrawal is received from the Accountant-General.

109. The Accountant-General is required to place under objection any transaction coming to his notice which is not covered by adequate sanction or involves an excess thereon or other deviation. In some cases, the divisional officer may have already taken action to regularize the transactions, or the excess (if any) over sanction, *plus* any further excess that may be anticipated, may be within his own powers of sanction without the need for preparing a revised estimate, and he may have accorded the necessary formal approval to it; yet, if the necessary intimation of sanction dose not reach him when the divisional accounts in which the irregular transaction appears are being audited, the Accountant-General is bound to raise the objection, as he is not authorized to assume that the necessary sanction has been accorded Divisional Officers will, therefore, find it advisable to send to the Accountant-General the earliest intimation of such of their sanctions and orders as are required to be communicated to him (vide paragraph 105), and to give it, without waiting for the receipt of the objection statement or audit note, all the necessary information in regard to transactions for which within their knowledge, adequate authority dose not exist. A single statement recorded monthly over the signature of the divisional officer in form no.83, monthly list of accounts submitted to audit of in form no.84, divisional officers report of scrutiny of accounts, when form no. 83 has been signed by the divisional accountant, will ordinarily suffice in respect of transaction brought to account in the monthly account.

1- The object of this rule is to obviate the issue of unnecessary audit objections : but a reduction in the number of objection can be effected only by observing the requirements of the financial and other rule bearing on the transactions, and by taking timely to accord or obtain, as the case may be, such sanction or order as may be required in case in which a deviation from rule has occurred.

2- The divisional Accountant is responsible (i) for bringing prominently to the notice the divisional officer, at least once a month, all irregular transaction on which action has not already been taken by the latter at the instance of sub-divisional officers or of his own motion, and (ii) for effect to the provisions of this paragraph, in accordance with the procedure which the divisional officer may have desired to be observed in this connexion.

CHAPTER VI
APPROPRIATIONS
A—INTRODUCTORY

110- (a) Expenditure, as defined in paragraph 88, can only be incurred on a work or other object :

(i) If sanction of the competent authority has been obtained, as required by any statutory rules or by any orders, general or special, issued there under by competent authority, e.g., orders reproduced in Volume I of the Hand-book or in any authorized code or manual.

(ii) If necessary appropriation to cover the charge during the year has been sanctioned by competent authority.

1- In the case of charge against suspense accounts, any expenditure which is not expected to cause an excess over the note provision for the year may be held to be covered there by. (See also paragraph 123(b).)

2- When under paragraph 375 an intimation is received from an officer of the Public Works Department that he is incurring an unauthorized liability on a work, the Accountant-General is responsible for bringing the facts instantly to the notice of the competent authority so that the requisite steps may be taken either to stop the work or to regularise its execution.

(iii) if no branch of a financial rule, principle, or order is involved.

(b) For payments chargeable to the accounts of other divisions, departments or Governments, or of non-government works and repayments of deposits, a divisional officer does not require any specific provision of funds within the appropriations for his own division. It is sufficient to see that such payments are made only in accordance with the rules in the relevant chapters of this volume.

For inevitable payments, See paragraph 506.

B-GRANTS AND THEIR DISTRIBUTIONS

111. A grant or supplementary grant may be in respect of expenditure (vide paragraph 88) falling under one or more major heads or sections of a major head. For purposes of financial control, the appropriation made under each major head of account is divided into subordinate heads as shown in Appendix I. The minor-heads generally appear as sub-heads under a grant in the Annual Budget Estimate except in the case of a grant for "Establishment" for which the sub-heads are the sub-divisions, referred to in paragraph 3 of Statements D in Appendix I. The sub-heads are treated as primary units of appropriation for the purpose of these rules.

112. (a) When a grant has been voted by the Legislative Assemble, the amount voted, together with any sum, assigned to the same major-heads of accounts, which dose not require the vote of the Assemble (See paragraph 88) is distributed, as shown in the departmental estimates.

The distribution is usually effected as under :

(1) *Major works-* Grants for original major works are generally distributed, according to works and, when set free by competent authority are at the disposal of the divisional officers to be utilized for expenditure on those works.

(2) *Minor and petty works*—For minor and petty works a lump sum appropriation is ordinarily pieced at the disposal of the Chief Engineer in the Public Works Department and at the disposal of the Chief and Superintending Engineer in the Irrigation Branch, who make necessary allotments there form.

NOTE—Appropriation for minor works pertaining to civil departments but executed by the Public Works Department, in also made in the budget of the Public Works Department in lump sums at the disposal of civil heads of departments or other officers selected by the Government for the purpose.

(3) *Maintenance and repairs*—Appropriation for ordinary Maintenance and annual repairs are made by districts in the Public Works Department and by canals and divisions in the Irrigation Branch and are Placed at the disposal of divisional officers for expenditure on the works concerned.

For special repairs lump sum appropriation are made and the amounts so appropriated are placed at the disposal of the Chief and Superintending Engineer, who make necessary allotments there from .

(4) *Establishment*—(i) Separate grants are made for “Establishment” and are distributed by divisions.

(ii) *Temporary and famine relief establishment*—In the Public Works Department lump sum appropriations for temporary and famine relief establishment are placed at the disposal of the Government, and necessary allotments are made on the recommendation of the Chief Engineer, but in the Irrigation Branch a small sum for temporary establishment is placed at the disposal of the Chief Engineer when necessary, and lump sum appropriation are set aside for superintending engineers for famine relief survey establishment.

NOTE—Survey charges in connection with the preparation of famine relief projects, incurred in the Public Works Department are treated as “works expenditure”.

(5) *Ordinary tools and plant*—Appropriation for ordinary tools and plant are generally distributed by divisions. In the Public Works Department Lump sums are also Placed at the disposal of the Chief and Superintending Engineer to meet unforeseen demands under this head.

(b) Divisional Officers are responsible that the appropriations, placed at their disposal, are not exceeded and that timely steps are taken to obtain additional funds, when necessary.

(c) The appropriations for a sub-head can increased only by a formal order of re- appropriation, authorizing at transfer of funds from one head to another.

113. An appropriation or re- appropriation represents the allotment of a particular sum of money to meet expenditure on a specific object. It can be authorised within the grants of a year at any time before, but not after, the expiry of the year.

114. An appropriation is intended to cover all the charges, including the liabilities of past years, to be paid during the year or to be adjusted in the accounts of it. it is operative until the close of the financial year. Any unspent balance lapses and is not available for utilization in the following year, but an endeavor will ordinarily be made to include any anticipated lapse in the demand for the following year.

The financial year closes on March 31. After that date all cash and stock transactions are treated as pertaining to the following year but bona fide transfer entries are permissible for some months, vide paragraph 765.

115. (a) The Accountant-General is responsible for watching firstly that the total expenditure under a grant does not exceed the grant and, secondly, that the total expenditure under each sub-head within a grant dose not exceed the appropriation there for as modified by orders of re- appropriation passed by competent authority from time to time.

(b) In compliance with paragraph 110(a)(ii), he must further see that, if under the rules in the Budget Manual (vide paragraph 116), a work or other object of expenditure requires a specific appropriation, all expenditure on it is audited against such appropriation.

(c) Similarly, if a lump sum appropriation is made for a group of works or items of expenditure of a division, that total expenditure thereon will be audited against the lump sum placed at the disposal of the divisional officer for the purpose.

The check against any specific appropriations which the divisional officer may make out of any lump sum placed at his disposal, is conducted by the divisional accountant on behalf of the Accountant-General , vide paragraph 100.

(d) When, however, several divisional officers are authorized to incur charges relating to a unit of appropriation, against a lump sum appropriation placed for the purpose at the disposal of a single higher authority, it devolves upon this authority to watch the progress of expenditure in all the divisions and to keep the aggregate charges within the appropriation. If the Accountant-General, is required by the Government to audit the charges against the appropriation he will comply with the request.

(e) Subject always to the provisions of clause (a) no audit objection will be raised by the Accountant-General in respect of—

(i) expenditure, not covered by appropriation, on a work which was in progress in the previous year and for which a specific appropriation is required by rule, and

(ii) expenditure in excess of appropriation, if the amount of such expenditure does not exceed Rs. 500.

Within the limit of the total appropriation for repairs in the case of Public Works Department and one-sixth in the case of the Irrigation Branch, expenditure debitable to revenues of the State incurred on repairs without appropriation during the first three months of the financial year need not be placed objection for want of appropriation.

116. The procedure relating to the preparation of demands for grants, to the appropriation of funds and to budget matters generally, is laid down in the Uttar Pradesh Budget Manual. The authorities competent to sanction re-appropriations are also set out in the Budget Manual .

NOTE- The rules in regard to Public Works the cost of which is chargeable to the revenues of the Central Government (See paragraphs 2-A 80 and 90) are laid down in Appendix 5 the central Public Works Accounts Code.

C—GRANTS FOR EXPENDITURE IN ENGLAND

117. Separate provision is made, within each grant, for Indian and English Expenditure, the English provision being intended to cover charges, such as those mentioned below, incurred by the High Commission for India –

(a) Leave salaries and deputation pay payable in England.

(b) Sterling overseas pay.

(c) Other charges such as passage money, advances, of pay, etc. incurred in England.

118. In order to exhibit as accurately as possible, the cost of works and stores in the detailed accounts thereof maintained by Divisional Officers the full value of stores obtained from England must be incorporated therein. The detailed procedure is prescribed in Rules 1 to 3 of Appendix XIV.

Accordingly the provision relating to works and stores should be inclusive of the estimate cost of stores to be obtained from England. Necessary provision for the cost of such stores should also be made under the suspense head "Purchases" to which the connected transactions are taken in first instance (See paragraph 568 and Rule 9 of Appendix XIV).

NOTE—As no provision is made in the budget estimates in respect of loss or gain by exchange on transaction in England provision for the lost stores to be obtained from England should be made at the par rate of exchange.

119. The provision for Charges other than on stores will be made against the minor-head "Charges in England" under the relevant major-head at the par rate of exchange. The difference between this amount and the rupee equivalent at the average rate of exchange for the month of adjustment will be ultimately taken to the minor-head "Loss or gain by exchange" as a *plus* or *minus* charge, according as it is a loss or gain, (vide para 2 of the General Directions to the List of Major and Minor-Head of Account of General and State Receipts and Disbursements).

120- The charges other than on stores incurred in England are brought to account in the book of the Accountant-General under the appropriate heads of account, but outside the accounts of the Divisional officer.

D—WATCHING OF ACTUALS

121. It is an important function of the divisional officer to keep a constant watch over the progress of expenditure and to keep himself informed of such circumstances as may affect the progress of expenditure in order to take early steps for obtaining additional appropriation or surrendering probable savings, as may be necessary.

122. It will be found convenient, in practice to adopt the plan indicated below :

(a) The progress of expenditure on works or other items for which there are specific appropriations, should be watched individually month by month, through the register of works, contingent register and other relevant accounts.

(b) In respect of works or items, lump sum appropriations for which are placed at the divisional officer's disposal he will watch the progress of expenditure against appropriation by the maintenance of record (i) of the expenditure, in the form of a progressive abstract showing, month by month, the up-to-date expenditure of the year,

and (ii) of the grants, in the form of a register showing the appropriation and re- appropriation ordered from time to time.

(c) In this review of expenditure, undercharged liabilities play an important part and their effect on individual and lump sum appropriations should, therefore, be watched.

1- Liabilities may be divided into four classes (i) those outstanding in the suspense accounts relating to contractors and labourers, in the accounts of works (ii) those outstanding in any of the regular suspense accounts of the division,(iii) outstanding a debits adjustable by book transfer, and (iv)matured claims of contractors, suppliers etc. awaiting a settlement. and all unmeasured claims, recurring or non-recurring, likely to fall due for settlement before the close of the year. Liabilities of class (ii) may after not only the grants for the minor-head "Suspense" of the major-head under which the suspense account concerned is classed but also the grants for works and services falling under the same and other major-heads.

(d) Anticipated credits (if any) which will ultimately be taken in reduction of the expenditure chargeable against any individual or lump sum appropriation should also be taken into account. See Statement E of Appendix I.

(e) This review is of special importance in the last three or four months of the year.

(f) If desired, this review may also be conducted collectively in respect of each sub-head, a suitable register of appropriation being maintained for the purpose, See clause (b) (ii) above. Such a review is of special help in formulating proposals for-re appropriation.

123. *(Deleted)*

124. All liabilities and assets of the division adjustable by transfer, credit or debit to remittance heads of account, should be registered in form no. 57, Register of Transfers awaited, as soon as they become known. As they are cleared, an entry should be made in columns 7 to 9 so that items awaiting adjustment may be known at any time.

1. This register is intended primarily for all transaction, recurring or non-recurring which have to be responded to by the division, but if desired, important items which will be cleared by original debits or credits may also be entered to facilitate the watching of their clearance.

CHAPTER VII

CASH

A—INTRODUCTORY

125. The term “cash”, as used in this chapter, includes legal tender coin currency notes, cheques payable on demand, remittance transfer receipts and demand drafts. A small supply of One rupee revenue stamps may, when necessary for use as receipt stamps, be kept as part of the cash balance. Government securities, deposit receipts of banks, debentures and bonds, accepted as security deposit under the provisions of paragraph 612 are not to be treated as cash. (See also paragraph 23, 25 and 25-A of Volume V of the Handbook).

126. Primarily the divisional officer is the responsible disbursing officer of the division, but he may delegate this function to this subordinate officers in certain cases, vide paragraph 427.

127. Every government servant is personally responsible for the money which passes through his hands and for the prompt record of receipts and payments in the prescribed accounts as well as for the correctness of the account in every respect. The private cash or accounts of members of the department may not be mixed up with the Government money or Government accounts.

128. The instruction for the safe custody of cash contained in paragraph 28 of Volume V of the Hand book should be very carefully observed.

B—CASHIERS

129. Cashiers may be appointed whenever in the opinion of the Government, the cash transactions of a division or sub-division are sufficiently to require it.

130. One cashier may make the cash payments of two or more sub-divisions, or throughout the whole of a division, whenever such an arrangement is found to be practicable.

131. The divisional officer will count the cash in the hands of each cashier at least once a month, or in the case of out-stations, he or the assistant engineer will count it whenever he may visit them. He will on such occasions record a note in the cash book showing the date of examination and the amount (in words) found.

132. Cashiers, whether appointed permanently or temporarily, must furnish security, the amount being regulated according to the circumstances of each case, under the sanction of the Chief Engineer (vide paragraph 69 of Volume V to the Handbook), Store-Keepers, sub-store-keepers, lower subordinate, members of the subordinate engineering service and other members of the clerical, petty, plantation and revenue establishments, entrusted with the custody of cash or stores, may be required to furnish security at the option of the superintending engineer, who will determine whether the amount shall be paid in a lump sum or by installments.

C—MODES OF OBTAINING CASH FROM TREASURIES

I—General

133. Disbursing officer of the department obtain cash for disbursement in two ways, viz., directly by bills drawn on the treasury or by means of cheques. For payment of pay and allowances of government servants on the regular establishment not chartered directly to works, heads of offices and other officers draw bill on treasuries in prescribed forms in accordance with the rules in Chapter XXI. All other disbursements are made by divisional officers, who may empower sub-divisional officers to make disbursements on their behalf. For this purpose, divisional officers are ordinarily placed by the Accountant-General in account with one or more treasuries within their jurisdiction and they may either authorize sub-divisional officers to obtain money from the treasuries within the jurisdiction of the latter by drawing cheques or place them in funds by means of a fixed imprest or by transfer of cash from the divisional cash chest.

134. The appropriation of departmental receipts to expenditure in the department is strictly prohibited except in the cases provided for in paragraph 152. See paragraph 21 of Volume V of the Handbook.

135. Sub-treasuries are collecting depots and not disbursing treasuries but to meet the convenience of officers of the department it has been arranged that funds required for disbursement may be obtained by means of cheques drawn on sub-treasuries subordinate to a treasury with which a disbursing officer has been placed in account. See also paragraph 63 of Volume V of the Handbook.

NOTE-- The term "treasury" as used throughout this volume includes the sub-treasury unless the contrary is evident from the context.

136. The procedure prescribed for accounting for cash obtained from treasuries on bills for pay and allowances of establishment not charged directly to works is detailed in Chapter XXI. Undisturbed balance of cash thus obtained may be kept in departmental cash chests, but they should not be mixed up with the regular cash balances of the department, accruing from money obtained on cheques, which are dealt with and accounted in accordance with the rules in the following paragraphs.

137. Without making previous arrangements through the Accountant-General no officer is authorized to draw cheques on a treasury situated outside the limit of States, even though his-own jurisdiction may extend beyond those limits.

138. When for the convenience of works, it is necessary that the divisional officer or any of his subordinate disbursing officers should be authorized, either occasionally or as a standing arrangement, to draw cheques on a treasury situated outside the limits of the division, such an arrangement may be sanctioned by the Accountant General on the recommendation of the superintending engineer. Similarly, the divisional office may, if necessary, specially authorize any of his sub-divisional officers to draw cheques on treasuries situated outside the jurisdiction of the latter but within the limits of the division.

This rule is intended to be applied with special care and only to cases of real necessity. Payments to contractor should as far as conveniently practicable, be made by cheques on the nearest treasury and a stipulation to the effect that payments shall be so made should be inserted in the contract agreements where necessary.

II- Limits on sub-divisional officer's drawings

139. If the divisional officers considers it necessary for the maintenance of efficient control over the disbursements of his division, to set monthly limit on the drawings of his sub-divisional officers he may do so, fixing either a standing limit or a fresh limit either every month when ever necessary. All such limits may be raised or lowered subsequently. Intimation of every Limit when fixed or changed should be sent both to the sub-divisional officer and to the treasury officers concerned.

1. For this purpose, the divisional officer may require the sub-divisional officers to submit, by a convenient date, an estimate of his probable requirements in a suitable form.

2. The limit when fixed should be for the account month of the sub-division and dates of the commencement and termination of the month must be specified in the intimation to the treasury officer.

3. At the option of the divisional officer, the limitation may not be intimated to the treasury officer, if the check exercised by the divisional accountant over the sub-divisional case accounts, after the expiry of the month, is considered sufficient for the purposes of the divisional officer. See paragraph 100.

III-Cheques

140. Petty sums under ten rupees should not be paid by cheques and for the disbursement of these and other charges which naturally are paid in cash. e.g., the wages of labourers and establishment charged directly to works, and value payable postage, it is permissible to draw money from time to time the treasury by cheques to replenish the cash chest. Whether there be a guard or not, disbursers must draw cheques for the minimum of cash actually required to meet current disbursements, and if it is found at any time that the balance in hand is larger than is required to meet the anticipates expenditure of the next month, or of the next fifteen days if the treasury is not situated at an inconvenient distance, the surplus should be returned into the nearest treasury.

141. In drawings cheques (Form No. 6) drawing officers should be guided by the general rules laid down in Chapter III of Volume V to the Handbook. The special rules applicable to the department are set forth in paragraph 142 to 147.

142. Before a cheque book is brought into use, all the cheque forms in it should be marked by a distinguishing letter. Cheques drawn by a disbursing officers on any treasury should be distinguished by a different letter from those drawn by other disbursing officers of the division on that treasury and also from those drawn by himself on any other treasury.

NOTE- Each cheque leaf should have the name of the Department printed or stamped at the top. The name of the division should also be stamped on the means of bold rubber seals.

143. In the case of sub-treasuries the advice of the number of the cheque book to be used (vide paragraph 56 of Volume V of the Handbook), should ordinarily be sent through the district treasury : but in cases of urgency, it may be sent direct to the sub-treasury, a copy being forwarded simultaneously to the district treasury.

144. In the Public Works Department where sub-divisions have been abolished, a divisional officer may authorize one or more assistant executive engineers or assistant engineers or sub-engineers in charge of section to sign cheques on his behalf subject to the following conditions :

(i) It is left entirely to the discretion of the divisional officer to make the delegation or not, to make it for an indefinite or a definite period, and to prescribe any limit on the drawing power of the authorized officer, or not.

(ii) When a gazettes officer is given power to sign cheques, specimen signatures and the notice of the delegation must be sent to the treasury officer concerned.

(iii) It must be remembered that the delegation shall not in any way lessen the responsibility placed upon the divisional officer by the standing rules and regulations.

145. If a limit has been set by the divisional officer on the drawing of a sub-divisional officer under the provisions of paragraph 139 the limit prescribed for the drawings on each treasury during a month should be entered on the reverse of the counterfoil of the cheques book for that treasury before any cheques are drawn during that month and the sub-divisional officer should watch that the limit is not exceeded, by deduction from it. On the reverse of the counterfoil, the amount each cheque as it is drawn. The undrawn balance at the close of the month should not be carried forward to the next month.

In the absence of the monthly limit of his drawing officer should record on the reverse of the counterfoil of cheque the amount of the next cheque drawn and the total of the drawing during the month, and carry forward their total to the next counterfoil, thus enabling himself, from time to time, to exercise an independent check on the posting in his book.

146. If the currency of a cheque should expire owing to its not being presented at the treasury for payment within three months from the date of its issue (vide paragraph 62 of Volume V of the Handbook), it may be received back by the drawer who should then destroy it and draw a new cheque in lieu of it. The fact of the destruction and the number and date of the new cheque should be recorded on the counterfoil of the old cheque, and the number and date of the old cheque that is destroyed should be entered on the counterfoil of the new one. The fact of the new cheque having been issued should be entered on the date of issue in red ink in the cash book but not in the column for payment, a note being made at the same time against the original entry in the cash book.

For procedure relating to lost cheques, See paragraph 65 of Volume V to Handbook.

147. When it is necessary to cancel a cheque, the cancellation should be recorded on the counterfoil, and the cheque, if in the drawer's possession, should be destroyed. If the cheque is not in his possession, he should promptly request the treasury officer to stop payment of the cheque and, on ascertaining that payment has been stopped, he should write back the entry in his cash book by exhibiting the amount of the cheque as a *minus* figure on the payment side in the "Bank or Treasury" column. A counter-reference should be given in the cash book, against the original, to the second entry of the cheque. A cheque remaining unpaid from any cause for twelve month from the date of its issue should be cancelled and its amount written back in a similar manner.

D—RECEIPT OF MONEY

I- Account Procedure

148. When money is received by a government servant on behalf of Government, it should at once be brought to account in the cash book and a receipt in Form no. 1 of Volume V of the Handbook should invariably be granted to the payer. If, however the amount be realized by recovery from a payment made on a Bill or other voucher setting forth full particulars of the deduction a receipt should be granted only if specially desired by the payer but fact of the recovery having been made by deduction from the payment voucher should be clearly recorded on the receipt. See also rule 1 to paragraph 149.

1- Final acquaintance for private cheques and drafts on local banks accepted under proper authority (vide paragraph 25 and 26-A, of Volume V of the Handbook) should not be given to the payer until they have been cleared.

2- Before an officer signs a receipt in form no. 1 of Volume V of the Handbook, for cash actually received by him, he should see that receipt of the money has been duly recorded in his cash-book, and in token of this check the entry in the cash book should be initialed and dated at the same time.

NOTE – Receipt entries in the cash-book should be initialed and dated by the disbursing officer even if he himself is the write of the cash-book.

3- As an exception to the rule in this paragraph, earnest money received from and returned to contractors on the same day tenders are opened, need not pass through the divisional accounts provided that the contractor concerned are required to give a stamped receipt for the money in the register or 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-- The total gross receipts and payments recorded and payments recorded in the subsidiary cash book in full detail in accordance with the above rule should be shown as single items without any details at the foot of Public Works Department form no. 79 to be sent to the Accountant-General.

4- The procedure laid down in paragraph 439 of Manual of Orders, Public Works Department, Utrakhand will, however be followed with regard to the accounting of sale proceeds of tender forms in the Buildings, and Roads Divisions.

149. Receipts in Form no. 1 of Volume V of the Hand-book, can be issued by divisional officers, sub-divisional officers and other government servants specially authorized Government. All persons regularly or frequently receiving money on behalf of Government should keep a cash book in form no.1.

1- In the Irrigation Department divisional accountants are authorized to issue receipts in form no. 1 of Volume V for amounts not exceeding Rs. 500 in each case and ziladars in vernacular (I.B. Form no 69-V) for amounts received by them in accordance with the rules contained in the Irrigation Manual of Orders.

2- In the Public Works Department each cashier of a divisional office or a head clerk of a district office is provided with receipt book with foils in duplicate and he is authorized to grant receipts for the sums received by him. But he should have each receipt issued by him countersigned by a gazetted officer, who will also initial the entry in the cash book. But if no gazetted officer, is present in the headquarters, the cashier should on return of the first gazetted officer to head quarters, get the duplicates of his receipt book and the entries in his cash-book initialed by him. The divisional officer should at the time he verifies the cash chest balance ascertain that the entries of all receipts in the cash-book have been initialed by a gazetted officer.

3- The duplicate copies of receipts should be made out by using carbon paper of the double-sided variety in order that there may be carbon impressions on the reverse of the original receipt as well as on the obverse of the duplicate.

150- if a government servant who is not in charge of cash book receives money on behalf of government at exceptional times, he should not mix it up with the imprest or any other cash in his charge, but pay or remit it, at the earliest opportunity to the nearest officer having a cash book or direct into a treasury accompanied by a chalan in duplicate (vide paragraph 31 to 33 to Volume V to the Hand-book) . The acknowledgment of the treasury (with an intimation of the full particulars of the receipt including the date of its realization) should be forwarded immediately to the next superior officer having a cash book to enable him to make the necessary entries therein. The record of the transaction will be in the correspondence and note in the imprest account of the receiving officer.

151- In Public Works Department upper or lower subordinates or overseers of the subordinates engineering service are also authorised to issue receipts with foils in triplicate in form no. 3, whenever money is received by them on behalf of Government. The money thus received, should be deposited in the nearest treasury or the divisional or sub-divisional cash chest, whichever is nearer, within three days of its receipt. The subordinate granting the receipt should sent with the treasury chalan or cash, as the case may be, the duplicate of that receipt to the cashier of the divisional office or the head clerk of the district office, who will in turn issue to the head subordinate a receipt in Form no. I of Volume V of the Handbook for each duplicate sent. The cashier or the head clerk will paste the subordinates duplicate against the duplicate of each receipt granted to the subordinate and the subordinate will paste against the triplicate copy of each receipt issued by him the cashier's or head clerk's receipt. The triplicate copies of receipts issued by the sub-ordinates will be examined and initialled by the assistant engineer on each visit. The divisional officer should see that this is regularly done and should in token of his examination initial the triplicate copy of the last receipt issued.

NOTE- 1—The receipt books will be supplies with foils in triplicate. Copies will be made out by using carbon paper of the double sided variety in order that there should be carbon impressions on the reverse of the original receipt as well as on the obverse of the duplicate and triplicate.

NOTE-2—In the case of Almora and Nainital districts all sums received should be deposited in the nearest treasury or the divisional or sub-divisional cash chests within fifteen days of receipt ; whereas, sums received in Tehri-Garhwal and Garhwal district should be deposited into the treasury or the divisional or sub-divisional cash chests within a month from the date of receipt.

II—Disposal of Receipts

152. Cash realized by officers of the department should be paid as soon as possible into the nearest treasury, for credit as miscellaneous receipts of the department should a divisional officer or sub-divisional officer, however, require to make use of cash receipts temporarily for current expenditure he may do so instead of obtaining fresh cash by cheques; but before the end of the month he must send to the treasury a cheque for the amount thus utilized, drawn in his own favour and endorsed by himself with the words “Received payment by transfer credit to the Public Works Department”.

NOTE—This rule does not apply to receipts realized by payment on bills or other vouchers.

E—PAYMENTS

I—Manner of Payment

153. All payments which officers authorized to draw cheques have to make, should, so far as possible, be made by cheques: but See also paragraph 140.

154. It is permissible to make payments to suppliers of stores by obtaining Bank Draft from the district treasury in accordance with the rules in paragraph 323 of Volume V of the Handbook. Remittances for such purposes of amounts less than Rs. 25, for which Bank Draft cannot be issued by treasury officers, may be made by postal money order at Government cost.

NOTE- Regarding the procedure for making payments for purchases made in the United Kingdom, See Annexure D to Appendix XVIII of Volume V of the Handbook.

155. As a rule no cheque should be drawn until it is intended to be paid away and cheques drawn in favour of contractors and others should be made over to them by the disbursing officer direct; but the disbursing officer may be assisted in making disbursements by a cashier appointed for the purpose under paragraph 129. The occasional delivery of cheques through a subordinate may be permitted at the discretion and on the responsibility of the disbursing officer. In such cases the subordinate should make no entry in any accounts which he keeps, as a payment made by cheque should appear in the cash account of the disbursing officer who draws the cheque, and the subordinate's record will be in his correspondence.

1- In the Public Works Department divisional officers who are unable to hand over cheques directly to the contractors concerned may if so desired by the contractors send them by registered post.

2- It is a serious irregularity to draw cheques and deposit them in the cash chest at the close of the year for the purpose of showing the full amount of grant as utilized.

3- For the rules regarding prohibitory orders or injunctions of a court, See rule 4, under paragraph 50 of volume V of the Handbook.

156. Payments due to contractors may be made to financing banks instead of direct to contractors provided that (1) an authorization is obtained from the contractor in the form of a legally valid document like a power of attorney or transfer deed conferring authority on the bank to receive payment, and (2) the contractor furnish his own acceptance of the correctness of the account made out as being due to him by Government or his signature on the bill or other claims preferred against Government, before settlement of the account or claim by payment to the bank. While the receipt given by the bank holding a power-off attorney or transfer deed from the contractor constitutes a full and sufficient discharge for the payment, contractors should wherever possible be induced to present their bills duly receipted and discharged through their bankers.

II—Vouchers

157. General instructions regarding the preparation and completion of vouchers are given in Chapter III of Volume V of the Handbook. The following supplementary instruction should also be observed.

The disbursing officer is responsible that the full name of the work as given in the estimate (and other particulars specified in paragraph 423) or the head of account to which the charges admitted on a voucher are debit able , or to which the deductions or other credits shown in the voucher are creditable, is clearly indicated on it in the space provided for the purpose or in some prominent position .

F- REMITTANCES TO TREASURES

158- The officer in charge of a cash book should keep a treasury remittance book in form no. 4, in which he should enter all his remittances to the treasury as they are made ; vide paragraphs 150 and 152. This book should accompany the cash.

Remittances made to the Bank of cheques paid in as public works receipts should be entered in the remittance bank, but in the place for treasury receipt should be entered “By Bank cheques” and the book need not be sent with the remittance , provided that the cheques are always endorsed as prescribed in paragraph 152.

G –CASH ACCOUNTS

(a) UPKEEP

159. An account of their cash transactions should be maintained in the cash book, form no. 1, by all Government Servants authorized, as a regular arrangement to receive money on behalf of Government, as well as by those entrusted with making disbursements out of cash received by them in transfer from the divisional cash chest or obtained by drawing cheques on the treasury.

Government servants entrusted with fixed imprests or temporary advances should maintain and render accounts of their disbursements in imprest cash account, form no.2.

160. the cash book is one of the most important account records of the department. The detailed instructions prescribed for writing it up are given in the notes on form no.1, and disbursing officer are required to observe them strictly in practice.

(b) BALANCING

161. The cash book must be balanced , on the date prescribed for closing the cash account of the month, but when the transactions are numerous, a weekly or even a daily balance is recommended, and it is advisable to count the cash whenever a balance is struck, or at convenient intervals as this affords an independent check on the accuracy of the posting. The results of such intermediate counting should be recorded in the form of a note in the body of the cash book (column 8), so as not to interfere with the up-to- date totals ; the actual balance of cash in the chest should invariable be stated in the note both in words and figures, and the outstanding balances of impress and temporary advances should be taken in to consideration when certifying to the accuracy of cash chest balance.

In divisions to which a cashier is attached all entries in the cash book whether are relating to receipts or to expenditure, must be made by him, but they should be reviewed by the divisional accountant, before the accounts of the month have been closed to see that the classification has been correctly noted.

(c) RECTIFICATION OF ERRORS

162. An erasure of an entry once made in the cash book is strictly prohibited. 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 corrections should at once be sent to the divisional officer, 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 sub-divisional officer, unless authorized by the divisional officer to do so.

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 correction of errors in amount classification, or name of work, should be made in that book. A suitable remark in red ink (quoting reference to the correction in accounts) should however, be recorded against the original erroneous entry.

(d) VERIFICATION

163. The disbursing officer is required to check all the entries in his cash book as soon as possible after the date of their occurrence and he should initial the book, dating his initials after the last entry checked. The cash book should be signed by him at the end of the month and such signature should be understood as fixing responsibility for all the entries of the month inclusive of the closing balance.

1. The following are the more important details of the verification to be made: The disbursing officer should –

(1) Compare each entry of payment with the gross amount chargeable as shown in the connected voucher, seeing, at the same time, that it bears (i) a payments order recorded by himself or the divisional officer, and (ii) the certificate of disbursement signed by himself or by an authorized subordinate, and ticking off each voucher as it is passed :

(2) See, whilst examining the posting of vouchers on the payment side, that all deductions shown in the vouchers (other than deductions creditable to the head of account or work to which the payments relates) are posted as receipts on the receipts side of the cash book:

(3) verify the totalling of the cash book or have this done by some principal subordinate (other than the writer of the cash book) who should initial (and date) it as correct; and

(4) verify the total of the posting in the “Bank or treasury” column on the payment side by reference to the memoranda record by himself on reverse of the counterfoil of cheques.

164. The actual balance of cash in each chest should be counted on the last working day of each month (i.e., Immediately after closing the cash account of the month under paragraph 161), but where this is not possible the cash balance may be counted on the first working day of the following month before any disbursement is made on that date. A statement of the details of the actual balance should be prepared in Form no-5, and a certificate of the count of cash specifying both in words and figures the actual cash balance (exclusive of imprest and temporary advances), should be recorded below the closing entries in the previous month’s cash book. The certificate should be signed by the disbursing officer who should invariable date his signature.

Should is not be possible for the disbursing officer, owing to his absence, to make the count on the date prescribed in this paragraph, he should do so at the earliest opportunity, recording the reasons for the delay on the cash balance report.

165. Whenever, on the contents of the cash chest being counted the balance as per cash book is found to be incorrect, it must, unless the error can be detected and set right at once under paragraph 162, be rectified forthwith by making the necessary receipt or payment entry—“ To cash found surplus in chest” under Deposits or “By cash found deficient in chest” under Miscellaneous P.W. Advances, as the case may be. The administrative action to be taken on the occurrence of a deficiency must depend on the nature of each case.

II—Imprest Account

166. An imprest is a 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 sub-divisional officer. The amount of an imprest should be kept down as far as possible to the amount actually required for current expenses and must not exceed Rs. 1,000 in any case, without the special sanction of the Government.

167. It should be borne in mind that the imprest system is only suitable in cases where small payments have to be made by single individuals. In cases where heavy payments have to be made, the disbursing officer should be furnished with a cash book and supplied by the divisional officer with such funds as may from time to time be required and this course should invariably be followed where an imprest within the limit of Rs. 1,000 is found to be insufficient.

168. Imprest should be entrusted to those members only of the temporary or work-charged establishment of whose character the divisional or sub-divisional officer has had opportunity of judging favorably. In the case of any irregularity, the divisional officer will be held responsible that all requisite precautions have been taken. Imprests can only be given with the express sanction of the divisional officer.

169. The account of imprest cash should be kept in duplicate in accordance with the instructions printed on form no. 2, imprest cash account. 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 it is proposed to increase or decrease the amount of the imprest or to close the account altogether. The account must, in any case, be rendered so as to reach the officer from whom the imprest is held, in time to enable him to incorporate the account in his cash book before it is closed for the month on the date fixed for the purpose.

170. The recouping officer should examine the imprest cash account and the supporting vouchers, initial and date the vouchers, in token of approval and by a formal pay order (vide paragraph 49 of Volume V of the Handbook) recorded on the account authorize the recoupment, reduction or closing of the

imprest, as the case may be. The account should then be abstracted and incorporated in the cash book in the manner prescribed in notes on Form nos. 1 and 2.

Should any item in an imprest account appear to the recouping officer to be open to objection the imprest should nevertheless be recouped in full, and the item under objection should be classified under the head "Miscellaneous" P.W. Advances for watch under that account until either the objection is removed or the amount is made good by the imprest-holder.

171. The imprest-holder is responsible for the safe custody of imprest money and he must at all times be ready to produce the total amount of the imprest in vouchers or in cash.

III—Temporary Advance Account

172. When a disbursing officer makes a remittance to a sub-ordinate 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 reemitted should be treated as a temporary advance and accounted for in the same way as an imprest. The account of a temporary advance should be closed as soon possible.

This rule applies also to cash taken out of the chest by the disbursing officer himself for making payments at distance.

H- CHEQUE BOOK AND RECEIPT BOOKS

173. Cheque books in the prescribed form required by divisional and sub-divisional officers authorized to draw on treasuries and sub-treasuries are obtained by them from the district treasury concerned, vide paragraph 54 of Volume V of the Hand-book. Receipt Books in form no.3 of this volume and form no. 1 of Volume V of the Hand-book are similarly obtained by them from the treasury of the district within their respective head headquarter are situated.

174. Cheque (or receipt) books should on receipt be carefully examined by the divisional or the sub-divisional officer concerned who should count the number of forms contained in each and record a certificate of count on the fly-leaf.

175. Counterfoil of used books should be returned promptly to the divisional officer for record.

CHAPTER VIII

STORES

A—INTRODUCTORY

I—GENERAL

176. The general administration of all the stores of a division is vested in the divisional officer on whom primarily devolves the duty of arranging in accordance with the rules in his chapter and with any general orders of the Government for the acquisition, custody, distribution and disposal of stores.

177. The stores of the department are divided into the following classes, viz. (i) Stocks or general stores, (ii) Tools and plant, (iii) Road metal, and (iv) Materials charged direct to works. The divisional officer is responsible that proper arrangements are made throughout his division for the custody of stores and for their protection from deterioration and fire, while, unless there are orders to the contrary, the officer in charge of a sub-division is responsible for the correctness of all the stores belonging to it.

In the Public Works Department where there are no sub-divisional the responsibility rests with assistant engineers attached to divisions, who may be given charge of particular godowns.

178. Every government servant is bound to take charge of departmental stores which from the death or departure of the person lately in charge, or from any other cause, may be left at or near his station without adequate protection.

II—Acquisition of stores

(a) PURCHASE OF STORES

(i) Stores (other than tools and plant)

179. Stock, road metal and other material requires in the ordinary course for the execution of sanctioned works may, subject to the provisions of the rules for the supply of articles for the government use (See Appendix XVIII to Volume V of the Handbook), be procured on the responsibility of the divisional officer without special authority, though the superintending engineer's approval should be obtained to the measures proposed for the purchase of stock in large quantities. If the stores are to be manufactured, a separate estimate for their preparation may be required, as laid down in paragraph 181. The restrictions imposed by the rules for the supply of articles

for the government use(See Appendix XVIII to Volume v of the Handbook) do not apply to purchases made by or on behalf to Indian States municipalities or local funds, excepting when the stores purchased are paid for from revenues of the State on behalf of the Government or from funds advanced by the Government ; in the latter circumstances, however, the provisions of the rules in question need not apply, provided the Government so direct. When a Public Works Department officers carries out a work for any of the local bodies referred to above, the said rules shall apply, except when the local body specially desire to have the stores purchased otherwise, and the Government have accorded their approval thereto. All purchases of stores should be made in accordance with the stores Purchase Rules, issued by the Government. (See Appendix XVIII, Volume V of the Hand-book).

The purchase of stores or materials far in advance or in excess of requirements is likely to result both in direct and indirect losses to the Government and should be avoided.

(i) Tools and plant

180. The articles comprised under the head “Tools and plant” can only be purchased or manufactured on estimates sanctioned by competent authority, with the exception of purchases or manufactures not exceeding Rs. 500, for which estimates are not requires.

(a) MANUFACTURE

181. The manufacture or collection of material involving an outlay of Rs. 10,000 or upward must, in all cases, be covered by an estimate showing the proposed outlay and the material to be received.

182. If the material be for a work already duly sanctioned, or for reserve stock within the sanctioned limit for the division, the estimates will merely require the approval of the superintending engineer, but in all other cases the estimate must be duly sanctioned by competent authority, as though for an original work.

III—Reserve of Stock

183. To avoid the delay that might occur in manufacturing and procuring various materials, stocks may be collected and kept in reserve. As these stores cannot be debited at once to any specific work since it is not known on which work they may be used, they are accounted for in a suspense account of stock.

184. Ordinarily, Materials should be purchased only for works in progress and no reserve of stock should be kept except with the specific sanction of, and to the money limit prescribed by the Government. If Such a reserve has been sanctioned, the divisional officer is authorized, subject to the approvals or sanction of the estimate therefore where required by the provision of paragraph 182 to purchase or manufacture stock to an extent sufficient to keep it up to that limit. The fixed money limit should be kept at the lowest point compatible with efficiency, and the stock returns of divisions should be carefully scrutinized by superintending engineers, from time to time with reference to this point.

IV—Disposal of stores

(a) Loss of Stores

185. All losses of stock should be immediately investigated and steps taken to obtain the sanction of competent authority to their write-off, if necessary. See also paragraph 82 and 82-Bof Volume V to the Handbook.

NOTE- In the case of serious losses the divisional officer should hold a departmental enquiry and record the evidence and his findings thereon including a finding as regards the responsibility and culpability of the persons concerned.

186. An immediate report of the loss of stores must also be made to the police, and all proper steps taken for the recovery of the property. When an inquiry is held either by the police authorities or other, the divisional officer must, in case where he is not himself authorized to write-off the value of the property, obtained and forward, as soon as possible, to the superintending engineer, a copy of the proceedings.

(b) SALE OF STORES

(i) General

187. When stock materials are sold to the public or other departments an addition of 10 per cent must be made to cover charges on account of supervision, storage, and contingencies. This addition may, however be waived by the officer empowered to sanction the sale in the case of surplus stock which, in his opinion, would otherwise be unsaleable. See also paragraph 608.

NOTE—(i) The overhead charge received under this paragraph should not be treated as receipts on account of stock, but as revenue receipts, or receipt account, as the case may be.

NOTE—(2) Sale of any materials from P.W.D. stores to any employee of the P.W.D. or any of the relative or dependents without the specific sanction of Government is irregular .

(ii) Surplus and unserviceable stores

188- When any serviceable stores, including tools and plant except those instruments which are returnable to the Survey and Mathematical Instrument Officer have been declared as surplus to requirements by competent authority, they should at once be reported by the divisional officer to the Stores Purchase Officer. Uttar Parades, for notification in the Stores Purchase Supplement to the Uttar Parades Gazette. If the notification does not result in a sale to a member of the public or in transfer to another department within six months from the date of publication the surplus stores shall be survey-reported and disposed of in accordance with department rules.

189- When stores of any kind become unserviceable, a report thereof should be made in form no. 18 This should be done at once on discovery of the fact.

190- Except as provided in paragraph 187, no stores may be sold otherwise than by public auction, without the permission of the superintending engineer. Commission, which should ordinarily not exceed 5 per cent, may be allowed to the auctioneer not being a departmental subordinate, but no commission can be allowed on private sales.

NOTE—(1) When stores are sold by auction, a responsible officer or subordinate should attend and record the final bids, in order that the sale accounts rendered by the auctioneer may be checked.

(2) Only the net sum received from the auctioneer for sales after deduction of his commission should be credited to sale-proceeds to the revenues of the State.

191. Ordinance stores not required by officer of the department must be returned by them into the nearest magazine.

V—Mathematical instruments

192. All new instruments required for the department, which have been provided for in a sanctioned scale, should be obtained by indent from the Mathematical Instrument Office, Calcutta. A normal scale of Mathematical Instrument is sanctioned for each division or circle. Instruments must not be indented for in excess of that scale without the sanction of the superintending engineer if the excess is not more than Rs. 100 or of the Government if the excess is not more than Rs. 100 An estimate is required if the cost of the instruments required exceeds Rs. 500 All indents on the Mathematical Instrument office should be countersigned by the superintending engineer accompanied, if the amount exceeds Rs. 500, by a certificate to the effect that the supply of the article detailed therein is covered by a sanctioned estimate. The specific reference numbers of the instruments shown in the price list of

that officer should always be quoted on all indents. Instrument requiring repair should ordinarily be sent to the Mathematical Instrument office, Calcutta, or to the depot from which they were supplied for the purpose, unless there is any government workshop more conveniently situated where the repairs can be properly executed, or in cases of urgency, when the work may be entrusted to a local firm .

Surveying and mathematical instruments should not be stocked in excess of requirements and surplus instruments should be returned either to the Mathematical Instrument office, Calcutta, or to the depot from which they were obtained.

The Stores Purchase Officer will make arrangements in accordance with the Stores Purchase Rules for the supply of Mathematical and drawing Instruments such as drawing boxes, levelling staves, Chains, straight edges, set squares, etc. Which are manufactured in India where the samples have been approved by the chief engineers of the two branches of the department.

193- The divisional officer is responsible that the surveying and Mathematical Instrument in his division are properly cared for. Any injury to the Instrument due to neglect or carelessness should be made good at the expense of the officer or sub-ordinate responsible for the damage.

VI—Storekeepers

194. A storekeepers appointed with the sanction of the competent authority if the charge of stores is sufficiently large. His duties will be confined to the custody, preservation, and issue of the stores under his charge, and to keeping the required returns relating to them and he will have nothing to do with the disbursement of cash, the supply of materials, or the preparation of bills.

VII—Accounts of stores—General

195 . Government servants entrusted by the divisional officer with the care, use or consumption of stores are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them.

196. All transaction of receipts and issued should be recorded strictly in accordance with the rules, in the order of occurrence and as soon as they take place. Fictitious stock adjustments are strictly prohibited, such for example, as (1) the debiting to a work of the cost of materials not requires or in excess of actual requirements, (2) the debiting to a particular work for which funds are

available of the value of materials intended to be utilized on another work for which no appropriation has been sanctioned,(3) the writing back of the value of materials used on a work to avoid excess outlay over appropriation etc. Any breach of this rule constitutes a serious irregularity, which will be brought prominently to the notice of the Government by the Accountant-General.

197. (a) The accounts of stores are based on the fundamental principle that the cost of their acquisition 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 actually issued, by charge 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, is debited at once to the minor head "Tools and Plant", subordinate to the major head under which such charges of the division are classified : and special items of tools and plant which are required not for general purposes but for a specific work are charged off to that work. See also paragraph 1 and 4 of Appendix V.

(c) Similarly all road-metal required for the maintenance of a road or section of a road is charged 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 acquired specially for use in the construction of a road or other work, its cost is debited to the estimate for such construction .

(d) In the case of other materials, when purchases are made for the requirements of works generally, the cost is accounted for under the suspense head "stock" (vide paragraph 184). Materials purchased specially for a work are, however, charged to that work.

198. The four classes of stores of enumerated in paragraph 197 thus fall into two distinct categories as shown below:

- (1) Stores charged to suspense—
 - (i) Stock
- (2) Stores finally charged off—
 - (ii) Tools and Plant.
 - (iii) Road-metal.
 - (iv) Materials charged to works.

199. With certain exceptions [vide paragraph 469 and 475 (c)] a numerical, or quantity account of receipts, issues and balances has to be maintained for all stores, even though finally charged off, with a view to control the balances efficiently until the stores are finally disposed of either by consumption on works or otherwise. This quantity accounts has further to be reconciled periodically with the value accounts, except in the case of tools and plant and road-metal. The rules in this chapter are framed on the principle that, as far as possible, the initial records of all stores, as also the returns of sub-divisional officers and assistant engineers should take accounts of quantities only and that the value accounts should be maintained in the divisional officer.

Accountant for coaltar, pitch and asphalt which are required for road surfacing for maintenance estimates and for minor estimates for renewal for renewal and also for proprietary road surfacing will be carried out in the same way as in the case of road-metal, i.e., as in paragraph 197(c) and this paragraph.

B—STOCK

I—General

200. The stock of a divisional is sometimes kept in a single go down or yard in the charge of a store-keeper or other officer, or each sub-divisional officer or assistant engineer may have a separate stock in his charge, either at his headquarters or scattered over the division or sub-division in the direct custody of subordinates or other sectional officers. Again, the stock although scattered over the entire division, may be in general charge of a single official and the sub-divisional officers may merely indent upon him, the official concerned keeping all the accounts. The rules prescribed below will apply whatever be the arrangement in force in the division.

In the public Works Department, the function of a sub-divisional officer as laid down in the following rules will generally be performed by the assistant engineer in charge of the godown.

201. Stocks accounts may be maintained in a sub-divisional officer, even though the officer in charge is not authorized to keep a cash account in Form no.1. A separate account should be kept in the divisional office of any stock which is directly under the charge of the divisional officer or of an officer under his orders and under the orders of a sub-divisional officer.

201-A- The record of receipts and issues of stock should be kept in the register of stock receipts/issues which should be maintained in form no. 8 (8-A for Irrigation Department) in the manner prescribed in the following paragraph. Pages of both the registers of stock receipts and stock issues should

be machine numbered and entries made therein should be subjected or a check of at least ten per cent by the sub-divisional officer and five per cent by the divisional officer. All registers of stock receipts issues belonging to a division should be numbered serially and a proper account of issue and receipt of every register should be maintained in the divisional officer.

II—Quantity Accounts

(a) RECEIPTS

202. Materials may be received on stock from the following sources :
- (a) Suppliers.
 - (b) India store Department London.
 - (c) Other sub-divisional 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 storekeeper 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, by the sub-divisional officer.

203. All materials received should be examined and counted or measured, as the case may be, when delivery is taken. The record of the detailed count or measurement should be kept in the measurement book in the manner prescribed in paragraph 434 and 435, and the total number or quantity received should be simultaneously entered in the register of stock receipts Form no. 8 or 8-A as the case may be, Such acknowledgement as may have to be given to a supplier for stores received from him can be signed only by the divisional or the sub-divisional officer. Any certificate that the store keeper or sectional officer concerned may be called upon to record in respect of the receipt of stores for this or any other purpose (vide paragraph 2140 should be in the following form:

Received on----- and duly recorded in the register of stock receipts.

See also page----- of measurement book no-----

Date

Signature

(b) ISSUES

204. Materials may be issued from stock for the following purpose—
- (a) For use on works either by issue to contractors of direct (paragraph 464).
 - (b) for dispatch to other sub-divisions, divisions of departments.
 - (c) For Sale to contractors, employers other persons or local bodies with the sanction of the authority competent to do so.

They should be issued only on receipt of an indent (Form no.7) 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 empowered to draw such materials from his stock up to any assigned limit not exceeding the provision made for materials in sanctioned estimates.

1- When examining registers of stock issued and works abstracts sub-divisional officer should see that in practice this rule is observed strictly, and they should deal suitably with instances of unauthorized and excessive issues to works made by section officers without due cause.

2- The terms “Works” includes manufacture operations (vide rule under paragraph 210).

205. Indents should be filled up carefully as all subsequent accounting depends upon it. In the column “Head of account, etc”, besides entering the name of the account head to which the issue of stores is chargeable, full names of divisions and offices to which stock is to be issued and of contractors employees, other persons, or local bodies to whom it is authorized to be sold should be added in all cases in which stores are ordered to be issued otherwise then for the requirements of works with in the division. The last column, headed “Name of work, etc.”, should be filled in only when the stores are required for works with in the division, and in such cases the full name of the work as given in the estimate should be entered, as well as the name of the contractor from whom the value is recoverable (vide paragraph 464).

NOTE –In the Irrigation Department the instructions given on P.W.A. Form no. –8-A regarding the preparation of indent (P.W.A. Form no. 7) should be followed.

206- When issuing materials from stock, the store keeper or sectional officer should examine the indent (Form no.7) and sign it in the space provided for the purpose, after making suitable alterations (Attested in each case by his 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 as actually made, and simultaneously make an entry in the register of stock issues, Form no. 8 or 8-A as the case may be. 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.

1- it should be seen that the acknowledgement of materials is signed either by the person to whom they are ordered to be delivered or dispatched or by a duly authorized agent This precaution is specially necessary in the case of issue to contractors and private persons whose acknowledgements should set forth all the particulars mentioned in paragraph 467.

2- Rules I applies also to issues made to contractors by the sectional officer himself without the productions of an indent signed by higher authority (vide paragraph 204).

3- In the Irrigation Department the instructions printed on P.W.A. Form no. 8-A regarding the preparation of indent (P.W.A. Form No. 7) should be followed.

207- When making entries in the register of stock issues the storekeeper or sectional officer should pay particular attention to record in the column headed “To whom issued” and “Head of account etc.”, the full particulars as given in the last two columns of the indent or as otherwise known to him

1- If the materials are issued for use on a work, the particular required to be entered in the column “Name of work”, etc., of form no. 7 (vide paragraph 205), should invariably be given in the column “To whom issued”.

2- In the Irrigation Department the instructions printed on P.W.A. Form no. 8-A should be followed .

208. As an exceptions to the general rules in paragraph 196 that all stock transactions shall be shown in the accounts as soon as they occur, issues of petty stores by a sectional officer direct to works [vide paragraph 464 (2)], under his supervision may be shown in the accounts collectively once a month when closing the accounts of the month.

1- In the case of the Irrigation Department the issue of petty stores by a sectional officers direct to work under his supervision should be shown when the work done is measured up the entered in the measurement-book or monthly whichever is earlier .

2- In the Irrigation Department instructions printed on P.W.A. Form no. 8-A should be followed .

(c) MONTHLY ABSTRACTS OF RECEIPTS AND ISSUES

209. The receipt and issue transaction of the entire sub-division should be abstracted monthly in a single “Abstract of stock receipts” (Form no. 9) and in a single “Abstract of stock issues” (form no. 10) . These form should be posted from the registers of stock receipts and stock issues, Form no. 8 entries being made only in respect of quantities.

1- The several transactions of month need note be entered severally in the abstract, it being sufficient to show, as a single transaction, the total receipts from each source or the total issues to each account or works. The quantities received (or issued) in each transaction should be noted in the lower part of the abstract, against the entry of the transaction, in separate columns for each distinct article of stock, these column being so written up as to group the article by the prescribed heads of stock. After all transactions of the month have been posted, the total receipt (or issue) of each article should be computed and noted in column head, "quantities" in the upper part of the form. No entries need be made in the sub-divisional office in any of the money columns either part of the form, as these will be filed up in the divisional office (vide paragraph 220).

2- In posting column I of the abstracts, those receipts and issues of the month which represents transactions the value of which is brought to account in the same month through the cash book or transfer entries, Should be separated from transaction not so brought to account with in the month. See paragraph 757.

3- It is left to the sub-divisional officer to make the most suitable arrangements for collecting the information required to complete these abstracts. The registers of stock receipts and stock issues of subordinates stationed at the sub-divisional head quarters may be obtained in original, and storekeepers and sectional officers at out stations may be required to furnish copies there registers. Care should be taken to reconcile all transfers of stock between sub-ordinates of the same sub-division. and the reconciled transactions connected with such transfers with in the sub-division should not appear in the abstract of the sub-division.

4- The registers of stock receipts and stock issues maintained by sectional officer may, if necessary, be closed a little earlier than the date fixed for the closing of the sub-divisional account. See rule I to paragraph 721.

5- In the Irrigation Department P.W.A. Form nos. 8-A,9-A and 10-A should be used in place of P.W.A. Form Nos. 8, 9 and 10 respectively and detailed instructions printed of these form should be followed.

210- When abstracting the transactions recorded in the registers of stock receipts and stock issues, care should be taken to observe strictly the prescribed account classification (vide Appendix I). It is not sufficient to enter the name of the major head affected, but the minor and sub-head should also be stated, as well as the additional particulars mentioned in paragraph 207.

Although "manufacture" is a sub-head of the stock account issues of stock to manufacture operation and receipts of outturn from manufacture should be accounted for in the same way as issues to or from any other distinct head of account, and each manufacture operation should be treated as a separate work. See all so paragraph 63.

211- The quantity accounts of a particular month show all quantities received or issues in that month; but the corresponding cash payment, cash recovery, or other adjustment may not always appear in the divisional accounts of the same month. To secure agreements between the quantity and value account, receipts and issues, the value of which can not be adjusted in the accounts of the month in which the actual transactions take place, should be accounted for in the abstract under the suspense heads "Purchases" and "Miscellaneous P.W. advances" respectively. See also rule 2 to paragraph 209.

(d) HALF-YEARLY BALANCE RETURN

212. (a) The total quantities of the receipts and issues of each article of stock, as recorded in the monthly abstracts, form no. 9 and 10, should, before the abstracts are transmitted to the divisional office (vide paragraph 724), be

posted in the half-yearly balance return, Form no. 11, in the columns provided for the month concerned both under "Receipts" and "Issues". As soon as the receipts and issued 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-year 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-divisional 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 divisional officers an opportunity of commenting on the condition of the stores or on the rated and of noticing cases in which the balances are in excess of requirements.

NOTE—In the Irrigation Department P.W.A. form no. 9-A, 10-A and 11-A should be used in place of P.W.A. Form no. 9, 10 and 11 respectively .

(e) CORRECTION

213. (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 may be set right by the sub-divisional or 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.

Storekeeper and sectional officers may similarly correct their respective register of receipt in issues before submitting them to the sub-divisional or divisional officer.

(b) Mistakes subsequently noticed should not be corrected, except in accordance with a formal transfer entry, or under instruction received from the divisional officer.

(c) Erroneous entries noticed in a half-yearly balance return, which has not yet been submitted to the divisional office, may be corrected by the sub-divisional officer only if the corresponding entries in the monthly abstract concerned, or in the previous half-yearly return, are correct or have been duly set right.

III – Value Accounts

(a) PAYMENT FOR STOCK RECEIVED

214. Bills of suppliers should, before payment, be examined and dealt with in the manner prescribed in paragraph 428 and 440-452.

Special attention is invite to the rule in paragraph 451-the object which is to prevent erroneous or double claims being put forward successfully Store keepers and sectional officers, may if desired, be required to verify suppliers bills before payment (vide paragraph 203), but the disbursing officer is responsible that no payment is made unless the precautions referred to about have been observed.

215.- Cash payment should be made for stock supplied by any government department. workshop or depot, except in accordance with the rules in Appendix IX of volume V of the Handbook. When under those rules payment for supplies made by any department of the Government is made in cash, the claims of such department should be deal with in the same way as those of suppliers. In other cases the necessary adjustment of the cost, through the remittance or other head concerned, should be made by the divisional office in accordance with the instructions in Chapter IX and XX., after obtaining a verification of the claim, which should not be certified without crossing off the connected measurement book entries with a suitable remark.

(b) RECOVERIES FOR STOCK ISSUED

(i) Issue rates

216. 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 material are to be used should approximately equal the actual cost of the stores and that there may be no ultimate profit or loss in the stock accounts. It should provide, beyond the original price paid and the cost of carriage, etc., for—

- (1) The expenditure on work-charged establishment employed on handling and keeping the initial accounts,
- (2) The expenditure on the custody of stock,
- (3) The expenditure on the maintenance of the stores godown or yards, and
- (4) losses from the depreciation or wastage, but should in no case be in excess of the market rule.

1- It is not necessary that the issue rule for an item should be the same in all sub-divisions, but a uniform rate should ordinarily be prescribed for all localities in a sub-division .

2- The issue rates should be worked out to the nearest paisa as for as possible.

3- In the Irrigation Department the issue rates should be fixed in accordance with the instructions printed on P.W.A. Form no. 12-A.

261-A (a) A storage rate is fixed annually for each Division or Sub-divisional on the principle that the total estimated annual expenditure is, as far as possible, recovered from the issues likely to be made during the year. On the basis of this rate, storage charges are added on a percentage basis so as to form part of the issue rate calculated under paragraph 216.

(b) A suitable percentage based on carriage and other incidental charges of the previous year which are incurred simultaneously in connection with several articles of stock and can not therefore be allocated to the various articles, should be fixed annually on the principle enunciated in the preceding paragraph and added to the issue rate.

217. The issue rate of an article of stock should be fixed at the beginning of each year. Normally, this rate will remain constant throughout the year, but as purchases are made or contracts for supply of materials are entered into, variations in costs should be watched and if there is any materials variation in the purchases rates, the issue rate can be revised earlier, if necessary, at the discretion of the Divisional Officer. It should, however, be seen that the issue rates are kept within the market rates.

Note—In the case of controlled articles like cement, Steel, etc., the Issue Rate should be revised whenever there is a change in the controlled price.

271-A. At the end of each year, the amount of annual excess or short-fall representing the differences in values due to revision of rates, etc. should be worked out *pro forma* and credited to Revenue (or as a receipt on capital account) or charged off as “losses on stock” as the case may be.

NOTE-- While under the procedure prescribed in this paragraph. it would not be necessary to allocate the difference over the works, the profits or losses should be taken into account at the time of fixation of issue rates for the next year.

218. 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 issue outside the division which the divisional officer may prescribe.

(a) Issues to contractors and sales shall be made at market rates, but see paragraph 465 and 466.

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

(ii) Mode of recovery

219. (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 no. 19 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 (vide paragraph 215). The sub-divisional officer is, however, responsible for the clearance from works accounts, of all outstanding against contractor on account of the recoverable value of materials issued to them by charge to works.

(c) VALUATION OF QUANTITY ACCOUNTS

220. The abstracts of receipts and issues, when received from the sub-divisional officer, will be incomplete in respect of (1) the values of quantities shown as received and issued, and (2) cash or adjustment charges on account of manufacture operations and incidental charges, such as those for carriage, loading and unloading of stock materials. They should now be completed in the divisional offices in both these respects.

1- The lower part each abstract should first be taken up. In this part quantities of the several articles received or issues in connexion with each transaction have already been entered separately in the columns provided for this purpose (vide rule 1 to paragraph 209). These quantities should now be valued by recording the amount of each just below it, and the total value of each transaction should be shown in the first money column (third column of form no. 9 or second column of Form no. 10, as the case may be). Total should then be struck in the next money column "Total" separately for each head of account. The upperpart of the form should be valued next. The total of the values entered against each article in the lower part should be shown in the column headed – "Amount (Separately for each article)" against that article, it being seen further, in the case of issues, that this total is equal to the rate for the article multiplied by the total quantity. Finally, the entries in the last money column should be totalled up, both for each sub-head of stock and for the whole, abstract. The grand total should agree with the total of the second money column "Total" in the lower part of the form. The cash and transfer entry debits and credits to stock (vide rule 2 to paragraph 209) should be agreed with the transactions pertaining to stock brought to account in the cash-book and the transfer entry-book (vide paragraph 757).

2- Receipts should be valued on the basis of the prices paid or payable – as per bills or other claims. Extra charges, when paid or adjusted, should be posted as separate items without quantities.

3-Issues should be valued at the issues rates fixed for the purpose (vide paragraph 215 to 217).

4- All entries made in the divisional officer should be in red ink to distinguish them from those made in the sub-divisional officer.

5- In the Irrigation Department P.W.A. Forms nos. 9-A and 10-A should be used for P.W.A. Forms nos. 9 and 10 respectively and the instructions printed on P.W.A. Forms nos. 9-A and 10-A should be followed.

221. Carriage and other incidental charges should be debited to stock only when they are incurred in connection with the general stock requirements. See also paragraph 548.

222. To classify and collect, by objects of expenditure, the charges debited to stock from time to time the same procedure should be observed as is

adopted in respect of expenditure on works, that is works abstracts and registers of works should be maintained. See also paragraph 751.

IV Half-yearly register of stock

223. An account should be maintained in the divisional officer to record, month by month, separately for each sub-divisional, the transactions relating to each item of stock. This account should be in Form no. 12 or 12-A, as the case may be, half-yearly register of stock which is in three parts:

- Part I—The register.
- Part II—The summary
- Part III—The review .

224. Part I should as regards quantities be posted monthly from the sub-divisional abstracts, Forms nos. 9 or 9-A and 10 or 10-A as the case may be and balanced half-yearly, in the same manner as the sub-divisional half-yearly balance returns (vide paragraph 212). 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 item is no objection to values being recorded, in red ink, immediately below the respective quantities.

The register should be laid before the divisional officer within a week after the sub-mission of the monthly account to the Accountant-General .

225. 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 (vide paragraph 725). The closing balances of the aggregate values of sub-heads should also be struck. Their reconciliation with the accounts will be effected through Part II (vide paragraph 227).

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

(a) Market rates (column 24)—This column should be filled up, in respect of each item, under the orders of divisional officer by a person other than a ministerial 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 issues rates.

(b) Current issue rates (column 20) – This column will have been filled up at the commencement of the half year in respects of items brought forward from the previous half year, and subsequently, from time to time, in respect of new items and items the rates of which are revised during the half year.

(c) Value at current issue rates (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 rate for issue during the following half year which should be fixed, separately for each item, in accordance with the principles laid down in paragraph 216. 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 totaled 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 dose not agree with the corresponding book balance as brought out in column 19 (vide paragraph 225) an adjusting entry (plus or minus representing respectively 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.

NOTE—In the Irrigation Department these instruction will apply to column nos. 20, 21, 22, 23, 24 and 25 of Public Works Account Form no. 12-A in place of column nos. 19,20, 21, 22, 23 and 24 respectively of Public Works Account Form no. 12 and the instructions printed on Public Works account form no. 12-A should also be followed .

227. Part II, Summary, is intended to server two purposes ; (1) to prove the value balances brought out in column 19 of Part-I (vide paragraph 225), 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, do 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 balances as shown in the accounts.

Note-In the case of Irrigation Department Part II should be prepares as per P.W.A. Form no. 12-A.

228- When Part II is completed, the divisional accountant should write up his report in part III and submit it to the divisional officer.

229- The divisional officer will then review the register of stock and record his remarks and orders in Part III.

1- This review should be directed to see specially that stores are priced in accordance with the rule, that stock are taken periodically by responsible officers and that stock 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. The object to secure is that the stock on the register shall consist only of efficient and necessary articles priced within the rates at which they could be purchased at the time.

2- In the Irrigation Department the instructions printed on P.W.A. Form no. 12-A should be followed.

V—Stock-taking

230. Divisional Officer are to have stock taken throughout their divisions at least once a year.

231- It is not necessary that all the stores of a division, or even of a sub-division, should be checked and counted at the same time ; and the stock – taking may be arranged so as to go on gradually in the manner most convenient to the officers concerned. It is, however, essential that the greatest possible precision and accuracy should be maintained in the store returns, and the divisional officer should make such arrangements as are calculated to secure this result, and superintending engineers are responsible that this is done. The dates on which articles are taken stock of are to be entered in the store returns .

1- A certificates of check specifying clearly the issues personally checked by each government servant should be recorded under his dated signature.

2- In the Irrigation Departments the instructions printed on P.W.A. Form 12-A should be followed.

232. Important stores should as a rule, be counted by a sub-divisional officer or an Assistant Engineer but this duty may, at the discretion of the Government, be entrusted to a senior member of the subordinate engineering service when holding charge of a sub-division. The superintending engineer, when he thinks proper, may depute an officer from one division to aid in the stock-taking of another.

233. All articles of stock (not including tools and plant) which are not likely to be required during the following twelve months, should be reported to the divisional officer who will, it necessary, take the superintending engineer's orders as to their disposal.

234. The results of all verification of stock should be reported to the divisional officer for orders, but as soon as a discrepancy is noticed the book

balance must be set right by the verifying officer, a surplus be treated as a received and deficit as an issue, with a suitable remark.

235. (a)- The value of stores found surplus should be credited at once as a revenue receipt or a receipt on capital amount, as the case may be.

(b)- The value of a deficit should, however, not be charged off finally, 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 write-off ordered, a transfer entry should be prepared clearing the head "Miscellaneous P. W. advances" by debit to –

- (i) the works for which the stores were specially collected, if the accounts there of are still open, or
- (ii) the general head "Losses on stock" under one or more major heads as may be decided by competent authority, on a consideration of the objects for which the stores were stocked.

236. Under paragraph 231, the stock-taking of a sub-division may go on gradually throughout the year. The stocks of an article in a sub-division may, however, be scattered, and it may, therefore, not be possible in such a case to test the aggregate book balance of any article for the sub-division by an actual verification of all stocks of it at the same time. Where such conditions prevail, the following expedients should be adopted :

(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 or divisional officer.

(b) These accounts should be submitted to the sub-divisional or 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 various stocks in charge of a Sectional officer of each article, 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 paragraph 234 without waiting for the results of verification of stocks in other sections.

1- Before the adjustment of a difference is accepted finally by the sub-divisional or divisional officer, he should test the correctness of the sectional office's book balance by reference to the records of his own office.

2- The sectional officers should be required, at the time of the stock-taking to bring to account all issues to works made since the closing of the previous month's accounts.

3- In the Irrigation Departments the Sectional Officer shall maintain the quantities account in P.W.A. Form no. 8-B in accordance with the instructions printed on that Form and submit it monthly to the sub-divisional Officer with a copy of P.W.A. Form no. 8-A.

237. The procedure of verification outlined in the foregoing paragraph is suitable primarily for divisions executing ordinary works. In the cases of special stores depots or divisions, or of construction divisions where there may be large concentration of stores, their physical verification should be the duty of the executive authorities and should be performed by such agency and in such detail as may be decided by the Government in consultation with the Accountant General.

VI—Rectification of Accounts

238. Clerical errors in value accounts of stock should be dealt with generally under paragraph 162. See also paragraph 213. Corrections of errors discovered after closing the accounts of the month, should, when permissible, be made (i) by making entries of values (with out 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 preparing transfer entries in other cases.

239. Other corrections in stock accounts may be necessary in the following cases:

- (i) When quantities are found surplus or short, either as a result of stock-taking, or otherwise (vide paragraphs 230, 231, 1856 and 186).
- (ii) When issue rates have to be raised or lowered (vide paragraph 217).
- (iii) When stores of any description become unserviceable (vide paragraph 189) and have, therefore, to be removed from stock.

240- These corrections 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 Form nos. 8, 9 and 10. See paragraph 234 and 235.

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, which should be obtained on a survey report in form no. 18.

(b) Alterations in rates made when closing the register to stock should be carried out as indicated in paragraph 226 (d). Those made on other occasions should be noted at once in Part I of the register of stock by making a fresh entry (with the month of charge) in column 20. The resultant rectification of the value of the stock balances should in all cases be made only when the register of stock is closed [vide paragraph 226 (e)]. The adjusting entries referred to in that paragraph should, however, be cleared on receipt of orders of competent authority, this clearance being effected by making suitable value entries, without any quantities, in the abstracts of receipts and issues. From nos. 9 and 10, as the case may be the value being classified in accordance with the principles enunciated in paragraph 235.

NOTE—In the Irrigation Deptt. These corrections will be carried out in P.W.A. Form nos. 8-A, 9-A and 10-A.

241. No correction will be made in the accounts in respect of stores declared to be in excess of requirements, vide paragraph 233. Such stores will continue to be borne on the stock account until transferred elsewhere or otherwise disposed of in the ordinary course.

C- TOOLS AND PLANT

I—General

242. 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”, where as similar charges of class (b) are borne by the work concerned. In both cases, the cost is charged in the accounts against sanctioned estimates, in the same way as expenditure on works, though for purposes of sanction it is treated as expenditure on tools and plant.

243- numerical accounts of articles of both classes should be kept in accordance with the following rules, in each sub-division or for the division as a whole in cases where sub-divisions. Have been abolished.

The rules relating to numerical accounts of tools and plant apply also to imperishable articles, e.g., type-writers, furniture of rest house, surgical instruments and hospital furniture of canal dispensaries etc. etc., whether acquired by charge to heads of account other than “Tools and Plant”, or received free of cost.

244. 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 with the sanction of competent authority, should be specially reviewed periodically, and it should be seen that the articles are returned without unnecessary delay and in good condition.

This paragraph also applies to tools and plants sent out for repairs.

II—Numerical Accounts

(a) RECEIPTS

245- All articles received should be examined and counted when delivery is taken and the transaction should be posted in the accounts of receipts of tool and plant, Form no. 13 or 13-A, as the case may be. Such acknowledgement 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 acknowledgement should invariable be given when articles lent are received back.

1- The record of the detailed account should in the case of purchase from suppliers, be kept in the measurement book in the manner prescribed in paragraph 434 and 435.

2- The entries in Form no. 13 or 13-A, as the case may be, in respect of the receipt back of articles lent or sent out (vide paragraph 244) should be made in red ink, with a reference to the original entries in the accounts of issues of tools and plant.

(b) ISSUES

246. All transactions of issues (including those of articles referred to in paragraph 244) should be posted in the account of issues of tools and plant, Form no. 14 or 14-A, as the case may be. Except in the case of cash sales, unstamped but dated acknowledgements must be obtained in support of all issues and in the case of tools, etc., lent to contractors, such acknowledgements should further set forth the valuation of the articles lent, as determined by the sub-divisional officer. See rule 1 to paragraph 206.

1- Entries of articles referred to in paragraph 244 should be made in red ink.

(c) REGISTER OF TOOLS AND PLANT

247. A consolidated account of the receipts, issues and balances of tools and plant should be maintained in the sub-divisional office in Form no 15, register of tools and plant. This account should be for the twelve months ending September, that is, it should embrace transaction up to the date on which the accounts of the sub-division for that month are closed . It should be kept in three parts.

Part I – For articles in hand.

Part II—For articles temporarily lend or sent out, vide paragraph 244.

Part III—For shortages awaiting adjustment.

In Part I articles should be grouped under the prescribed sub-heads, which are: (1) Scientific instruments and drawing materials, (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 paragraph 260.

NOTE—In the Irrigation Deptt. P.W.A. Form 8-A, 15-A and 15-B should be used and the detailed instructions printed thereon be followed.

248. Parts I and II of the register should be posted thus :

(a) The accounts of receipts and issues , Form nos. 13 or 13-A and 14 or 14-A as the case may be, should first be totaled 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 nos. 15 or 15-B and 15-C as the case may be, in the columns for receipts and issues respectively.

(c) Each separate transaction connected with articles lent or sent out (vide paragraph 244) 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”.

249 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.

250. It is not necessary to maintain separate tools and plant register in the divisional office for each sub-division. The check of the registers received from sub-divisions [vide paragraph 725 (c)], should be effected by comparing the opening balance with the closing balances of the previous registers which are kept in the divisional office. The receipts and issues should be checked with Form nos. 13 and 14 submitted by sub-divisional officer monthly.

NOTE—In the Irrigation Deptt. Divisions T. and P. Register should be maintained in P.W.A. Form no. 15-C in accordance with the instructions printed thereon.

III—Payment for Supplies

251. Payments for tools and plant received from suppliers and other sources should be made generally in the manner prescribed for stock receipts in paragraph 214 and 215. But when the Mathematical Instrument Office is unable to supply any instruments indented for and arranges for their purchase, the supplier's bill will, if that office so desires, be paid in cash or by remittance transfer receipt.

IV—Recoveries

(a) FOR USE OF TOOLS AND PLANT

252. 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 work of the divisions itself, is described in Appendix V.

253. When tools and plant are lent to local bodies, contractors or others, vide paragraph 244, the hire and other charges should be determined by the orders issued by the Government on the subject and should be recovered regularly.

To avoid disputes about the levy of hire charges on particular articles lent to contractors, contracts should invariably specify what tools and plant, if any, to be supplied free of charge to the contractor.

254. The whole cost of carriage of all government tents belonging to executive and revenue officer should be debited to “Tools and plant”. Any charges incurred in excess of the scale laid down in the Manual of Government Orders, Volume II, or the Irrigation Manual of Orders should be recovered and treated as reduction of expenditure under the same head.

(b) FOR SALES AND TRANSFERS

255. The sub-divisional officer is responsible that when tools and plant are disposed of by sale or otherwise, with the sanction of 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 P.W. advances” as a sale transaction by the issue of a transfer entry.

A sale account in Form no. 19 should be prepared in support of every transaction.

256. When tools and plant are transferred to other divisions or departments, the sub-divisional officer should note in Form no. 14 or 14-A as the case may be in red ink, just below the entries of quantities, the values thereof if recoverable under the rules in Chapter XX. The necessary adjustment will be effected by the divisional office.

257. The foregoing rules regarding the adjustment or transfer of the cost of tools and plant apply equally to special tools and plant (paragraph 242) the cost of which was charged to a work or project, provided—

- (1) that the articles are actually disposed of by sale, or transferred on a valuation, to another department or government ;
- (2) that when the articles are transferred to another work or project in the same division, or to another division within these states, they are actually required for immediate use on a work or project which has already been sanctioned by competent authority, and the transfer value has been determined by competent authority in accordance with any rules prescribed by the Government.

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

No articles can be removed from the numerical account 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 sold or transferred, or they having become unserviceable their write-off is sanctioned.

V—Verification

258. The rule in paragraph 234 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 account of issues, Form no. 14 or 14-A, as the case may be, without making any entries in the quantity column 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 sanctioned write-off. See also paragraph 260.

VI—Rectification of Accounts

259. Clerical errors in the numerical accounts should be dealt with in the manner prescribed in paragraph 213 for stock accounts except that no transfer entries will be necessary.

260. Discrepancies in quantities and losses should be dealt with as under :

- (a) When they are noticed, action should be taken as indicated in paragraph 258, losses being treated as deficiencies.
- (b) When writing up the register, Form no. 15, the deficiencies should be registered in Part III under “ Debits” and their clearance should be watched, Articles found surplus will 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 or recovery should be shown in the account of receipts, Form no. 13, without making any entry in the quantity columns, and when positing the account into the register, Form no. 15, 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 s issue, in the account of issues, Form no. 14, with a suitable remark, and when this entry is transcribed into the register, From no. 15, 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.
- (e)
 - 1- The authority to write-off should be obtained on a survey report in Form no. 18.
 - 2- This rule dose not apply to the Irrigation Deptt.

D—ROAD METAL I—Quantity Accounts

261. Supplies of road metal should be measured and paid for in the same way as supplies of other materials for works, vide Chapter XIV.

262. As, however metal is often kept in store at the road-side before being laid down, a quantity account of it should be maintained in the divisional and sub-divisional office in Form no. 16. “Statements of receipts, issues and

balance of road metal”, copies of loose sheets being submitted monthly where necessary to the divisional office by the sub-divisional office within a fortnight of the submission of the monthly accounts.

1- In the case of metal collection for petty repairs a quantity account known as road metal return is maintained in the divisional sub-divisional offices under the rules issued by the Government. The data required for the maintenance of this return should be supplied monthly by the sectional officer on the prescribed road metal return slips.

2- The authority to write-off should be obtained on a survey report in Form no. 18.

3- This Statement to should show, Kilometer by kilometer the receipt, disposal and balances of road metal of each kind (stone kankar etc.) . The balance of metal in each kilometer should be shown, whether there are any transaction on it during the month or not.

4- Separate statements should ordinarily be kept for metal collected for annual repairs for renewals and for petty repairs .

5- Surfacing materials such as coaltar, pitch, asphalt and proprietary road surfacing stocked for maintenance estimates and for minor estimates for renewal at the roadside, will be accounted for in the same way and at the same time as road metal and will also be entered up in the road metal return in form no. 16-A (See also the rule under paragraph 199).

II—Rectification of Accounts

263. Metal found surplus, as the result of check measurement (vide paragraph 438) or otherwise, should at once be brought on to the quantity accounts Deficits should, however, not be removed from the quantity accounts until recovery of their value or receipt of sanction to 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.

III—Schedule of Rates

264- A rate book or schedule of rates showing the lowest rate at which metal can be supplied to the roadside throughout the division should be kept in the divisional office in Form no. 17. The rates should be revised from time to time, as old quarries are exhausted or new ones opened, or as other circumstance affect the rates. (See also paragraph 523).

IV—Charges for quarries

265. 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 exiting road, the following principles of accounting should be followed in adjusting the charge connected with the land and quarries :

(a) When the charges do not exceed Rs. 1,000 the amount should be debited direct to “Repairs” or to “Original Works” according as the quarry is intended to serve the purpose specified in clause (i) or (ii) above.

(b) When the charges do not exceed Rs. 1,000 and the road metal is required to maintain 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 gradually relieved by debit to the collection estimates of each year, in the manner prescribed in paragraph 559, for similar charges connected with manufacture operations.

(c) When the charges do not exceed Rs. 1,000 and the road metal is required for the purposes specified in clause (ii) above, the divisional officer should charge direct to the original work concerned such portion of the cost as is proper. The balance, if any, should be debited to the sub-head "Land and Kilns", etc. of the stock account and this sub-head should eventually be cleared by debit to "Repairs" in the manner described in paragraph 559 (b).

E—MATERIALS CHARGED TO WORKS

266. The account procedure relating to materials obtained specially for a work is described in Chapter XV. Special tools and plant charged to works do not fall under the category of "materials charged to works", vide paragraph 242 and 243.

CHAPTER IX

TRANSFER ENTRIES

267. 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 of another work or head are necessary—

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

Sometime it is more convenient to classify items pertaining to several heads (or works) under a single head in 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 transactions relating to it are taken to the account of a single party in the first instances, and before closing the accounts of a month, the necessary distribution over all the accounts is effected by transfer entry.

(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 debt head.

NOTE—The value of materials issued from stock to a work is not adjusted by a transfer entry but through the stock account at the end of the month, vide paragraph 469 and 474 (a).

(c) In order to bring to account certain classes of transactions which do not pass through the cash or stock account, e.g.--

(i) for credit to “Purchase” on account of materials received for works from sources other than stock, vide paragraph 467 and 474 ;

(ii) for credit to “P.W. deposits” on account of balances due to contractors on closed account, vide paragraph 504 ;

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

(iv) for credit to original debits or credits to remittance heads based on transactions not appearing in cash or stock accounts ;

(v) for credit to the heads concerned of the several percentages leviable under the rules, e.g., those on account of storage (when not recovered in cash), establishment, tools and plant and workshop charges, vide paragraph 187 and Appendix V and paragraph 608.

(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 already appeared in the accounts ;

(e) In order to relieve the account of a work in progress of—

(i) items which have ceased to be chargeable against the estimate for the work, and

(ii) suspense charges which can no longer be kept within the accounts of the work (vide paragraph 497). 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 (otherwise than in cash) have become due, e.g., by the transfer of stores to any other work or account.

NOTE—For the identification of errors in accounts, See paragraphs 162,213, 522 and 769.

268. For every transfer entry there must either be an authority in Form. no.53, transfer entry order, or an order recorded on another document (e.g., survey report Form no. 18, and final bill of a contractor's closed account placed under P.W. deposits) which sets forth all the necessary particulars ; See also paragraph 729 and 746.

1- In cases in which the transfer entry order is not required to be submitted to audit with the monthly account, vide paragraph 760, the necessary order, if not initiated by a sub-divisional officer may be signified by the divisional officer's initials against the entry in the transfer entry book (paragraph 272).

2- There is no objection to a transfer entry covering a number of adjustments and corrections, provided that all the necessary particulars are set forth in respect of each.

269. A transfer entry order may be initiated by the sub-divisional officer or an assistant engineer in the Public Works Department where sub-divisions have been abolished, and should be so initiated by him in all cases falling within clauses (a),(b),(c) and (e) of paragraph 267, which come within his cognizance.

270. The divisional officer is responsible 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 (e) of paragraph 267, proposed by sub-divisional officers or assistant engineers are countersigned by himself in token of acceptance.

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 .

271. All transfer entry orders should set forth such explanation of the correction or adjustment proposed to be made as would establish clearly the correctness and necessity of the entry.

In cases of corrections involving a reduction in the charges against the estimate of a work it is essential not only that full particulars of the vouchers and account in which the erroneous charges originally appeared are specified, but also that the circumstances in which the charges were wrongly allocated under the estimate for the work are clearly set forth. It is not sufficient to state that the charges were erroneously classified previously .

272. All transfer entries ordered to be made should be registered in the transfer entry book, Form no. 54, maintained in the divisional office. Entries should be numbered in separate groups for each month in the accounts of which they are to be incorporated. Roman figures being used in lieu of Arabic figures. Before the book is closed monthly, the divisional accountant should see that no adjustments which are required to be made under any rule are omitted.

273.- 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 prepared in accordance with the procedure prescribed in this chapter and approved by the divisional officer. The order should be filed with the works abstract for the month in which transfer is effected and it should not be entered in the transfer entry book.

CHAPTER X
GOVERNMENT BUILDINGS
I—General

274. In addition to the departmental buildings the Public Works Department executes for controls the construction and maintenance of buildings of other administrative departments, the responsibility for the construction and maintenance of which has not been transferred by the Government to those departments. See paragraph 264 of Volume V of the Hand book.

II—Insurance of Government Buildings

275. Insurance of Government buildings is not to be effected, except in the case of specially valuable property liable to special risks, for which the special sanction of the Government should be obtained.

III—Fixtures and furniture
(a) FIXTURES

276. Every Government buildings should be provided with all necessary fixtures, and the repair of these should be carried out periodically as part of the repair to the buildings. All petty repairs of fixtures and the replacement of broken glass in doors and windows required during the intervals between periodical repairs will, however, ordinarily be carried out by the officer using the building. (See rule 10 of Appendix X of Volume V of Hand book).

NOTE – Punkha includes its suspending ropes, tubs pulleys and its pole or board and the flap attached thereto. It does not include covering for the flap, frills or pulling rope.

(b) FURNITURE
(i) General

277. The divisional officer will not supply nor repair furniture, screens, prudahs or tatties ; nor will he perform any of the duties specified above as devolving on the departmental officer incharge. Furniture for new offices may, however, be supplied by the divisional officer and charged in his accounts, provided the special sanction of the Government has been obtained to the inclusion of the cost of such furniture in the estimates of the offices concerned. This rule dose apply to the case of furniture for traveller's rest houses, staging bungalows or circuit houses, the outlay on the supply and

repair of which will be treated as charges of the civil department . In the case of Public Works inspection bungalows, the furniture should be supplied and repaired at the cost of the department.

(ii) Official Residences of the Governor

278. The Secretary to the Governor is responsible for the administration of the furniture funds of the official residences of the Governor of Uttar Pradesh and for the upkeep of a stock list and the purchase, repair and maintenance of furniture. He shall submit to the Accountant General an annual certificate in the annexed form. During the second and fourth year of the incumbency of Governor and at least once in every three years the certificate of verification should be countersigned by the divisional officer of the Public Works Department in token of his joint responsibility for the actual verification.

Form of Certificate

Certified that all furniture in.... has been inspected and checked with the stock lists maintained. I am satisfied (i) that all new supplies up to date have been correctly brought on to the inventories, (ii) that the inventories are correct in all respects, (iii) that the articles in stock agree with the inventories, (iv) that sale proceeds have been properly accounted for, and (v) that sanctions of competent authority exist for writing off all articles off the inventory.

IV—Purchase and sale of Government Buildings

(a) PURCHASE OF BUILDINGS

279. No building may be purchased without the orders of the Government, to whom a survey and valuation report by the divisional officer, approved by the Superintending engineer, should, in all cases, be submitted.

(b) SALE AND DISMANTLEMENT OF BUILDING

280. Permanent government buildings may be sold or dismantled under the order of the Government or any subordinate authority to whom power has been delegated.

Temporary building erected during the construction of a work may, under the sanction, previously obtained, of the superintending engineer, be sold or dismantled on the completion of the work or when the purpose for which they were erected has been served. It is the duty of the divisional officer to report when, in his opinion, any building or other property of the Government in his charge ought to be sold or dismantled.

281. *(Omitted).*

VI—Renting of buildings

282. No government building in charge of the department may be occupied as a private residence without the consent of the divisional officer except under the orders of superior officers or of the Government. See also paragraph 290 and 290-A of this Volume .

283. On no account is a church, chapel, mosque, temple, tomb or other building devoted to religious use, to be occupied as a dwelling-house or for any other purpose without the consent of the principal civil or political authority on the spot (See also paragraph 384).

VII—Taxes

284. Municipal taxes on Public Works, Buildings or buildings occupied as residences are payable by the department occupying them and are debitable to that department, In the case of buildings occupied as residence, taxes which are by local rule or custom ordinarily leviable on tenants should be paid, subject to note 1 below, by the occupant during the term of his occupancy, even though he be entitled to quarters rent-free. If by local rule or custom the tax is chargeable to the owner it will be payable by the Government and will be ordinarily adjusted as part of the cost of maintenance [See Fundamental Rules 45-A-III (a) and (b) and 45-B-III (a) and (b)]. The responsibility for the acceptance of the assessment rests with the divisional officer in charge of the building and, on the divisional officer recording his acceptance, the payment will be arranged for by the department concerned. If the assessment appears unduly high, proceedings should be taken to obtain redress under the ordinary municipal law, and recourse should not ordinarily be had to the special provisions of Act XI of 1881. No municipal taxes are leviable on government buildings situated in cantonments. (See also rule 30 of Appendix X to Volume of the Handbook).

NOTE-- (1) (a) Taxes which are levied by local rule or custom on the owner are treated by the Government as part of the rent. Thus, if the buildings is occupied by a government servant who pays rent for the same, the amount due from him for rent plus owner's taxes is limited to 10 per cent of his emoluments. If the building is occupied by a government servant rent-free, no part of the owners taxes is recovered from him.

(b) As regards taxes which by local rule or custom are recoverable from tenants and may thus be considered as service taxes, the following rules apply :

(i) Such taxes must be paid by the government servant occupying a government building without payment of rent.

(ii) Exemptions from the payment of such taxes or reduction on the amount of the taxes in cases in which government servants, who by reason of the nature of their duties occupy more expensive residences than they would, if they were left to make their own arrangements, require the sanction of the Government. If owing to charges of government servants there is likely to be

difficulty in recovery, the Government may fix a lump sum for recovery in the case of each residence. But charges which are levied not on the basis of rental but as payment for a definite amount of service rendered, e.g., the quantity of water or electric light supplied, must be paid in full by the occupants.

(c) In cases in which the amount of tax payable to the municipality in respect of a building has to be borne partly by the government servant occupying the building and partly by the Government, the tax will be paid in full by the Government in the first instance and the amount payable by the government servant will be recovered from him.

(2) For further instructions regarding the payment of municipal taxes See Appendix 46 of the Public Works Department Manual of Orders.

(3) Recourse to the special provisions of Act XI of 1881 should be had only when an amicable (though passably arbitrary) settlement with the local authority has failed in cases when the property to be assessed is, from its nature, such as not to admit of the application of ordinary principles in assessing the payment thereon of any particular tax, e.g., when the assessment is on the jutting value, and the property is of such a nature that it is difficult to conceive its being let and impossible to form any estimate of the rent that would be obtained for it if the Government officer were to let it.

285- In the case of official residences of the Governor the taxes are paid by the Public Works Department and not from the Governor's contract grant.

VIII—Sanitary, water-supply and electrical installation

286- All works and repairs in connexion with sanitary, water-supply and electrical installations to government buildings under the control of the department should be carried out by or through the agency of the department, except in special cases under the orders of the department, except in special cases under the orders of the Government. (See also paragraphs 276 and 277 of Volume V of the Handbook).

IX—Buildings of historical interest

287- (*Omitted*) See rule (1) of Appendix I-B.

X—Registers and plans of buildings

(a) REGISTER OF BUILDINGS

288- Each Superintending engineer will keep a register (in form no. 28 of Volume V of the Handbook) of all buildings in charge of the department within his circle, and each divisional officer a similar register of all the buildings within his division. In these registers the value of the land comprised in a property will be shown separately from the value of the building or buildings thereon the value of each separate structure being also shown separately. In the case of a purchased property the price paid will be apportioned between the various items comprising the property, e.g., land main building servant's quarters, compound wall, well, etc.

(b) PLANE OF BUILDINGS

289- In case of buildings and works borne on the returns of the department the divisional officer will be held responsible that plants of such buildings are corrected on completion of any alterations.

XI—Terms of occupation of Government Residences

290- The rules regarding the occupation of government residences contained in paragraph 291-B and 291-C of Volume V of the Handbook should be strictly followed .

XII—Renting of non-residential buildings

290-A. Rules contained in paragraph 291-D of Volume V of the Handbook should be followed when a non-residential building is let to a private person for residential or business purposes or is allotted to a government servant as a residence. If a lease of the building is granted under paragraph 291-D of Volume V of the Handbook, it will be sanctioned by the Superintending Engineer, while the rent will be sanctioned by the Executive Engineer.

CHAPTER XI
REVENUE RECEIPTS
A—GENERAL

291. Departmental revenue is assessed and realised in accordance with rules prescribed by the Government in the Irrigation and the Public Works Department Manuals of Orders. When collected, it should be correctly brought to account in accordance with the classification prescribed in Appendix I.

292- Consistently with the provisions of the rule in this chapter, the detailed rules of account procedure relating to revenue receipts have been proscribed by the authorities of the department and will be found in the Manuals of Orders above referred to. (See also paragraph 67, 73 and 78).

293- Distinction must be made between receipts which are finally creditable to the revenues of the State as departmental revenue and transactions which represent merely such cash or other value received as has either to be eventually repaid 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 are creditable to the debt, deposit, remittance or expenditure head concerned and are not subject to the rules of this chapter. (See also Statement E of Appendix I).

1- For appropriation of unclaimed balances lying in the deposit account, See paragraph 622.

2- Receipts in connexion with municipal and district fund works which, are realized by officers of the department are creditable to the head "Deposits of local funds" under the local ledger head concerned.

294. (a) It is not permissible, except in the case of storage on sales of stock on credit, to credit revenue to the head concerned until it is realised, but divisional officers are responsible that demands are made as revenue falls due, that steps are taken with a view to effect prompt realization of all revenue, regular or occasional and that proper records are kept to show, in respect of all items of revenue, recurring or non recurring the assessments made, the progress of recovery, and the outstanding debts.

The object of this rule is that all classes of revenue, whether accruing from property of any kind, from leases of rights and concessions (e.g. rights for fishing grazing, etc. and use of water-power) or from any other source are properly watched.

(b) The recovery of all debts should receive the special attention of the divisional officer and no debts should be remitted or written off except under the orders of competent authority.

B—IRRIGATION REVENUE COLLECTED IN THE CIVIL DEPARTMENT

295- When revenue from irrigation works is realized in the Civil Department, the procedure described below should be observed :

- (a) The collections made in the Civil Department are paid direct into treasuries. They are brought to account to the credit of the revenue heads concerned in the Accountant-General's office without being passed on to the divisional officer for adjustment.
- (b) The divisional officer receives from the collector a monthly statement of the amounts realised, to enable him to watch the progress of recovery against demands or assessments.
- (c) The divisional officer should submit to the Accountant-General half-yearly statements as prescribed in the Irrigation Manual of Orders showing, separately for each civil district, the monthly realizations, as compared with the assessments, in respect of each canal or other work.
- (d) The Accountant-General should maintain a register showing, separately for each canal or other work, the monthly realizations pertaining to the different divisions.
- (e) The Accountant-General should bring to the notice of the Chief Engineer any marked shortcoming of revenue realizations, as compared with the budget estimate and the assessment of the year, but this will not relieve the authorities of the department of their responsibilities as prescribed in the local rules referred to in paragraph 292.

C—RENTS OF BUILDINGS AND LANDS

I—Demand and Recoveries

(a) FROM PRIVATE PERSONS

296. When a public building, land or other property is let to a person not in the service of the Government, the full assessed rent must be recovered in advance. In the case of public building rent will be assessed in the manner laid

down in paras 291-B and 291-D of Volume V of the Handbook. (See also paras 290 and 290-A of this volume).

(b) FROM GOVERNMENT SERVANTS AND PENSIONERS

297- The recovery of rents from government servants occupying rentable building may be made by deduction from pay bill or in cash as laid down in Chapter IV of Volume V of the Handbook. The instructions contained in those rules should be carefully observed by the Public Works Officers.

298- Where rent is recoverable in cash, a bill in suitable form should be sent to the tenant on or before the last day of each month and he should be required to pay in the rent before the expiry of the following month.

299- Amounts recovered by treasury officers in the State will not passed on the divisional officer, for adjustment in his accounts (as the Accountant-General will credit the revenue heads and canal, etc.), concerned, direct in his own books. The divisional officer should however, credit the accounts of the tenants in the register of rents of building and lands, Form no. 49 (paragraph 308), with the recoveries as certified by the treasury officer.

1- The Accountant-General will forward to the divisional office for verification the statements in form no-3 of Volume V of the Handbook received during a month, in his office with the accounts of ten percent of the treasuries selected by him. The divisional account should compare these statement with the corresponding entries in the register of rents of buildings and lands (form no.49), see that no statement pertaining to that treasury has been omitted to be sent by the Accountant-General and take steps to revise the assessment of rents of government servant's whose rates of emoluments have been altered by the Accountant-General .

300. Recoveries made by other treasury officers and disbursing officers should be credited to the accounts of tenants in the register of rents of buildings and lands, Form no. 49, and adjusted in the divisional accounts by debit to the remittance head concerned, on the authority of the certified statements received back from them without waiting for the intimation of the corresponding credit from the Accountant - General vide rule 1 to paragraph 654.

Statements received from disbursing officers and submitted to the Accountant-General along with the divisional accounts will be sent periodically to the audit officers of the circles or departments concerned for verification, and the procedure indicated in rule 1 under paragraph 299 will then be followed in respect in the verified statements.

301- A tenant who is a government pensioner, should be treated as a private individual for the purpose of these rules. But if he desires to make payments by deductions from his pension, recoveries from him may be thought the

treasury officer or other disbursing officer concerned on the pensioner furnishing. the divisional officer with a written request authorising such deduction. This authority should be transmitted to the treasury or disbursing officer with the first demand.

D—REFUNDS AND REMISSIONS

302- Remissions of irrigation revenue allowed before collections should be treated as reductions of demands. Cash repayments of such revenue after collection should be taken in reduction of receipts and debited to the sub-head “Deduct Refunds” under the minor head “Direct receipt”. (See Appendix I.).

303. Before a remission or refund of any kind otherwise in order, is allowed. the original demand or realization, as the case may be, should be traced and a reference to the remission or repayment should be so recorded against the original entry in the cash book and other account as to make the entertainment of a double or erroneous claim impossible. Any acknowledgment previously granted should be taken back if possible and destroyed, a note of the repayment being, in any case recorded on the counterfoil of the receipt.

303-A. All proposals involving the remission or write-off of rents of residential building should be dealt with in the manner laid down in paras 291 and 291-A of the Financial Handbook Volume V.

E—ACCOUNTS PROCEDURE

I- Registers of Revenue

304- All revenue receipts of the division should be classified and abstracted in a register of revenue, Form no. 46, maintained in the divisional office. The receipts relating to each project for which a separate revenue account is kept, should be registered separately and all the other receipts pertaining to major head should be booked collectively. The receipts relating to the transaction of the Central Government, if any, should be recorded separately. See paragraph 90.

305- In this register a column is opened for each minor head of revenue (and heads subordinate to it) other than “Deduct- Refunds” for which a single deduction is made from the total revenue of the month the details of the charges making up the figure to be deducted being recorded in a separate register of refunds of revenue, which should also be in Form no. 46.

1- For accounts procedure in respect of refunds of rents realized, See rule 1 to paragraph 310.

306- All receipts falling under the minor heads receipts and recoveries on capital accounts, should also be abstracted in Form no. 46, separately for each minor head of expenditure, a separate account being kept for each project the expenditure whereon is booked separately. Receipts falling under the minor head "Recoveries of expenditure" will appear in the register of revenue for the major head concerned under three distinct detailed heads viz.—(1) establishment recoveries, (2) tools and plant recoveries and (3) other recoveries .

307 In respect of rent receipts of the building and special services for which a subsidiary account is kept in Form no. 49 (See paragraph 308 and 310), it is not necessary to make entries in detail in any of the registers in Form no 46. The monthly totals only (excluding the amount realized by treasury officers in the State), for each class of the rents for which separate detailed heads have been opened under the minor heads "Rents" should be transferred from Form no. 49 to Form no 46.

II—Register of Rents

308- A register in form no. 49 (Register of rents of buildings and lands) , should be maintained in the divisional office to show the monthly assessments, realizations and balances of rents, of all residential buildings (including office buildings used as residences) and of such other buildings, land, etc., as may be available for being let. No building other than those falling within the categories specified in clauses (1) and (2) of Rule 2 of Appendix 2 to the Account Code, Vol. IV or site should be excluded from this register on the plea that it is intended to be occupied rent – free or is not likely to be rented but all such buildings may be grouped separately.

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

2. Rent-free quarters for class IV servants need be entered in this register except when allotted to persons from whom rent is recoverable. Nor need rest-house and other travelers 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".

3- In the Irrigation Department, land attached to residential buildings should be included in this register. While revenue from lands other than those attached to residential buildings should be watched through vernacular registers, which should be checked in details by the divisional accountant either monthly or quarterly as may be considered convenient.

309- The entries relation 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 change of tenancy from the subordinates in changes of the properties.

If any property is occupied free of rent, or if the rate for any month's emolument 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 the Fundamental Rule 15-a IV (b) a reference to the specific orders of Government allowing it should be recorded in the remarks column of the register of rents.

310- 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 divisional, (2) recoveries by other disbursing officers adjusted in the divisional accounts (paragraph 300) and (3) recoveries by treasury officer of this State adjustable in the account office (paragraph 299), for both rents of buildings and rent 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 realizations on account of each of these services should be shown separately.

Refunds of rents realized should be shown separately as minus realizations in the register of rents of buildings and lands, and thus distinguished from the gross realizations of rent.

CHAPTER XII WORKS

NOTE-- The rules in this chapter do not apply to works for the execution of which officers of administrative department are responsible and which are governed by the rules in Chapter XIII of Volume V of the Handbook.

A—CLASSIFICATION OF THE OPERATIONS OF THE DEPARTMENT

311. The operation of the department are divided primarily into two classes—“Original works” and “Repairs” or “Maintenance”.

312. The terms, “Original works” and “Repairs” are explained in explanatory note 29 to Appendix I.

313. When a building or a portion of a building or other work is dismantled, the dismantled materials may be—

- (a) sold,
- (b) brought on to the stock account at a valuation,
- (c) utilized in the construction of a new work in the same building, or
- (d) utilized in the construction of a new work in a different building.

314. Works are divided into three classes viz., (1) petty works, i.e. those costing not more than Rs. 20,000 ; (2) minor works, i.e., those costing more than Rs 20,000 but not more than Rs. 50,000; and (3) major works, j.e., those costing more than Rs. 50,000.

B—BASIC RULES APPLICABLE TO ALL STATE WORKS EXECUTED BY THE DEPARTMENT

315. There are four main stages connected with a project for a work, namely, administrative approval, expenditure sanction, technical sanction, and appropriation or re-appropriation of funds.

ADMINISTRATIVE APPROVAL

316- (1) *Original* – For every work (excluding petty works and repairs) it is necessary to obtain in the first instance the concurrence of competent authority of the Administrative Department requiring a work. Formal acceptance of the proposal by that authority is termed “administrative approval” of the work and it is the duty of local officer of the department requiring a work to obtain the requisite approval to it. An approximate

estimate and such preliminary plans as are necessary to elucidate and proposal should be obtained from the Public Works Department . The procedure prescribed in this rule will apply also to modifications of proposals originally approved if, by reason of such modifications, revised administrative approval becomes necessary, and to material deviations from the original proposals, even though the cost of the same may be covered by saving on other items.

In respect of works required not for a particular department but in the interest of the general public, e.g., communications, irrigation works and miscellaneous improvement, the necessary rules regarding submission and scrutiny of preliminary designs and estimates before a detailed estimate is prepared for the purpose of technical sanction, shall be found in the departmental manuals of the Irrigation and Public Works Department.

(2) *Revised* – When expenditure on a work exceeds, or is likely to exceed, the amount administratively approved for it by more than 10 per cent, or where there are material deviations from the original proposals, even though the cost of the same may possible be covered by savings on other items, revised administrative approval must be obtained from the authority competent to approve the cost, as so enhanced.

(b) EXPENDITURE SANCTION

317- Expenditure sanction means the concurrence of the Government to the expenditure proposed, in cases where this is necessary . In all other cases the act of appropriation or re-appropriation of funds (See paragraph 319) will operate as sanction to the expenditure concerned. The duty of obtaining expenditure sanction where necessary , rests with the department requiring the work. Any excess over the amount to which expenditure sanction has been given requires revised expenditure sanction, which should be applies for though the Administrative Department concerned as soon as such an excess is foreseen.

A revised expenditure sanction is necessary if the actual expenditure exceeds or is likely to exceed the amount of original sanction by more than 10 per cent, in cases where the original estimates are up to Rs. 5 (five) lakhs : and in cases of works exceeding Rs. 5 lakhs but not exceeding Rs. 10 lakhs a revised expenditure sanction will be necessary if the actual expenditure exceeds or likely to exceeds the original sanction by more than 5 per cent. In all other cases of works and those relating to residential buildings, any excess over the amount to which expenditure sanction has been given requires revised expenditure sanction of Government in the Finance Department.

For purpose of the above rule, the Chief Engineer are authorized to pass excess over the original expenditure sanction up to 10 or 5 per cent as the case

may be, subject to the following conditions :

- (i) the increases is purely related to rise in the cost of material and labour ;
- (ii) the excess can be met by re-appropriation within the overall budgetary provision ; and
- (iii) the Chief engineer can pass the excess expenditure within the limits indicted above only once and any subsequent excess that may occur will require revised expenditure sanction of Government .

(C) TECHNICAL SANCTION

318. For every work proposed to be carried out except petty works and petty repairs, and repairs for which a lump sum provision has been sanctioned by the superintending engineer, under paragraph 349, properly detailed estimate must be prepared for sanction by competent authority. This sanction is known as technical sanction to the estimate and it must be obtained before work is commenced. As its name indicates, it amounts to no more than a guarantee that the proposals are structurally sound and the estimates are accurately calculated and based on adequate data. Such sanction will be accorded by an officer of the Public Works Department authorized to do so. In the case of an original work, other than a petty work, the countersignature of the local head of the department on behalf of which its execution is proposed or of such other officer of lower status as may have been empowered to accord administrative approval to it, should be obtained to the plans and estimates in token of his acceptance of them, before technical sanction to the latter is accorded. If, subsequent to the grant of technical sanction, material structural alterations are contemplated, the orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

NOTE-- It is not essential that expenditure sanction should invariably be obtained before technical sanction is given ; in some cases it may be convenient to reverse the order. No detailed estimate for any work shall be prepared until funds for the works have actually been allotted or promised by competent authority except in the case of emergent work where an officer's departmental superior can call on a divisional officer for a project even if the above conditions are not satisfied.

(d) APPROPRIATION AND RE- APPROPRIATION

319- See paragraph 113 and 114.

C—LIMITATION OF SANCTION

320. The powers of departments of the Government and of subordinate authorities to sanction expenditure on works will be found in the Book of Financial Power Volume I of the Handbook.

321- A group of works which forms one project shall be considered as one work and the necessity for obtaining the approval or sanction of higher authority to a project which consists of such a group of work is not avoided by the fact that the cost of each particular work in the project is within the powers of approval or sanction of a particular authority .

While no officer may sanction any estimate for a work which cannot be fully efficient unless other works are also sanctioned, if the cost of all such works collectively exceeds his power of sanction, it is not the intention that two or more works should be regarded as forming part of a group of works merely because they are of the same nature, if they are otherwise mutually independent.

D—REQUISITION BY CIVIL OFFICERS

I—General

322. Application for new buildings and for additions or alterations to existing buildings required for the use of any department should be made by the officer of the department concerned in communication with the divisional officer, See also paragraph 318 and et seqq.

323. The local head of a civil department may call upon the divisional officer to report on any proposals for additions or alterations to the buildings in his use, the execution of which is likely to be entrusted to the department and to state roughly the probable cost ; but divisional officers cannot be required, except by their departmental superiors, to prepare the detailed drawings and estimates, required for the purpose of technical sanction, of project which they consider likely to cost a sum greater than that which can be administratively approved by the local head of the department concerned, or those, however, small their probable cost, in the necessary for which they do not concur.

324. The divisional officer must in each case exercise his judgment on the demand made, giving all proper weight to the opinions of the officers of the departments concerned; but it is his duty to oppose any application of the funds at his disposals, to works of the real necessity for which he is not satisfied and in every case in which he thinks that he cannot recommend the execution of a work called for by a duly constituted authority he should explain his objections to the officer concerned, and, if he fails to convince him, he should refer the matter for the orders of the superintending engineer. At the same time he responsible that such references are not made unnecessarily.

325- The actual execution of work asked for by civil officers, must in every case be dependent on the necessary funds being available. See also paragraph 294 of Volume V of Handbook.

II—Works relating to Official Residences of the Governor

326- The procedure to be followed in connexion with works relating to these residences are laid down in the rules reproduced in Part II of Appendix VI.

III—Procedure in regard to original petty works

327- Under paragraph 296 of Volume V of the Handbook an officer of a Civil Department may in special cases, arrange for the execution of petty works by the Public Works Department. In such cases the following procedure will be adopted :

I—The requisition will be made by the officer, for whose convenience the work is requires, in Form no. 32.

II-- The divisional officer, or an assistant or subordinate empowered by him to act in such cases, will record on the requisition his opinion as to what work should be done, and give on the face of the requisition a rough estimate of the probable cost.

III—The acceptance by the responsible civil officer of the estimate as sanctioned by the divisional officer will be sufficient authority for the execution of the work.

IV—In case the civil officer is not satisfied with the report of the deputed subordinate of the department he should refer the matter to the divisional officer.

IV—Procedure in regard to original minor and Major Works

328- The following procedure will be adopted by the divisional officer for the execution of such civil works as are to be constructed by the department under the provision of the rules in paragraph 264 and 297 of Volume V of the Handbook :

I—The divisional officer, on receipt of sanction of the Government, will call for, from the local officer, all necessary data to enable him to prepare either a preliminary proposal or a detailed estimate as he may deem necessary and submit the same for administrative approval to the authority cometen to accord such approval.

II—On receipt of the administrative approval, the divisional officer should take necessary steps for the preparation of a detailed estimate, if not already done and for its technical sanction by the competent authority.

III—After the estimate is technically sanctioned, the divisional officer will execute the work under the provisions of paragraph 294 of Volume V of the Handbook.

E—PREPARATION OF PROJECTS

I- General

329. The papers to be submitted with the project for a work will consist of a report, a specification and detailed statement of measurements, quantities and rates, with an abstract showing the total estimated cost of each item. These documents together form what is called “ the estimate” in these rules. In the case of a project consisting of several works, the report may be a single document for all the works and likewise the specification; but details of measurements and abstracts may conveniently be prepared for each work, supplemented by a general abstract bringing the whole together. In the cases of estimates for “Repairs” or “Maintenance”, only the specification and the detailed statement of measurements and quantities with the abstracts will ordinarily be required. The report should state in clear terms the objects to be gained by the execution or the work estimated for, and explain the peculiarities which require elucidation including, where necessary, the reasons for the adoption of the estimated project or design in preference to others.

330- The abstract of the estimate will show the total cost, in rupees only, of each kind of work, the only exception to this rule being the case of miscellaneous petty works which may be entered in the abstract without measurements, the estimated cost being alone given.

331- The abstract of the estimate may, under instructions of the superintending engineer, be framed to show merely the quantity and cost of each completed item of artificer’s work, e.g. brickwork, or it may be framed to show the cost of labour and materials separately. The adoption of either form of abstract should be determined with reference to the mode in which it is proposed to carry out the work. If it is proposed to contract for the completed item of artificer’s work, such as masonry, etc., then the first mentioned form of abstract will suffice; if it is intended to purchase or procure materials and to employ labour for construction separately, then the second form of abstract will admit of a closer, easier, and earlier check on the outlay and it will therefore be preferable.

NOTE—The provisions of this paragraph will not apply to estimates for research work carried out by the Research Divisions of the Irrigation Department, in which it is not possible to separate precisely each artificer’s work or to co-relate labour and materials required or to contract for completed items of works.

332-In addition to the charge for unforeseen contingencies at such rates as may be fixed by Government, all incidental expenditure which can be foreseen , such as compensation for or cost of land, sheds for workmen and store, should

be separately provided for in the estimate. The provision for contingencies may be not be diverted to any new work or repairs which is not provided for in the estimate, and of which the cost exceeds Rs. 2,500 without the sanction of the superintending engineer.

333- The rule regulating the inclusion in estimates of the approximate cost of establishment and tools and plant will be found, in respect of irrigation projects, in paragraph 336, and in respect of other works in Appendix V.

334. Estimates for works on which it is intended to use prison labour will, as in the case of free labour, provide for the full market value of the work to be done, but a note of the reduction if any, to be effected thereby should be made at the foot of the abstract of the estimate.

335- The following procedure will be followed in preparing and submitting schemes for roads financed from the Central Road Fund which are sanctioned by the Central Government :

(1) A brief memorandum should accompany the scheme giving a general description of the project and its position.

(2) A copy of the standard road map of the State should be sent with the position of the scheme clearly marked thereon unless the memorandum or description of the project will enable the precise position to be identified in the standard road map already with the Central Government.

(3) The railway administration concerned with the scheme should be fully and freely consulted from the early stages and should be furnished with the full particulars of the scheme. The views of the railway administration and the State Board of communications should accompany the proposals sent to the Central Government.

335-A. When the preparation of an estimate is entrusted to a firm of architects or consulting engineers the scale of fees laid down in Annexure A to paragraph 305 of the Financial Handbook, Volume V, shall apply.

II—Estimates for Irrigation Works

336- (i) The complete estimates for an irrigation project should include indirect as well as direct charges. The main headings are as follows :

Direct charges	}	1. works.
		2. Establishment.
		3. Tools and plant (ordinary).
		4. Provision for leave salary and pensionary charges-11 per cent.
Indirect charges		Capitalization of abatement of land revenue on area occupied by works.

(ii) The items included under the head “Works” should be classified under the prescribed main and subsidiary heads of account.

(iii) The cost of surveys, including expenditure incurred prior to the submission of the project, should be included in the estimate.

(iii) The provision to be made for establishment and tools and plant should ordinarily include 20 per cent on the estimate of works outlay for establishment 2½ per cent for tools and plant and 1 per cent for audit and accounts, Other percentages for establishment and tools and plant may be adopted with the sanction of Government if found to approximate more nearly to actual, provided that the percentages adopted are justified by comparison with past actuals.

1- This rule will not apply to any large Irrigation project which it is known will constitute the sole charge of one or more superintending engineers. The estimate for such a project should provide for actual anticipated charge on account of superintending engineers and other establishments, plus a suitable charge on account of the cost of the Chief Engineers establishment and the usual 1 per cent on the estimate of works outlay for audit and accounts as also the actual anticipated cost of tools and plant.

2- In the case of Irrigation project, for which neither capital nor revenue accounts are kept, it is unnecessary, except in the case of large surveys for new irrigation projects referred to in clause (v) below, to enter provision for establishment and tools and plant in the estimate unless, for any reasons, it may be deemed desirable to do so in order to forecast the ultimate result of the project.

NOTE—(1) Accountant General has ruled that the method of allocation of establishment charges to Capital at 20 per cent on the works outlay as laid down in clause (iv) above unnecessarily increases capital expenditure and makes schemes of new channels or extensions of channels, which are really remunerative appear unremunerative and consequently difficult, of acceptance by the Finance Department. He has accordingly agreed to the procedure that, with effect from the year 1937-38, if such capital works are constructed in a revenue division, only the actual cost of additional establishment entertained for such works should be debited to capital and provided for in the construction estimates instead of the percentage charges on account of establishment as at present laid down.

(2) other overhead charges as indicated in the accompanying sample form (form A) should continue to be provided in the estimates referred to in paragraph 1.

(3) In order to enable the Accountant General, Uttar Pradesh to allocate correctly the above establishment charges to Capital the following instructions are issued;

(a) Separate salary and travelling allowing bills should be prepared for the additional establishment employed. The name of the project, the major head of account and authority should be entered in red ink on the top of the establishment bills.

(b) The contingent charge paid to such establishment should be billed for separately and charged to Capital.

(c) Provision for the additional establishment required for the construction of capital works should be made separately in the establishment budget under the primary units, salary, traveling allowance and contingencies.

The following information should be noted against such provision :

(1) Name of work.

(2) Name of project.

(3) Authority.

(V) Estimates for large surveys for new irrigation projects, should however, provide only for a charge of 5 per cent on the cost of special establishment to cover the supervision charges thereon.

FORM A

[Referred to in note (2) under para. 336]

----- Canal----- Division. Projects for the construction ----- Minor

GENERAL ABSTRACT OF COST

Class	Main Head	Sub-head	Details	Quantities	Rate		Amount Rs.	Total Rs.		
					Rs.	per				
1	2	3	4	5	6	7	8	9		
533-Capital Outlay on Irrigation, Navigation, Embankment and Drainage works (Commercial) A-Irrigation Works (1) productive .		A- Preliminary	Levelling and setting out	1 Km.	30	Km.	30	..		
			Jungle clearance	1 Km.	30	Km.	30	..		
			Contingencies	Rs. 60	2	%	1	61		
		B- Land	Permanent land	1 Hectare	1,750	Hectare	1,750	..		
			Contingencies	1750	2	%	35	1,785		
		C- Works	As per schedule of masonry work	..	..	..	..	3,000
			L- Earth	Earth Work	40,000 Cubic Met.	4	%	1,600	..	
		1- Works (3) Distributaries		Miscellaneous	Contingencies	1,600	2	%	32	1,632
					Km. stones	3 Nos.	10	each	30	..
					Boundary stones	33 Nos.	5	each	165	..
					Bed bars	10 Nos.	9	each	90	..
					G I pipes	50 matters	5.25	r.m.	263	..
					contingencies	548	2	%	11	559
Total Works	7,037		

Direct charge

Estt. charges Overseer for 2 month	1	300	Month	600	..
Traveling allowance	..	..	Lump sum	200	..
Contingencies	..	..	..	<u>50</u>	..
Total	..	..	..	<u>850</u>	..
Leave and Pensionary charges	850	11	%	94	..
Tools and Plants	7,037	2.50	%	176	1,120
Indirect charges					..
Audit and Accounts Capitalized	7,037	1	%	70	
Abatement of land revenue for 20 years at Rs. 35 per acre per year.	1 Hectare	700	Hectare	7000	700
Total Indirect Charges	..	..	..	..	..
Grant Total	..	..	..	8,927	

III—Repairs

(a) GENERAL

337- Repairs are ordinarily of three kinds : *first*, those which as a matter of regulation are carried out periodically, and which are usually of the same quantity from time to time, such as the painting and white washing of a building or a new coating of metal on a road; second, those which are not done as a matter of regulation periodically, but which it is convenient to carry out, so far as may be necessary, at the time of periodical repairs ; and third, such occasional or petty repairs as become necessary from time to time, and which may have to be carried out between the times of periodical repair.

338- Except in the cases contemplated in paragraph 349, provision for repairs of the first two kinds should be made in annual estimates, and for the third kind in separate requisitions as the occasion may require.

339. A separate estimate should be prepared for the maintenance of each work, or of each class of building in each district, or of a portion of a work or group of works as detailed in the budget. Attention to this point is necessary, for in the principal accounts the total outlay against each estimate being alone posted, it is only by recording the outlay year after year on the maintenance of each particular set of buildings or works that useful comparisons can be made.

340- Each ordinary annual maintenance or repair estimate should include the whole expenditure which it is anticipated will be incurred during the financial year on the maintenance of the work concerned.

341- Repairs estimates should, like those for original works, provide for the removal of all rubbish which may have accumulated, filling unsightly pits, etc., round the buildings; all works establishment employed specially on the work; and, under separate sub-heads, all watchmen sanctioned by competent authority for the care of vacant buildings, guarding works, working sluices, etc.

NOTE-- (1) The pay of inspection house Chowkidars of the department is charged to the repairs estimates of the buildings concerned and not to establishment contingencies.

(2) The duty of cleaning the compounds of residential buildings devolves on the tenants. Such charges should not, therefore be provided for repairs estimates of those buildings.

342- The sanction to an ordinary repair estimate lapses on the last day of the financial year. If , however, inconvenience would arise in any exceptional case from the stoppage of the work at the end of the year, the repairs may be carried on to completion, the expenditure incurred in the new year being treated as expenditure against a fresh estimate for the next financial year.

343- Estimates for special repairs remain current till the completion of the repairs in the same manner as estimates for original works,

Exception—In the Public Works Department estimate for special repairs to road communications, including bridges, culverts and inspection house shall remain current from October 1 to September 30, after which date they shall be definitely closed and the unspent balances reported as available for re-appropriation.

NOTE—When an item of special repairs is of such a nature that the work cannot be completed within the specified period (October 1 to September 30) a separate estimate should be prepared for that items and the sanction of the Superintending Engineer obtained to keep the estimate open till the work has been completed. This sanction should be communicated to the Accountant General.

344. In case of urgency, the superintending engineer may authorize the commencement of periodical repairs in anticipation of the formal sanction to the estimate; but in such cases an approximate sum must be fixed, to the expenditure of which sanction is provisionally given, and the divisional officer will be responsible that the regular estimate is submitted at the earliest possible date.

345- In the case of descriptions of work, for the renewal of which any specific period of time has been fixed, the estimate for its repair should show the date when such item of work was last executed.

(b) SPECIAL RULES

(i) *Buildings*

346- The method of arriving at the valuation of a building with reference to repairs, is prescribed by the Government in the Public Works Department, subject to the proviso that the value assigned to any given building should not exceed the sum that would be arrived at where the approximate rate per superficial foot of plinth area for that class of building applied to it.

347- Where municipal or other taxes on Government buildings are payable by the Government provision for such taxes should be made in the annual repairs estimate.

348- The cost of petty works, such as replacement of bulbs shades, etc. and repairs to fans and other fittings required at occasional intervals in connexion

with an electrical installation in a buildings is ordinarily chargeable to the annual repairs grant provided for that installation.

NOTE—Bulbs are not to be treated as part of electric fittings in the case of residential buildings, See subsidiary rule 19-E in Volume II of the Handbook.

349- In the case of any building the cost of the ordinary annual repairs (excluding municipal taxes) to which is less than Rs. 2,500, the superintending engineer may prescribe, subject to revision from time to time, a lump sum limited to Rs. 2,500 (plus the amount of the municipal taxes if any, payable by the Government under paragraph 284 of these rules) for any one building, to cover the cost of maintenance, and within this amount expenditure will be permissible without any detailed estimate being prepared. Such lump sum should be framed after consideration of the cost of maintenance in the past and, in the case of residential buildings, should further be limited to the amount included for this purpose in the rent assessment. If in any working year the estimated cost of maintenance is more than the permissible limit given above, or if the lump sum sanctioned by the superintending engineer is exceeded, a detailed estimate must be prepared in accordance with the ordinary rules and be sanctioned by competent authority. When submitting their detailed or lump sum estimate for residential buildings, the Executive Engineers should certify that the amounts not greater than the sum allowed in the rent statement. In cases where they demand more than the normal grant, they must give their reasons. On sanction being accorded to such an estimate, the sanction of the superintending engineer to the lump sum provision will automatically be superseded for the working year in question.

1- The sanction accorded to the lump sum provision referred to in this paragraph shall be held to be a sanction to an estimate for the same amount for all purposes of these rules.

2- Divisional list of buildings the annual repairs estimates for which are less than Rs. 2,500 each, should be submitted in quadruplicate for the sanction of the deputy Chief Engineer early in April each year. One copy of the sanctioned list will be returned to the divisional officer, one retained by deputy Chief Engineer and the other two will be forwarded to the Accountant-General.

(ii) Roads

350- Unless metal is to be obtained by purchase or contract delivered on the road the estimate should show the proposed cost divide a under “cost of collection” and “carriage” ; if the metal is to be manufactured the probable outlay on each sub-head of the operation should be shown distinct from carriage.

F -- CONTRACTS

I—General

351- The recognized systems for carrying out work, otherwise than by the employment of daily labour are “Piece-work” and Contract work”. Piece-work is that for which only a rate is agreed upon without reference to the total quantity of work to be done or quantity to be done within a given period. The term “contract”, as used in these rules, does not include agreements for the execution of work by piece-work, nor dose it include mere ordinary purchases of material or stores. All other work done under agreement is termed “Contract work”, and in agreements for such work, which should invariable be in writing there should generally be a stipulation as to the quantity of work to be done and the time within which it is to be completed .

352- Rules regarding the execution of works on ‘work orders’ will be found in Appendix VII.

[
353- Rules regarding the execution of work in lump sum contracts, will be found in paragraph 405, 406 and 533 to 547.

354- A manual for the guidance of officers of the department in their relations with contractors has been published for the general guidance and assistance of executive officers. The instructions contained in it must, however, be followed subject to a reference to competent authority before entering upon legal proceedings.

355- The general instruction contained in Appendix XIX to Vol. V to the Handbook for the guidance of departmental officers entering into contracts should also be carefully followed.

II—Contract documents

356. Before a work is given outs on contract the divisional officer must prepare “contract documents” to include –

- (1) A complete set of drawing showing the general dimensions of the proposed work and, so far as necessary, details of the various parts.
- (2) A complete specification of the work to be done and of the materials to be used unless reference can be made to some standard specification.
- (3) A schedule of the quantities of the various description of work .
- (4) A set of “conditions of contract” to be complied with by the person whose tender may be accepted.

357- If the amount of the tender is likely to be beyond the divisional officer's power of acceptance, or to be of an unusual character, he should, before publicly inviting tender, submit the contract documents to the superintending engineer for his approval or remarks, together with a copy of the proposed advertisement for tenders, and the form in which tenders are to be submitted. If the amount of tender is likely to exceed the superintending engineer's power of acceptance, or to be of a very special nature, that officer should, in like manner, submit the contract documents to the Chief Engineer for approval.

358- In work of great magnitude the contract deed should be specially prepared by the government law officers, but for ordinary contracts, including all such as are based on tenders which a superintending engineer is competent to accept, such ordinary forms as may have been approved by the Government will generally suffice.

359- Estimates and amounts of sanctions are to be treated as strictly confidential and officers of the department are forbidden from communicating them to any contractor, piece workers or prospective tendered

NOTE—The restrictions imposed in this paragraph do not apply to percentage rate tenders.

III—Tenders

360- Tenders, which should always be sealed should invariably be invited in the most open and public manner possible, whether by advertisements in the Government Gazette or local newspapers, or by notice in English and the Vernacular posted in public places, and tenders should have free access to the contract documents. The notice should in all cases state—

(1) The place where and the time when the contract documents can be seen, and the blank forms of tender obtained; also the amount, if any, to be paid for such forms of tender.

(2) The place where the date on which and the time when tender are to be submitted and are to be opened [in the case of large contracts (i.e. over Rs. 50,000) this should be at least one month after the date of first advertisement or notice].

(3) The amount of earnest money to be deposited and the amount and nature of the security deposit required in the case of the accepted tender.

(4) With whom or what authority the acceptance of the tender will rest.

Authority should always be reserved to reject any or all of the tenders so received without the assignment of a reason and this should be expressly stated in the advertisement.

361- At the advertised time and place all tender received for the same contract should be opened by the divisional officer or other in person, in the presence of such of the intending contractors or their agents as may choose to attend. No tender should be accepted from any person directly or indirectly connected with a service of the Government.

362. As a rule no tender for the execution of works of any description should be entertained unless accompanied by earnest money paid to the extent which has been notified as necessary by the divisional or other officer. But in the case of works costing less than Rs. 10,000 the divisional or other officers may, at his discretion, demand earnest money only from the contractor whose tender has been accepted.

[Tenders for road metal collections costing less than Rs. 5,000 may be accepted without earnest money at the discretion of the divisional officer.

363- The amount of earnest money to be deposited should be sufficiently large to be a security against loss, in case of the contractor failing to furnish the required security within the appointed time after the acceptance of his tender, until the sums due to him form a sufficient guarantee, as the case may be.

364- Usually the lowest tender should be accepted, unless there be some objection to the capability of the contractor, the security offered by him, or his execution of former work. At the same time acceptance or rejection of tenders is left entirely to the discretion of the officer to whom the duty is entrusted, and no explanation can be demanded of the cause of the rejection of his offer by any person making a tender. In cases where the lowest tender is not accepted, reasons should however, be recorded confidently. In selecting the tender to be accepted the financial status of the individuals and firms tendering should be taken into consideration in addition to all other relevant factors.

IV—Security for performance of contracts

356- Security for the due fulfillment of the contract should invariably be taken. The security may take the form of a cash deposit, a deposit of interest bearing securities, a deduction of 10 percent from the payments to be made on account of work done, or personal bond of two persons of known probity and wealth.

1- When earnest money tendered under paragraph 363 is converted into security deposit, it should be taken into account for the purpose of the dedications made under this rule, e.g., when 10 per cent of the first monthly payment is less than the amount of earnest money no deduction will be made from it (the deduction will commence from the subsequent payment) but when it is more, only the differences between it and the earnest money will be deducted from the bill towards the security deposits.

2- Fixed deposit receipts of the State Bank of India, should, if offered, be accepted as security from contractor who are required to furnish security to ensure the proper execution of Government work that may be entrusted to them subject to the conditions laid down in paragraph 614 (e). (See also note 2 under paragraph 71 of the Financial Handbook. Volume V, Part I.).

V—Provision in contracts for imported stores

366- In framing contracts of any description it should be laid down that the supply of imported materials if required to any considerable extent, shall be arranged for by the Government. Such stores should either be supplied from the existing government stock or be obtained in accordance with the Stores Purchases Rules. IN the case of important construction works let out on contract, such stores may be supplied by the contractor subject to the conditions given in the Stores Purchases Rules. See Appendix XVIII, Volume V of the Handbook.

VI—Enforcement of terms of contract

367- Engineers and their subordinates are responsible that the terms of contracts are strictly enforced and that no act is done tending to nullify or vitiate a contract. All contract deeds must be executed on one or other of the standard forms, but they may be modified to suit local requirements after consultation with the legal advisers of the Government. All agreements or security bonds entered into with the department by contractors for the execution of work or for securing the due performance of contractors are exempt from stamp duty.

VII—Officers empowered to execute contracts

368- No authority lower than an assistant engineer or the officer in charge of a sub-division may accept any tender or make a contract for public works. Notifications legally empowering officers to execute on behalf of the Governor, the different classes of deeds, contracts and other instruments are issued by judicial Department. This power is, however, in each case subject to the departmental rules laying down the powers of officers to enter into contracts.

369- It is not the intention to prevent the officers mentioned in the preceding paragraph from giving out to different contractors a number of contracts relating to one work, even though such work may be estimated to cost more than the amount up to which they are empowered to accept tenders. But no individual contractor may receive a contract amounting to more than this sum

nor, if he has received on contract, may be receive a second in connexion with the same work or estimate while the first is still in force, if the sum of the contractor exceeds the power of acceptance of the authority concerned.

370- Departures from the rules contained in paragraphs 351 to 369 will be permitted by the Government only in unavoidable circumstances.

The following points should be very carefully noted :

I-- No authority may enter into a contract into which he is not empowered to enter under paragraph 368 or which infringes the rule in paragraph 369-

II—No authority may accept any contract for a work until an assurance has been received from the authority competent to provide funds for the same that such funds will be allotted before the liability matures [vide paragraph 375 (a)].

III—No authority subordinate to the Government may waive the provisions of paragraph 366 where the purchase of imported materials contravenes the provisions of the Stores Purchases Rules.

NOTE—Restriction I above does not apply to piece-work agreements which are not contracts within the meaning of these rules, vide paragraph 351.

G—SALE AND ACQUISITION OF LAND

I—Sale of Government land and immovable property

371-- All Government land and immovable property should ordinarily be sold through the Revenue Department.

372- When any immovable Government property is made over to a local authority for public, religious, educational or any other purposes, the grant should be made expressly on the conditions, in addition to any other that may be settled, that the property shall be liable to be resumed by the Government if used for other than the specific purposes for which it is granted and that, should the property be at any time resumed by the Government, the compensation payable therefore shall in no case exceed the amount (if any) paid to the Government for the grant, together with the cost or their present value, whichever may be less, of any buildings erected or other works executed on the land by the local authority .

II—Acquisition of land

373- When land is required for Government use the officer of the department should, in the first instance, consult the chief revenue officer of the district and obtain from him the fullest possible information as to the probable cost of the land, together with the value of buildings, etc. situated on the property, for which compensation will have to be paid. Upon the information thus obtained, an estimate should be framed by the Public Works officer and submitted for sanction. When sanction to such an estimate has been obtained, the divisional officer or other Public Works officer concerned should refer the matter to the revenue officer who will take the necessary preliminary action for the appropriation of the land under the Land Acquisition Act, or for its acquisition by private negotiation. Should it subsequently be found impossible to obtain the land required without materially exceeding the estimate, or obtain some other plot of land in lieu of that originally proposed, the Public Works officer will submit a revised estimate for sanction. In cases where the amount claimed by the owner is largely in excess of the amount awarded by the revenue officer, possession should not be taken except under the specific orders of the authority sanctioning the work until the time has elapsed within which an appeal may be preferred.

374- All proposals for the occupation of land within Cantonment limits, forming part of an encamping ground or otherwise held for the use of the Defense Department, should be submitted in the case of land within Cantonment limits, to the Cantonment authority and, in other cases, to the General Officer commanding the division or independent brigade. These officers will take the necessary steps to obtain the sanction to the Defense Department of the Central Government to the proposals.

H- EXECUTION OF WORKS

I—Commencement of work

375- (a) It is a fundamental rule that no work shall be commenced unless a properly detailed design and estimate have been sanctioned, allotment of funds made, and orders for its commencement issued by competent authority. Permission granted by the Government in orders on a budget estimate, for the retention of an entry of proposed expenditure during the year on a work, conveys no authority for the commencement of outlay. Such permission is granted on the implied understanding that before any expenditure is incurred the above conditions will have been fulfilled. Excepting in regard to (a) petty works, as defined in paragraphs 314 and 327; (b) repairs of the nature

contemplated in paragraph 349; and (c) in cases of real emergency to be immediately reported and explained to the authorities competent to accord administrative approval and technical sanction, this injunction may not be infringed. On the other hand, the sanction of a design and estimate by the Government or any other authority conveys no permission for the commencement of expenditure on the work, unless such expenditure has been provided for in the budget estimate of the year, or provision has been made for the outlay within the financial year either by appropriation or reappropriation. Where the work is an item of new expenditure for which funds do not exist and it is absolutely imperative to execute it forthwith necessary funds should be obtained by withdrawal from the State Contingency Fund in accordance with the prescribed procedure.

(b) If in any case, whether on grounds of urgency or otherwise, an officer is required to carry out a work for which no estimates have been sanctioned the orders of the officer authorising the work should be conveyed in writing. On receipt of such written orders the officer who is directed to carry out the work should immediately intimate to the Accountant-General that he is commencing the work for which no detailed estimates have been sanctioned and should, at the same time, state approximately the amount of the liability which it is likely he will incur by compliance with the written orders which he has received. As the Accountant-General will hold all such expenditure under objection, it is the duty of the officer incurring the expenditure to take immediate steps by addressing the appropriate competent authority to obtain orders either stopping the work or regularizing its execution.

376- In the absence of orders to the contrary from competent authority, a disbursing officer may continue to incur expenditure on the following classes of works from the commencement of a financial year :

- I-- All original works in progress at the end of the previous financial year.
- II-- Expenditure on repair works in progress and on ordinary regular repairs.
- III-- Maintenance of tools and plant and liabilities arising from the previous year in respect of any purchases.

377- Verbal orders for the commencement of work are to be depreciated as being liable to misapprehension, but in cases where such orders are given they should ordinarily be confirmed in writing as soon as possible thereafter ,

378- No work should be commenced in land which has not been duly made over by the responsible civil officers.

II—Scope of sanction

379- The authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project should not, without special authority, be applied to carry out additional work, not contemplated in the original project or fairly contingent on its actual execution.

Exception -- The above rule does not apply in the case of estimates for special repairs to monsoon damages .

III—Lapse of sanction

380- The approval or sanction to an estimate for any public work other than annual repairs will unless such work has been commenced cease to operate after a period of five years from the date on which it was accorded (See paragraph 342).

NOTE-- The orders contained in this paragraph are special for the Public Works Department, and override, in so far as estimates for works are concerned, the general rule contained in Volume I of the Handbook.

IV—A Iteration on design during construction

381- No material a Iteration in sanctioned (still less in standard) designs may be made by a divisional officer in carrying out any work, without the approval of the superintending engineer. Should any alteration of importance, involving additional expense, be considered necessary, a revised or supplementary estimate (See paragraph 394 to 398) should be submitted for sanction. In urgent cases, where the delay thus caused would be inconvenient, an immediate report of the circumstances must be made to the superior authority and deal with as the case may require. In the case of material modifications of or deviations from a sanctioned estimate it is the duty of the executive officers to see that sanction of the competent authority is obtained.

382- In the case of works, the estimated for which have been sanctioned by the Government in the Finance Department no alterations or additions likely to cause an excess should be permitted without the previous approval of the Government in the Finance Department. In case, the matter is of extreme urgency a telegraphic report of the circumstances should be sent for the orders of the Government in the Finance Department.

NOTE—For the powers of subordinate authorities to sanction emergent repair work, See Volume I of the Handbook.

383- Where important structural alterations are contemplated, though not necessarily involving an increased outlay, the orders of the original sanctioning authority should be obtained. A revised estimate should be submitted for technical sanction should the alterations involve any substantial change in the cost of the work.

V—Miscellaneous rules for the execution of works

384- No public edifice should be destroyed or injured in the execution of works without the full and free consent of the persons interested in it, nor without the concurrence of the principal civil or political authority on the spot, unless under the order of the Government (See also paragraph 83).

385- All interruptions of large works in progress should be immediately reported to the superintending engineer, the causes and the probable duration of such interruptions being duly explained.

386- All unusual losses in the manufacture of materials must, on their occurrence, be reported to the superintending engineer.

387- The superintending engineer may, if he deems it necessary, direct the divisional officer to suspend the commencement of progress of any work pending the orders of the Government.

I—EXECUTION OF WORKS BY CIVIL OFFICERS

388- Rules for the execution of works by officer of civil departments are contained in Chapter XIII of Volume V of the Handbook.

J—CONTRIBUTION WORKS

389- The department may occasionally, with the sanction of the Government or other subordinate authority to whom the power may have been delegated,

undertake to execute contribution works for which the outlay is provided wholly or in part from—

- (a) funds of a public nature, but not included in the budget estimate and accounts of the state.
- (b). contribution from the public of private individuals.

NOTE—Chief Engineer of Public works, Irrigation and Local Self-Government Engineer Department have been delegate power of sections execution of contribution/ Deposit works upto Rs. 50,000 .

390 – Where a work is to be carried out partly from funds provided in the estimates of the department and partly from funds of the foregoing nature, the contribution will be considered as a lump sum in addition to the Government grant, and work executive in strict accordance with the procedure laid down for public works.

391—The realization of contribution for churches is governed by the Ecclesiastical Rules, published by the Central Government. In other cases the contribution should be realized before any liability is incurred on account of the work. In case where the Government are satisfied that the money will be forthcoming when required, they may authorize the recovery from the contribution by suitable instalments on fixed date. NO interest will be allowed on sums deposited as private contributions for public works.

392.—In cases where the department undertakes to design and construct a work wholly from the sources referred to in paragraph 389, such as a town hall or reservoir for a municipality, or a school or hospital for which funds have been raised by subscription, the following rules will be observed :

I-- The design and estimate will, in the first instance be drawn up in communication with the party or parties depositing or administering the funds, and must be submitted for the technical sanction of such departmental authority as the extent of the estimate would require in the case of technical sanction to an ordinary public work.

II- Provision must be made to cover the cost of establishment, tools and plant, accounts and audit and pensionary charge at such percentages as are prescribed in Appendix V.

III.-- Prior to the work being put in hand, written approval to the estimate and design must be obtained from the authority depositing or administering the funds and an acknowledgement procured to the

effect that in undertaking the work the department does not bind itself to complete the work within the amount of the estimate, and that the authority depositing or administering the funds agrees to finance any excess that may occur. Any material alteration in the design must be similarly dealt with.

IV-- The necessary funds for the prosecution of the works must be realized and paid into the treasury either in a lump sum or in such instalments and by such dates as the Government may decide in each case. No advance from the revenues of the State for such purpose will be permitted and in a case where the money is paid by instalments, the Government will not be responsible for any increase in cost, or damage to the uncompleted work, caused by a temporary stoppage of the work pending receipt of further installments.

V-- It will be duty of the officer in charge of the work to bring at once to the notice of his superior and of the local body or individuals any anticipated excess over the estimate, as well as to provide the fullest information in connexion with the progress of expenditure, so that no responsibility may attach to the government in the event of the work having to be stopped for want of funds.

VI-- In undertaking such works it should be arranged that the extent to which the Government are responsible in regard to the execution of the work is thoroughly understood both by the parties for whom the work is to be constructed, and by the executive officers to whom its construction is to entrusted.

VII-- Where the work is of large magnitude, or there are any special circumstances which seem to render such a course desirable, an agreement should be drawn up under legal advice.

NOTE—For procedure to be followed in respect of ecclesiastical works of construction of which funds have been provided and are administered under the conditions stated in Ecclesiastical Rules (2) and (3) of Appendix I-B .

393- It must be distinctly understood that contributions on account of one work can, in no circumstances, be utilized for meeting outlay on account of another work the contributions for which may be in arrears.

K—SUPPLEMENTARY AND REVISED ESTIMATE

I—Supplementary estimates

394-- Any development of a project thought necessary while a work is in progress, which is not fairly contingent on the proper execution of the work as first sanctioned, must be covered by a supplementary estimate, accompanied by a full report of the circumstances which render it necessary. The abstract must show the amount of the original estimate and the total of the sanction required including the Supplementary amount.

II—Revised estimates

395- A revised estimate must be submitted when the sanctioned estimate (vide paragraph 379) is likely to be exceeded by more than 5 per cent, either from the rates being found in sufficient, or from any cause whatever, except as mentioned in paragraph 394 (See however, paragraph 383).

396- When a revised estimate is submitted, it must be accompanied by a comparative statement on the form prescribed, and by a report showing the progress made to date. It is the duty alike of the divisional officer and the superintending engineer to watch carefully the progress of expenditure and to see that a revised estimate is submitted directly as the necessity arises.

III—Supplementary and revised estimates

397-- (a) In cases where a substantial sanction of an original work sanctioned by himself or by a higher authority has been abandoned, or where material deviation from the original proposals are expected to result in substantial saving on the estimate, the superintending engineer must revise the amount of the estimate and intimate both to the Accountant General and to the divisional officer that the amount of the expenditure sanction should be reduced accordingly. In cases where the saving is due to material deviations of a structural nature from the design originally approved and the amount of the revised estimate is greater than that up to which the superintending engineer is empowered to sanction estimates technically, a revised technical sanction must be applied for from competent authority.

(b) If at any time either before or during the execution of an original work, it is found that the original estimates for it is excessive for reasons other than those mentioned in clause (a) above, an officer of rank not lower than divisional officer may sanction a revised estimate for it, even though the amount of such revised estimate may exceed that to which he is ordinarily

empowered to accord sanction . When according such sanction he should intimate to the Accountant General that the amount of the expenditure sanction should be reduced accordingly .

NOTE-- For the purpose of clause (a) a substantial section of a project or work shall be considered to have been abandoned, if the estimated cost of the works as revised, is less than 95 per cent of the cost of the project or work as originally sanctioned .

IV—Utilization of completion report as revised estimate

398-- When excess occur at such an advanced stage in the construction of a work as to render the submission of a revised estimate purposeless, the excess, if beyond the power of the divisional officer to pass, may be explained in a completion report, form no. 44, or completion statement prepared under the rules in paragraph 399.

L—COMPLETION REPORTS, CERTIFICATED AND PLANS

I—General

399- (a) A consolidated completion statement in Form no. 45 should be prepared monthly of all completed works other than those referred to in clause (b), the actual expenditure on which is in excess of the sanctioned estimate (vide paragraph 379) by an amount greater than that which the divisional officer is empowered to pass. This statement should show for each work or group of works the estimated amount, the outlay and the excess. In cases in which the completion statement is utilized instead of a revised estimate under paragraph 398, sufficient details must be given, if the excess is more than 5 per cent, to satisfy the authority whose sanction is necessary.

(b) A detailed completion report in Form no. 45 need only be prepared in respect of works on which the outlay has been recorded by sub-heads--

(1) when, if the work was sanctioned by higher authority the total estimate has been exceeded by more than 5 per cent, and

(2) when, if the work was sanctioned by the divisional officer, the total estimate has been exceeded by an amount greater than that which he is empowered to pass.

This report should give a comparison and explanation of differences between the quantity, rate and cost of work executed and this entered in the estimate, (See also paragraph 379).

1- The Superintending Engineer may, if he so desires, require a detailed completion report to be prepared on the completion of any other work.

2- Special rules for the preparation of completion reports of Irrigation project are given in Appendix IX.

II-- Works executed on behalf of other departments

400- On the completion of an original work executed on behalf of another department, a completion certificate in Public Works Department form no. 45-B should be forwarded by the divisional officer to the competent authority in the department concerned, who should after signing it in the space provided for the purpose(see also paragraph 402), return it to the Divisional Officer.

In the case of repairs, the sub-divisional officer should submit a completion certificate in Public Works Department form no.45-D to the officer of the department immediately interested in the work, who should after endorsing it with the remark that the work is in “good” order or otherwise forward it to his departmental superior (if he is not himself the officer competent to sign the certificate). The latter officer should then transmit it to the divisional officer for disposal.

The completion certificate in the case of petty works and repairs will be endorsed on the requisition (form no. 32) and no separate certificate is required.

NOTE-When original works or repairs are executed in respect of a building under the control of the Public Works Department, which is not allotted to any particular officer during the year, the completion certificate in respect of those works may be signed by the Executive Engineer.

401. Officers of the departments, requiring the work are required to fill up and sign all authorized forms of requisition completion report or other certificate of execution that may be required by the divisional officer in consequence of the execution of any work on their application or order.

402. The counter-signature of an officer of the requisitioning department merely implies, in the case of an original works, that the work has been completed and taken over, and in the case of repairs, the building or works generally is in proper order and involves no further responsibility. If the Countersigning officer is not satisfied with the work and wishes to make any remarks, he can do so over his signature, but he should bear in mind that, in making remarks which are unnecessary or irrelevant he may occasion much trouble and delay. (See also paragraph 404).

III—Record drawings

403- Record drawing, showing the work as actually constructed should be completed as soon as possible by the officer in immediate charge of every

new work or alteration of an existing work, for approval and record by the divisional officer (vide paragraph 289). Completion plans, consisting of copies of the record plans of the more important works and alterations, should if required to elucidate the report or if otherwise so directed by the superintending engineer, be prepared in the divisional office to accompany the completion report.

IV- office of record

404. —On the completion of any work in respect of which a completion report or statement is required under rule, such report or statement should be forwarded by the divisional officer to the Accountant General who should, after verification of the figures, transmit it to the superintending engineer. That officer should forward it to the Chief Engineer or to the Government if he is not himself empowered to deal with the excess. After disposal by the authority concerned it should be returned to the divisional office.

NOTE—In the Irrigation Branch Completion reports are receded finally in the office of the authority by whom the final fair estimate was sanctioned.

Completion plans, if any, should not be sent to the Accountant General but should be forwarded direct to the Superintending Engineer, who should attach them to the completion report on its receipt.

Completion certificate which should not be submitted to the Accountant General should ordinarily be retained in the divisional office, but in the event of unfavorable remarks having been recorded upon such a certificate by any office of the department on whose behalf the work is executed, it should be submitted for the orders of the superintending engineer with the explanation of the divisional officer and an account of any action he may have taken.

M—WORKS EXECUTED ON LUMP SUM CONTRACT

405- In a lump sum contract, the contractor agrees to execute a complete work with all its Contingencies in accordance with the drawing and specification for a fixed sum, the following being the essential characteristics :

- (i) A schedule of rates is specified in order to regulate the amount to be added to or deducted from the fixed sum on account of additions and alterations not covered by the contract.
- (ii) Except as provided in clause (i) no allusion is made in the contract to the departmental estimate of the work, schedule of rates or quantities of work to be done.

(iii) Detailed measurements of the works done are not required to be recorded recorded except in respect of additions and alterations .

In the hill districts of the Kumaon and Garhwal Division the system of auctioning contracts of the work of slip clearance may be adopted subject to the condition (1) that the auction will be held by the district or assistant engineer and (2) that it will be one of the conditions of the contract that no concession in rates, etc. will be allowed after a contract has been given out at bid of the contractor.

406- Before a work is given out on contract on a lump sum basis, the procedure prescribed for ordinary works for inviting tenders and entering into agreement with the contractor, vide paragraph 360 to 367, should mutatis mutandis be followed. Otherwise also the rules regulating ordinary works apply so long as they are not inconsistent with any special rules relating to lump sum contracts.

1- In drawing up contract document, the essential conditions mentioned in paragraph 405 must be observe closely.

2- The form of contract is prescribed by the Government in consultation with the law officers . The special account rules for such works, contained in section H of Chapter XIV, are based on the assumption that the essential conditions will be observed will be observed in drawing up contracts, it is therefore desirable that, before a form is finally determined, the advice of the Accountant General should be sought on the question whether the proposed form meets the requirements of audit.

3- Security deposits should be kept for not less than six months after the works is completed or for any longer period mentioned in the contract. During this period the divisional officer should adjust any expenditure which the contract may become liable under the conditions of this contracts.

407- “[Omitted ; see rule (4) of Appendix I-B]”

N—AGENCY WORKS

CHAPTER XIII

SPECIAL RULES FOR IRRIGATION WORKS

I—General

- 408- The following rules define the procedure to be adopted in connexion with irrigation projects. Throughout these rules the term irrigation project or “Irrigation work” should be held to include also navigation embankment, drainage water storage projects or works and hydro-electric schemes, for which power is obtained from falls on government canals.

II—Authorities for sanctioning expenditure on projects

- 409- The power of the Government and authorities subordinate to them to incur capital expenditure on irrigation works will be found in the Book of Financial Powers, Volume I of the Handbook.
- 410- Sanction to the irrigation projects the estimated cost of which exceeds Rs. 10,00,000 should be obtained in accordance with the procedure laid down in Appendix IX.
- 411- [*Omitted*, see rule (5) of Appendix I-B.]

III—Classification of works

- 412- Irrigation works are divided into two main categories those for which it is both desirable and possible to maintain accounts on a quasi-commercial basis, and those the maintenance of such accounts for which is either impossible or unnecessary, either because they produce little or no revenue or because, owing to their restricted size, no useful purpose is secured in examining the returns paid by individual work. For a quasi-commercial account the maintenance of a capital account is essential, since it is only by reference to the amount of capital expended, that the value of the results obtained can be determined. Irrigation works are thus broadly classified either as those for which capital accounts are kept or as those for which such accounts are not kept.
- 413- Irrigation works, for which capital accounts are kept, are classified as “Productive” or “Unproductive”. The criteria to be adopted in deciding the questions of classification are given in paragraph 1 to 5 of statement A to Appendix I. The classification of a work as “Productive” or “Unproductive” as it stands from year to year will be found in the administrative accounts prepared by the Accountant General.

IV—Preparation of project

- 414- Rules regarding preparation of canal and storage projects, the estimated cost of which exceeds Rs. 1,00,000 are contained in Appendix IX to this Handbook. Other rules of procedure regarding ordinary project will be found in Chapter V of the Manual of Orders, Irrigation Branch (Fourth edition)
- 415- A date for the completion of a work must be assigned before sanction is accorded, and the sanction unless extended will lapse on that date.
- 416- In the case of new lines of embankment it is necessary that the report, accompanying the project, should show clearly the financial responsibilities of the Government in connexion therewith, and the manner in which it is proposed that the outlay shall be recorded.

V—Accounting of Revenue and Expenditure

- 417- When the annual statement of estimated receipts and expenditure of the State is prepared, the Government estimate on one side, the revenue likely to be realised from Irrigation works during the year, and on the other side, the expenditure which it is proposed to incur from the revenue. The account of this revenue and expenditure is known as the “Revenue account” and such expenditure is commonly described as “financed from revenue” which is synonymous with saying “charged within the revenue account”. Expenditure “not financed from revenue” is similarly synonymous with expenditure “charges outside the revenue account”. Resources outside the revenue accounts take the form of loans, accumulated balances of previous years, and certain other sources of income not classed as revenue.
- 418- The heads of accounts, under which the Irrigation receipts and expenditure are accounted for and the notes explaining the nature of transaction, pertaining to the different heads are given in Appendix I.

VI—Closure of construction estimates

- 419- For rules regarding the closure of construction estimates preparation and submission of completion reports and the authorities who are competent to pass them see Appendix IX.

VII—Open Capital Account

420- For expenditure on open capital works, *see rule 39* of Appendix IX.

VIII—Expenditure on unproductive works

421- For expenditure on unproductive works, *see paragraph 8* of Statement A in Appendix I.

CHAPTER XIV
WORKS ACCOUNTS
A—GENERAL PRINCIPLES

422- The initial records upon which the accounts of works are based are—

- (a) the muster roll, and
- (b) the measurement book

For work done by daily labour, the subordinate in charge of the work will prepare a muster roll which will show the work done by this means and the amount payable on this account. For piece-work and for contract work generally, the measurement book will form the basis of account. From the muster rolls, the subordinate will prepare the labour reports (see paragraph 431), and from the measurement book he will check (or, if so arranged, prepare) the bills and accounts of contractors and suppliers.

NOTE-- In the case of muster rolls containing the names of 15 persons or less, the preparation and submission of labour reports may be dispensed with.

423- Initial accounts and vouchers connected with charges relating to works must invariably specify—

- (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) the charges (if any) which are of the nature of recoverable payments and the names of the contractors or other from whom recoverable.

1- In the case of recoverable charges, it should be seen particularly that the contractors or others on whose behalf the charges are incurred do not get the benefit of any concession to which they would not be entitled if they had themselves incurred the charges.

424- (a) Expenditure on the construction or maintenance of a work may be broadly divided into two classes, viz. (1) Cash and (2) Stock charges. As explained in Chapters VII and VIII these charges are recorded in the cash and stock accounts respectively.

(b) In addition to the charges falling under these main classes there are other transactions affecting the cost of a work. For example, there may be charges incurred in other divisions or departments, 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 rules.

(c) All these transactions pass into the general accounts of the division in the manner described in Chapter XXV and are thence consolidated into the accounts of the State. As, however, the unit of classification adopted in the general accounts in respect of expenditure are certain heads of accounts and not individual estimates for works or contract accounts, it is necessary to maintain separate accounts in sub-divisional and divisional officers for recording (1) the cost of individual works and (2) the transaction of individual contractors. These are known as works accounts.

425- Although the primary object of the accounts of works 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 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.

426- In recording the cost of an individual work in the accounts no attempt is made to include therein any charge on account of general services, like establishment and tools and plant, the entire cost whereof is adjustment 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 or department and the claim made by it includes an authorized charge on account of such general services, under paragraph 5 of Appendix V, such

charges may be accepted and 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.

1- When the cost of special tools and plant is including in the cost of a work under paragraph 242 the rules in Chapter VIII regarding numerical lists or returns will apply mutatis mutandis and adjustments on account of the cost of tools and plant transferred to other work, divisions or departments will be governed by the rules in paragraph 257.

2- The cost of special establishment employed on the acquisition of land when chargeable the accounts of the works concerned under paragraph 203, of Volume V of the Handbook should be treated as a part of the works expenditure.

3- Lump sum charges of establishment and tools and plant recoverable from other Government and departments, for works executed for them as standing arrangement should not be included in the accounts of the works, but dealt with under the rules in Appendix V.

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427- Primarily the divisional officer is the responsible disbursing officer of the division. Rules detailing the authorities competent to prepare or examine contractor's bills or other demands for payment, and the authorities empowered to make payments thereon, are laid down in the manuals of orders of the department. Subject to any such rules, the divisional officer may authorize a sub-divisional officer to make payments chargeable against the general sanctions of competent authority to expenditure on works.

B—CASH PAYMENTS

I—Introductory

428- Cash charges on works consist of payments (1) to labourers and members of the work-charged establishment, of their wages and (2) to contractors and others for work done or other services rendered. The cost of materials procured specially for works is charged to the accounts of works by transfer credit to the "Purchases" account, but payments to suppliers are governed by the same rules as payments to contractors for work done.

The general rules relating to cash payments and vouchers in paragraphs 153 to 157 apply to all these classes of payments. Only special rules are, therefore, set forth in this chapter.

II—Payments to Labourers

(a) DEPARTMENTAL LABOUR

(i) Muster Rolls

429- With the following exceptions, all persons engaged departmentally for the execution of works are considered as day labours and their wages should be drawn on muster rolls, form no. 21, and charged to the estimates of the works on which they are employed :

(1) Permanent and temporary employees of the division whose pay is charged to the head Establishment.”

(2) Members of the work-charged establishment as defined in paragraph 667.

430- Muster rolls should be prepared and dealt with in accordance with the following rules, form no. 21 being used, except in the Public Works Department for which a modified form of muster roll of daily labour (in form no. 21_A) has been prescribed.

(a) One or more muster rolls should be kept for each work, but muster rolls should never be prepared in duplicate. It is permissible, however, to keep one muster roll for labourers employed upon several small works, in cases in which no harm can result if the total unpaid wages are regarded as relating only to the largest work in the group.

(b) Labourers may be paid more than once a month and the period covered by each payment may be determined locally ; but separate rolls must be prepared for each period of payment.

(c) The daily attendances and absences of labourers and the fines inflicted on them should be recorded daily in part I of the muster roll in such a way as—

(i) to facilitate the correct calculation of the net wages of each person for the period of payment,

(ii) to render it difficult to temper with, or to make unauthorized additions to, or alterations in, entries once made, and

(iii) to facilitate the correct classification of the cost of labour by works and sub-heads of works where necessary.

(d) After a muster roll has been passed by the Sub-divisional Officers, payment thereon should be made as expeditiously as possible. Acknowledgement, duly stamped where necessary, should be obtained from each payee on the Muster Roll and each payment should be made or witnessed by the official of highest standing available who should certify to the payments individually or by groups, at the same time specifying both in words and in figures, at the foot of the muster roll the total amount paid on each date. If any items remain unpaid, the details thereof should be recorded in a Register of Unpaid Wages,

Form 21-B (which should be maintained in the Sub-division) before the memorandum at the foot of the Muster Roll) completed by the person who made the payment.

NOTE—(1) In the Public Works Department, the muster rolls shall be prepared by the subordinate in direct charge of the work and, unless they do not exceed Rs. 25 in amount and are to be paid from his permanent imprest, should be submitted to the Assistant Engineer, or Assistant Executive Engineer in charge of the section or authorized sub-division. The latter officer will give the pay order only after the muster rolls have been pre audited by the accountant, in the case of a divisional office, or checked by the head clerk in the case of a sub-divisional office. The Assistant Engineer or Assistant Executive Engineer will be responsible for their correctness and for the disbursement of the wages of the labourers.

(2) (1) The following official in the Irrigation Deptt. may make payment on muster rolls, up to the extent mentioned against each, without obtaining the precious sanction of the sub-divisional and divisional officer provided daily reports are dispatched to the sub-divisional officer showing the number of labourers employed and the approximate quantity of work done.

(i) Canal sub-overseer, overseer, line inspectors, assistant line inspectors in charge of independent sections in hydro-electric divisional and unpaid stipendiary and work charged engineer students—Rs 25.

(ii) Work-charged assistant mechanical engineer—Rs. 50.

(2) Sub-divisional and divisional officers may--

(i) debit any portion of the expenditure so incurred which they consider to be extravagant to the disbursing officer concerned and recover it from the latter ;

(ii) extend the limit of Rs. 25 fixed above to Rs. 50 in the case of selected men holding one of the posts mentioned against item (1) in paragraph 1 above;

(iii) withdraw entirely the authority of a person holding one of the posts mentioned in items (1) and (2) in paragraph 1 above, to make payments on muster rolls in anticipation of sanction, if he is considered to be unreliable.

(3) (1) Overseers in the Local Self Government Engineers Department may make payment on muster rolls up to Rs. 100 without the prior sanction of the Executive Engineer, provided daily reports are dispatched by them to the Executive Engineer showing the number of labourers employed and the approximate quantity of work done. The muster rolls in such cases should be submitted to the Executive Engineer with the imprest account and must be carefully rechecked and compared with the accounts of before the imprest account is passed.

(2) Executive Engineer in the Local Self Government Engineering Department may—

(i) extend the limit of Rs. 100 fixed above to Rs. 200 in the case of selection overseers of the department;

(ii) withdraw entirely the authority of an overseer in this matter if he is not considered to be suitable ;

(iii) debit any portion of the expenditure so incurred which they consider to be extravagant, to the overseer concerned and recover it from the latter.

(e) The subsequent payment of unpaid wages should be made on Hand Receipt, Form 28 ; a note of the payment being kept in the Register of Unpaid Wages as well as the relevant Muster Roll.

(f) Wages remaining unpaid for three months should be reported to the divisional officer, who will decide in each case whether the liability as an amount available for payment should continue to be borne in the accounts of the work concerned as exhibited in the sub-divisional record prescribed in clause (e).

NOTE—For action to be taken on the completion of the work see paragraph 503.

(g) In part II of the muster roll form should be recorded the progress of work done by the labour shown thereon in all cases where such work is susceptible of measurement. If the work is not susceptible of measurement a remark to this effect should be recorded.

NOTES—(1) It is not necessary to reproduce the detailed of measurement in part II, nor need part II be written up if progress is reported once a month or after in any other suitable form and such separate reports are considered sufficient.

(2) The check of muster rolls with reference to the entries in the measurement book will be done to the extent of 50 per cent in the sub-divisional and 50 per cent in the Division in cases where payments are made by the Divisional officer.

(h) In exceptional and urgent cases, such as urgent silt clearance of canals or closing breaches, where labourers are employed casually for short periods, payment may be made on a casual labour roll, form no. 22, in which the names of the labourers need not be given, but such payment may not be made by an officer of lower rank than an overseer of the subordinate engineering service. Nor need muster rolls on form no. 21 be used in the case of work done on requisition, form no. 32, when the entries of daily labour are few; in such cases the particulars can be endorsed on the form of requisition.

(ii) Labour Reports

431. For all large works or groups of works labour reports, in the prescribed form, will be submitted either daily or periodically as may be directed by the divisional officer. They show the number of each class of labourers employed on each work or sub-head. Discrepancies between labour reports and muster rolls should be investigated as soon as the latter are received after the close of the month.

NOTE-- In the case of Muster rolls containing the name of 15 person or less, the preparations and submission of labour reports may be dispensed with.

(b) LABOUR ENGAGED THROUGH A CONTRACTOR

432- The payment of daily labour through a contractor instead of my muster roll in the usual way, is objectionable in principle. In a case of great emergency it may sometimes be found impossible to employ labour otherwise than through a contractor. Should it be possible, in such a case, to determine the quantities of work done after its completion or at intervals during its progress, it is expedient to pay the contractor, at suitable rates, on the basis of work actually executed. But if, as in the case of urgent repair of canals breaches, this method of payment is not practicable, it is permissible to

pay the contractor on the basis of the numbers of labourers employed, day by day, his own profit or commission being either included in the rates allowed, or paid separately in lump sum or at a percentage rate. When this course is adopted a reports of the number of labourers of each class employed day by day should be made by the subordinate in charge of the work daily to the sub-divisional or divisional officer or to assistant engineer to enable him to keep a check on the expenditure and to deal with the contractor's claim when received. To avoid disputes with the contractors, they should be encouraged to sign the daily reports in token of their acceptance as correct.

The use of the muster roll or the measurement book (paragraph 434) is not permissible in such cases.

(c) TRAVELLING EXPENSES OF LABOURERS

433. When it is necessary to bring labourers and artificers from a distance they may be allowed wages for the number of days occupied in the journey to and from the site of the work if they join the work with proper dispatch. At the discretion of the divisional officer bona fide traveling expenses may also allowed to them. The above charges must be borne by the estimate of the work.

III—Payments to suppliers and Contractors

(a) RECORDED OF MEASUREMENTS

(i) Measurements Books

434- Payments for all work done which is susceptible of measurement and for all supplies are made on the basis of measurement recorded in measurement- books, in accordance with the rules in paragraph 435. The measurement books should, therefore, be considered as very important accounts records. All the books belonging to a division should be numbered serially and a register of them should be maintained in form no. 92 in the divisional office showing the serial number of each book, the name of the sub-division to which issued, the date of issue and date of its return, so that its eventual return to the divisional office may watched.

NOTES—(1) A similar register should also be maintained in the sub-divisional office showing the name of the sub-divisional officer and sectional officers to whom measurement-books are issued. Books no longer in the use should be withdrawn promptly even though not completely written up.

- (2) Works or supplies costing below Rs. 50 in the departmental construction units for bridges and buildings in the Public Works Department and below Rs.10 in other cases which are debitable to “Establishment Contingencies”, “Tools and Plant”, “ works” and “Repairs” need note be entered in the measurement books.
- (3) Medicines and medical stores supplied to canal dispensaries should not be entered in measurement-books, but should be entered in Dispensary form No. 38, referred to in paragraph 1019, Chapter XXIII, part III of the Uttar Pradesh Medical Manual.
- (4) The supply of electricity to Government buildings need note be entered in the measurement books but it should be entered in a separate register maintained for the purpose.
- (5) The supply of petrol to departmental motor vehicles need note be entered in measurement books, but it should be entered in log books.

(ii) Detailed Measurements

435- In recording detailed measurements, the following general instructions should be carefully observed :

(a) Detailed measurements should be recorded only by executive, assistant executive, or assistance engineers or by executive, subordinates in charges of work to whom measurement-books have been supplied for the purpose.

1- In the Irrigation Department where the divisional head-quarters are situated outside the sphere of action of the canals concerned, and at which there are no sub-divisional officers or executive subordinates actually stationed, the divisional head clerk and divisional draftsman may record entries in the measurement-books for articles debitable to contingencies and for articles of tools and plant respectively ordered by the divisional officers for petty works done at headquarters. In the Tarai and Bhabar Government Estates Division, the head draftsman of the division may record entries in the measurement-books for articles debitable to contingencies as well as to tools and plant. In such case, the divisional officer must check the entries in the measurement-books on his return to headquarters from tour.

2- See also rule 1 under paragraph 447-

3- In the Tarai and Bhabar Estates Division, the head draftsman of the division may record measurements of annual repairs to Estates building at Naini Tal subject to the condition that the measurements are checked by the Superintending of the division.

4- In the Research Circle, Irrigation Department, and the Hydro-electric and Rules Lines Division of the Electricity Department, the following official also are authorised to record detailed measurements of works and supplies in measurement books, subject to the conditions (i) that all such measurements are checked by Sub-divisional Officers before authorising payments and (ii) that in order to prevent the check by Sub-Divisional Officers being merely

formal, they are made personally responsible for any over-payments which may occur in the event of an measurements after their check being found in excess or otherwise irregular —

- (1) Reserve Supervisors.
- (2) Superintending of Power Houses.
- (3) Line Supervisors .
- (4) Assistant Line Supervisors.
- (5) Head Mistries.
- (6) Electricians.
- (7) Store Keepers.
- (8) Assistant Store Keepers.
- (9) Line Inspectors.
- (10) Members of other establishment (work charged) drawing a pay of

Rs. 120 per mensem and over .

(b) All measurements should be neatly taken down in a measurement-books form no. 23, issued for the purpose and no where else.

NOTE-- In the Irrigation Department where measurement of earthwork in dams, heavy embankment and excavations is made on the basis of the cross-sectional area of embankment measurement need not be recorded in a Measurement Book Form 23 but it should be recorded in a special form prescribed in the Irrigation Manual of Orders in accordance with the procedure laid down therein.

(c) Each set of measurements should commence with entries stating—

(i) In the case of bills for works done—

(a) full name of work as given in estimate, (b) situation of work, (c) agency by which executed, i.e. contract, piece-work or daily labour (number and date of contract, piece-work agreement or work order to be quoted), (d) name of contractor, (e) date of written order to commence work,(f) date of actual completion of work (g) date of measurement (h) name of subordinate in charge of daily labour and (i) reference to last measurement on account of the same contract (number and page of measurement book) in the case of running bills.

(ii) In the case of bills for supply of materials—

(a) name of supplier, (b) number and date of his agreement or order, (c) purpose of supply in one of the following forms applicable to the case “Stock” (for all supplies for stock purposes) (ii), “Purchases” for direct issue to (here enter full name of work as given in estimate).....(iii) “Purchases” for (here enter full name of work as given in estimate)..... For issue to contractor on and (d) date of written order to commence supplies, (e) date of actual completion of supplies (f) date of measurement, and should end with the dated signature of the person making the measurement; *see* also paragraph 423. A suitable abstract should then be prepared which should collect, in the case of measurements for work done, the total quantities of each distinct item of work relating to each sanctioned sub-head.

(d) As all payments for work or supplies are based on the quantities recorded in the measurement-book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately, If the measurements are taken in connexion with a running contract account on which work has been previously measured, he is further responsible (1) that reference to the last set of measurements is recorded and (2) that if the entire job or contract has been completed the date of completion is duly noted in the prescribed place, vide clause (c) above. If the measurements taken are the first set of measurements on a running account, or the first and final measurements, this fact should be suitable noted against the entries in the measurement-book and in the latter case, the actual date of completion noted in the prescribed place.

(e) The pages of the book should be machine-numbered. Entries should be recorded continuously, and no blank pages left or torn out. Any pages left blank inadvertently should be cancelled by diagonal lines, the cancellation being attested and dated.

(f) The entries should be made in ink; when this is not possible, the entries should be made in indelible pencil and the pencil entries should not be inked over but should be left untouched. The entries in the “Contents or area” column should however, be made in ink in the first

instance. No entry may be erased. If a mistake is made, it should be corrected by crossing out the incorrect words or figures and inserting the corrections, the correction thus made being initialed and dated by the responsible officer. When any measurements are cancelled, the cancellation must be supported by the dated initials of the officer ordering the cancellation or by a reference to his orders initialed by the officer who made the measurements, the reason for cancellation being also recorded. A reliable record is the object to be aimed at, as it may have to be produced as evidence in a court of law.

(g) Each measurement-book should be provided with an index which should be kept up-to-date.

436- (a) Detailed measurements may be dispensed with in the case of periodical repairs when the quantities are recorded in efficiently maintained standard measurement-books, referred to in paragraph 437.

(b) Detailed measurements are also dispensed with in the case of works executed on lump sum contracts. See paragraph 405,406 and 534 to 547.

(iii) Standard Measurements

437- It is usual in the department to maintain standard measurement-books of buildings in order to facilitate the preparation of estimates for periodical repairs. Where such standard books are maintained, it is also permissible to utilize them for the purpose of preparing contractors bill for such repairs, so that it may not be necessary to take detailed measurements on each occasion, vide paragraph 436.

The following precautions should be observed in regard to the maintenance and use of standard measurement-books :

(i) The measurement-books used as standard books should be numbered in an alphabetical series so that the numbers may be readily distinguished from those assigned to the ordinary books wherein detailed measurements are recorded whenever work is actually done.

(ii) The entries of measurements (and abstracts thereof) in the standard books should be recorded legibly in ink, and certified as correct by a responsible officer.

(iii) An assurance should be obtained periodically of the divisional officer that all the standard books of the divisional have been inspected by him, that the entries therein have not been tampered with, and that all corrections due to additions and alterations in the buildings have been made in the books and the latter are reliable and up-to-date records.

(iv) When a payment is based on standard measurements, the gazetted officer or subordinate preparing the bill for payment should be required to certify that the whole of the work (or work since previous running bill, as the case may be) as per standard measurements has been done and that it has not previously been billed for in any shape.

(iv) Review of Measurements

438- Sub-divisional officers should be required to submit the measurement-books in use to the divisional office from time to time, so that at least once a year the entries recorded in each book may be subjected to a percentage check of 10 per cent by the divisional accountant under the supervision of the divisional officer. Detailed instruction on check of recorded measurements by the superior officers in the two branches of the department are contained in the respective departmental manuals of orders.

439- The superintending engineer is required to make it his special duty during his tours to see that measurement-books are carefully kept and measurements properly recorded, and that they are complete records of the actual measurements of each kind of work done for which certificates have been granted. He should also see that the instructions regarding check measurements are duly observed.

(b) BILLS AND VOUCHERS

(i) Forms of Bills and Vouchers

440- The authorized forms of bills and vouchers are the following :

- (a) First and Final bill, Form no. 24.
- (b) Running account bill form no. 26.
- (c) Hand receipt, form no. 28.

The use of the forms is explained in the following paragraphs and few explanatory footnotes are printed on the forms.

NOTE-- For special forms prescribed for works executed on lump sum contracts, see paragraph 537.

441- *First and final bill, Form no. 24*—This form should be used for making payments both to contractors for work and to suppliers when a single payment is made for a job or contract, i.e. on its completion. A single form may be used for making payments to several payees, if they relate to the same work (or to the same head of account in the case of supplies) and are billed for at the same time.

442- [Omitted].

443- *Running Account Bill, Form No. 26*—This form is used for all running and final payments to contractors and suppliers (other than those relating to lump sum contracts for which Form 27-A and 27-B are prescribed), including cases where advance payments are proposed to be made or are already outstanding in respects of same work against the contractor. In case where secured advances are to be made or are already outstanding in respect of the same work against the contractor, Account of Secured Advances, Form 26-A should be attached to the bill .

444- [Omitted]

445- [Omitted]

446- *Hand receipt, Form no. 28*—This is a simple form of voucher intended to be used for all miscellaneous payments and advances for which the special Forms 24 and 26 are not suitable.

(ii) *Preparation, Examination and payment of Bills*

447- Before the bill of a contractor is prepared the entries in the measurement-book relating to the description and quantities of work or supplies should be scrutinized by the sub-divisional officer and the calculations of “Contents or area” should be checked arithmetically under his supervision. The bill should then be prepared, from the measurement entries, in one of the forms prescribed in paragraph 440 applicable to the case. The rates allowed should be entered by the sub-divisional officer, either in the abstract of measurements, vide paragraph 435 (c), or in the bill itself. Full rates as per agreement, catalogue, indent or other order should be allowed only if the quality of work done or supplies made is up to the stipulated

specification. When the work or supplies fall short of that standard, and under the agreement it is permissible to make a final payment if the contract is determined, or an on account payment if the contract is to run on, only such a fraction of the full rate should be allowed as is considered reasonable, with due regard to the work remaining to be done and the general terms of the agreement.

1- In the Public Works Department measurements will be made by the subordinate in direct charge of the work and submitted to the assistant engineer or assistant executive engineer in whose control the work is placed. The latter officer will, after scrutinizing the entries in the measurement book relating to the description and quantities of work the supplies, issue the pay orders. It is open to the assistant engineer or assistant executive engineer to check any measurements about which he has any doubts and when he does so he should write the words "Checked by me" Divisional officers should encourage these check measurements to the fullest extent, but divisional officers, sub-divisional officers and assistant engineers will check as a minimum the percentage of measurements fixed by Government from time to time.

2- As a general rule, payment for supplies is not permitted until the stores have been received and surveyed. If in any case, the Government has permitted payment on production of a Railway Receipt, the payment will be treated as an advance against final settlement on receipt of the stores. The advance payments against production of Railway Receipts should be debited to the suspense account "Contractor's other Transactions Advance payments" in the works Abstract of stock or work concerned.

3- By a general or special order in writing, the sub-divisional officer may permit an executive subordinate, who has already been authorized to record measurements [paragraph 435 (a)] to enter, in the abstract of measurements or directly in the bill itself, the rates at which he recommends the payment for work done to be made provided—

(a) that the use of this permission is confined to those works in charge of the subordinate himself the contract rates for which have already been approved by a competent authority;

(b) that no increase in an authorized rate is suggested without the prior sanction in writing of the competent authority;

(c) that when the authorized rate has been fully earned, a suitable reduction is made therein and the reasons thereof are recorded briefly for the consideration of the sub-divisional officers; and

(d) that it is made widely known to contractors that all entries of rates made by subordinates in the abstracts of measurements and bills are subject to the approval of the proper disbursing officer.

4- Extraordinary payments such as bonus or compensation to contractors and unauthorized departures from the sanctioned forms of contracts almost invariably raise questions which require the order of the Government in the Finance Department. All proposals by the department for such extraordinary payments are, therefore, required to be referred to the Government in the Finance Department before the payments are actually made. In exceptional cases when there is no time to obtain previous sanction of the Government the Chief Engineer may, authorize an extraordinary payment, but is required to report at once the facts of the case to the Government.

5- F.O.R. contractors are permissible for supply of coal, and payments may be made on receipt of the railway receipt, provided that the consignments are checked as to quality and quantity at the time of dispatch by a responsible officer of the Government or by obtaining supplies through the Mining Engineer to the Railway Board. The consignments may be booked under railway risk or owner's whichever is found economical. In such case payments to suppliers should be accounted for as final and should be debited to a suspense estimate "Coal in transit" to be cleared by debit to "Coal" when actually received. Balance due to "Coal" short received should be cleared by recovery from the railway or other transporting agencies if possible otherwise by a write-off to be sanctioned by competent authority. If the shortage is within 5 per cent and the coal has been booked at owner's risk, the shortage should usually be written off.

448- Before signing the bill the sub-divisional officer or the assistant engineer should compare the quantities in the bill with those recorded in the measurement –book and see that all the rates are correctly entered and that all calculations have been checked arithmetically. When the bill is on a running account, it should be compared with the previous bill. The memorandum of payments should then be made up, any recoveries which should be made on account of the work or supply or on other accounts being shown therein. If the sub-divisional officer, is empowered to pay the bill, he should then record a formal pay order specifying, both in words and figures only the net amount payable, though the payee should be required to acknowledge in his acquaintance the gross amount payable inclusive of the recoveries made from the bill.

NOTES—(1) In the Public Works Department where the assistant engineer or the executive engineer has been declared as a disbursing officer the fair copies of all bill will be signed in accordance with the instruction printed on those forms. But in case where the divisional officer has deemed it necessary to make measurements in person he should sign the fair bill as officer preparing the bill.

(2) In calculating the value of each item of work nearest ten paise should be taken, paise one to five being ignored, and paise six to nine taken as ten paise, but paise should not be omitted from the rates.

(3) wherever fractions of a rupee occur in the total of contractor's bill, or in the case of supplies chargeable to more than one estimate, in the total chargeable to each estimate, fractions less than half may be disregarded, and half a rupee and over taken as a rupee.

(4) If the contract is for the completed items of work and under the provisions of paragraph 465, the contractor is required to obtain material of any description from government, it should be seen that this condition is being complied with and that necessary recoveries of the cost of the materials, supplied to him are being made in accordance with paragraph 470. In such a case it is not permissible for the contractor to obtain the materials other wise, unless, in a case of emergency, the supply has been entrusted by the divisional officer for recorded reasons, to the contractor himself, at suitable rates.

(5) Before signing a first and final bill, or the first bill on a running account, the sub-divisional officer should see that the relevant measurement entries were marked, as pertaining to such bill by the person taking the measurements, vide paragraph 435(d).

(6) Bill which include charges on account of purchase of goods on which Sales Tax has also been charged should be supported by the following certificate signed by the disbursing officer in case where the amount of Sales Tax paid on any individual transaction exceeds a specified monetary limit of Rs. 200.---

‘Certified that in the case of items relating to the purchase of goods on which Sales Tax has been charged, the goods have not been exempted under the Central State Sales Tax Act/ or the Rules made there under and that the amounts paid on account of sales Tax on those goods are correct under the provisions of the act or the rules made there under and that in the case of supplies against regular contracts, the relevant contract includes a specific provision that Sales Tax is payable by Government, (The limit of Rs. 200 should however not be taken as absolving the drawing officer from the responsibility for verifying the admissibility and correctness of tax failing below the above limit.)

449-- If the sub-divisional officer is not empowered to make the payment, the bill should be submitted (with or without the measurement – book as may be prescribed) to the divisional office where the payment will be authorized by the divisional officer after the necessary scrutiny. See also paragraph 427.

450- In the Public Works Department the memorandum of work done and materials supplied (unless the previous payment is final) with the heading on page 1 and columns 2,5 and 8 thereof duly posted , shall be furnished in advance to the officer or subordinate in direct charge of the work. When a fresh payment has to be made he shall only fill in quantities and rates therein for items entered in the contract papers and, after obtaining the contractor's signature on page 3, shall submit the memorandum along with the measurement to the disbursing officer except where payments are to be made by the divisional engineer when the memorandum shall be submitted through the assistant engineer who has assumed responsibility for the measurements. In the case of payments made by the sub-divisional officer the memorandum shall be checked and completed (as regards outstanding charges, etc.) and submitted by the head clerk for pay order. In those cases, however, where payments are made by the divisional engineer the memorandum shall be completely prepared in the divisional office and there after examined by the accountant who shall pre-audit it just in the same manner as he would carry out the audit if the bill came to him after payment i.e., he shall cause arithmetical calculations to be checked and verify the rates with the contract documents and see that all items are within the power of the divisional engineer to pass or that if the items included are such as are not within the power of the divisional engineer to pass the sanction of the Superintending Engineer or the Government as the case may be, has been obtained. The bill will then be prepared from the work memorandum by the accounts clerk.

In no case shall the divisional accountant originally prepare a work memorandum or examine any work memorandum unless it has been either signed by the assistant engineers or the divisional engineer nor shall he examine any work memorandum unless he sees these signatures on it.

451- From the measurement-book all quantities should be clearly traceable into the documents on which payments are made. When a bill is prepared for the work or supplies measured every page containing the detailed measurements must be invariably scored out by a diagonal red ink line and when the payment is made an endorsement must be made, in red ink, on the abstract of measurements, giving a reference to the number and date of the voucher of payment.

The document on which payment is made should invariably show, in the space provided for the purpose, the number and page of the measurement-book in which the detail measurements are recorded, and the date on which the measurement was made.

452- (a) Payments for work done or supplies made on a running account should ordinarily be made monthly. Both the “quantities” and “amount” of each distinct item of work or supply should be shown separately in the bill, except in the case of advance payments when quantities need not be specified.

(b) Such payments should be treated as payments on account subject to adjustment in the final bill which should be drawn, in the appropriate form but printed on yellow paper, When the work or supply is completed or the running account is to be closed for other reasons . When a final payment is made on a running account, the payee, if he is able to write should add in his own handwriting that the payment is “in full settlement of all demands”. If the payee is illiterate or is unable to write beyond signing his name, these words should be filled in by the officer making the payment.

The addition of the words, “in full settlement of all demands” dose not preclude the disbursing officer from entertaining a further bone fide claim which may have been omitted from the final bill by mistake or through inadvertence. If, despite this explanation, the contractor objects to the addition of the words in question, the payment should be tendered unconditionally (vide section 38 of the Indian Contract Act, 1872).

NOTE – A form printed on yellow paper is never to be used except for final payments.

(c) A separate running account is maintained in respect of each contract. Transactions relating to two or more separate working estimates should not be brought on to the same running account, they should, therefore, not be covered by a single contract. Transactions relating to two or more separate parts of the same working estimate, for which separate works abstracts are prepared under paragraph 489 should also appear in separate running accounts.

1- In exceptional case where more than one working estimate is covered by a single contract the contract agreement should not be split up but the estimates should be consolidated to facilitate the maintenance of proper accounts in respect of that contract. If this procedure cannot be observed, some special accounts procedure should a devised on the merits of each case by the Accountant-General. No consolidation of estimates or special accounts procedure is necessary where separate estimates covered by the single contract relate to different account heads or where separate estimates whether relating to account heads or not, are covered by a single running rate contract as in the case of the painting of roads, etc. and where separate agreements are drawn on the basis of such rate contracts with other details varied to sit the requirements of each job.

453- (a) If the system of making advance payments to contractors for work has been adopted, certificate 2 printed on the Running Account Bill

must be signed by the sub-divisional or Divisional Officer, and the lump sum amount paid on account of the several items should be specified against item 2 of Part III of the bill. If a secured advance has been previously allowed to a contractor on the security of any materials and such materials have been used in the construction of an item, the amount of the advance payment for that item should not exceed a sum equivalent to the value of work done less the proportionate amount of secured advance ultimately recoverable on account of the material used.

(b) Actual measurements should, however, be taken at the earliest opportunity, and when this has been done, the lump-sum payments previously made on account of the items of work concerned should first be adjusted in full, so that the contractor may not be paid twice over in respect of the same quantities of work. Delays in adjusting advance payments should be investigated (vide paragraph 505) and adjustments made otherwise than by crediting the value of work actually measured, should be specially looked into as being prima facie indicative of overpayment in the first instance.

454- When secured advances are allowed by the Divisional Officer under paragraph 456 (a) to a contractor whose contract is for finished work, it should be seen that an Indenture in Form 31 has been signed by the contractor, and a detailed account of the advances must be kept in Form 26-A, the Account of Secured Advances, which should be attached to the Running Account Bill. There should be separate entries, in respect of each class of materials, of the quantities brought to site by the contractor and the amount advanced under the orders of Divisional Officer. These advances must be recovered by deduction from the contractor's bills for work done as the materials are used in construction and the items of work in which they are used are billed for on the basis of actual measurements. Part I of the bill and Form 26-A should be compared to see that this order is being complied with. As recoveries are made, the outstanding amounts of the items concerned in Form 26-A should be reduced by making deduction entries in the column, "Deduct-Quantity utilised in work measured since previous bill", equivalent to the quantities of the materials used by the contract or on items of work shown as execute in Part I of the bill.

NOTE—No record should be kept in Measurement-book of the quantities of the materials, but certificate printed on Form 26-A should be signed by the Sub-Divisional Officer in terms of paragraph 456 (a).

(c) AID TO CONTRACTORS

455- It is necessary sometimes in the interest of work, to engage labourers or contractors or to incur other liabilities on behalf of the contractor concerned with a view to complete work which he has neglected or failed to complete. In such a case it is permissible to spend government funds on behalf of the contractor in accordance with the terms of his agreement. Otherwise, no advance or recoverable payment should be made to or on behalf of a contractor nor should financial aid be given to him in any form, except in accordance with paragraph 456 and 457.

1- For rules relating to the issue of materials to contractors see paragraph 465 and 466.

2- With a view to avoid subsequent disputes with the contractor, suitable intimation should be sent to him (1) as soon as action is taken under this paragraph, and (2) subsequently, as charges are incurred on this account.

NOTE--For rules relating to conditions of employment of work-charged establishments see paragraph 667 and 669.

(d) ADVANCES TO CONTRACTORS

456- Advances to contractors are as a rule prohibited, and every endeavour should be made to maintain a system under which no payments are made except for work actually done. Exceptions are, however, permitted in the following cases :

(a) Cases in which a contractor, whose contract is for finished work, requires an advance on the security of materials brought to site. Divisional officers may, in such cases, make advances up to an amount not exceeding 25 per cent of the current value of the materials (as assessed by themselves according to their character), provided that they are of an imperishable nature and that formal agreement is drawn up with the contractor under which the government secure a line on the materials and are safe-guarded against losses due to the contractor postponing the execution of the work or to the shortage or misuse of the materials and against the expense entailed for their proper watch and safe custody . Payment of such advances should be made only on the certificate of an officer , that the quantities of materials upon which the advances are made have actually been brought to site, that the contractor has not previously received any advance on that security and that the materials are all required by the contractor for use on items of work for which rates for finished work have been agreed upon . The officer granting such a certificate will be held personally responsible for any overpayment which may occur in consequence. Recoveries of advance so made should not be postponed until

the whole of the work entrusted to the contractor is completed. They should be made from his bills for work done as the materials are used, the necessary deduction being made whenever the items of work in which they are used are billed for.

1- Divisional officers are responsible that—

(i) When secured advances have been made for materials, recoveries are made regularly from the very first payments made for those items of actual work in which such materials have been used.

(ii) No secured advances are made for any materials, unless they are to be used within three months at the most.

(iii) Materials are actually measured in detail before making secured advances on them and their value is based on the actual rates for the purposes of determining the percentage at which secured advances on materials should be made.

NOTE-- Imperishable materials include bricks, rolled steel joists, etc. while articles such as lime, sand, kankar, etc, are perishable. Coal is, however, excluded from both the categories and no advance is permissible on this article.

(b) Cases in which, in the interest of works, it is absolutely necessary to make petty advances. In such cases advances up to Rs. 50 may be allowed by subordinates.

(c) The Chief Engineer, Public Works Department and Local Self-Government Engineers Department, may make advance payment to electric supply companies installations in Government buildings and water works respectively, against sanctioned estimates of works.

In all other cases only with the sanction of the Government who may in exceptional circumstances, authorize such advances as may be deemed indispensable, taking the necessary precautions for securing the Government against loss and for preventing the system from becoming general or continuing longer than is absolutely essential.

457- An advance payment (see paragraph 6) for work actually executed may be made on the certificate of a responsible officer (not below the rank of sub-divisional officer) to the effect that not less than the quantity of work paid for has actually been done, and the officer granting such a certificate will be held personally responsible for any overpayment which may occur on the work in consequence. Final payments may, however, in no case be made without detailed measurements.

NOTE--In the case of Civil Works pertaining to buildings, advance payments should be made at predetermined levels, which may be indicated in the sanctioned estimates. Normally measurements of such items of work for which advance payments have been allowed, may be taken in alternate months, but if it is administratively necessary, payments may be made both for measured work as well as advance payments in the same month. Detailed instructions on the subject may be laid down by the Government in consultation with the Accountant-General .

IV—Payment to work-charged Establishment

(a) PAY BILLS

458- Wages of members of the work-charge establishment should be drawn and paid on Form no. 29, “Pay bill of work charged establishment”, which is a combined pay bill and acquittance roll form. A consolidated bill in this form should be prepared monthly either for the whole division, sub-division or for one or more sections of it, as may be convenient; but the names and claims of the entire establishment concerned, including absentees, should be shown in each bill. Names should be grouped in the bill by works on which the persons are employed, sanction to the entertainment of the establishment should be quoted in each case, and the sub-divisional officer or the assistant engineer should certify, in the space provided for the purpose, that the persons were on duty during the period shown against their names each person being employed on the work and on the duties for which the appointment of the person was sanctioned.

1- Deductions on account of fines, income-tax, etc. should be shown by special entries against the names concerned.

2- If the acknowledgement of an individual cannot conveniently be obtained on the bill itself, it may be obtained separately on a hand receipt Form no. 28, which should then be attached to the bill as a sub-voucher.

459- Pay bills may be signed at any time on the last working day of the calendar month in which the wages are earned, though they are not due for payment before the first working day of the following month. When, however, the first services of an individual are dispensed with it is permissible and advisable to settle up his account at once.

(b) UNPAID WAGES

460- Wages remaining unpaid on a passed bill, on the date fixed for the closing of the accounts of the month may be paid subsequently when claimed, the procedure described below being observed :

(a) Items remaining unpaid on the monthly bill should be entered in simple register, full particulars of the charge, including reference to the bill, being noted in the register. Form 21-B suitable modified, if necessary may be used for this purpose.

(b) Subsequent payments should be made on hand receipts, Form no. 28, reference to the bill in which the charges was originally included and to the particular item therefore, being quoted in each case.

(c) When making payments of arrears suitable notes of payments should be recorded against the original entries in the register.

(c) TRAVELLING EXPENSES

461- No bills need be prepared in support of claims for traveling expenses. Payments should be made on hand receipts, Form no. 28, which should set forth all the necessary particulars of the journey performed and of the expenses claimed and should be countersigned by the divisional officer prior to payment.

NOTE—In respect of those members of the work-charged establishments whose traveling allowance is determined with reference to the provisions of Traveling Allowance Rules in the Financial Handbook, Volume III, traveling allowance bills in Form 12 of the Financial Handbook, Volume V, Part I should be prepared.

(d) CLASSIFICATION OF CHARGE

462- Every payment made to a member of the work-charged establishment, whether on account of his wages or in recoupment of actual traveling expenses, should be charged to the work on which he is employed.

463- The cost of work charged establishment must be shown as a separate sub-head of the estimate.

C—ISSUES OF MATERIALS

I—General

464- Issues of materials to works, whether from stock or by purchase, transfer or manufacture, are divided into two classes :

- (1) *Issues to contractors*—Issues of materials to contractors with whom agreements in respect of completed items of works, i.e. for both labour and materials, have been entered into.
- (2) *Issued direct to works*—Issues of materials when work is done departmentally or by contractors whose agreements are for labour only.

A contractor should not be asked to take delivery direct from a firm of articles required for a work as it may lead to fraud.

II—To Contractors

(a) GENERAL CONDITIONS

465. (a) The issue of materials to contractors who have contracted for completed items of work is generally permissible only in the following circumstances:

- (i) When, under the operation of paragraph 366, the supply of imported materials is to be arranged for by the Government,

(ii) When, the interest of work, or with the object of utilizing existing stocks of materials, it is desirable to arrange for the supply of certain other materials as well, and a condition to this effect has been inserted in the contract.

(b) In both cases the contract should specify (1) the materials to be supplied by the Government for use on the work, (2) the place or places of delivery and (3) the rate to be charged to the contractor for each description of material and the contractor should be held responsible for obtaining from the Government all such material required for the work and for making payment therefore, by deduction from his bills at the rates specified regardless of fluctuations in the market rates or in the stock rates of the division.

1. The rates to be charged to the contractor for materials to be supplied should be definitely specified, vague quotations, e.g. "at stock rates", being avoided: and if intending contractors had been told that the materials would be supplied at a certain rate and asked to tender on that assumption then that rate should be adhered to in the contract.

2. Similarly, the rates to be allowed to the contractor for items of work, should be definitely stated.

(c) No carriage of incidental charges are borne by the Government for moving the materials beyond the place, where the contractor has agreed to take delivery thereof.

466. (a) As a general rule no other materials should be supplied to such contractors for use on works, but this restriction may be waived by the subdivisional officer or the assistant engineer in respect of petty issue (at full issue rates) of materials from existing stocks, not exceeding Rs.50 in any month for any one contract.

(b) If at any time subsequent to the execution of a contract on a through rate basis, the contractor desires the issue to him, for use on a work of materials which exist in the Government stocks but the supply where of by Government was not provided for in the contract, the materials should not be issued except with the express authority of the divisional officer who should specify in each case the rate to be charged for the materials inclusive of delivery at the place where they are stored. The rate charged should be the market rate prevailing at the time of the supply or the issue rate, whichever may be greater, and no carriage or incidental charges should be borne by the Government in connexion with the supply.

The intention of this rule is to prohibit the supply of materials to contractors with the object of giving them financial aid, the grant of which is governed by the rule in paragraph, 456 vide paragraph 455.

(c) Issue of stock materials to contractors for *bona fide use* on works are exempt from the usual charge of 10 per cent on account of supervision, storage, and contingencies, which is made when stock materials are sold to the public [paragraph 187.]

(b) ACCOUNTS PROCEDURE

467. All materials required for issue to a contractor under any of the provisions of paragraph 465 and 466, should be made over to him, as soon as they are received, whether from stock or by purchase, manufacture or transfer, and an unstamped, but dated acknowledgment, detailing full particulars of the materials including the rates and values chargeable to him should at once be taken from the contractor.

The issue of materials should simultaneously be entered in the Account of materials issued to the contractors, Form 35-A see paragraph 471.

468. When the materials are obtained by purchase, full details of the articles received should at once be entered in a measurement book, Form no. 23 in the manner prescribed in paragraph 435 (c) . See also paragraph 202 and 203.

469. On the authority of the contractor's acknowledgement, the cost recoverable from him under paragraph 465 or 466, as the case may be, should be debited at once to his personal account by charge to the suspense head "Contractors—Other Transaction" (vide paragraph 497) in the accounts of the work concerned. This adjustment should be effected by affording credit to the head concerned, as indicated below:

Source of receipt of materials	Head of Account to be Credited	Value to be credited
(1) Stock (including manufacture) ..	Stock	At Issue rates
(2) Transfer from another work ..	Work concerned	At valuation made under paragraph 478 (d).
(3) Transfer from another Division, Department or Government	Purchases	At rates charges by the Division, Department or Government concerned .
(4) Suppliers	Do	At rates payable to the suppliers under their contracts.
(5) Obtained through the India Store Department London.	Do.	The English cost of Stores converted into Indian currency in the manner laid down in Rule 1 in Appendix XIV.
(6) Indian Charges on (5)	Head concerned	Actual charges incurred vide Rule 4 and 5 in Appendix XIV.

If the amount thus credit differs from the charge made to the contractor's account the excess of the former over the latter should be treated as additional final outlay (plus or minus, as the case may be) on the work, a separate sub-head, entitled "Additional Charges for Materials issued to Contractor's/Direct to works", being opened for the purpose in the accounts of Major Estimates. See paragraph 494.

NOTE 1. – The object of these rules is to ensure that the full amount chargeable to the contractor is debited to his account as soon as the materials are delivered, so that (1) he may not received payment at full rate, for the completed items of work prior to the value of the Government materials used by him therein, being charged to his account, or (2) his final bill for the work done may not be settled before the full value of materials recoverable form him has been debited to his account.

NOTE 2. – Issues from stock (including manufacture) should be accounted for through the stock returns. For other issues, a special transfer entry should be prepared by the sub -divisional or divisional officer in Form no.53, as soon as each transaction takes place.

470. The recovery from a contractor on account of the cost of material issued to him for use on a work should ordinarily be made by deduction from the first bill authorizing an advance payment or on an account payment to him for the work. Should, however, a lump sum recovery be undesirable in any case, the divisional officer may permit, for recorded reasons, the recovery to be effected gradually as the materials issued to the contractor are actually used in construction and the items of work in which they are used are paid for whether by an advance payment or by on an account payment.

471. As the issue of materials to contractors under the foregoing rules is permissible solely for the bone fide requirements of Government works, sub-divisional officers should maintain a numerical account in Form 35-A so as to ensure that the aggregate of the quantities of any or all material issued to a contractor, from time to time, for use on a work remains within the estimated requirements of his contract, vide paragraph 467. This precaution is particularly necessary when the rates at which any materials are issued under paragraph 465 are lower then the prevailing market rates or the letter are expected to rise appreciably.

(c) RETURN OF SURPLUS MATERIALS

472.. The Government do not undertake to take over from contractors whether before or after the completion or determination of contractors, surplus material which were originally produced by the contractors for themselves or were issued to them and charged to their accounts under paragraph 467. Such material are the property of the contractors and can be taken over by the

Government, if required, for use on other works in progress, only by special arrangements and at the prevailing market rates. If the material were originally supplied by the Government, the price allowed to the contractor on reacquisition should not exceed the amount charged to the contractor, excluding the element of storage charges, if any .

Contractors are however, not at liberty to remove from site of works without the written permission of the divisional officer materials which have been issued to them for use on a work, and a stipulation to this effect should ordinarily be entered in their agreements.

(d) TOOLS AND PLANT LENT FOR USE

473- The rules in paragraph 465 to 472 do not apply to tools and plant. Articles borne on the tools and plant account of the division may, in accordance with any departmental rules on the subject, be lent temporarily to contractors for use on Government works being executed or maintains by them. See also paragraphs 244 and 247.

III—DIRECT TO WORKS

A. ORIGINAL WORKS

(a) *Detailed accounts of materials issued*

474- In all cases, materials issued direct to a work should as soon as received, be brought to account, as indicated below :--

Source of receipt of materials	Head of Account to be Credited	Value to be credited	Mode of effecting adjustment of cost
(1) Stock (including manufacture) ..	Stock	At Issue rates	Through Stock account at the end of the month.
(2) Transfer from another work ..	Work concerned	At a valuation made under paragraph 478 (d).	By special transfer entry in Form 53 prepared as soon as the materials are received.
(3) Transfer from another Division, Department or Government	Purchase	At rates charged by the Division, Department or Government concerned .	Ditto .
(4) Suppliers ..	Do	At rates payable to the suppliers under their contracts.	Ditto .
(5) Obtained through the India Store Department London.	Do.	The English cost vide Rule 1 in Appendix XIV.	Ditto .
(6) Indian Charges on (5)	Head concerned	Actual charges incurred vide Rule 4 and 5 in Appendix XIV.	Through cash account or transfer entry, as the case may be.

The Full value credited to the head concerned should be debited to the work (paragraph 475) and the quantities entered in the Register of material-at-site Account, Form 35, in cases in which the works accounts are maintained by sub-heads.

(b) In the case of materials received direct from suppliers full details of the articles received should at the same time be entered in a measurement book Form 23, with the full name of the work as entered in the estimate, vide paragraph 435 (c).

475- (a) When materials are issued direct to a work, their cost is either treated as a final charge or debited to the suspense head "Materials" in the accounts of the work as prescribed in paragraph 491. See also paragraph 498.

(b) When the suspense head, "Materials" is operated upon (paragraph 491 and 498), a detailed account of principle items of materials, i.e., those items, the estimated cost of which exceeds Rs. 2,000 each, showing the receipts, issue and balances, should be kept in Form 35, so that the total issues of each principal item may be watched with reference to the estimated requirements.

(c) When the cost of materials issued to a minor estimate is adjusted at once as a final charge (paragraph 496), no detailed account in Form 35 is necessary, but if there is an accumulation of materials for a number of works, a simple numerical account may be maintained at the discretion of the Divisional Officer.

NOTE-- Notwithstanding the provisions contained in clause (C) above, a numerical account in Form 35 should be maintained in respect of principal items, in so far as minor works costing more than Rs. 20,000 are concerned even though the cost of materials issued to such works will be charged straightway to "Final Charge" in the Works accounts.

(d) The cost of petty items of materials i.e. those estimated to cost of Rs. 2,000 and less, should be charged ab initio to the sub-head concerned in the accounts of the work and a numerical account (Form 35), in respect of such items need need be kept.

476- [Omitted].

477- [Omitted].

(b) DISPOSAL OF SURPLUS MATERIALS

478. (a) Materials issued to works in excess of requirements may be transferred to stock provided that they are serviceable and certain to be required.

(b) All surplus materials at site of work which have been completed or stopped or on which outlay has been prohibited for any considerable length of time, should, if likely to be of use on other works within a reasonable time, be transferred to work in progress or brought on to the stock account their value being credited to the work to which they are transferred or to the stock account, as the case may be.

(c) No credit should be allowed to a work on account of surplus materials if they are unlikely to be of any use within a reasonable time but a list of all surplus materials should be maintained in the sub-divisional and divisional officers as a supplement to the half-yearly stock returns, unless superintending engineer consider this unnecessary.

(d) Materials returned to store or transferred to other works should be priced within current market rates, any resultant loss being borne by the work to which they were originally issued, and the disposal of materials being shown in the materials-at-site account also.

NOTE-- these rules do not apply to surplus materials which were originally procured by contractor for themselves or were issued to them and charged off to their accounts under paragraph 467. See paragraph 472.

(e) the loss by the disposal of surplus materials at less than the book value should be debited to the work for which the stores were originally purchased.

(c) VERIFICATION OF UNUSED BALANCES

479- Unused balances of materials charges direct to works should be verified at least once a year in the manner prescribed in paragraph 230 to 232.

Wherever this verification is made, a report of verification of the materials should be prepared by the sub-divisional officer in such form as may

be prescribed by Government in consultation with the Accountant General and submitted to the divisional office.

NOTE-- The rule in paragraph 234 and 235 regarding verification of stock apply mutatis mutandis to verification of materials-at-site of works with the exception that the value of material found in excess and recoveries of shortages/losses, if any, should be credited to the appropriate sub-head (s) of the work.

480- A similar verification of the unuse balances of materials must invariably be made on the completion of a work, but on or before the completion of a work, when no more materials are required for use in construction, steps should first be taken to dispose of all surplus materials by transfer or sale, so that (1) the accounts of the work may promptly receive such credits as may be admissible under paragraph 478, (2) the balance at debit of the suspense head "Materials" may as far as possible, represent the net cost of the materials actually used in construction, and (3) the surplus balances awaiting clearance may be reduced to a minimum.

481. If the gazetted officer or subordinate in direct charge of a work, the accounts of which are kept by sub-heads, is transferred before the accounts of it are closed, the unused materials at site of the work should be verified by the relieving officer in company with the relieved officer and the report prescribed in paragraph 479 should be prepared by the sub-divisional officer or assistant engineer and submitted to the divisional office.

482. The physical verification of unused materials under each principal item with the balance shown in Form 35 should be made annually in respect of all works, the accounts of which were open on the last day of the official year, but it is not necessary that the balances should be verified at the close of the year, if: --

- (1) the work has been under construction for not more than three months ;
- (2) the accounts of the work are expected to be closed within three months ; or
- (3) the balances were verified at any time during the year.

483. After the completion of a work, theoretical calculations of the principle items of materials used on each sub-head should be made in the Register showing the Clearance of Suspense head "Materials", Form 38, and compared

with the quantities issued as per Form 35. On the basis of theoretical calculations, the sub-head "Materials" should be cleared by debiting the cost of materials to the concerned sub-heads at the standard issue rates or the market rates (in the case of items not borne on the Stocks of the Department) prevailing at the time of completion of the work; any plus or minus balance being transferred to the sub-head "Additional Charges for Materials issued to Contractors/Direct to works." (see paragraph 494).

B—REPAIR WORKS

483-A. For repair works done departmentally, a materials-at-site account should not ordinarily be kept, as control on the issue of materials can conveniently be exercised in such cases. But, if there is an accumulation of materials for a number of works, a simple numerical account may be maintained at the discretion of the Divisional Officer.

D—ADJUSTMENTS

484. In addition to cash payments and issues of materials there are other transactions relating to the accounts of works, which are of the nature of adjustments usually recorded in the transfer entry book of the divisional office. The detailed rules governing such transactions are given in Chapter IX.

E—WORKS ABSTRACTS

I—Introductory

485. An account of all the transactions relating to a work during a month whether in respect of cash, stock or other charges, should be prepared by the sub-divisional Officer in one of the Work Abstract forms. In the case of Major Estimates, a separate account should be maintained for each sub-head estimated to cost not less than Rs. 5000 and the remaining sub-heads should be lumped together, but see note 1 below. For such works, the detailed form of Works Abstract A, Form 33, should be used. For other Minor Estimates, the simpler form of Works Abstract B, Form 34, should be used in which the account of the final outlay is not kept by sub-heads.

The estimate, account and completion certificate of petty works i.e., works costing not more than Rs. 20,000 each, should be prepared on a single form, Petty Works Requisition and Account, Form 32, and separate Works Abstracts and Registers of works are not necessary.

NOTE—1- In the case of major Works executed through contractor with whom agreements for completed items of work have been entered into, all necessary details, i.e. up-to-date quantities, rates and amount paid for each item of work as well as totals pertaining to each sub-head are available in the contractor's bills. The maintenance of accounts by sub-heads is therefore, not necessary in such cases.

NOTE—2- Percentage charges on account of establishment, tools and plant, and accounts and audit levied on works expenditure, under rules 5 and 11 of Appendix V should not be shown in works abstracts and register of works though they are eventually included in the cost of works, vide 2 to paragraph 749-

NOTE—3- The superintending Engineer may dispense with the maintenance of accounts by sub-heads for any work if he considers that the circumstances of the work render such accounts useless or impossible to maintain. In such case a copy of the orders, specifying the reasons should be forwarded to the Accountant General.

486- Ordinarily there should be one works abstract monthly for each working estimate, but if the estimate is for a large work which is divided into several sub-works, it will usually be found convenient to prepare a work abstract separately for each sub-work.

II—Classification and Record of Final Charges

(a) MAJOR ESTIMATES

487- The division of a Major Estimate into sub-heads for the purposes of accounts is guided usually by the classification sanctioned in the abstract of the estimate. If it is intended to purchase or supply materials and to employ labour for construction separately (whether by contract or by departmental agency), the abstract of the estimate should be so framed as to show separately for each distinct item of artificer's work (1) the cost and quantity of "labour" and cost of materials. But if this is not the case, e.g., when any item of work is to be executed by contract and it is proposed to contract for the completed items of work, the abstract of the estimate may show merely the quantity and cost of each item of work. See paragraph 331. In all cases miscellaneous charges of a general nature, which do not pertain to any sub-head in particular, may be treated as separate sub-heads, being grouped under one or more heads, e.g., "Work charged establishment", "Contingencies", etc. See paragraph 332 and 463.

When the number of sub-heads of an estimate is large it will be found convenient to assign a number to each sub-head and to prefix this number to the name of the sub-head, wherever it is used on vouchers, work abstracts, registers of work or other accounts.

NOTE—The provision of this paragraph will not apply to estimates for research work carried out by the Research Divisions of the Irrigation Department in which it is not possible to separate precisely each artificer's work or to co-relate labour and materials required or to contract for completed items of works.

488- After a Major Estimate has been sanctioned it may be decided to make a change in the method originally contemplated for the execution of the work. In such a case the original abstract should be recast in accordance with the

instructions laid down in paragraph 487. The details of cost and quantities already approved by competent authority should be re-arranged and the revised abstract should be approved by the divisional officer and thereafter, treated as the sanctioned abstract of the estimate for all account purposes.

489- If the number of sub-heads in the working estimate for a work or sub-work is large, it is permissible to break-up the estimate into two or more parts, and to treat each part as a sub-work for the purposes of accounts. No part of an estimate can be separated from the rest, if any contract for the execution of work connected with it covers also work connected with the other parts. It is advisable to adopt this course if one or more parts of a work or sub-work are completely executed long in advance of the other and no useful purpose will be served by keeping open the accounts of the completed parts.

490- (a) The account of each sub-head in the works abstract should ordinarily exhibit—

- (1) “amount” i.e., total charges finally classified under the sub-head,
- (2) “progress”, i.e., total quantities executed from time to time, and
- (3) “rate of cost” i.e., cost per unit on the basis of the recorded “amount” and “progress”.

(b) In the case, however, of sub-heads which have been lumped together under paragraph 485 above, or sub-heads representing items or work which cannot be expressed in quantities, no quantities are shown in the abstract to estimate and the record of “progress” and “rate of cost” in the accounts is not necessary, the entries in the “amount” column being sufficient.

(c) In other cases the “progress” and “rate of cost” should be recorded in the accounts both during the progress of construction and on completion of work, but the monthly record thereof under any sub-head may, during the progress of construction, be dispensed with in the following cases under the written order of the divisional officer which should specify reasons :

- (1) if the duration of construction under the sub-heads is not expected to be more than three months,
- (2) if the quantities executed are not in the same units as those specified in the estimate or they cannot be expressed even roughly except on or towards the completion of the work.

491- When provision is made in the abstract of estimate separately for “labour” and “materials” under any sub-heads, the account of the cost of all materials issued to the work from stock, or by purchase, manufacture or transfer should be kept under a single head, entitled “Materials”, the sanctioned amount of which should be taken to be equivalent to the aggregate provision for “materials” in the estimate. This should be treated as a suspense head and the details of it recorded in Form no. 35 (vide paragraph 475), which should accompany the works abstract. The “Labour” divisional only will thus appear in the works abstract as separate sub-heads of final outlay. During the progress of the work, the expenditure recorded under those sub-heads will be exclusive of the cost of materials, but on the completion of the work, the gross cost of each sanctioned sub-head of work, inclusive of the cost of material, should be placed on record by making entries in the register of works, in the manner indicated in paragraph 483.

NOTE-- On order to ensure proper maintenance of Form 35, two alternate registers may be maintained, one being submitted in original to the Divisional Officer along with the Works Abstract and the other used in the next month.

492- When the sub-heads of a work are divided into “labour” and “materials” the “rate of cost” of the labour charge relating to each sub-head can be watched separately and the necessary control over the expenditure on materials can be exercised through the suspense head “Materials” and the detailed statement in Form no. 35, supporting the entries under that head. It is unnecessary therefore, for purposes of Financial control over the outlay, either to record in the works abstract, month by month during the progress of construction, the outlay on the materials relating to each sanctioned sub-head of the estimate, or to strike the inclusive “rate of cost” of the whole sub-head monthly.

493- The charges classified under a final sub-head should include all ordinary expenses incidental to construction. If any part of a work is pulled down and rebuilt to any serious extent, the extra charges for construction should ordinarily be debited to the sub-head concerned unless they are recoverable from the contractor under the terms of his agreement. But if the amount involved be so large as to affect as to appreciable the cost or rate of the sub-head, it may be debited to the sub-head “Contingencies” instead or. With the sanction of competent authority, to a new sub-head additional to the original sanctioned sub-heads of the estimate.

494- In the accounts of Major Estimates, a final sub-head entitled “Additional Charges for Materials issued to Contractors/Direct to Works” should be opened for the record of under mentioned debits/credits:

(i) Differences between the rates charged to the contractors under paragraph 465 or 466, as the case may be and the actual cost to Government, vide paragraph 469.

(ii) Carriage and incidental charges in connection with the materials issued to contractors, if under paragraph 548, they are chargeable to the work.

(iii) Balances outstanding under the suspense head “Materials” after transferring the cost material to the various sub-heads, vide paragraph 483.

495- If any receipts or recoveries are credited under the rules to the account of a Major Estimate, a special sub-head should be opened in the Works Abstract for the reception of all such credits.

(b) MINOR ESTIMATES

496- The accounts of all final outlay on a Minor Estimate should be kept be kept in a single column, headed “Final charges” in Works Abstract, Form 34.

III—Suspense Accounts

(a) GENERAL

497- In addition to the head “Final charges” or the final sub-heads in the case of Major Estimates a few suspense accounts are opened in works abstracts to record transactions of a temporary character which are either not adjustable as final outlay in the accounts of the works concerned or the correct classification of which cannot be immediately determined. These accounts are:

(1) “Materials”—for the record of the cost of materials issued direct to works,

(2) “Contractors—advance payments”—for the record of Advance payments and of their recoveries,

(3) “Contractors—Secured advances”—for the record of secured advances and of their recoveries,

(4) “Contractors—Other transactions”—for the record of all other debits or credits to contractors awaiting settlement, and

(5) “Labourers”—for the record of unpaid wages of labourers and of their subsequent payment .

(b) “MATERIALS” ACCOUNT

498- The suspense account “Materials” has already been referred to in paragraph 491. This account should be opened in the works Abstracts of Major Estimates if materials are issued direct to works.

So far as Works Abstracts are concerned, this account is never cleared. Subdivisional Officers should regard it as a temporary sub-head for the reception of all charges on account of direct issues of materials. The responsibility for clearing the head by transferring the charges to the final sub-heads of work when closing the accounts of the work in the Register of works, rests with the divisional office, vide paragraph 516.

(c) “ ‘CONTRACTOR’ AND LABOURERS’ ” ACCOUNTS

499- Advance payments made to a contractor under the provisions of paragraph 457, should not be charged off as final outlay on the work or under any sub-head of it. A suspense head, “Contractors—Advance payments,” should be opened in the works abstract (Form no. 33 or 34, as the case may be) for the record of advance payments and their subsequent adjustment.

500- Advance made to contractors and suppliers under paragraph 456, whether on the security of materials or otherwise as well as all recoverable payments made under proper authority to labourers and other on behalf of contractors, should be treated as advances made on account of the work concerned. They should not be charged to the general suspense head “Miscellaneous P.W. advances,” but incorporated in the works abstract as suspense transactions. The head “Contractors—Secured advances” is intended solely for advances made to contractors, on the security of materials brought to site, under paragraph 456 (a), and the head “Contractors—Other transactions” should be issued for all other transactions.

501- The head “Contractors—Other transactions” is intended also for watching the ultimate payment of the unpaid balances of contractors’ accounts. Similarly, the head “Labourers” is meant for the clearance of the unpaid wages of labourers. If a running account bill or muster roll is only partly paid, the total amount due thereon as value of work done or supplies made should be brought to account in the works abstract as final charges or as expenditure on the sub-heads concerned, and the amount remaining unpaid should be shown as a minus entry in the appropriate suspense column—“Contractors Other transactions” or “Labourers.”

502- The forms (nos. 33 and 34), of works abstracts provide a column for each of the suspense accounts enumerated in paragraph 497- The use of the head "Materials" is explained in paragraph 491 and the footnotes printed on the forms of the works abstracts explained the mode of making both original and adjusting entries under the other suspense heads.

503- If any wages of labourers remain unpaid after the completion of a work, the accounts of the work may be kept open for a period of one month, which may be extended to these months at the discretion of the divisional officer. Thereafter the account of the work should be closed, the balance under the suspense head "Labourers" being left unadjusted. This amount should be shown in any completion report or statement that may be prepared under the rules in paragraph 399, by a special remark, as a liability against the work, and it should be excluded from the total final expenditure on the work, so as to arrive at the amount actually brought to account.

If unpaid wages of labourers are claimed and paid subsequently to the closing of the accounts of a work, the payment should ordinarily be charged against a fresh estimate under the same head of service as the original work, a suitable note being recorded by the divisional office against the closing entry relating to the original work in the register of works. Where, however, it may prove more convenient, the accounts of the works may be re-opened at the direction of the divisional officer.

504- The account of a contractor should be closed as soon as his contract is completed. If he delays to receive final payment for more than one month after the final bill has been passed, a note to this effect, should be recorded on the bill, the account of the work as passed on the bill should be incorporated in the works abstract on the authority of the bill and the balance due to him should be removed from the accounts of the work by credit to the head "Public Works Deposits", to be dealt with thereafter under the rules relating thereto.

If the account of a contractor shown that he has already been overpaid or that the account closes with a balance due by him, the account should be settled by a recovery in cash or otherwise; but if an immediate recovery is not practicable the balance should be removed by debit to the head "Miscellaneous P.W. advances".

505- Disbursing officers are responsible for keeping a strict watch over the balances under the suspense accounts "Contractors" and "Labourers", with a view to prompt adjustment by recovery settlement of accounts or detailed measurement as the case may be. For this purpose the statement headed "Detail of contractors" "closing balances" in the works abstract and the record of unpaid wages maintained under paragraph 430 (e) should be examined monthly. Subject to the provisions of paragraph 503, these accounts should be cleared before the accounts of a work can be closed on completion.

IV—Liabilities Awaiting Incorporation

506- Liabilities are not incorporated in the accounts of works except in the following cases :

(a) Unpaid balances of party paid running account bills or muster rolls are invariably incorporated, vide paragraph 501.

(b) The value of materials received from sources other than stock (including manufacture), whether for issue to contractors or for issue direct to works, is at once brought into the accounts of works even though payments to suppliers and adjustments crediting the transfer accounts concerned, may not be made at once, vide paragraph 469 and 474.

(c) Wholly unpaid muster rolls and bills of contractors and suppliers are sometimes taken to account, vide paragraph 503 and 504.

Disbursing officer are, however, responsible for keeping a strict watch over all liabilities with a view to settle them promptly. Money indisputably payable should never be left unpaid. It is no economy to postpone inevitable payments, and it is very important to ascertain, liquidate and record the payment of all actual obligations at the earliest possible date, vide paragraph 161 of Volume V of the Hand-book.

507- If any liabilities of works are incurred on behalf of contractors under the provisions of paragraph 455, arrangements should be made for withholding sufficient balances from their bills or for making necessary recoveries from them in due course. On the analogy of the rule in paragraph 423, all records on the authority of which liabilities may be liquidated or incorporated in the accounts, should invariably specify (1) the full name of the work as entered in the estimate, (2) the name of the sub-head thereof, if any, and (3) the recoverable charges, if any, with the name of the contractor or other person from whom recoverable .

V—Record of progress

508- Entries of “progress” in the works abstracts (vide paragraph 490) should be supported by details in the statement provided for the purpose on the reverse of the work abstract form. These details should be furnished by the engineer or subordinate in charge of the work or by any executive officer or

subordinate detailed for the purpose, and should be based on entries already made in the measurement book. Their compilation from measurement book, vouchers or other records, by members of the office establishment should not be permitted. The following points should be specially borne in mind.

- (i) Only “quantities” actually measured and paid for should be reported as “progress”.
- (ii) The progress reported should specify the quantities executed “up to date” sets of earlier measurements covered or superseded by later once being ignored.
- (iv) The progress of an item of work should be so reported as to describe as approximately as possible, in terms of the unit adopted, the quantities of work executed up to the required standard.

NOTE-- It is recognized that perfect accuracy cannot always be secured in making intermediate reports of progress. A fairly reliable is all that is necessary, but if the nature of the work makes it impossible or difficult to achieve this in practice, reports of progress may be dispensed with in case covered by paragraph 490.

VI—Preparation, Completion and Disposal of works Abstract

509- The works abstract should be prepared in the sub-divisional office in the first instance. It should be posted day by day from cash book and the connected bills of contractors and suppliers, cash refunds and writes-back of final charges being posted as minus entries. At the end of the month, stock and adjustment transactions should be added and, in the detailed statement provided for the purpose, quantities of work executed should be posted from measurement book or other sources and the closing balances of contractor’s accounts should be detailed so as to prove the correctness of the up-to-date total under the suspense heads (1) Contractors—Advance payments, (2) Contractors—Secured advances and (3) Contractors—Other transactions. The closing balances arrived at under the suspense head “Labourers” in each case should be agreed with the connected record of unpaid wages and its correctness should be certified over the date initials of the sub-divisional officer. The works abstract should then be forwarded in original to the divisional office, where all necessary completing entries will be made in respect of the direct charges and adjustments made by the divisional officer

and the abstract checked and closed under the supervision of the divisional accountant, who should record a certificate in the following form :

“This abstract has been checked by me under my supervision. I have personally compared all the items in the ‘Details of contractors’ ‘closing balances with the contractors’ ledger and found them correct”.

- 1- The posting of stock and adjustment transaction may, if preferred be done entirely in the divisional officer.
- 2- Postings made in the sub-divisional office should be in black ink and all postings and corrections made in the divisional officer in red ink.
- 3- Office copies of works abstracts need not be kept, as the originals are returned by the divisional officer after completion. Before the work abstracts are sent to the divisional office, the up-to-date totals should be entered forward in the returns for the following months and these should be corrected, if necessary, on receipt back of the works abstracts from the divisional office.
- 4- In the Public Works Department where there are no sub-divisions the preparation, completion and disposal of works abstracts are dealt with the divisional office.

510- When finally completed in all respects, all the works abstract of a month should be examined by the divisional officer and any explanations necessary called for from the sub-divisional officer or the assistant engineer concerned. The monthly examination of the works abstracts is an important part of the duty of the divisional officer and must not be omitted. He must initial (and date) them in taken of the performance of this duty.

F—REGISTER OF WORKS

I—Form of Registers of works and their Preparation

511- (a) The permanent and collective record of the expenditure incurred in the division, during a year, on each work estimated to cost more than Rs. 20,000 is the Register of works. This record is maintained in the Divisional Office.

(b) There are two forms of Registers of Works corresponding respectively to the two forms of Works Abstracts (Form 33 and 34) for Major and Minor Estimates. The detailed Form 40 should be used for Major Estimates other than those referred to in Note 1 below paragraph 485, and the simpler Form 41 for Minor Estimates. In respect of petty works no record is necessary beyond the petty Works Requisition and Account, Form 32, which is self-explanatory.

512- The Register of works are posted monthly from Works Abstracts. A separate folio or set of folios of Form 40 should be assigned to each Estimate but entries relating to two Minor Estimates can be made on a single page of Form 41. When separate Works Abstracts are prepared, under paragraph

486 and 489 for the sub-works or parts of a Major Estimate, the transactions relating to each Works Abstract should be posted separately and an abstract for the entire work should be prepared on a separate folio or set of folios for comparing the cost of the work and its sub-works with the provision in the estimate. The following instructions should receive special attention :--

(a) The register of works is not a classified account of works; for facility of reference it should be supplied with an index which should be subdivided under the prescribed heads of account classification.

(b) The sanctioned amount of estimate should be entered in respect of each work. When supplementary estimates are sanctioned, the additional amounts sanctioned should be entered below the corresponding amounts of the original estimate and both totalled. But when a revised estimate is sanctioned the register of the original estimate should be closed and the revised estimate should be entered on a fresh folio, prominently marked "Revised Estimate" in red ink, and a reference to the folio on which the original estimates is to be found should be entered thereon.

(c) In the case of works for which specific appropriations are sanctioned individually, vide paragraph 112, the amount of appropriation for the year should be noted in the register at the top of the page, any additions or deductions made during the year being noted in the same place.

(d) The blank vertical columns in Form no. 40 should be utilized for the final sub-heads of the estimate and for as many of the suspense heads as may be operated upon, but the sub-columns for "quantity" and the horizontal columns for "rate of cost" should be left blank in respect of sub-heads for which there are no quantities in works abstracts, vide paragraph 490.

(e) In Form no. 41, the final charges on works should be posted in the column "Total value of work done" and the single column "Suspense accounts" should embrace the transactions under all the suspense accounts.

II—Examination by Divisional Officer

513- Before the date of submission of the monthly accounts to the Accountant General, the posting of the registers of works should be completed and the registers should then be laid before the divisional officer for review. The monthly account of each work on which there has been expenditure during the month should be initialed (and dated) by the divisional officer in

the column set apart for the purpose, in token of his having examined the entries and founds them correct. Actual as well as probable excesses, whether in the total cost of a work or sub-head or in the rate of cost of a sub-head should receive special attention, and works slips in Form no. 39 should be prepared and submitted to the superintending engineer when necessary, vide paragraph 72 and 79.

1- If the transaction of a division are very large the divisional officer may allow an extra period of a few days for the completion of the register of work, but the submission of the monthly accounts of the Accountant General and the completion of the work abstracts (paragraph 509) should not be delayed on this account.

2- It should be seen, with special reference to works on which there have been only petty or no transactions during the previous two or three months, if there are circumstances justifying the retarded progress of expenditure. If any such works have been stopped or are known to be nearing completion, the delay in closing their accounts should be inquired into see also paragraph 514. If the slow progress of expenditure is due to delays in measuring work done or in setting up bills the cause therefore should receive attention.

III—Closing the Accounts on Completion of work

(a) SETTLEMENT OF LIABILITIES AND ASSETS AND CLEARANCE OF SUSPENSE ACCOUNTS

514- It is an object of great importance to close the accounts of works as soon as possible after the actual work of contraction is completed, vide paragraph 75. If there is necessarily any delay in closing the accounts, it should be seen in particular that further charges are not incurred without the permission of the divisional officer.

515- Before the accounts of a work can be closed on its completion, it should be seen that any adjustments of cost necessary under the rules, e.g., explanatory note 29 to Appendix I have been duly made in the accounts, that all liabilities not originally brought to account have either been liquidated or since brought to account and that the balances under the suspense accounts “Contractors” and “Labourers” have been cleared, vide paragraph 502 to 505. If the whole or any part of the expenditure on the work is recoverable from another department, local body or individual, action should be taken to effect or complete the necessary recovery before the accounts of the work are closed.

516- The steps to be taken to clear the suspense head “Materials” have been detailed in paragraph 483.

517- The sub-head “Additional charges for Materials issued to contractors, Direct to Works” (paragraph 494) should receive the special attention of the divisional officer who should, if necessary, investigate large closing balances under this head before permitting the accounts of the work to be closed. It is

not necessary to clear this head by transferring the charges booked under it to other final sub-heads, but profits or losses which are not clearly traceable to known differences between the rates chargeable to contractors and the actual cost to the Government should not be accepted as correct with out closer examination.

518- The accounts of annual maintenance estimates must be closed in March. Ordinarily, it should be possible to complete all the repair work and to settle the accounts of contractors and other suspense accounts, before the expiry of the financial year. If, in any exceptional case, any work remains to be done and, in accordance with paragraph 342, it is proposed to carry it on to completion, action should be taken as under :

(1) The expenditure incurred in the next financial year should be treated as expenditure against the annual maintenance estimate for that year.

(2) The suspense accounts of the work should be closed in the last month of the financial year, by transferring the balances of all those accounts to the general suspense accounts "Public Works deposits" or "Miscellaneous P.W. advances," as the case may be which should be relieved in the following month by re-transferring the balances to the suspense account concerned in the accounts of the maintenance estimate for the next financial year. All unsettled liabilities and assets should then be treated as those pertaining to the next financial years estimate.

(b) CLOSING ENTERIES AND REVIEW OF EXPENDITURE

519- (a) When the work is completed and the accounts of it have been settled and written up as indicated in paragraphs 515 and 516 a double red ink line should be ruled below the final entries and a note made in red ink "Work completed in ----- 19 -----" This note should be signed by the divisional officer in token of having satisfied himself that all action has been taken under those paragraphs. It will be the authority for treating the accounts of the work as closed, and a work should not be reported as completed in the divisional accounts unless this authority has been placed on record.

(b) If it is a deposit works, steps should be taken promptly to surrender the unexpended balance, if any, of the deposit with the approval of the divisional officer.

(c) EXCESSES OVER ESTIMATES

(i) Excesses passed by Divisional Officer

520- If the total expenditure on the work is in excess of the sanctioned estimate and the excess is passed by the divisional officer under his powers, the words “Excess passed by me” should be added to the completion note recorded under paragraph 519.

(ii) *Completion Reports and Statements*

521- If, however, the excess is not within the divisional officer’s power to deal with a detailed completion report in Form no. 44, should be prepared or the item should be included in a consolidated completion statement of works and repairs in Form no. 45, as may be required under the rule in paragraph 399. The completion not in the register of works should then be amplified thus;-- “Work completed in -----19-----
Completion Report submitted with this office letter No.----- dated--
-----19.”

The orders passed subsequently by higher authority on the excess reported in the completion report or statement should also noted in the register of works to complete the record.

IV—Correction of errors after closing Accounts

522- Should an error omission in the recorded expenditure of a work come to light after its accounts have been closed (See paragraph 75), the accounts may be re-opened in order to rectify the error or omission unless the amount involved is not more than ten rupees in which case it will be sufficient to make a note of the error or omission in the relevant documents concerned.

523- To facilitate the preparation of estimates, as also to serve as a guide in setting rates in connexion with contract agreements, a schedule of rates for each kind of work commonly executed should be maintained in the division and kept upto date. It should be prepared on the basis of the rates prevailing in each locality and necessary analysis of the rates for each description of work and for the varying conditions thereof should, so far as may be practicable, be recorded.

The rates entered in estimates should generally agree with the scheduled rates but where, from any cause the latter are not considered sufficient, the deviation should be explained in detail in the report on the estimate.

G—CONTRACTOR’S LEDGER

(The rules in this section apply to all transaction with contractors in connexion with the contractors or jobs undertaken by them, whether relating to the execution of works or to the supply of materials for works or stock.)

I—Form and use of the Ledger

524- The accounts relating to contractors should be kept in the contractor’s ledger, Form no. 43, a separate folio or set of folios being reserved for all transaction with each contractor for whom a personal account is maintained, vide paragraph 525.

525- A personal accounts should be opened in the ledger for every contractor, whether or not a formal contract has been entered into with him unless the work or supply entrusted to him is not important and no payment is made to him except on a first and final bill, Form no. 24, on completion. If any materials are issued to the contractor or any payments are made on his behalf, a ledger account must be opened.

II—Posting of the Ledger

526- The contractor’s ledger should be written up in the divisional office. It is not necessary for the sub-divisional officer to maintain a similar ledger in his office but if he maintains one the divisional office may not require him to furnish extracts there from.

527- Except when a contractor’s account is to be closed and the procedure prescribed in paragraph 504, is observed in respect of unpaid bills, the value of work done of supplies made by a contractor should not be credited to his account until his bill has been passed and payment made thereon. Debit entries in the ledger should be made only on the basis of transactions recorded in the accounts, the postings being made from the supporting cash, stock or adjustment vouchers; liabilities not yet liquidated should be excluded altogether. The value of materials, if any, issued to a contractor under paragraph 465 or 466 should be debited to his account on the authority of his acknowledgement, see paragraph 469.

1- Security deposits of contractors should not be included in their personal accounts in the ledger vide, paragraph 612.

2- When a deduction made from a contractor’s bill for one work is creditable to the account of another work, and such credit is in connexion with his contract for the latter work, two distinct sets of entries should be made in the ledger, one for the payment made on account of the former work, and the other for the recovery of creditable to the latter, as if that recovery had been made in cash.

528- (a) The form of the ledger provides for the following columns :

Particulars of bill or voucher :

- (1) Date.
- (2) Voucher no.
- (3) Serial number, if a running account bill. Net transactions detailed by suspense heads .
- (4) Advance payments.
- (5) Secured advances.
- (6) Other transactions.
- (7) Name of the work or account and particulars of transactions.

Gross Transactions :

- (8) Debits.
- (9) Credits.
- (10) Total value of work or supplies.
- (11) Remarks.

(b) Columns 8 and 9 constitute the ledger account proper and column 4,5 and 6 set forth the net effect of each posting on the three suspense heads making up the account. Column 10 is also not a part of the personal account but will be found useful for the purpose of exercising a check over the continuity of bills in the case of running accounts.

(c) Columns 1 to 3 and 11 require no explanation. Instructions for filling in columns 4 to 10 in case of personal accounts are given below :

(i) Column 7—"Name of work, etc."—Here should be entered the full name of the work to which the bill or voucher relates except in the case of suppliers' bills, when the name of the account concerned, stock or purchases, should be stated. Brief particulars describing the nature of the transaction should then be added, and against the line should then be posted, in the money column 4, 5, 6, 8, 9 and 10, the figures relating to that transaction only. When a deduction made from a contractor's bill for one work is creditable to the account of another work, and such credit is in connexion with his contract for the latter work, two distinct sets of entries should be made in the ledger ones for the payment made on account of the former work, and the

other for the recovery creditable to the latter, as if that recovery had been made in cash. The second set of entries should be posted in a separate line, in columns 6 and 9 against the name of the work concerned.

NOTE-- If there are several contracts in connexion with a work or account the transactions relating to each should be distinguished, preferably by quoting the number and date of agreement or work order.

(ii) Column 4—"Advance payments"—If the bill is a Running Account Bill (Form 26), figure D of the Memorandum of payments should be posted in this column.

(iii) Column 5—"Secured Advances"—Figure E of the account of Secured advances, Form 26-A should be posted in this column.

(iv) Column 6—"Other transactions"—In the case of running account bills, figure G of the memorandum of payments should be posted in this column. If a payment is made on a first and final bill, Form no. 24, no entry should be made in this column unless a recovery is made from the contractor on any account. In the case of transactions other than these, the amount paid or recovered should be entered.

(v) In columns 4, 5 and 6, debits to contractors should be posted as plus entries and credits as minus entries.

(vi) Column 8—"Gross transactions—Debits"—If it is a running account bill, figure H of the memorandum of payments should be posted in this column, otherwise total amount paid or chargeable .

(vii) Column 9—"Gross transactions—Credits"—Here should be entered the value of work or supplies creditable to the contractor, which will be figure F of account I in the case of running account bills.

(viii) Column 10—"Total value of work or supplies"—In the case of running account bill here should be entered the total value of work done or supplies made up to date, as per figure A of account I of bill, but before posting the bill it should be seen that the figures shown in account of it as "Deduct value of work shown on previous bill" agrees with the last entry in column 10 of the ledger against the work concerned. In token of this check this last entry in column 10 should be initialed (and dated) by the divisional accountant.

III—Balancing and Reconciliation

529- The ledger account should be closed and balanced monthly. The closing balance of each personal account should be detailed so as to show, in respect of each separate work or account (stock or purchases), the amount outstanding if any under each of the three suspense accounts (1) Advance payments, (2) Secured advances and (3) Other transactions, with a quotation in each case, of the last running bill and of all the vouchers supporting unadjusted outstanding under “Other transactions” not incorporated in the last running account bill. In the case of running bill these balances can easily be ascertained from the memorandum of payments as indicated in the table below and it will be found convenient in practice to make a note of the outstanding balances of each bill, in the ledger, when posting the bill, so that at the end of the month the closing balance of the ledger account may be verified with the net result of the details already recorded :

	Class of balance				Serial no. of entry In Memorandum of Payments on the Running Account Bill (Form 26)
(i)	Advance payments	..	..	..	2
(ii)	Secured Advances	..	..	..	3
(iii)	Other Transactions	..	..	..	5

NOTE—See Note below paragraph 528 (c) (i).

530- The divisional accountant should be held responsible for the correctness of the contractors ledger and for securing agreement, month by month, between the balances detailed in the works abstract and the corresponding balances of the accounts in the ledger. He should further see that there is no indication of a transaction pertaining to a running account having been settled on a form of bill not permitted to be used for the purpose.

531- (a) Periodically all the personal accounts in the ledger should be examined to see (1) that balances do not remain out standing for a long time without justification and (2) that in the case of running accounts, bill are prepared at reasonable intervals.

(b) Entries in column 10, “Total value of work or supplies”, not bearing the initials of the divisional accountant recorded under paragraph 528 (c) (viii) should be reviewed in particular to ascertain the cause of delay, if any, in

the preparation of final bills. This examination must invariable be made before a volume of the ledger is laid aside on completion, so as to ensure that all outstanding accounts in it are carried forward to a new volume.

IV—Scrutiny of Accounts by Contractors

532- A contractor requiring a copy of his running account Bill or an extract from his account in the contractors ledger should be furnished with the same. He should be encouraged to look at his account in the ledger and sign it in token of his acceptance of it. See also rule 2 under paragraph 455.

H—WORKS EXECUTED ON LUMP SUM CONTRACT

I—General

533- The following special procedure is prescribed for works executed on lump sum contract under paragraph 405 and 406.

II—Payments for work done

534- Subject to the terms of the contract and such subsidiary instructions, if any, as may be laid down by the Government to ensure that the works are executed in accordance with the prescribed specification, plans and drawings, payments for work done are not made to the contractor otherwise than on the certificates of the officers in charge of the work, as detailed in paragraph 535.

535. (a) Whenever it is proposed to make any intermediate payment, a certificate will be given by an officer of the department of the status mentioned below to the effect that, by superficial or general measurement or by some other suitable method laid down by the Government (which should be specified) he has satisfied himself that the value of the work done is not less than a specified amount in conformity with the contract agreement and that, with the exception of authorized additions and alterations, the work has been done according to the prescribed specification.

(b) In the case of final payments, in addition to a record of detailed measurements in respect of additions and alterations, there will be a

certificate of completion of the work according to the prescribed specification signed by an officer as indicated below :

- (i) For an intermediate or final payment not exceeding Rs. 20,000 on each occasion.
- (a) *In plains*—The assistant engineer in charge of the work, provided that if the contract for a work is for a sum of Rs. 50,000 or more the final payment, Irrespective of amount, shall be subject to certification by the divisional officer.
- (b) *In hills*—The subordinate in charge of the work, provided that the certificate is checked by the assistant engineer after payment as soon as possible and in every case before the defects liability period and also provided that, if the contract for a work is for a sum of Rs. 50,000 or more, final payment irrespective of amount, shall be subject to certification by the divisional engineer.
- (ii) for other payments in—The divisional officer. Intermediate or final.

The officer granting a certificate will be held personally responsible for any overpayment which may occur in consequence.

536- In order that proper financial control may be exercised over payments, it is necessary that the accounts of additions and alterations should be kept quite distinct from those of the rest of the work. There is however, no objection to payment for additions and alterations being made before the completion of the work if their detailed measurement have been made.

III—Forms of Bills

537- The forms of bills used for payments in connexion with lump sum contracts are nos. 27-A and 27-B modified, if necessary, under the orders of the Government in consultation with the Accountant General to provide for additional precautions which may be required.

538- Form no. 27-A is intended for intermediate payments, which may be made to the contractor in accordance with his contract. Only details of additions and alterations should be given in the bill. Otherwise the certificates prescribed in rule 535(a) will suffice.

539- Form no 27-B is intended for final payments made to a contractor. The details of additions and alterations alone should be given in the bill. Otherwise the certificates prescribed in rule 535 (b) will suffice. As a further precaution, the contractor should be required to add to his acknowledgement a statement in his own handwriting that he has received payment in full settlement of all demands.

NOTE—The forms of final bill may be printed on yellow paper to distinguish it from that the running bill [See note under paragraph 452(b)].

IV—Subsidiary works accounts

540- the rules in sections E and F of this chapter regarding the maintenance of works abstracts and register of works apply *mutates mutandis* to the accounts of lump sum contracts. In the case of Major Estimates expenditure need not, however, be booked by sub-heads of works (see paragraph 487, *et seq.*) if all the charges represent nothing but payments on a lump sum contract.

541- All “intermediate payments” made to the contractor and so acknowledgement by him are regarded as advances made to him on account of the work concerned, and will be brought to account in accordance with paragraphs 542 and 543.

542- Payments for measured-up additions and alterations, as well as for the work covered by the lump sum for which no detailed measurements are necessary, are treated like advance payments and should be brought to account in the works accounts under the suspense head “Contractors—Advance payments”. This will not only simplify accounting but will facilitate a watch-over the prompt adjustment of payments made.

NOTE-- If a percentage or any other portion of the value of work done is withheld as security for the due fulfillment of the terms of the contract the net amount remaining after the deduction of the portion withheld should be entered as the advance payment.

543- Payments other than those specified in paragraph 542, above may be recoverable payments, including the value of materials supplied which may have been made to the contractor or to others on his behalf. These should be entered in the accounts under the suspense head “Contractors—Other transactions”.

544- From the final bill paid to the contractor (Form no. 27-B) the total advances made to him in the running accounts bills, (Form no. 27-A) or other recoverable payments will be deducted by short payment from the total value of work done, and the recoveries so made will be shown as minus figures under the suspense heads concerned, in which the plus figure will already be outstanding.

V—Contractor’s ledgers

545- Accounts of transactions relating to lump sum contracts must be maintained in the contractor’s ledger, Form 43, in the manner described in Section “G” of this chapter subject to the following subscribed instructions.

546- As all “intermediate payment” made on Form no. 27-A are regarded as advances, no figure there from will be posted in column 9, which is intended to show the amount creditable to contractor’s account on account of the value of work done. The first and last entry which will appear in this column will be the figure “F”, given in Part I of final bill Form no. 27-B. Column 10 need not be posted at all.

547- Figures for posting the other columns 4, 6 and 8 are indicated in the bills (Form nos. 27-A and 27-B) by the same distinguishing letters D, G and H, respectively, which have been used to denote the corresponding entries in the ordinary bill Forms 26 and 26-A.

I—SUNDRY RULINGS

I-- Carriage and Incidental Charges

548- (a) The cost of carriage of stock materials to site work, and of all carriage charges in connexion with the movement, from place to place of other materials issued to or provided specially for a work, should be charged direct to the account of the work, the exact classification of charge being as indicated below:

Nature of issue of materials	Head chargeable in the accounts of the work
1- Issue to contractor under paragraph 465:	
(a) To the promised place of delivery.	“Final charges” in the case of Minor estimates and “additional charges for materials issued to contractors” “direct to work” in the case of Major estimates
(b) Beyond the place of delivery, if incurred.	The personal account of the contractor under the suspense head “Contractors—Other transaction”.
II—Issued to contractor under paragraph 466.	Ditto
III—Issued direct to works	The sub-heads to which the cost of the materials is charged.

(b) When surplus material are returned from a work to stock, the cost of carriage should be borne by the work but if they are transferred to another work, the charges may be debited to either work as may be equitable.

(c) Incidental charges connected with the movement of materials issued to or provided specially for a work or returned there from, should be adjusted in the same way as the cost of carriage.

(d) In all cases the places from and to which conveyed, the distance, the quantity and the approximate weight must be clearly stated in the payment vouchers.

II—Charges for Examination of Soil

549- The expense attendant upon the necessary examination of the soil for the foundations of works ordered by competent authority should be treated as outlay on works and not as a contingent charge, provision for it being made under the service head concerned in a requisition or estimate according to the sum involved.

III—Miscellaneous charges relating to Government buildings

550- municipal or other rates and taxes on government buildings, residential or non-residential, when chargeable to the department as the department in administrative control of the building, vide rule 30 of appendix X to volume V of the Handbook, should be treated as expenditure on repairs, and debited to the maintenance estimate of the buildings concerned.

551- Charges for the supply of electric current to inspection houses are debitable to “establishment contingencies” and not to the estimate for maintenance and repairs of the buildings.

IV—Employment of Military Labour

552- When military labour is employed on the execution of a work, the officer commanding the unit can obtain from the controller of military accounts concerned, a lump sum advances to meet heavy initial expenditure up to Rs. 10,000 but not exceeding one quarter of the approximate total amount payable on the contract, as certified by the employing authority. The debit on account of the advance made will be received from the controller through the exchange account and the responsibility for the final adjustment of the advance by recovery from the value of the work done rests with the employing authority.

V—Execution of Government Works by Local Bodies

553- When the department entrust 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 treated as a payment for work done by a contractor. 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 a responsible official.
- (b) that if the payment 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 charges is set forth, and
- (c) that, as far as possible, the liability of a year is settled within that year (see also paragraph 518).

See also paragraph 426.

1- these payments should not be charged to the minor head “Grant-in-aid,” that head being intended for cash contribution made to local bodies in connexion with (1) roads which are either not the property of the Government, or, being such property, have been transferred to the control of a local body and (2) miscellaneous civil works. The cost of which if constructed by the Public Works Department would be chargeable to the minor head “Original Works—Buildings Civil works” and for the financial assistances given to these bodies in the form of expenditure incurred in the Public Works Department on a work contracted by that department on their behalf.

2- The Government will issue orders stating who shall be treated as a “Responsible Official” in each case for the purpose of proviso (a).

CHAPTER XV
MANUFACTURE ACCOUNTS

A—INTRODUCTORY

554- When materials are manufactured departmentally, either for the general requirements of works or for a particular work, a separate account, called a manufacture account, must be kept of the transactions connected with each manufacture. See also paragraph 599.

555- The detailed accounts of the expenditure on a manufacture are maintained in the same way as the accounts of a work and, in addition, an accounts is kept of the quantities and values of the products of the manufacture. The two sections of the accounts are known, respectively, as the “operation” and the “outturn” accounts.

556- The ordinary forms of the registers of works are unsuitable for recording the progress of the transaction of a manufacture. Form no. 42, register of manufacture, should be used instead.

557-It is essential that the accounts of a manufacture shall not remain open indefinitely. If the operations are seasonal, the accounts of each season should be kept separate and closed as soon as the operations are closed. In cases in which operations are continuous, the accounts must nevertheless be closed periodically, but at least once a year.

B—OPERATION CHARGES

558- a manufacture account is charged directly with (1) the value of raw materials issued from stock or obtained otherwise, (2) the cost of the labour employed and (3) other incidental charges connected with the operations.

559- The following rules apply to certain special incidental charges:

(a) Capital charge, such as the cost of land kilns, special plants, etc. incurred in connexion with a manufacture which does not extend beyond a single season, are debited wholly to the account of the manufacture.

(b) Capital charges in connexion with a manufacture extending over than one season should be debited, in the first instance, to a special account under the sub-head “Land, kilns, etc.” of the stock account.

This account should also be charged with the cost of repairs and renewals of the kilns etc. All these charges should be recovered in suitable instalments by debit to the “operation” accounts of the several season, the number of instalments and the amount chargeable for each season being determined on the merits of each case.

1- The decision as to the suitable instalments whereby the “ I and kilns, etc.” account is to be cleared periodically, as given by the authority sanctioning the initial charge, should be recorded in the register of stock Form no. 12 and not deviated from without the further orders of that authority .

2- When the land kilns, plant, etc. acquired for department manufacture operations are leased to a contractor of the division or other person the rents charged should be credited to this special account and not to revenue.

(c) If the manufacture is undertaken on behalf of other divisions or departments, or of local bodies or individuals, a charge should be made on account of establishment and tools and plant, if leviable under the rules, vide Appendix V, for outlay on works undertaken on their behalf.

(d) Save as provided in clause (c) above, no charge is permissible on account of the general establishment and ordinary tools and plant charges, or on account of interest on the capital cost of the land, kiln, plant, etc. though all these charges should be included in any pro forma accounts of the manufacture operations of the divisions, which may be prepared under the orders of the Government, with a view to compare the cost of those manufactured departmentally with the rates charged by suppliers.

560- The accounts of road metal digging are not treated as manufacture accounts, but the charges connected with land and quarries acquired for such operations should be dealt with in accordance with paragraph 265.

C—CALUE OF OUTTURN

561- a manufacture account is credited with the values of manufactured articles and of the surplus materials sold or otherwise disposed of (paragraph 478).

562- The outturn account referred to in paragraph 555 should show, month by month, the quantities and values of each class of articles manufactured, compared with the corresponding figures shown in the estimate (if any). The detailed account for each month be prepared in Form no. 36 outturn statement of manufacture, and should be attached to the works abstract for the operation.

563- The rates for valuing manufactured articles should be so fixed as to represent, as accurately as possible, the actual cost of manufacture per unit but should not exceed the market rates.

D—GENERAL ACCOUNT

564- A manufacture account is essentially a suspense account, as the cost of the operations cannot be cleared finally until they are closed. Manufacture transactions are, therefore recorded under a distinct sub-head, called “Manufacture” of the stock suspense account.

565- In the stock accounts, the manufacture transactions should be recorded thus—

(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 simultaneously treated as issued of stock under the subheads concerned.

(b) All outturn should first be brought formally on the stock account, by crediting its value to “Manufacture” and simultaneously showing the articles as receipts of stock under the sub-heads concerned.

1- If the rate at which any article of outturn, manufactured for a particular work, as valued, is different from the issue rate of a similar article already in stock, the two articles should appear as distinct item in the stock accounts.

2- No storage charge is leviable in respect of materials manufactured on behalf of other divisions, departments, local bodies and individuals, which are formally passed through the stock account under this paragraph. (See also paragraph 559 (c).

566- The difference between the “operation” and “outturn” should be adjustment under the order of competent authority before the accounts of a manufacture are closed. If the orders issued have the effect of enhancing or lowering the value of the outturn already brought to account, the adjustment will be made by a suitable entry (without any fresh quantities) in the outturn statement, Form no. 36; in other cases, the loss or gain, as the case may be, should be taken to the expenditure or revenue head concerned by a regular transfer entry, which will affect the “operation” account only. In all cases, the total “Operation” and “outturn” should equal each other on closing the manufacture account. See also paragraph 220, rule 2.

CHAPTER XVI
SUSPENSE ACCOUNTS
A—INTEROSUCTORY

567- The account of the minor head “Suspense”, sub-divided in to as many of the four heads named below as may be required is kept in each division under a single major head of expenditure unless Government has directed otherwise:

(1) Purchases, (2) Stock, (3) Miscellaneous P.W. Advances, and (4) Workshop Suspense. These heads are of a temporary character and all transitions recorded under them, are ultimately removed either by payment or recovery, in cash or by adjustment. The transactions, therefore, consist of both debits and credits, the latter being treated as reduction of expenditure when making up the account of the major-head.

B—PURCHASES

568- When materials are received from a supplier or from another division or department or through the India Stores Department, London, their value should be credited to purchases, (but see Note below):

(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 paragraph 469 and 474); 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 account (See paragraph 211).

NOTE-- The rules for the adjustment of transactions connected with stores obtained through the India Store Department, London, are contained in Appendix XIV.

569- When the actual value of the materials is not known, it will suffice if an estimated figure is adopted any difference being adjusted, as soon as known, by a plus or a *minus* credit to purchases as the case may be. See also rule under paragraph 570.

570- When the price of the materials is paid for adjusted in transfer, the payment should be debited to purchases and the outstanding credit thus cleared.

If the amount adjusted in payment exceeds the amount credited to purchases, the difference should be charged direct to stock or to the work concerned.

571- Unclaimed balances in the purchases account should be dealt with in accordance with the procedure prescribed for deposit balances in paragraph 622. Paragraph 623 regarding the repayment of lapsed deposits applies *mutatis mutandis* to repayments of lapsed balances of purchases.

NOTE-- The balances in the purchases account relating to Stores obtained through India Stores Department, London, should not be credited to revenue like lapsed deposits. These should be watched with a view to early clearance, a special reference being made at once to the Accountant General in respect of each item remaining outstanding under the head "Purchases".

572- The account of this head be kept in Form no. 67 suspense register, the details being recorded in a separate set of folios for each of the two heading (1) Purchases for stock, and (2) Purchases for specific works. (See also Rule 9 of Appendix XIV).

C—STOCK

573- The head "Stock" is opened in all divisions in which stocks of materials are maintained for general purposes, vide paragraph 183 and 184. In divisiona in which no stocks are maintained this account should be opened only when any manufacture operation are undertaken.

574- The money limit for the stock reserve of a division, prescribed by the Government, vide paragraph 184 is meant to be applied to the value of material acquired or manufactured for stock purposes only. Excesses over this limit are, therefore, permissible only when caused by unadjusted expenditure on manufacture operations connected with specific sanctioned works.

575- the account head "Stock" is charged with all expenditure connected with the acquisition of stock materials and with all manufacture operation. It is credited with the value of materials issued to work, or sold, transferred or otherwise disposed of and the balance of the account represent the book value of the materials in stock plus the unadjusted charges, etc, connected with manufacture.

576- the sub-heads of the stock account are (1) small stores, (2) Building materials, (3) Timber, (4) Metals, (5) Fuel, (6) Painter's stores, (7) House Fittings, (8) Miscellaneous stores, (9) Land Kilns, etc, and (10) Manufacture.

577- (a) The general account of the receipts issues and balances of the suspense head "Stock" should be maintained in the suspense register. Form no.67. A separate account should be kept in respect of each sub-head, the transactions of the several sub-divisions being detailed therein as separate items and the total of all sub-divisions as another. Transfers within the division should be accounted for against a single item "Deduct—transfer within division," before the total for the entire head "Stock" is struck.

The clearance of balances under "Transfer with in division" should receive special attention.

(b) the subsidiary accounts of stock are described in Chapters VIII and XV.

D—MISCELLANEOUS P.W. ADVANCES

578 - Transactions recorded under the head "Miscellaneous P.W. advances" are divided into four classes:

- (1) Sales on credit.
- (2) Expenditure incurred on deposit works in excess of deposits received .
- (3) Losses, retrenchments, errors, etc.
- (4) Other items.

NOTE-- 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.

579- When stores of any kind are sold on credit their value (plus, if recoverable, the percentages charges referred to in paragraph 187) should be debited to Miscellaneous P.W. advances under the sub-head "Sales on credit" so that (1) the accounts of stocks or works from which the materials are issued may be kept correct, and (2) the recovery of the value from the local body or individual concerned may be watched through the regular accounts.

In each copse there must be authority for sale on credit.

580- Outlay on deposit works is required to be limited to the amounts of deposits received. Any expenditure on deposit works incurred in excess of the amount deposited is chargeable to "Miscellaneous P.W. advances" pending recovery, to affect which action should at once be taken. See paragraph 585.

581- Under the heading “Losses’ retrenchments’ errors etc.” appear the following:

- (a) Deficiencies in cash or stock.
- (b) Actual losses of cash or stock.
- (c) Errors in accounts awaiting adjustment.
- (d) Retrenchments and losses of other kinds, recoverable from government servants.

582- The head ‘other items’ is meant 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 at once be determined, (2) recoverable debts not pertaining to the accounts of a work, and (3) recoverable outstanding pertaining to works, the accounts of which are closed (vide rule under paragraph 504 and paragraph 518).

583- No charges may be debited to “Miscellaneous P.W. advances” on the ground of a absence or insufficiency of sanction or appropriation, except as provided for in paragraph 580.

The share of municipal taxes paid the Government on behalf of tenants of government buildings under the provisions of paragraph 284, note 1, clause (c) should be debited to this head pending recovery.

584- Items in the “Miscellaneous P.W. advances” account are cleared either by actual recovery or by transfer, under proper sanction or authority, to some other head of account. Items or balances which may become irrecoverable should not be so transferred until ordered to be written off.

585- The detailed accounts of this head should be kept in Form no. 67, suspense register. For items falling under the class “Expenditure incurred on deposit works in excess of deposits received” detailed are not necessary, as these are recorded in the schedule of deposit works Form no. 65. For each of the other three classes of items, a separate set of folios should be reserved, and all the items under each class should be detailed so that their clearance may be watched individually. An abstract should be prepared to show the totals of all the classes.

586 to 594. [Omitted].

F—WORKSHOP SUSPENSE

595- When a workshop has been established, the accounts of which are kept in accordance with the rules in Chapter XVII, all direct outlay on the jobs executed and on other operations of the workshop is passed through the

suspense head workshop suspense and a separate account is kept under it of each job or operation, so that all charges relating to each may be collected and charges of a general nature may be suitably distributed over all the jobs or operations affected, before the total cost recoverable is determined.

596- The recorded expenditure on a job is removed from the suspense account only when, and to the extent, an adjustment is effected against the deposit received or against the service or other head concerned, vide paragraph 607. This removal is effected by a credit to the account of the job. But when any charges are transferred from one job or operation to another, the transfer should be made by *plus* and *minus* debit entries.

597- On the completion of a job, all outstanding charges on it must 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.

598- The detailed account of this head should be kept in a suitable form prescribed in accordance with the rule in paragraph 600, the object being to maintain an account showing the cost of each job or operation and its adjustment from time to time.

CHAPTER XVII
WORKSHOP ACCOUNTS
A—INTRODUCTORY

599- In some divisions there is a small shop for the execution of repairs to tools and plant or of small manufacture jobs. The accounts of works executed in such shops should be kept in the forms prescribed for repair works or manufacture operations; as the case may be.

600- Large workshops, with special plant or machinery may also be established, which may be treated as separate sub-division or divisions, for account purposes. When such workshops are of the character quasi-commercial undertakings, the system of accounts will be that prescribed for similar undertakings. When they are run mainly for departmental purposes the accounts should be kept in accordance with the general rules and principles laid down in this chapter. In either case, the exact forms to be used and the procedure to be observed will be settled in respect of each workshop in consultation with the Accountant General.

601- No work is to be undertaken in workshops of the department other than work required for the various branches of the department, except under some general or special order of the Government.

602- For every job there must be an estimate of cost (providing for all charges, including the prescribed percentages for indirect charges, vide paragraph 608) sanctioned by competent authority and accepted by the intending officer, local body or individual; see also paragraph 603. The amount to be realized from the indenting party will, however, be based on the actual cost, though the authorized limit of cost, which the officer in charge of the workshop may incur without further authority is that shown in the accepted estimate.

If the execution of a job for another division or department is likely to extend beyond one financial year the limit of the cost which may be incurred in each official year should also be settled before hand.

603- No work should be undertaken for municipalities or private parties before the whole estimated cost, including all charges for supervision, profit etc. That may be leviable under the rules for the time being in force, has been paid to their divisional officer, or into the treasury to be credited to the revenues of the state under the head of account concerned. This rule may be

relaxed at the discretion of the divisional officer or superintendent in the case of government servant where full recovery is not open to doubt. In such cases a rough estimate of the probable cost must be prepared in advance and the government servant concerned required to give an under-taking that he agrees to pay the actual charges in full on completion of the work. The full expenditure incurred must be deducted from the government servant's pay and allowances for the following months. In all cases prior to work being put in hand, and undertaking should be procured from the party concerned that it will not hold the department responsible for loss by fire or theft or any other factor which could not be foreseen when the estimate was prepared. In cases where it is found that the original estimate is likely to be appreciably exceeded a revised estimate should be prepared and the procedure outlined above adopted. The cost of operations should be charged monthly to the head "Miscellaneous P.W.advances" pending recovery.

B—DIRECT AND INDIRECT CHARGES

604. Receipts and expenditure transactions in connexion with workshops are brought to account as follows:

(a) Where capital accounts are kept of a workshop intended mainly for the needs of the Irrigation Branch, i.e. if the workshop is to be regarded as being on a quasi-commercial basis, the capital expenditure should be recorded under the relevant division and sub-division of the major head 68. Receipts representing recoveries of capital expenditure will be taken in reduction of such expenditure while revenue receipts and working expenses will be booked under a new minor head opened under the corresponding division and sub-division of the major head XXXIV entitled "Receipts from workshops", divided so as to meet the requirements of the pro forma accounts of the shop (vide paragraph 610).

(b) Where capital accounts are kept of a workshop intended mainly for the needs of the civil works branch, all expenditure incurred upon it, whether of the nature of capital or of working expenses, should be recorded under the major head 50. Recoveries of capital expenditure will be taken in reduction of such expenditure; revenue receipts will be booked under a new minor head, opened under the major head XXXVII entitled "Receipts from workshops", divided so to meet the requirements of the pro forma accounts of the shop.

(c) Where no capital accounts are kept of a workshop, for whichever branch intended, all expenditure should be booked 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.

605. All capital charges on buildings, plants and machinery and stock material, and all revenue charges incurred on their maintenance and on the upkeep of the necessary general establishment, should be accounted for as ordinary Public Works transactions under the major head concerned, in accordance with the preceding paragraph and under the general rules of other chapters of this volume. These are charges which neither pertain to any individual job executed in the shops, nor are capable of direct apportionment amongst all the jobs, and are therefore, met out of the grants of the department, the distribution of such charges over individual jobs being made in accordance with the rule in paragraph 608.

606. All other expenses connected with the operations of a workshop are chargeable to the jobs concerned, and should, therefore, be accounted for under the suspense head “Workshop suspense” (vide paragraph 595 to 598). The charges pertaining exclusively to any job should be debited to it at once, and those of a general nature should be treated, in the first instance as general charges (under one or more suitable headings) and apportioned subsequently amongst the jobs concerned in accordance with a definite procedure.

(1) This paragraph does not apply to incidental charges connected with the stock of materials which should be dealt with under paragraph 605 and 221.

(2) All liabilities should be taken into account, even though undisbursed, so that the general charges may be correctly, allocated month by month and the recorded expenditure on each job may represent, as far as possible, the actual cost up to date.

607- In the case of jobs of all classes, the cost of operations should be charged off or adjusted in transfer (paragraph 596), as the case may be, month by month but in the following cases the accounts of a job may be settled once a year in March, or in an earlier month if the job is completed earlier (vide paragraph 597):

(a) When the total cost during the year is not large than Rs. 500.

(b) When the monthly settlement of account is inconvenient to the indenting division or department.

(1) When the estimated cost of a job is recovered in advance, it should be kept in deposit in the first instance, and the adjustments of actual cost made under this paragraph should be effected against the deposit, the unexpended balance being refunded only when the job is completed and the account of it settled.

(2) In the case of large jobs undertaken by workshops, the following procedure may be adopted to enable divisional officers to watch the receipt of the articles. The debit received on account of the cost of such operation should be held under "Suspense" in works accounts under a temporary sub-head "Workshop liabilities" and this should be relieved later on actual of the articles.

608- In addition to the direct charges referred to in paragraph 606, the account of each job should be debited, not through the "Workshop suspense" account but directly under the head of account concerned, with suitable percentages to cover the indirect charges enumerated below :

- (a) Overhead charges under paragraph 187.
- (b) Interest on the capital cost of building, plant and machinery.
- (c) Maintenance charges of buildings, plant and machinery.
- (d) Depreciation of buildings, plant and machinery.
- (e) Establishment charges (including one per cent) on account of audit and account establishment; see rule 9 of Appendix V.

See also paragraph 605.

The percentage for overhead charges should be calculated on the book value of materials issued to each job. The other charges are ordinarily calculated on the total cost of labour and stores pertaining to the job. It is usual to charge a further percentage on account of profit except in the case of jobs executed for other divisions of the state.

The percentage realized on account of establishment charges is treated as reduction of expenditure or as revenue receipts as the case may be in accordance with the rules in Appendix V. All other percentages are treated as revenue receipt.

609- The indirect charges referred to in paragraph 608 should be brought to account whenever the settlement of the account of direct charges is effected under paragraph 607.

C—ANNUAL ACCOUNT AND REVIEW

610- Annually, pro forma accounts of each workshop should be prepared, consisting of—

- (i) the capital account, showing the value (after making due allowances for depreciation) of the buildings, machinery and plant, and stock, and the outstanding balance of the workshop suspense account;
- (ii) the outturn account showing, in such detail as may be necessary, the charges on labour and stores, and the general and indirect charges, and

(iii) the profit and loss account, showing on the inside the actual working liabilities of the year, e.g. (a) interest calculated on the mean capital of the year under all the heads named in (i) above,

(b) the actual maintenance charges of buildings and machinery and plants, (c) depreciation of buildings, machinery and plant calculated on the capital value thereof and (d) general establishment charges plus (1) a suitable addition thereto on account of leave and pensionary charges, and (2) one per cent for audit and accounts establishment only on such jobs in respect of which this percentage is not credited to the major head “20—Audit” or in “LII—Miscellaneous—Fees for Government audit” in the regular accounts (vide rule 2 to paragraph 11 of Appendix V); and on the other side the percentage charges made under paragraph 608, excluding the one per cent for audit and accounts establishment credited to “20—Audit” or “LII—Miscellaneous—Fees for Government audit,” under rule 1 to paragraph 11 of Appendix V.

The stock account should be treated as a part of the workshop account only if and to the extent, the reserve stock is declared by the Government to be part and parcel of the shops. When the whole or part of a stock is merely an adjustment to a workshop, neither the interest charges on it nor the losses or gains (including storage charges) arising out of it, should appear in the profit and loss account of the workshop.

611- the Accountant General should review the annual accounts of a workshop, in consultation with the officer in charge of it, and submit a report to the Government on its financial working, specially bringing out the necessity, or otherwise, of revising the percentage fixed by the Government for the several charges referred to in paragraph 608 above.

To facilitate the review of percentages it will be found convenient to show in the profit and loss account, not only the figure of the year but also the progressive figure to the close of the year, commencing from a suitable date.

CHAPTER XVIII

DEPOSITS

A—INTRODUCTORY

612- Deposit transactions of the department are of two kinds:

- I-- Public works deposits, which pass through the regular accounts of the division.
- II-- Interest bearing securities.

Deposits of the first kind comprise transactions of the following classes, which are passed through the account head “Public Works deposits”—

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

The interest bearing securities referred to in class II are deposited by subordinates and contractors. These do not pass through the regular accounts of the division.

(1) Earnest money deposits of contractors as required under paragraph 362 should be paid direct by contractors themselves into treasuries and treated as revenue deposits under paragraph 340 (b) (i) and 346 (b) of Volume V of the Handbook. With the exception of the deposit of the successful tenders, these deposits will thus be kept out of the account of the division. In the case of successful tenders the officer receiving the earnest money after crediting the amount of the deposit in his cash to the head “ P.W.D. Deposits”, should send to the treasury along with the treasury remittance book (Form no.4) the challan (received from the contractor with the tender) endorsed by himself with the words “Received payment by transfer credit to the Public Works Department”. The treasury officer will, on receipt of challan, transfer the amount from the head “Revenue Deposit to “Public Works, Miscellaneous Receipts”.

(2) In the irrigation Branch the officer calling for tenders may, in special cases, where it would be convenient for tenders to deposit money into the treasury, relax rule 1 above, and permit contractors to deposit earnest money with him in cash or currency notes up to a limit of Rs. 500 instead of into the treasury. Such deposits should be treated as “Public Works Deposits”.

B—SECURITY DEPOSITS

613- Security deposits of subordinates and contractors, whether made in cash or in one of the forms of security referred to in paragraph 614 are covered by a bond or agreement setting forth the conditions under which the security is held and may be ultimately refunded or appropriated. Reference to such bond

or agreement be should be recorded in the deposit register or the register of securities, as the case may be.

614- The recognized forms of interest-bearing securities, and the rules to which they are subject are indicated below:

- | | |
|--|--|
| (a) Government securities other than Post Office 5- year cash cash certificates. | Under the rules in Chapter VIII of the Government Securities Manual. |
| (b) Municipal debentures | |
| (c) Post Office 5-year cash certificates. | Under the rules for cash certificates and saving bank account issued by the Post Office. |
| (d) Post Office saving bank pass-books. | accounts issued by the Post Office. |
| (e) Deposit receipts of recognized banks approved by Government. | Fixed deposit receipts of the Reserve Bank, State Bank of India, the Central Bank of India the Allahabad Bank and of all the branches situated in the Uttar Pradesh of the following banks will be accepted as security ; if offered : |

- (1) The Punjab National Bank Limited.
- (2) The Bharat Bank Limited.
- (3) The Calcutta Commercial Bank Limited.
- (4) The Hindustan Commercial Bank Limited.
- (5) The Calcutta National Bank Limited.
- (6) The Bareilly Corporation (Bank) Limited.
- (7) The New Bank of India Limited.
- (8) The Comilla Banking Corporation Limited.
- (9) The National Bank of Lahore Limited.
- (10) The Oriental Bank of Commerce Limited, Lahore.
- (11) The Uttar Pradesh State Co-operative Bank Limited, Lucknow.

These fixed deposit receipts must be issued in the name of the Uttar Pradesh Government and will be accepted as security on the condition that Government

will hold the deposit at the risk of the depositor and will not be liable in the event of loss of the security due to the failure of the bank or to any other cause, and the loss will fall on the depositor, who will have to deposit fresh security forthwith. If the deposit be for more than 12 months, the receipts should be lodged in the treasury ; otherwise they should be retained by the divisional officer. The depositor should receive the interest, when due, direct from the, bank, on a letter from the pledgee authorising the bank to pay it.

See also rule 2 under paragraph 365.

615. Security deposits lodged in the Post Office Saving Bank should be pledged to the Governor. The bank pass-book should remain in the custody of the Divisional Accountant attached to the officer accepting the security.

NOTE—All pass books should be sent to the Office as soon as possible after June 15 each year, in order that necessary entries on account of interest may be made in them.

616- Cash deposits of subordinates and contractors may be converted, at the cash of the depositor, into one or more of the forms of interest bearing securities, provided—

- (i) that the depositor has expressly desired this in writing and
- (ii) that the acceptance of the new form of security is permissible under the rules as well as under the terms of the agreement or bond.

Cash which has actually been received or recovered may be converted even though the full amount of the deposit, which is being paid instalments, has not yet been realized.

617- Percentage deductions on account of security, made from contractors bills, should also be credited to the head “Public Works Deposits”. As an exception to this general rule, the security may be exacted by withholding from payment the required percentage of the value of work actually measured

and passed if the total amount recoverable on this account during the official year in any case is so small that its exclusion from the works outlay of the year is not likely to affect the appropriations appreciably. Amounts thus withheld appear in the suspense account, “Contractors—Other transactions” of the work concerned, vide paragraph 497 and 501.

618- Without the special orders of competent authority, no security deposit should be repaid or retransferred to the depositor, or otherwise disposed of, except in accordance with the terms of his agreement or bond.

The depositor’s acknowledgement should be obtained in all cases of security returned. When an interest-bearing security is returned or retransferred, the acknowledgement should set forth the full particulars of the security.

C—OTHER DEPOSITS

I—For Works

619- Deposits for works other than *taqavi* works are passed through the head “Public Works Deposits”, Such works are known as deposits works and the detailed rules relating to them are given in Chapter XIX.

II—contractor’s Closed Accounts

620- Under the rules in paragraph 504 sums due to contractors on closed accounts may be placed a accounts. When a sum so held in deposit is ultimately paid to the contractor concerned, his acknowledgement should set forth such particulars as would establish the settlement of his account in connexion with the work concerned.

NOTE-- Where the payment to a contractor in satisfaction of a Court decree is by way of expenditure, Article 202(3), (e) of the Constitution is attracted and the entire expenditure on this account should be “charged” on the Consolidated Fund of the State irrespective of the fact that a part for the whole of the amount might already have been voted out of the Consolidated Fund and Kept as a deposit in the Public Account. In such case the amount initially credited to “Public Works Deposits” should be cleared by debit to that head and deduct debit to the work concerned. Simultaneously, the entire decretal amount should be charged to the work by credit to “Public Works Cheques”.

As Article 202 (3) (e) of the Constitution is not attracted where refund of security deposit or revenue is made in satisfaction of a Court decree, such a fund cannot be treated as an item of expenditure.

III—Miscellaneous

621- All other deposits are classed as “Miscellaneous deposits”. This head also holds, until clearance, all items of receipt, the classification of which cannot at once be determined, or which represent errors in accounting awaiting adjustment.

D—LAPSED AND CONFISCATED DEPOSITS

622- In the accounts for March each year, the following classes of items in the Public Works deposit account should be carried to the revenues of the State or the Central Government as lapsed deposits—

- (i) original deposits for central work not exceeding one rupee and deposits for State works not exceeding five rupee, unclaimed for one whole account year.
- (ii) balances not exceeding one rupee of items party cleared during the year then closing ;
- (iii) balances unclaimed for more than three complete account year.

For the purpose of this rule the age of a repayable item, or of a balance of it to be reckoned as dating from the time when the item or the balance as the case may be, become first repayable.

623- Deposits credited to the Revenues of the State or the Central Government under paragraph 622 or confiscated under the provisions of an agreement or bond, cannot be repaid without pre-audit by the Accountant General who will authorize, payment on ascertaining (1) that the item was really received (2) that it was credited to the revenues of the State or the Central Government as lapsed or confiscated, and (3) that the claimant's identity and title to the money are certified by the divisional officer. The amount repaid should be treated as refund of receipts under the major head to which it was credited and the repayment should be noted in the deposit register against the entry for its credit to the revenues of the State or the Central Government, vide paragraph 303.

E—ACCOUNTS OF PUBLIC WORKS DEPOSITS

I—Deposit Register

624- A record of the transaction relating to Public Works Deposits should be maintained in the divisional office in a register in the same form as the suspense register, Form no. 67. This deposit register should show, month by month, the total receipts and adjustments and the closing balance of each separate deposit items but in respect of deposits for work to be done which are accounted for in detail in the Schedule of deposit works, Form no. 65 a single entry for all such deposits will suffice.

II—Schedule of Deposits

625- From the Deposit Register, a monthly extract known as the Schedule of Deposit, Form 79, should be prepared for submission to the Accountant-

General. This form is in two part—Part I, Abstract Account giving the total for each class of deposits and part II, Detailed extract from the Deposit Register. In Part II, only such items need be extracted as are affected by the month's transactions.

NOTE—The entry for deposits for work to be done will be supported by the Schedule of Deposit Works.

226- [Omitted].

F—ACCOUNT SO INTEREST-BEARING SECURITIES

627- Transactions connected with interest-bearing securities do not pass through the cash book and consequently the regular accounts of the division, unless any cash actually passes through the hands of officers of the department, which should be avoided as far as possible. A register of the receipt and disposal of these securities should, however, be kept in Form no. 85, Register of interest-bearing securities, and at the close of the year an account in Form no. 86, account of interest-bearing securities, should be prepared from this register for submission to the Accountant-General. This account should be supported by (1) the acknowledgement (in original) of the depositors for securities returned or re-transferred to them during the year, and (2) the certificate of the divisional officer that all securities shown as outstanding in this account, or their- acknowledgements by the authorized custdians (vide paragraph 614), are in his possession.

1- If a security recovered in instalments is being deposited in the Post Office Savings Bank, no entries should be made in respect of it in the register in form no. 85, until the security has been fully paid up. The annual account in Form no. 86 prepared from the register in form no. 85 should be completed in respect of the securities in course of recovery, by taking the recoveries of the period covered by the account from the deposit register verifying them at the same time with the actual recoveries as shown in the register of recoveries (paragraph 377).

2- If any Post Office Savings Bank deposits have been hypothecated to a sub-divisional officer under paragraph 615 the register for such securities should be kept by him and he should sign the annual certificate in respect of them.

3- When a subordinate who has furnished an interest-bearing security is transferred to another division or department, the security should be kept in the original division until such period as is specified in the agreement to cover any amounts that may be subsequently ordered for recovery in respect of the period during which he was under the original divisional officer. At the end of the period, the security should be released from the pledge and passed on to the new divisional officer, or a responsible officer of the department of which he is transferred for returning the security to the pledger and sending his acknowledgement to the divisional officer concerned, in case the new post of the subordinate is also one in which a security should be furnished, the officer concerned should immediately take the necessary steps to get a formal agreement and to have the securities duly pledged in his own favour. The acknowledgement mentioned above should, however, be abstained and sent to the first officer. No security need be insisted upon by the second officer until the original is transferred and is duly pledged, but he should satisfy himself, by a reference to divisional office from which the subordinate was transferred, as to the amount of security lodged there, the sufficiency, thereof, and the likelihood of recoveries that may be made before its transfer. There should be a proviso in all security bonds that the security shall be available as security for any new post to which the officer may be transferred.

CHAPTER XIX
NON-GOVERNMENT WORKS
A—INTRODUVCTORY

628- Non-Government works are divided into three classes:

(1) Deposit works, (2) Local lone works, and (3) *Takavi* works .

629- The general rule for the exhibition in accounts of transactions relating to contributions from Central or State revenues to local funds and public bodies, and *vice versa* as contained in Article 34 of the Account Code, Volume I is Reproduced below :

“Contributions made by the Union Government to District Boards, Municipalities etc., or *vice versa* shall be debited as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus a grant for the contraction of a school shall be debited to “28—Education”, a grant for the construction of a drainage system to “30—Public Health” and a grant for the construction of roads to “50—Public Works” while a grant given for general purposes, such as a grant to make good a deficit or as compensation for revenue resumed, shall be classified under “71—Miscellaneous”.

1- If the financial assistance give by the Union Government to a local body does not take the form of a grant of cash but of expenditure in the Public Works Department, equivalent to the whole or a part of the cost of work contracted by that department on behalf of the local body concerned, the contribution thus made should be charged as expenditure under the minor head “Grant-in-aid” of the Public Works major head concerned irrespective of the object of the assistance.

2- A contribution paid by a local body with the express object of meeting the whole or a part of the cost of construction, by Public Works Department of a specific work which is eventually to be the property of Government should be credited in the Public work accounts to the deposit head “Public Works deposits”, The contribution should, for accounts purposes be divided into two parts the one representing a share of works expenditure and the other the usual percentages on that share to cover charges for the Public Works establishment and tools and plant and the expenditure as actually incurred together with the percentages should be debited against it.

630- In the Public Works account, contributions made to local bodies are charged to the minor head “Grants-in-aid” under the major head “50—Public Works”, or “44—Irrigation, Navigation, Embankment and Drainage Works (non-Commercials)”, as the case may be. See also rule 1 paragraph 553.

631- When works already constructed, or land already purchased, are transferred, free of charge, to local bodies under the provisions of paragraph 372, no readjustment of the accounts of cost is necessary.

632- For every non-government work there must be a duly sanctioned detailed estimate or requisition, as the case may be, in the same way as for a government work.

B—DEPOSIT WORKS

633- When a deposit work is to be carried out, the local body or other party concerned should advance the gross estimated expenditure, which is payable by it, to the divisional officer in one lump sum, or in instalments, and by such dates as may be specially authorized by the Government, vide paragraph 392. The amount received should be credited in the accounts to the head “Public Works Deposits”. against which will be charged all expenditure incurred up to the amount of the deposit. As regards expenditure in excess of deposit see paragraph 580.

If preferred the local body concerned may be authorized to pay the deposit direct into the treasury. In this case, the accompanying chalan should state clearly that the amount is creditable to the department, naming the division and the work to which the deposit relates.

634- A consolidated record of the transactions of a month relating to all deposit works of the division should be prepared in form no. 65 Schedule of deposit works. This Schedule shows, in respect of each work, the amount of deposit received and the expenditure incurred, both during the month and up to date.

Refunds of unexpended balance of completed works should be taken in reduction of the deposits and, therefore, shown in the schedule as minus realizations and not as expenditure.

635- The amount of each deposit should be ratable divided into two parts, one representing the share available for works expenditure and the other the total amount chargeable as establishment, tools and plant and audit and accounts charges, if any, recoverable, under the rules, vide Appendix V. In the Schedule, the deposit received for each work should be numbered as a single item, but the transaction relating to the two parts of it should be shown separately thus--

For works expenditure-----
For percentage charges-----

636- The percentages leviable should be adjusted month by month as the works expenditure is incurred, but the Accountant- General may authorize the adjustment to be made once a year in the accounts for March, provided that if the accounts of a work are closed in an earlier month the adjustment must be made in that month.

C—LOCAL LOAN WORKS

637- The rules under which payments on account of local loan works may be made in the department are reproduced below :

I- Every loan to a municipality, Indian State, or other corporation will be recorded in the books of the Accountant-General concerned, and no part of it may be issued except under his orders.

II- No department of the Government or a Government servant should incur any expenditure or liabilities against such loan funds, unless a statement in writing is first obtained from the Accountant-General that the amount is available out of the loan funds and has been placed in a separate account by the Accountant-General so as to be available for the proposed expenditure.

III- Funds spent by any department of the Government or a Government servant under Rule II shall reckon for interest as if they were drawn on the last day of the month in the accounts of which they are included by the spending department or the Government servant.

638- Expenditure on a local loan work, incurred in accordance with the foregoing rules and under the orders of competent authority, should be accounted for as outlay against the sanctioned loan, under, the head “P—Loans and advances by the State Government” and shown in the Schedule of debits to miscellaneous heads of account Form no. 76 supported by a schedule of works expenditure.

639- All charges debatable to a loan should be brought to accounts as they occur, so that the interest charges may be correctly calculated and adjusted in the Accountant-General Office.

This rule applies also to the percentage (vide paragraph 635) leviable under the rule which should, therefore, be adjusted monthly by inclusion in the schedule of works expenditure.

640- the limits of funds set a side for expenditure on a work during the year should be ascertained from the Accountant-General by the authority sanctioning the expenditure, and communicated to the divisional officer for guidance. This limit should be treated as the appropriation for the work and should not be exceeded without special orders.

D—TAKAVI WORKS

I—Provision of Funds

641- It is not imperative, as in the case of a deposit work, that the estimated cost of a *takavi* work shall be deposited by the person or persons interested in the work before any expenditure is incurred on it, as if the amount due is not received in cash direct from them, it is recoverable through the revenue department in the same way as arrears of land revenue. Endeavourer should,

however, be made to effect direct and prompt recoveries of the probable cost of *takavi* works, as recoveries through the revenue department cause considerable trouble and delay in adjustment.

II—Accounts of Expenditure

642- The transaction relating to *takavi* works should be recorded under the head “Takavi works advances”, the full name of which is “T—Deposits and advances not bearing interest –Advances repayable –Civil advances—Advances of the Public Works Department”. They should be accounted for in the Schedule of *takavi* works Form no. 66 which shows the expenditure incurred on each work, the amount realized on account of it, and the outstanding balance of the account.

643- The rules in paragraph 635 and 636 relating to deposit works apply, *mutatis mutandis*, to *takavi* works. The rule under paragraph 634 also applies.

644- The accounts of all works of construction or of special repairs should be closed as soon as the work is completed. Ordinary maintenance and repair works, should, however, be considered as completed on September 30 of each year and expenditure thereon incurred subsequently should be accounted for as pertaining to a new work of the following year, so that the transactions and balances relating to each *takavi* year may be kept distinct and separate.

III—Recovery through Revenue Department

645- The following procedure is prescribed for effecting recoveries, through the revenue department, on account of the cost of individual *takavi* works, not covered by cash deposits received direct from the cultivators concerned :

- (a) A certificate showing (1) the full name of the work, (2) the name and address of the responsible cultivator or cultivators, (3) the authority for undertaking the work, (4) the total expenditure incurred, (5) the amount (with full particulars), if any, recovered in cash, and (6) the net amount still recoverable, should be prepared, in duplicate, by the divisional officer, on the completion of the collector or deputy commissioner of the district concerned.

- (b) On receipt back of the duplicate copy, duly accepted, the amounts accepted, should be credited, on the authority of it, to the *takavi* works advances account by debit to the head concerned
- “P—Loans and Advances by State Government—Advances to cultivators”.
- (vide margin) in the schedule of debits to miscellaneous heads of account from no. 76, as the revenue department will thereafter be responsible for effecting the necessary recovery.

IV—Water-courses

646- The foregoing rules apply to such water-courses only as are classed as *takavi* works. The account rules relating to water-courses of other classes are given in Appendix X.

CHAPTER XX

TRANSACTION WITH OTHER DIVISIONS, DEPARTMENT AND GOVERNMENTS

A—GENERAL RULES

647- The general rules under which one department of the Government may charge another department under the Government, or any department under another government, for services rendered or articles supplied to it, are given in paragraph 85 and 189, and Appendix IX of Volume V of the Handbook.

1- Ordinarily all charges connected with the construction and maintenance of building for which the department is responsible, vide, paragraph 274 of these rules and paragraph 264 of Volume V of the Handbook are treated as appertaining to the Public Works Department (Civil Works, Section) even though such buildings are Intended for the use of or are actually occupied by the administrative department under the Government and even though the agency of another department may be employed for the purposed. In the case of buildings the responsibility for the contraction or maintenance of which devolves on the administrative departments under the rules in Chapter XIII of Volume V of the Handbook the charges are borne by the department concerned even though in such cases the work may for special reason be carried out by the Public Works Department, vide paragraph 294 and 300 of Volume V of the Handbook.

2- The value of Public works stores issued to other department is chargeable to them under rules 8 and 12 of Appendix IX of Volume V of the Handbook.

3- When the administration, control and execution of a major or minor work is entrusted in very special circumstances, to a head of Civil Department, provision of funds for the work should be made in the budget of that department.

648- The cost of land acquired by the civil authorities on behalf of the department is chargeable in the accounts of the latter as part of the cost of the works for which the land is taken up; but when it is taken up for two or more service departments conjointly, the charge is not divided but is wholly debitable to the department for which the greater part of the land was taken up. [See rule (8), Appendix IX, Volume V of the Handbook], As regards establishment and contingent charges in connexion with such acquisition , see paragraph 203 of Volume V of the Handbook.

NOTE-- Law charges incurred in connexion with the acquisition of land should be debited to the same head of account as the cost of land.

649- When prison labour is employed on public works, no charge is made by Jail Department if the convicts are employed on jail works, but in other cases the full market value of the work performed, as certified to by the divisional officer, is charged to the department. See rule 6 of Appendix IX of Volume V of the Handbook.

650- When any land or building is transferred from one department to another under the Government, the transfer shall be free of all charges, except when the property is transferred to or from a commercial department “in accordance with note 3 under rule 7 of Appendix IX (revised) contained a Volume V of the Handbook”.

651- Services may be rendered or articles may be supplied, free of cost, by one division to another under the Government, vide paragraph 189 of Volume V of the Handbook except in the following cases :

- (i) *Stores*—If they are issued from a stock or materials account (vide paragraph 497 and 498) or if their transfer affects a work for which a separate capital or revenue account is kept.
- (ii) *Other services*—If they affect the account, of (a) any work for which a separate capital or revenue account is kept, (b) of a work in progress, or (c) suspense or deposits.

651-A—Amounts owing by one public works division to another, including divisions of other Governments, should be paid by cheque or bank draft [see note 1 below rule 1 (2) of Appendix XIII] while those due to other Departments of the same Government should, in the absence of any order to the contrary, be adjusted by book transfer.

652- Case recoveries made from the employees, contractors, etc. as also revenue realized by a division on behalf of other divisions , departments, or Governments, should be passed on to them, the payment being made in the manner prescribed in paragraph 651-A. Case obtained from treasuries on cheques and case receipts (including surplus case) remitted to treasuries, are accounted for as remittance transactions.

The details procedure to be followed in the settlement of transactions relating to case recoveries, etc. made by one public works division on behalf of another division is indicated in rule II (1) of Appendix XIII.

653- (a) When a transaction has to be cleared by book transfer the transfer should be effected by debiting or crediting it to the remittance of other head concerned in the cash or stock accounts if it appears therein, or by an entry in the transfer entry book. See also paragraph 748 in respect of cash obtained from treasuries on cheques.

(b) When a transaction on account of supplies made or services rendered, etc. has to be settled in cash, i.e., by cheque/bank draft, the monetary settlement should be effected by debiting the amount due, to the suspense head “Cash Settlement Suspense Account” under – “T—Deposits and Advances – Part IV—Suspense-- Suspense Account”, pending clearance on receipt of cheque/bank draft from the division concerned. The detailed procedure to be followed in this regard is given in Appendix XIII.

NOTE—(1) Such percentage cheques on account of supervision and establishment and tools and plant as may be leviable under the rules, should also be included by a transfer entry in the amount transferred. See also paragraph 608.

NOTE--(2) The cost of workshop jobs need not be adjustment monthly, vide paragraph 607.

NOTE—(3) Since all inter-divisional transactions, irrespective of the fact whether the divisions fall with in the same Circle of Account or in different Accounts Circle, are required to be settled in cash, vide paragraph 651-A, the minor head “Cash Settlement Suspense Account” has been subdivided as under—

- (i) “Transactions between division rendering account to the same Accounts-General” and
- (ii) “Transaction between divisions in different Accounts Circle”.

(c) If the amount of inter-divisional transactions for a month relating to a division is less than Rs. 10, the following should be Done :

(i) If the transactions require settlement with local divisions, the remittance may be made in cash through a special messenger. The receiving division should issue a receipt in form no. 3 and see that the amount is accounted for correctly in the cash book. The receipts would form the voucher of the paying division.

(ii) Payments at outstation may be remitted by money order and the money order commission may be charged to ‘office contingencies’. The money order receipt granted by the post office and the payee’s acknowledgement would be treated as vouchers by the paying division.

654- In case, however, in which the transaction originates in another department of Government, the responding transfer should as a rule, be made on receipt of intimation of original debit or credit, through the Accountant-General. Exceptions to this rule may, however, be authorized by the Accountant-General in respect of transactions of any class.

(1) Debits on account of rent realized, on behalf of the department, by disbursing or audit officers or other circle of audit may be raised in anticipation of the corresponding credits provided that they are supported by certificates in Form no. 3 of Volume V of the Handbook, statement of rent recoverable in cash or by deduction from pay bills signed by these officers. See paragraph 300.

(2) Contribution paid into the treasury by civil department and others to the credit of the department are adjusted by credit to the head concerned and debit to the head "III—other remittances—Items adjustable by P.W.D.". on intimation being received from a civil department either by letter or by means of treasury chalan without waiting for any intimation of adjustments from the Accountant-General. These debits must be supported by these letters or chalans as the case may be .

655- The responding division should examine every transfer/ claim advised to it for adjustment/payment, but it may not reject a transfer/claim because the voucher is not in order or is wanting, nor may a transfer/claim advised be partly accepted and partly rejected ; it may be rejected altogether if it does not pertain to the division; otherwise, it should be accepted provisionally in full and this dispute as to the amount or as to other particulars of the transactions should be settled separately in consultation with the officer who advised the transfer, See also paragraph 659 and rule 1 (2) of Appendix XIII.

NOTE-- Railway debits for amounts due on warrants and credit notes passed on by the Accountant-General for adjustment in divisional Accounts should be accepted in full subject only to readjustment, later on of under or overcharges. The responding officer is not responsible for the correctness of the charges with reference to the railway tariffs but only for proper scrutiny with reference to the propriety of the charges as against the head of the service concerned the calculations made by the Railway Accounts Department, which are test-checked by the Railway Audit Department, should be accepted as correct.

656- (a) When a charge is transferred to another department or Government for adjustment, the transfer is required to be supported either by the necessary vouchers, complete in all respects or by a certificate signed by the Account Officer of the department originating the transfer to the effect that the payment of vouchers have been duly audited and passed in accordance with the rules. Divisional Officers are, therefore, responsible for obtaining proper vouchers in support to all charges to remittance heads in their accounts.

(b) Similarly in the case of transactions between public works division, including the divisions of other Government, the claims should be supported by all necessary vouchers, except those relating to work done for other divisions for which see paragraph 685 (b).

NOTE-- (1) The term 'all necessary voucher' referred to in sub-para (b) above also include such voucher as do not ordinarily pass beyond the divisional office.

When it is not possible to support a payment by a voucher or the payee's receipt a certificate of payments should be sent along with the claim, vide Note below paragraph 46-A, Financial Handbook, volume V, Part I.

NOTE-- (2) In the case of stores issued from 'stock' by one division to another within the same Circle of Account, the division issuing the stores, may claim the amount from the other division on the basis of issues supplemented by the receipt of the indenter or his authorized agent, vide paragraph 206 .

657- When a transaction originates in a public works division the necessary transfer or preferment of claim should ordinarily appear in accounts of the

division for the month in which the transactions occurred, but in the case of work done in workshops, the cost is adjustable in accordance with the rules in paragraphs 606 and 608.

658- (a) In respect of work done in a division for other departments or Governments the intimation of the transfer will be given after audit, by the Accountant-General to the Accounts officer concerned, or to the department for which the work is done, if in the same circle of account. The division undertaking the work is responsible that the transactions are brought to account under the remittance or other head concerned, and that works accounts are maintained and vouchers submitted to the Accountant General in the same way as for works of the division itself. It will further be responsible that the estimate and appropriation for the work, as communicated or accepted by the party for which the work is done, are not exceeded without further authority from it, and if any savings are anticipated, they are notified and surrendered in time.

(b) As regards work done in a public works division on behalf of another division, including the division of other Governments, the claims should be settled by the divisional amongst themselves, without the interventions of the Accountant-General . The requisite vouchers should, however, be sent to the Accountant-General with the monthly accounts. If , as a result of audit, it is noticed that as an excess payment has been made, the responding division will claim the amount of excess from the originating division by operating on the Suspense's head " Cash Settlement Suspense Account" treating the item as an original transaction. On the Contrary, if short payments are noticed in audit the originating division will send a supplementary claim for the balance to the other division.

In order to enable the public works divisions to settle the excess/ short payments in the manner indicated in this paragraph the Accountant-General will notify the discrepancies noticed in audit both originating and the responding divisions.

NOTE—(1) For the purpose of this paragraph work done includes jobs executed in workshops.

NOTE—(2) In the case of works which are assessable to percentage recoveries on account of establishment, tools and plants, etc. the amount of the estimate and appropriation for the work should be ratable broken up into two parts to represent respectively, the work expenditure and the percentage charges.

NOTE—(3) The provision regarding audit before intimation of transfer may be relaxed in the case of any item appearing in the accounts for March and requiring adjustment with another Government (other than a public works division), vide paragraph 763.

659- In cases in which transactions originate in another department or Government, and the intimation of transfer of debits or credits are received through the Account General (paragraph 654), the divisional officer should examine such transfers as expeditiously as possible and report all his objections to the Accountant-General, whether the transfer is brought to account provisionally or rejected.

660- Omitted

661- Omitted

662- The procedure proscribed in paragraph 659 applies *mutates mutandis* to transfer transactions not relating to the execution of works, with (1) Railways, (2) Ministry of Defiance, and (3) the posts and Telegraphs Department (Telegraph Section).

663- Omitted.

664- The divisional accountant will be responsible to see that there is clear authority of the responsible disbursing officer of his division for claims/transfers advised to other divisions, departments of Governments, and that no change advised by another division, department or Government is finally paid/adjusted until all the necessary vouchers [except those relating to work done, vide paragraph 658 (b)] have been received and have further been completed by obtaining thereon, from the responsible disbursing officers of the division, the classification of the charge as attested by their dated initials. He should further see that when a transfer claim advised to the division for adjustment/payment is responded to provisionally, the objection raised thereon is perused with a view to ensure speedy settlement.

CHAPTER XXI

ESTABLISHMENT

A—TRMPORARY ESTABLISHMENT

665- In the order to meet the demand for extra supervision which may arise from time to time, as well as to ensure that the Public Works establishments shall be capable of contraction as well as of expansion as the expenditure on works diminishes or increases, the permanent establishments may be supplemented by temporary establishments to such extent as may be necessary, and varying in strength from time to time according to the nature of the work to be done. Temporary establishment will include all such non-permanent establishment, no matter under what titles employed, as is entertained for the general purposes of a division or sub-division, or for the purpose of the general supervision, as distinct from the actual execution of a work or works. The powers of the several authorities to sanction such temporary establishment will be found in Vol. I of the Handbook or in the departmental manual of orders.

NOTE—(1) All persons so engaged must be required to sign the declaration indicated in paragraph 666. Petty establishments and establishments whose pay is charged to works under paragraph 667 are exempted from submitting temporary service declarations.

(2) Engineers, overseers and office establishment shall not be charged to works but shall be employed as temporary establishment and provided for in the budget.

666- persons engaged locally will be on the footing of monthly servants, and they must be clearly informed in writing that their employment carries with it absolutely no claim to pension, or to any leave salary beyond those conditionally given to temporary employees under the Fundamental Rules and the rules made there under ; and they must be required to sign a declaration that this is clearly understood by them. If they are engaged for a special work, their engagement lasts only for the period during which the work lasts. If discharged otherwise than for serious misconduct before the completion of the work, they will be entitled to a month's notice or a month's pay in lieu of notice; but otherwise with or without notice; their engagement terminates when the work ends. If they desire to resign their appointments they will be required to give a month's notice of their intention to do so or forfeit a month's pay in lieu of such notice. The terms of engagement should be clearly explained to men employed in the circumstances mentioned above.

B—WORK-CHARGED ESTABLISHMENT

Conditions of Employment

667- Work-charged establishment will include such establishment as is employed upon the actual execution as distinct from the general supervision, of a specific work or of sub-works of a specific project upon the subordinate supervision of departmental labour, stores and machinery in connexion with such a work or sub-works. When employees borne on the temporary establishment are employed on work of this nature their pay should for the time being be charged direct to the works.

NOTE—(1) Persons who actually do the work with their hands such as *beldars*, masons, carpenters, fitters mechanics, drivers, etc., should be engaged only when works are carried out departmentally, and charged to works. In cases in which it is considered necessary, as a safeguard against damage to the Government Tools and Plant, such as road-rollers, concrete-mixture, pumping-sets and other machinery, mechanics, divers, etc., may be engaged by the Department, or alternatively, if engaged by the contractor must be subject to approval by the department, whether the work is done departmentally or by contract.

(2) Mistries and work-agents should, in all circumstances, whether they are employed on works executed departmentally or on contract, be charged to “works”.

(3) subject to the general principles stated in paragraph 665 and 667 being observed, the classes of establishment not covered by these definitions may be classified as ‘work charged, or temporary’, as the case may be, and the rule which prescribes that work-charged establishment must be employed upon a specific work waived, with the previous sanction of the Government and concurrence of the Accountant-General. In such cases the Government shall also determine and consultation with the Accountant-General, the proportions in which the cost of such establishment shall be allocated between the works concerned.

668- In all cases previous sanction of the competent authority as laid down in Volume I of the Handbook or in the departmental manuals of orders is necessary, which should specify in respect of each appointment (1) the consolidated rate of pay, (2) the period of sanction, and (3) the full name (as given in the estimate) of the work and the nature of the duties on which the person engaged would be employed.

669- Members of the work-charged establishment are not entitled to any pension or to leave salary or allowances except in the following cases :

(a) Wound and other extraordinary pensions and gratuities are in certain cases admissible in accordance with the rule in Part VI of the Civil Service Regulations.

(b) Travelling and daily allowance may be allowed by divisional officers for journeys performed within the State in the interest of work on which the persons are employed on the following conditions :

(i) the journey should be sanctioned by the divisional officers or the sub-divisional officer/assistant engineer specifically authorized for the purpose by the divisional officer;

(ii) the concerned officer while sanctioning the journey should also certify that the journey is actually necessary and unavoidable in the interest of the work on which the person is employed ;

(iii) for the journeys so performed the work-charged employee may be allowed traveling and daily allowance at the same rates and on the same conditions as are applicable to a regular government servant of equivalent status .

4- All facilities and concessions admissible to workmen of factories registered under the Factories Act, 1948, are also admissible to the employees of the registered State Workshops and factories.

C—PAY AND ALLOWANCES

I- Introductory

670- Pay and allowances of government servants of the department, if not charged directly to works, as well as all personal advances sanctioned by competent authority, are drawn from treasuries on bill in forms and in accordance with the rules, prescribed in chapters III, V, VI, VII, XI and XVIII of Volume V of the Handbook, which are applicable to the Public Works Department subject to the special rules laid down in this volume.

1- The sanction of competent authority to personal advances may, if preferred, be obtained in the form of countersignature on the bill before it is presented at the treasury.

2_ Payments of Government servants of the department on account of rewards for passing examinations in languages should not be made without obtaining the previous authority of the Accountant-General (See paragraph 120 of Volume V of Handbook). Such payment are classified under Allowances and Honoraria etc.

3- All civil account forms required by Government servants of the department should be obtained by requisition on the local treasury.

II—Preparation of Bills

(a) GENERALS

671- Gazetted government servants draw their own bills, but the claims of non-gazetted government servants should be preferred separately by heads of offices under whom they are employed, and the latter should make proper arrangements for disbursing the amounts so drawn.

For the purposes of this rule, the divisional officer is treated as the “head of Office” of the entire establishment employed in the division; but in the Public Works Department the District Engineer of Almora, Garhwal and Dehra Dun districts have been authorized to prepare and sign the pay bills of their districts. Similarly in the Irrigation Department, sub-divisional officers are treated as heads of offices for this purpose, but before they are cashed at the treasury, pay bills should be sent to the divisional office for check by the divisional accountant and countersignature by divisional officer.

672- Separate establishment bills should be prepared by the drawing officer for each of the establishment specified below, the entries relating to each section of establishment, e.g., the upper subordinates, divisional accountants, draftsmen, clerks, etc., being grouped separately in each bill :

- (1) one for permanent upper subordinates, divisional accountants (permanent temporary or officiating) and permanent ziledars only,
- (2) one for temporary ziledars only,
- (3) one for all other permanent establishments, and
- (4) one for all other temporary establishments. For claims of traveling allowance a single bill will suffice, but entries must be grouped according to sections as in the case of establishment bills.

(b) CLASSIFICATION

673- Bills paid at treasuries are incorporated in the general accounts of the state by the Accountant-General. Drawing officers are, however, responsible that (1) the name of the circle of superintendence and (2) the major head and other particulars necessary for determining the accounts classification (vide paragraph 2 of statement D of Appendix I, and paragraph 2 and 3 of Appendix V, are recoded on each bill). [see also paragraph 47 (e) of Volume V of the Handbook].

The cost of any special establishment for acquisition of land entertained under orders of the Government by a civil department acting as an agent of the P.W.D. is chargeable as the cost of the works concerned and not as general establishment charges, vide paragraph 426 of this volume and paragraph 203 of Volume V of the Handbook.

674- If as permitted by paragraph 97 (b) of Volume V of the Handbook, emoluments up to the date of transfer are not drawn before a government servant proceeds on transfer, emoluments for the whole month may be drawn in the new post, the allocation of the charge to the old new appointment being clearly specified on the bill.

In the case of non-gazetted government servants, the last-pay certificate should give all the necessary information so that the allocation may be correctly noted by the drawing officer in the bill of the new office. In the case of gazetted government servants, whose last-pay certificates are prepared by treasury officers the responsibility for showing the correct allocation in bill rests with the government servants themselves.

III—Encashment of bills

675- Non-gazetted government servants bills should be presented at the nearest district treasury for payment. They should be accompanied by a memorandum signed by the drawing officer and specifying separately the

amount of (a) cash required for disbursement and remittances to be made in cash (b) cash orders required on each of the sub-treasuries subordinate to the district treasury, for payments to be made to establishment stationed near the sub-treasuries and (c) remittance transfer receipts on their district treasuries for amounts which may have to be disbursed outside the district but within the jurisdiction of the drawing officer. See also paragraph 324 (I) of Volume V of the Handbook.

676- Gazetted government servants, who are stationed at places where there are no treasuries or sub-treasuries, may utilize the services of brakandaz guards, if any attached to their offices, for the encashment of bills relating to their personal claims and the Government will accept liability for any loss caused by the act of the guard if the gazette government servant is not at the station where the money is drawn provided that the full strength of the guard as laid down in paragraph 677 below is used.

NOTE- (1) This is an exception to the general rule that the Government accepts no responsibility for any fraud or misappropriation in respect of money on cheques or bills made over to a messenger vide note printed at the top of Form no. 5 of Volume V of the Handbook.

(2) This rule not intended to cover cases of theft of money, which a gazaetted government servant may arrange to obtain by a private cheque on a private bank.

677. (a) The strength of the guard required for the conveyance of money in enchasing bills, etc., is laid down below and should strictly be adhered to:

- (i) One peon in permanent service of the Government up to Rs. 100.
- (ii) One peon of over 20 years service up to Rs. 200.
- (iii) One peon who has furnished security of not less than Rs. 50 or two ordinary peons in permanent service of the Government up to Rs. 500.
- (iv) Two peons who have furnished security as in clause (iii) above or an official in permanent service of the Government of not less than two years standing whose pay is Rs. 25 per mensem of over, up to Rs. 200.
- (v) An official in permanent service of the Government whose pay is not less than Rs. 50 per mensem and a peon in all other cases.

In special or emergent cases, however, the drawing officers may at their discretion deviate from this rule, but in all cases they will be responsible for taking such precautions for the safety of the money as are possible in the circumstances.

678- In the Irrigation department certain divisional officers have been authorized to obtain in full or in part payment of pay and traveling allowance of their sub-divisional and divisional offices by special remittance transfer receipts payable at the sub-treasuries of their districts. A list of such officers and of the sub-treasuries on which they can obtain such remittance transfer receipts is given in Appendix XI. Additions to this list can only be made under the orders of the Government.

679- The works “Public Works Establishment” should be writing in red ink at the top of such remittance transfer receipts and attested by the initials of this issuing treasury officer. When they are intended to be cashed at sub-treasury, the words, “Payable at the -----sub-treasury” will be added to the above note before the treasury officer attest it. Drawing officers should see that the transfer receipts are complete in these respects before they are sent out to departmental subordinates for encashment.

680- The traveling allowance bills of the camp establishment of superintending engineers in the Irrigation Department may be cashed at the treasury of any district within their jurisdiction in which they may happen to be touring.

(See also paragraph 145 of Volume V of the Handbook).

IV—Distribution of pay and allowances

(a) GENERAL

681- Special attention is invited to paragraphs 138, 145 and 147 of Volume V to the Handbook prescribing the procedure for distribution of pay and allowances to establishment.

682- Acknowledgment should, as far as possible be taken on office copies of bills, but where this may not be convenient or advisable as in the case of scattered establishment consolidated receipts on acquittance roll in Form no. 11-B prescribed in paragraph 138 of Volume V of the Handbook, may be obtained separately for each set of payments made at one place or at one time.

Acquittance rolls and receipted office copies of bills are not required to be submitted to the Accountant General but, as they are important records they should be stamped “Paid” and preserved carefully for the period specified in Appendix XVI to volume V of the Handbook.

683- Cash drawn on pay and travelling allowance bills of establishment should not be mixed with the regular cash balances of the Department vide paragraph 136. In addition to the maintenance of a bill register prescribed in paragraph 139 of the Financial Handbook Volume V, Part I, a separate cash-

book should be maintained showing the day-to-day receipt and disposal of the cash drawn on pay traveling allowances bills of establishment. The actual balance of cash on this account, should be counted in the manner prescribed in paragraph 164 *ibid* and the certificate of count recorded simultaneously in both the cash-books.

(b) MISCELLANEOUS RECOVERIES FROM ESTABLISHMENT

684- Ordinarily, recoveries on accounts of security deposits of employees should be made in cash when their pay is disbursed and should be credited in the cash book of the disbursing officer.

The rule in this paragraph applies *mutatis mutandis* to all recoveries from employees which are creditable under the rules to some head in the complied accounts of the division.

685- If this encashment of a bill for an advance on transfer is likely to delay a transfer which is urgently necessary in the interest of Government work, the advance may be made from the permanent advance (if any), works imprest or other available cash in the hands of the disbursing officer concerned, pending recoupment when the bill is subsequently encashed. In the accounts of such cash the amount advanced should not be charged off as a final transaction, but recorded as a temporary advance so that the amount may continue to form part of the cash balance for which the disbursing officer is responsible.

V—Communications of sanction to audit

686. The pay and allowance of gazetted Government servants only are subjected to system of personal audit. Orders effecting the personal emoluments, postings, leave, etc. , of gazetted Government servants only should, therefore, be communicated to the Accountant General by the sanctioning authorities, Changes in the personnel of subordinate establishments and in their emoluments should be indicated in pay bills and absentee statements by the authorities preparing those documents , who are responsible that orders of competent authority are obtained in each case as required by the rules.

(1) If an order affecting a gazetted government servants is notified in the *Gazette*, separate intimation to the Accountant General by letter is not necessary except in cases of urgency.

(2) Orders of special nature authorizing the grant to a non-gazetted government servants (or ordering the discontinuance) of any increase in the emoluments admissible to him against the sanctioned pay of the cost which he hold should, however, be communicated to the Accountant General by letter or, if preferred, in monthly statements which should reach his office by the 5th of each month.

687- All orders revising sanctioned scales or sanctioning the creation or abolition of permanent or temporary posts should at once be communicated by the letter or the Accountant General.

688- In the case of all transfer of divisional, sub-divisional or other executive charges a report of transfer of charge should be prepared in the manner prescribed in paragraph 115-A of Volume V of the Handbook, and sent to the Accountant General through the superintending engineer. Whenever the transfer of charge is prolonged so that two government servants may be entitled to draw pay and allowances simultaneously for the same post under paragraph 1 of the audit instructions regarding Fundamental Rule 107, the superintending engineer or the divisional officer in the case of lower subordinates and members of the subordinated engineering service in the Irrigation Department should intimate to the Accountant General if the time taken is reasonable and the relieving government servant may be considered as on duty for the period. If however, the superintending engineer or the divisional officer, as the case may be, considers the time taken in making over and receiving charge to be excessive the relieving government servant must be treated as if he were on leave or on joining time, etc., as the case may be, for as much of the time as may be regarded as excessive.

D-- TRANSFER OF CHARGE

I—General

689- The general rule about the transfer of charge is given in paragraph 115-A of Volume V of the Handbook. The following rules are special for the Public Works Department.

690- The relieving government servant will take up the expenditure of cash and stores from and for the first day of the month during which the relief took place, and submit the next monthly accounts in the same manner as if he has been in charge during the whole month. But the relieved government servant remains responsible that proper explanation is forthcoming for transactions during incumbency.

691- If the relieving government servant fails to bring to notice within a reasonable period any deficiency or defect in work or stores taken over from his predecessor, he will be held responsible for the same, both as to quantity and quality, so far as he was in a position to ascertain it.

NOTE-- Three months in the case of a divisional engineer of the Public Works Department or Sub-Divisional Officers or assistant engineers and one month in the case of sectional officers should be considered as a reasonable period for the purpose of this rule. In the case of divisional engineers of the Irrigation Department the period will be six months.

692- A register of incumbents of charges should be kept in every divisional office showing the period of incumbency of each officer who has held charge of the division and of each sub-divisions , and in each sub-divisional office, a similar register of the incumbents of that sub-division only.

II—Divisional and Sub-divisional Officers

693- In the case of transfer of divisional and sub-divisional charges, the cash book or imprest account should be closed on the date of transfer and a note recorded in it, over the signature of both the relieved and reliving government servant, showing the cash and imprest balances and the number of unused cheques, made over and received in transfer by them respectively. A copy of this note, together with a receipt in the relevant form below for the stores under the immediate charge of the relieved government servant, should be forwarded the same day to the Superintending engineer in the case of divisional, or to the divisional officer in the case of sub-divisional charges.

The receipts of cash and stores balance should be prepared by the relieved government servant, but the reliving government servant should note any inaccuracies therein so that the superintending engineer or the divisional officer, as the case may be, may pass such orders in respect of any deficient articles as may be necessary. A copy of the receipts may be given to the relived government servant, if desired by him.

FORM A (For Divisional charges)

Received in transfer from A,B late Divisional Officer,-----
Division, the stores in his personal charges as detailed in the annexed list.

The balance returns of stock and tools and plant in charge of all sub-divisional officers for the half year and year ending ----- respectively are on record, and the divisional stock returns have been prepared to end of ---
----- C.D.

Divisional Officer. *Division.*
[Station and date]

FORM B (For sub-divisional charges)

Received in transfer form A,B late officer in charge----- Sub-division, the stock and tools and plant which have been in his personal custody, as detailed in the last balance return and the accounts of receipts and issues to date . The returns for the year ended the half year ended and for the month of for the whole sub-division have been submitted to the divisional officer, and the account of daily receipts and issues for the currant month has been return up to date.

C.D.
[Station and date]. *Relieving sub-divisional Officer.*

694. The relieving Government Servants should be inspect the records, cash, mathematical instruments, stores, works and materials at site of work, examine the accounts and count the cash, and in reporting that the transfer has been completed, should bring to notice any deficiencies, departures from sanctioned plans and estimate and generally, any thing objectionable or irregular in the conduct of business which may have come to his notice. In the case of the transfer of a sub-divisional charge, the relieved Government servant should, unless otherwise ordered, accompany the relieving government servant on his inspection. In the case of the transfer of a divisional charge the relieved government servant in his inspection of out stations only when so directed by the superintending engineer ; in reporting that the transfer has been completed the relieving government servant should mention what outstation he has yet to inspect, and when he purpose to visit each.

695- The relived government servant should further give the relieving government servant a list and memorandum showing all the works in hand and the orders remaining to be complied with and of such matters as particularly require his attention, with full explanation of any peculiarity of circumstances, or apprehended difficulties. He should also furnish the reliving government servant with a complete statement of all unadjusted claims, with the reasons for their not having been adjusted in due course, and a report as to any complication likely o arise owing to their non-adjustment.

696- The relieving divisional officer should mention specially in his transfer report whether the accounts may be considered fairly to represent the progress of the works.

697- In the case of the transfer of a division, the report of completion of transfer should, except in special circumstances be submitted within a fortnight of such transfer. In the case of any disagreement between the relieved and relieving government servants, a reference should be made to the superintending engineer.

698- The transfer report of a sub-divisional charge should, on receipt by the divisional officer, be scrutinized by him, any remarks necessary being entered in the column provided for that purpose. The report should then be forwarded to the superintending engineer who, after passing such orders as may be necessary should return it to the divisional officer for record in the divisional office.

699- In the case of a divisional or sub-divisional charge becoming vacant by the death or sudden departure of the officer in charge, the succeeding government servant should take action as above prescribed and assume charge, forwarding to the superintending engineer or divisional officer, as the case may be, the receipts which would otherwise be given to the relieved government servant.

III—Divisional Accountants

700- When a divisional accountant is about to be relieved of his duties in a divisional office, either permanently or temporarily, he should prepare a memorandum reviewing the accounts of the division. The state of the stock and other suspense accounts and of outstanding in the accounts of works, should be reviewed in particular. All important liabilities, as also recoveries to be made from the staff or from contractors and other which should receive special attention should be mentioned. Any arrears or defects in the working of the divisional office or subordinate offices rendering accounts to it should be specified, with a statement of the remedies applied or contemplated. Other points requiring the special attention of the relieving accountant whether in regard to the initial or compiled accounts or to objection statements and audit notes received from the Accountant General should also be set forth in detail.

The memorandum should be in a tabular form with columns for (1) remarks by the relieving accountant, (2) remarks by the divisional officer, and (3) orders of the Accountant General. The relieving accountant should examine it when taking over charge and promptly forward it with his remarks, to the Accountant General through the divisional officer, who will record such observations as he may consider necessary.

IV—Other Government Servants

701- In the case of transfers of charges other than of divisions and sub-divisions the divisional officer should issue instructions as to the work to be jointly inspected by the relieved and relieving government servants.

CHAPTER XXII

CONTINGENT CHARGES

A—MODE OF OBTAINING CASH

702- Cash required to disburse contingent charges is obtained from treasuries by cheques, in the same way as cash required for works payments, and the charges are incorporated in the monthly account of the division like other charges incurred by the departmental officers.

B—GENERAL RULES

703- The rules in Chapter VIII and Appendix X of Volume V of the Handbook, apply generally to the Public Works Department to the extent that they may not be inconsistent either with the authorized method of obtaining cash for contingent. Charges (vide paragraph 702) or with any of the special rules in this volumes.

704- The expression “contingent charges” as used in the department accounts does not include charges which under the rules in Appendix I are classified under some other head of expenditure, e.g. works, repairs and tools and plant.

For the definition of “contingencies” See paragraph 150 of Volume V of the Handbook. In the Public Works Department charges which are incurred for the technical working of the department e.g., chemicals for Ferro prints, medicines and hospital necessaries are governed by the rules applicable to contingent charges.

705- If the contingent charges of a division excluding special contingencies [vide paragraph 153 (c) of Volume V of the Handbook], during a month, exceed the monthly limit of Rs 1,500 which has been fixed by the Government, the bill for the month should be submitted to the superintending engineer for sanction which will be signified by that officer countersigning the bill.

706- Contingent charges and grants-in-aid may be included in the same bill, but the abstract of the bill should show the total charges for each class separately.

C—SPECIAL RULES

707- The account procedures for contingent charges will be as follows:

- (a) Payments made should be brought to account, in the first instance in cash books or imprest cash accounts, like works payments.

(b) At the end of the month all contingent charges (including stock and adjustment transactions) should be consolidated in a bill in from no. 17 of Volume V of the Handbook (headed *not payable at the treasury*) for submission to the Accountant General with the monthly account. Particulars of the charges need not be entered in this bill except in the case of miscellaneous item which do not fall under one of the classified sub-heads for specific charges.

(c) For abstracting the contingent charge of the month the form of the contingent register (vide paragraph 173 of Volume V of the Handbook) should be adopted. See also paragraph 175 of that volume.

1- Expenditure in the contingent register and on contingent bill must be recorded under the following sub-heads:

- (1) (a) Rent.*
(b) Rates and taxes.
- (2) (a) Country stationery.
(b) Other petty bazaar purchases.
- (3) Service postage stamps and telegrams charges.
- (4) Carriage of parcels, treasury and other Government property.
- (5) (a) Hot weather charges.*
(b) Liveries and warm clothing of menials.**
(c) Cold weather charges.
- (6) Pay of menials.+
- (7) Law charges.*
- (8) Medicines and hospital charges.
- (9) Books and periodicals. *
- (10) (a) Binding
(b) Printing and advertising. ++
(c) Stationery and forms.
- (11) Tour charges.
- (12) Miscellaneous:
 - (a) Shajras and Khasras. *
 - (b) Supplying drinking water and dusting offices.
 - (c) Other miscellaneous charges ++ (including money order commission and other postal charges paid in cash).

708- Payments should be made out of the regular cash or imprest balances of the division and not out of undisturbed balances of cash drawn from treasuries for payment of establishment charges.

Payments to treasury officers for value of service stamps obtained by indent should invariably be made by cheque, the indents being prepared in from no. 42-A of Volume V of the Handbook. The treasury officer will retain the indent and grant a receipt in a from written up to the clerks of the treasury and signed by himself whatever the amount may be. See also paragraph 31-31-C and 166 of Volume V of the Handbook.

* Sanction number and date to be quoted on bills.

** Details of number of menials, dates of last supply and rates and of charges to be given on bills.

+ Details of numbers of posts, rates of pay and periods to be given on bills.

++ Details of charges to be given on margins of bills.

CHAPTER XXIII

DIRECTION AND OTHER SPECIAL OFFICES

A—INTRODUCTION

709- The rules in this chapter, apply only to the offices of chief and superintending engineers, superintendents of works, and other special officers not being divisional officers or their subordinate officers. These officers are described as special officers in this chapter.

710- The head of a special officer is not concerned with the actual execution of works, with the disbursement of money, or with the provision or custody of any materials, otherwise than possibly as an officer of control. If, however, he is required at any time to assume an executive charge, the monetary and stores transactions of such charges should be kept distinct from the transactions of his special office, and accounted for under the rules applicable to divisional officers.

B—RECEIPTS

711- Heads of special offices do not ordinarily realize any department receipts. Any petty amounts received occasionally should be remitted at once to the treasury in accordance with the procedure prescribed in paragraph 31 to 34 of Volume V of the Handbook. See also paragraph 26 of that volume.

For recoveries from the staff see paragraph 716.

C—PAYMENTS

712- The monetary transactions of heads of special officers are practically confined to payments of office expenses and pay and allowances of themselves and the members of their offices. These may be divided into two distinct groups :

I—pay and allowances.

II—Contingent charges.

713- Cash required to meet these payments is obtained by bill drawn on treasuries under the rules in the following paragraphs.

II—Pay and allowances

714- The rules in Chapter XXI for divisional offices apply *mutates mutandis* to special offices. The following rules are peculiar to them.

715- The number of separate establishment bills prescribed in paragraph 672 may, however, be reduced in consultation with the Accountant General who will specify the sections into which the bills should be divided.

716- Recoveries from the establishment of special offices are not subject to the rules in paragraph 684- They should, as far as possible, be made by deduction from their bills. When, however, the amounts recovered have to be paid into a court of law, or into the post office Saving Bank as security deposits, recoveries should be made in cash at the time of disbursement of pay and the amounts recovered should be forthwith remitted.

III—Contingencies

717- The general rules relating to contingencies are given in Chapter VIII and Appendix X of Volume V of the Handbook.

718- Charges for new supplies of, and repairs to, articles of the classes which, in the case of executive offices are classified under the head “Tools and Plant” are treated as contingent charges, etc., in the case of special offices.

Example—Scientific instruments and drawing material, office furniture, camp equipage, motorcars, etc.

719- The account procedure prescribed in Chapter VIII for tools and plant of divisional offices need not be observed in special offices in respect of the articles referred to in paragraph 718, though these will otherwise be treated as tools and plant for the purposes of these rules. Suitable registers showing the receipt, disposal and balances of the articles should, however, be maintained.

If articles of this class are transferred to a divisional office, the fact of the transfer should forthwith be reported to the Accountant General, even though no adjustment of cost is required to be made under the rules.

CHAPTER XXIV

ACCOUNTS RETURNS OF SUB-DIVISIONAL OFFICERS AND ASSISTANT ENGINEERS

720- (a) A sub-divisional officer maintains the initial account records of cash and stores as described in Chapters VII and VIII as well as works abstract, with certain accompaniments, for each work in progress, All these records are, as a rule, written up as the transactions take place. The sub-divisional officer is not, however, required to consolidate the transaction into a *complied* accounts, this work being done in the divisional office for the entire division.

(b) In the Public Works Department of the department, the initial account record are maintained and the initial accounts prepared at the divisional headquarters, the assistant engineers being held responsible for the correctness of the initial accounts relating to stores in their charge. The only exceptions are special disbursing sub-divisions notified by the Government from time to time which are required to maintain their initial records and submit initial accounts to their divisional offices.

721- The initial accounts of cash and stores for a month maintained in a sub-division should be closed on the 25th or such earlier date between the 19th to 25th as may be fixed by the Accountant General for the purpose. The subsequent transactions of the calendar month should be treated as those pertaining to the accounts of the following months. In the month of March, however, the initial accounts of the sub-division should be kept open until the 31st.

1- The object of this rule is that the accounts returns of sub-divisions should reach the divisional officer in sufficient time for the compilation of the monthly account of the division and its submission to the Accountant General by the prescribed date.

2- In cases where sectional officers are authorized to maintain separate initial accounts of stock in their charge, which have to be incorporated in those of the sub-divisional officer, the former may be permitted, except in March, to close their monthly accounts three days before the date closing fixed for the sub-division . This limit of three days may be relaxed by the Accountant General in exceptional cases.

3- In the case of Irrigation Department the sectional officers shall close their monthly accounts of stock on the 22nd of each month except in March when they shall be kept open till the 31st . All holders of stock shall submit a copy of from no. 8-A on the 23rd of every month except at the end of the financial year when a copy shall be submitted by April 1st.

722- Immediately after the cash book of a month has been closed under paragraph 721, the cash balance report, Form no. 5 prepared under paragraph 164, should be transmitted to the divisional office.

723- Copies of the cash book (supported by vouchers) should be sent to the divisional office twice a month or oftener as may be directed by the divisional officer. The copy for the last period of each month should accompany the cash balance report.

1- As the accounts of the division in respect of the cash transactions of sub-divisions are based on the copies of sub-divisional cashbooks prepared under this rule, sub-divisional officers should satisfy themselves, before signing them, that they are true copies and correct in all respects. As a further precaution the total of the "cash" column on both sides should be expressed in works in their own hand.

2- The Accountant General to eliminate the work of preparing copies may permit sub-divisions at the headquarters of a divisional office to maintain two alternative cash books one being submitted in original to the divisional office at the end of the month and the other being used in the month following.

724- Within three days of the date on which the accounts of a month are closed, the returns enumerated below should be forwarded to the divisional office with a covering list in Form no. 93:

(i) (a) Abstract of stocks receipts and issues, Forms nos. 9 or 9A and 10 or 10A as the case may be, supported by receipted invoices or other vouchers and extracts from register of stock receipts and issues (Copies).

(b) Accounts of receipts and issues of tools and plant, Forms nos. 13 or 13A and 14 or 14A as the case may be, supported by necessary vouchers and acknowledgments (In original)

(c) A works abstract (accompanied where necessary by Form no. 35 or 36, and by Form no. 53, transfer entry order, in the cases referred to in paragraph 273) for each work in progress (vide paragraph 63) in connexion with which there was any transactions during the months with a detailed list in Form no. 94.

(d) A "Petty works requisition and account", Form no. 32, for each petty work in progress in connexion, with which there was any transaction during the month with a detailed list in Form no. 94. (In original).

(e) Transfer entry orders, Form no. 53, relating to the accounts of the month, excluding those proposed from time to time, vide paragraph 270.

(ii) In Public Works Department where sub-divisions have been abolished all the returns enumerated in clause (i) above with the exception of works abstracts and petty works requisition and accounts are prepared by assistant engineers attached to the divisions.

725- Other accounts returns which sub-divisional officers should submit to the divisional office or which should be prepared by assistant engineers attached to Public Works Department where sub-divisional have been abolished, are the following :

(a) Monthly—

(i) “Statement of receipts, issues and balances of road metal”, in the form prescribed (vide paragraph 262).

(ii) Such statements or reports (vide paragraph 309) in connexion with recoveries of rents of buildings and lands, as the divisional officer may require the sub-divisional officer or the assistant or assistant executive engineer to prepare.

(iii) Estimate of probable requirements of cash, if prescribed by the divisional officer under rule 1 to paragraph 139.

(b) *Half-yearly*—Balance return of stock Form no. 11, on or before may 15 and October 10.

In the Irrigation Branch return shall be prepared in P.W.A. form no. 11-A and submitted to the divisional office on or before 20th April and 10th October.

(c) *Yearly*—Register of tools and plant, Form no. 15, on or before October 15.

In the Irrigation Branch return shall be prepared in P.W.A. form no. 15-B and submitted to the divisional office on or before October 31.

(d) *Occasional*—Report of verification of stores (including materials at site of works), immediately after each verification.

CHAPTER XXV
ACCOUNTS OF DIVISIONAL OFFICERS
A—INTRODUCTORY

726- The cash and stock accounts of the divisional office for month are closed on the last working day of the calendar month.

727- The transfer entry book for a month should be closed as soon as possible after the expiry of the month, but before this is done, all necessary transfers, e.g., those relating to the levy of the prescribed percentages for establishment tools and plant, storage charges, etc., should be made.

The transfer entry relating to the levy of percentage for establishment, tools and plants, and account and audit charges, is effected on a single order of the divisional officer recorded in form no. 62, the special form prescribed for the purpose (vide paragraph 746).

728- The cash and stock accounts of the entire division, as also all transfer transactions should be scrutinized by the divisional accountant before they are incorporated in the monthly account and connected registers and schedules.

1- The divisional accountant's responsibility extends also to the examination of all claims included in bills presented direct at treasuries by the divisional officer, and on behalf of the latter he should also examine the accounts of the disposal of money obtained on those bills.

2- In all matters connected with the personal claims of government servants the divisional accountant is expected to give expert advice and help. He should see in particular that service books and leave accounts are maintained in accordance with rules, that the annual establishment return (Form no. 6-A of Volume V of the Handbook) is accurately prepared and that the admissibility of leave applied for by subordinates is verified before their leave application are disposed of by the divisional officer or forwarded to higher authority. In all cases of doubt, however, he should advise the divisional officer to consult the Accountant General.

B—SECURITY OF ACCOUNTS

729- The divisional accountant should examine the accounts returns of sub-divisional officers received under the rules in Chapter XXIV to see-

- (i) that they have been received in a complete state,
- (ii) that all sums receivable are duly realized and on realization credited to the proper head of account as well as to the personal account, if any, to the contractor, employee or other individual,
- (iii) that the charges are covered by sanctions and appropriations and are supported by complete vouchers setting forth the claims and acknowledgements of the payees legally entitled to receive the sums paid,
- (iv) that all vouchers and accounts are arithmetically correct.

- (v) that they are in all respects properly in accordance with the rules, and
- (vi) that all charges are correctly classified, those which are debatable to the personal account of a contractor, employee or other individual, or are recoverable from him under any rule or order, being recorded as such in a prescribed account.

It should be seen in particular that, on the basis of rates sanctioned by competent authorities, and of facts (as quantities of work done, supplies made, etc. or services rendered) certified of responsible officers, the claims admitted for payment are valid and in order.

It is not necessary that the divisional accountant should check personally the arithmetical accuracy of all voucher and accounts, but he is responsible that a cent percent check is exercised efficiently under his supervisions.

730- The divisional accountant should exercise a similar check, from day to day, in regard to (i) the transaction recorded direct in the cash and stock accounts of the divisional office, and (ii) bills, and vouchers of sub-divisions, which are submitted to the divisional officer for approval before payment is made by the sub-divisional officer. In respect of charges, this examination should be conducted before payment is made .

The divisional accountant should affix his dated initials after the last entry in the divisional cash book and stock accounts in token of check.

731- Every payment should be so recorded, and a receipt for the same so obtained e.g. see paragraph 451 and 452, that second claim against the Government on the same account is impossible and if it represents refund of a sum previously received by the Government it should also be seen that the amount paid is correctly refundable to the payee.

732- Divisional officers are responsible that the divisional accountant is never allowed to prepare bills for contractors and suppliers or to make cash payments to them. The practice if allowed will impair the usefulness of the divisional accountant as the examiner of claims and payments under paragraph 729 to 731.

733- If the divisional officer has set a limitation on the drawings of any sub-divisional officer or an assistant or assistant executive engineer on a treasury for any month, he should intimate the same to the treasury officer, and specify the date of commencement and termination of the account month of the sub-divisional officer. The divisional accountant, while examining the cash book

of the sub-divisional officer, should see that the total amount of cheques drawn by him during that month does not exceed the prescribed limit.. (See paragraph 145).

734- The divisional accountant is responsible that every order or sanction affecting expenditure to be accounted for in the monthly account is noted at once in a suitable register (or other account), preferable one wherein the expenditure incurred against it can be watched readily. General sanctions to estimates and appropriations for works should be noted in the register of works. Sanctions to fixed charges of a recurring character, e.g., those relating to the entertainment of work-charged establishments, should be entered in the register of sanctions to fixed charges, Form no. 58. For sanctions to special payments chargeable to the accounts of works, and other miscellaneous sanctions, Form no. 59, register of miscellaneous sanctions, will be found suitable.

Sanctions to estimates for works should be entered in the register of works, and a collective register of all sanctioned estimates should be maintained.

735- If against a single sanction two or more disbursing officers have to operate simultaneously, the orders of the divisional officer should be obtained imposing a definite limitation on the money transactions of each officer. Similarly, if disbursing officers of two or more divisions are concerned, the order of the superintending engineer or higher authority should be taken. In such cases it may be advisable to have a separate working estimate, or other sanction, to cover the transactions of each disbursing officer, and for the purpose of bringing the expenditure to account, these should be treated, as far as possible, as independent transactions pertaining to the same group of works or the same project. If this is not possible, special arrangements must be made for the check of the total expenditure against the sanction.

736- It is one of the functions of the divisional accountant to see that expenditure which is within the competence of the divisional officer to sanction or regularize is not incurred as a matter of course under the orders of subordinate disbursing officers without his knowledge. All such items of expenditure should at once be brought to the notice of the divisional officer and his orders obtained and placed on record. (See also paragraph 100).

737- 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 presorted for the purpose, the order should be noted at once in a

register of recoveries in Form no. 95 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.

738- It is permissible to take in reduction of the expenditure on works in progress, certain recoveries of expenditure (vide paragraph 293) e.g. sale-proceeds of surplus materials and plant acquired specially for any work, or of material received from dismantle structures irrespective of whether the estimates for the works make allowance for such recoveries or not. The amounts of such receipts are, however, not available for expenditure in excess of that authorized in the estimate for the works, and the divisional accountant should see that without the orders of competent authority, the gross expenditure authorized is not exceeded, or surplus receipts realized are not utilized towards additional expenditure. He should at the same time, which the receipts, with a view to bring to the divisional officer's notice and obtain that officer's orders on all marked deviations from the provision for such credits in the estimates of works.

1- In the case of works the accounts of which are kept by sub-heads, all such receipts should be credited to a special sub-heads in these accounts (vide paragraph 495). In the case of other works the progress of the realization of receipts should be watched through the register of special recoveries (vide paragraph 737), which should be posted from sanctioned estimates in respect of credits anticipated therein, and accounts in respect of receipts realized from time to time.

2- The divisional accountant should see also that saving due to abandonment of parts of a work, as evidenced by the quantities of work, executed or otherwise, are not utilized towards unauthorized expenditure.

3- The procedure regarding recoveries relating to works, indicated in this paragraph, is applicable only to the estimated recoveries, which are known at the time of framing the estimates, Unanticipated credits or recoveries should be surrendered separately and the final grant should not include them.

739- After check every voucher should be en faced with the word "checked" over the dated initials of the divisional accountant, as well as of any clerk who may have applied a preliminary check. Vouchers not submitted to the Accountant General (vide paragraph 760) should be "cancelled" by means of perforating or endorsing stamp and kept carefully, to be made available for test audit whenever demanded by the Accountant General.

1- Vouchers relating to contingencies, which do not amount to more than Rs. 250 each, should be dealt with in the manner indicated in the certificate of the disbursing officer printed on Form no. 17, of Volume V of the Handbook.

2- Stamps affixed to vouchers should be do cancelled that they cannot be used again, and if with this object they are punched through, care should be taken that the acknowledgement of the payee is not destroyed thereby.

3- Voucher relating to new supplies of tools and plant should be completed by noting on them the name of the month in the accounts of which the articles acquired were brought on to Form no. 13, account of receipts of tools and plant.

740- The results of the examination of accounts and vouchers received from sub-divisional officers should be intimated to them in all cases in which it is necessary to obtain further information, accounts, vouchers, certificates, etc., or to direct them to correct the relevant records of their offices or avoid the recurrence of any irregularity . The procedure to be observed may be prescribed by the divisional officer. The records connected with the results of the examination should be retained so as to be available for the Accountant General's inspection.

C—SETTLEMENT OF ACCOUNTS WITH TREASURIES

741- As soon after the expiry of the month as possible, a monthly settlement should be effected with all treasuries in respect of the transactions of the entire division with them.

742- For payments made into treasuries, consolidated treasury receipt in Form no. 78 of the Financial Hand-book Volume V, Part II, will be furnished by the treasury to the Divisional Officer on the 4th of the month following that to which the accounts relate along with the pass-book or the list of cheques of the division concerned.

743- For cheques drawn, the treasury will send the pass-book in loose form (Form no. 77 of Financial Hand-book, Volume V, Part II), duly written up twice a month, once about the 15th of the month for the transactions from 1st to the 10th of that month and the other on the 4th of the next month for the transaction from the 11th to the last day of the month along with the certificate of issues prepared in Form no. 77-A of Volume V of the Hand-book. Their agreement with the cash-books of the division should be affected in Part II of Form no. 51, schedule of monthly settlement with treasuries, which also gives details of the differences.

The Certificate of Agreement should be recorded in the pass-book over the signature of the Divisional Officer without recording any details of the uncashed cheques or other differences.

NOTE—1- On receipt of the pass-book or the list of cheques cashed from the treasury the identity and the amounts of the cheques entered as cashed should be examined at the earliest opportunity, the pass-book being initialed (and dated) by the Divisional Accountant in token of the check.

2- The Divisional Officer should keep the loose forms of the pass-book in a guard file which should be available for future reference, when necessary.

3- Form 51, which is prepared in two separate parts, is required to be sent to the Accountant General in original, vide paragraph 758. The office copy of the details recorded in it should be signed by the Divisional officer. Parts I and II of the form may be prepared and sent to the Accountant General separately in case of the parts of the form is liable to be delayed due to non-receipt of the consolidated treasury receipt or the certificate of issues, as the case may be from the treasury.

4- The Divisional Officer should ensure that figures given in line 2 of parts I and II of Form 51 tally with the figures shown in Form no. 77 (schedule of Remittances), and should record the certificate prescribed at the bottom of both the parts and if there be a difference in any case the reasons thereof should be recorded.

5- If the Divisional Officer is placed in account with any treasuries which are in account with an accounts officer of some other audit circle, other than the Accountant General, a separate schedule of monthly settlement with treasuries, Form no. 51 should be prepared in respect of the treasuries of each audit circle.

744- As sub-divisional cash books are closed on the 25th of each month except for the month of March and the accounts of sub-treasuries are also closed before the last date of the calendar month transactions recorded in the cash books of the Public Works Department for a month may sometimes be responded to by the treasury in an earlier 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.

D—COMPILATION OF ACCCOUNTS

1—Monthly Accounts

(a) SEHEDULE DOCKETS

745- As cash vouchers and transfer entry orders, relating to: (i) charges on works other than percentages charged for establishment, tools and plant etc. and (ii) other items of expenditure or disbursement for which a contingent bill is not required come to hand and are scrutinized, they should be posted into schedule docketts in Form no. 61, a separate form being used for—

(a) each work to be accounted for in a schedule of works expenditure, Form no. 63, or in the schedules of deposit works and takavi works form nos. 65 and 66;

(b) each manufacture or other item of expenditure debitable to stock and to be accounted for in the schedule of debits to stock, Form no. 72 (vide paragraph 751);

(c) each separate class of charges (including refunds of revenue) for which a schedule in any other form has to be prepared under the rules in this chapter.

Cash receipts which have to be taken in reduction of expenditure (vide paragraph 293) should be posted as refunds, with brief particulars of the transactions. At the end of the month, the schedule dockets should be completed in respect of the stock transaction by posting therein all the stock debits and credits of the month as recorded in the lower part of Form nos. 10 and 9 abstracts of stock issues and stock-receipts respectively, omitting those brought to account through the cash book and the transfer entry book, vide rule 2 to paragraph 209. The total of the month's stock transactions relating to each schedule docket should be entered therein as a single figure, plus or minus according as it is a debit or a credit, and if there are both debits and credits to be entered the net result only should be posted. The schedule dockets should then be totaled and reconciled with the works abstracts in the case of works, and with the schedules concerned in the case of dockets of class (c) above. All the vouchers (including acknowledgments for stock supplies to contractors), transfer entry order, survey reports, and sale accounts which are required to be submitted to audit (vide paragraph 760) should then be tacked to the respective schedule dockets which should be numbered in a separate series for each month.

1- The Accountant General may, however, at his discretion, permit divisional Officers to post the schedule of dockets at the end of the month from the works abstracts as soon as the latter are completed and checked. The Accountant General may also at his discretion dispense with the preparation and submission of a schedule docket for a work, when the outlay on that work consists entirely of payments on muster rolls or other Vouchers not required to be submitted to him. In that case, the divisional accountant must record a certificate in the last column of the schedule of works expenditure against the relevant item that the vouchers composing the item, are such as are not required to be submitted to the Accountant General under the rules.

2- The audit of Schedule dockets is conducted in the Accountant General Office on the assumption that petty vouchers and initial stock accounts in support of the certified amounts of unvouched and stock charges have been duly checked by the divisional accountant in detail and are available for test audit. The divisional accountant is, therefore, personally responsible for the accuracy of these amounts as stated in Schedule dockets.

3- Some of the Schedule referred to in clause (c) above include charges for work supported by a schedule of works expenditure. Such charges and other transactions relating to the works expenditure should be posted in the Schedule dockets for the works concerned.

746- For percentage recoveries made on account of establishment, tools and plant, and accounts and audit charges (vide Appendix V) a single schedule docket should be prepared in Form no. 62, embracing all government, as well as non-government works on which these percentages may be leviable under rule.

This form serves as the transfer entry order relating to these recoveries (vide paragraph 727) and should, therefore, be signed by the divisional officer.

(b) REGISTERS AND SCHEDULES

747- (a) All cash and transfer entry transactions of the month, other

<p>(a) Expenditure on works . (b) Expenditure on stock. (c) Transaction referred to</p>	<p>than those noted in the margin should be posted, from time to time into one of the schedules or registers named below, to which the transaction relates:</p>
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|---|----------------------------------|---|
| <p>(i) Registers of revenue realized
 (ii) Registers of refunds of revenue
 (iii) Registers of receipts and recoveries on capital account</p> | <p style="font-size: 2em;">}</p> | <p>All in Form no. 46 (paragraph 304 to 306) a separate register being maintained for each major head in the cash of works for which a separate revenue account is kept, one for each separate system or project.</p> |
| <p>(iv) Register of rents of buildings and lands, Form no. 49 (paragraph 308) a separate register being maintained for each major head etc. as in respect of nos. (i) to (iii).
 (v) Schedule of debits to remittances, and
 (vi) Schedule of credits Remittances.</p> | <p style="font-size: 2em;">}</p> | <p>Both in Form no. 77.</p> |
| <p>(vii) Schedule of debits to miscellaneous heads of accountant, and
 (viii) Schedule of credits to miscellaneous heads of accountant.</p> | <p style="font-size: 2em;">}</p> | <p>Both in Form no. 76.</p> |
| <p>(viii)(a) Schedule of transaction adjusted under the head “Cash Settlement Suspense Account” (vide paragraph 752-A).</p> | <p style="font-size: 2em;">}</p> | <p>In Form no. 76-A.</p> |
| <p>(ix) Suspense register, Form no. 67 in respect of transactions falling under the heads “ Purchases” and “Miscellaneous P.W. advances” vide paragraph 572. and 585.
 (x) Deposit register, Form no. 67 (vide paragraph 624).
 (xi) Deleted.
 (xii) Schedule of deposit works, Form no. 65 (vide paragraph 634).</p> | | |

(xiii) Schedule of *takavi* works, Form no. 66 (vide paragraph 642).

(b) Of these schedule nos. (i) to (iv) and (ix) to (xii) have already been described in the paragraphs quoted against each.

1-Rent and other revenue pertaining to works of: (a) Defiance Department, (b) Railway, (c) Posts and Telegraphs and (d) Archaeological Department of the Central Government referred to in paragraph 749 should be posted in separate registers, Form nos. 49 and 46 for each (as required), and additional registers should be maintained for receipts from other works of the Central Government.

2- When under a major head of revenue, there are more than, one system of works, for which separate revenue accounts are kept, a summary of the receipts of all systems working up to the totals of the major head should also be prepared.

(c) Schedules nos. (v) and (vi) are the schedules in which all remittance account transactions are collected, the entries being grouped under the headings given in the sample entries of Form no. 77.

(d) Schedules nos. (vii) and (viii) are intended to collect all disbursements and receipts which do not pertain to any of the other schedules mentioned in this paragraph or to any of the works or stock expenditure schedules referred to in paragraph 749 to 751. These transactions are adjusted finally in the books of the Accountant General and ordinarily affect one of the non-Public Works major heads of revenue or expenditure (e.g. "XVIII and 71—Miscellaneous"), or a debt and deposit heads of account (e.g. "S—Unfunded debt—Other accounts").

NOTE-- (1) See also paragraph 638 for expenditure on loan works.

NOTE-- (2) Appointed authorities under the Uttar Pradesh Electricity (Duty) Act, who have to follow the P.W.D. system of accounts and cannot, therefore deposit the duty separately into treasury in view of the above paragraph, are required, under G.O. no. 122-ED-(1)-57/XXIII-PB-203-ELD-54, dated February 7, 1958 to prepare a separate Schedule of credits pertaining to electricity duty (to be credited eventually to the head "XIII—other Taxes and Duties—Electricity Duty") for submission to the Electric Inspector.

748- At the end of the month, the stock transactions of the month as recorded in the abstracts of stock receipts and stock issues, Form nos. 9 and 10, excluding transactions brought to account (vide rule 2 to paragraph 209) through the cash-book and the transfer entry book, should be incorporated in the schedules, referred to in paragraph 747, and the schedules should be completed in all other respects, e.g.—(1), in the debit schedules Form nos. 77, 76 and 76-A and in the deposit register should be posted, from the detailed schedules concerned (vide paragraph 749 and 750) the total amount of works expenditure chargeable to each head of account, division or office (See also paragraph 624) and (2) the total amount of the cheques drawn during the

month should be entered in the credit schedule Form no. 77, as a single entry for treasuries of each audit circle under the head “Public Works Remittances—II—Public Works cheques” or the exchange account head concerned, as the case may be (See also rule 3 to paragraph 743).

- 1- Expenditure on famine relief works should be entered in debit Schedule 76.
- 2- In the Schedule of debits to remittance the expenditure on the works referred to in clauses (a) (ii) to (a) (v) of paragraph 749 should be shown separately from that on other works.

749- (a) After a reconciliation has been effected between the totals of works abstracts and relevant schedule dockets, a schedule of works expenditure should be prepared in Form no. 64 in duplicate (of which one copy to be submitted to the Accountant General with the monthly accounts), separately for expenditure relating to each of the following classes:

(i) Each major head (or a division thereof shown separately in Column I of classification table of Appendix I) under which expenditure is recorded, a separate schedule being prepared for “Central” and “State” in the case of “50—Civil Works”.

This form is not used for manufacture transactions, vide paragraph 751.

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| <p>(ii) Military Works,
(iii) Railway works,
(vi) Posts and Telegraphs works, and
(v) Archaeological works of the Central Government connected with Conservation of ancient monuments as defined in section 2(1) of the Ancient Monuments Preservation Act, 1904, and declared to be protected under section 3(1) of that Act.</p> | } | Entrusted to the division as a standing arrangements. |
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(vi) All other government works including occasional works of classes (ii) to (v).

(vii) All non-government works other than deposit works and *takavi* works, for which separate schedules are prepared in Form nos. 65 and 66, respectively, vide paragraph 634 and 642.

(b) Except, as provided in sub-para (c) below, only those works on which expenditure has been incurred during the month should be included in the schedule, the entries being detailed in the order of the prescribed heads of

the accounts classification in the case of works of classes (i) to (v), and grouped separately for each government, department, division, local body or other party concerned, in the case of works of classes (vi) and (vii). All works forming part of a single project or system should, in all cases, be grouped together.

(c) The schedules pertaining to the accounts for September and March (Supplementary) should include all works, including those relating to which no transactions have appeared in the accounts of these months and copy of it should be sent by the Divisional Officer to the Superintending Engineer to apprise the latter of the excesses over the estimates, allotments. etc. The schedules pertaining to the accounts for June, September, December and March (Supplementary) should include all works relating to National Highways and the Central Road Fund to enable the Accountant General to furnish quarterly statements of expenditure on such works to the Government of India.

NOTE—(1) In the Schedules for works of classes (i) to (v), money column 5 for “Total charges of the month” should be totalled so as to bring out separately the totals for (1) each rain or head, (2) each sub-head of appropriation (if any) subordinate to a minor head and (3) each group of works for which a separate lump sum appropriation has been placed at the disposal of the Divisional Officer or a Controlling Authority. The total progressive expenditure should be entered in column 6 and against each total should be given (a) in column 7, the total charges of the year which will be arrived at by adding the total of the month to the total of the year as given in column 7 of the previous months schedule, and (b) in column 8, the amount of allotment placed at the Divisional Officer’s disposal. The excess of expenditure incurred during the year over the allotment should be shown below the allotment. Similarly the amount of technically sanctioned estimate and excess thereon should be entered in column 9.

NOTE—(2) In the Schedules pertaining to works of classes (vi) and (vii) the entries relating to each work should be made separately for “works expenditure” and “percentage charges” (for establishment, tools and plant, accounts and audit charges etc.), one line being used for each of these two charges and a third for the total charges on the work.

750- Similarly, the schedule of deposit works and the schedule of *takavi* works should be completed in respect of expenditure transactions which should be taken from the relevant schedule dockets.

751- All debits to stock should be collected in Form no. 72, schedule of debits to stock. The entries in this schedule should be arranged in three groups:--(1) “Manufacture”, (2) “Land, kilns, etc.” and (3) “Other sub-heads”. Under (1), should be detailed all manufacture operations in progress and under (2) All works in progress in connexion with the acquisition, construction and repairs of Land, kilns, etc. Under (3) should be shown, (a) individually, all items of expenditure on the carriage, handling, etc., of stock material when the cost of such processes is chargeable to stock (vide paragraph 548),.

(b) individually, all items acquisition of stock materials for which an estimate is required under rule, and (c) collectively, all other items of acquisition of stock materials.

1- The divisional accountant is responsible for conducting a scrutiny of individual items of expenditure on carriage handling etc. of stock material against the Divisional Officer's sanction, if any, but all items of this class should be detailed in the Schedules .

2- In respect of each manufacture operation, the outturn of the month (vide paragraph 555) should also be shown in the Schedule, the operation and outturn being entered in two separate lines.

752- An account of the suspense head "Stock" should next be prepared in Form no. 73, Stock account, Part I to this form is the main account showing the receipts, issues and balances, classified by sub-heads, "Manufacture", and "Land, kilns, etc." and all the other sub-heads (vide paragraph 576) being lumped up. Part II, the detailed account of issues, is written up first and from this part and the schedule of debits to stock, Form no. 72, is prepared Part I.

(bb) SCHEDULE OF TRANSACTION ADJUSTED UNDER THE HEAD CASH SETTLEMENT SUSPENSE ACCOUNT.

752-A. All inter-divisional transactions, including those involving the divisions or other Governments, should be collected in Form no. 76-A, which should be posted from Part II of the Division-wise Register referred to in rule 1 (1) of Appendix XIII.

(c) CLASSIFIED ABSTRACT OF EXPENDITURE

753- A consolidated account of all expenditure (vide paragraph 91) charged against the grants of the division should be prepared in Form no. 74, classified abstract of expenditure. The figures relating to the several major heads (or division thereof shown separately in column 1 of the classification table or Appendix I) should be entered in separate sections, arranged in the order indicated in Appendix I, and in the case of the Major Head "50—Civil Works" the "Central" and "State" transactions should be shown be three different sections in the order shown here.

1- When works any of the departments named in the margin are

Defence Department Railways. Posts and Telegraphs. Archeological department.

undertaken as a standing arrangement, vide paragraph 749 (a) and funds for the purpose are allotted to the division, the expenditure transaction connected therewith should also be abstracted in Form no. 74, the classification of expenditure being that prescribed in respect of the works concerned, vide rule 2 to paragraph 86.

2- Refunds of revenue are excluded from this abstract, as they are treated as minus revenue, vide paragraph 302 and Appendix I. On the other hand, "Receipts and Recoveries on Capital Account" are included in this abstract as minus expenditure, as they are taken in reduction of the charges under the major head concerned, vide Statement E of Appendix I.

(d) PREPARATION OF MONTHLY ACCOUNT

754- Finally, should be prepared for presentation (with all supporting registers schedules, voucher, etc.) to the divisional officer and submission to the Accountant General, the monthly accounts in Form no. 80. This account is an abstract of the entire receipts and disbursements of the month, as detailed in the various schedules and registers, and shows also the opening and closing cash balances, and on the back of the form are printed: (1) a memorandum of miscellaneous cash receipts paid into treasuries and (2) a certificate in respect of the closing cash balances of subordinate disbursing officers. The entries in the account are divided into three groups: (1) Revenue entries, which are the total receipts under the several major heads, as taken from the registers of revenue realized, Form no. 46, (2) Expenditure entries which are the totals for the several divisions of major heads and are posted from the classified abstract of expenditure, Form no. 74, and (3) Other heads, entries in which representing both receipts and disbursements, are posted from the schedules of deposits, *takavi* work, remittances and miscellaneous heads of account, Form nos. 78 or 79, 66, 77 and 76.

The totals of the column for receipts and disbursements must agree, and if there is any difference due to cash being in transit between two disbursing officers, its amount, etc. should be included in the closing balance and the certificate of cash balance should be amplified so as to state the amount and the steps taken to adjust the difference.

755- (a) There are certain transaction recorded in the initial cash and stock accounts, which involve no operation on a revenue, expenditure, or any other prescribed head of the accounts classification, as every such entry is counter balanced either at once or after an interval, by a similar entry of the reverse character. It is not necessary to include such transaction, for audit purposes, in any of the schedules and registers leading to the monthly account, but the divisional accountant should see that all transactions are cancelled by each other in due course.

(b) These transactions fall under two classes :

(i) *Cash from treasury* –A cheque drawn to replenish the cash chest is charged to this head in the cash book, and per contra the amount of the cheque is entered at once as cash received, under the same head, a cheque drawn in favour of self being cash (vide paragraph 125) even though not cashed at once.

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

756- When the monthly account does not balance and the discrepancy cannot be detected readily, it may be advisable to write up Form no. 81, abstract book, from the original cash books, abstracts of receipts and issues of stock, and the transfer entry book, and thus to locate the error of omission.

Instructions for posting this book and utilizing it in locating errors in the compilation of the monthly account and connected schedules and registers are printed on the standard form, which is to be taken as a model only. If the divisional accountant considers it desirable, he may maintain this book regularly to facilitate the check of the compiled accounts.

757- It will be seen that all the transactions of the division, as recorded in the initial accounts of cash and stock and in the transfer entry book, excluding items referred to in paragraph 755, enter one of other of the prescribed schedules, the details being in some cases recorded in supporting schedule dockets. Transactions recorded in the cash book and the transfer entry book are posted direct from those sources, no item being omitted ; but, those recorded in the initial accounts of stock, Forms nos. 8,9, and 10 are dealt with as under:--

(a) those brought to account through the cash book or the transfer entry (vide paragraph 209) e.g. stock purchased in cash, stock sold for cash, and stock received from works, are left out, and

(b) the rest are posted direct from the abstracts of stock receipts and stock issues, Form nos. 9 and 10.

To ensure the accurate compilation of accounts it is essential that the transactions referred to in (a) above are not brought to account twice, and the divisional accountant should see that all items of this class are correctly separated off in the lower part of the abstracts of stock receipts and stock issues, Form nos. 9 and 10 as prescribed in rule 2 to paragraph 209.

(e) SUBMISSION TO THE ACCOUNTANT GENERAL

758- The monthly account is due to reach the Accountant General's office by such date between the 7th and 10th of the month following that to which it relates, as may be fixed by the Accountant General in consultation with the divisional officer. It should be supported by the following documents:

(1) Schedule of Revenue Realised / Refunds of Revenue/Receipts and Recoveries on Capital Account, in Form no. 46-A

- (2) Classified abstracts of expenditure, Form no. 74.
- (3) Schedule of works expenditure, Form no. 64.
- (4) Consolidated contingent bill (with necessary vouchers), Form no. 17 of Volume V of the Handbook.
- (5) Schedule docket of percentage recoveries, Form no. 62.
- (6) Stock account, Form no. 73 (with sale accounts, Form no. 19 in support of the cash credits to stock).
- (7) Schedule of debts to stocks, Form no. 72.
- (8) Abstract Account of Credits, Debits and Balances of the Purchase Account, Form no. 69 supported by a list of credits to the suspense head "Purchases" during the month showing reference to the Transfer Entry orders aggregating to the figure shown in the classified Abstract of Expenditure, Form no. 74.
- (9) Schedule of Miscellaneous P.W. advances, Form no. 70 Extracted from the relevant sections of the suspense register Form no. 67.
- (10) Schedule workshop suspense (local form).
- (11) Extracts from register of receipts and recoveries on capital account, Form no. 46.
- (12) Schedule dockets, Form no. 61 (with necessary vouchers, transfer entry orders, survey reports and sale accounts tacked to each); See also rule 1 under paragraph 745.
- (13) Schedule of credits and debits to miscellaneous heads of account, Form no. 76.
- (14) Schedule of transaction adjusted under the head 'Cash Settlement Suspense Account', Form no. 76-A.
- (15) Schedule of credits and debits to remittances, Form no. 77.
- (16) Schedule of monthly settlement with treasuries, Form no. 51 (with supporting consolidated treasury receipts and certificates of issues, signed by treasury officers).
- (17) Schedule of deposits, Form no. 79, extracted from the deposit register Form no. 67.
- (18) Schedule of deposit works, Form no. 65 (with reports of progress of expenditure).
- (19) Schedule of *takavi* works, Form no. 66, with accepted certificates of collector referred to in paragraph 645.

(20) Account of Receipts of Tools and Plant and Account of Issues of Tools and plant—Forms 13 and 14 only in respect of special Tools and plant referred to in paragraph 242(b). Form 14 should be accompanied by the supporting Survey Reports of Stores, Form 18, Sale Accounts Form 19 and acknowledgement of officers concerned in the case of article transferred to other P.W. Divisions, including the divisions of other Governments.

(21) List of accounts submitted to the Accountant General, Form no. 83.

1- The divisional officer is required to make a formal report, monthly, of the progress of expenditure on each deposit work, to the administrator or depositor concerned. For this purpose the report, setting forth the amount of the estimate, the total deposits received and the progressive expenditure, should accompany the Schedule of deposit works so that the Accountant-General may, after auditing the Schedule, verify the report and forward it to the local body or person concerned.

2- If the divisional officer is authorized to refund, without reference to higher authority, fines which have been remitted by a court of law, the original order of the court should accompany the schedule of refunds of revenue, as audit of the refunds made in such cases is conducted by the Accountant General on the authority of the order of the court.

3- In the Irrigation Branch, the accounts of receipts and issues of T. and P. should be kept in P.W.A. forms nos. 13-A and 14-A respectively.

759- The schedules relating to the suspense and deposit accounts Forms nos. 70, 73 and 79 and the workshop suspense schedule, must be submitted to the Accountant General, month after month, so long as there are balances outstanding under the account concerned, whether there have been transactions during the month or not. The schedule of Miscellaneous Public Works Advances, Form 70 and the Schedule of Deposits, Form 79 should, however, be restricted to the items affected during the month. In respect of the schedule of deposit works, Form no. 65 the Accountant General may dispense with the submission, every month, of Part II of the schedule, provided (1) that this part is invariably submitted with the accounts for March and (2) that, if Part II for any month contains works, any expenditure, whereon has been charged to "Miscellaneous P.W. Advances" an extract from Part II relating to such works only is submitted to audit. Subject to these exceptions, the remaining schedules are necessary only if there have been any transactions during the month.

760- (a) With the exception noted below [as to which, however, see clause (b) below], all vouchers and transfer entry orders in support of cash payments and other charges in the accounts must accompany the monthly account :

(i) Muster rolls or other vouchers in support of payment to labourers, irrespective of amount.

(ii) Vouchers in support of payment of wages to members of the work-charged establishment, the posts held by whom the divisional officer is authorized to sanction.

(iii) Other cash vouchers, whether relating to works or contingencies, the amounts of which do not exceed Rs. 250.

(iv) Invoices or other vouchers in acknowledgement of issues of stock materials, including issues of outturns from manufacture to stock.

(v) Vouchers in support of payments made for the conversion of cash deposits into interest-bearing securities in cases in which no voucher other than the security itself or a safe custody certificate of the security exists.

When a voucher of this class is not submitted to the Accounts General the reasons, should be noted against the entry of its amount in the schedule docket or in schedule of works expenditure; see rule 1 under paragraph 745.

(vi) Transfer entry orders of the clauses enumerated below:

Those involving debits to remittance heads otherwise than in respect of expenditure on works. Those relating to charges which are supported by Vouchers received in transfer.

Those involving a debit or credit to London stores, or a credit to a revenue head (gross receipts), or to any Miscellaneous head of account otherwise than in respect of expenditure on works.

(b) All vouchers (other than muster rolls) in support of debits to contractors should be submitted to the Accountant General, even though falling under any of the exceptions to clause (a).

1- The provisions in clauses (a) and (b) of this paragraph apply also to vouchers received from other divisions or departments in support of transfer debits raised by them.

2- The term "Voucher" used in clause (a) includes advices of transfer credit and acceptances of transfer debit received from other divisions, departments, etc. in the case of the docket for schedule of debits to remittances.

(c) All vouchers in support of payments for land acquired should be submitted to audit.

(d) All survey reports of stores (Form no. 18) and sale accounts (Form no. 19) must also accompany the monthly account. Sale accounts in support of cash credits to stock should be attached to the stock account, Form no. 73; survey reports and sale accounts in support of other credits to stock should be tacked top to the schedule dockets pertaining to the works or accounts

debited; those in support of the extract from account of issues of tools and plant, Form no. 14, should accompany that documents ; and the remaining survey reports and sale accounts should be attached to the schedule dockets relating to the works or accounts credited .

761-(a) The divisional accountant is required to sign not only the monthly account, but also all the schedules, etc., accompanying it. It is not necessary that the divisional officer should sign all these documents; he must, however, sign the monthly account and the list of accounts, Form no. 83, unless he is absent from headquarters, in which case he should send to the Accountant General, as soon as he can examine his books and papers on return a report in Form no. 84 (with a duplicate copy of the monthly account signed by himself), without which the Accountant General will not finally pass the monthly account. The contingent bill must invariable be signed by the divisional officer.

(b) As an exception, however, to the general rule contained in clause (a) above the divisional officer in the case of a buildings and roads division where sub-divisions have been abolished, may authorize an assistant, engineer to sign the monthly account papers on his behalf, but this delegation will not in any way lessen the responsibility placed upon the divisional officer by standing rules and regulations.

It is desirable that the divisional officer should make arrangements for the review by himself of all vouchers before they are submitted to the Accountant General and that, unless the circumstances are exceptional, he should sign the accounts himself.

762- In connexion with the accounts for March, the following points should receive special attention :

(a) The entry of the closing cash balance should be supported by (1) the original cash balance reports (Form no. 5) of all disbursing officers including the divisional officer, and (2) a certificate of the divisional officer to the effect that he has obtained, on or after March 31 and retained in his office, an acknowledgement from the officer or subordinate concerned in respect of each item of imprest or temporary advance shown in the cash balance reports of the division for March 31.

The original cash balance reports of subordinate disbursing officers should be initialed by the divisional officer before transmission to the Accountant General .

(b) To Part II of the schedule of monthly settlement with treasuries, Form no. 51, should be subjoined a statement, in the form given below, in respect of

the cheques drawn to meet payments of works :

Particulars	Number of Cheques issued	Amount
1- For the whole month
2- During the last five working days of the month.

(c) The schedule of deposits Form no. 78 or 79 should be accompanied by the account of interest bearing securities, Form no. 86 referred to in paragraph 627.

II—Review of Unsettled Accounts

763- The several registers and schedules relating to the suspense and deposits heads of account, and the accounts referred to in the margin, should be reviewed monthly so that the steps necessary to effect the expeditious clearances of outstanding balances, whether by actual recovery or by adjustment in the accounts, may be taken regularly throughout the year. In February or early in March, special steps should be taken with a view to bring about all possible reduction in the number and amounts of outstanding items at the close of the year; and within six weeks of the submission of the monthly account for March, a consolidated certificate in respect of balances other than cash, should be forwarded to the Accountant General in Form no. 91, annual certificates of balances.

Contractor's ledge works abstracts and register and the other records of assessment and realization of revenue, referred to in paragraph 249.

If the closing balance under any head is nil, it does not necessarily follow that a certificate is not required in respect of it. In all cases in which there was a balance at the commencement of the year, or there were any transactions during the year, a certificate should be recorded, the wording of it being suitably amended (if necessary) in case the closing balance is nil.

764- Similarly, the prompt settlement of all remittance transactions, original or responding, should receive the personal attention of the divisional accountant (vide paragraph 124), who should take special steps early in March to bring to account all liabilities and assets awaiting settlement and to effect clearance, in the accounts of March, of as many outstanding items as possible. Liabilities, as well as outstanding debits and credits, remaining unadjusted at end of March should be watched individually with a view to their clearance before the accounts of the year are finally closed. It is not sufficient that the divisional office has brought to account all the transactions the responsibility for which devolves on itself. It is equally important that necessary action be

taken to move the other parties concerned to bring to account or settle the outstanding items, the intervention of the Accountant General being sought when necessary.

In settling transaction with Railways it should be borne in mind that Railway audit officer close their books for the year on May 10.

III—Closing the Accounts of the year

765- The financial year terminates on March 31, and actual transactions taking place after that date can on no account be treated as pertaining to the year. It is necessary, however, that as many of the unadjusted remittance transaction of the year as possible, should be cleared within the accounts of the year, and very often errors in accounts come to notice after March 31, which should also be set right, if possible, without affecting the accounts and estimates of the following year. Whilst, therefore, it is necessary that the cash accounts should be positively closed on March 31 and also the stock accounts in respect of actual transactions, the transfer entry book and the stock accounts should be kept open for transfer entries relating to recitation of errors and settlement of remittance accounts.

If any adjustments accounts have been purposely deferred till the close of the accounts of the year, it is permissible to effect after March 31, in the same way as adjustment in rectification of errors noticed after that date.

766- The transfer entry transaction referred to in paragraph 765 should be consolidated into a special monthly account, which with all the necessary accompaniments, should be submitted to the Accountant General on June 28, following, or any other date that may be prescribed by the Accountant General. This account is known as the supplementary account of the year.

This accounts should be of the simplest character and should set forth only the transactions to be brought to account. It is not necessary for instance, to repeat in any of the suspense or deposit schedule, the items not affected, so long as in addition to the necessary details of the items affected the totals for the account concerned are also given. Similarly, in the schedule of rents of buildings and lands, Form no. 75, only the items affected and the totals need be given, and in the extract from the contractor's ledger, Form no. 82, only the accounts of those contractors whose accounts are affected are in any way.

IV—Miscellaneous Returns

767- Other account returns which the divisional officer should submit half-yearly to the Accountant General are the following :

- (a) Half-yearly settlement of the assessment and realizations of irrigation revenue collected in the civil department, vide paragraph 295 (c) on the dates specified below:

- (i) January 15 for the half-year ending September 30.
 - (ii) July 31 for the half-year ending March 31.
 - (b) Lists of items outstanding for more than six months under the suspense heads “Purchases” and “Miscellaneous P.W. Advances”, along with monthly accounts for September and March (to be attached to Forms 69 and 70).
- 768- The following registers are audited during inspections and should not, therefore, be submitted to Accountant General but they should nevertheless be completed by the fixed dates shown against each :

- (a) Half-yearly Registers of stock, Form no. 12, on or before August 1 and December 1.
- (b) Annual register of tools and plant, Form no. 15, on or before December 15.

NOTE—In the Irrigation Branch the register of stock shall be maintained in P.W.A. Form no. 12-A and that of T. and P. in P.W.A. Form no. 15-C.

V. Correction in Accounts

- 769- (a) If an item in the accounts which properly belongs to a revenue or expenditure head, is wrongly classified under another revenue or expenditure head, the error may be corrected at any time before the accounts of the year are closed, but after the accounts are closed, no correction is admissible except as permitted in clause (a) of Article 215 of the Account Code* and in cases affecting the account of works, including those falling under paragraph 522.

- 1- Errors in suspense accounts are governed by the rule in clause (b).
 - 2- If an error be detected after submission to the Accountant General of the divisional officer’s supplementary account of the year it should nevertheless be reported to the Accountant General for instructions unless the amount be not more than ten rupees. If the amount involved dose not exceed ten rupees, and affects only revenue or expenditure head affecting the Government, no formal transfer is necessary, and it is sufficient simply to make a note of the error against the original entry.
- (b) All errors affecting debt (including suspense) and remittances heads must be corrected however old they may be.

*Reproduced below

“If an item which properly belongs to a revenue or service head is wrongly classified under another revenue or service head the error may be corrected at any time before the accounts of the year are closed, but, after the accounts are closed no correction is admissible it being sufficient to make a suitable note of the error against the original entry. If, however, the error affects the revenue and expenditure of different Governments, a capital head outside the revenue account, or the transaction of a commercial department, it should be corrected by transfer in all cases as soon as the error is discovered, The procedure to be observed for the correction of errors in the accounts of works, in the Public Works Department is laid down in paragraph 365 and 585 (a) of the Public Works Account Code” (paragraph 522 and 769 of the Public Works Account Rules.)

(c) When a correction is permissible it should be made by a formal transfer entry; but when it is not permissible, it is sufficient to make a suitable note of it in the account concerned .

770- All correction in accounts which may be advised by the Accountant General on audition the documents, should after verification, be carried out in all relevant records the entries being made in red ink (quoting the audit note or other advice)and attested by the dated initials of the divisional accountant.

The divisional accountant is responsible that all corrections advised by the Accountant General are specially brought to the notice of the divisional officer.

VI—Pro Forms Accounts

771- When the details of any class of transactions, as recorded in the prescribed accounts, are not sufficiently indicative of the financial results of the operations of a given period and it is necessary to ascertain the results it is usual to prepare periodically suitable pro Forma accounts in addition.

1- If the maintenance of such supplementary accounts is necessary for audit purposes and no form has been prescribed a Comptroller and Auditor General the Accountant General will determine the required forms in consultation with, the Government, but if the accounts are required for administrative purposes , that Accountant General will merely give such advice or assistance in prescribing the forms as may be required of him.

2- If a pro forma account relates to transactions of two or more divisions, the compilation of it will ordinarily devolve upon the Accountant General but divisional officers may be required to furnish the necessary data. A pro Forma account relating to a single division is prepared by the divisional officer and if it is an account prescribed by an administrative authority, it will be checked, if desired by the Accountant General .

772- If for the purposes of any pro forms account which the Accountant General is required to prepare or check, it is necessary to determine the charges incurred on a particular work or service, or a group of works or services, the expenditure thereon should be booked separately in the general accounts, even though under the rules, it may not be customary to estimate or account for such expenditure separately. See also paragraph 92 (d).

773- The pro forma accounts showing the results of the working of irrigation, navigation, embankment and drainage projects, productive as well as unproductive, for which capital or revenue accounts are kept, are prepared annually by the Accountant General in accordance with the rules prescribed in the Account Code. These accounts are known as the administrative accounts of irrigation, navigation, embankment and drainage works.

For rules relating to pro forma accounts of irrigation water-souses, see paragraph 5 of Appendix X.

774- For workshop, manufactories and similar quasi commercial undertaking, it is usual to prepare pro forma accounts periodically, vide paragraphs 559 (d) and 610.

775- In respect of buildings in charge of the Public Works Department, which are available for occupation as residences, capital and revenue accounts are prepared periodically by the Accountant General for each circle of superintendence, in accordance with the rules prescribed in the Account Code and any further orders that the Government may have issued. For this purpose divisional officers should furnish the Accountant General annually with the necessary data, in respect of such buildings of their divisions as may have to be included in the circle, accounts in form no. 27 of Volume V of the Handbook.

1- On closing the account of a work involving expenditure on the construction, acquisition, or equipment of a building intended to be used as a residence, or expenditure on additions or alternations to an existing residential building, the divisional accountant should see--

(i) that if it is a new building it is entered in the register of rents of building and lands;
(ii) that steps are taken to obtain the orders of competent authority to assess, or revise, the rental, as the case may be ;

(iii) that the correct capital cost of the building is noted for entry in the next set of capital and revenue accounts, the note being in the register of building referred to in paragraph 288.

2- Rule 1 applies also to expenditure on the provision of special service in connexion with residential buildings, such as furniture, etc. for which rent is charged separately.

3- If a building is actually occupied prior to closing the accounts of expenditure on its construction, acquisition or equipment rent is nevertheless chargeable from the date of occupancy, and should therefore, be fixed provisionally with the sanction of competent authority

4- In respect of residential buildings under the control of the civil departments, the local heads of departments concerned will be responsible for obtaining sanction to the assessment or revision of rents whenever necessary through the divisional officer of the Public works Department, vide paragraph 290, 279 and 281 of Volume V of the Handbook.

5- If under the subsidiary rules issued under Fundamental Rules 45-A and B, or under other financial rules, the standard rents as well as the allowances fixed for maintenance and repairs are subject to periodical review, (e.g. see subsidiary rule 20-A and 20-B in Volume Ii of the Handbook), the divisional accountant should see that they are punctually reviewed and necessary revisions carried out in accordance with the prescribed rules and procedure.

776- (Deleted) .

E—CHEQUE BOOKS AND RECEIPT BOOKS

777- (a) A register of cheque (and receipt) books should be maintained in Form no. 52, separate pages being reserved for cheque books and receipt books.

(b) Whenever on examining a cash book it is noticed that a cheque book or receipt book has been brought into use for the first time, the divisional accountant should enter it at once in the register as a new item. At the same time the date on which the corresponding book previously in use was completely written up should be ascertained from the cash book and noted in column 4 to the register the against the original entry relating to that book.

(c) The submission of the counterfoils of used cheque and receipt books for record in the divisional office (vide paragraph 175) should be watched through this register, and as soon as the counterfoils are received they should be examined, and it should be seen in particular (i) that all items for which receipts were issued were duly brought to account in the cash book and (ii) that the writings do not indicate any irregularity or disregard of rules requiring action on the part of the divisional officer.

778- Treasury officers have instructions to furnish the divisional officer quarterly with a statement of cheque books and receipt books supplied by them to all disbursing officers of the division on their requisitions. This statement should on receipt be compared with the register of cheque and receipt books to see that books are not obtained by disbursing officers unnecessarily in advance or in excess of requirements, and the numbers of the books supplied but not brought into use should be entered in the register, the date of supply being noted in red ink below the entries in column 1.

779- The register of cheque (and receipt) books should be reviewed periodically and enquiries should be made of the disbursing officer concerned if there is any unusual delay on his part in bring a book into use. Even if the cause of the delay be known, it will be found advisable to obtain an assurance from the disbursing officer that the book is in his personal custody and contains the full number of forms intact.

F—MISCELLANEOUS

780- The divisional officer is advised to review from time to time the several registers, books and accounts as are maintained in the divisional and sub-divisional offices even though under the rules in this Volume he may have scrutinized and initialed the individual entries or sets of entries therein. To this end he may require these records to be laid before him through the divisional

accountant, monthly or at such other intervals as may be fixed by him. A record of such review should be kept in all cases preferably in Form no. 96 (Memo of review) posted in a suitable position on the account etc. Concerned

781- When, in consequence of the reconstitution of executive charges or

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| <ul style="list-style-type: none">(i) Works in progress and suspense accounts of works.(ii) Appropriations and sanctions not yet completely operated upon,(iii) Stock and other suspense accounts.(iv) Remittance accounts.(v) Deposit and cash balances,(vi) Unrealized rent and other revenue, and(vii) Interest bearing securities. | |
|--|--|

of any other arrangements the account of two or more divisional officials are to be amalgamated or those of any office are either to be broken up into parts or closed, divisional officers concerned should apply in time to the Accountant General for the instructions to be observed, in regard to accounts, in giving effect to the arrangements. On all such occasions, the necessary transfer between offices of unsettled accounts (for example, see margin) of liabilities not yet

brought to account, of quantity accounts of tools and plant and road metal, and of relevant account and establishment records (including unused forms of cheque books and receipt book), should receive the special attention of all concerned.

NOTE—At the time of reorganisation of a division the outstanding balances of Suspense and Deposit heads in the books of the division to be abolished and / or merged with another division (s) may be transferred by the closing division to the successor division (s) with which it is to be amalgamated by pro forma adjustment without making any adjustment in its accounts.

In order that there is no omission in taking over the balances under the appropriate heads in the books of the successor division (s)—the following should be done by the closing and successor division (s) in affecting transfer of these balances.

(a) If the balances are proposed to be transferred to two or more divisions, the closing division should make out two copies of the various registers showing therein the items proposed to be transferred to each division and forward the same to the appropriate division (s) with a forwarding letter requesting them to incorporate those figures in the balance of the latter division (s) and endorse a copy to the Accountant General intimating the total amount under each head that is proposed to be transferred to each division. The registers of the closing division, duly completed, should be transferred to the division, which is nominated as its successor and to which the entire

records of the defunct division are transferred. If, however, the entire balances are proposed to be transferred to one division only, the closing division may transfer the registers duly completed intimating at the same time the balances under each head, to the successor division, with a copy to the Accountant General. The closing division should quote the number and date of the letter under which balances are transferred to the successor divisions (s) in the relevant schedules to be submitted to the Accountant General and show the closing balances under various heads as “nil” on this authority.

(b) The division (s) to which the balances are transferred should incorporate the balances in its/ their books without making any adjustment in the accounts in the month immediately following the month in which the balances were transferred by the closing division. The balances so transferred by the closing division should be incorporated in them entirely by the successor division (s); discrepancy, if any, may be settled subsequently with the successor division to which the records of the closing division have been transferred.

782- The destruction of account records in Public Works offices is governed by the rules laid down in the irrigation and Public Works Department Manuals of Orders. In cases not covered by those rules and in Appendix XVI of Volume V of the Handbook the specific concurrence of the Accountant General is necessary before any records are ordered to be destroyed. In each divisional office full details of all records destroyed from time to time should be maintained permanently in Form no. 97.

APPENDICES

APPENDIX I
(See paragraph 86)

List of major Heads of Public Works Receipts and Disbursements

NOTE—The number within brackets indicate references to explanatory notes.

MAJOR HEAD	MINOR HEADS
E. Multi purpose River Schemes, Irrigation and Electricity Schemes	
XXXIV. IRRIGATION, NAVIGATION EMBANKMENT AND DRAINAGE WORKS (COMMERCIAL) (I)	
A. Irrigation Works	
(1) Productive Works ..	Direct Receipts— Water rates . (2) Owners rates (3) Water Supply to towns. (4) Sales of Water. (5) Plantations. (6) Other canal produce. (7) Water-power. (8) Navigation. (9) Rents. (10) Fines. (11) Receipts form Workshop. (12) Recoveries of expenditure. (13) Miscellaneous. (14) Indirect Receipts— (a) Portion of Land Revenue due to Works (15) (b) Betterment Levy. (c) Irrigation Cess. Receipts in England. Loss or gain by exchange. (16) Deduct-Refunds. Same as for A (1) above.
(2) Unproductive Works. ..	
B- Navigation, Embankment and Drainage Works.	
(1) Productive Works ...	Direct Receipts – Navigation. (9) Sales of water. (5) Plantations. (6) Rents. (10) Recoveries of expenditure. (13) Miscellaneous. (14) Indirect Receipts— (a) Portion of Land revenue due to Works (15). (b) Betterment Levy. Receipts in England. Loss or gain by exchange. (16) Deduct—Refunds.
(2) Unproductive Works.	Same as for B (1) above.

- (1) For the classification of expenditure and revenue pertaining to Irrigation, Navigation, Embankment and Drainage Works, under major heads and sections thereof, see Statement A appended.
- (2) Sale proceeds of water for Irrigation purposes only.
- (3) Rates imposed on owners of land in respect of the benefit which they derive from irrigation .
- (4) Sale proceeds of water supplied to towns for domestic purposes only.
- (5) Sale proceeds of water supplied for purposes other than irrigation or town consumption .
- (6) Sale proceeds of produce from regular plantations.
- (7) Sale proceeds of produce (e.g. grass, wood, etc.) from canals or tanks other than from regular plantations.
- (8) Mill rents and all charges made for water applied to turn machinery.
- (9) Transit dues, transport profits, tolls and hire of ferry boats etc.
- (10) Includes rents of buildings, furniture and other special amenities but excludes rents of land. Suitable detailed heads should be opened for the record of several kinds of these rents according to local requirements.
- (11) Fines for wastage of water and infringements.
- (12) Receipts from *quasi* commercial workshops, which are not to be taken in reduction of expenditure under the Note below paragraph 608. This head should be sub-divided according to the requirements of the pro forma accounts of the workshops.
- (13) See Statement E appended.
- (14) Includes receipts by sale of drift wood, rents of land supervision charges on sales of stock, value of stores found surplus, profits on stock due to revaluation, lapsed deposits and fines (other than those for wastage of water and infringement of canal rules, vide 11 above) and confiscated deposits which do not represent compensation for damage to works in progress.

NOTE-1-- When a fine is imposed or deposit confiscated with the object of defraying expenditure caused by the action of an individual or firm, as when a contractor is penalised for abandonment of his contract owing to the fact that such abandonment has increased the cost of the work, the amount of the penalty may be taken in reduction of the expenditure.

NOTE-2-- Should the local Administrative deem any source of revenue, not specifically mentioned in the minor heads provided, to be sufficient importance to necessitate a separate account being kept of it, this can be done by opening a detailed head for the purpose under the minor head "Miscellaneous".

- (15) Adjustments in respect of credits due to the works, such as enhancement of land revenue, interest on the proceeds of the sales of waste land, after deduction, where necessary, of the cost of Civil Administration.
- (16) Entries under this minor head do not appear in the accounts of divisional Officers.

Appendix 1

MAJOR HEAD	MINOR HEADS
<p>E. Multi purpose River Schemes, Irrigation and Electricity Schemes XXXV. IRRIGATION, NAVIGATION EMBANKMENT AND DRAINAGE WORKS (NON-COMMERCIAL) A. Irrigation Works</p>	<p>Direct Receipts—</p> <p>Water rates . (1) Owners rates (3) Water Supply to towns. (4) Sales of Water. (5) Plantations. (6) Other canal produce. (7) Water-power. (8) Navigation. (9) Rents. (10) Fines. (11) Recoveries of expenditure. (13) Miscellaneous. (14)</p> <p>Indirect Receipts— (a) Portion of Land Revenue due to Works (15) (b) Betterment Levy. Receipts in England. Loss or gain by exchange. (16) Deduct-Refunds.</p>
<p>B- Navigation, Embankment and Drainage Works.</p>	<p>Direct Receipts –</p> <p>Navigation. (9) Sales of water. (5) Plantations. (6) Other canal produce. (7) Rents. (10) Recoveries of expenditure. (13) Miscellaneous. (14) Indirect Receipts— (a) Portion of Land revenue due to Works (15). (b) Betterment Levy. Receipts in England. Loss or gain by exchange. (16) Deduct—Refunds.</p>

Appendix 1

MAJOR HEAD	MINOR HEADS
F. Public Works (including Roads) and Schemes of Miscellaneous Public Improvements XXXVII. PUBLIC WORKS.	Rents. (10) Ferry Receipts., Tolls on Roads. Receipts from Workshops. (12) Recoveries of expenditure. (13) Miscellaneous. (17) Receipts in England. Deduct- Refunds.

(17) Includes rents of land, sales of produce, including wood, grass fruits, vegetables, etc., from compounds of buildings when such produce is Government property; supervision charges on sales of stock ; value of stores found surplus: profits on stock due to revaluation, lapsed deposits and fines and confiscated deposits which do not represent compensation for damage to works in progress [vide Note 1 under (14)] .

A separate detailed head should be provided for any important class of miscellaneous receipts brought to account under this head.

Appendix 1

MAJOR HEAD	MINOR HEADS
E. Multi purpose River Schemes, Irrigation and Electricity Schemes	
43. IRRIGATION, NAVIGATION EMBANKMENT AND DRAINAGE WORKS (COMMERCIAL)	
A. Irrigation Works	
(a) Productive Works—	
(i) Working Expenses	Extensions and Improvement. (18) Maintenance and Repairs, (18) Establishment. (19) Tools and Plant. (20) Suspense. (21) Provision for Depreciation, Renewals and Replacements. Charges in England. (22) Loss or gain by exchange. (16) Interest. (23)
(ii) Interest.	
(iii) Other Revenue Expenditure.	
(b) unproductive Works--	
(i) Working Expenses.	Same as for A(a) (i) above.
(ii) Interest.	Same as for A(a) (ii) above.
(iii) Other Revenue Expenditure.	
B- Navigation, Embankment and Drainage works—	
(a) Productive Works—	
(i) Working Expenses.	Same as for A(a) (i) above.
(ii) Interest.	Interest. (23)
(iii) Other Revenue Expenditure.	
(b) Unproductive works--	
(i) Working Expenses.	Same as for B(a) (i) above.
(ii) Interest.	Same as for B(a) (ii) above.
(iii) Other Revenue Expenditure.	

(18) The detailed classification of works expenditure is give in Statements Band C, appended.

(19) The detailed classification of the minor head “Establishment” is given is Statement D, appended.

(20) The divisions are (1) New Supplies, (2) Repairs and Carriage, (3) Deduct—Recoveries, and (4) Lump sum charges creditable to other Governments, Departments, etc. The first of these is further divided into scientific instruments and drawing materials, Plant and machinery, Tools, Navigation plant, Camp equipage and Live-stock. Office furniture should be debited to the contingent grant of the office concerned. The third of these is intended for the record of recoveries on account of tools and plant charges, when these are taken in reduction of expenditure, vide Statement E, clause 4(ii).

(21) The sub-heads are (1) Purchases, (2) Stock, (3) Miscellaneous P.W. Advances, and (4) Workshop Suspense. See also Chapter XVII and paragraph 604.

(22) This minor head is sub-divided into—

(1) Leave Salaries and Deputation Pay.

(2) Sterling Overseas Pay.

(3) Other charges.

These items do not appear in the accounts rendered by the Divisional Officers, but are incorporated in the general accounts by the Accountant General.

(23) The interest charges on each Scheme or Project may be recorded under a separate Minor Head under ‘Interest’ as group Minor Head.

Appendix 1

MAJOR HEAD	MINOR HEADS
<p>E. Multi purpose River Schemes, Irrigation and Electricity Schemes 44. IRRIGATION, NAVIGATION EMBANKMENT AND DRAINAGE WORKS (NON-COMMERCIAL) A. Irrigation Works (i) Works.</p> <p style="padding-left: 2em;">(ii) Miscellaneous Expenditure.</p> <p>B- Navigation, Embankment and Drainage works— (i) Works. (ii) Miscellaneous Expenditure.</p> <p>C. Expenditure Financed from Famine Relief Fund.</p>	<p>Irrigation and Electricity Schemes Works. Extensions and Improvement. (18) Maintenance and Repairs, (18) Establishment. (19) Tools and Plant. (20) Grants-in-Aid. Suspense. (21) Charges in England. (22) Loss or gain by exchange. (16) Establishment (19) Tools and Plant. (20) Other Charges. Grants-in-aid. (24) Suspense. (21) Charges in England. (22) Loss or gain by exchange. (16)</p> <p>As for A (i) above. As for A (ii) above. Irrigation Works.</p> <p>Navigation, Embankment and Drainage works.</p>

(24) Contributions to local bodies for the construction of works which in the case of Irrigation etc. works of Government, would be classed under either “Work” or “Extensions and Improvements” or for the maintenance of such works. See paragraph 629.

MAJOR HEAD	MINOR HEADS
EE. Capital Account of Multi purpose River Schemes, Irrigation and Electricity Schemes , within the Revenue Account.	
48. CAPITAL OUTLAY ON IRRIGATION, NAVIGATION EMBANKMENT AND DRAINAGE WORKS.	
A- Financed from Famine Relief Fund.	Irrigation Works. Navigation, Embankment and Drainage works.
B- Expenditure within the Revenue Account.	Same as for A above.
C- Deduct—Amount transferred to 99.—Capital outlay on Irrigation, Navigation, Embankment and Drainage works (Commercial) Outside the Revenue Account.	Irrigation Works. Navigation, Embankment and Drainage works.
D- Net Capital Expenditure with the Revenue Account.	Irrigation Works. Navigation, Embankment and Drainage works.

Appendix 1

MAJOR HEAD	MINOR HEADS
F. Public Works (including Roads) and Schemes of Miscellaneous Public Improvements 50. PUBLIC WORKS.	Original Works (25) (26)—Buildings (27) Land Revenue. State Excise . Stamps. Forest. Registration . General Administration. Administration of Justice. Jails. Police. Scientific Departments. Education. Medical. Public Health. Agriculture. Co-operation. Industries. Civil works (31). Stationery and Printing. Miscellaneous Department. (32) Original works (26)(27)-communications. (33) Original works (26)—Miscellaneous(34) Repairs. (27) (28) (35) Petty construction and repairs by Civil Department (36). Establishments. (19) Tools and plant (20) Furniture (37)

MAJOR HEAD	MINOR HEADS
F. Public Works (including Roads) and Schemes of Miscellaneous Public Improvements – (Concl'd).	Grants-in-aid. (38) Suspense, (21) Block Grant for transfer to Central Road Fund. (39) <i>Deduct-</i> Amount met from Central Road Fund. (39) <i>Deduct-</i> Amount met from subvention from central Road Fund. (39) Transfer of Grants for Road Development to the Deposit Head “Subventions from Central Road Fund”. Contributions to the Central Road Fund (special Reserve). Expenditure written back from 103—Capital Outlay on Public Works outside the Revenue Account. Charges in England (22).

(25) Each of the minor heads may be sub-divided into major works or minor works.

(26) (1) Original works 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) Receipts include primarily operations undertaken to maintain in proper condition of buildings and works in ordinary use and also new works in circumstances indicated in clause (3) and the exceptions to clause (4) below.

(3) When a portion of an existing structure or other work, not being a road surface road bridge, causeway, embankment, ferry approach, protective or training work in connection with a road, is to be replaced or remodeled (whether or not the charge involves any dismantlement) and the cost of the change represents a genuine increase in the value of the property, the works of replacement or remodeling, as the case may be, should 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 work should be charged to “repairs”.

Note-1-- In the case of buildings, 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.

Note-2—The expenditure on minor additions and alterations to buildings, up to a certain monetary limit to be fixed by Government may be classed at the discretion of the Superintending Engineer as petty works expenditure and debited to repairs, provided that if such works relate to residences, the cost is taken into account in determining the capital cost and in calculating the rent in accordance with the rules issued by Government.

(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 classed as “new work” and the cost or value of the portion replaced or remodelled should not be debited to “repairs”.

Exception—Petty and miscellaneous items of work in any material, as hereinafter described which ordinarily should be classed as “new works” should be debited to “repairs” up to a limit to be prescribed by the local administration subject to a maximum of Rs. 20,000 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 hillside to improve vision at curves, provided that the acquisition of land is not involved in any case.

(c) Improvements of alignment or gradients or changes of grade at Irish bridge or dips, carried out at the time of renewing a surface, provided that the acquisition of and 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 surface in different materials for the purposes of experiment.

(f) The reconstruction or remodelling of bridges, culverts, causeways, embankments, ferry approach, protective or training works in connection with a road.

Note- Item (f) includes replacement of boats and other apparatus connected with ferries.

(5) In addition to all repairs and renewals in materials similar to that preexisting, 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, as described in “exception” to clause (4) above.

(iv) Widening the roads or culverts and reconstruction of culverts, etc.

(27) When a building is intended for two or more departments, all original works and repair charges on it should be classified, unless ordered otherwise by Government, as pertaining to the department for which the largest accommodation is required.

Charges on a residential building should be booked under the minor head for the department for which it is intended even though temporarily allotted to a Government servant of another department. Residences not reserved for any department fall under the minor head for Civil Works. In the case of minor heads which are sub-divided if a separate sub-head is not provided for residences, the charges on residences fall under the subhead "Miscellaneous".

(31) For buildings of the Public Works Department (Civil Works Section), including residences not reserved for any department. Includes also as a distinct detailed head, "Losses on stock", which is meant for all general losses on stock which cannot be definitely attributed to any work, whether building or road, the accounts of which are open.

(32) May be sub-divided according to total requirements for Civil Departments (other than Irrigation Department) not included in the list of minor and detailed heads under major head "50".

(33) This minor head meant for charges on roads, bridges, ferries, tunnels, ropeways, causeways, tramways, and other means of communication, together with buildings, wells encamping grounds etc., for travellers, and mile-stones, fencing, arboriculture, inspection houses, and other works connected with communication. It should be suitably sub-divided according to local requirements.

(34) This head should be used as sparingly as possible, i.e., only where there is absolutely no other head which can be appropriately operated upon.

(35) This minor head should be suitably divided so as to record the expenditure on Repairs in the same detail as the charges on Original Works-Buildings, Communications or Miscellaneous, as the case may be. One of the detailed heads may be "Losses on Stock", if it is considered necessary to have one under "Repairs" in addition to that provided under "Original Works", vide Footnote (31).

The head "Repairs-Buildings" includes also taxes debitable to the Public Works Department on both residential and non-residential building (vide paragraph 550) charges on account of watchmen for the care of vacant buildings, and rents of hired residences.

(36) To be divided into sub-heads (1) Works and (2) Repairs. This minor head records expenditure on all Central Works, the maintenance of which may be entrusted to the Civil Department for administrative or economic reasons, vide paragraph 264 of Volume V of the Handbook.

(37) This minor head is meant for expenditure on Table fans, Refrigerators, Furniture, etc., stocked by the Public Works Department for supply to residences. The expenditure on furniture required by the divisional and sub-divisional offices, etc., of the Public Works Department should be debited to the contingent grant of the office concerned. The expenditure on furniture which can be classified as "Fixtures", should be debited direct to the works concerned.

(38) Cash contributions to local bodies for the construction and maintenance of works of the classes, the expenditure on which in the case of Government works, would be classes either under "Original Works (or Repairs)—Buildings—Civil Works" or under "Original Works (or Repairs)—Communications", See also paragraph 629 and note 1 below paragraph 553.

(39) The proceeds of the additional Import or Excise duties on motor spirit which are ear-marked for road development purposes are first credited to the head “I—Customs” or “II—Union Excise Duties”, according as they represent extra duty of customs or of Excise, but at the end of each year, an equivalent amount is transferred as a block grant to the “Central Road Fund” by debit to the head “50—Public Work—Block grant, for transfer to the Central Road Fund”. Out of the block grant, a portion equal to 20 per cent is retained by the Central Government as a Central Reserve and the balance is allocated to the State Government and the Union Territories. In addition, special addition to the Fund for financing particular projects may be accepted from sources other than the additional revenue mentioned above and these contributions should be kept in a Special Reserve (as distinguished from the Ordinary 20 per cent Reserve mentioned above) and utilized for such projects.

The charges met by the Central Government out of the 20 per cent Reserve retained by them in the Central Road Fund, except those incurred on the Roads wing of the Ministry of Transport and Communication, are in the first instance brought to account under “50—Public Works”, the expenses of the Roads Wing being taken to the head “19—General Administration”. The debits under these heads are subsequently set off by transfer of equivalent amount from the deposit head “Central Road Fund”. These transfer are shown under a distinct minor head “Deduct—Amount met from Central Road Fund”, under the major head “50—Public Works” or “19 —General Administration”, as the case may be. The procedure for the adjustment of the expenditure incurred by the Central Government from the Special Reserve is the same as that for expenditure from the Ordinary Reserve except that the expenditure may be brought to account in the first instance under “50—Public Works” of any other appropriate head of account concerned.

MAJOR HEAD	MINOR HEADS
	I- Miscellaneous
64. FAMINE RELIEF (40)	I- Miscellaneous
A. Famine Relief. (41)	Salaries and Establishment (42) Relief Works. (43) (44)

(40) The term “Famine” is to be interpreted in a wider sense to cover famine due to drought or other natural causes, such as flood, earthquake or similar calamity. See also foot note 294 of the List of major Heads of Account.

(41) Public Works officers are concerned only with the two minor heads mentioned here.

(42) The following detailed heads should be opened:--

- 1- Pay and Allowances Special Relief Officers.
- 2- Establishment :--
 - (a) Clerks and other superior establishments.
 - (b) Class IV establishments.
- 3- Travelling allowances.
- 4- Contingencies.

As regards Government servants, the following rules should be observed:-

(a) In the case of a Government servant already in the service of Government (other than an officer in military employ proper), his pay and allowances together with his contingent expenditure, shall be debited to the ordinary service head when he is merely an addition to an existing establishment, which requires strengthening owing to famine work, but when he is detached altogether from his own regular duties and is employed mainly on famine relief and his place in the permanent establishment is filled up by fresh appointment, his pay and allowances together with his contingent expenditure shall be charges to the head “64 A—Famine Relief”.

(b) The pay and allowances of an establishment specially entertained foe, and mainly employed on famine relief, shall together with its contingent expenditure, be debited to the head “64A—Famine Relief”.

(c) In all cases falling under clauses (a) and (b), traveling allowances to and from the work and also while emerged on the work, as well as pay and allowances during transit, will be debited to the head to which the pay of the official, while actually employed the work, is debited.

(d) The rules regulating the debit of the pay and allowances of Government servants in military employ proper deputed to famine duty are given in Section I of Appendix 3 to the Account Code, Volume I.

(43) Divided into Communication; Irrigation Works; Other Works.

(44) The following rules regulate the classification of expenditure of Public Works undertaken for purposes of famine relief:--

(a) Public Works undertaken in consequence of the occurrence of famine, but not directly for the employment of famine-stricken people and not therefore treated as relief works, will be classified in the accounts as ordinary Public Works are classified, except that any expenditure in excess of normal rates incurred in consequence of the employment for relief purposes of unskilled and unprofitable labour will be transferred to the head "64-A—Famine Relief".

(b) Public Works expenditure which is undertaken directly for the relief of famine and is controlled and managed under the conditions applicable to famine relief works will be charges to "64-A—Famine Relief" whether the work is or is not one which would, at some time or other, have to be undertaken irrespective of famine. If however, the work on which the famine labour is employed is a revenue-producing work "Commercial" (whether within or outside the Revenue Accounts of Government), the value of the work done, reckoned at ordinary rates, will be charged to the ordinary head of account, and the excess only debited to "64-a—Famine Relief".

MAJOR HEAD	MINOR HEADS
<p>EE. Capital Account of Multipurpose River Schemes, Irrigation and Electricity Schemes, within the Revenue Account.</p> <p>99. CAPITAL OUTLAY ON IRRIGATION, NAVIGATION EMBANKMENT AND DRAINAGE WORKS. (COMMERCIAL)</p> <p>A- Irrigation Works—</p> <p>(1) Productive.</p> <p>(2) Unproductive.</p> <p>B- Navigation, Embankment and Drainage works.</p> <p>(1) Productive.</p> <p>(2) Unproductive.</p> <p>C- <i>Deduct</i>—Amount financed from Famine Relief Fund.</p> <p>D- <i>Deduct</i>— Capital expenditure transferred to 48-- Capital outlay on Irrigation, Navigation, Embankment and Drainage works within the Revenue Account.</p> <p>F- <i>Add</i>—Amount transferred from 48—Capital Outlay on Irrigation, Navigation, Embankment and Drainage works within the Revenue Account.</p> <p>Net Capital Expenditure outside the Revenue Account.</p>	<p>Works.</p> <p>Establishment, (19)</p> <p>Tools and plant. (20)</p> <p>Interest on Capital.</p> <p>Suspense. (21)</p> <p>Charges in England. (22)</p> <p>Loss or gain by exchange. (16)</p> <p><i>Deduct</i>—Receipts and Recoveries on Capital Account. (13)</p> <p>Same as for A (1) above.</p> <p>Same as for A (1) above.</p> <p>Ditto.</p>

MAJOR HEAD	MINOR HEADS
EE. Capital Account of Multipurpose River Schemes, Irrigation and Electricity Schemes, outside the Revenue Account-(<i>contd</i>).	
100. CAPITAL OUTLAY ON IRRIGATION, NAVIGATION EMBANKMENT AND DRAINAGE WORKS. (COMMERCIAL)	
A- Irrigation Works—	Works. Establishment, (19) Tools and plant. (20) Suspense. (21) <i>Deduct</i> —Receipts and Recoveries on Capital Account. (13) <i>Deduct</i> — Capital Expenditure transferred to 48-- Capital outlay on Irrigation, Navigation, Embankment and Drainage works within the Revenue Account. Charges in England. (22) Loss or gain by exchange. (16)
B- Navigation, Embankment and Drainage works.	Same as for A above.
C- <i>Deduct</i> —Amount financed from Famine Relief Fund.	

MAJOR HEAD	MINOR HEADS
FF. Capital Account of Public Works (including Roads) and Schemes Miscellaneous Public Improvements out side the Revenue Account- 103. CAPITAL OUTLAY ON PUBLIC WORKS.	(45)

(45) The minor head which are prescribed under the head “50—Public Works” with the exception of “Repairer” should be opened under this head. Expenditure on account of restoration of damages caused by extraordinary casualties, such as flood, fire etc., which is permitted to be debited to this major head should be recoded under a separate minor head “Extraordinary Replacements”. Receipts representing recoveries of Capital expenditure previously debited to this major head may be classified under a separate minor head — “Deduct—Receipts and Recoveries on Capital Account”. “Deduct—Capital Expenditure” transferred to “52—Capital outside on Public Works within the Revenue Account” and “Deduct—Expenditure” written back to “50—Public Works” are also treated as minor heads under this major head.

MAJOR HEAD	MINOR HEADS
DEBT AND DEPOSIT HEADS	
STATE PROVIDENT FUNDS.	Other Miscellaneous Provident Funds(47)
DENTRAL ROAD FUN.(39)	As in Column (1)
DEPOSITS OF LOCAL FUNDS.	District Funds.
	Municipal Funds.
	Cantonment Founds.
	Other Funds—Port and Marine Funds.
	Public Works Deposits.
CIVIL DEPOSITS	

(47) Special Provident Funds instituted for non-pensionable employees.

MAJOR HEAD	MINOR HEADS
DEBT AND DEPOSIT HEADS (<i>Contd.</i>)	
OTHER ACCOUNTS	Subvention from Central Read Fund.(39)
DEPARTMENT ADVANCES	Civil Advances— Advances the Public Works Department. Takavi works advances. (49)
ACCOUNTS WITH THE GOVT. OF U.K. (STERLING ACCOUNT).	
ACCOUNTS WITH GOVT. OF OTHER COUNTRIES.	
ACCOUNTS WITH THE GOVERNMENT OF PAKISTAN.	As in Column (1).
ACCOOUNTS WITH THE GOVERNMENT OF BURMA.	Cash Settlement Suspense Account(50) I Transactions between Divisions rendering Accounts to the same Accountant General.
SUSPENSE ACCOUNT	II Transaction between Divisions in different Accounts Circles.
DEPARTMENTAL AND SIMILAR ACCOUNTS.	Civil Departmental Balances—Public Works Cash Balances (51).
LOANS TO LOCAL FUNDDS, PRIVATE PARTIES, ETC.	Advances to Cultivators (52).

(49) For Takavi Works Advances, see Chapter XIX.

(50) Transactions between P.W. Divisions including the Divisions of other Government, are adjusted under this head, pending settlement in cash. (See Appendix XIII).

(51) Cash balances of the Public Works Department fall under this head in the general accounts.

(52) See paragraph 645 (b).

MAJOR HEAD	MINOR HEADS
REMITTANCE HEADS	
CASH REMITTANCES AND ADJUSTMENTS BETWEEN OFFICERS RENDERING ACCOUNTANT GENERAL	Public Works Remittances. (53) I- Remittances into Treasuries (54) II- Public Works cheques. (54) III- Other Remittances.(55) Transfers between Public Works Officers (56).
ADJUSTING ACCOUNT BETWEEN CENTRAL AND STATE GOVERNMENTS. (57)	
ADJUSTING ACCOUNT WITH RAILWAYS. (57)	
ADJUSTING ACCOUNT WITH POSTS AND TELEGRAPHY. (57)	A separate Head for each Posts and Telegraph Accounts Officer.
ADJUSTING ACCOUNT WITH DEFENCE. (57)	A separate Head for each Defence Account Officer. (59)
ADJUSTING BETWEEN CIVIL AND CIVIL (58)	There is one Head for Central Revenues, and one for each of the States.

(53) For transaction of Public Works Officer with Treasury and other officers of the Civil Department (including the Forest Department) within the same circle of account. Transactions originating in other circles of account are also passed on to Public Works Officers by the Accountant General through this head.

(54) If a Public Works Officer deals with treasuries in account with another Accounts officer, the transaction on account of remittance into treasuries and cheques drawn are classified under “Accounts between Civil and Civil” and “Adjustment Account with Defence” as the case may be, vide Article 133 of the Account Code, Volume IV.

(55) This head is sub-divided into (a) Items adjustable by Civil and (b) Items adjustment by Public Works.

(56) This head is intended for the settlement of transactions outstanding on April I, 1965 between Public Works Officers (including Civil Officers acting as Public Works Disbursers), rendering accounts to the same Accountant-General (See also Appendix XIII).

This head is sub-divided into :--

(a) Original credits.

- (b) Responding debits.
 - (c) Original debit .
 - (d) Responding credits.
- (57) For transactions originating in a Division on behalf of a State Government, a Railway, a P. and T. or a Defence Accounts Officer, as the case may be.

The requisite adjustment against the balance of the State Government etc., will be made by the Accountant General through the Central Accounts Section of the Reserve Bank.

(58) In the Public Works Division, this head is operated for such transactions originating in the Division, as are adjustable in another Central (Civil) accounts circle.

NOTE—The transactions referred to in Footnote 54 are also accounted for under this head.

(59) This head is intended for transactions with the Defence Services (including the Military Engineer Services). In the case of transactions with the Officers of the Military Engineer Services, the name of the Military Engineer Services districts should be specified in addition to that of the Defence Accounts Office concerned.

At present there are the following Defence Accounts Officer :--

- (i) Controller of Defence Accounts, Southern Command, Poona.
- (ii) Controller of Defence Accounts, Central Command, Meerut.
- (iii) Controller of Defence Accounts, Western Command, Meerut.
- (iv) Controller of Defence Accounts, (Funds) Meerut .
- (v) Joint Controller of Defence Accounts, (Other Ranks), Northern Circle, Meerut.
- (vi) Controller of Defence Accounts, (Pensions), Allahabad.
- (vii) Controller of Defence Accounts, (Officers), Poona.
- (viii) Controller of Defence Accounts, (Other Ranks), Mysore.
- (ix) Controller of Defence Accounts, (Factories), Calcutta.
- (x) Controller of Defence Accounts, (Air Forces), Dehra Dun.
- (xi) Controller of Defence Accounts, (Navy), Bombay.
- (xii) Controller of Defence Accounts, Patna.

Receipts and expenditure pertaining to Military Engineer Services or Indian Air Force Works, executed in the Public Works Department as a standing arrangement, should be brought to account as a separate item in the Schedule of Credits and Debits to Adjustment Account with Defence under the head 'Adjusting Account with Defence, sub-Audit Officer, MES' or Sub-Accounts Officer, Indian Air Force, as the case may be.

AAPENDIX I

STATEMENT A

(See Explanatory Note I)

Main Classification of Expenditure pertaining to Irrigation (Navigation) Embankment and Drainage Projects.

NOTE—All works of Irrigation, Navigation, Embankment, Drainage and Water storage are primarily grouped into two classes, water stores works being included in Irrigation Works:

A- Irrigation Works.

B- Navigation, Embankment, Drainage and Works.

This section includes receipts and charges relating to Waterways, navigable canals, embankments and other agricultural and drainage works undertaken primarily not for irrigation purposes but for general improvement of the country or for general administrative purposes.

1- Project of Irrigation,, Navigation, Embankment and Drainage are of two classes :(1) productive and (2) Unproductive.

2- To admit of a new work being classed as a Productive Public Work, the following conditions must be satisfied.

(a) There must be good reason to believe that the revenue derived from it, will within 10 years after the probable date of its completion, repay the annual interest on the capital invested calculated at 4 per cent, but in preparing a project for sanction no deduction is to be made from the total capital outlay on account of anticipated excess of revenue over simple interest.

NOTES--1.Capital invested includes (1) direct charges, (2) indirect charges and (3) all arrears of simple interest, if any. i.e., balance of total interest over total net revenue.

2- Betterment Levy is taken in reduction of Capital expenditure in pro forma accounts of the projects viz. Financial Forecasts, Administrative Accounts,, etc., although it is treated as indirect receipt for the purpose of general accounts.

(b) It must be susceptible of having clear Capital and Revenue accounts of it kept.

(c) Its classification as a productive public work must be authorised by competent authority.

3- The rules for determining (1) whether a work which has been classed as productive shall continue to be so classed, and (2) whether an unproductive work may be re-classed as productive, are as follows :

1- Every irrigation, navigation, embankment or drainage work for which capital accounts are kept should, until 10 years after the date of the closure of its contraction estimate, be classed as productive, if the net revenue anticipated from it appears likely to repay, on the expiry of that period, the annual interest charges on the capital invested (including direct and indirect charges and arrears of simple interest), calculated at 4 per cent in the case of works sanctioned before April 1, 1919, at 5 per cent in the case of those sanctioned between April 1, 1919 and, at 5 per cent in the case of those sanctioned between August 2, 1921 and March 31, 1937, at 4 per cent in the case of those sanctioned between April 1, 1937 and March

31, 1956, and in the case of those sanctioned after the last mentioned date, at the rate of interest chargeable on capital outlay and other commercial departments prescribed under Government orders in force on the date of sanctioning of the work. Conversely, if it is not expected to yield the relevant return, it should be classed as unproductive .

If, moreover, at any time during the period of construction, or within the area of the date of the closure of its construction estimate, it becomes eminent that a work originally classed as productive will not actually be remunerative according to the criterion prescribed above, it should be transferred from the productive to the unproductive class, and similarly if it becomes obvious, during the same period, that a work sanctioned as unproductive will actually prove remunerative the transfer of the work from the unproductive to the productive class may be effected.

II—Every work classified in accordance with rule I above will retain classification unchanged during the eleventh, twelfth and thirteenth years after the closure of its construction estimate.

III—If any irrigation, navigation, embankment or drainage work for which a capital account is kept and which is classed as productive fails at any time after the expiry of 10 years, from the date of the closure of its construction estimate, in three successive years to yield the relevant return prescribed, in rule I above, it should be transferred to the unproductive class. A work classed as unproductive which Succeeds in yielding in three successive years, the relevant return prescribed for a productive work may, on the same principle, be transferred to the productive class.

IV- If an existing irrigation, navigation, embankment or drainage work be extended or improved, the criterion of productivity prescribed in rules I to III above shall be applied to the whole system, including such executed improvement as if the extension or improvement had been executed simultaneously with the original work, and the date of sanction referred to in those rules for the proposes of determining the percentage to be returned by the system as a whole, shall be that of the accord of sanction to the original project. As an exception to this rule, if any extension be owing either to its nature or magnitude, such as may reasonable be considered to be a separate project and if it be susceptible of having clear capital and revenue accounts kept of it, as distinct from those of the project as a whole, it should be treated as a separate project and in that case the conditions relating to original projects and not those relating to extensions and improvements shall be applicable. In all such cases separate capital and revenue accounts should be maintained for the extension in order to enable the productivity test to be periodically applied.

V—Government may postpone the transfer of a work form one class to the other in cases in which they are satisfied that its success or failure is due to purely transitory causes.

4- The transfer of a work from the productive to the unproductive category, or vice versa, will affect the recording of all future transaction in connexion with it. No adjustment will be made in the general accounts in respect of past transactions, but the necessary transfers will be effected by the Accountant General in the Pro Forma accounts of the work in question.

5- The principles to be observed in deciding whether an item of expenditure should be charged to Capital or to Revenue are as follows :

(a) Capital bears all charges for the first construction and equipment of a project, as well as charges for maintenance on sections not opened for working and charges for such subsequent additions and improvements as may be sanctioned under rules by competent authority. It may also bear charges on account of restoration of damages caused by extraordinary casualties, such as flood, fire, etc. and such charges should be recorded under a separate minor head “ Extraordinary Replacement”.

(b) Revenue bears all charges for maintenance and working expenses, which embrace all expenditure for the working and upkeep of the project, as also for such replacements and minor additions or improvement as it may be considered desirable desirable to charge to Revenue instead of increasing the capital cost of the undertaking.

(c) In the case of renewals and replacements of existing works, if the cost really represents an increase in the capital value of the system and exceeds the cost of the original work by Rs. 1,000, the cost of the new work should be divided between Capital and Revenue, the portion debited to the latter account being the cost of the original work, which should be estimated if the actual cost is not known, and the balance charged to Capital. In other cases, the whole cost of the new work should be charged to Revenue. Thus, a renewal which dose not represent a substantial improvement of the original work, but which is in all material essentials the same as the latter, although it may exceed the cost of that work by more than Rs. 1,000 should not be charged to Capital, but to the Revenue account.

(d) When the construction estimate of a project for which a separate Capital account is kept, is closed, the expenditure on works of extensions will be charged thus:

(i) Estimates exceeding Rs. 2,500 for (1) works which are in themselves directly remunerative, such as new distributaries, mills or works for increasing the canal discharge, and (2) works which are necessary for the full development of a project, but which are not in themselves directly remunerative, shall be charged to the Capital account.

(ii) Estimates amounting to Rs. 2,500 or under shall be charged to the Revenue account.

(iii) All estimates for works which are neither remunerative in themselves nor considered necessary for the development of the project, shall be charged to the Revenue account.

(e) Where, outlay is of a nature which under these Rules does not appertain to Capital, it is not, under any circumstances and whatever its magnitude, to be charged to Capital .

NOTE—The monetary limits prescribed in this rule may be modified by the Government .

6- Works expenditure which under the foregoing Rule, is chargeable to the Capital account will be classified under the minor-head “Works” of the major-head ‘48’, ‘99’ or ‘100’ as the case may be. That which is chargeable to the revenue account will fall under the minor-head “Extensions and Improvement” or “Maintenance and Repairs” of the division “Working Expenses” of the major head 43, according as the expenditure pertains to the category of “Original Works” or “Repairs” vide paragraph 312 and explanatory note (26).

7- The expenditure on productive works is recorded in two sections separately for capital and revenue charges. For unproductive works also, the arrangement is similar where it is desirable and possible to maintain accounts on a *quasi* commercial basis. When, however, a work of this class is too small to make it worthwhile to maintain a separate account of it on such a basis, all expenditure on it is treated as a revenue charge, the work being classified as non commercial. In the category of unproductive works is also included “Miscellaneous expenditure”, which is expenditure upon the preliminary survey of new projects and also for the cost of famine survey required for the preparation of famine programmers.

STATEMENTS B

(See EXPLANATORY NOTE 18)

Main Classification of Expenditure pertaining to Irrigation Navigation Embankment and Drainage Projects.

Works expenditure of Irrigation, Navigation, Embankment and Drainage major-heads falls under one or other of the minor heads “Works”, “Extensions and Improvements” and “Maintenance and Repair”. Each of these minor-heads is divided into (1) Head works, (2) Main Canal and Branches, (3) Distributaries, (4) Drainage and Protective Works, (5) Water-courses (for “Works” only), (6) Special Tools and Plant (for “Works” only) and (7) Losses on Stock. Under the minor-head “Maintenance and Repairs” and eight head “Compensation” may be opened. The detailed heads subordinate to these heads are as enumerated in Statement C.

2- 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 may also be grouped for the distributaries belonging to the main line of the canal and to each of its branches separately.

3- The following points should receive special attention : (a) when land is taken up for two or more of these sub-divisions at the same time, its cost must be divided in to the best way practicable , (b) in the case of storages projects all works connected with supply channels to feed the head reservoir come under Head- works, (c) water – power installation at the head works of a canal, head locks and head regulators of main and branch canals, fall under “Main canal and branches”, (d) when a canal or a distribution channel therefore, and a drainage in connection with it, are planned simultaneously and the two works interest, the cost of the crossing should be charged to “Drainage and Protective Works” and (e) Buildings required for the general purposes of a canal system, such as workshops, headquarter stations, etc., are chargeable to “Main Canal and Branches”.

4. Four rules relating to Water –courses, special Tools and Plant and Losses on Stock, see Appendix X, and paragraph 196 and 234 respectively. The head “Water –

courses” is not necessary in the case of the minor heads “Extension and improvements” and “Maintenance and Repairs”, the head “Losses on Stock” is intended for all general losses on stock which can not be attributed to any work the accounts of which are open. The head special tools and plant is further sub-divided in to three detailed heads namely (i) Gross Expenditure (ii) Deduct recoveries (iii) Net expenditure, the first of which is intended for collection of the aggregate cost of the special Tools and Plant at one place and the second for the record of the recoveries on account special Tools and Plant which are taken in reduction of expenditure.

STATEMENT C

(See EXPLANATORY NOTE 19)

Enumerating the detailed heads referred to in paragraph 1 of Statement B and detailing the works and services the charges whereon are classified there under

General Remarks—(1) The detailed heads in this list may be varied under the orders of the Government, to suit the circumstances of each project (2) Combined works falling under two or more heads e.g. combined bridges and falls, or combined falls and regulators—should be classified according as to which aspect of the work pre-dominates.

A—Preliminary Expenses

Surveys and preliminary investigation—This head does not appear under “Extensions and Improvements” nor under “Maintenance and Repairs”

B—Land

Compensations for taking permanent or temporary possession of land required for the purposes of the work.

The term “Compensations” includes the following besides the payment for the land itself—(1) payments for buildings, trees, crops, etc., and (2) cost of special land acquisition establishment when it is chargeable to the Public Works Department under paragraph 203 of Volume V of the Handbook. Sale proceeds of wood, building materials, etc. obtained on clearing land taken up should be take in reduction of the charge if realized before the accounts of the estimate for the acquisition of the land have been closed, vide clause (b) of Statement B. If any building acquired with the land are used as residences or otherwise let they should be brought on the Register of Rents, Form no. 49, and rents realized should be treated as ordinary rent receipts.

C—Works

All construction works, whether of earthwork or of masonry, etc. excluding work falling under the heads I—Navigation and K—buildings in all cases and under L—Earthwork where this is maintained as a separate detailed head. Ordinarily, the group head C—Works, takes the place of such of the heads D.E.F. F. (1), G.H.J. and L as are not separately provided for.

D—Regulators

Works (other than escapes and escape heads, for the regulation of supply)

E—Falls

Falls and rapids other than those required to maintain the depth of water for navigation purposes.

F—River and Hill Torrent Works

Aqueducts, superpassages, culverts, siphons, inlets, outlets and cross drainage works generally, when such works are in connexion with rive and hill torrents.

F(1)—Other Cross Drainage Works

Cross drainage works of the classes referred to under the head ‘F—River and hill torrent works’ when such works are in connexion with drainage other than that from river and hill torrents.

G—Bridges

Bridges, both road and railway, for crossing the canal including subsidiary works, e.g. approach road, fencing gates, ghats, steps etc.

H—Scapes

Masonry and earthwork connected with escapes (including escape heads).

I—Navigation

Locks at head-works and on the canal ; separate navigation channels and weirs designed for maintaining the requisite depth of water for navigation purposes.

J—Mills

Water-power plant (if a permanent fixture) and buildings in connexion with such plant also sluices and channels conducting water to and from the same.

K—Buildings

Permanent and temporary buildings (including staff quarters, offices work-shops, stations, etc., but excluding buildings for water-power) and station drainages, roads, gardens, enclosure walls, conservancy works, etc. pertaining to building individually or collectively. In the case of maintenance and repairs, this head includes also taxes payable by Government and rents of buildings hired by Government .

L—Earthworks

Excavation and embankments for the channel, and its side roads and service road, protective works for the bed and sides; trimming, turfing or riveting slopes; retaining walls for embankments.

L (I)—Boundary and Service Roads

This head may be opened to record the expenditure on side roads and service roads separately if it not proposed to classify it under “L—Earthwork”

M—Plantations

All regular plantations, including the cost of clearing land, transplanting soil and planting trees. Gardening charges in connexion with buildings do not fall under this head.

N—Tanks and Reservoirs

Earthwork, masonry, etc., on tanks reservoirs (e.g. tail tanks) in connexion with canals other than tank chargeable to “Head Works” in the case of storage projects.

O—Miscellaneous

Work and services not falling under any other detailed head. Includes (1) experiments; (2) works in connexion with irrigation outlets not debitable to the head “Watercourses” ; (3) distance marks; (4) boundary pillars. Also minor works constructed on the banks of canals or distributaries for the direct delivery of water. Includes also in the case of original works and of extensions and improvements, charges for compensation not debitable to any other detailed head.

P-- Maintenance

All repairs work prior to the opening of the revenue account for the project or the section concerned. This head appears only under “Works”.

STATEMENT D

(See EXPLANATORY NOTE 19)

Showing the detailed classification of the minor head Establishment

This minor head is primarily divided as follows:

Name of Sub-division	Remarks
I- Chief Engineer ..	
II- Special Officers ..	For consulting architects and other special officers, whose jurisdiction extends beyond a single circle of superintendence or other unit prescribed for the pro rata distribution of establishment charges. Fees recovered from outside bodies and other departments of the Government for services rendered by this establishment are taken in reduction of the charges under this sub-division, vide paragraph 12 of the Appendix V.
III- Superintending Engineer	Includes also special officers, if any not falling under sub-division II.
IV- Executive	Establishment charges of workshop for which capital accounts are kept should be kept distinct from other charges, and recoveries on account of work done in such workshops from outside bodies and other department of the Government should be taken in reduction of the charges.
V- Medical	Establishment employed on large surveys for new irrigation, navigation, embankment or drainage project.
VI- Special Survey .. ..	.. ..
VII- Special Revenue ..	Establishment employed on the revenue management of irrigation, navigation, embankment and drainage projects, and on assessment, etc. of revenue. Includes also plantation, steamer, and water-regulation establishment, etc., and charges debited by the civil departments for collection, etc., of revenue.
VIII- Deduct- Recoveries ..	For credits of all kinds on account of (i) percentage or (ii) lump sum recoveries for work done, but excluding (a) fees for services rendered by special officers, and (b) recoveries for work done in workshops when such credits are adjustable as reduction of expenditure in accordance with the rules in Statement E.
IX- Lump sum charges Creditable to other Governments, Department, etc.	Debits to the major head on account of establishment charges in case in which such charges are not adjustable in the account of any particular work under paragraph 426.
X—Pensionary charges	See paragraph 18 of Appendix V.

2- Under sub-divisions III to VIII, a separate section should be opened in respect of each circle of superintendence or other unit prescribed for the *pro rata* distribution of establishment charge.

3- The sub-divisions I to VII have, below them, the following heads, with such detailed heads as may be prescribed locally :

- (a) Pay of Officers.
- (b) Pay of Establishments.
- (c) Allowances, Honoraria, etc.
- (d) Contingencies .
- (e) Collection charges by Civil Department. For use only under sub-division VII.

(f) *Deduct*—Recoveries. For use only sub-divisions II and IV (Workshop Section) .

An additional head, “Bonus”, may be opened, where necessary, for bonus paid to non-pensionable subscribers to provident funds.

The heads (b) and (c) include also the charges on account of divisional accountants posted by the Accountant General.

The following rules govern the incidence of cost of pay and allowances of government servants. They are however, subject to the rules in paragraph 5 below regarding the distribution of leave-salary between different Governments (paragraph 85 and 85-A of Volume V of the Handbook) and to the proviso that if a government servant is doing work for more than one Governments his pay and allowances may be distributed between the different Governments as mutually agreed.

(a) The whole pay of an officiating government servant should be taken against the department and the post in which he is actually serving .

(b) When a government servant whose main duties and post fall under one head of charge is entrusted with additional or subsidiary duties coming under another head, no portion of his pay and allowances is to be debited to the latter head. This rule does not apply to separate fixed allowances for additional duties, nor does it apply to cases governed by separate orders issued by competent authority.

(c) The pay and allowances (including traveling allowance) of a government servant proceeding to join an office should, in the absence of special orders to the contrary, whether in respect of a particular case or class of cases, be charged to the office to which he is proceeding .

(d) The pay and allowances of a government servant serving in the Defence Department transferred from Defence Department to a post under a Civil Department are paid by the Civil Department, from the date on which he gives over charge of his Defense Department, and those of a government

servant serving in the Defence Department transferred from Civil to Defence Department cease to be payable by the Civil Department from the date on which he gives over charge of his post under a Civil Department. The same rule holds good in the case of all government servants transferred from one department to another. A government servant transferred to foreign service drawn his emoluments from the foreign employer from the date on which he relinquishes charge of his post under Government and on reversion to his post under the Government he ceases to draw any emoluments from the foreign employer from the date on which he resumes charge of the post under Government.

NOTE-- When a government servant is transferred to another department or state while on leave the transfer does not take effect until he joins his new post if he is on leave in India or until he lands in India if he is on leave out of India.

5- The leave-salaries of Government servants are debited according to the following Rules.

(1) When a government servant had served only under one Government before proceeding on leave his leave-salary be debited to that Government.

(2) When a government servant is transferred to service under a Government other than that under which he was first employed the leave salary drawn by him during any leave taken after the date of transfer shall be charged to the borrowing Government until the entire leave earned under the Government has been exhausted.

NOTE—(1) See paragraph 85 and 85-A of Volume V of the Handbook for the definition of the term ‘Government’.

(2) Leave salaries of gazetted government servants paid by one state government on behalf of another state government should be debited to the latter government in Account Current.

(3) The Government which received the contribution for leave salary of a Government servant in Foreign service should bear the charge for his leave salary in respect of the leave earned by him during such service.

(4) Service rendered in a department charges to a divided head 1st April 1921 should be treated as service under the central or state Government according as the head in question is classified as central or state from 1st April, 1921.

6-(a) The travelling allowance of a government servant, on whatever duty he may be employed, is charged to the same head as his pay, unless he be travelling on duty connected with a local fund when it may be charged to the local fund.

(b) The travelling allowance of a government servant called away from his duty to give evidence in his official capacity in a criminal court or in a civil, court in a case to which Government is a party is, during the period of his absence, debited to the department which would bear the charge if he were on duty. But, in the following cases, the actual expenses incurred by witnesses are paid by the court and charges to court contingencies:

(i) If the court is situated not more than five miles from the headquarters of the witness, or

- (ii) If the pay of the witness does not exceed Rs. 10 per mensem.
- (c) The travelling allowance of a government servant transferred from one department to another is debited to the department to which he is transferred.
- (d) The travelling allowance of a government servant, both when proceeding on transfer to foreign service, and when reverting to duty under Government, shall be borne by the foreign employer.

STATEMENT- E

(See EXPLANATORY NOTE 13)

Treatment of Recoveries of Expenditure in the Accounts of the Public Works Department

1- The rules for regulating the exhibition of recoveries of expenditure in Government accounts are given in Chapter V of the Accounts Code Volume I. The following paragraphs indicate their application to Public Works transactions.

2- The general rule is that, subject to the provisions of Article 75 of the Account Code Volume I, all recoveries of expenditure appearing in the accounts of Public Works Offices should be treated as revenue receipts and not a minus expenditure .

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

3- As an exception to the general rule in paragraph 2 above, recoveries under stock and other suspense accounts should be treated as reduction of gross expenditure. The recoveries of expenditure on works in progress comprising inter alia, sale proceeds of surplus materials and plant acquired specially for any work or of materials received from dismantled structures, may likewise be treated as reduction of expenditure, irrespective of whether the estimates for the works make allowance for such recoveries or not. See also paragraph 738.

4- Subject to provisions of rule 5 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 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 on account of occasional 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.

(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". All other recoveries should be treated as revenue as receipts under the major head concerned.

(iii) *Pro rata shares of the charges for joint establishment and tool and plant* – The pro rata shares calculated at the end of the year should be treated as reduction of expenditure under the minor-head “Establishment” and “Tools and plant” respectively of the major-head to which the total charges were debited in the first instance.

(iv) *Recoveries on account 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 on account of pensionary contributions should in the case of Civil works be credited to “XLVIII—Contributions and Recoveries towards Pensions and other Retirement Benefits”, while such recoveries, in the case of Irrigation Department should be credited to the Irrigation major-head concerned, as receipts 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 “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.

5- Notwithstanding anything contained in these rules, 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 revenue receipts in the first instance and booked as “Receipts and Recoveries on Capital Account”. At the end of the month they should be deducted from the account of the division or sub-division of the major head concerned in a lump sum.

6- The recoveries of expenditure which are finally creditable as revenue receipts should be recorded under the minor-head “Recoveries of expenditure” of the major heads 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 purchased or constructed at the cost of a special project may at the discretion of the Government, be taken in reduction of expenditure under the appropriate sub-heads subordinate to the capital major head concerned.

7- *Recoveries on account of cost of audit and accounts*—These recoveries when they are made in connexion with works done for Railways Defence services Posts and Telegraphs and other Departments of the Central Government should be treated as reduction of expenditure under “20-Audit”. In the case of work done for non-Government bodies or individuals such recoveries should be adjusted as receipts under the minor head “Fees for Government Audit” subordinate to the major head “LII- Miscellaneous”.

NOTE—If under the Note below Rule 9 of Appendix V, the percentage charges for works done in workshops of a quasi commercial for other division and departments, both under the Union Government and other Government, include recoveries in respect of audit and accounts charges; such recoveries should not be credited to “20_Audit” or “LII—Miscellaneous—Fees for Government Audit”, except in the case of work covered by this rule.

STATEMENT IB
(See Paragraph 2-A)

*Directions regarding certain matters relating to works entrusted to the
control of the Public Works Department*

A—Building of historical interest

1- All buildings and monuments of historical or architectural interest under the control of the State Government should be carefully attended to, and it will be the duty of divisional officers to arrange for a systematic annual or even more frequent inspection of the monuments in their divisions, and of all divisional officers and superintending engineer to keep the State Government fully informed as to the condition of those monuments and to prepare estimates for their repair.

B—Ecclesiastical Works

2-In case where the department is entrusted with the construction of a church for which funds have been provided wholly or in part from (i) funds of a public nature, but not included in the financial estimates and account of Government; (ii) contribution from the public and are administered under the condition stated in the Ecclesiastical Rules, the rules mentioned below will be observed provided that where a work is to be carried out partly from funds provided in the estimates of the department, and partly from funds of the foregoing nature, the contribution will be considered as a lump sum in addition to the Government grant and the work executed in strict accordance with the procedure laid down for public work.:

I- The design and estimate will in the first instance, be drawn up in communication with the party or parties depositing or administering the funds, and must be submitted for the technical sanction of such departmental authority as the extent of the estimate would require in the case of technical sanction to an ordinary public work.

II- Provision must be made to cover the cost of establishment, tools and plant, accounts and audit and pensionary charges at such percentage as are prescribed in Appendix V of the Handbook.

III- Prior to the work being put in and, a written approval to the estimate and design must be obtained from the authority depositing or administering the funds and an acknowledgement procured to the effect that in undertaking the work the department does not bind itself to complete the work within the amount of the estimate, and that the authority depositing or administering the funds agrees to finance any excess that may occur. Any material alteration in the design must be similarly dealt with.

Works

IV—The necessary funds for the prosecution of the work must be realized and paid into the Government treasury either in a lump sum or in such instalments and by such dates as the State Government may decide in each case. No advance of government money for such purpose will be permitted and in a case where the money is paid by instalments, Government will not be responsible for any

increase in cost, or damage to the uncompleted work, caused by a temporary stoppage of the work pending receipt of further instalments.

V—It will be the duty of the officer-in-charge of the work to bring at once to the notice of his superiors and of the local body or individuals any anticipated excess over the estimate, as to provide the fullest information in connection with the progress of expenditure so that no responsibility may attach to Government in the event of the work having to be stopped for want of funds.

VI—In undertaking such work it should be arranged that the extent to which Government is responsible in regard to the execution of the work is thoroughly understood both by the parties for whom the work is to be constructed and by the executive officers to whom its construction is to be entrusted.

VII—In works of great magnitude the contract deeds should be specially prepared by the Government law officers, but for ordinary contracts, including all such as are based on tender which a superintending engineer or other subordinate authority is competent to accept, such ordinary forms as may have been approved by the Government will generally suffice.

3- It must be distinctly understood that contribution on account of one work can, in no circumstances, be utilized for meeting outlay on account of another work the contributions for which may be in arrears.

C—Agency Works

4- The general rules contained in paragraph 52 and 77 of the Central P.W. Code which govern the accord of approval and sanction to contract works are applicable also *mutatis mutandis* when a work is executed by the Public Work Department of the State Government on behalf of the Central Government, and the officers employed on such works will exercise in respect of them the same power of technical sanction as they exercise in respect of Government works.

D—Consultation with the Consulting Engineer to the Central Government

5- It is open to the State Government to seek the advice and assistance of the Consulting Engineer to the Central Government in regard to projects wholly within their own power of sanction. Such consultations may be held informally between the State Government (or their responsible officers) and the Consulting Engineer.

E—Employment of Military Labour

6- When military labour is employed on the execution of a work, the officer commanding the unit can obtain from the Controller of Military Accounts concerned, a lump sum advance to meet heavy initial expenditure up to Rs. 10,000 but not exceeding one quarter of the approximate total amount payable on the contract, as certified by the employing authority, The debit on account, of the advance made will be received from the Controller through the exchange account, and the responsibility for the final adjustment of the advance by recovery from the value of the work done rests with the employing authority.

STATEMENT II
(See CAPTER V, PARAGRAPH 97)

Divisional Accountant :

1- The Divisional Accountant attached to Divisional Office are constituted in a separate cadre with its own leave and training reserve under the administrative control of the Accountant General. The cadre is intended to provide one trained Accountant for each Public Works Division or other independent executive charge and one for each of certain appointments in the Audit Office.

2- Subject to such exceptions as may have been authorized by the Comptroller and Auditor General, recruitment to the cadre of Divisional Accountants is made by the Accountant General by selection from the following three sources through a competitive and qualifying test called the Initial Recruitment Examination for Divisional Accountants (vide paragraph III):

- (1) Public Works Division Accounts Clerks.
- (2) Upper Division Clarke of the Audit Officers.
- (3) Direct recruits.

3- Deleted.

4- Deleted.

5- All appointment are made on the express condition that Divisional Accountant are liable for service anywhere within the jurisdiction of the Accountant General including his office.

Divisional Accountants when attached to Audit office are liable to perform the duties of supervisory staff without claim for any special or enhanced pay. The Divisional Accountants who are appointed to hold charge of Subordinate Accounts Service posts will, however, draw pay in the Subordinate Accounts Service Scale.

6- The period of probation for recruits from sources (1) and (2) will be two and half years (six to eighteen months for training and one year for trial as Divisional Accountant) unless they reverted earlier on account of being found unsuitable during the period of their training. The period of probation, in the case of direct recruit will be three years; (two years for training and one year for trial as Divisional Accountant). If a direct recruit fails to pass the Divisional Test Examination within the period of probation, he will be removed from service or if fully deserving of retention, offered an upper Division vacancy in the Audit Office.

NOTE—(I) When a person, after passing the Divisional Test Examination is placed in independent charge of the accounts of a division or in charge of Divisional Accountants work in Audit Office, he should draw pay in the regular rate of pay of Divisional Accountant.

NOTE—(II) Clerks recruited from sources (1) and (2) who pass the Divisional Test Examination, are placed on a writing list, but are allowed to retain their lien on their substantive appointment, till they are confirmed in the Divisional Accountants Cadre.

7- All appointments to the Divisional Accounts cadre are made by selection through the Initial Recruitment Examination for Divisional Accountants and confirmation in it is subject to a candidate fulfilling the following condition :

- (a) That he has at his credit –
 - (i) eighteen month's experience in the accounts work of divisional or sub-divisional offices;
 - (ii) Six month's experience in the works Audit Department of the Principal Auditor's office;
 - (iii) twelve month's continuous service on probation as Divisional Accountant.
- (b) That he has passed the Divisional Test prescribed in paragraph 9.
- (c) That he has passed the Hindi Test.
- (d) That the Accountant General is satisfied that the probationer is competent to hold independent charge of the accounts of a division and considers him (from reports received from the Executive Engineer) fit to hold the probation of the senior member of the office establishment of a division.

8- Every divisional accountant on probation should, in spite of his previous experience (if any) as an accounts clerk, be given a regular course of practical training for such period as may be considered necessary in each case. During this period he should be attached as an additional Accountant to one or more divisional offices and to the Works Audit Department of the Accountant General's office and, except with the sanction of the Accountant General, his whole time should be occupied in learning the process of compilation and audit of divisional and sub-divisional accounts and the rules and orders bearing on the subject. While under training he should be required to kept a diary of the work done and of the progress made by him and to submit it monthly for the information of the Deputy Accountant General who will be generally responsible for the proper training of probationers.

NOTE— The conditions of this rule may be relaxed in the following cases :

- (a) If the sanctioned cadre of divisional accountants includes no provision for training reserve, or
- (b) If, at any time, the number of probationary accountants still under training ex. Ceeds the provision in that cadre for the training reserve.

9- The Divisional test may be held by the Accountant General twice a year. This examination will consist of five papers :

- (1) Essay or Précis and Draft.
- (2) Elementary Book-Keeping .
- (3) Public Works Accounts and Procedure.
- (4) Viva- Voce on the three above.
- (5) General Accounts, Treasury and Financial Rules (both Central and State Government).

The standard for the examination will be as follows:

(1) The subjects for the examination, the minimum marks qualifying for a pass and the percentage required for obtaining exemption in the Examination will be as follows:

Subject	Time	Maximum marks	Minimum marks required for passing	Minimum marks for exemption
1	2	3	4	5
			Per cent	Per cent
1- Essay or Precis and Draft	2½ Hrs.	150	40	45
2- Elementary Book-keeping	2½ Hrs.	150	40	50
3- Public Works Account and Procedure	3 Hrs.	150	40	50
4- Viva-voce on 3 above	1½ Hrs.	150	40	50
5- General Accounts, Treasury and Financial Rules (both Central and State Governments).	3 Hrs.	150	40	50
Aggregate	..	750	45	..

(2) The syllabus for each paper of the examination will be as follows :

(i) *Subject 1 and 2* –The standard in the paper on subject I in the Divisional Test is the same as that prescribed in rule 2 and 3 for the Initial Recruitment Examination. As for the paper on subject 2, the syllabus will be as follows :

Elementary Book-keeping—

The paper will be of a fairly elementary character. The “Students Complete Commercial Book-Keeping, Accounting and Banking” by Arthur Field House will be the text book for the paper, but it should be supplemented by knowledge of the following chapters in “Advanced Accounts” by R.N. Carter (III Edition, revised 1949). Where those chapters cover the same ground as Field House the questions will be set from Carter and not Field House.

CHAPTER I	..	Book-Keeping up to the Trial Balance.
CHAPTER II	..	Trading and profit and Loss Account and Balance-Sheet.
CHAPTER V	..	Depreciation Sinking Fund, Reserve, Reserve Funds and Secret Reserve.
CHAPTER VI	..	Bills of Exchange, Promissory Notes and Cheques.
CHAPTER VIII	..	Portion relating to vogue account.
CHAPTER IX	..	Self balancing ledgers.

CHAPTER X	..	Capital and Revenue Account, Receipts and Payment Accounts Income and Expenditure Accounts.
CHAPTER XVI	..	Manufacturing and Working Accounts and Cost Book, Mining Company.
CHAPTER XVII	..	Cost Accounts.
CHAPTER XVIII	..	Double Account system.

NOTE—(i) If there is any change in the subjects of these chapters in subsequent editions of “Carter”, candidates should read the corresponding chapters in the latter edition. Persons who have passed the Initial Recruitment to sit again for these two papers in the Divisional Test.

(ii) *Subject 3*—The writing part should be a severe practical test of the candidate’s knowledge the rules and progresses connected with (1) the preparation and examination of initial accounts, stock and tools and plant returns, contractor’s bill and other bills and vouchers and (2) the classification and compilation of divisional accounts.

(iii) *Subject 4*-- The Viva Voce part of the examination is intended to show whether the candidate can promptly give to the Executive Officer of the Public Works Department appropriate advice in matter concerning the accounts and the financial arrangement of divisional and sub-divisional Officer or of a Gazetted Officer of Audit Office.

(iv) *Subject 5*—The paper will comprise question of straight forward and general nature from the following Codes.

- (1) Accounts Code, Volume I.
- (2) General Financial Rules, Volume I and II.
- (3) Central Treasury Rules, Volume I and II and corresponding Rules of State Governments.
- (4) Fundamental and Supplementary Rules.

The candidate (including direct recruits) will not ordinarily be allowed more than three chances but the Accountant General may in special circumstances, allow up to two additional chances to those whom he considers deserving of the concession.

10- The passing of the divisional test does not entitle the candidate to claim an appointment to the cadre of Divisional Accountants.

11- The Divisional Accountants are borne on the time scale of pay of Rs. 180-10-290-E.B.-15—380—E.B.—15—440. The cadre of Divisional Accountants has a selection grade in the scale of Rs. 325—15—475 (with effect from April 1, 1961) Limited to 10 per cent of the strength of the cadre. They are all governed by the rules framed by the Central Government for the purposes of pay and allowances. Therefore, the Divisional Accountants are not entitled to any allowance sanctioned by the State Government.

For the purpose of traveling allowance they will be governed by the Subsidiary Rules framed by the State Government.

12- The Accountant General is the authority competent to allow the annual increments to Divisional Accountants on the time scale of pay. His approval may be assumed unless an order with-holding the increment has been received. The efficiency-bar cases should, however, be referred six months before the due date for specific orders.

13- Members of the Divisional Accountant’s cadre are eligible to qualify for appointment to subordinate Accounts Service subject to the conditions governing appointment to that service, vide Chapter V of the Comptroller and Auditor General’s Manual of Standing Orders.

14- The Accountant General is responsible for maintaining the confidential reports of the Divisional Accountants but as these accountant work largely under the immediate supervision of the Public Works Department Officers, each Divisional Officer will forward to the Accountant General a confidential report, on the work and conduct of his Divisional Accountant un the form given in Annexure—

- (1) On the 1st of April, each year, and
- (2) When the Executive Officer himself vacates the charge to the division.

A separate report should be writing on each Divisional Accountant who has served under the Divisional Officer since the submission of the last report. The report should be writing in the Divisional Officer's own hand-writing and should be forwarded by him confidentially to the Accountant General by name, no copy being kept in the Divisional Office. Any point in which the Accountant is specially good should be mentioned, as also any defects of character or other shortcomings. A considered opinion on the Accountant's reliability in all respects and ability to manage the staff will be specially valuable.

In the case of an adverse report, the earliest opportunity should be taken by the Accountant General to verify the correctness or otherwise of the report. In such a case the Inspecting Officer of the Audit and Accounts Department should be specially directed to form an independent opinion about the work and conduct of the Divisional Accountant and to submit a special report to the Accountant General who would then form a correct estimate of the work and conduct of the Divisional Accountant and would record his own opinion on the confidential report.

Instructions contained in paragraph 99(d) of the Comptroller and Auditor General's Manual of Standing Orders apply *mutates mutandis* to Divisional Accountants except that the reports containing adverse remarks will be communicated in writing to the person concerned by the Divisional Officer to the extent they are accepted by the Accountant General. No report need be sent on a Divisional Accountant who has not served under the Divisional Officer for at least three months, unless there is any thing special which should be brought to the notice of the Accountant General.

The Divisional Accountant is himself responsible for drawing attention of the Divisional Officer, in writing to the provisions of this paragraph.

NOTE—Instructions contained in paragraph 99-A (Reproduced below) of the Comptroller and Auditor General's Manual of Standing Orders apply also to Divisional Accountant.

“Para 99-A. Advance entry relating to specific incident—

(i) Advance entries relating to specific incidents should ordinarily not find a place in a confidential report unless, in the course of departmental proceeding, a specific punishment such as censure has been awarded on the basis of such an incident.

(ii) Even if the reporting officer feels that although the matter is not important enough to call for departmental proceedings, it is important enough to be mentioned specifically in the confidential report of the officer concerned, he should before making such an entry, satisfy himself that his conclusion had been arrived at only after a reasonable opportunity has been given to the officer reported on to present his case relating to the incident.

(iii) Confidential report should, as a rule, give a general appreciation of the character, conduct and qualities of the officer reported on and reference to specific incidents should be made if at all, only by way of illustration to support adverse comments of such general nature, e.g. inefficiency, delay. lack of initiative or judgment, etc.”

15- Subject as far as is practicable, to the expressed wishes of Superintending Engineer, transfer of Divisional Accountants from one Divisional Office to another are made by the Accountant General on his responsibility and at his discretion.

When a Divisional Accountant is about be relieved of his duties in a Divisional Office either permanently or temporarily, he should prepare a memorandum reviewing the accounts of the division. The relieving accountant should examine it and forward it promptly, with his remarks to the Accountant General through the Divisional Officer who will record such observations as he may consider necessary.

16- Deleted.

17- Every Accountant should be supplied with a copy the code and General books of reference, e.g. the Civil Service Regulations, Fundamental Rules, the Accounts Code, the Civil Accounts Code, the Public Works Department Code and Public Works Accounts Code (with the book of forms). Books so supplied will be treated as personal copies and may be carried away by him on his transfer, to another office. Corrections issued from time to time will be supplied by the Accountant General but the Divisional Accountant concerned will be personally responsible for the proper maintenance of the books.

APPENDIX II
ANNEXURE

Annual Confidential Report on Divisional Accountants of the Indian
Audit and Accounts Department for the period 1st April, 19 to 31st March 19.
OFFICES OF THE---

Full Name (Capital letters)-----
 Father's name-----
 Educational qualifications including
 Professional and technical qualification. -----
 Departmental examinations passed . -----
 Date of appointment :
 (i) in Government service .. -----
 (ii) in Indian Audit and Accounts
 Department.-----
 (iii) in the present Grade-----
 Date of confirmation-----
 Divisions in which posted during the
 Period of report. -----

1-(a) Knowledge of the work on which engaged. -----
 (b) Knowledge of Codes, Rules etc. -----
 (c) Ability in drafting letters and
 presenting cases. -----
 (d) Knowledge of the work of the
 division as a whole. -----

2-(a) Regularity and punctuality in
 attendance -----
 --
 (b) Industry and application-----
 (c) Ability to manage the division
 competently. -----
 (d) Ability to arrange for prompt
 disposal of work. -----

3- (a) Amenability of discipline and
 official decorum . -----
 (b) Capacity to control those working
 under him and get the best out
 of them. -----
 (c) Interest in training those working
 under him in their duties. -----

4- (a) Whether he has been able to reduce
 arrears, outstanding items etc. during
 the period under report. -----

(b) Whether he has been responsible
of any outstanding or notable work -----

[If the answer to (a) and, or (b) is yes, a detailed statement or the Arrears reduced
etc./notable work done, should be given in a separate sheet attached to Confidential
Report.]

5- Aptitude displayed for any special type
of work. -----

6- (a) Tact in dealing with those working
under him as well as his superiors
and others coming in the official
contact. -----

(b) Any special comments on his traits
of character, his general conduct and
behavior. -----

7- Integrity -----

8- Fitness for further advancement .. -----

9- General assessment -----

Signature of the Reporting Officer -----
Name (in BLOCK LETTERS) -----
Designation -----
Date -----

Remakes of the reviewing officer

The reviewing officer should carefully consider and state whether he accepts the
assessment of the reporting officer in all respects specially with reference to the assessment
statement in columns 4 and 9, and also fill the following column.

10- Is the Accountant of the type that may or
should be considered for promotion to -----
higher grade out of turn? If so what
are the special positive qualities,
attainments and/or activities which
would justify his of turn promotion ?

Signature of the Reviewing Officer -----Name (in
BLOCK LETTERS) -----
Date -----

Remakes by the Accountant General

The next superior officer should record his opinion of the Accountant with
reference to column 10 above if there is a recommendation therein for out of turn
promotion.

Signature of the next Superior Officer -----
Name (in BLOCK LETTERS) -----
Designation -----
Date -----

APPWNDIX III
(REFERRED TO IN APPENDIX II)

Rules for the initial recruitment examination for Divisional Accountants

Recruitment to the cadre of Divisional Accountants from the three sources, namely, (i) Public works Division Accounts Clerks, (ii) Upper Division Clerks of the Audit Office, and (iii) Direct Recruits, will be made through a competitive and qualifying test called the “Initial Recruitment Examination for the Divisional Accountants” which will be conducted by the Accountant General once or twice a year on such dates as may be convenient to him but as far as possible in the same months annually.

Publicity for the Examination will be given by an advertisement in the Press and in the *Gazette of India* and/ or *State Gazette*, as may be found expedient which will state the probable number of vacancies to be filled on the results of that examination. The number of vacancies to be reserved in favours of the members of the Scheduled Castes and Scheduled Tribes will also be specified.

2- The subjects and the minimum marks qualifying for a pass in this examination will be as follows:

Subject	Maximum marks	Minimum marks required for passing	Percentage
Essay pr Précis Draft	150	75	..
..	200	135	..
Arithmetic and mensuration (Elementary but pretrial)	350	210	60
Total ..			per cent.

3- The syllabus of the examination will be as follows :

(i) Essay or Précis and Draft—The standard will be similar to that of the precis and Draft paper of the Departmental examination held for confirmation of Upper Division Clerks.

(ii) Arithmetic and Mensuration – The standard for this subject will be the same as that prescribed for the Matriculation or the School leaving Certificate Examination. The Book “Mensuration for Indian Schools and colleges, Part I” by Peripoint, has been prescribed as representing the standard expected of the candidates in this subject.

4- As the examination is a competitive one, no exemption from appearing in any subject will be granted to any candidate except to the clerks of the Audit Offices who have passed Subordinate Accounts Service (Part I) Ordinary, Supply Audit and Commercial Branches, who are totally exempted from the Initial Recruitment Examination.

5- Each candidate applying to appear at the examination will pay fee of Rs. 7.50 by means of a crossed Postal Order issued in favour of the Accountant General, U.P., Allahabad. The fees of candidates whom the Accountant General considers in his discretion to be unsuitable for admission (see Rule 14) will be returned by Postal Money Order at their cost. If from any cause an admitted candidate fails to appear in the examination, the fee paid will not be refunded nor will it be placed at his credit for any subsequent examination.

NOTE—Candidates belonging to the Scheduled Castes and Schedule Tribes will be required to pay only one-fourth of the fee.

6- Deleted .

7- The minimum educational qualification of the candidates from the three sources will be as follows :

(a) *For Direct Recruits*—A University Degree.

(b) *For recruits from Audit Offices*—All Upper Division Clerks are eligible to appear at the examination, subject to the fulfillment of other conditions .

(c) *For recruits from the Public Works Divisional Offices*—Such educational standards as may be agreed upon from time to time between the Accountant General and the Central or State Government concerned, a thoroughly satisfactory record of service in the Public Works Divisional Offices compensating for education short-comings.

8- No clerks of the Public Works Divisional and Audit Offices will be eligible to appear in the examination unless they have rendered more than two years service as Accounts Clerks in the Public Works Divisional Offices or as Auditors in any of the branches in the Audit Offices respectively.

NOTE—The Audit Office candidates and candidates of the Public Works Department including those in the Superintending Engineer's and the Chief Engineer's Offices who possess the same educational qualifications as those prescribed for "direct recruits" and whose age does not exceed the limit prescribed for direct recruits will be allowed to sit in the Initial Recruitment Examination for Divisional Accountant even though they have not put in two years service as Auditor in any of the branches of the Audit Office or as Accounts clerks in the Public Works Divisional Offices respectively. Such candidates will, however, be eligible to compete only as "direct recruits" and they will be subjected to the same conditions in respect of training and probation, etc. as are prescribed for "direct recruits".

9- The age of the candidates for the examination from sources (i) and (ii) referred to in Rule 1 must not exceed 35 years on the first of the month in which the examination is held. The age of the direct recruits must not exceed twenty-five years on the same date.

NOTES—(1) The minimum age limit for direct recruits for taking up the examination is 18 years. The Accountant General is, however, authorised to relax this limit in exceptional cases by not more than a year.

(2) In the case of candidates belonging to the Scheduled Castes and Scheduled Tribes 5 years should be added to the age limits prescribed in Rule 9 above.

(3) Candidates from sources (i) and (ii) referred to in rule 1, admitted to the Examination under the age concession admissible to Departmental candidates, will not be eligible for appointment if, after submitting the applications, they resign from service either before or after the Examination.

(4) In the case of bonafide displaced goldsmiths, i.e., those who are in possession of identification certificates in accordance with the Ministry of Finance (Department of Economic Affairs) letter no. 7/65/63-Go, dated April 17, 1963, to all State Governments, five years should be added to the age limits prescribed in Rule 9 above.

9-A An applicant must be—

- (a) a citizen of India,
- (b) a subject of Sikkim, or
- (c) a subject of Nepal, or
- (d) a subject of Bhutan, or
- (e) a Tibetan refugee who came over to India before the 1st January, 1962

with the permanently settling in India :

(f) a person of Indian origin who has migrated from Pakistan with the intention of permanently settling in India.

Provided that a candidate belonging to categories (c), (d), (e) and (f) shall be a person in whose favour, a certificate of eligibility has been given by the Government of India and if he belongs to category (f), the certificate of eligibility will be issued for a period of one year after which such a candidate will be retained in service subject to his having acquired Indian citizenship.

A candidate in whose case a certificate of eligibility is necessary, may be submitted to an examination for interview conducted by the recruiting authority and may also be provisionally appointed subject to the necessary certificate being granted in his favour by the Government.

9-B (a) No person who has more than one wife living or who, having a spouse living, marries in any case in which such marriage is void by reason of its taking place during the life time of such spouse, shall be eligible for appointment to service; and

(b) No women whose marriage is void by reason of the husband having a wife living at the time of such marriage, or who has married a person who has a wife living at the time of such marriage, shall be eligible for appointment to service

Provided that Central Government may, if satisfied that there are special ground for so ordering, exempt any person from the operation of this rule.

10- Recruitment to the cadre will not be confined to the inhabitants of any specified area in India.

11- A candidate wishing to appear in the examination will apply in the form prescribed in Rule 13 to the Accountant General concerned enclosing a crossed Postal Order of Rs. 7.50 (Rs. 1.87 in the case of a candidate belonging to Scheduled Castes or Scheduled Tribes) as fee and the following certificates.

(i) Certificate of good character signed by the candidate's immediate official superior in the case to candidate already in Government service and by the Principal of the College in which he has been educated, or by some other superior under whom he may have been employed or to whom he may be well known, in the case of outsiders. This certificate must have special reference to the two years immediately preceding the date of the application and this should be specifically mentioned in the certificate.

(ii) A duly verified statement of age, e.g. a baptismal certificate, a birth certificate, an affidavit signed by the guardian or a relative of the candidate before a Magistrate or an attested copy of the Matriculation or School Leaving Certificate stating the date of birth, or an attested extract from the service book in the case of candidates already in Government service.

(iii) An attested copy of University Degrees or other educational certificate, as the case may be.

12- The application which should be written by the candidate in his own handwriting and the certificates, etc. prescribed in Rule 11, should be submitted so as to reach the Accountant General's Office U.P. Allahabad not later than the 15th of the month second proceeding the month in which the examination takes place.

13- The application should set forth in the following particulars:

- (1) Name of the candidate to be written in full capital letters.
- (2) Father's name (in full) .
- (3) Citizenship (See Rule 9-A) .
- (4) Caste or tribe if he is a member of Scheduled Caste or Scheduled Tribe .
- (5) Date of birth .
- (6) Examinations passed with dates and copies of certificates.
- (7) Central at which the candidate wants to be examined.
- (8) Signature of candidate.
- (9) Present address to which all communications should be forwarded .
- (10) Roll number/year when previously appeared in this examination.

14- Applications which do not satisfy the requirements of the foregoing rules will be rejected without entering into further correspondence with the candidates. Other applications will be considered on their merits by the Accountant General , Uttar Pradesh whose decision as to whether or not the candidate will be informed whether his application has been accepted or not.

15- The examination will be held in the office of the Accountant General under the supervision of Gazetted Officers on such dates and at such hours as may be fixed by the Accountant General, U.P., Allahabad and communicated to each candidate.

16- The result of the examination will be declared by the Accountant General about a month after the completion of the examination and will be communicates direct to each examine . No appeals the published results will be entertained.

17- The candidates as thus finally selected will be required to under go the prescribed training in the Audit Office and/or Public Works Divisional Office before they are allowed to appear in the Divisional Test Examination in accordance with departmental regulations.

No candidates, from whatever source selected will be appointed to the cadre of Divisional Accountants unless he has passed the prescribed Divisional Test Examination or, in the case of Subordinate Accounts Service passed clerks of the Audit Offices, the viva-voce Part of it.

18- The results of each examination are independent. The place an unsuccessful candidate may have taken in one year even if he be excluded on account of reservation of vacancies for the Scheduled Casts and Scheduled tribes, give him no claim to a subsequent vacancy.

19- These rules may at any time be amended or revised by the Comptroller and Auditor General with such notice as he think fit.

APPENDIX IV
(See Chapter V, paragraph 102)

Notes of the Annual Inspection of the Accounts Records of the Sub-divisional Officer
SUB—DIVISION

Date of last inspection –

- (i) By Divisional Officer.
- (ii) By Divisional Accountant .
- (iii) DAte of present inspection.

Submitted to the Divisional Officer for orders.

Divisional Accountant,
Division.

Part I
I Cash Book

- (1) It should be seen that rules regarding the posting of cash book are duly observed and that it is posted up to date. It should also be seen that it is closed on the due date.
- (2) Compare the entries in the cash book with those in the copies of the cash book submitted to divisional office and note any differences.
- (3) Are the rules in paragraphs 146 and 147 regarding cheques cancelled and renewed properly observed ?
- (4) See whether cheques are irregularly deposited in the cash chest at the close of the year. (See Rule 2 under paragraph 155).

II—Imprest Accounts

- (1) How often are the imprest accounts closed and are they promptly recouped by the sub-divisional officer ?
- (2) Are the entries in the original imprest accounts free from erasures or interpolations and are corrections properly made and attested by the imprest holders ?
- (3) Examine the original imprest accounts generally from the date of last inspection and compare the entries for a month with those in the accounts submitted to divisional office.
- (4) Are there any cases where work establishment acquittance rolls or muster rolls etc. passed for payment by the sub-divisional officer are generally paid from permanent imprest instead of from temporary advances (paragraph 172) and if so what are the reasons ?
- (5) See that the amounts of imprest are spent for the purposes for which they are granted and that they are not in excess of the actual requirements in any ease.

(6) Is proper sanction obtained to the grant, increase, or decrease of an imprest ? Verify receipt of the imprest-holders.

III—Subsidiary register of disbursement of pay and allowance

Examine and check the subsidiary register of disbursement of pay and allowances maintained under paragraph 683. Also count the balance if any, in hand, to see that it agrees with the balance shown in the register. Also see that the undisbursed amounts are not retained for more than three months.

IV—Nominal muster rolls

(1) Are labourers paid without delay and payments made and attested by the officer of the highest standing available ?

(2) The number of labourers charged in the muster rolls should, in a few cases, be compared with the number as shown in the labour reports.

(3) See that the names of monthly paid members of work establishment are not included in the nominal muster rolls.

(4) What is the practice prevailing in the sub-division regarding payment of unpaid wages to labourers ? Are details of unpaid wages readily available and are the instructions in paragraph 430(e) and (f) carefully observed? Are there any long standing items and if so, what action has been taken by the sub-divisional officer for their clearance ?

V—Measurement books

(1) Trade payments relating to petty voucher into the books.

(2) Are dates of measurements invariably receded in measurement books, measurements crossed off as soon as bills are passed for payment and voucher numbers noted and pay order signed by the disbursing officer soon after payment.

(3) In the case of cancelled measurements, are reasons for cancellation recorded under the initials of the officer and in case of any corrections are they properly made and attested ?

(4) Are there any cases in which measurements have been taken by any unauthorised persons.

(5) Are measurements taken recorded in measurements books as soon as articles are received and the quantities in bills when received verified with these entries or are measurements recorded in the books on receipt of bill ?

(6) Note any measurement book missing and action taken by the sub-divisional officer. Has their write off been sanctioned by the competent authority ?

(7) Cases of delay in payment may be enquired into.

(8) See that each measurement book in use in the sub-division is sent at least once a year to the Divisional Office for the divisional accountant's scrutiny and that completed measurement books are promptly sent to the Divisional Office for record.

(9) It may also be seen that a suitable record is kept in the Sub-Divisional Office showing the receipt of the measurement books from and their return to the subordinates after payment. Delays in returning them should be objected to .

VI—Agreement

(1) Compare the particulars and rates in the office copies of agreements sanctioned by the sub-divisional officer and sent to divisional office with those in the originals filed in the sub-division in a few selected instances.

(2) Examine whether the agreements accepted by the sub-divisional officer himself are within his powers of sanction.

(3) It may be seen that no work is started until a suitable contract for it has been previously approved by the competent authority and until an estimate for the same has been sanctioned and funds allotted.

(4) In the case of payments made for which copies of piece-work agreements of work orders are not submitted to the divisional office, it may be seen generally that the rates allowed are not in excess of those provided for in the agreements of work order and also that penalty clauses are duly enforced, when necessary.

(5) In the Irrigation Department see if work orders are issued according to rules, and if they contain any irregularity.

(6) See that register of agreements and contract bonds entered into by the sub-divisional officer is properly maintained and the documents are serially numbered as they are signed .

VII—Contractor's Accounts

(1) Are the contractor's accounts clear and satisfactory ? Do they show any long outstanding without any satisfactory reason attributed to them?

(2) In the case of issues of articles of stock to contractors it should be seen that there are no cases of unauthorised or irregular issues of such materials to them. It should be particularly seen that these issues do not constitute an indirect aid to the contractor and that a proper watch is kept over the issues of stock articles of which the prices are appreciable below the market rates.

VIII—Materials at site

(1) What are the arrangements in the sub-division for exercising detailed control over transactions relating to materials charged to work not exceeding Rs. 10,000 and for verifying unused materials ?

(2) Checks completely one month's receipts and issues with reference to entries in measurement books, transfer entry order, muster rolls and copies of invoices of material supplied by other divisions and from accounts and note any differences.

IX—Cheques and Receipts Books

Are counterfoils of receipts and cheque books written up properly ? Compare the entries in the counterfoils with those in the original cash books for any one month and record the results.

X—Register of sanctioned estimates

Is a register of sanctioned estimates maintained and is it posted up to date quoting authority for sanction ?

XI—Indents for stores

(1) Are the rules, issued by the Stores Purchase Officer, strictly followed in purchasing stores ?

(2) Are invoices noted on the back of respective counterfoils of indents and payments also similarly noted, when adjusted.

XII—Work charged establishment

(1) Is a register of unpaid wages of work establishment maintained (paragraph 460) ? Are the entries attested by the sub-divisional officer ; and are notes of payments subsequently made recorded against the original entries and attested by the sub-divisional officer ?

(2) Note long- standing arrears and action taken by the sub-divisional officer for their clearance.

XIII—Monthly Accounts and Returns

(1) Are the cash and store accounts of the sub-division closed on the dates fixed for the purpose ?

(2) Are the store and other monthly accounts of the sub-division dispatched to divisional office within three days after closing the cash book (paragraph 724)? If not, why not, and what steps have been taken by the sub-divisional officer to avoid such delays ?

(3) What are the dates prescribed for the submission of half-yearly stock registers and balance returns of tools and plants to divisional office and are these submitted on the due dates ?

XIV—General

(1) It may be seen generally that the stock and tools and plant registers and other accounts are posted up to date and that they represent correct and complete transactions.

(2) State any defects in procedure, if any, noticed during inspection. Were they personally explained and necessary instructions imported to the sub-divisional officer and his staff ?

Part II

NOTE—Before taking up an inspection the Divisional Accountant will obtain the orders in writing from the Divisional Officer whether he or the Divisional Officer will go into the matters included in this part.

In either case, the report will be available for the inspection of the Accountant General.

I—Cash Book

(1) Examine the cash book and count the actual cash balance to see that it agrees with the balance shown in the cash book.

(2) See that private cash or accounts of members of the department are not mixed up with the public cash or accounts.

II—Imprest Accounts

State whether the accounts of imprest given to subordinates are equal to or in excess of requirements.

III—Agreements

Check the rates in the agreements sanctioned by the sub-divisional officer (in a few selected cases) with those in the sanctioned estimates and schedule of rates.

Note any case of excess rates allowed in the agreements or of items included in the agreements for which there has been no provision in estimates.

IV—Materials at site

- (1) Are the balances of materials at site efficient and certain to be required on works ?
- (2) Are there any materials at site of completed works including those transferred to surplus list from completed works ?
- (3) If so, what are the circumstances under which they become surplus?
- (4) Note instances where they were obtained in excess of requirements or in advances of requirements and become surplus owing to any charges in design etc.

V—Travelling allowance bills

Check a few monthly traveling allowance bills with measurements books to see whether the officers were on the work spots on the dates noted in the bills and note any irregularities .

VI—Expenditure on works on account of petty supervision and Contingencies

Examine those works on which the expenditure on account of works establishment and contingencies together exceed 5 per cent of works outlay and obtain in explanation as to the reasonableness of the extra expenditure.

APPENDIX V
(See Chapter VIII, paragraph 252)

Rules for the Distribution of Establishment and Tools and Plant Charges

1- The accounts of Establishment and Tools and Plant charges are kept on the following principles :

(i) The charges of a division or special office are, as a rule, met out of a single major head in the first instance.

(ii) Before closing the accounts of the year, the Accountant General apportions the charges of the whole State amongst the major heads to which the cost of the works was charged.

(iii) In certain cases where this annual adjustment is unsuitable, recovery of cost is effected in the accounts of the divisions concerned, from time to time, by the levy of a percentage charge.

(iv) Otherwise, the shares pertaining to individual works are not determined except for the purposes of certain pro forma accounts.

2- The establishment charges of a division or of a special office should, in the first instance, be classified under the minor head "Establishment" of the major head under which the division or office is classified for this purpose. The same major head should bear, in the first place, the charges for the ordinary tools and plant of the division, under the minor head "Tools and Plant".

1- For the classification of the charges for (1) the special tools and plant of a division and (2) the tools and plant of a special office see paragraph 4 of this Appendix and paragraph 718 respectively.

3- As an exception to the foregoing rule, the under mentioned special establishments should be charged as indicated below :

(i) Purely revenue establishment (Deputy Revenue Officers, Ziladars, Amins, etc.) employed entirely on the management of irrigation, navigation, or drainage and assessment etc. of connected revenue : To the subdivision "Working Expenses" of the major head, "XXXIV—Irrigation, etc., works (Commercial)" or to the major head "44—Irrigation etc., Works (Non-Commercial)" as the case may be.

1- If in any division of a circle of superintendence the charges of this special establishment cannot be accurately allocated to either of these two heads the entire revenue establish the circle should be treated as "Joint revenue establishment—XXXIV and 44" though it will ment of be charged, in the first instance, in accordance with the general rule in paragraph 2.

(ii) Establishment employed on large irrigation surveys for new projects : To the surveys concerned under the head "44—Irrigation etc".

(iii) Establishment employed on famine relief works : To the head "64-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 .

4- 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, should be treated as a direct charge to the work or project, and not classified under the minor head "Tools and Plant". Similarly, tools and plant and machinery required for a workshop of a quasi-commercial character should be charged direct to the accounts of it.

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

2- The cost of tools and plant required for use on Famine Relief should be treated as "Special" and classified in accordance with rule 4 above.

5- Recovery of the cost of establishment and tools and plant should be made at percentage rates in the following cases :

(a) Work done for Public Works Divisions of other States.

(b) Work done occasionally for Railways, Defence Department, Posts and Telegraphs or the Archaeological Department.

(c) Work done for all other departments liable to pay percentage charges.

(d) Non-Government works.

(e) Sale of Government undertakings.

1- For work done in workshops see paragraph 9.

6- The percentages are fixed, separately for establishment and tools and plant charges, and re-adjusted, if necessary, at quinquennial intervals, by the Government in consultation with the Accountant General the rates being based on the actual average cost (per 100 rupees of outlay on works) in the State or branch concerned during the previous five years Subject to the following maxima :

For establishment 21 ½ per cent.

For tools and plant 1½ per cent.

1- When only some of the operations necessary to the completion of a non-Government project undertaken at one time, different percentages may, if desired, be adopted for each operation; provided that, if subsequently the remaining operations are undertaken, the aggregate recovery is equal to the full charge leviable under this paragraph.

2- Similarly, different rates of charge may, if desired, be prescribed for large and small works, or for scattered and concentrated works respectively, the different rates being so fixed as to give approximately the same aggregate return to Government as if one rate only, as determined under this paragraph , were being charged.

3- As a permanent arrangement the Central Government have agrees to a rate of 21 per cent viz., 19½ per cent for establishment charges and 1½ per cent for tools and plant charges for centage charges in respect of Central works executed through the agency of the Uttar Pradesh Public Works Department, viz., Central Civil, Archaeological, Defence and Posts and Telegraphs works. This will be in addition to (1) a charge of 1 per cent to cover the cost of audit and accounts establishments which will be levied on works done for Defence Department and Posts and Telegraphs in terms of rule 11, note 1 and rule 19 below, and (2) pensionary charges under rule 18 below.

7- As an exception to paragraph 6, the establishment charge on new supplies and repairs or barrack furniture of the Defence Department is fixed at 10 per cent, on the outlay.

8- The prescribed percentage can be remitted, with the sanction of Government in the Finance Department, in the case of works for non-Government bodies or institutions. Relief in respect of payment should ordinarily be given through a grant-in-aid rather than by remission of dues. In special cases, Government may allow relief through remission of dues.

9- For work done in workshops, which are of a quasi-commercial character, percentage charges are leviable in all cases, i.e., even when work is done for Public Works divisions of the State. The rates are fixed by the Government, see paragraph 608 of this Volume.

10- The percentage referred to in paragraph 6 and 7 are leviable on the actual outlay booked in the accounts, i.e. on the net outlay in case there are any refunds or writes-back. No item of expenditure should be excluded from the levy on the plea that it involved little or on department supervision, etc. but the prescribed percentage charges for tools and plant should not be levied in the case of non-Government works on which tools and plant of the Department are not used.

1- Under this rule, even the cost of land acquired through the Civil Department is not exempt when it is adjusted in the divisional accounts as part of the cost of a non-Government work, if the estimate for the work does not include the cost of the acquisition of the land and this cost is not passed through the Public Works Accounts, no percentage charge is leviable on account of it.

11- Recoveries made in accordance with the rules in paragraph 5 to 10 should be classified as indicated in rule 5 of Statement E of Appendix I, the adjustments being made in the accounts of the Divisional Officer, whenever the cost of work done is adjusted by charge to the deposit, remittance or other account concerned.

1- An additional charge of 1 percent should be recovered in respect of works of the classes referred to in item (b) excluding the works of the Archaeological Department and items (d) and (e) of paragraph 5, to cover the cost of audit and accounts establishment and credited respectively to the heads "20—Audit and LII—Misc.—Fees for Government Audit.

2- In the case of the work done in workshops of a quasi-commercial character, the percentage charges referred to in paragraph 9 may be so regulated as to include this 1 per cent even in the case of jobs executed for other divisions or departments, both of the same State and of other States, but such recoveries should not be credited to "20—Audit or LII—Misc.—Fees for, Government Audit" except in cases referred to in rule 1 above.

NOTE—An annexure appended to these rules gives the different percentages for establishment, tools and plant and accounts and audit, which the Government have prescribed to be levied on certain works.

12- Recoveries on an account of services rendered by Special Officer other than Chief and Superintending Engineers, do not appear in the accounts of the Divisional Officers in cases in which there is no works expenditure, e.g. fees for advisory work. Such fees should be paid direct into the treasury to be credited to the head of account which bears the cost of the establishment of the Special Officer concerned when the fees have been recovered from outside bodies or departments of the same Government and to the corresponding receipts or capital head of expenditure in other cases vide Statement E of Appendix I.

13- In the case of large surveys for new projects of Irrigation, Navigation, Embankment and Drainage works for which special establishment is entertained, an addition of 5 per cent to the cost of this establishment should be made in the Audit office to cover the supervision charges thereon.

1- This rule applies also to workshops of a quasi-commercial character and to famine relief works, but the rate of charge may be even less than 5 per cent if so fixed by the Government on a consideration of the special features of each case.

14- Thus when the accounts of the year are about to be closed the charges detailed below will represent the residual charges to be apportioned to the several classes of works excused in the year, other than those for which either percentage charges were levied under paragraph 5 to 9 and 13 or special establishment was employed (paragraph 3) . This apportionment will then be made in the Audit office as indicated in paragraph 15 to 17.

- (i) Net charges booked under the minor head “Establishment”.
- (ii) Net charges booked under the head “Tools and plant”.
- (iii) *Minus* the recoveries on account of establishment and tools and plant charges, referred to in paragraph 10, whether credited to “recoveries of expenditure” or “receipts and recoveries on capital accounts”.

under several major heads.

1- The rules of apportionment apply also to work done for Railways, Defence Department Posts and Telegraphs and the Archeological Department, when work of these department is carried on in any circle of superintending as a standing arrangement. For work done occasionally for these departments see paragraph 5.

15- (a) The establishment charges to be distributed pro rata will be :

The sum of residual establishment charges (vide paragraph 14) in each circle of superintendence, *plus* ;--

(1) A share of the Chief Engineer’s establishment equally distributed over all the circle ; but if the Civil Works branch is entirely separate from the Irrigation branch and has a separate Chief Engineer of its own, the cost of his establishment should be distributed over the circles of the Civil works branch only, and that of the establishment of the Irrigation Chief Engineer or Chief Engineers over the circles of the Irrigation branch only.

(2) A share of the establishment of Consulting Architects and other Special Officers whose jurisdiction extends beyond a single circle of superintendence, equally distributed over all the circles; but if the Civil Works branch is entirely separate from the Irrigation Branch, even though under the orders of a joint Chief Engineer, this establishment should be distributed over the circles of the Civil Works branch only. (See also paragraph 12)

(3) A share of the leave salaries paid in England (as booked under the detailed head “Establishment” of the minor head subordinate to the several major heads) distributed over all circles in the manner indicated in (1) above.

Minus—The special charges for establishment adjusted separately under paragraph 3 in each circle.

(b) The tools and plant charges to be distributed pro rata will be the sum of the residual charges (vide paragraph 14) in each circle excluding the charges booked under the major head “64-A—Famine Relief”.

16- The *pro rata* distribution of the establishment or tools and plant charges, determined under the rules in paragraph 15, should be made thus—

I—For purely Irrigation or mixed Irrigation and Civil Works circles of Superintendence

- (a) The divisible establishment of tools and plant charges of each circle should be divided among the several major heads operated on (paragraph 14) in proportion to the works expenditure under each head.
- (b) No items of works expenditure recorded finally under the major head concerned should be excluded.
- (c) But, in order to allow for the cost of supervising the work of the purely revenue establishment mentioned in paragraph 3, the work expenditure under the major heads “XXXIV” and “44” should, for the purpose of pro rata distribution of establishment charges, be doubled, and the extra establishment charges to these heads on this account should be debited as Revenue establishment charges under “XXXIV” and “44”. This procedure assumes that the work of the executive branch is equally divided between maintenance and revenue.

II- For circles of Superintendence in which only the work executed falls under the Civil Works branch of the department

- (a) The divisible establishment of tools and plant charges in all the circles combined should be distributed pro rata over the various major heads concerned (paragraph 14) on the basis of the works expenditure in all the circles combined.
- (b) No items of works expenditure recorded finally under the major head concerned should be excluded.

NOTE—The debit to “50—Civil Works” under this rule should be again distributed pro rata between “50—Civil Works State” and “50—Civil Works-Central”.

III- (a) If a purely Irrigation or mixed irrigation and Civil Works circle of Superintendence consists of divisions with largely varying conditions of work and the Government are satisfied that the adoption of the circle as the unit of distribution, will in a series of years, result ultimately in a disproportionate charge to the administrative accounts of one or more important Irrigation, Navigation, Embankment or Drainage projects under construction in one or more divisions of the circle they may order those divisions, collectively or severally, to be treated as a separate unit or units of distributions and the remaining divisions of the circle as another unit.

(b) If this course is adopted the annual pro rata distribution of the establishment and tools and plant charges relating to each unit, should be made as in clause I above, with the exception that the establishment charges to be distributed should be determined as follows:

- (i) Take the total establishment charges in each unit.
- (ii) Add to this a share of the establishments of the Chief Engineers and special Officers, and of leave salaries paid in England, calculated thus—

First determine the share chargeable to the entire circle of superintendence under rule 18 (a), (1), (2) and (3). Divide this among the units making up the circle, in proportion to the works expenditure under each head, as in clause I of this paragraph.

(iii) Then deduct the special and percentage charges for establishment adjusted separately under paragraph 3 and 5 to 12 in each unit.

(c) Orders passed by the Government under sub-clause (a) above, will ordinarily cease to be operative on the expiry of the third year subsequent to that in which the construction estimates of the projects whose interests it was sought to project, were closed, unless an earlier date has been fixed by the Government.

17- The Joint Revenue Establishment—“XXXIV” and “44” (vide rule 1) under paragraph (i) of a circle, or other unit of distribution, should also be distributed between the major heads “XXIV” and “44” pro rata on the works outlay under the two heads.

18- Pensionary charges at 6.5 per cent on the gross establishment charges

works done occasionally for ent, Posts
Departments.
(ii) Works carried out as by standing arrangement for the following authorities:
(c) Archeological, and (d) Military.

pertaining to the work shall be levied on central works as mentioned in the margin on inter-departmental works and on works on behalf of local bodies, private individuals, etc. executed by both the branches of the Department. Credits for amounts so recovered or adjusted shall be classified in accordance with the instructions contained in rule 5 (iv) of Statement E of Appendix I.

19- Finally, an additional charge of 1 per cent to cover the cost of audit and accounts establishment, should be levied on work done for Railways, Defence Department and posts and Telegraphs, when works of these departments, are entrusted to the Public Works Department, as a standing arrangement.

20- The apportionment should not be carried further in the regular accounts, but the pro forms (Administrative) accounts of individual productive or unproductive projects of Irrigation, Navigation, Embankment and Drainage Works prepared annually by the Accountant General suitable additions to the outlay on the projects should be made to cover the cost of establishment and ordinary tools and plant. On the basis of the figure of the establishment (or tools and plant) charges in each circle, or other unit of distribution as finally booked under the major head concerned, should be determined the percentage (to 4 places of decimals) which that figure bears to the total works outlay finally booked under that head in the unit concerned. The establishment (or tools and plant) charge on account of each project under that head should then be calculated by multiplying the works outlay on the project by this percentage.

NOTE—In the Administrative accounts of Irrigation, Navigation, Embankment and Drainage works, an indirect charge of 1 per cent, on account of audit and accounts establishment should be levied on the works expenditure of the year.

21- For purposes of audit, or of allotment of funds, it is not necessary to include in the estimates for individual works, any provision on account of establishment and tools and plant charges, unless percentage charges are leviable, under the rules on actual works expenditure. See also paragraph 426 of this Volume. For administrative purposes, such provision is, however, made in the project estimates for irrigation works for which Capital and Revenue Accounts are kept and of any other of which it is desirable to forecast the ultimate Financial results.

ANNEXURE

1- The percentage charges at the rates given in the table below shall be levied on all works undertaken on behalf of local and private bodies and private persons in this State by Public Works and Irrigation Departments, as also on all works undertaken by Irrigation Department on behalf of other department's and undertaking of the State Government, and those liable to pay such charges levied by Public Works Department. They do not apply to works undertaken on behalf of other Government.

Classes of works	charges to be allocated as below	Works costing up to Rs. 20,000 or in the case of maintenance Rs. 2,000 expenditure per year per cent	Works costing over Rs. 20,000 and up to Rs. 1,00,000 per cent	Works costing over Rs. 1,00,000 per cent
1- Road bund and dram construction, reconstruction . or maintenance (excluding bridge construction and including the maintenance or repairs of bridges).	Establishment	.. 11	10	9
	Audit and Accounts Total	.. 1 12	1 11	1 10
2- Bridge construction or any other work not coming under 1 above or 3 and 4 below .	Establishment	.. 12	11	10
	Audit and Accounts Total	.. 1 13	1 12	1 11
3- Building construction and maintenance	Establishment	.. 13	12	11
	Audit and Accounts Total	.. 1 14	1 13	1 12
4- Works of a special nature	Establishment	.. 14	13	12
	Audit and Accounts Total	.. 1 15	1 14	1 13

(a) The charges levied for a work costing more than Rs. 20,000, Rs. 1,00,000 shall not be less than those leviable for a work of similar nature costing exactly Rs. 20,000 Rs. 1,00,00.

(b) The Chief Engineer's decision as regards the classification of a work shall be final.

2- The total fee to be charges, i.e. from 10 per cent to 15 per cent by the Government for service rendered shall, where necessary, be further sub-divided as follows :

Total fee	10	11	12	13	14	15
	per cent	per cent	per cent	per cent	per cent	per cent
Preliminary plans and proximate estimate (chargeable to establishment only)	3/4	3/4	1	1	1½	1½
Complete plans and detailed estimates (including charge for preliminary estimates) (chargeable to establishment only).	2	2	3	3	4	4
Execution of works including Audit.	8	9	9	10	10	1

NOTE—The above rates shall apply also to work carried out by the Public Works Department on behalf of the Irrigation Department and *vice versa*. But if the percentage charges amount to less than Rs. 100 on any individual work undertaken by the Irrigation Department on behalf of the Public Works Department or by the Public Works Department on behalf of any other Government Department including the Irrigation Department the charges in such cases will be waived.

3- (a) In respect of Central works, viz. Central Civil Archaeological, Military and Posts and Telegraph works executed by this Government on behalf of the Central Government and *vide versa* the departmental charges at the rates given in paragraph 1 and 2 above, shall be levied with effect from April 1, 1940 subject to the following conditions :--

(i) that Central Civil and Archaeological works shall as hitherto, not be subject to the levy of a charge of one per cent for audit and accounts ; and

(ii) that the new rates shall be subject to the periodical review by the State Government .

(b) In respect of railway works executed through the agency of the Uttar Pradesh Government and *vice versa* the departmental charges at a uniform rate of 12½ per cent shall be levied with effect from February 27, 1941. The rate of 12½ per cent shall be distributed as :

1 per cent for audit and accounts charges.

11½ per cent for establishment charges.

NOTE—The rate given above will not apply to those works for which a different rate was decided on prior to February 27, 1941.

4- In respect of municipal sanitary or health works executed by the Local Self-Government Engineering Department the percentage charges given below will be levied :

Serial no.	Name of work	Percentage for Establish-ment	Percentage for tools and plant	Percentage for Accounts and Audit	Total percent age charges	Date of effect	Authority	Remarks
1	2	3	4	5	6	7	8	9
1	Municipal Sanitary or Health works:- (a) Drainage works upto Rs. 50,000.	..	..	..	..	..	1. Government Municipal Department notification no. 313/XI – 747 F – dated the 29 th January, 1926.	Note – These charges will not be livable on works done for the non-commercial department of this Government.
(b)	Drainage works over Rs. 50,000 but not exceeding Rs. 5 lakhs.	13 1/2	1 1/2	1	16	29 th January 1926.	2. G.O. Financial Department no. B-742/X-N – 94-21] dated the 8 th September, 1926.	
(c)	Drainage works over Rs. 5 lakhs, electric supply works, water supply works other than tube-wells: tube wells entirely constructed by a contractor under a lump sum contract.	10 1/2	1 1/2	1	3	Ditto	3. G.O. Finance Department no. B-4757X-94. dated the 14 th December, 1926.	The percentage charges do not include the fees of Electrical Inspector to Government under the Indian Electricity Act, 1910.
(d)	Other tube wells	8 1/2	1 1/2	1	11	Ditto	4. G.O. Municipal Department no. 4486-C/XI-47-E, dated the 18 th October, 1928.	
		36 1/2	12 1/2	1	50	Ditto	5. G.O. Municipal Department no. 2980/XI - 64, dated the 19 th September 1931.	Under this Act it is obligatory to have electric works inspected by the Electric Inspector and the fees for
							6. G.O. Municipal	

							Department no. 6698/XI – 64, dated the 5 th December, 1931/	such inspection should be paid out of the contribution received from the Municipality.
2	Town Planning Scheme. Slaughter houses, markets model lodging houses, houses, hotels, dispensaries, bathing ghats, latrines and the like -	..	..	..	..	..	Municipal Department notification no. 1378/XI 747-E, dated the 5 th May, 1931	
(a)	up to Rs. 50,000	13 1/2	1 1/2	1	16	29 th January 1926.		
(b)	Over Rs. 50,000	8 1/2	1 1/2	..	11	Ditto	..	..

APPENDIX VI—(Deleted)

APPENDIX VII

(See Chapter XII, paragraph 352)

Rules for the Execution of works on “work orders”

1- These rules apply only to all contracts and agreements not exceeding the sum of Rs. 10,000 which cannot be completed and settled up forthwith.

2-(a) No work shall be performed under any such contract or agreements, unless the conditions to be fulfilled are reduced to writing and signed by the contractor and the officer competent or agreement.

(b) No authority lower than the officer-in-charges of a sub-division or Assistant Engineer may enter into any contract or agreement for public works.

(c) When work has to be performed within 8 kms. of the head quarters of a civil district where it is possible to call for tenders as laid down in paragraphs 360 to 364, Public Works Account Rules, the full instructions in those rules must be observed for all contracts exceeding Rs. 1,000.

(d) For work other than those mentioned in sub-clause (c) above, where such formalities are difficult to carry out, it is left discretion of the officer entering into any contract not exceeding Rs. 10,000 to follow or dispense with them as seems most suitable for the purposes of the work concerned.

(e) Contracts not exceeding Rs. 10,000 should be drawn up on the prescribed work order form (Form no. 10-B appended) and clear instructions and specifications, signed by the divisional or sub-divisional officer (s) or Assistant Engineer (s) and by the contractor, should be entered. These instructions and specifications must be precise as to what is to be done, the time to be allowed and the penalty which may be inflicted in case of failure.

3- For sums exceeding Rs. 10,000 all contracts should be drawn up on from nos. 111 and 112 prescribed for the purpose and the full instructions laid down in Public Works Accounts Rules, must be strictly followed.

When, however, the urgency of the project requires the work to be commenced forthwith and before the tender and contract documents have been accepted by the competent authority, the work may, for recorded reasons and under the written orders of the divisional officer, be started temporarily on a piece work agreement prescribed for purposes, which should be immediately cancelled as soon as the proper contract bond is completed and signed. The Sub-Divisional Officer or Assistant Engineer and the Divisional Officer (except in cases where the sub-divisional officer or Assistant Engineer is empowered to deal with the contract finally) will be held personally responsible for getting the bonds completed and signed with the least possible delay.

General

4- No individual contractor may receive more than one contract at one time in connexion with the same work.

This, however, will not prevent a divisional or sub-divisional officer (s) Assistant Engineer (s) giving to the same contractor more than one contract in several sections of the same work in different localities (e.g. earthwork or silt clearance in different reaches of the same channel) or in connexion with different types of work (e.g. repairs to banks and masonry works under the annual repairs estimate).

Moreover, this restriction does not apply to entering into a supplementary contract to cover items of works inadvertently left out of the original contract or which could not be foreseen when the latter was drawn up. See also paragraph 369.

5- Divisional Officers may accept tenders up to the limit of a sanctioned detailed estimate in case where the conditions of contract in the printed form approved by the Government are sufficient and applicable. They may also delegate to Sub-Divisional Officers or Assistant Engineer selected by name the power to accept tender not exceeding Rs. 7,500 . An officer before accepting a tender or agreement must see that the total is within his powers of acceptance and, if not, he is responsible for forwarding the same to his superior officer for approval and signature. Special attention is invited to paragraphs 368 to 370.

6- Special attention is also invited to the first section of paragraph 367 and to the necessity of either enforcing penalty for failure to finish the work within the time-limit laid down in the contract or of getting proper sanction of competent authority in writing to its extension. In such cases where the Sub-Divisional Officer (s) or Assistant Engineer (s) accepted the contract, the power to extend the time-limit or enforce the penalty lies with him. In other cases, Sub-Divisional officer (s) Assistant Engineer (s) should submit the case with their recommendations to the Divisional Officer (s) or Assistant Engineer (s) for orders. The order passed on the case which should give the reason for the decision, should be filed with the contract documents.

Whenever it is necessary to extend the time-limit of a contract, an application in writing from the contractor should be obtained before the original time-limit expires, and this application with the orders, of the divisional or sub-divisional officer noted thereon should be attached to the contract papers.

FORM NO. 10-B
Work Order No.

Division

Sub-Division

MEMORANDUM OF AGREEMENT made the _____ day of _____
between _____, son of _____ resident of _____

(Which expression where the context so admits includes his heirs, executors, administrators and permitted assigns) (hereinafter called "the contractors") of the one part AND to Governor of the Uttarkhand (which expression where the context so admits includes the successors and assigns) (hereinafter called "the Governor") of the other part;

WHEREBY the parties mutually agree with each other as follows:

1- In consideration of a sum to be calculated at the rates set forth in the schedule hereto annexed which said sum the Governor hereby agrees to pay to the contractor within _____ months after the said contractor has completed the works set forth in the specification and special instructions hereto attached and to read as part of this agreement, the contractor hereby agrees that all the works shall be executed with great promptness, care and accuracy, in a workman like manner and shall be completed within _____ months from the date of these present.

2. The contractor shall use material of the best quality and shall take articles of Government stock after given a due receipt and shall use them carefully.

3. If the Governor shall make the said contractor any payment on account during the execution of the said works he shall be entitled to deduct the same from such some as is found to be payable to the contractor on completion of the works as aforesaid. From all bills for payment on account are deduction at rate of 10 percent on their total will be made, which deductions will be refunded to the contractor in the final payment to be made on the completion of the works as aforesaid.

4. If the _____ shall at any time during the progress of works be dissatisfied with the rate of progress or the quality of the materials that have been used or of the workmanship he the said _____ may without notice immediately determine this agreement and call in another contractor or employ daily labour to dismantle bad work if necessary and to renew and complete the said works and may pay the cost of such contractor or daily labour for such dismantling, renewing or completion out of such sums as are or would have been payable under this agreement to the contractors or the balance of that sum if payment on accounts of work done have been made to the contractor and if such cost be more than such sums or the balance of such sum the difference between it and the such sum or balance shall be a debit due from the contractor to the Governor and shall be recoverable as such.

5. If the contractor fails to complete as aforesaid the said works by the time fixed in this agreement for completion the Governor may deduct from the sum found to be payable under this agreement or the balance of the sum them unpaid.

The sum of Rs. _____ for every day that shall elapse between the day fixed for completion and the day of actual completion and the day of if action has not been taken under clause 4 hereof.

6- (1) The contractor will indemnify the Governor from all claims for injury caused to any person, whether a workman or not, while in or upon the works or the site of the same, and Governor shall not be bound to defend any claim brought under the Workmen's Compensation Act (VIII of 1923) or any of its subsequent, amendments, unless the contractor makes a written request for the same and first deposits with the Governor a sum which the Governor deems sufficient to meet any liability which the Governor might incur by reason of defending any such claim.

(2) The Governor shall further be entitled to recover the amount so paid by way of compensation under the aforesaid Act or any part thereof by deducting the same from the security money deposited by the contractor or from any other sum due by him to the contractor under this agreement or on any other account whatsoever..

7- Notwithstanding anything stipulated in the aforesaid clauses, the Governor shall have power to retain any sum due to the contractor (s) and set off all claims against him (them) whether arising out of the particular contract or out of any, other transaction or contact held by him (them) alone or in partnership with others.

8- Every disputer , difference or question which may at any time, during the continuance of this agreement or after its termination from any cause whatsoever, arise between the parties hereto or any person claiming under them, touching or arising out or in respect of the same, or the subject-matter thereof shall be referred to the arbitration of the Executive Engineer of the _____ and the decision of the arbitrator shall be final and binding on the parties.

IN WITNESS WHEREOF

and _____ on behalf of the _____ Governor and acting under his authority in this behalf have signed this deed here-under on the dates mentioned under their respective signatures.

Signature of the Contractor -----

Witness -----

Witness -----

Signed by ----- on behalf of the Governor of the Uttarkhand.

Witness -----

Witness -----

Specifications -----and special instructions referred to..

APPENDIX VIII

(Deleted)

APPENDIX IX

(See Chapter XIII, paragraph 414)

Rules of Procedure to be followed in preparing and submitting Schemes of Capital Irrigation Works for the Sanction of Government

I—General

1- The following rules define the procedure to be adopted in connexion with irrigation projects which require sanction of the Government. Throughout the rules, the term “irrigation project” or “irrigation work” is used in the sense indicated in paragraph 408.

II—Projects to which the sanction of Government is required

2- Sanction of the Government in the Administrative Department is required in the case of all original works estimated cost of which exceeds Rs. 1,00,000. In any of the following case, however, sanction of Government in the Finance Department is also required—

- (a) where the project concerned materially affects the interests of more than one State Government.
- (b) where cost of the original estimate exceeds the powers of the Administrative Department of the Government;
- (c) where a revised estimate exceed the powers of the Administrative Department of the Government ;
- (d) where a further revised estimate is proposed after one revised estimate has already been sanctioned by the Finance Department.

NOTE—Powers of the Administrative Department to accord sanction to original estimates will be found in F.H.B., Vol. I (See para. 409).

III—Classification of Works

3- Irrigation works for which capital accounts are kept are classified as either “productive” or “unproductive”. The criteria to be adopted in deciding questions of classification are given in paragraph 1 to 5 Statement A to Appendix I. (See also paragraph 412).

IV—Rules regarding the preparation of Irrigation Projects

4- The paper to be submitted with the project for an irrigation work consist of a report, such plans, measurements, quantities, rates and specifications as may be necessary to enable the suitability of the deigns and the adequacy of the estimated cost of the project to be adjudicated upon, and an abstract, classified under the heads prescribed in rules 12, bringing the various component items together. These documents together from what is called the estimate”. (See paragraph 329).

5- Every project for an irrigation work submitted to the Government should contain a full report explanatory of the project. It is impossible to lay down headings which will be suitable in all cases but the following points should, in general, be dealt with. (See also paragraph 82 and 85 of the Irrigation Manual of Orders).

6- The report should give a general description of the proposed works including the sources from which the supply of water is to be drawn, the maximum floods likely to be experienced, the quantity of water available at different periods of the year, and the quantity it is proposed to utilize. Reference should also be made to any rights in the water already existing. The reasons for the adoption of the particular scheme recommended in preference to any other should be explained, if necessary. The rainfall and depth of spring level in the tract affected, the sources of existing irrigation, and the means of drainage proposed, if such are required, should be dealt with. The lengths of the main channels and distributaries should be given, these lengths being compared with those of channels of similar capacity actually constructed elsewhere, and a full account appended of the considerations governing the designs of all important works, with a careful analysis of any engineering questions involved. The cost of additional communication (other than the cost of construction communications) and other extraneous works, involved in the project should not be regarded as part of its cost, but the report should include an estimate of expenses under this head, so far as data for such estimate are available.

7- Figures should be given showing the area of land commanded, the average area usually cultivated and the area probably irrigated. The opinion of the local revenue officers as to the desirability or necessity of the projected work, the fairness of the water rates proposed, and the probability of the anticipated financial results being realized should invariably be stated. In the case of projects involving an outlay of over Rs. 3 lakhs on works, the returns expected from the works, with a note as to the basis on which they are calculated, should be exhibited in Form No. 1 appended to these rules, Part III of the form being signed by the chief revenue authority of the State.

8- The report should also deal with the question of labour and the sources whence it is obtainable, the probable effects of the operations on the existing rates, the localities whence materials can be obtained and the facilities for manufacture. The manner in which the rates adopted for estimate purposes have been arrived at should also be commented on.

9- The method proposed for carrying out the work should be described; and in particular such matters as the extent to which it is intended to use mechanical appliances, to employ manual labour, to give out work to large contractors or to resort to the agency of departmental labour or petty contractors should be dealt with. In the case of large projects the number of circles and divisions into which the work is to be divided and the time likely to be occupied in construction should also be stated. Any permanent increase in the establishment which will be necessary to provide for the eventual maintenance of the works should be calculated and explained and sanction should be applied for to any posts, temporary or permanent, which the Chief Engineer or other subordinate Authorities are not themselves, competent to create. [See also Explanation under paragraph 128 (a) of Financial Hand book, volume V].

10- Special attention should be given to the following matters, which have been the cause of excess in the past :

(a) The preliminary operations, including the surveys both of alignments and soil, with trial borings, where necessary, should be completed as far as possible before the project is submitted. It should be clearly stated, in each case, to what extent this has been done and what still remains.

(b) In addition to the usual charge of 5 per cent for unforeseen contingencies, which percentage may, for reasons recorded be increased if circumstances render it desirable, all incidental expenditure which can be foreseen, such as sheds for workmen and stores, etc., should be separately provided for in the estimate. The utilization of “over all” rates, intended to include such expenditure, is to be depreciated. (See also paragraph 332).

(c) The estimate of the cost of acquisition of land should receive special attention, and a valuation should be obtained in every case from the district officer concerned. (See paragraph 336 and also paragraph 87 of the Irrigation Manual of Order).

(d) The district officer should also be consulted as to the number of bridges which will be required, and care should be taken that an adequate number of escapes is provided.

(e) Special attention should be given to the probable cost of foundations, the measures to be adopted in connexion with them, and the amount of pumping likely to be necessary.

(f) The allowance, if any, for special tools and plant should be carefully considered. The inclusion of a lump sum for the purpose is generally to be depreciated and, if this method is adopted, the provision allowed should be tested with reference to the probable cost of the actual plant required. The amount of credit anticipated under this head and the source whence it will be obtained should be fully explained, the account rule in paragraph 257 being carefully borne in mind. (See also paragraph 336).

(g) Where the estimate of several structures of the same kind are derived from a single type design, the most unfavorable conditions likely to occur should not be overlooked.

(h) Estimates framed on the basis of analogies from existing works are usually unreliable, and before this method is adopted, the correctness or otherwise of the analogy should be very carefully tested for selected portions of the work. In particular, analogies drawn from small works should never be relied upon for the preparation of larger projects.

(i) All calculations of quantities and costs should be independently checked to obviate clerical errors.

(f) When the circumstances of a project are such that there is reason to suspect that expenditure, other than that which can be definitely foreseen at the time of framing the estimate, may become necessary during the course of construction provision to meet it, under the head “unforeseen expenditure”, should be made in the estimate. When this is done, the circumstances should be fully explained in the report.

(k) In estimates the revenue likely to be obtained from a project consideration should be given to the fact that, in some cases the full discharge or storage will not invariably be available and that, in others, even if available it may not be required. The average discharge or storage likely to be utilized, arrived at by analogy from similar works elsewhere, should be the basis of the revenue estimates.

(l) In calculating what price will be secured for the Government land the sale proceeds of which form part of the estimated revenue from the project, regard should be paid to the probable relation of supply and demand especially when a project or different projects are likely to bring land into the market simultaneously in more than one State.

11- The expenditure proposed to be incurred upon a project should in every case be restricted to the minimum amount necessary to ensure the success of the undertaking. Estimates should be framed with a view to the general rule that every government servant should exercise the same vigilance in respect of expenditure incurred from revenues of the State as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

12- The complete estimate for a project, besides including all anticipated direct charges (in which leave salary and pension charges should be taken into account) should further include as indirect charges the amount required to cover the capitalization of abatement of land revenue on the area occupied by the works and an allowance for the cost of audit and accounts. The direct charges should be classified under the appropriate minor heads of account, the minor head "Works" being sub-divided into appropriate sub-works where necessary, the estimated expenditure on each work or sub-works being classified under the heads enumerated in Statements B and C of Appendix No. 1. The cost of Surveys, including expenditure incurred prior to the submission of the project, should be included in the estimate. An abstract, framed on these lines, in the form given in Form No. 11 appended to these rules must accompany every project submitted for sanction. In the case of large projects, the sub-works may, if desired, be further sub-divided so as to show individual large works.

13- If it is known that the project will constitute the sole charge on one or more superintending engineer, the estimate of the cost of the superintending engineer and other establishment should be framed in detail, a suitable amount being added to cover an adequate share of the cost of the Chief Engineer's establishment. Even where a superintending engineer's charges is not in question, the cost of the establishment required for the supervision of the construction of the project should ordinarily be estimated in detail, but the Government may, at their discretion, calculate the provision to be made for establishment in such a case on a percentage basis provided that the percentages are justified by comparison with past actuals. In the case of ordinary tools and plant, either the actual, anticipated cost, or a reasonable percentage allowance, based on past actuals may be entered in the estimate.

14- No provision should ordinarily be made for the minor-head "Suspense" as this head in the accounts represents services of a general character not necessarily pertaining to a particular project. If, however, one or more divisions are expected to be maintained exclusively in connexion with stock required for the project, provision for "Suspense" may be included, but only to the extent of the balances likely to be outstanding under "Suspense" on the date of closing the construction estimate.

15- Either in the report, or in the letter forwarding the estimate for sanction, a full explanation should be given as to how it is proposed to finance the project.

V--Storage Projects

16- The report should, in addition to the information specified in rules 4-15, give the area of the tank and contents when full, the area to be irrigated per unit of storage, the length of the dam its maximum height, materials of which it is proposed to construct it, form etc., and the mode in which the water is to be let off for irrigation. The questions of the available water supply, number of times the reservoir will probable fill, rainfall and proportion flowing off the catchments, loss by evaporation and absorption etc., should be

fully dealt with, as well as the quantity of flood water for which provision must be made, the flood absorption capacity of the reservoir, and the water-way of the escape weirs or sluices. The results of any experiments gearing upon the strength of materials proposed for use in the dam should be dealt with, as also the site content of the water and the probable effective life of the reservoir .

VI—Projects affecting more than one State

17-Where more than one State, is concerned, the report should detail the arrangements mutually agrees upon for financing the works, the terms upon which the water is to be shared, and the agency by which the works will be constructed. When a project or different projects are likely to bring land into the market simultaneously in more than one State, and the sale proceeds of such land form part of the estimated revenue from the project, the report should state what arrangement the Government have to make to meet the contingency. A draft of any formal agreement into which it is proposed to enter to regulate these and any other matter in respect of which agreement is deemed necessary should accompany the project.

VII—Embankments

18- In the case of new lines of river embankments, the provisions of paragraph 416 should be observed.

VIII—Nature of sanction

19- The sanction accorded by Government in the Administrative or Finance Department to a project for an irrigation work shall be regarded as in the nature of an administrative approval to the project and not as the final technical sanction to the detailed estimate of the works. Such technical sanction will be accorded by those officers of the Public Works Department to whom power has been delegated by the Government. (See Financial Handbook, Volume I).

IX—Commencement of Works

20- It is a fundamental rule that no work shall be commenced upon an irrigation project to which these rules apply until the following conditions have been fulfilled :

- (a) The approval of the Government to the project has been obtained.
- (b) There is a sanctioned design and detailed estimate for the proction to be commenced .
- (c) Funds have been allotted for the work.

When these conditions have been fulfilled, the Chief Engineer is competent to authorize the commencement of construction.

X—Delay in commencement of work

21- A sanction accorded by Government in the absence of any indication to the contrary in the order itself, will lapse only if and when it is superseded by an order of later date. If, however, such sanction to an estimate for an irrigation work is not acted on for more than five years from the date upon which it was accorded a revised estimate should be prepared before the commencement of work, the Government's sanction obtained again. But also see paragraph 415.

XI—Rules governing the accord of technical sanction

22- When a project has been sanctioned by the Government, an officer of the Public Works Department to whom power has been delegated by the Government may sanction detailed estimates for component parts of the project against the amounts provided for the detailed head or sub-work (where no detailed head is given) in the abstract estimate (Form No. II) appended to these rules. When it becomes evident that the amount provided for such detailed head or sub-work (where no detailed head is given) will be exceeded, the following rules must be observed :

(a) Subject to any order which the Government may pass in the matter, the officer-in-charge of the project may transfer provision to meet such excess from another detailed head of the same sub-work on which a saving is anticipated.

(b) Should it become evident that an excess over the amount provided in the abstract estimate for any sub-work will be exceeded, the officer in charge of the project must report the fact immediately to Government in the Administrative Department for orders. He should at the same time intimate what savings, if any, are anticipated upon other sub-works of the project.

(c) The Finance Department of the Government may transfer provision from one sub-work, on which a saving is anticipated, to meet a probable excess on another or it may permit an excess over the provision made in the abstract estimate for any sub-work up to an amount to be stated by it.

NOTE—The sub-works into which the minor head “Works” is divided are enumerated in Form No. II appended to these rules.

XII—Modifications after accord of sanction

23- No modification is permissible after accord of sanction by the Government. If any modifications are subsequently rendered necessary, a full report of such modifications should be made to Government for sanction.

NOTE—Modification will include abandonment of items included in the original estimate or provision of items not included there in and in increase or reduction in the area to be irrigated by the project.

XIII—Reports of probable excesses

24- Whenever it is ascertained that the expenditure upon any project is likely to exceed the amount sanctioned by the Government by any amount greater than that which the Chief Engineer is empowered to pass the Government in the administrative Department should be immediately advised of the anticipated excess. The revised estimate should be submitted in due course with a full explanation of the work. The Government should also be immediately informed, if, at any time during the course of construction, it becomes probable that a work, sanctioned as productive, will fail, in operation, to satisfy the criteria which must be satisfied before a work can be regarded as productive.

XIV—Annual reports

25- In the case of projects involving an outlay of Rs. 3 lakhs on works, The Chief Engineer will submit annually to the Government not later than the 31st December of each year, a report upon each irrigation work the construction estimate of which has not yet been closed. The report should contain :

(a) A detailed narrative account of the work executed during the year, and a statement in general terms of what still remains to be done.

(b) An account of any modification made or anticipated in the project as sanctioned by the Government .

(c) A statement comparing the actual expenditure incurred up to the end of the previous financial year against each detailed head with—

(i) the abstract as originally approved, and

(ii) the abstract as subsequently modified by competent authority under rule 23.

If an excess over the amount provided for any sub-work has been authorised under rule 23 (c), the fact, and the extent of the excess authorised, should be noted on the statement.

(d) A definite expression of the Chief Engineer's opinion--

(i) Whether there is any reason to anticipate an excess over the total amount sanctioned for the project by the Government and if so whether the excess is likely to exceed his powers to sanction it, and

(ii) Whether there is any reason to anticipate that the results forecasted from the work will not be obtained.

NOTE—The inclusion of these expressions of opinion will not dispense with the necessity for the formal report required by rule 25.

XV—Supplementary and revised estimates

26- Supplementary and revised estimates when rendered necessary under the provisions of paragraph 394 and 395, must be accompanied by a full report of the circumstance which render them necessary. The abstract must show the amount of original estimates and the total of the sanction required, including the supplementary amount, vide paragraph 394.

27- The revised estimate should be accompanied by a comparative statement in Form No. III appended to these rules, comparing the revised estimate with the latest existing sanction of competent authority, and by a report showing the progress made to date. [See also paragraph 396].

28- When a revised or supplementary estimate is submitted under rule 26, it should be accompanied by revised financial forecast statements as required in the case of an original estimate (vide rule 7). An explanation should also be given, in amplification of that already submitted under rule 15 as to how it is proposed to finance the project, more especially in respect of the amount by which the revised or supplementary estimate raises the cost of works as originally anticipated.

XVI—Utilization of completion report as revised estimates

29- In the circumstances explained in paragraph 398 the excesses may, with the concurrence of the Government, be explained in a completion report prepared as prescribed in rule 31. The adoption of this procedure in no way dispenses with the necessity for the immediate report of the excess required under rule 24.

XVII—Completion reports

30- The construction estimate of an irrigation work should be closed as soon as the project is practically in full operation, although there may be certain works, provided for in the construction estimation, either unfinished or which it is not desirable to construct at once.

31- A complete report of the project comprising of the following documents in Form No. IV, appended to these rules, should be submitted to Government in the case of all projects requiring an outlay of more than Rs. 3 lakhs on works, as soon as the construction estimate has been closed. [See rule 2 under paragraph 399].

Schedule A—A statement showing, by works and sub-works, classified under the relevant detailed heads, the actual expenditure on works completed up to the date of the closure of the construction estimate.

Schedule B—A statement of works which are within the scope of the sanctioned estimate and of which detailed estimates have been prepared and sanctioned by competent authority, but which were incomplete or had not been begun on the date of the closure of the construction estimate.

Schedule C—A statement of works whether included in the construction estimate or not, which have been sanctioned by competent authority under the provisions of rule 37 below, between the date of closing the construction estimate and the date of the submission of the completion report.

Schedule D—A statement of works for which no estimates have been sanctioned up to the date of the submission of the completion report, but the probable expenditure on which can be foreseen and which are necessary to complete the project.

Schedule E—A statement compiled as a combination of statements A,B,C, and D. This statement should also show, for purposes of comparison, the sanctioned estimate by works and sub-works, classified under the relevant detailed heads of account.

A report on the works executed up to the time of the closure of the construction estimates, and an index map or maps showing the project as completed, will accompany these documents. The report will discuss the financial results already attained and expected in the future and will be accompanied by forecast financial statements in Form No. 1, based on Schedule E above, i.e., on the total anticipated ultimate expenditure on the project. Part-III of this form will be signed by the chief revenue authority of the State.

32. These documents should ordinarily be forwarded within 6 months of the closure of the construction estimate or 12 months in the case of an exceptionally large work.

33. Schedule E will be treated as a revised forecast of expenditure against the sanctioned project. When the expenditure, as shown in the schedule, exceeds the amount sanctioned by an amount greater than that which the Administrative Department of the Government are empowered to pass, the completion report will be submitted to the Finance Department of the Government for approval.

34. All important work which had not been commenced and which were within the scope of the sanctioned estimate should be included in Schedule B, C or D as the case may be.

35. Subject to the restriction that the total expenditure against the project shall not exceed the amount sanctioned for the project by an amount greater than that which the Administrative Department of the Government is empowered to pass, that department is competent to incur expenditure between the date of closing the construction estimate and that of the approval of the completion report by Finance Department on –

- (a) works entered in Schedule B and C.

(b) works entered in Schedule D, within the limits and subject to the conditions specified in rule 37 below.

36. On receipt of approval of Finance Department to the completion report, works included in Schedules B and C may be carried to completion without further sanction. The Administrative Department of the Government may also, on receipt of such approval, sanction further out lay on other works against the open capital account of the project within the limits and subject to the conditions, laid down in rule 37 below :

XVIII—Open capital account

37. If subsequent to the closure of the construction estimate, it be fund necessary to construct other works, whether included in the construction estimate or not, of which no detailed estimates had been sanctioned when the construction estimate was closed, the following procedure will be observed :

(a) Any work or group of connected works, the protion of the estimated aggregate cost of which, chargeable to capital, does not exceed the limits of the powers of the Administrative Department (vide rue 2) may be sanctioned by the Administrative Department.

(b) Revised and supplementary estimates for open capital works, the original estimates of which were sanctioned by the Finance Department, may be dealt with by the Administrative Department within the limits specified in rule 2.

(c) The papers which should accompany a project estimate chargeable to the open capital account of an existing work and to which the approval of the Finance Department is required will be the same as those prescribed in the case of an original project.

FORMS REFERRED TO IN THE RULES

Form I—Financial statement –Parts I—IV .

Form II— Abstract estimate of cost.

Form III— Revised estimate.

Form IV— Completion report Schedules –A—E .

FORMS 1—FINANCIAL STATEMENTS

PART I

Summary of the Estimated Direct Charges to Capital Account

Year	Works	Establishment Including leave salary and pension charges	Tools and plant	Suspense	Total	Less receipts on capital account	Net total
1	2	3	4	5	6	7	8

Total..

FORMS 1—FINANCIAL STATEMENTS

PART—II

Summary of the Estimated Indirect Charges to Capital

Year	Capitalised abatement of land revenue	Charges on account of audit and accounts establishment	Total
1	2	3	4

Total

FORMS 1—FINANCIAL STATEMENTS
PART--III

Estimate of Growth of Irrigation and Revenue Receipt and Charges

Year	Irrigation area at end of year	Revenue receipts and charges						Remark
		Gross revenue due of work			Charges both direct and indirect against revenue account	Net revenue due to work		
		Direct receipts	Enhanced land revenue or indirect revenue	Total		Including enhanced land revenue	Excluding enhanced land revenue	
1	2	3	4	5	6	7	8	9

N.B.—This estimate should be endorsed both by Revenue and Public Works authorities.

FORMS 1—FINANCIAL STATEMENTS
PART--IV

Estimate of Net Financial Results of years after the probable date of completion of the works

Year	Direct capital outlay during the year	Direct capital outlay to end of year	Simple interest capital outlay to end of previous year plus half outlay during the year	Net revenue including enhanced land revenue column 7 of part III	Simple interest less net revenue	Net revenue less simple interest
1	2	3	4	5	6	7
Net						

FORM II—ABSTRACT ESTIMATE OF COST
-----PROJECT

Minor Head	Sub-work	Derailed Head	Amount
	<i>Direct Charges</i>		
Works ..	1- Headworks	A. Preliminary expenses B. Land .. C. Works .. K. Buildings .. O. Miscellaneous .. P. Maintenance .. Contingencies ..	
	2- Main canal	A. Preliminary expenses B. Land D. Regulators E. Falls F. River and hill torrent Works. F. (1) other cross drainage works. .. G. Bridges .. H. Escapes .. I. Navigation .. J. Mills K. Building .. L. Earthwork .. M. Plantations N. Tanks and reservoirs O. Miscellaneous .. P. Maintenance Contingencies	
	2(a) Branch No. 1	As for main canal	
	2(b) Branch No. 2	Ditto	
	3(a) Distributaries, Group No. 1	A. Preliminary expenses B. Land C. Works K. Buildings .. O. Miscellaneous .. P. Maintenance .. Contingencies ..	
	3(b) Distributaries, Group No. 2.	As for Group no. 1	
	3(c) Distributaries, Group No. 3.	Ditto	
	4. Drainage and protective works		
	5. Water course		
	6. Special tools and plants.		
	Unforeseen expenditure		
Establishment (included leave salary and pesion charges)			
Tools and Plant ..			
Suspense ...			
<i>Deduct</i> -Receipts on capital accounts.			
Total direct charges	<i>Indirect Charges</i>		
Capitalized-abatement of land revenue.			
Audit and accounts			
Total indirect charges ...			
GRAND TOTAL ..			

N.B.—The number of branches and distributaries (or groups of distributaries) to be separately detailed will of course depend the nature and size of the project.

FORM III—REVISED ESTIMATE
 Comparison between original and revised estimates

Minor head	Sub- work	Detailed head	Original estimate	Modifications sanctioned by competent authority	Total sanctioned estimate	Revised estimate	Savings	Excess	Remarks
1	2	3	4	5	6	7	8	9	10

FORM IV—COMPLETION REPORT
SCHEDULE A

Schedule of works showing expenditure on works completed up to the closure of the construction estimate

Serial number of item	Classification			Name of work	Cost of work
	Minor head	Sub-work	Detailed head		
1	2	3	4	5	6

FORM IV—COMPLETION REPORT
SCHEDULE B

Schedule of works which detailed estimates had been sanctioned prior to the date of the closure of the construction estimate, but which were incomplete or had not been begun in that date

Serial number of item	Classification			Name of work	Outlay to date clause of the construction estimate	Probable further outlay	Probable total outlay	Probable date of completion
	Minor head	Sub-work	Detailed head					
1	2	3	4	5	6	7	8	9

FORM IV—COMPLETION REPORT
SCHEDULE C

Estimates sanctioned against the Open Capital Account subsequent to the date of the closure of the construction estimate

Serial number	Classification			Name of work	Amount sanctioned			Date on which sanction lapses	
	Minor head	Sub- work	Detailed head		Work	Establish ment	Tool and Plant		Total
1	2	3	4	5	6	7	8	9	10

SCHEDULE D

Schedule of works of which no detailed estimates have yet been sanctioned but the construction of which is necessary for the completion of the project

Serial number of item	Classification			Name of work	Probable cost of work			Total
	Minor head	Sub- work	Detailed head		Works	Establishment	Tool and Plant	
1	2	3	4	5	6	7	8	9

SCHEDULE E

Comparison of expenditure by main and sub-heads with the provision in the estimate sanctioned by the Government

Classification			Provision in estimate sanctioned	Expenditure up to the date of closing the construction estimate			Probable further expenditure				Difference between probable total outlay and provision sectioned		
Minor head	Sub-work	Detailed head		On completed works, Schedule A	On uncompleted works, Schedule B	Total	On works uncompleted or not commenced, Schedule B	Open capital account			Probable total outlay	Excess	Saving
								Sanctioned Schedule "C"	Unsanctioned Schedule "D"	Total			
								1	2	3			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

APPENDIX X

(See Chapter XIX, paragraph 646)

Account Rules relating to watercourses

1- As a general rule, water courses of irrigation etc., projects are not constructed by Government as integral parts of the projects, the liability of the State being confined to the provision of the main canal and of such branches and major and minor distributaries as maybe decided upon by competent authority from time to time . Under the ordinary arrangements in force in the several States persons desiring to use the water of a canal are required either to make their own arrangements for the construction of the necessary watercourses or to bear the charges that may be incurred by the department in constructing them on their behalf. This liability of the cultivators, or other persons benefiting by canal irrigation, extends also to works of improvements and repairs to watercourses and to construction and repair of bridges, culverts or other works that may be required for the passage of the water of such watercourses across any public road, drainage, channel, etc. In the general interest of the cultivators, especially when a canal project, or an integral part of it, is launched in a new locality and it is desired to afford special facilities to the cultivators, with a view to the more rapid development of irrigation, it is sometimes decided by Government to lay out and construct, at the cost Government in the first instance, the entire system of the main watercourses required for a project or a substantial section of it, at the outset. When this course is adopted, a scheme is simultaneously devised for affecting recovery in a number of years, of the additional burden thus thrown on the State finances. As no separate account can be kept satisfactorily of the liabilities of each individual person benefited, usually the recovery takes the form of a general enhancement of the water rates or the imposition of a special rate. The amount which is usually sought, under such a scheme, to recover to the aggregate, is the initial capital cost of the works (including such cost of maintenance during construction as may be charged to the capital account) *plus* the usually percentage charges referred to in Appendix V, *plus* the interest calculated at a rate fixed by the Government. In some cases, where on entire system of watercourses has been constructed by Government and the particular circumstances of the tract have rendered such a course desirable, the whole or a portion of the cost of construction has been charged finally to the account of the project concerned, or the charge on account of interest waived.

2- It will thus be seen that works outlay on watercourses, which may be incurred by Public Works officers, falls under the following distinct categories :

I- Recoverable from individual cultivators concerned, in lump sums equivalent to the charges incurred on behalf of each.

II- Recoverable by a general levy, whether for a specified or indefinite period—

- (a) when the actual recoveries are required to be set off against the outlay,
- (b) when the actual recoveries are not to be set off against the outlay.

III—Borne finally by Government.

Work of the first class styled “Takavi works” and the account Rules relating to them are given in Chapter XIX. This appendix deals only with works of the other two classes.

3. In respect of sanctions to estimates, etc., all works in connexion with watercourses are treated like other works of the irrigation, etc., project concerned, the expenditure being booked finally under appropriate detailed head subordinate to the head “Watercourses”. After a work has been constructed the cost of maintenance and repairs is, in all cases, borne by the cultivators concerned.

4. Recoveries actually made under clause II of paragraph 2 should be shown in the accounts ;

(a) as receipts on the capital account of the project, if the levy takes the form of a lump sum recovery of cost in one or more years, or

(b) 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.

5. Incases falling under clause II (a) of paragraph 2, the Accountant General, with the view to watch the progress of the recoveries, will maintain a suitable pro forma account without disturbing the booked accounts of receipts and expenditure, the form of the account being determined in consultation with the Government. It will ordinarily be found sufficient to keep an account merely in respect of the works outlay, the annual recoveries being distributed retable as between works, interest etc., on a fixed basis determined once for all.

6. In the case of works falling under clause III of paragraph 2 above, the Government should decide whether the initial cost of construction should remain as debt of the capital account of the project or whether it should be repaid from revenue in suitable installments. In the latter case, the periodical contribution from revenue should be regarded as a part of general debt redemption provision of the State. The contribution from revenue should be treated as distance items of expenditure for which specific provisions of funds in necessary and should be brought to account under a separate minor head “Deduct—Contributions from revenue to wipe off unproductive capital expenditure on watercourses” and not under the minor head “Deduct—Receipts and recoveries on capital account”.

APPENDIX XI
(See Chapter XXI, paragraph 678)

*List showing names of treasuries which may draw special Bank drafts
on sub-treasuries of other districts with names of the latter*

Name of Irrigation Division	Treasuries authorized to issue special Bank drafts in full or parts payment of bills	Names of sub- treasuries on which special Bank drafts may be drawn
1	2	3
Aligarh Division, Ganga Canal	.. Aligarh	.. Jalesar (Etah).
Northern Division, Ganga canal	.. Roorkee	.. Nagina (Bijnor)
Fatehpur Division, Lower Ganga canal	.. Kanpur	.. Khaga (Fatehpur). Khajuha (Fatehpur). Manjhanpur (Allahabad).
Norara Division, Lower Ganga Canal	.. Aligarh	.. Kasganj (Etah). Kaimganj (Farrukhabad)
Mainpuri Division, Lower Ganga Canal.	.. Mainpuri	.. Chhibramau (Farrukhabad)
Mat Branch Division, Ganga Canal.	.. Mathura	.. Sikandrabad (Bulandshahr).
Lower Division, Eastern Jamuna Canal.	.. Muzaffarnager	.. Baghpat (Meerut).
Upper Division, Agra Canal	.. Mathura	.. Palwal (Gurgaon- Punjab)
Jhansi Division, Betwa Canal	.. Jhansi	.. Rath (Hamirpur) Nowgong (M.P.)
Ken Canal Division	.. Banda	.. Mahoba (Hamirpur).
Head works Division, Sarda Canal	.. Bareilly	.. Khatima (Naini Tal)
South Lucknow Division, Sarda Canal	.. Lucknow	.. Haidergarh (Bara Banki) Sandila (Hardoi).
Shahjahanpur Division, Sarda Canal	.. Shahjahanpur	.. Bisalpur (Pilibhit)
Fatehpur III Sub-Division, Lower Ganga Canal.	.. Fatehpur	.. Manjhanpur (Allehabad).
Rae Bareli Division, Sarda Canal	.. Rae Barli	.. Haidergarh (bara Banki).
Rae Bareli Division, Sarda Canal	.. Rae Barli	.. Kunda (pratapgarh).

APPENDIX XII—(Deleted)

APPENDIX XIII
[See Paragraph 653 (b)]

Detailed procedure to be followed by the Public Works Divisional Officers for the settlement of Inter-Divisional Transactions by Cheques/Bank Drafts.

N.B.—1. Though this procedure is primarily intended for transactions between Public Works Divisions rendering account of the same Accountant – General, it can be applied, *mutates mutandis* to the transaction between Divisions in different Account Circles.

2. The forms motioned below are those appended to these rules.

I—Originating Debits –

(1) Action in the Division in which the transaction take place.

All transactions relating to services rendered or supplies made by the division should be classified under the head “Section T—Deposits and Advances—Part IV—Suspense—Cash Settlement Suspense Account—Transactions between Divisions rendering accounts to the same Accountant-General”. These transaction, as and when they take place (at the end of the month in the case of Stock transactions), should be posted in a “Division-wise Register of transactions adjusted under the head Cash Settlement Suspense Account” in Form 1. On closing the monthly accounts of the division, a copy of Part I of Form 1, which will have inter-leaved perforated copies to be posted by carbon process, should be sent to the division concerned supported by all relevant vouchers [except those for work done—See paragraph 658 (b)] and the receipts of the cheque/bank draft should be watched through the Register referred to above. The cheque/bank draft, when received, should be entered on the receipt side of the cash-book, the entry being classified as credit to the head “Cash Settlement suspense Account”, thus clearing the original debit under this head and sent to the treasury for encashment or for making the necessary adjustment of the cheque by debiting “Public Works Remittances—II—Public Works Cheques” and crediting “Public Works Remittances—I—Remittances into Treasuries”. In the divisional cash book the remittance of cheque/draft into the treasury will be charged off as a debit under “Public Works Remittances—I—Remittances into Treasuries”.

(2) Action in the Responding Division.

Immediately on receipt of the copy of Form 1 from the originating division, the responding division should check that the connected vouchers (except those for work done) have been duly received. The same should then be entered in the “Register of Claims Received” in Form 3 and urgent arrangements made to obtain and sent the cheque or bank draft with a distinct marking “Payment by book adjustment only” along with a forwarding letter in Form 4. On the cheque being issued, the entry will appear on the payment side of the cash book as debit to the suspense head “Purchases” (in the case of stores received) thus clearing the original credit afforded to this head on receipt of the stores by debit to “Stock” or work concerned, as the case may be.

It should be ensured that the despatch of the cheque/bank draft is not delayed beyond ten days of the receipt of the account. For this purpose, the Divisional Officer should arrange to leave the detailed verification of the claim completed well

within period. In order to ensure smooth working all round, the cheque/bank draft should always be for the full amount claimed by the division. In case where some mistake in calculation etc., is detected in the course of cheque of the account or an item clearly pertaining to another division has been wrongly included in the account, the cheque/draft should be sent for the full amount and the discrepancies should be simultaneously pointed out to the originating division. Such items should be recredited to the division concerned by including them in the next monthly account to be sent to the latter along with the supporting vouchers, if any.

NOTE—1- In cases where payment are to made at a treasury with which the division is not in account the settlement should be made by bank draft.

2- Since the facility of cash settlement will be available to both the parties in a transaction, the Divisional Offices to whom the supplies are made or on whose behalf the service are rendered will make payment only on receipt of claim from the other division. In other words the Divisional Officer will not be responsible for the settlement of both outward and inward claims, (i.e., net amount of credit and debit transactions).

(3) Clearance of the balance under “Cash Settlement Suspense Account”.

The transactions under this “Suspense” head should be abstracted in Part II of the Division-wise Register (Form 1) and the figures of monthly debits and credits agreed with those shown in the Monthly account. At the close of the year, there should normally be no balance under this “Suspense” head. With this object in view a vigilant watch should be kept over the outstanding towards the close of the year and steps taken to have such transactions settled by the 31st March. The register should be reviewed by the Divisional Officer monthly with a view to see that the settlements are not unduly delayed.

In order to ensure that the outstanding at the close of the year are reduced to the minimum, the transactions occurring in March may be settled in stages as indicated below:

- | | | |
|--|---|--|
| (a) Transactions taking place during the period from 1 st to 15 th March. | } | Claim to be preferred Before 20 th March. |
| (b) Transactions taking place during the period from 16 th to 23 rd March. | } | Claim to be preferred Before 25 th March. |

NOTE—Though the stock accounts are normally closed to the end of the month, the Summaries of Stock Receipts and Indents may be prepared and closed in stages, so as to ensure that the Stock transactions pertaining to March are also settled in stages, as indicated above.

(4) Review of Registers.

The division-wise Register of transactions adjusted under the head “Cash Settlement Suspense Account” and the Register of Claims Received should be submitted to the Divisional Officer monthly to enable him to see that—

- (a) the register are properly maintained ;
- (b) there are no inward claims outstanding for more than 10 days, without sufficient reasons.
- (c) prompt action is taken by the office to sent the outward claims.

II—Originating Credits—

(1) Action in the Originating Division .

All transactions involving payments on account of cash recoveries etc., made by one division on behalf of another division, will be accounted for initially under the head “Public Works Deposits—Miscellaneous Deposits”, pending settlement in cash. The detailed of such transactions will be simultaneously posted in register (Form 2). At the end of the month, a cheque/bank draft will be drawn for the amount

due and sent to the division concerned along with a copy of Form 2, which will have inter leaved perforate copies to be posted by carbon process. On the cheque being issued the entry will appear on to payment side of the cash-book as debit to “Public Works Deposits”, thus clearing the original credit, to this head.

(2) Action in the responding Division.

The cheque/bank draft when received in the division, will credited to the appropriate head/work in the cash-book and sent to the treasury for making necessary adjustments on the lines indicated in paragraph I (1) above.

FORM 1
[REFERRED TO IN RULE I(1)]

Division-wise Register of transactions adjusted under the Head “Cash Settlement Suspense Account”

PART I—Details

Name of Division -----Month-----

Serial no.	Reference of Stock Account Voucher or Transfer Entry Order	Particulars of transaction	Value of stores issued or services rendered	Remarks (including indication of the vouchers sent in support of the debits)
1	2	3	4	5
		Balance B.F.	Rs. P.	
		Total	_____	
	* Less credits during the month Closing Balance			

Number-----Date-----

Copy along with -----vouchers forwarded the Executive Engineer, -----
---Division. A sum of Rs. -----(as detailed above) is due from him on account
of stores issued or services rendered to his division during and to end of -----20--
----- . He is requested to send within ten days of the receipt of his claim, a
cheque/bank draft for the total amount, drawn in favour of the under signed.

Executive Engineer.
-----Division.

*Here give reference to the number and date of cheque/ draft received.

FORM 1 (Part II)

Division-wise Register of transactions adjusted under the Head "Cash Settlement Suspense Account"

PART II— *Abstract Account of Debits, Credits and Balances under the head "Cash Settlement Suspense Account".*

Serial no.	Name of division	Opening balance		April 9-----				And so no for the remaining months of the year	Remarks
				Debit		Credits				Closing Balance
1	2	3	4	5	6	7	8		
		Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.			

FORM 2

[REFERRED TO IN RULE II(1)]

Division-wise Register of Cash Recoveries etc., made on behalf of other Division

Name of Division -----

Serial no.	Particulars of transaction	Amount	Authority	Remarks
1	2	3	4	5
		Rs. P.		

COPY forwarded to the Executive Engineer -----Division with the remarks that a sum of Rs. ----- as per detailed given above, is due to him on account of cash recoveries etc., made in this Division on his behalf. A cheque/bank draft number -----dated-----for Rs. ----- (in figures) (Rupees-----) (in words).

Is sent herewith in settlement of this account.

The receipt of the cheque/bank draft may please be acknowledged.

Executive Engineer.
-----Division.

Enclosure :

1- Cheque/Bank Draft.

FORM 3

[REFERRED TO IN RULE I(2)]

Register of Claims Received

Division -----Month-----

Number and date of letter with which the claim was received	Amount of Claim	Number and date of Cheque Bank Draft issued	Initials of Divisional Accountant	Remarks
1	2	3	4	5

Rs.
P.

FORM 4

[REFERRED TO IN RULE I(2)]

OFFICER OF THE EXECUTIVE ENGINEER,
-----Division.

Dated the -----20-----

A requested in his letter number -----dated -----a
cheque/bank draft number-----dated -----for Rs. -----
(Rupees-----) is sent herewith in settlement of his account for
the month of -----

2- The receipt of this letter may please be acknowledged.

Executive Engineer.
-----Division.

Enclosure :

To,

THE EXECUTIVE ENGINEER,
-----DIVISION,

APPENDIX XIV

(See paragraph 118 and Note below paragraph 568)

Rules for the adjustment of transactions connected with stores obtained through the India Stores Department, London.

1- When the stores arrive, the suspense head "Purchases" should be credited in the manner prescribed in paragraph 568 and the accounts of the works concerned or stock should be debited, with the cost of the quantities actually received, the amount being determined by converting 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 payments not known the average rate of exchange for the month in which the stores were dispatched from

2- When the debit for the payments for stores made in England, which will be calculated in rupees at the average rate of exchange for the months of payments, is received from the Accountant General the head "Purchase" should be debited and the head "Public Works Remittances" credited (See note below paragraph 570).

3- In case the debit for the payments made in England is received before the arrival of the stores, the suspense heads within the accounts of works on Stock, viz. "Contractors—Other Transactions/Advance Payments" should be operated upon, suitable arrangement being made to watch the receipt of stores.

4- 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 kept under suspense within the accounts of the work or stock (Rule 3), and on receipts of the stores, the debit should be transferred to the relevant sub-head of work or stock, when making the adjustment of cost, as laid down in rule 1.

5- A surcharge at the rate fixed by Government from time to time, to cover departmental expenses and marine insurance, is added by the High Commissioner for India to the invoiced price (including Freight) on all European stores obtained through the Indian Stores Department, London, by State Government Commercial Departments, including Irrigation works, Government Commercial Undertakings, Local Funds, private individuals, etc., in calculating the cost debatable to be recoverable from the various sources.

NOTE—1- when under special arrangements the contractor undertakes to deliver stores at an Indian port and not at the Stores Office at London the surcharge leviable will be only for departmental charges.

2- The extra charge for marine insurance cover the risk of losses during the voyage of India and not losses between the ship side and the shore.

3- The adjustments of the surcharge is made by the High Commissioner for India. A similar extra charge should be made in India for Stores imported from England for the Union Government but eventually transferred to State Government, etc. In such cases the amount of the surcharge should be credited in the Central Section of the accounts under "III—Miscellaneous—Percentage chargeable on European Stores for State Government etc.

4- In making recoveries from the agents of vessels on account of short delivery of stores, the surcharge should not be added to the invoiced value of the stores (including freight).

6- The balances representing the value of stores received, for which no debits for payments made in England have come to hand, should be watched with a view to early clearance, special references being made at once to the Accountant-General in such cases.

7- Balances due to short deliveries, etc., which cannot be cleared by recovery of cost, are not adjustable, until their write off has been sanctioned by competent authority.

8- The transactions relating to stores obtained through the India Stores Department should be recorded in Form 67, Suspense Register in the manner prescribed in paragraph 572. In order to distinguish between the purchases made through the India Stores Department from other purchases, the former should be shown separately under the two classes of purchases mentioned in paragraph 572.

9- Indents on the India Stores Department, London should indicate the detailed classification of the charge, which in the case of the Public Work Department is always the head "Suspense Purchases" subordinate to the major head under which the suspense head "Purchases" of the Division is classified (See rule 1 above). In each case the following particulars should be added—

- (1) whether the charges are debatable to Central Civil.
- (2) whether the expenditure is charged (Non-voted) or "Voted".

Thus in a Division in which the stores obtained through the India Stores Department are accounted for under the major head "50—Public Works", an indent for stores required partly for works of Government and partly for Deposit Works, will be classified as shown below—

50—Public Works—
Suspense---
Purchases—
Central—Civil—
Voted/Charged.