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Dos and Don'ts
for
Treasuries, PAOs & PAO (Works)

Office of the Accountant General (A&E),
Andhra Pradesh & Telangana,
Hyderabad

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Dos and Don'ts for Treasuries, PAOs & PAO (WORKS)

1. General:

1.1 Due dates are to be strictly adhered to by treasuries. However, timeliness should not be at the cost of accuracy and quality of accounts.

1.2 The treasuries should, carefully avoid incomplete classifications, omissions and miscellaneous mistakes.

1.3 Treasuries should avoid rendering accounts in piece meal/installments.

1.4 Software problem preventing operation of correct heads in individual DTOs are to be immediately fixed.

2. The following Heads are to be operated only by AG

- MH 1601
- MH 3601
- MH 0049-04-110 Interest realised on investment of cash balances.
- Only AG (A&E) is authorized to adjust State's share of Central Taxes Transferring the amounts to the relevant Heads of Account as per Sanction Orders received from the concerned Ministries and Clearance Memo from RBI, Nagpur. Neither treasuries nor DDOs are authorised to operate such receipt Heads of Accounts.
- MH 8658-102- unclassified Suspense.

3. Corrections:

3.1 Utmost care should be taken to avoid manual corrections in the Main Accounts and Sub Accounts – the manual correction being made by treasuries in Sub Accounts necessitate provisional booking. In many cases, the affected heads of accounts are also not clearly indicated.

3.2 Neat computer copies of Main Account and Sub Account (without manual corrections) are to be forwarded every month on due dates.

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3.3 Where manual corrections are inevitable, a statement indicating the amount corrected, the heads affected and voucher numbers should be made available in all the relevant Sub-Accounts as well as Main Accounts.

3.4 No manual corrections should be made on the reconciliation statement.

3.5 To achieve accuracy in Accounts, Alteration Memorandum (AM) may be got proposed by the Treasury correcting all misclassifications under all Heads of Account before appending the certificate of reconciliation to the Departments. No AMs are to be proposed without approval from AG (A&E) after closure of accounts.

3.6 Misclassification of non-plan amounts under plan and vice versa in sub accounts:

- ❖ In the month of April / 2015 & May / 2015 this had occurred in Visakhapatnam district.

3.7 Operating expenditure heads under receipt side of public works accounts. Eg: major head 2071 being operated on receipts side in may/2015 accounts (APAO Gadwal 5.47 lakhs) & in june /2015 (APAO –ii works and projects Nellore ₹ 25 crore).

3.8 Major head 8443 booked under plan instead of non plan (in June /2015 (APAO –ii works and projects Nellore ₹ 25 crore)

3.9 Persistent delay is submission of accounts by treasuries.

3.10 Open of day books and hence delay in downloading of GPF data.

3.11 Errors between hard & soft copy figures in main account rendered to this office.

3.12 Charged expenditure being booked under voted: eg:MH 2049

3.13 Non receipt of Government Orders for new HEADS OPENED.

4. Accounts not to be booked by Treasuries

4.1 The following accounts are dispensed with and the Treasuries are not to operate/book the same:

- Pensions relating to Central, Railways, Defense.
- PLI and Commission to the agents of Pay Roll Saving Scheme of PLI.

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5. Classification:

5.1 Some heads are to be operated only under non-plan. e.g: MH-2014-105-04/05

5.2 Some heads are to be operated only under non-plan e.g: MH-2015- Elections.

5.3 Heads of Accounts should not be operated by DTOs without budget provision.

5.4 Correct nomenclature should be noted for receipts and expenditure.

5.5 Incomplete classification on voucher/challans is to be avoided.

5.6 Classification must be in accordance with the Budget for that year read with the List of Major & Minor Heads. Some Sub Major Heads and Minor Heads are being operated without verifying the Budget as mentioned below:

- SubMajor Head 60 is being operated in the classification MH 2202- 60-111-04-240 though this does not appear in the budget

5.7 Heads of Accounts to be operated by the Forest Department should not be operated by the Treasuries .e.g: MH8443-109-Forest Deposits.

5.8 Avoid misclassification of expenditure on Contingency Fund, Consolidated Fund and vice versa.

5.9 Avoid misclassification of Capital expenditure under revenue section and vice versa.

5.10 Avoid classifying interest on Loans under Principal.

5.11 Avoid classifying Centrally Sponsored schemes under State Plan Schemes.

5.12 Avoid misclassification of amounts of one Sub Detail Head of Accounts under other Sub Detailed Heads of Accounts.

5.13 Avoid misclassification of amounts of one Minor Head of account under another Minor Head and also under different Sub Heads under the same Major heads.

5.14 Avoid misclassifying the amounts pertaining to GPF and GIS under 8658-123 All India services Group Insurance.

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5.15 Tax Free Power Bonds are to be classified under MH 2049-01-101-SH(05)-450 instead of MH 2049-03-104-SH(08)-450.

5.16 Reimbursement of expenditure on AP Police personnel deputed with the Railways should be credited to MH-0055-101-SH (01).

5.17 100% reimbursement of expenditure of AP Police personnel on deputation with the APTRANSCO, APGENCO, Public Sector Undertakings of State and Central Government, escort charges, guard charges etc., should be credited to MH 0055-102-SH(81).

5.18 MH 0055-105-SH (77) should be operated only by the Commissioner of City Police, Hyderabad and therefore appear only in the accounts rendered by DTO (Urban) and not the other DTOs.

5.19 Avoid misclassification of expenditure / receipt of one Head of Account under a CCO of another CCO affecting adversely the correctness of accounts.

5.20 Recoveries, if any, of establishment charges incurred from Contingency Fund are to be credited to the concerned service head instead of Contingency Fund. The reconciliation statement should cover such recoveries (from salaries paid from Contingency Fund) under Consolidated Fund.

5.21 The changed Code Numbers for computer advance is Minor Head 204 whereas the old number MH 800 is being operated by the DTOs for this purpose.

5.22 Lapsed balances under PD account as per GO Ms 43 are to be credited to respective receipt heads instead of loan heads.

6. Operation of new head:

6.1 Operation of any new Head must be supported with a copy of GO enclosed to the sub-account in order to enable this office to open that new Head in VLC.

7. Persistent Errors:

7.1 In MH 8782 for payments classification shall be as 8782-00-102-**02**-000 Public Works Cheques but not 01 Receipts.

7.2 In the MH 8782-00-103-**02**-000 Forest, not 01 Receipts.

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7.3 In respect of MH 8675 correct classification to be furnished: 01 for Treasuries; 02 for Headquarters for Receipt and Payments.

7.4 In contingency fund MH 8000 the classification should be as follows: 8000-00 Minor Head 00-000, wherever required Minor Head 201 to 716 may be operated to reflect the Service Major Head.

8. ERROR IN PAO: HYD (AP & TELANGANA STATES) ACCOUNTS:

8.1 In MH 8009 details of classification 101-01-000 should be entered every month giving details of 017 to 115 in place of 000 for Receipts and Payments in the Sub Accounts of PAO Hyderabad for both AP and Telangana.

8.2 Ensure that the classification ends with detailed head 560 (Repayment of borrowings with regard to 6003 in the PAO Sub Accounts.

8.3 Ensure that all entries with regard to MH 2014-102-04 are booked under charged expenditure.

9. Preparation of Sub Accounts:

9.1 The prints of Sub-Accounts should be neat, visible and legible.

9.2 The font size may be increased and made bold in order to avoid confusion.

9.3 Confusion between 0 and 8, 5 and 8, 6 and 9, 7 and 1 & 4 and 7 should be avoided.

9.4 Nomenclature on schedules:

9.4.1 If for any reason it is not possible to get the nomenclature on computer, an asterisk mark may be used to distinctly identify such cases and the nomenclature be indicated manually against the asterisk

10. List of Payments:

10.1 Duplicate copy of the List of Payments should be sent.

10.2 Amounts shown in LOP should agree with Sub-Account figure.

10.3 The amounts shown in Sub-Accounts should agree with totals of Main Account.

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10.4 "A" & "B" category vouchers should not be mixed together.

10.5 List of Payments should include "B" list.

11. Vouchers:

11.1 Submission of voucher bundles.

11.1.1 A printed slip in **bold letters** should be affixed to the Sub Account invariably on each bundle specifying the Sub A/c Number, Name of the District, No. of Voucher, Month of A/c, Major Head, Plan, Non-Plan, etc.

11.1.2 Each Bundle should be properly tied covering 4 sides.

11.2 Arrangements of vouchers in order

11.2.1 Vouchers are to be arranged in chronological order as per the List of Payments.

11.3 Separate bundles

11.3.1 Separate bundles should be sent in respect of AC/DC Bills, Nil Bills, Contingency Bills, GIA Bills in order to facilitate the data entry in respect of all such bills.

11.3.2 The totals of alla such vouchers, bundle-wise, are to be indicated to ensure the data entry of all vouchers category-wise.

12. DDO Code Numbers

12.1 DTOs should avoid noting different code numbers on the vouchers for the same DDO.

12.2 DDOs are advised to affix the stamped code numbers on each and every Bill and its enclosures.

12.3 AC Bills drawn for amounts not rounded to **tens or hundreds**.

12.3.1 AC Bills are generally drawn for amounts rounded to the nearest ten of hundred rupees. In case the amounts drawn contain figures in units place, the reasons for the same are to be explained.
e.g. AC bills for payment of electricity dues.

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12.4 Prescribed form

12.4.1 DC Bills, GIA, Contingent Bills etc. are to accepted by Treasury Offices only when they are submitted in the prescribed form.

13. Schedules:

13.1 Submission of schedule bundles

13.1.1 The Schedule bundles should be stitched properly with covering sheets so that the first and last schedules are not lost during transit.

13.1.2 Even though certain Treasuries are claiming Police escort charges, the drawing schedules under 8782 are not being received. All the drawing schedules are to be sent to AG by the DTOs.

13.1.3 As the Director of Insurance is maintaining APGLI accounts, the APGLI Schedules should not be sent to AG.

13.2 **Wanting schedules/ vouchers under loan heads.**

13.2.1 Schedules and vouchers in respect of Loans must be sent to AG without fail in order to post them under the individual loan account.

13.2.2 Non-available of required details such as name of loanee, amount, installment number, balance, number of loan, DDO- code, GO number and date (in case of Institutional loans), results in missing/unposted credits/debits, putting loanees to great inconvenience.

13.2.3 The Schedules should contain all the above details, Omission, if any, are to be got rectified by the DDOs before sending the schedules to AG and the wanting details by AG are to be obtained from DDOs and supplied to AG.

13.2.4 The DDO has to ensure the writing of the correct GO number as well as correctness of classification before he/she signs on the challan. Similarly the Treasury Officer has to ensure the signature of the Drawing Officer before the Treasury Officer or his/her representative in the Bank permits the remittance.

13.2.5 The loan recovery schedules pertaining to certain touring employees of Medical and Public Health, Sericulture and Agriculture departments should not be sent to AG as these loans are to be watched by the concerned Head of the Departments only.

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13.2.6 Clubbing of Principal and Interest of HBA & MCA (Loans) should not be done.

13.3 **Schedule of Settlement with Treasuries (SSTs)**

13.3.1 SSTs are to sent Department-wise.

13.3.2 As the Director of Insurance is maintaining the APGLI accounts, the APGLI Schedules should not be sent to AG.

14 **Challans:**

14.1 **Non-receipt of challan in respect of minus figures.**

14.2Xerox copies of challans are to be enclosed to the Sub-Account for minus figures. The challan should contain the Year in which the amount was originally drawn, as the year also affects the classification.

14.3 8793-Inter State Suspense Challan for refund (e.g. Remittance of Pension already drawn due to the demise of the Pensioner) are not being received mainly in respect of Tamil Nadu and Uttar Pradesh. All such challans must be sent by DTOs to AG.

14.4 Challans included in the Sub-Account figures or in list of Remittances should clearly specified the month to which the recoveries actually pertain.

14.5 Challans relating to share capital contributions are creditable to the concerned capital heads and are not to be credited to loan heads. Such misclassification should be avoided.

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Classification Rules

Receipts

1. Group sub-head should not be operated.
2. If Head of Account terminates at Minor Head level, then Sub Head should be '00' and Sub Head description should be same as Minor Head description.
3. If Head of Account terminates at Sub Head level, then Detailed Head should be '000' and Detailed Head description should be same as Sub Head description.
4. If Head of Account terminates at Detailed Head level, then Sub-detailed Head should not be operated.

Expenditure

1. Group sub-head should be operated only for Plan Heads of Account.
2. Head of Account cannot terminate at Minor Head level or Sub Head level.
3. If Head of Account terminates at Detailed Head level, then Sub-detailed Head should not be operated.
4. There should not be any Plan Head of Account under Public Account.
5. Plan Head of Account is permitted only for Loans where Loans are received for Plan Schemes.

General Rules

1. Up to Minor Head level the Head of Account should be in confirmation with List of Major Heads and Minor Heads communicated by Controller General of Accounts.
2. Sub head code and its nomenclature should be same across Revenue, Capital and Loans heads for same scheme.
3. Only standard Detailed Heads and Sub-detailed Heads should be operated in expenditure heads as mentioned in Order
4. Recovery of over payments under Revenue, Capital and Loans Heads, if pertain to same financial year should be shown as reduction of expenditure and if pertain to previous financial years should be shown under Minor Head 911 deduct recoveries of over payments.
5. Repayment of receipts under Revenue, Capital and Loans Heads, if pertain to same financial year should be shown as reduction of receipts and if pertain to previous financial years should be shown under Minor Head 901 deduct receipts and recoveries

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6. Recovery of over payments under Public Account should be shown as reduction of expenditure irrespective of financial year.

7. Recovery of receipts under Public Account should be shown as reduction of receipts irrespective of financial year.

8. For any other information on classification of any item of receipt or expenditure please refer to either general instructions in List of Major Heads and Minor Heads or specific instructions under concerned Major Head.

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