

## **THE KARNATAKA FINANCIAL CODE, 1958**

### **NOTIFICATION**

**No. FD I COD 58, dated 1st April 1958**

In exercise of the powers conferred by clause (2) of Article 283 of the Constitution of India and in supersession of the Rules contained in the Mysore Financial Code, Volume 1 (1952 Edition) with Appendices and Forms as contained in the Mysore Civil Account Code, Volume 1 (1927 Edition) as amended, other than the rules relating to contingent expenditure, the Governor of Karnataka, hereby makes the following rules, namely:-

### **CHAPTER - I**

#### **TITLE AND DEFINITIONS**

1. (1) These rules may be called the Karnataka Financial Code, 1958.

(2) They shall come into force on the First day of July 1958.

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

2. In this Code, unless the context requires otherwise the following words and phrases have the meanings hereby assigned to them:-

(1) “Accountant General” means the head of the Office of Audit and Accounts who maintains the accounts of the State and exercise Audit functions in relation to those accounts on behalf of the Government.

(2) “Abstract Bill”.-A bill without details either for contingent or travelling allowance expenditure, paid at a treasury without the scrutiny and countersignature of a controlling authority, to save delay in the discharge of a claim.

(3) “Budget Calendar” means the calendar fixed by Government for the preparation of the budget estimates and for completion of the State Budget of the year (Refer to the Budget Manual).

(4) “Budget Estimates” are the detailed estimates of the receipts and expenditure of a financial year. (Refer to the Budget Manual).

(5) “Cash Order” means an order issued by a Treasury Officer for private remittances on another Treasury, of a specified amount to a specified person.

(6) “Cheque” means a written order (not expressed to be payable otherwise than on demand) addressed by a person called the “drawer” to a Bank or Treasury to pay a specified sum of money to himself or to a third party known as the “payee” and includes a demand draft drawn on any specified Bank.

(7) “Controlling Authority” means the Head of a department or other departmental officer who is entrusted with the responsibility of controlling the incurring of expenditure and/or the collection of revenue by the subordinate authorities of a department.

(8) “Disbursing Officer” means a Government servant who draws moneys from the Treasury on bills or cheques, but excludes a Government servant who is not the Head of an office and draws only his own pay and allowances from the treasury.

(9) “Financial Year” means the year beginning with the 1<sup>st</sup> April and ending with the following 31<sup>st</sup> March.

(10) “Government” means the Government of Karnataka.

(11) “Government Servant” means any person serving in connection with the affairs of the Government, whether remunerated by salary or not, and includes every person who is authorised to receive, keep, carry or spend moneys on behalf of Government.

(12) "Head of a Department" means any authority specially ordered by the Government to be the Head of a Department (vide Appendix 1).

(13) “Inevitable Payments” means money which is indisputably payable.

(14) “Inspecting Officer” means a Government servant who is appointed solely or mainly for performing specified duties of inspection which involve touring the State and does not include a Government servant who performs inspection duties occasionally as part of his general supervision of his subordinates.

(15) “Lapse of Grant” means the expiry at the close of the financial year of the sanctioned grant not utilised for expenditure or the unexpended portion of the sanctioned grant, except grants which are specially exempted from the rule of lapse (Refer to the Budget Manual).

(16) “Local Body” means a District Board, a Municipal Council, Village Panchayat, Trust Board, etc.

(17) “Local Fund” means:-

(1) the revenues administered by Bodies which come under the control of Government by law or rule having the force of law whether in regard to the proceedings generally or to specific matters such as the sanctioning of their budgets, sanction to the creation or filling up of particulars appointments. the encashment of leave, pensioner similar rules; and

(2) the revenues of any body which may be specially notified by the Government of Karnataka as such.

(18) “Major Head” means a main head of account for the purpose of recording and classifying receipts and disbursements of moneys that enter into the accounts of Government (Refer to the Budget Manual).

(19) “Miscellaneous Expenditure” means all expenditure other than that falling under pay and allowances, contingencies and works.

(20) “Proposition Statement” means a statement to be submitted to Government setting forth the financial effect of a proposal for revision of establishments.

(21) “Re-appropriation” means the transfer of funds from one head of account to another. (Refer to the Budget Manual).

(22) “Receipts of Government” means and includes all moneys received by a Government servant on behalf of the Government, not only the proceeds of taxation and the yield of ordinary revenue but also capital receipts, such as, the proceeds of sales of land; the proceeds of borrowing operations unfounded

debt, and such receipts of a banking or deposit nature as by virtue of any statutory provision or of any general or special executive order of the Government have to be held in the custody of the Government.

(23) “Revised Estimates”-Refer to the Budget Manual.

(24) “Surrender of Grants” means the formal surrender of grants which are not likely to be utilised before the expiry of the year to be placed at the disposal of Government (Refer to the Budget Manual).

(25) “Treasury” means any Treasury in the State and includes a Taluk Treasury.

(26) “Treasury Officer” means the officer in immediate executive charge of a Treasury.

(27) “Unit of Appropriation” means the lowest account head under which the Government place a specific appropriation at the disposal of the spending authority concerned (Refer to the Budget Manual).

(28) “Ways and Means Estimates” -Refer to the Budget Manual.

## **CHAPTER II**

### **GENERAL PRINCIPLES AND RULES**

#### **Duties as regards accounts**

3. Every Government servant should see that proper accounts are maintained for all Government financial transactions with which he is concerned, and render accurately and promptly all such accounts and returns relating to them as may have been prescribed by Government, the Accountant General, or the competent departmental authorities.

Every Government servant should realise that the correct maintenance of his accounts is as important a part of his duties as his executive work. A knowledge of the accounts and financial rules relevant to his duties is a necessary part of the equipment of every Government servant through whose hands Government money passes, and he is expected to be sufficiently familiar with financial and account rules to keep an adequate check over the clerks or accountants in the office under his control. He should check the accounts as frequently as possible in order to see that his subordinates do not commit fraud, misappropriation or any other irregularity. The Government will hold him personally responsible for any loss that may be found to be due to any neglect of the duties laid upon him by the provisions of this Code. The fact that a Government servant has been misled or deceived by a subordinate, will in no way mitigate his personal responsibility, since every Government servant should be familiar with the financial rules laid down by the Government and exercise a specially strict and close control over his subordinate in regard to the use of public funds and the maintenance of proper accounts.

**RECEIPT**

4. (a) All transactions to which any Government servant in his official capacity is a party must, without any reservation, be brought to account, and all moneys received should be paid in full without undue delay in any case within two days, into a Government treasury, to be credited to the appropriate account and made part of the general treasury balance.

Note 1.- If in exceptional circumstances, the time limit of two days cannot be observed, the Heads of Departments should by specific order, extend the said time limit up to seven days. Unless the time limit is so extended by a specific order, by the Head of Department, the time limit of two days will operate.

Exception.- The provisions regarding the time limit for crediting Government money contained in clause (a) of this Article are not applicable to remittances like Land Revenue for which specific rules exist in the 'Department Manuals'.

Note 2.- The following procedure shall be observed if a Government officer receives in his official capacity, moneys which are not Government dues:-

(i) All moneys received by or deposited with any officer, other than Revenues or Public money raised or received by Government, shall be paid into the public account ;

(ii) All moneys received by or deposited with any court to the credit of any cause, matter, account or persons shall also be paid into the public account;

(iii) Moneys not being Government dues received by a Government servant in his official capacity, i.e., Poor Fund in Hospitals, Sports Fund in Educational Institution, etc., shall be

deposited in the Savings Bank of the Karnataka Government/  
Post Office Savings Bank.

(iv) The Head of Account to which such moneys shall be credited and the withdrawal of moneys therefrom shall be governed by the relevant provisions of the Account Code, Volumes I and II, the Karnataka Financial Code, 'The Karnataka Treasury Code or such other general or special orders as may be issued in this behalf.

But accounts of such transactions should be kept distinct from those pertaining to State Funds.

### **DEPARTMENTAL RECEIPTS**

<sup>1</sup>[(b) Government dues paid in the form of cash, cheques, bank drafts, postal orders and money orders should be accepted by the Departmental Officers. The following procedure should be observed in accepting the Government dues.

#### **(i) Acceptance of Government dues in cash at the Departmental Counters:-**

Government dues tendered in cash may be accepted by Departmental Officers in their office upto an amount not exceeding Rs. 250/- in each case in Bangalore City and an amount not exceeding Rs. 100/- in each case in places other than Bangalore City. Wherever Departmental regulations permit acceptance of Government dues tendered in cash, exceeding Rs. 100/- in each case, the regulations will continue to apply. The Departmental authorities should receive such remittance across their counters upto one hour before the closing of the office hours. In offices where payments in cash are already

---

1. Substituted by Notn. No. FD 10 TCE 85 dt. 5-2-1986 w.e.f. 7-4-1977.

being accepted beyond such hour, the existing arrangement may continue.

**(ii) Acceptance of Cheques and Bank Drafts drawn on local Banks:-**

Cheques or Bank Drafts drawn on local Banks in payment of Government dues may be accepted and instructions contained in Article 9 of Karnataka Financial Code will continue to be allowed. Cheques and Drafts should be treated as cash and entered in the Cash Book of Departmental Officers like other cash transactions.

**(iii) Acceptance of Money Orders and Postal Orders:-**

a) When the Departmental Officers are in account with a Bank Treasury.

**(i) Money Orders:**

For all money orders payable to the same Departmental Officer, the post office will prepare each day a list in triplicate (showing the name and address of the remitter, the amount) and present to the Departmental Officer, through a Post man, a list in duplicate together with the listed Money Orders. The Departmental Officer will scrutinise the list to ensure that they are intended for him and the totals are correct and return the original to the Post Office duly corrected if necessary and with a request to pay the amount by a Crossed Cheque. The Post Offices will issue a crossed cheque and send it along with the accepted list and money orders after carrying out corrections in his copy of the list. The Departmental Officer will acknowledge the receipt of the Cheque in the original copy of the list, detach the Money Order coupons, sign the Money Order acknowledgements and return the list and Money Orders.

Thereafter the Cheque will be sent to the Bank along with the Challan duly filled in for credit to the appropriate Head of Account.

**(ii) Postal Orders:-**

On receipt of Postal Orders the Departmental Officers should prepare a list in triplicate and send to the Bank the Postal Orders together with first and second copies of the list and the necessary challan for credit to the appropriate Head of Account.

**(iv) When the Departmental Officers are in account with the Non Bank Treasury:-**

**a) Money Orders:-**

The procedure to be followed will be the same as in the case of a Bank Treasury except that the post office will pay the Money Orders by a Treasury voucher instead of by a Cheque which will be presented by the Departmental Officer at the Treasury for adjustment by credit to the Head of Account as indicated in the Challan.

**b) Postal Orders:-**

The procedure to be followed will be the same as in the case of a Bank Treasury except that the postal orders with the list in triplicate alongwith a Challan duly noting the appropriate Head of Account is presented to the Post Offices. The Post Master after necessary check and verification will issue a Treasury Voucher for the amount of the Postal Orders and send it alongwith the copy of the list to the Treasury Officer for adjustment and return one copy of the list duly indicating thereon the voucher number and date of the Treasury Voucher.

**(v) When the Post Office is not in account with Treasury/ Bank:-**

In place where the Post Offices are not having account either with the Treasury or Bank the Departmental Officers may receive the dues remitted by Postal Orders and Money Orders and will be guided by the normal rules.

These should be treated as cash and accounted for. in the Departmental Cash Books.

5. The appropriation of departmental receipts to departmental expenditure, except when specially authorised, is strictly prohibited.

This rule is relaxed :-

(a) In regard to money received on account of the service of summons, and diet money of witnesses in Civil cases; and

(b) In cases covered by the rules in other authorised Codes.

(c) In regard to money received as daily collections at the Legislator's Home, Bangalore, for the purpose of refunding the advance of lodging charges to the occupants at the time of vacating the rooms in the Legislator's Home.

6. A Government Officer receiving money on behalf of Government must give the payer a receipt.

Note 1.- This rule applies also to moneys received by Postal Money Orders. In such cases the receipts should be despatched to the remitters by post.

Note 2.- Form K.F.C. I will be used for the purpose. Educational Institutions will use Form K.F.C.-1A. Use of manuscript forms is strictly prohibited.

Note 3.- Only Heads of Offices or Institutions are authorised to sign these receipts. With the sanction of Government Officers subordinate to them may also be authorised to sign such receipts on behalf of the concerned Heads of Offices or Institutions.

Personal Assistants to the Superintending Engineers of Circles in the Public Works and Electricity Department are authorised to sign the receipts.

Note 4.- Heads of offices or Institutions should keep a complete account of the receipt books that they have received and should be able to produce them always, used or unused. Ordinarily more than one book should not be used at one and the same time, and a new book should be brought into use only after the old one is exhausted. The Stock Register of Receipt Books should show the date on which a book was brought to use and the date on which it was completed. Before a receipt book is brought into use, the number of forms contained therein shall be counted and the result recorded in a conspicuous place in the book over the signature of the Government officer in charge of the book. Counterfoils of used receipt books shall be kept in his personal custody. The receipt books must be kept under lock and key in the personal custody of the officer authorised to sign the receipt on behalf of Government.

Note 5.-The money received should be brought into the Cash Book immediately, the receipt number being noted therein.

Note 6.-The required printed receipt books (machine numbered) should be obtained by the Head of each Department or other controlling officer and distributed to all subordinate officers a stock account thereof being maintained showing the

number of the books (and number of forms contained in each) received by him and issued to each individual officer.

Note 7.-At the time of inspections it should be seen that all the receipt books supplied to each office have been accounted for properly and that the amounts received as per receipts granted have been brought to the Cash Book.

“Exception.-The provisions of” this Article will not apply in the case of charges collected from occupants of Inspection Bungalows/Travellers’ Bungalows/Circuit Houses, under the control of Public Works Department or other departments of Government and the Chamundi Guest House at Mysore where adequate arrangements exist to collect the charges through the prescribed registers. This exemption however, will not apply in the case of other State Guest Houses under the control of General Administration Department.”

7. No department may require that funds pertaining to it be kept apart from the general treasury balance, or, be received for safe custody and kept out of account or be received at all except under ordinary rules.

Detailed rules regarding the receipt of departmental cash chests, etc., in the treasury for safe custody and the registers to be maintained in this connection are given in Appendix II.

8. (a) Any person paying money into a Government Treasury will present with it a memorandum (challan) in duplicate (Form 2) which will show distinctly the nature of the payment, the person or officer on whose account it is made and the head of account in the Treasury accounts to which the amount has to be credited, and will thus contain all the information necessary for the preparation of the receipt to be given in exchange. Receipts for sums less than ‘[Rs. 2500] do not require

the signature of the Treasury Officer, but only of the Accountant and the Treasurer.

<sup>1</sup>[As regards receipts for sums received by transfer in accounts which do not require the signature of the Treasurer, the Treasury Officer shall by an office order designate the person who shall attach the second signature in the case of sums under Rs. 2,500. Receipts for sums of Rs. 2,500 and over must invariably be signed by the Treasury Officer.]

Note.- Challans written/signed by Ball Pens will be accepted.

(b) As regards payment of money into a Bank Treasury, reference is invited to Section C- II of Chapter V of Karnataka Treasury Code-Volume I and Appendix IX of Karnataka Treasury Code-Volume II containing the detailed rules in the matter.

(1) Challan forms printed in both Kannada and English should be supplied by the Treasury. One copy will be returned to the tenderer duly signed as a receipt, and the other retained in the treasury for record.

(2) Duplicate challans are not required when remittances are made to the treasury for obtaining Remittance Transfer Receipts, or when such remittances are accompanied by Remittance or Pass Books in which the Treasury Officer is required to acknowledge receipt of the remittance.

(3) When money is paid by a private party into a Treasury, the copies of the challan should be initialled by the departmental officer to whose account the money is to be credited, If he is at the same station, otherwise the payment should be made in

---

1. Inserted by No. FD 37 RFC 76 dt. 2-12-1978 w.e.f. 12-12-1781.

triplicate challans, one of which should be forwarded by the treasury to the departmental officer. Amounts creditable to heads failing under the group head "P. Loans and Advances by the State Government" should also be remitted in triplicate challans, one copy of which will be forwarded by the treasury to the Departmental Officer maintaining the loan accounts.

(3A) When money is paid into the Treasury, by a Government Institution to the credit of an officer of another department, in another station, duplicate challans may be presented in addition to the Remittance Book. One copy of the challans will be retained by the Treasury Officer for his account purposes. The other challan will be signed by the Treasury Officer and returned to the Government servant, who remitted the amount, for being sent to the officer to whose credit the amount was remitted. The Treasury Officer will also sign the Remittance Register of the Institution and return the same to the Institution concerned.

Note.- Depots of the Karnataka Government Road transport Department while making remittances into treasuries to the credit of the Karnataka Government Road Transport Department Remittance Head of account, may present challans in duplicate in addition to the Remittance Register. One copy of the challans will be returned to the remitter (along with the Remittance Register) for being sent to the Divisional Office.

(3B) Remittances to Treasury of amounts creditable to, 'XXI-Miscellaneous Departments' or L II Miscellaneous' and also remittances in respect of recoveries of service payments, under all heads should be supported by challans in triplicate.

Note.- In every case of recovery of over payment made in cash a challan shall be presented in triplicate containing full particulars of the number and date of encashment of the voucher

and also the head of account under which the amount was originally drawn, one copy of the challan being forwarded by the Treasury to the Accountant General in support of the credits incorporated in the monthly schedule of receipts of the department concerned.

(3C) Sale proceeds and other receipts in respect of Food Supply transactions which are creditable to the P.D. Account of the Deputy Commissioner, should be supported by challans in triplicate.

(4) Special challan forms prescribed for particular receipts, such as Land Revenue, Sales Tax, Agricultural Receipts, should be used when such sums are credited.

“Note.-1 Remittances of Sales-tax should be accompanied by a Challan in quintuplicate as per Rule 60-A (3) of the Karnataka Sales Tax Rules, 1957. The copies marked ‘Original’ and ‘Duplicate’ shall be returned to the dealer duly receipted as proof of payments, of which the copy marked ‘Duplicate’ shall be attached by him to the return or statement to be submitted to the Assessing Authority. The third copy marked ‘triplicate’ shall be retained by the treasury for being sent to the audit office with monthly accounts. The fourth copy marked ‘quadruplicate’ shall be forwarded as soon as possible by the Treasury Officer to the Assessing Authority concerned and the fifth copy marked ‘quintuplicate’ to the Karnataka Government Computer Centre, Bangalore immediately after the close of the week.”

Note.-2 The challan form for indenting stamps by the Licensed Vendors will be in Form KFC 2-A.

Note.-3 Remittances of major items of Excise Revenue should be accompanied by a challan in KFC-2B and of minor

items in Form KFC 2-C. The Sub-treasury Officers should transmit these challan's in batches to the concerned Tahsildars every week on 3rd, 10th, 17th and 26th of each month and the District Treasury Officers to the Tahsildar of District Headquarters Taluk on 8th, 16th, 24th, and the first working day of the following month.”

(5) Receipts should bear the name of the treasury and be stamped with the Treasury stamp (seal). It should distinctly show the date of issue, the designation of the Government servant granting it and the head of account to which the amount was credited.

Each treasury will maintain two seals, one to be in the custody of the Head of the Cash Branch to be used solely on cash challans and the other to be in the custody of the Head of the Accounts Branch to be used in respect of challans tendered for receipt of money by transfer.

(6) Receipts given by a Taluk Treasury should be signed by the Shroff, the Nagadi Gumasta and the Sheristedar or the Tahsildar.

(7) In the case of remittance by Money Orders to the treasury the Money Order coupon, which contains full details of remittances will be the challan in support of the credit and a separate challan is not necessary.

(8) In the case of the amounts deducted from bills towards Court attachments, the Courts may return the deduction statements to the Treasuries alongwith the Receipt Orders noting thereon the Receipt Order number, instead of preparing separate challans therefor. The deduction statements themselves will be treated as challans by the Treasuries.

(c) All receipts (challans) must be written in figures and in words in the original and such other copies of challans in Form 2, prescribed in Article 8(a) as are required to be given to the tenderer of moneys, and signed in full over the ‘Cash received/Received payment’ stamp. Other copies of the challan may however, be initialled against the amount already indicated therein over the “Cash received/Received payment” stamp.

**CHEQUES TENDERED IN PAYMENT OF  
GOVERNMENT DUES**

(9) (1) (a) At places where the cash business of the treasuries is conducted by the Bank, cheques on local banks may be accepted in payment of Government dues, or in settlement of other transactions with the Government, if the cheques have been crossed by the drawer or the acceptance of uncrossed cheques in that class of transactions has been permitted by the Government. Until, however, a cheque has been cleared, the Government cannot admit that payment has been received and consequently final receipt shall not be granted when a cheque is tendered. A receipt for the actual cheque only may be given in the first instance, but if a person making payment in this manner so desires, a formal payment receipt shall be sent to his address after the cheque has been cleared. Collection charges of the Bank, if any, will be recovered by or under instructions of the Bank from the party presenting the cheque.

The preliminary acknowledgement of the receipt of the cheque will be given in the form below :-

“Received cheque No..... for Rupees  
..... on account of  
..... as per challan No.

Note.-1 The Reserve Bank of India, the State Bank of India and the State Bank of Mysore reserve themselves the right to refuse to accept cheques collection of which, in their opinion, cannot reasonably be undertaken and which they would not accept on behalf of their own constituents.

Note.-2 The Bank drafts issued by the State Bank of India and its subsidiaries and received as payment of Government dues, or towards other payment, may be treated as cash and final receipts granted, subject however to the condition that an indemnity bond in Form 75 of Karnataka Financial Code, is obtained from the parties to indemnify Government against any possible loss to Government.

(b) in the event of the cheque being dishonoured by the bank on presentation. the fact shall be reported at once to the tenderer with a demand for payment in cash, but the Government cannot accept any liability for loss or damage which may possibly occur as a result of delay in intimating that the cheque has been dishonoured.

(c) when Government dues which are payable by certain fixed dates are paid by cheque, the person desiring to make such payment in this manner without risk must take suitable precautions to ensure that his cheque reaches the treasury or the receiving office at the latest on the working day preceding the date on which the payment is to be made. Cheques received on the last day of payment of Government dues may be refused at the discretion of the officer to whom they are tendered and those received later will not be accepted.

Exception.- Cheques payable on demand, presented by private individuals, firms or companies in payment of Motor Vehicle taxes may be treated as cash and accepted even on the

last day of the grace period. In such cases, the following endorsement should be made on the receipt in Form K.F.C.I. granted to the presenter of the cheque].

Received by Cheque No.....on  
..... Bank.

This receipt is subject to its realisation.

In the event of such a cheque being dishonoured at the bank, the owner of the vehicle on whose behalf the cheque was tendered will be subject to all penalties prescribed under the law, or the rules framed thereunder, for non-payment of the tax on or before the due date.

(2) The Government may, in relation to any particular class of transactions involving payment of Government dues issue orders varying or relaxing any of the conditions prescribed in this rule.

Note.- The term “Local Banks” as used in this rule means banks (including the Reserve Bank, the State Bank of India and the State Bank of Mysore), located in the station in which a Bank treasury is situated.

Demand Drafts shall not be distinguished from cheques for the purpose of these rules and, provided that a cheque tendered in payment of Government dues is accepted under the provisions of clauses 1 and 2 of this Article and is honoured on presentation, payment shall be deemed to have been made.

(i) If the cheque is handed over to the Government’s bankers or to a Government officer authorised to receive money on behalf of the Government on the date on which it is so handed over.

or

(ii) If it is sent by post in pursuance of an instruction to make payment by post, on the date on which the cover containing it is put into the post :

Provided that where a cheque is marked as not payable before a certain date, the payment shall not be deemed to have been made until the date on which it becomes payable.

Note.- The provisions of clause (ii) above apply mutatis mutandis to payments made to the Government by Postal Money Order or by any other recognised mode of remitting money by post.

10. Special rules for the acceptance from the public of cheques, bank pay orders and bank credit challans in some departments are prescribed in their departmental regulations.

### **CHECK OF RECEIPTS**

11. It is ordinarily the duty of the Revenue Department concerned and not of the Audit Department to see that the dues of Government are regularly paid into the Treasury. Detailed rules are given in Chapter III.

### **CUSTODY OF MONEY**

12. Public money in the custody of departmental officers should be kept in cash chest under single or double locks as may have been prescribed in each case. The officer in charge of a chest should carefully observe any detail orders prescribed in each departmental manual regarding the arrangements for the custody of the key or keys and the proper disbursement of all moneys, and where no special orders have been laid down, he should make the necessary arrangements for the purpose. If

necessary, cash chest may be lodged in the treasury for safe custody under the rules in Article 7.

13. When a large amount of cash is frequently kept in the chest, it shall be fitted with double locks of different patterns and the keys of the two locks shall be kept in the custody of two different Government servants, unless Government have given special permission in any case to dispense with this procedure.

### **EXPENDITURE**

14. No Government servant may incur any item of expenditure from public funds unless the following two conditions are both satisfied :

(a) The expenditure must have been sanctioned by a general or special order of the authorities competent to sanction such expenditure ; and

(b) Sufficient funds must have been provided for the expenditure in Appropriation Acts for the current financial year or by a reappropriation of funds sanctioned by the authority competent to sanction such a reappropriation.

14-A. In the event of the orders communicating the allotment of funds for each year not being received before the commencement of the financial year, Drawing Officers may authorise expenditure in anticipation of funds on pay and other charges on the basis of that incurred in the last month of the preceding year.

### **CANONS OF FINANCIAL PROPRIETY**

15. Further, every Government servant who incurs or authorises the incurring of expenditure of public money shall

see that it does not contravene the following principles which are termed as the canons of financial propriety and which shall be observed by all Government servants vested with powers of sanctioning expenditure :-

(1) Every Government servant should exercise the same vigilance in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

(2) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

(3) Government revenues should not be utilised for the benefit of a particular person or section of the community unless :-

(i) a claim for the amount could be enforced in a court of law, or

(ii) the expenditure is in pursuance of a recognised policy or custom.

(4) No authority should sanction any expenditure which is likely to involve at a later date expenditure beyond its own powers of sanction:

(5) The amount of allowances, such as travelling allowances, granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole sources of profit to the recipients.

The Accountant General will bring to the notice of Government in the Finance Department breach of any of these canons.

It must be remembered that a Government servant has to satisfy not only himself but also the Audit Officer that there has been no breach of any one of these canons.

16. It is the duty of every Government servant not merely to observe complete integrity in financial matters, but also to be constantly watchful to see that the best possible value is obtained for all public funds spent by him or under his control and to guard scrupulously against every kind of wasteful expenditure from public funds.

#### **RESPONSIBILITY OF TREASURY OFFICERS REGARDING PAYMENTS**

17. (a) A Treasury Officer has no general authority to deal with demands presented at the treasury, his authority to make payments being strictly limited to the rules contained in the Financial Code. If a demand of any kind is presented at a treasury, which is not provided for by the rules in the Code, or is not covered by a special or general order received from the Audit Office, the duty of the Treasury Officer is to decline payment for want of authority. A Treasury Officer has no authority, to act under an order of Government sanctioning a special payment unless it is an express order to him to make the payment, and even special orders should, in the absence of urgency, be sent through the Accountant General.

Note.-A Treasury Officer should not refuse to pay a bill merely on the ground that the drawing officer has not compiled with a final rule requiring that the particulars of the order sanctioning a charge of a certain kind should be quoted on the bill. If the drawing officer fails to obtain sanction before incurring a charge when the rules require him to obtain sanction, he alone is responsible.

<sup>1</sup>[Exception 1.- The Treasury Officers can start making payment as soon as they receive the Government Order sanctioning Dearness Allowance to the pensioners without waiting for authorisation from the Accountant General].

<sup>2</sup>[Exception 2.- Treasury Officers can start making payment as soon as they receive the Government order sanctioning Dearness Allowance to the Municipal Pensioners drawing pension from Consolidated Fund, without waiting for authorisation from the Controller of State Accounts Department.]

“17(aa) “Non-recurring Honoraria may be drawn by the Gazetted officer himself by presenting a bill in the treasury in a . simple receipt form on the authority if the sanction issued by the competent authority,, or a duly certified copy thereof appended to the bill, without the authorisation of the Accountant General, Karnataka”.

(b) treasury Officers may pay on the authority of the signing or countersigning officers without any special instructions from the Accountant General, the following :-

(1) Establishment bills in respect of all old establishments irrespective of any additions and alterations that may have occurred in such establishments.

Note.- The Accountant General will not intimate to treasuries changes in the scale of establishment, such as additions or reductions nor will he issue instructions to the treasury for the payment of the above claims.

(2) Contingent and travelling allowance bills of all old establishments.

---

1. Inserted by No. FD 17 TFC 88 dt. 7-11-1989 (wef 7-11-1989)

2. Inserted by No.FD 3 TFC 93 dt. 5-8-1994 (w.e.f. 5.8.1994)

(3) Bills for grant-in-aid, stipend, scholarship or contributions supported by a copy of the order of sanction and signed or countersigned by the competent authority of the department concerned.

(4) Advances sanctioned to Government servants whether for their personal use or public purposes, which are drawn on the bills signed or countersigned by a gazetted Government servant to which the certified copy of the original sanctioning order is attached, a note being made in the forwarding memo to the effect that the original has been retained in the office of the sanctioning authority.

Note.- When an advance is drawn in more than one instalment it is enough if the number and date of the order sanctioning the advance already attached to the first bill are quoted in the receipt on which the second and subsequent instalments are drawn. The Treasury Officer should see that such reference is given before paying the second and subsequent instalments.

As regards House Building, Motor Car and Bicycle advances, the procedure laid down in the relevant rules will apply.

Note 1.- Whenever loans and advances are sanctioned to Government servants in relaxation of the provisions of Karnataka Financial Code, the Treasury Officers should pass such claims only on the receipt of authorisation from the Accountant General and should not pass them merely on the strength of copies of Government Orders issued in the matter, unless Government themselves have passed Orders to the effect that such payments may be made without authorisation from the Accountant General in view of urgency.

Note 2.- Reference is invited to Article 99-A in respect of personal advances granted to Gazetted Government servants.

(5) Bills for Loans and Advances to private persons granted under general rules, such as, Land Improvement or Takavi Loans and special charges, such as special advances, special loans etc., sanctioned in favour of a private individual by Government when the original order sanctioning the loans, etc., accompanies the bills.

(6) Bills for the remuneration to the Examiners in respect of the examinations of the Education Department or the Karnataka Local Service Examinations drawn in the prescribed forms and duly countersigned by the Commissioner for Examinations, Education Department or the Secretary of Karnataka Local Service Examinations {except in the case of Gazetted Government Servants - vide Note under Rule 55(26), Manual of Contingent Expenditure 1958}.

(7) Bills for remuneration for review of Text Books of non-officials and non-Gazetted Government servants, when countersigned by the Joint Director of Public Instruction or the Secretary, Text Book Committees.

(8) Bills for remuneration for setting question papers and/ or Valuation of answer papers due to Gazetted Officers in connection with the various Public Examinations, whether conducted under the direction of the Karnataka Public Service Commission or the Departments themselves should be honoured at the treasuries on the basis of sanctions communicated by the Chairman/Secretary, Commissioner or Controller or other authorised Officer of the concerned examination without insisting on the authority from the Accountant General.

The Bills should be prepared in the prescribed form, separately for each Gazetted Officer and countersigned by the concerned authorities of the examinations. The Treasury Officer will record the payment individually, so as to watch the recovery of income-tax.

(9) Bills for remuneration preferred by Doctors performing operations under the Family Planning Scheme duly countersigned by the Superior Officers under whose administrative control they are working should be honoured at the Treasuries, without any authorisation from the Accountant General. The Bills containing similar claims of the District Health Officer himself countersigned by the Deputy Director of Health Services (Family Planning and Maternity and Child Health) should also be honoured at Treasuries without insisting on any authority from the Accountant General.

“9(a). Bills for honorarium of Rs.5 per visit limited to Rs. 50 per rnensum to the doctors appointed as authorised Medical Attendants for attending on the Ministers and Ministers of State.

The claim of the doctors appointed as authorised Medical Attendants for payment of Honorarium may be admitted on the basis of the certificate issued by the concerned private Secretaries without the authorisation of the Accountant General”.

(10) Bills for remuneration to supervisors and invigilators of departmental examinations conducted by the Public Service Commission, the Deputy Commissioners who appoint the supervisors and invigilators will draw the amounts required for disbursement of remuneration to the supervisors and invigilators as and when required, by presenting Bills at the Treasury in Form KFC-3 (Payees' Receipts) separately for Gazetted and non-Gazetted Officers. The remuneration to the supervisors and

invigilators will be disbursed by the Deputy Commissioners at the end of each day of duty after the examination for the day is over, obtaining a proper receipt, duly stamped, whenever necessary. The amount will be debit to the head "Allowances and Honoraria" of the Public Service Commission. In the case of payments to the Gazetted Officers, the Treasury Officers or the Accountant General (I.R.L.A. Section), if the Officer is covered by the I.R.L.A. system, should be intimated so that action can be taken to calculate income-tax and deduct the same from the salary of the Officer.

After the Examination is over, the Deputy Commissioners will send to the Public Service Commission statement of payments so made. The receipted acknowledgements should be filed in the Office of the Deputy Commissioner and produced when required by local audit.

(11) Bills pertaining to the interest on Depreciation Fund, Reserve Fund Investments and Provident Fund investments due to the Karnataka State Road Transport Corporation, duly scrutinised and countersigned by the Departmental Officer concerned.

(c) In the cases noted below, the treasuries will make payments only on the authority of intimation issued by the Accountant General :-

(1) Changes in the pay of gazetted and other Government servants who draw separate bill for their own salaries.

(2) Establishment and contingent bills of newly opened offices.

(3) Permanent Advances for contingencies sanctioned whether by Government or by Heads of Departments under the powers vested in them.

(4) Payment on account of the Government's investments in a Company, Corporation or similar autonomous Organisation unless the Government specially direct otherwise.

<sup>1</sup>[except Government's investments in Co-operative societies.]

(d) A Deputy Commissioner may, in circumstances of urgency, by an order in writing, authorise and require a Treasury Officer to make a payment, not being a payment of pension without complying with the provisions of these rules. In any such case, the Deputy Commissioner shall at once forward a copy of his order and a statement of the circumstances requiring it, and the Treasury Officer shall at once report the payment to the Accountant General.

Note.- The need for exercising the special power under this rule should not arise at all in normal conditions. The power should be used only in real cases of urgency, e.g., floods, earthquake and the like, and withdrawals of money, under this rule should, as far as possible, exclude all personal claims of Government Servants. The maximum amount which can be withdrawn in each case is fixed as Rs.5,000 (Rupees five thousand only).

18. <sup>2</sup>[The arrears claims of non-gazetted Government servants and contingent claims either of special nature or of periodical nature shall be authorised for payment by the authorities who are delegated powers to sanction investigation of claims. To avoid double claims and payments, the drawing officers shall make a note of the payments, in acquittance rolls,

---

1. Inserted by No. FD 11 TFC 81 dt. 19- I I- 1983. (w e f. 19-1-1984).

2. Amended by No. FD 20 TFC 81 dt. 28-8-1986 (w e f. 1-5-1984)

service registers, office copies of original bills and other registers kept in the office. The inspecting officers, while inspecting the offices of the drawing officer shall ensure that the procedure is scrupulously followed.

This article shall not apply to the following categories of claims: -

(a) claims on account of pensions, the payments, of which is regulated by Article 136 of K.T.C.-.

(b) claims on account of pay and allowances other than reimbursement of medical expenses of such non-gazetted Government servants whose names are not required to be shown in the pay bills in accordance with article 117 of KFC ;

(c) claims on account of interest on Government securities, and

(d) any other class of payments which are governed by special rules or orders of Government ;

(e) claims by one Department against another or by a State Government and the Central Government ;

(f) claims of Gazetted Government servants whose pay and allowances are authorised by the Accountant General.]

Note 1.- The time limit of one year prescribed in this Article should be calculated from the date on which the charge becomes payable. In the case of sanction to the claim, accorded with retrospective effect the time limit should, however, be calculated from the date of sanction only and not from the date from which the sanction takes effect.

Note 2.- A claim for an amount of fine deducted from a pay bill by the Head of an office and subsequently excused by him may, if it is preferred within one year, be paid without the sanction of the Accountant General, just as withheld pay claimed within one year of its becoming due.

Note 3.- Claims pre-audited or passed by the Accountant General but remaining unpaid after the financial year, preferred at the Treasury within the first quarter of the next financial year, need not be returned to the drawing officer for revalidation, excepting those claims coming under the purview of Note 3 below Article 305 of Karnataka Financial Code; and no revalidation by the Accountant General is necessary in cases other than those covered by Note 3 below Article 305 *ibid*, provided the payment thereof is claimed within three months from the date of enforcement.

Note 4.- Deleted.

Note 5.- The claims for arrears of pay and allowances of non- gazetted Government servants whose names are omitted from bills and which do not require pre-audit by the Accountant General, should be settled as expeditiously as possible and in any case within a year of their becoming due. Claims which are prepared after one year, require the orders regarding condonation of delay, by the Head of Department or the Government as the case may be.

Note 6.- (i) For the purpose of counting the period of one year referred to in this Article, the date on which the claim is presented at the Treasury should be considered to be the date on which it is preferred. A claim which is presented for payment within one year may be paid by the Treasury Officer in the usual way even if the period of one year elapses between the

date of presentation and the date of payment, due to delay in passing the bill for payment in the treasury.

(ii) Bills which are presented within the prescribed period of one year, but are returned due to their being imperfect, etc., cannot be paid without pre audit if they are not presented after supplying the omissions or rectifying the defects, etc., within the prescribed time limit of one year from the date on which they become due. The fact that this bill was presented on the previous occasion with the prescribed time limit of one year in imperfect manner shall not exempt it from the operation of this Article.

The above principle will apply, also to the claims not exceeding <sup>1</sup>[Rs.500] presented within three years of their becoming due and do not require pre-audit by the Accountant General and also to the claims falling under Articles 20, 21, 22 and 146-A.

19. Bills on account of arrears of pay and allowances and other claims affecting the emoluments of an officer, revised with retrospective effect, do not require pre-audit before payment, if the claims are preferred at the treasury within one year of sanction.

Note 1.- When the amount involved is considerable, it should be clearly indicated on such bill whether requisite appropriation (Budget provision) exists or whether additional appropriation has been applied for.

Note 2.- In the case of claims arising from general revisions of pay scales, the rules of which provide for election

---

1. Substituted by Notification No. FD 36 RFC 76 dt. 21-6-1978. (w.e.f. 21-6-1978).

of such case by individual Government servants, for the purpose of pre-audit of arrears claims, the period of one year should be counted from the date of exercise of option, or the last date prescribed for the exercise of option, as the case may be.

20. (a) Except under the special orders of Government or of some other competent authority to which the power is delegated under this Article, the Accountant General will not investigate any claim of a Government servant, whether gazetted or not, for arrears of pay or allowance or for an increment, when the claim has remained in abeyance for over a year.

Heads of Departments are authorised to sanction the investigation of arrears claims of all Government servants appointed by them. In exercising this power, they should bear in mind that the investigation of such claims often involves a large amount of labour in the Audit Office out of all proportion to the amount or importance of the claims preferred. They should, therefore, exercise the power with caution and call upon the Audit Office to report on cases in which there appears to be a prima facie reasonable claim and reasonable cause for delay. It is necessary that belated claims which are not capable of proof should be disallowed. The investigation by the heads of Departments of arrears claims of Government servants appointed by them is restricted to those claims which are not over <sup>1</sup>[six years old] When, however, the validity of an old claim is established by acceptable evidence, a report of the circumstance in which the delay occurred should be made to Government, so that suitable action may be taken to prevent the recurrence of such cases.

---

1. Substituted by No. FD 12 RFC 77, dated 19th May 1978. (w.e.f. 1-12-1974).

Note 1.- The potgi allowance due for a year may be paid by Tahsildars within twelve months after it becomes due without the sanction of the Deputy Commissioner. Deputy Commissioners are empowered to sanction the investigation of all arrear claims of pay and potgi of any amount when the period for which they have been outstanding does not exceed twenty-four months, and up to a money limit of Rs.100 when the delay in preferring the claim is not more than three years.

Claims beyond these limits, will be sanctioned by the Divisional Commissioners.

The Divisional Commissioners will obtain orders of Government in doubtful cases.

The power delegated to the Deputy Commissioners may be exercised by them in respect of Muzrai matters also, i.e., in respect of pay of Muzrai Establishment paditara and other charges, provided in the sanctioned scale of expenditure of Muzrai Institutions, and potgi of Village Officers in villages belonging to muzrai Institutions.

Note 2.- The Commissioner for Charitable Endowments is empowered to pass arrears claims of Malnad Cash Grants and Muzrai Stipends, when the delay does not exceed three years or the amount involved does not exceed Rs. 500.

Note 3.- Deputy Commissioners are authorised to sanction the investigation (i) of all arrears claims of Malnad Cash Grants not exceeding 24 months, and (ii) of arrears claims of such grants up to a money limit of Rs. 100 when the delay in preferring the claim is not more than three years.

Note 4.- In respect of arrears claims of the staff of Community Development Projects and National Extension Service, falling under this Article, the Divisional Commissioners

shall exercise the power to condone the delay in preferring them, upto a period of five years.

<sup>1</sup>[Note 5.- In respect of the following claims of Non-Gazetted officers, the time limit of one year prescribed in Articles 18 and 19 of Karnataka Financial Code has to be calculated from the date of the order sanctioning the claim and not from the date from which the sanction takes effect:-

- (i) Retrospective revision of pay scales;
- (ii) Retrospective promotion consequent to review of promotions involving payment of arrears of salary and;
- (iii) Claims which were inadmissible according to the then existing orders/rules but which were considered admissible consequent on Court decisions of revised orders issued by competent authorities and have been sanctioned with retrospective effect.

When the delay involved in settlement of the above claim computed from the date of order sanctioning the claim does not exceed six years, the Heads of Departments are authorised to condone the delay under Article 20 (a). Before issuing orders condoning the delay, the following checks should be exercised:-

- (a) Claims should be scrutinised by the Financial Advisor/ Chief Accounts Officer attached to Heads of Departments wherever such posts exist ;
- (b) The correctness of claims should be verified with reference to original records;

---

1. Inserted by No. FD 20 TFC 81 dt. 28-8-1986 (w.e.f. 3-1-1978).

(c) That the claims has not been preferred before, should be established conclusively beyond doubt with reference to original records;

(d) It should be ensured that the payment of claim will not result in wrong or double payment ;

(e) The Heads of Departments should maintain a suitable register detailing all such sanctions accorded by them.

(b) Delays in payment are opposed to all rules and are highly inconvenient and objectionable. The Heads of Offices and Departments should distinctly understand that the personal claims of Government servants under the orders of competent authority should be discharged with the least possible delay and that the provisions for entertainment of belated claims made in Articles 18, 19 and 20 above are intended for exceptional cases where from unavoidable causes, the speedy settlements of claim is rendered impossible. Every case of deferred claim forwarded for pre audit by the Accountant General under Article 18 and 19 and sanction of Government or the Head of a Department under Article 20(a) should invariably be accompanied by a clear explanation of the necessity for postponing the settlement of the claim and where the postponement was avoidable, also by a report of the names of Government servants responsible for the delay and of the action taken to prevent the recurrence of such cases.

(c) All sanctioning authorities should bear in mind the inadvisability and inconvenience of sanctioning claims with retrospective effect as it throws unnecessary burden on the Audit Office and leads to undeserved hardship on the Government servants concerned.

(d) All Promotions, permanent or officiating and other arrangements involving alterations in the pay of a Government servant should be sanctioned by the superior authorities with the greatest promptitude as soon as the occasion for the same arises. If any such arrangements are not sanctioned within the period of one year from the earliest date on which they could be ordered, they cannot be sanctioned afterwards except with the special sanction of Government which will be accorded only in exceptional cases and on satisfactory explanation being payable.

Note 1.- Heads of Departments are empowered to sanction permanent or officiating promotions and other arrangements involving alterations in the pay of Government servants within <sup>1</sup>[six years] from the earliest date on which they could be ordered. They are also empowered to sanction investigation into the claim for arrears of increments within five years of the date on which they become payable.

Note 2.- Except in the case of an increment which has been specially withheld or which is next above an efficiency bar in a time-scale which requires the specific sanction of the competent authority under Rule 52 of the K.C.S.Rs. the period of one year prescribed in Articles 18 and 20 should be reckoned from the date on which the increment falls due for payment, irrespective of the date on which the increment certificate is passed by the Drawing Officer, since that is the earliest date on which the claim could have been putforth. Even where an increment is specifically withheld it accrues from the date on which it falls due after taking into account the period for which it is withheld. On the expiry of that period, the accrual of the

---

1. Substituted by No. FD 12 RFC 77, dt.19th May 1978.  
(w.e.f. 1-12-1974).

increment is a matter of course. The period of one year should, therefore, be counted in such a case from the date on which the increment falls due after taking into account the period for which it is withheld.

In a case in which the increment next above the efficiency bar is to be allowed under Rule 52, K.C.S.Rs., or in which a pre-mature increment is to be granted under Rule 57 of K.C.S.Rs.. the period of one year should be counted from the date of sanction or the date of accrual of the increment, whichever is later.

In the case of an increment which can be drawn only after the increment certificate has been passed by the Accountant General in terms of Article 126 of Karnataka Financial Code the period of one year should be reckoned from the date of passing of the increment certificate by the Accountant General or from the date of accrual of the Increment, whichever is later.

(e) When old claims which cannot be verified from Government records are preferred, the Accountant General will return the papers to the party concerned with a remark to that effect. It will then be the duty of the claimant to submit the claim to Government with independent evidence of a conclusive nature.

Note 1.- As the claims under Article 20(e) will not be scrutinised by the Accountant General, it is necessary subject to such claims to a detailed scrutiny by the Heads of Departments and the Administrative Departments of the Secretariat so as to ensure that no claims which are not supported by satisfactory evidence are recommended for payment. The following procedure has therefore to be followed in such cases:

(i) All time barred claims which are more than '[6 years] old and which fall under Article 20(e) should continue to be sent to Government in Finance Department through the respective administrative Departments in the Secretariat.

(ii) Only such claims which are found to be correct in all respects beyond doubt should be recommended. Others should not at all, be entertained.

(iii) All such claims should contain the following certificate duly signed by the concerned drawing Officers:

(a) the correctness of the claim is verified with the relevant original records ;

(b) the claim has not preferred before and it is established conclusively beyond doubt, with reference to such original records, and

(c) the payment of the claim will not result in wrong or double payment.

(iv) Claims which do not satisfy the above conditions and which also pertain to the period prior to the reorganisation of States should be, however, forthwith rejected unless entertainment of such belated claims, in very exceptional cases, is considered absolutely necessary, since it would be difficult for Government to ensure the correctness of such old claims and to prevent the possibility of double or incorrect payments being made on account of sanction of such old claims.

Note 2.- In all cases of arrear claims which are recommended for sanction of Government under clause (e), prior remarks of the Accountant General, regarding his inability to verify the claim should invariably be obtained and that every sanction order issued under the aforesaid clause, should quote

the reference of the Audit Office wherein its inability to verify the claim is intimated.

<sup>1</sup>[Note 3.- In respect of the following claims of Non-Gazetted Officers the period of one year prescribed in Article 18 and 19 of Karnataka Financial Code has to be calculated from the date of the order sanctioning the claim and not from the date from which the sanction takes effect.

(i) Retrospective revision of pay scales ;

(ii) Retrospective promotion consequent to review of promotions involving payment of arrears of salary and ;

(iii) Claims which were inadmissible according to the then existing orders/rules but which were considered admissible, consequent on Court decisions or revised orders issued by the competent authority and have been sanctioned with retrospective effect.

When the delay involved in settlement of the above claim computed from the date of order sanctioning the claim exceeds six years, the Heads of Departments are authorised to condone the delay under Article 20(e). Before issuing the orders condoning the delay, the following checks should be exercised;

(a) Claims should be scrutinised by the Financial Adviser/ Chief Accounts Officer attached to Heads of Departments wherever such post, exist:

(b) The correctness of claims should be verified with reference to original records ;

---

1. Substituted by No. FD 20 RFC 81, dt. 28-8-1986 (w.e.f. 3-1-1978).

(c) That the claim has not been preferred before should be established conclusively beyond doubt with reference to original records;

(d) It should be ensured that the payment of claim will not result in wrong or double payment ;

(e) The Heads of Departments should maintain a suitable register detailing all such sanctions accorded by them.

(f) All bills, whether payable at Bangalore or elsewhere, submitted to Government for sanction, are returned by Government with orders, to the office submitting them and only copies of the orders sanctioning the bills are sent to the Audit Office.

(g) (i) It is of the utmost importance that claims against Government should be liquidated at the earliest possible moment as belated claims cannot be effectively checked in the Audit Office.

(ii) Claims against Government, which are barred by time under the provisions contained in Section 3 read with the First Schedule of the Indian Limitation Act of 1908 or under any other provisions of law relating to limitation, should ordinarily be refused and no claim on account of such a time barred item should be paid without the sanction of Government. The onus is upon the claimant to establish a claim to special treatment for a time-barred item and it is the duty of the authority against which such a claim is made to refuse the claim until a case for other treatment is made out. All petty time-barred claims are to be rejected forthwith and only important claims of this nature considered.

(iii) It is the duty of the authority against which a claim is made to consider in the first instance the question of a time-bar before submitting it to the Accountant General for the issue of authority for payment. The Accountant General will refuse payment of all claims found to be time-barred until the sanction of Government has been obtained.

(iv) All petty claims of a Government servant not exceeding Rs. 100 and which are more than five years old, other than those that effect his pension, and all such claims for whose delayed submission an adequate explanation is not forthcoming should be rejected forthwith. In considering old claims recommended for sanction, the authority concerned will also take into account the fact that it is normally not possible owing to the limited period of preservation of records to audit claims more than six years old.

(v) The authority competent to authorise the investigation of a belated claim should be told why the claim was not submitted when it became due.

(vi) In respect of non-Gazetted Government servants whose pay and allowances are drawn on establishment bills by the Heads of Office, the responsibility for making claims rests on the latter and they should invariably see that all claims are presented within one year of their falling due. Sanctioning authorities should jealously scrutinise all old claims preferred for condonation of delay, and reject such of them in respect of which convincing reasons for the delay are not forthcoming.

### **CONTINGENT CHARGES**

21. The liabilities incurred on account of these charges should be discharged with the greatest promptitude. In the case of payments made out of permanent advances, the amount should

be recouped at once as laid down in the Manual of Contingent Expenditure ; and in other cases, the liability discharged at the earliest possible date. In either case, the liability should not be allowed to remain undischarged for over a period of one year nor should it be carried forward as a charge on the grant for the subsequent year without adequate reasons. Claims preferred within one year (even though they relate to the previous year) can be settled by the head of the office, without higher sanction. Before preferring Such claims in a subsequent year, the Drawing Officer has to ensure that sanction to the charge where necessary, continues to exist and that sufficient funds are available in the budget. Heads of Departments can sanction on their own authority payment of claims on account of contingent charge (including supplies and services) preferred after one year of their becoming due if they are submitted in the same or the next financial year, provided funds for meeting the same are available in the budget. The general principles laid down in Article 18 will apply equally to claims covered by this Article. Clause (e) of Article 20 of the Karnataka Financial Code will also be applicable to old claims covered by this Article which cannot be verified from Government records.

Note 1.- The Heads of Departments are empowered to sanction all arrear claims of other Government departments or Government Industrial Concerns not more than three years old, subject to a monetary limit of <sup>1</sup>[Rs.3,000].

Note 2.- The Director of Public Instruction is empowered to sanction arrear claims in respect of rent when such claims are not over three years old.

---

1. Substituted by No.FD 9 RFC 77 dated, 27-6-1978.

Note 3.- Contingent bills not preferred for recoupment within three years should, as a rule, not be sanctioned or permitted to be encashed.

Note 4.- The claims for travelling allowance to non-officials for attending meetings and also for monthly recurring grants-in-aid will also be dealt with under this Article.

Heads of Departments are empowered to sanction arrears claims of travelling allowance to non-officials for attending the meeting, etc., when such claims are not over three years old.

Note 5.- The Director of Public Instruction is empowered to sanction arrear claims on account of fees payable to the Doctors for medical inspection of pupils, when such claims are not over one year old.

Note 6.- A claim falling under contingencies should normally deemed to have become due immediately on completion of the relevant supply or service. In the case of claims which can be paid only on receipt of a demand therefor e.g., municipal and water taxes payable to Corporations, Municipalities, etc., and claims of the officers of the Electricity Board towards cost of electric energy supplied by them the period of one year should be reckoned from the last date fixed in such demand notices, for payment.

<sup>1</sup>[“Exception.- The Director of Printing, Stationery and Publications is empowered to incur the contingent liability on account of supply of stationery and sanction payment of such contingent claims in the third financial year or later subject to Budget provision”.]

---

1. Inserted by No. FD 40 RFC 76 dated 27-6-1978 (w.e.f. 27-6-1978).

## TRAVELLING ALLOWANCE

22. The general principles laid down in Articles 18 and 20 apply equally to claims of T.A. to Government servants in service.

The time limit of one year (Article 18) is to be counted from the date succeeding the date of completion of the journey in respect of which the claim is made to the date of presentation of bills at the Treasury. However, in case of journeys undertaken to attend an obligatory examination, where admissibility or otherwise of the Travelling Allowance is conditional and can be determined only after the results of the examination are declared the time limit of one year is to be counted from the date of the announcement of the result.

22-A. The right of a Government servant to travelling allowance, including daily allowance, is forfeited or deemed to have been relinquished if the claim for it is not preferred to the head of the office or, the Controlling Officer or the Accountant General as the case may be, within one year from the date on which it become due.

If the T.A. claim is not preferred by the administrative authority concerned for payment within one year from the date of its becoming due wherever the claims have been preferred by the Government servants well in time it shall not be paid unless the reasons for delay are investigated in detail by the authority competent to sanction investigation of the claims and a specific sanction is issued by it.

If the investigation shows that the claim could not be preferred in time due to administrative delay without adequate and cogent reasons, suitable action shall be taken against the officer (s) concerned so that such delays do not recur in future.

In cases where T.A. advance is drawn and the adjustment bill therefor is not preferred within one year from the date the Travelling Allowance became due, the claims for T.A. will also stand forfeited and the advance of T.A. drawn shall be recovered from the pay or any other dues of the concerned officer/official in one installment by the authority competent to sanction such an advance.

Note.- <sup>1</sup>[The provisions of this Article apply to tour/ Transfer travelling Allowance and Conveyance Allowance claims. But in case of journey on tour where Travelling Allowance advance has been drawn the amount of the advance drawn shall be adjusted by the end of the month succeeding the month in which the journey is completed in the final T.A. bills of the Government servant concerned.]

<sup>2</sup>[The provisions of this Article shall also apply to claims in respect of Home Travel Concession and Leave Travel Concession availed by a Government servant once in a block period of two years and <sup>1</sup>[during entire service] respectively, for which no advances are drawn and these shall be deemed to have come into force with effect from 1st August 1980. But in cases in which advance has been drawn, the adjustment bill therefor shall be preferred :-

(i) Within one year from the Date of completion of return journey when the return journey is completed between 1st August 1980 and 31st December 1980.

and

---

1. Substituted by No.FD 13 TFC 88 dt. 18-10-1989.

2. Inserted by No.FD 1 TFC 81 Dt. 4-5-1982.

(ii) Within three months from the date of completion of return journey or 31st December 1981 whichever is later when the return journey is completed on or after 1st January 1981.

and

<sup>1</sup>[(iii) In the case of leave travel concession, the final bill in adjustment of the advance or T.A. claims for journey, if no advance is drawn shall be submitted within one month when the return journey is completed on or after 6-6-1990, along with the certificate In the following form:

**CERTIFICATE**

Certified that I and the members of my family have undertaken journey from ..... to ..... (declared place of visit) by railway / bus/sea, vide ticket Numbers ..... during the period from ..... to.....

Signature

Name

Date:

Designation:

If the adjustment bill is not preferred within the period mentioned above the claims will stand forfeited and the advance drawn shall be recovered from the pay or any other dues of the concerned officer/official in one instalment by the authority competent to sanction such an advance.]

---

1. Substituted by No. FD 17 TFC 92 dt. 31-3-1993 (w.e.f. 6-6-1990).

## CLAIMS AGAINST GOVERNMENT

23. <sup>1</sup>[Save as hereinafter provided, bills presented by a departmental Officer, personal claims preferred by a Government Officer and all cheques tendered at the Treasury or at an authorised office of disbursement shall be duly receipted for payments and stamped, where necessary. Receipts, duly stamped, where necessary, for all other payments made on bills shall be given at the time of payment.]

At places where the cash business of the treasury is conducted by the Bank, this Article shall apply subject to the provision of Section 'C' in Chapter V of the Karnataka Treasury Code, Volume 1.

Note 1.- Government servants receiving stamped documents should invariably see that all stamps affixed to such documents are promptly punched, as failure to do so affords scope for fraud and is likely to lead to loss of revenue to Government.

Note 2.- The disbursing and audit officers should see that receipts on account of partnership firms are signed by one of the partners for and on account of it as any partner of partnership firm may receive money on behalf of the firm and give valid receipts therefor. In cases where the Accountant General is unable to satisfy himself that the person giving a receipt is a partner of the firm, he may accept the certificate of the disbursing officer that payment was made to the best of his knowledge, to the correct party in the case of obscure firms which have transactions once in a way. In the case of partnership firms having frequent transactions, they should be asked to

---

1. Substituted by No. FD 38 RFC 76 dt. 16-11-1977 (w.e.f. 16-11-1977).

deposit with the disburser before receiving first payment, a declaration specifying the names of partners sworn to before a stipendiary magistrate and Attested by him under the seal of his court. As a rule, either the officer countersigning the bills or the Audit Officer should in every case satisfy himself that the person who has signed the bill has authority to do so and give a valid receipt.

### **PREPARATION AND FORM OF VOUCHERS**

24. The following general instructions regarding the preparation and form of vouchers should be observed:-

(a) A bill or other vouchers presented at the treasury as a claim for the payment of any amount by the Government shall contain particulars of :

(1) the nature of the claim,

(2) the amount claimed,

(3) the period to which the claim relates if it arises periodically, e.g., a claim for pay and fixed allowances,

(4) the orders sanctioning the charge, if it was incurred under special orders.

(5) the authority for any deduction made in the bill,

(6) the major head, minor head, sub-head and detailed account head to which the charge (or each part of it) is debitable, and

(7) the allocation of the charge between Governments and departments, if any such allocation is necessary.

(b) Vouchers should as far as possible, be in printed forms in English or Kannada. Where no special form is prescribed, Form 3 (Payees' Receipt) should be used.

When the use of a voucher in any other language is unavoidable, a brief abstract should be endorsed in English or Kannada under the signature of the preferring officer stating the amount, the name of the payee and the nature of the payment.

All vouchers must be filled in and signed in ink.

Note 1.- Bills affixed with the facsimile signature of the authorised officer, presented by the following departments and institutions forming sub-vouchers of the Contingent Bills, may be accepted for payment, if otherwise in order:-

1. Posts and Telegraphs Department for telegram and trunkcall charges and telephones bills.
2. Public Works Department for water charges.
3. Karnataka Electricity Board for electricity charges.
4. Municipalities and Corporations for tax, water and electricity charges.
5. Air India International on account of their dues against Government (for passage fares, cargo and excess luggage charges).

Note 2.- Vouchers prepared on a typewriter where ink is used may be accepted, care being taken to reject carbon copies.

Note 3.- Bills prepared on Computers may be accepted.

Bills written/Signed by Ball Point Pens will be accepted at the Treasury/Bank provided the writings and the signature are both clear and legible.

(c) The amount of each vouchers (Rupees and Paise) should be always written in words as well as in figures. Care should be taken to have no space for interpolation. When writing the amount in words "Paise" should always be prefixed to the amount as illustrated below :

(1) Rs. 700.09 should be written as Rupees seven hundred and Paise nine only.

(2) Rs. 35.23 should be written as Rupees thirty-five and Paise twenty three only.

(d) All corrections and alterations in the total of a voucher whether made in words or figures should be attested by the full signature of the drawing officer with date as many times as such corrections and alterations are made; similarly, corrections and alterations in the orders of payment must be attested in the same way by the Treasury Officer. The space left blank either in the money column or in the column for particulars of the bill should invariably be covered by oblique lines. A note to the effect that the amount of the bill is below a specified amount expressed in whole rupees should invariably be recorded in the body of the bill in red ink. The amount so specified should be a sum slightly in excess of the total amount of the bill. Erasures and overwriting in any bill are absolutely forbidden and must be avoided; if any correction be necessary, the incorrect entry, should be cancelled neatly in red ink and the correct entry inserted. Each such correction or any interpolation deemed necessary should be authenticated by the drawing officer setting his dated initials against each.

Note.- Important corrections in all encasements for payment at the Treasuries, such as charges in the name of the payee, amount payable and the Treasury of payment, should be attested by the full signature of the drawing or countersigning officers.

(e) Except when specially ordered by the Accountant General otherwise, charges against two major heads should not be included in one Voucher but the Treasury Officer will not take exception to a voucher on this ground unless the items require different action by him, such as entry in different registers. This order does not apply to the allowances of a Government servant, or of an establishment, as in such a case the whole of the allowances, even if belonging to two or more major heads of account should be drawn on a single bill if they are chargeable wholly to the revenues of the State.

(f) Unless the Government have expressly authorised it in the case, of any specified office, no bill or other voucher and no payment order shall be signed by a clerk for the head of the office, even if it is customary for the clerk to sign letters for him when he is absent. No bill or other voucher and no payment order shall be signed with a stamp. The head of an office may authorise a gazetted Government servant serving under him to sign bills, vouchers and payment orders for him but, if he does so, he shall communicate the Government servant's name and specimen signature to the treasury or treasuries concerned. A delegation of powers of this kind shall not in any way relieve the Head of the office of his responsibilities for the accuracy of the bills, etc., and for the disposal of the moneys drawn from the treasury.

Note.- Whenever Head Accountant of the District Treasury is in charge of the District Treasury during the absence

of District Treasury Officer on casual leave or on other duty such as Inspection of sub-treasuries, etc., he shall sign the bills and other vouchers of the District Treasury for and on behalf of the District Treasury Officer.

When a claimant or payee is unable to sign his name he may furnish his signature on a bill or other vouchers in the form of a mark or preferably a thumb impression. No payment shall be made on any bill or other voucher so signed unless some person known to the Treasury or Bank, as the case may be, appears with the payee and identifies him and attests his mark or thumb impression in token of its genuineness. Signatures in vernacular other than Kannada must always be transliterated.

(g) When any kind of bills is prepared in duplicate or triplicate, only one copy should be signed or countersigned in full, the other copy or copies being initialled.

(h) When the payee sends a messenger to receive payment on a voucher, the Signature of the messenger or his thumb impression, if illiterate, should also be taken on the voucher as a proof of the messenger having actually received the money on behalf of the payee.

(i) When a rule or order requires that bills of a certain kind shall be countersigned before payment, no such bill shall be presented at the treasury until it has been duly countersigned.

(j) When a bill relates to a charge incurred under a special order of sanction, the particulars of the order shall be entered on the bill, and a copy of it shall be attached to the bill and duly certified to be a true copy by the Government servant who signs the bill.

(k) Dates of payment should, whenever possible, be noted by payee in their acknowledgments on sub-vouchers, acquittance rolls. etc. If, for any reason, such as illiteracy or the presentation of receipts in anticipation of payment under Article 23, it is not possible for dates of payment to be noted by the payees, the dates of actual payment should be noted by disbursing officers on the documents under their initials, either separately for each payment or by groups as may be found convenient.

(l) In cases in which the endorsement on a bill is unauthorised, incomplete or otherwise, irregular, the treasury officer should refuse payment of the bill and return it to the person with a memorandum explaining why payment is refused.

(m) When a bill is presented by a person who is not the drawing officer himself or his duly authorised agent (banker), he shall be required to produce a letter in Form KTC. 12, authorising him to receive payment. The signature of the messenger or his thumb impression, if illiterate, shall be taken on the bill as a proof that the messenger actually received the money on behalf of the drawing officer.

Pay to .....(designation)  
whose specimen signature below, is hereby attested.

Signature of Messenger,

Signature of the Drawing Officer.

Note 1.- The above endorsement should not be combined with other endorsements on the bills as for example, 'Received Payment' or 'Received content' usually recorded by the drawing officers at the end of the bill. In other words, the

drawing officers' discharge should be quite separate from the authority to receive payment on their behalf.

Note 2.- The procedure laid down in clause (m) should be followed also when payment has to be made to a firm or a private party for service rendered or supplies made to Government.

### **INEVITABLE PAYMENTS**

24-A. It is an important financial principle that money indisputably payable should not, as far as -possible, be left unpaid [vide also Article 20 (b)] and that money paid should under no circumstances be kept out of accounts a day longer than is absolutely necessary even though the payment is not covered by proper sanction. It is no economy to postpone inevitable payments even for the purpose of avoiding an excess over a grant or appropriation and it is very important to ascertain, liquidate and record the payment of all actual obligations at the earliest possible date. It must be borne in mind that if an inevitable payment is required to be made in the absence of funds, the error lies not so much in the payment as in the entering into of the relevant liability.

Note.-When preparing Budget Estimates or applying for additional grants or appropriation suitable provision should always be made for anticipated liabilities.

24-B. A Disbursing Officer may not on his own authority authorise any payment in excess of the funds placed at his disposal; but absence of funds should not necessarily prevent the payment of any sums really due by Government. If the disbursing officer is called upon to honour a claim which is certain to produce an excess over the allotment or appropriation

at his disposal he should take the orders of the administrative authority to which he is subordinate before authorising payment of the claim in question.

It is the responsibility of the administrative authority to arrange for necessary funds either by re.-appropriation or by obtaining a supplementary grant, If savings are not available within the Grant to which the payment is required to be debited or if payment cannot wait till funds are made available through supplementary estimates or if the expenditure is on 'New Service', the administrative authority should obtain necessary advance from the Contingency Fund in accordance with the Karnataka Contingency Fund Rules, 1957.

#### **DOUBTFUL CLAIMS**

25. A Treasury Officer must not honour a claim which on the face of' it is disputable; he will request the claimant to refer the question to the Accountant General.

He may not undertake correspondence for a Government servant making a claim to any special allowance but will request him to address the Accountant General either direct or through his official superior.

#### **VERIFICATION OF CLAIMS BY TREASURY OFFICERS**

26. It must be remembered that the Treasury Officer has to satisfy not only himself, but also the Audit Department, that the claim is valid; and has further to prove that the payee has actually received the sum charged. Careful attention must therefore be given to the rules regarding the completion of vouchers referred to in Article 24. The Treasury Officer must have sufficient information as to the nature of every payment

he is making and is without excuse if he accepts a voucher which does not formally record that information.

Note.- In respect of bills prepared on Computers, the Treasury Officer may carry out only test checks of arithmetical computations.

(i) In the case of establishment bills, the Treasury Officer should see that the arithmetical computations are correct that the drawer of the bill is a Government servant who had been hitherto drawing such bills or that he has been specially authorised by the Accountant General to draw such bills and that it is countersigned by the proper authority, in cases where such countersignature is required under any rule or practice.

<sup>1</sup>[The Treasury Officers in addition, should also see that the Compulsory Life Insurance premium payable to the Karnataka Government Insurance Department are recovered at the prescribed percentage from all the officials included in the pay bill. This check should be exercised in such a way, that all the Drawing Officers whose bills are drawn at the Treasury are covered atleast once in six months. In exercising such checks, he will be assisted by the District Insurance Officer. The District Insurance Officer will intimate the cases of short deduction or non- deduction of premia to the Treasury Officer as per Article 87 of this Code and also inform the Drawing Officer concerned. The Drawing Officer, shall be responsible for deducting the correct premium amount from the pay of the officials concerned for the month following the month in which the communication is received from the District Insurance Officer. If the Drawing Officer fails to recover the prescribed premium amount even then, the Treasury Officer will himself deduct the premium

---

1. Inserted by No. FD 9 TFC 80 dt. 28-2-1984 (w.e.f. 17-5-1984).

amount as mentioned by the District Insurance Officer from the pay of the official and pass the bill for the reduced amount.]

(ii) The Treasury Officer, before paying a bill of a gazetted Government servant, must see that the deductions, <sup>1</sup>[at the prescribed rate] if any, on account of insurance, etc., and those required to be made by the Accountant General or other authority have been made.

(iii) Treasury Officers, when encashing bills for Government servants at a distance from the treasury, should furnish a note explaining the amount of cash and transfer receipts, if any, issued and any deductions or alterations that may have been made in the bills presented. The note should be in bilingual form, as it is important that the guard or messenger who receives the money should ascertain that the amount stated agrees with the actual cash or transfer receipts delivered to him, and when that person is unable to read, the Treasury Officer should himself explain to him the amount entered on the note.

(iv) Any deductions made by the Treasury Officer reducing the net amount claimed on a bill should be explained in a memorandum signed by him to be given to the presenter.

#### **BILLS PAYABLE AT STATE HUZUR TREASURY**

27. All salary, establishment, travelling allowance contingent and other bills payable at Bangalore, are paid by cheques drawn on the Reserve Bank of India, Bangalore by the Treasury Officer, State Huzur Treasury, Bangalore, Similarly, such claims payable at Gulbarga, Raichur and Bidar are paid by cheques drawn on the Agency Banks by the District Treasury Officers of Gulbarga, Raichur and similarly such claims payable

---

1. Inserted by No. FD 9 TFC 80 dt. 28-2-1984 (w.e.f. 17-5-1984).

at Gulbarga, Raichur and Bidar. Appendix VI of Karnataka Treasury Code, Volume II details the procedure for payment of claims by cheques on Banks.

28. The special rules prescribed for withdrawal of funds from the Bank Treasuries are contained in Section C.III of Chapter V of Karnataka Treasury Code Volume I and Appendix IX of Karnataka Treasury Code, Volume II.

29. Payments of petty amounts of Rs.10 or less for remittance of money on Government account within the State, but outside the headquarters of a Government servant, or at a treasury other than the one on which he has a drawing account may be arranged for by money order, by all offices, the money order commission incurred being debited to the contingent grants of the respective offices.

#### **PAYMENTS OUTSIDE KARNATAKA**

30. Payments outside Karnataka

(a) In India-

As a general rule, all payments of Rs.50 and upwards outside the Karnataka State should invariably be arranged for, by means of Bank drafts, the Bank commission being charged to Government.

Payments of less than Rs.50 may be arranged for by means of money orders, the money order commission being charged to Government.

Note 1.- Whenever Payments are made by postal money order, separate receipts from the Payees prepared in accordance with the instructions contained in Article 24 supra should be obtained.

Note 2.- The refund of the Earnest Money Deposits (vide Article 213 of Karnataka Treasury Code) to a party outside the Karnataka State will be made by the Departmental Officer concerned by means of Bank draft by drawing the money from the Treasury, on deposit refund bill. The draft commission shall be debited to office contingencies of the Departmental officer.

(b) Outside India .-

<sup>1</sup>[In respect of payments to be arranged through an Indian Mission on behalf of a State Government in foreign currency, the State Accountant General will forward two copies of the relevant sanctions with the concurrence of Ministry of Finance issued by the State Government to the Controller of Accounts, Ministry of External Affairs. One copy of the sanction duly signed in ink should bear the special seal of authority of the State Accountant General. The sanction will either specify the exact amount payable in the designated authorised foreign currency or indicate the manner in which the amount is to be ascertained by the Mission. The Controller of Accounts, Ministry of External Affairs, will thereafter authorise the payment by forwarding the copy signed in ink bearing special seal to the concerned mission].

Note.- If payments are required to be arranged for urgently by means of Cablegrams, the charges incurred thereon will be debited to the grants of the Departments concerned.

#### **DUPLICATE OF COPIES OF DOCUMENTS**

31. (a) No Government servant may issue duplicate or copies of receipts granted for money received, or duplicate or copies of bills or other documents for the payment of money

---

I. Sub. by No.FD 8 TFC 83 dt. 7-11-1988 (w.e.f. 20-10-1981).

which has already been paid, on the allegation that the originals have been lost. If any necessity arises for such a document, a certificate may be given that on a specified day, a certain sum on a certain account, was received from or paid to a certain person, and a fee of rupee one shall be levied for every such certificate issued to a private party.

The above prohibition extends only to the issue of duplicate on the allegation that the originals have been lost and does not apply to cases in which, by existing rules, duplicates are prepared and tendered with the originals. In the case of a bill passed by the Drawing Officer/Controlling Officer for presentation at a Treasury, but lost either before payment or before presentation at the Treasury, the Government Officer who drew the original bill shall ascertain from the Treasury that payment has not been made on it before he issues a duplicate thereof. The duplicate copy, if issued, must bear distinctly on its face the word 'duplicate' written in red ink. The fact that a duplicate bill has been issued shall be immediately communicated to the Treasury Officer with instructions to refuse payment on the original bill, if presented.

Note.- For the purpose of this Article, the Treasury Officer on receipt of a request from any Drawing/Controlling Officer shall after due verification from his records furnish a certificate in the following form:-

“Certified that Bill No..... dated.....for Rs..... (Rupees.....)reported by (the drawing officer) to have been drawn by him on this Treasury in favour of..... has not been paid, and will not be paid, if presented hereafter”.

(b) When a cheque is lost before payment and a duplicate is required, a guarantee in the following form should be furnished by the person in whose favour the cheque was originally issued and an application made to the officer who issued the cheque for the issue of a duplicate cheque:-

“I do hereby guarantee to make good to Government the sum of Rs..... being the amount of the cheque bearing No.....and dated..... ..due to .....in case a double payment is made in consequence of the loss of the original cheque. A duplicate thereof may be issued at my requests”.

The Bank or the treasury drawn upon will see that the payment on the cheque originally issued is thereafter stopped.

**CHAPTER III**  
**REVENUE RECEIPTS AND THEIR CHECK**

**Departmental Revenue**

32. (a) In the case of Departmental Revenue, e.g., Land Revenue, State Excise, Stamps, Jail Receipts, Registration Receipts, Sales-Tax Receipts, etc., the duty of seeing that the dues, of Government are regularly paid into the Treasury and checked against demands, rests with the departmental controlling officers, who receive from their subordinates, accounts and returns claiming credits for the amounts paid into the Treasury and to whom the Accountant General sends for comparison with these, extracts from the accounts showing the amounts brought to credit in them.

(b) Prompt action should be taken for recovery of moneys due to Government.

Note 1.- The following dates for issue and receipt of the above return are prescribed for adoption:-

Date of despatch from the Accountant Generals Office.	20th of 2nd Month following.
Date of the return by the Department after verification.	10th of 3rd Month following.
Regarding the yearly accounts.	Not later than the end of June.

<sup>1</sup>[Note 2.- Each Departmental Controlling Officer should furnish a certificate to the Accountant General every month to the effect that the receipt figures according to his registers have been reconciled with those of the Accountant General. This certificate should be sent not later than 15th of the 3rd following month.

The Certificate noted below should be recorded in the monthly pay bill of each of the Controlling Officer.

“I certify that the figures of Revenue Receipt received from the Accountant General are reconciled with those received from the subordinate officers and a certificate of reconciliation due from me for the third previous month, has been furnished to the Accountant General vide No.....Date... .. .

Controlling Officer.]

### **REALISATION OF DUES TO GOVERNMENT**

33. (a) Every Government servant who is responsible for the collection of any moneys due to Government should see that demands are made at once as payments become due, that effective steps are taken to ensure the prompt realisation of all amounts due and that proper records are kept to show in respect of items of revenue whether recurring or non-recurring, the assessments and demands made, the progress of recoveries and the outstanding amounts due to Government. The controlling officer of every department of Government should closely watch the progress of the realisation of the revenues under his control and check the recoveries made against the demands.

---

1. Inserted by No. FD 18 TFC 78 dt. 26-6-1979 (w.e.f. 16-6-1979).

(b) If any wrong credits are brought to notice by the controlling officer, consequent on the check of recoveries, he should at once inform the Accountant General to enable the latter to effect necessary corrections in the accounts on hand. If any credits are claimed but not found in the accounts, it is usually more convenient to make enquiries first of the departmental officer.

Similarly, in the case of funds managed by Government servants, detailed accounts should be kept by them to whom the Accountant General will send monthly, for comparison and verification, the figures passing through his books. To facilitate comparison, the 'Accountant General' will enter separately the figures appearing in the Treasury cash account and the adjustments and corrections made in his office explaining the latter in the remarks column.

#### **VERIFICATION OF CREDITS**

34. Every departmental controlling officer should obtain regular accounts and return from his subordinates for the amount realised by them and paid into the treasury and consolidate the figures in a register so as to show the total receipts for each month classified according to the heads of account in the Budget Estimate.

The subordinate officers are required to send their accounts/returns only after verification of credits shown therein, with those in the treasury accounts. To ensure that this has been done they should furnish a certificate in their accounts/returns as under:

Certified that credits included in the accounts/returns have been verified and agreed with those in the treasury accounts.

(Signature.)

Note.- For detailed procedure in this behalf See Article 329 (V).

(1) It is essential that the accounts of the departmental controlling officers should not be compiled from returns of the Treasury. But the Treasury Officer is, in some cases, required to verify returns prepared for submission to departmental controlling officers. It is the duty of Tahsildars and Deputy Commissioners to have the "Demand, Collection and Balance Statement" prepared in the Accounts Department of their office independently of the Treasury Department and then get them verified with the Treasury figures.

(2) A reconciliation of departmental revenue figures with those of actual credits into the Treasuries on which the accounts of the Accountant General are based is of the utmost importance. Such a comparison is the only check on the proper realisation of departmental revenue, and every department should maintain regular accounts of revenue, which should be carefully verified every month with the credit statements received from the Accountant General.

(3) Controlling Officer should promptly compare the returns received from District Officers with those received from the Accountant General and have all difference reconciled as early as possible, in communication with the District Officers, and if necessary, with the Accountant General. This is specially important in the case of the returns for March as all corrections required in the books of the Accountant General should be effected before the accounts of the year are closed.

(4) All differences between the treasury and departmental officers' Classification Of receipts would be avoided by the latter remitting money to the Treasury with challans showing the proper heads of account.

(5) The departmental accounts should be verified with those of the Treasury only after both are independently compiled and any difference discovered in the course of such verification should be simply intimated to the department concerned and only such corrections as are warranted by details found in the challans, should be made in the treasury accounts. If the challans themselves are inaccurately prepared, the treasury should require the departments concerned to correct them before complying with their request to alter the classification once made in the treasury accounts.

### **FINES**

35. The duty of realising fines and of checking the receipts and refunds rest with the Government servants of the departments concerned.

Each Court, Civil or Criminal, is required to submit, to the District Judge or the District Magistrate, as the case may be, on the last working day of each calendar month a statement in Form 4, of Fees, Fines, etc., realised in each Court and remitted to the Treasury during the month.

The statement should be made up for the account month of the District Treasury or Taluk Treasury with which the Court deals.

The District Judge and the District Magistrate, should each consolidate these returns into a monthly fines statement for the Courts under him, and forward it to the Treasury Officer, as soon as possible, after the beginning of the following month, for verification of the amounts shown as remitted into the Treasury with the credits appearing in the Treasury account. The Treasury Officer should certify as to the correctness of or otherwise of these amounts. When there is any discrepancy

between a consolidated statement and the Treasury account, the Treasury Officer may, if necessary, before giving his certificate, request the District Judge or the District Magistrate, as the case may be, to explain the discrepancy.

(i) Compensation fines due to an injured party which are creditable to deposits, and fines which, under competent sanction, are credited to a Municipal or other Local Funds will be excluded from this return.

(ii) Fines to be credited to Municipalities or other Local Funds will be entered in separate registers for each Municipality or Fund, and when the Municipality or Fund banks with a local treasury, the amounts will be remitted by the Court direct to the Treasury for being credited to the account of such fund.

(iii) Courts realising arrears of Municipal Taxes under the Municipal Acts or fines which under any law in force are credited to municipal or other Local Funds, will furnish at the end of the month in which the realisations are effected, a statement in the prescribed form, (No.194 Criminal) to the Municipality or other body concerned.

36. A register in Form 5 will be maintained in the Offices of the District Magistrates and the District Judge, for consolidating the figures of the several Courts in each month. As the District Judge will receive statements from Courts situated in different Districts, the figures of the Courts of each District will be entered on separate pages in the register.

(1) All fines realised by the Police on warrants should be paid, as far as possible, into the Court concerned for payment into the District Treasury; but when the fine is realised in a Taluk, it must be paid into nearest Taluk Treasury and a receipt obtained, which the police officer will send with the warrant to

the Court. The Court will then enter the fine in the proper register as realised and as paid into the Taluk Treasury, sending the Taluk Treasury receipt to the District Treasury.

(2) All fines levied and confiscation ordered under the State Excise Regulations by Judicial Officers should be shown in the separate column the statement of fees and fines.

(3) When any amount is realised in any district on account of a fine imposed in another district of the State the amount should not be remitted to the Court which inflicted the fine, but should be treated for the purpose of the fines statement, as if a fine equal to the amount realised had been inflicted by the Court in which it is realised. The Court which realises the amount should send an advice of the recovery to the Court which inflicted the fine, and should also make a note of the Court to which the amount realised relates, against the credit in its fines register, and monthly statement. The Court which inflicted the fine should, on receiving the intimation, note in its fines register, and monthly statement, the amount of the recovery so advised, and the name of the treasury into which the amount was paid.

37. All fees and fines, civil or criminal, stamp penalties, deficient stamp duty, and any other items belonging to Government realised by Court will be entered in remittance books, one to be headed "Administration of Justice" and the other "Stamps", with particulars of the date of remittance, nature of item and amount. The books will be signed by the Nazir and the Judge in the proper columns and sent with the money to the treasury within two days to be credited under the proper head. The Treasurer and the Treasury Officer will sign in the proper columns and return the books, At the end of the month the entries will be totalled by the Nazir and forwarded to the treasury,

where the totals will be checked with the Treasury account and signed by the Treasurer and Treasury Officer, if correct.

Note 1.- Provision of Note 1 below Article 4 are also applicable.

Note 2.- The annual Cash Balance statements of Civil Courts and the half-yearly Fines Statements of Criminal Courts will be got certified by the Treasuries before Submission to the High Court. To enable the treasuries to furnish these certificates, the Courts will furnish them with particulars of remittances and a copy of the remittance register relating to the period.

### **MISCELLANEOUS DEMANDS**

38. Miscellaneous demands of Government not falling within the ordinary revenue administration are entered by the Accountant General in a register of special recoveries and their realisation watched by him. The Departmental Officers must, however, take the initiative for the recovery of these demands.

39. In respect of supplies made or services rendered by Service Departments to Local Bodies, etc., (e.g., value of medicines supplied from the Medical, Stores value of vaccine lymph supplied from the Vaccine Institute, cost of stationery supplied from the Stationery Depot value of printing work done. at the Government Presses), the departmental officer concerned should see that the value thereof is recovered and remitted to the Treasuries promptly. For such supplies and services, bills containing full details of the transactions, (e.g., particulars of work done or supplies made, institution to which the bill relates, etc.), should be sent to the concerned offices promptly. These bills should be numbered serially and a record of bills sent out should be maintained in Form 6. The receipt of replies from the offices concerned should be watched and necessary action taken

promptly in cases of delay. A copy of this Register, i.e., a statement showing the bills sent out during each quarter (with columns of recoveries left blank) will be sent to the concerned State Local Audit Circle for taking action in cases of delayed payments.

### **CLASSIFICATION**

40. Rules regarding the classification of receipts are found in the Budget Manual.

### **RENTS OF PUBLIC WORKS DEPARTMENT BUILDINGS**

41. Rents due from Government servants occupying Government buildings shall be recovered regularly by deduction from the salary or establishment bills of such Government servants.

(1) Changes in the amount of rent to be paid by the occupants of Government buildings owing to increase in the capital cost of buildings, remissions, occupation for a portion if a month only or other causes will be intimated by Executive Engineers to the Government servants concerned. In the absence of such information, a Government servant, gazetted or non-gazetted, will continue to deduct from the Salary or Establishment bill, the amount deducted in the previous bill on this account.

(2) All gazetted Government servants and official superiors in the case of non-gazetted Government servants who occupy Government buildings and are liable to payment of rent therefor, should intimate to the Executive Engineer any change in their pay which may affect the rate of rent and send a quarterly report whether there is any change or not so as to, enable the Executive Engineers to levy rents in accordance with rules.

(3) When recoveries of rent are to be effected through a Treasury Officer, a demand in Form No. KFC-7 (Statement of rent recoverable in cash or by deduction from pay bills) should be sent, in duplicate, by the 25th of each month to that officer or the Accountant General in the case of officers covered by I.R.L.A. system, who will make the necessary recoveries and return one copy of the statement duly completed before the close of the following month, the other copy being attached to the bills from which the recovery has been made vide Article 274 of Karnataka Treasury Code. In the case of rents recoverable from non gazetted Government servants, whose pay is drawn by the heads of their officers on a consolidated bill cashed at the Treasury, a consolidated statement of demand, in Form No. KFC-7 will be sent to the drawing officer concerned, in duplicate, by the 25th of the month to which the demand relates, for taking similar action.

(4) When rent, for any reason, is not regularly paid by a Government servant, the Executive Engineer will intimate the concerned Treasury Officer, in the case of gazetted officers drawing their salary on such treasuries, the Accountant General, in the case of gazetted officers whose salary is drawn by the Accountant General under the I.R.L.A. system and the concerned drawing officer in respect of a non-gazetted Government servants, by a special letter to recover the rent from the salary bill, etc., of the Government servant concerned and endorse a copy of the same to the Government servant, for his information. The Treasury Officer, Accountant General or the drawing officer on receipt of such an intimation from the Executive Engineer should recover the amount from the salary bill, etc., straight-away and they should not conduct any correspondence with the tenants on the subject of their rent but should leave it to the Government servant to represent his/her case to the Executive Engineer.

(5) If the Government servant is permitted to occupy the quarters even after handing over charge of the post or does not vacate the quarters, that information should be intimated to the authority responsible for issuing the Last Pay Certificate well in time by the Public Works Department Officers. In case of late receipt of this information from the Public Works Department Officers regarding demand for rent after the issue of Last Pay Certificate, the Treasury Officer may forward the demand to the new Treasury from where the transferred officer will draw his salary. The future demand for rent upto the date he vacates the quarters should be sent to the officer who disburses his salary in respect of the post to which he is transferred. Article 275 (c) (ii) of the Karnataka Treasury Code may also be referred to.

(6) The statement of deductions to be attached to the establishment bill will be in Form 7.

(7) In order that the rents due are properly assessed, the Accountant General will send to the Divisional Officers/ officers concerned a copy of the Pay slip issued to each Gazetted Officer who is occupying a Government residential building. For this purpose, the Divisional Officer/Officer should send to the Audit Office, as soon as a Gazetted officer has occupied a building, intimation regarding the date from which rent is recoverable from that Officer. The Audit Office will then intimate the Divisional Officer/ Officer the rate of pay of the Gazetted Officer and will also continue to endorse copies of the Pay slips whenever there is a change in rate of pay when the building is vacated by the Officer, the fact should again be reported to the Audit Office by the Divisional Officer/Officer.

Each Gazetted Officer who will be occupying a Government residential building should also intimate the Audit

Office the particulars of the building occupied by him, the date of occupation and the Public Works Divisional Officer/Officer responsible for watching the recovery of rent in respect of that building, as soon as he occupies the building, so that there may be no complication in regard to date of occupation, etc. On vacating the building, a similar intimation has also to be sent to the Accountant General.

**RECOVERY OF RENTS OF RESIDENTIAL  
BUILDINGS IN CHARGE OF DEPARTMENTS  
OTHER THAN PUBLIC WORKS**

42. Heads of Department of Other Civil Departments concerned will be responsible for the due recovery of rents of residential buildings under the charge of their respective departments. The main Principle of assessment and procedure for recovery of rent of such buildings will be the same as in the case of other residential buildings in charge of the Public Works Department. Concession in the shape of reduced rents or free quarters will be governed by specific orders of Government passed from time to time.

Note.- Heads of Departments will furnish the information to the Accountant General or the Treasury Officer, as the case may be, in respect of Officers and officials occupying departmental residential buildings.

When new quarters are constructed and rent is to be recovered, the Government servant in charge will, in consultation with the Executive Engineer of the Division, Prepare a statement for the calculation of rent liveable in accordance with the rent rules for buildings in charge of the Public Works Department and obtain the approval of Government through the Accountant General.

Rents recovered on account of buildings in charge of departments other than the Public Works Department should be treated as departmental revenues and not as revenues of the Public Works Department.

Recovery of rents due on Forest Buildings are regulated in accordance with the rules contained in the Karnataka Forest Account Code.

### **VEHICLE TAX**

43. All Taxes collected under the Karnataka Motor "Vehicles Taxation Act. 1957, shall be credited to the head XI Taxes on Vehicles".

44. According to Section 20 of the Act, (i) there shall be paid to each local authority, which prior to the commencement of the Act, was being paid any amount, under the previous Acts, a sum equivalent to the said amount and (ii) there shall be paid annually to each local authority which, at the commencement of the Act, was levying tax or toll or both on motor vehicles, a sum equivalent to the average annual income derived by such local authority during the three years ending on 31st day of March 1957 from such tax or toll or both, as the case may be.

Note.- The following procedure should be followed for the payments of these compensation amounts:-

The amount payable to each Local Body under the statute shall be determined by the Commissioner for Transport and a formal sanction order issued by him. On the basis of this sanction, the Regional Transport Officer concerned will prepare a bill for the amounts due to Local Bodies under his jurisdiction and present the same to the concerned District Treasury

requesting the Treasury Officer to credit the deposit account of the Local Bodies concerned with the amount due to the particular Local Body. The Treasury Officer, shall furnish to each Local Body, a copy of its monthly transactions.

### **REMISSIONS AND ABANDONMENT OF CLAIMS TO REVENUE**

44-A. If a claim be relinquished, the value of the claim shall not be recorded on the expenditure side as a specific loss (vide Article 377).

Remissions and abandonment of claims to revenue shall be reported to the Accountant General in the form of an annual statement, as indicated below for inclusion in the Appropriation Accounts of Government.

(a) The statements should show the remissions of revenue and abandonment of claims to revenue sanctioned during the preceding year by competent authorities in exercise of the discretionary powers vested in them otherwise than by Law or Rule having the force of Law. For inclusion in these statements, remissions and abandonments should be classified broadly with reference to the ground on which they were sanctioned and a total figure should be given for each class. A brief explanation of the circumstances leading to the remission should be added in the case of each class.

(b) Subject to any general or special order issued by Government, individual remissions below Rs.100 need not be included in the statements.

(c) The statements for a financial year should be arranged to be sent to the Audit Office before the 1st June of the next financial year.

44-B. (1) The Electricity Tax payable to Government under the Karnataka Electricity (Taxation on Consumption) Act, 1959, shall be collected by the licences along with the cost of energy supplied, and credited to Government under the Head "XIII. Other Taxes and Duties, B, Electricity Duties, (i) Tax on consumption of Electricity".

(2) The licensees are entitled to the reimbursement of collection charges at the prescribed rates on the amount of tax collected. The charges should be claimed by them in payees receipts (Form 3 K.F.C.). which will be payable at the Treasury after they are countersigned by the Electrical Inspector to Government. The expenditure is debatable to "13-Other Taxes and Duties, Charges under the Electricity Acts-5. Other charges."

(3) The Electrical Inspector to Government will watch the prompt realisation of the tax revenue.

<sup>1</sup>[44-C SHARE OF ENTERTAINMENT TAX TO LOCAL BODIES

The following procedure shall be followed for the payment of share of Entertainment Tax to Local Bodies under Section 17 of the Karnataka Entertainment Tax Act 1958:-

The Commercial Tax Officer of the area concerned sanctions the payment of compensation to each local body for each quarter. He should prepare a payee's receipt for the amount payable to each local body and present the same to the District Treasury along with a copy of his sanction order and a challan in duplicate requesting the Treasury to credit the amount of the payee's receipt to the deposit account of the local body concerned. The Treasury Officer shall furnish to each Local Body a copy of its monthly transactions.]

---

1. Inserted by No.FD 2 TFC 87 dt.16-10-1987 (w.e.f. 16-10-1987).

**CHAPTER IV**  
**RESPONSIBILITIES FOR MONEYS WITHDRAWN**  
**Treasury Officers - Responsibility of the Treasury**  
**OFFICERS IN RECOVERING AMOUNTS**  
**DISALLOWED BY THE ACCOUNTANT**  
**GENERAL**

45. When the Accountant General disallows a payment as unauthorised, the Treasury Officer should promptly recover the amount disallowed, without regard to any representation or protest, and if the item is a recurring one, should also refuse to make similar payments in future until the Accountant General authorises him to do so; that no warning slip has been received by the Government servant retrenched, or that being received, it has been answered, are facts with which the Treasury Officer has no concern. The Accountant General is responsible for seeing that Treasury Officers carry out his instructions. His objection must prevail absolutely and immediately over every authority under the Government.

If a Treasury Officer received an order to make a recovery from the salary, etc., of a Government servant who has in the meantime been transferred to another district, he should immediately forward it to the Treasury Officer of that district. The Treasury Officer should not enter into any correspondence regarding any such recovery.

Recoveries may not ordinarily be made at a rate exceeding one third of pay unless the Government servant affected has (a) in receiving or drawing, the excess, acted contrary to orders of without due justification or (b) taken an advance for a specific purpose, not utilised it for the purpose

for which the advance was sanctioned within the prescribed period and failed to refund the outstanding amount within the stipulated date.

46. Objections and orders which arise out of the examination by the Accountant General of the Treasury accounts are communicated to the Treasury Officers and departmental officers by letters, audit memoranda, or periodical objection statements. To these, the earliest attention should be given and it is most important that these objection statements should be returned punctually within the prescribed period and also that the replies to them should be such as will enable the Accountant General to adjust the items under objection without further correspondence.

47. Every Treasury should maintain a register of recoveries, in which separate pages should be set apart, as may be convenient, for each Government servant or department entitled to draw bills etc., on the treasury, As soon as any order to make a recovery is recovered, whether through an objection statement or a separate slip, an entry should be made in the register. Before any bill is passed for payment, the register should be consulted to see whether any recovery has to be made. When any amount is recovered, it should be duly noted in the register along with the number and date of the voucher.

48. The Treasury Officer should ordinarily recover from the next pay bill of the Government servant concerned any amount which the Accountant General orders him to recover be account of pay and similarly from the next Travelling Allowance bill any recovery ordered on account of Travelling Allowance. When, however, a recovery has to be made on account of Travelling Allowance and the Government servant concerned does not present a Travelling Allowance bill within a month, he

should be requested to refund the amount at once in cash and if he fails to do so, it should be recovered from his next pay bill.

### **DRAWING OFFICERS**

49. A Government servant supplied with funds for expenditure shall be responsible for such funds until an account of them has been rendered to the satisfaction of the Audit Office. In cases in which the acquittances of the actual payees are not sent for audit, the Government servant supplied with funds shall be held personally responsible for seeing that the payments are made to the person entitled to receive them.

If any doubt arises as to the identity of the Government servant by whom account of such funds shall be rendered, it should be decided by Government.

### **DISBURSEMENTS MADE ON BEHALF OF GOVERNMENT**

50. (a) (i) Subject to the provisions of clause (b) below, a Government servant shall obtain, for every disbursement which he makes on behalf of Government including every repayment of moneys which have been deposited with the Government a voucher setting forth full and clear particulars of the claim, using as far as possible the particular form, if any, prescribed for the purpose, and shall obtain at the time of making payment, either on the voucher or on a separate paper to be attached to it, an acknowledgement of the payment signed by the payee by hand and ink. In doing so, he shall observe carefully the directions contained in Articles 23 and 24 supra in regard to the stamping of receipts and the preparation of vouchers. When possible, he shall require the payee to note the actual date of payment in his acknowledgement. When it is not possible for

the payee to note the actual date of payment either because he is illiterate, or because he is required to present a signed receipt before payment is made, the disbursing officer shall enter the actual date of payment on the relevant voucher with his initials either separately for each payment or for groups of payments, as may be found convenient.

Note 1.- As adjustment bills for 'nil' amount involve no payment, it is not necessary to insist upon any acknowledgement of payment in respect of such bills.

Note 2.- A single receipt, stamped where necessary given by a payee in acknowledgement of several payments or a lumpsum payment, either in cash or by cheque, made to him, on one occasion, shall constitute a valid acquittance and the disbursing officer, in such cases, should give cross reference on all vouchers to which the receipt relates.

(ii) If a payee is not able to write, his signature on the acknowledgment should be taken in the form of his mark or preferably by his thumb impression attested invariably by some known person.

(iii) If a payee signs his acknowledgement in a language other than in English he shall be required to write also the amount acknowledged in words in that language in his own handwriting. His acknowledgement including the amount acknowledged and any remark made by him, shall be translated into English and his signature shall be transliterated in roman characters. If a payee cannot sign his name in a script known to the disbursing officer or a member of his staff or if he can sign in a script known to one of them but cannot write the amount acknowledged in words in It, the procedure applicable when a payee is not able to write shall be followed.

Exception.- A special procedure is prescribed for obtaining the payee's acknowledgements of payment on account of the pay and allowances of Government servants-see Article 52 infra.

(b) If, in very exceptional circumstances, it is quite impossible to furnish a proper voucher with the payee's acknowledgement in support of a payment, a certificate of payment showing the particulars of the claim, signed by the disbursing officer and endorsed by his immediate superior shall be placed on record. Particulars of the claim should invariably be set forth.

Note.- Production of vouchers for cooly charges, cart or jutka hire, incurred on public service in the course of journeys by Railway or public buses need not be insisted on provided the charges are reasonable and are supported by a certificate of the Government servant incurring them that the amounts were actually paid by him for the purpose.

(c) If a disbursing officer anticipates any difficulty in obtaining an acknowledgement in the proper form from a person to whom any moneys are due he shall decline to deliver the cheque or cash to him or to make a remittance to him as the case may be, until he receives a proper acknowledgement of the payment with all the necessary particulars. Whenever a payment is made by remittance, a note of the date and mode of remittance shall be made on the bill or voucher at the time of remittance. When a remittance is made by postal money order, its purpose shall be briefly stated in the acknowledgement portion of the money order form in continuation of the entry "Received the sum specified above on....." and sufficient space shall be left below the manuscript addition for the signature or thumb impression of the payee.

(d) When an article is obtained by value payable post, the value payable cover, together with the invoice or bill showing full details of the items paid for, shall be treated as a voucher, and the disbursing officer shall note on the cover that the payment was made through the post office and includes postal commission.

(e) A disbursing officer may retain a certified copy marked "Duplicate" of a receipted voucher, when this is necessary in order to complete the record in his office, but the payee shall not be required to sign any such copy or to give a duplicate acknowledgment of the payment.

51. No voucher shall be treated as a valid voucher unless it bears a distinct pay order, specifying the amount payable both in words and in figures separately and signed or initialled, and dated by hand and in ink by the responsible disbursing officer. Cashiers and other Government servants, who are authorised to make payments on passed vouchers, shall not make any payment on a voucher unless it bears a pay order satisfying these requirements.

### **ACQUITTANCE ROLL**

52. The Head of the Office is personally responsible for all moneys drawn as pay, leave salary allowances, etc., on an establishment bill signed by him or on his behalf until he has paid them to the persons who are entitled to receive them and has obtained their dated acknowledgments, duly stamped when necessary. These acknowledgments shall be taken as a rule on the office copy of the bill. When the Head of the Office concerned considers that an establishment is so large or scattered that the payee's acknowledgments cannot without undue inconvenience be obtained on the office copy of the bill, he

shall maintain a separate acquittance roll In Form 9 and obtain the Payee's acknowledgements in it.

Note 1.- A separate acquittance roll may also be maintained in every office in respect of payments (including refunds) made to private persons for which vouchers are not required to be sent to the Audit Office under the rules.

Note 2.- The acquittance rolls or office copies of bills containing acknowledgments of payees are not required to be sent to the Accountant General, but being important records they should be preserved carefully for the periods prescribed.

In respect of payments made through acquittance rolls or Office copies of bills on the pay day, the disbursement certificate which, should be recorded at foot of the last page of the acquittance roll or office copy of the bill should invariably be signed by the disbursing officer in token of the total amount actually paid. The "paid" stamp should also be affixed against the daily total shown as disbursed in the acquittance roll or office copy of the pay bill and attested by the disbursing officer.

In respect of undisbursed amounts or amounts drawn on supplemental and other bills paid subsequently the items should be stamped "paid" individually in the acquittance roll or office copy of the bill, as the case may be and attested by the drawing officer while signing the cash book.

53. The Acquittance Roll should be drawn after approval of the pay and Travelling Allowance bills by the Head of the Office.

In cases in which Government servants cannot themselves take payment at the office, stamped and signed receipts should be separately obtained from them, the signature

of the agents being obtained on the letters of authority granted by the former.

This register should be examined every month by the Head of the Office or other Government servant deputed by him for the purpose, who should satisfy himself that proper receipts have been taken for all sums disbursed and that the amounts of cashed bills and payments have been posted in the cash book.

Note 1.- For amounts recovered at the time of disbursement of salary from Government servants in cash, such as recoveries on account of court attachment or on account of purchase from Jails or Industrial Institutions, a receipt should be given as required in Article 6.

Note 2.- A Bill Register, in Form No. K.F.C. 9-A, should be maintained by the all Heads of Offices who are authorised to draw moneys from the treasury on bills signed by them. The register should be reviewed monthly by the officer concerned and the result of the review recorded thereon.

#### **“PAYMENT OF LEAVE SALARY”**

54. Subject to any orders of procedure that may be specially prescribed by Government in the case of Gazetted Government employees and in the Departmental regulations in the case of a non-Gazetted Government employees, the leave salary of Government Employee shall be drawn from the Treasury or office of disbursement from which his pay was being drawn immediately before proceeding on leave. Normally, the Government employee shall make his own arrangements for getting his leave salary remitted to him. However, if the employee during the period of earned leave exceeding a month, specially requests the Treasury Officer (in the case of Gazetted

Employees) and disbursing Officer (in respect of non-Gazetted employees) for the remittance of his net dues by means of demand draft, the officer concerned should arrange to send to the Government employee demand draft at par, by registered post. The charges incurred in this regard should be debited to office contingencies. In cases where a period of leave is followed by transfer, such portion of leave salary as would not be drawn at the old station may, however, be drawn at the treasury or office of disbursement from which the pay in respect of the new post is drawn.

55. If a Government servant who is entitled to receive any moneys drawn from the Treasury on his behalf fail to claim payment in person or in accordance with the preceding Article before the end of the month in which they are so drawn, the moneys drawn for him shall ordinarily be refunded by short drawing in the next bill and drawn afresh when he claims them, if the rules regarding arrears claims permit it. When the drawing officer consider that the earlier refunding of any such moneys would cause undue inconvenience, he may retain them for a period not exceeding three months, but he will continue to be held personally responsible for them and must make satisfactory arrangement for keeping them safely. Undisbursed pay, allowances and leave salary shall not under any circumstances be placed in deposit.

56. In addition to watching, the disbursement of pay and allowances through the office copies of bills or the acquittance rolls, a register in Form No.10 shall be maintained in each office for effective watch over the disposal of undisbursed amounts. The Head of the Office should review all the undisbursed items regularly. The same register shall also be used, when necessary, for watching the disposal of the

undisbursed balances, if any, of amounts, drawn on contingent bills in excess of the Permanent Advance.

Note.- In this Register, entries of the total amounts of bills or cheques and particulars of amounts undisbursed shall be made against each bill, serially, and subsequent payment thereof entered in the appropriate Columns of the Register and the Cash Book. Each such entry should be attested by the disbursing officer. From this register, an abstract of amounts of pay and allowances remaining undisbursed for 3 months should be prepared to ensure their refund either in cash or by short drawl from the next bill.

#### **CUSTODY OF VOUCHERS AND ACQUITANCES**

57. All vouchers and acquittances are important documents and shall be filed and preserved carefully in the office concerned, when they are not sent elsewhere for audit in accordance with the rules.

#### **CANCELLATION OF SUB-VOUCHERS**

58. (a) Sub-vouchers to contingent bills should be cancelled in such a manner that they cannot subsequently be used fraudulently to claim or support a further payment.

(b) Whenever a drawing officer signs a fully voucher contingent bill for presentation at the treasury for payment or a detailed contingent bill for submission to the controlling authority, he should at the same time cancel all the sub-vouchers which relate to the bill but are not attached to it or retained for record in his office. He should endorse the word "cancelled" across each such sub-voucher in red ink or by a rubber stamp, and initial it with the date. He should certify on the bill that all the sub-vouchers relating to it other than those attached to it

have been so cancelled that they cannot be used again. When the amount of a sub-voucher exceeds the permanent advance, it should be cancelled in the manner described above as soon as the payment has been made and entered in the contingent register.

Whenever a controlling authority forwards a detailed contingent bill to the Accountant General, he should cancel in the manner described above, all the sub-vouchers received with the bill, but not required to be forwarded to the Accountant General and should certify on the bill that all such sub-vouchers have been so cancelled that they cannot be used again.

### **CHECK OF CHARGES**

59. The Accountant General is responsible for the audit of all expenditure charged against Government.

If any item of expenditure is found to be irregular or in excess of what is due, he proceeds to remove the irregularity or recover the excess amount paid through the Treasury Officer, and he usually issues warning slip to the drawing officer concerned at the same time. When an item of expenditure is less than what is actually due for payment, and the amount involved is not insignificant, the Accountant General informs the drawing officer of the fact, leaving him to prefer an additional claim or not as he thinks proper.

60. Every Government servant should give proper attention to all objections and orders received from the Accountant General without any avoidable delay. If there should be any delay in attending to them, a letter explaining the cause of delay should be sent to the Audit Office.

A Register shall be maintained in each office in Form 11 for recording the objections communicated by the Audit Office. The fact that some of the objections are still under reference is no reason for keeping back the statement. Such cases may be extracted for subsequent explanation.

### **RESPONSIBILITY OF DRAWING OFFICERS AND TREASURY OFFICERS**

61. An administrative authority should not ordinarily consider any representation or protest against a recovery ordered by the Accountant General unless the representation or protest is received within six months from the date when the Government servant making the representation received the first intimation of the order.

62. Every Government servant who draws bills for pay and allowances or contingent expenses is primarily responsible for the correctness of the amount for which each bill is drawn. If any amount is drawn in excess of what is due, the drawing officer will be required to make good the excess amount so drawn. If the excess amount cannot for any reason be recovered from the drawing officer, The Government servant, if any, who countersigned the bill will be liable to make good any loss arising from culpable negligence on his part and the Treasury Officer who passed it will be similarly liable to make good any loss arising from culpable negligence on his part. The Treasury Officer who makes payments without pre-audit will be responsible for checking any culpable errors and in the case of change of office or of rate of salary of Government servants for passing the new rate with reference to the orders directing the change.

Note 1.- The Treasury Officer is required under the above ruling to examine the accuracy of the arithmetical computations in a bill.

Note 2.- Besides gazetted Government Servant some classes of non-gazetted Government Servant, exercise the privilege of drawing bills. Each treasury Shall maintain a correct and up-to-date list of officers authorised to draw bills from the treasuries.

63. Each head of an office will maintain a register in Form 12 for all special advances drawn by him. It is the duty of every Government servant to see to the prompt adjustment of advances and items under objection outstanding against him in the books of the audit Office. If, owing to delay in dealing with the matter, any amounts become unadjustable, they will be recovered pro rata from all the Government servants during whose time they remained under objection. Cases in which adjustments of advances are unduly delayed will be reported to Government.

64. In the challan with which a cash recovery of service payment is remitted to the treasury or in the bill in which such recovery is adjusted by short-drawing, the number (sectional) and date of the objection slip of the Audit Office should invariably be entered and the nature of the original payment (Salary Bill, Travelling Allowance Bill or Contingent Bill) should also be specified. The challan presented by the Departmental Officers without the above information will be returned by the treasuries for supplying the omission.

65. The requisitions of the Audit Department for supply of information necessary for purposes of audit should be complied with by all departments promptly.

### **CHEQUES ON TREASURIES**

66. Cheque books required by Disbursing Officers authorised to draw on Treasuries should be obtained by them from the Treasury Officers on a requisition signed by the Disbursing Officer himself.

Ordinarily not more than one cheque book will be sent at a time.

67. A separate cheque book should be used for each treasury (District or Taluk) and the drawing officer should notify to the treasury the number of the cheque book which from time to time he brings into use and the number of cheques it contains. Each cheque book must be kept under lock and key in the personal custody of the drawing officer, and when a transfer of charge takes place, a note should be recovered over the signature of both the relieved and the relieving officers showing the number of unused cheques and cheque books made over and received in transfer by them, respectively. The note should be made in the Cash Book or other permanent register in which the expenditure for which cheques are drawn is recorded.

Note.- In cases where withdrawal of funds by Cheques is no longer necessary, all the cheque forms of cheque books, which remain partly or wholly unused, shall be Cancelled by writing the word 'cancelled' prominently across each cheque form and counterfoil, with signature of the drawing officer, and thereafter returned to the Treasury Officer concerned who shall destroy them by incineration in the presence of the Director of Treasuries or the Deputy Director of Treasuries, after keeping a note of the fact in the relevant records of the treasury under proper attestation.

68. Whenever a Government servant draws a cheque other than a cheque, the amount of which is typed in words with perforated letters by a special cheque-writing machine he shall see that it has been written across it at right angles to the type the word “under” followed by an amount a little larger than that for which he draws the cheque. No abbreviation such as ‘Eleven hundred’ for ‘One thousand and one hundred’ may be used. The amount of a cheque shall be written in the manner prescribed for bills [vide Article 24 (c) supra].

Note.- Under thirty rupees will mean that the cheque is for a sum not less than Rs.29 but less than Rs.30, and similarly ‘under eight hundred rupees’ will mean that it is for a sum not less than “Rs.799 but less than Rs.800.”

69. A common form of fraud in regard to cheques consists in altering the word “one” into “four” by prefixing an “f” and changing the “e” into an “r” as the figure can easily be altered corresponding to 4. The word “twenty” when written carelessly has also sometimes been changed into “seventy”. A Government servant who draws a cheque in which the word “one” or “twenty” occurs shall therefore write the word very carefully in order to make such a fraud impossible. The Treasury Officer shall examine the words “four” and “seventy” and the corresponding figures in cheques with special care.

Note 1.- The provisions contained in Article 24(d) apply mutatis mutandis to corrections and alteration in cheques.

Note 2.- Important corrections in cheques, pay orders, encasements for payment at treasuries or Banks R.T.Rs., Cash Order, etc., such as changes in the name of the payee, the amount payable and the Treasury of payment, should be attested by the full signature of the drawers.

70. No advice of the issue of any cheque need be sent to the treasury. As a general rule, no cheque shall be issued for a sum less than Rs.10 except, when it is done in order to comply with the provisions of law or a rule having the force of law. Cheque shall be payable at any time within three months after the month of issue; thus a cheque bearing date and time in January is payable at any time up to 30th April.

Note.- If the currency of the cheque should expire owing to its not being presented at the Bank or the Treasury within the period specified above, it may be received back by the Drawing Officer, Who should then deface it and issue a new cheque in lieu of it. The fact of the defacement and the number and date of the new cheque should be recorded on the counterfoil of the old cheque, and the number, date And amount of the cancelled cheque should be entered on the counter foil of the new cheque issued. Necessary entries should be made in the relevant register.

71. When a Government servant is authorised to draw cheques on Taluk Treasuries, he should give notice to the District Treasury Officer, from time to time, of the probable amount of his drawings on each Taluk Treasury in order that funds may be provided as far as possible. Cheques drawn on Taluk Treasuries should be distinguished by different numbers and letters from those drawn against the District Treasury.

72. (a) When a Government servant draws cheques in favour of another Government servant, he shall make it payable to 'Order' only. When a Government servant draws a cheque in favour of a person who is not in Government service, he may, if the payee request him to do so make it payable to bearer. The Treasury Officer shall not cash a cheque made payable to A.B. or bearer if A.B. is a Government servant. All cheques/drafts on Banks for amounts exceeding Rs.1,000 (Rupees one

thousand only) in each case, other than in payment of salary, allowances, pensions etc., of Government servants and pensioners, drawn in favour of an individual, a firm, a company, statutory body, etc., for services rendered or supplies made by them to the State Government, should invariably be 'Crossed' with the addition of the Words 'Account Payee only' between the crossings. If the amount involved is less than Rs.1,000 the Treasury Officer may decline to make any payment on a cheque payable to a person not in Government service 'or bearer' if he is unable to satisfy himself as to the identity of the person claiming payment. He may also decline to make any payment on a cheque payable to person or persons not in Government service "Or Order" if he is unable to satisfy himself as to the identity of the person claiming payment or as to the validity of the chain of endorsements, if any, by virtue of which that person has become the holder of the cheque.

"The above procedure is also applicable to the cases of cheques/drafts for amounts exceeding Rs.1,000 in each case, issued in favour of Gazetted Government servants and pensioners in payment of their personal claims. But such cheques/drafts will always be to the 'order, of the payee, and 'crossed'. The superscription 'Account Payee only' referred to above, need not however, be added thereon."

Note.- All Cheques preferred at a Government Treasury including pre-audit cheques for payments, are to be treated as non-negotiable instruments and such cheques can be endorsed only once in favour of a banker or messenger to whom the money is to be paid. The words "Contents Received" should invariably be noted on such cheques 'while receipting the same. A Bank shall not re-endorse any such cheques otherwise than to a messenger for collection only.

(b) Ordinarily a cheque is not cashed by the Treasury Officer unless it is receipted by the payee himself, or other person in whose favour it is regularly endorsed for payment. In special cases, when the Head of an Office is unable himself to receipt cheques payable to his order, owing to his being absent on tour or for other causes and when he considers that strict compliance with the ordinary rule would cause inconvenience, he may specially authorise in writing a subordinate gazetted Government servant to endorse for him cheques drawn in his favour by his official designation.

(c) When a Government servant sends a cheque to a Treasury not for cash payment, but for credit of its amount in the treasury accounts, he must, before endorsing the same add the words 'Received payment by transfer credit to 'and should also cross the cheque if it is not already crossed. Omission to do this facilitates fraudulent appropriation of money. Treasury Officers should not make cash pavements on such cheques.

### **LOST CHEQUES**

73. When a drawing officer receives a report that a cheque drawn by him has been lost, he shall at once report the fact to the Treasury Officer and request him to stop payment of the cheque. The Treasury Officer shall at once examine the lists of paid cheques and, if he finds that the cheque has not been paid, take steps to stop payment. A board showing the particulars of all "stopped" cheques shall be hung up before the clerk concerned. If the cheque referred to has already been paid, such a fact may be reported immediately by the Treasury Officer to the drawing officer for taking further needful action.

The Treasury Officer shall also send the drawing officer a certificate in the accompanying form, when a cheque reported as lost has not been paid and he has stopped payment,-

‘Certified that cheque No..... dated..... for Rs ..... reported by the (Drawing Officer) to have been drawn by him on this treasury in favour of ..... has not been paid, and will not be paid if presented hereafter.....

Treasury

The ..... 19 “Treasury Officer”.

Note.- The procedure to be followed by the Bank-Treasuries in the matter of issuing non-payment certificates for lost Government cheques, is as follows :-

(i) On receipt of a request for issue of a fresh cheque in lieu of a cheque alleged to have been lost, the drawing officer should send an intimation by Registered Post A.D., to the Bank regarding the alleged loss of the cheque and advise it to stop payment if the cheque alleged to have been lost is presented thereafter. A written confirmation about the Bank having recorded the ‘Stop Order’ should also be obtained from it. However in cases where the currency of the cheque alleged to have been lost has already expired, in terms of Article 70, at the time when the request for recording the ‘Stop Order’ by the Bank is made, no acknowledgment of the ‘Stop Order’ by the Bank, other than a postal acknowledgment due, is necessary.

(ii) The Drawing Officer should then intimate the Treasury Officer concerned, that the cheque has been lost and that the fact thereof has been intimated to the Bank and their acknowledgement obtained.

(iii) The Treasury Officer should then issue the non-payment certificate after verifying the Treasury schedules of payments.

(iv) If the currency of a cheque expires on a Saturday the Treasury Officer shall also verify the list of cheques paid for the subsequent working day of the Bank before issue of non-payment certificate wherever necessary.

(v) The party requesting for a fresh cheque in lieu of a lost one should execute an indemnity bond in Form K..F.C. No.73. However in the case of a Government Department or a Bank the execution of an indemnity bond is not necessary but a fresh cheque should be issued in its favour only on receipt of a certificate stating that it has not received the cheque alleged to have been lost or having received it, it has been lost and that it will be returned to the drawer if found later.

74. On completion of the requirements in clause (i) to (iv) of the Note below Article 73, the drawing officer shall cancel the original cheque and make the necessary entries in his accounts and may then issue another in its place.

If any “stopped” cheque is presented at the Treasury for payment, the clerk concerned shall at once bring the fact to the notice of the Treasury Officer, and the latter shall refuse payment and return the cheque to the person who presented it with the words “Payment stopped’ written across it.

### **CANCELLED CHEQUES**

75. The Drawing Officer shall cancel any cheque which has remained unpaid for twelve months from the date of issue. When a cheque is cancelled for any reason, the fact shall be recorded on its counterfoil and the cheque, if in the Drawing Officer’s possession. shall be destroyed. If the cheque is not in his possession and payment has not already been stopped under the preceding rule, he shall at once request the Treasury Officer

to stop payment of the cheque. If the Treasury officer then finds that the cheque has not been paid, he shall stop payment.

The cheques issued by any Treasury which are outstanding for a period of twelve months from the date of issue, should be cancelled and adjusted.

The following procedure is prescribed for the accounting of the cancelled cheques :-

(1) The Treasury Officer should prepare a list of cheques outstanding for more than twelve months from the date of issue on the 15th of May each year. This list should furnish the cheque number and date name of drawer and amount and voucher number assigned in the schedule of payment of the month concerned. Simultaneously he will prepare Alteration Memoranda, in duplicate, showing the heads of debit and credit and send the first copy to the Accountant General and the second copy to the Drawing officer concerned. The Drawing Officer will note the fact of receipt of Alteration Memoranda (with particulars of number, date and amount thereof in the office copy of the bills, if the Alteration Memoranda proposed is in order, on verification. Otherwise it is the responsibility of the drawing Officer to inform the Treasury Officer and the Accountant General for any corrections or alterations that are required before the 1st June. The second copy may be retained by the Drawing Officer.

(2) The Alteration Memoranda should be rendered to the Audit Office along with the list referred to above, in duplicate. This list should reach the Audit Office on the 1st June.

(3) The Audit Office will verify the correctness of the list with reference to the list of outstanding cheques and propose necessary adjustments immediately. After effecting this

adjustment, one copy of the list noting the transfer entry numbers and date should be returned to the Treasury Officer and the Treasury Officer is required to furnish a certificate that necessary entries have been made in the relevant register.

(4) All final adjustments will be intimated to the Drawing Officer concerned by the Audit Office.

### **TRANSACTIONS WITH BANKS**

76. No Government servant may open an account with a private bank for the deposit of moneys by him in his official capacity (the Reserve Bank of India and its agencies are not private banks since they conduct cash business on behalf of the Treasuries). In cases where a Government servant is associated with a quasi-Government Body, Private Body, Institution, etc., otherwise than in his official capacity, he may deal with the moneys thereof according to the Rules or Regulations Governing Bodies or Institutions.

77. Cheques drawn on Government account on a Bank in which Government keeps money should be addressed to the Bank itself as "Bank of ....." and not to any officer thereof.

### **SPECIMEN SIGNATURES OF DRAWING OFFICERS**

78. When a Government servant, whether Gazetted or non-Gazetted, who usually draws cheques or bills or countersigns bills payable at a treasury makes over charge of his office to another he should send a specimen of the relieving officer's signature to the Treasury Officer in order that the latter may satisfy himself as to the validity of the bills presented by him. Similarly, when a subordinate Government servant is permitted to sign the establishment and contingent bills for the Head of

an Office, the latter should send to the Treasury intimation of such fact as also the specimen of the signature of such subordinate Government servant who has been permitted to sign bills.

Note 1.- Only gazetted assistants may be delegated with the duty of signing bills.

Note 2.- The specimen signature of a countersigning officer is necessary only when the bills he countersigns are signed a private person and not by Government servant.

Note 3.- Treasury Officers are required to keep such slips pasted in a register for reference. Government servant who draw funds on several treasuries should send a specimen of the relieving officer's signature to each of the Treasury Officers concerned.

### **ERASURES IN GOVERNMENT RECORDS**

79. A Government servant should on no account erase or overwrite any entry in any cash book, account register, or schedule; if any correction be necessary, the incorrect entry should be cancelled neatly in red ink, and the correct entry inserted. Each Such correction or any interpolation deemed necessary should be authenticated by the Head of the Office setting his dated initials against each. Special care should be taken by the Treasury Officer as regards all vouchers and accounts showing signs of alternation and if such documents be frequently received from any office, the attention of' the Head of the Office should be formally drawn to the irregularity.

**CHAPTER V**  
**PAY AND ALLOWANCES GENERAL RULES**  
**DUE DATE**

80. (a) Except as provided in clause (d) below, pay, leave salary and other monthly recurring payments, become due for payment on the expiry of the month to which they relate and no such payment should be made before the first working day of the next month and any claim relating to the last few days of the month after the submission of the bill which is subsequently, found not payable shall be refunded by short drawing the bill of the next month.

Note.- The monthly pay bills of officers and establishments payable on the first working day of the following month may be signed and presented to the treasuries concerned a few days before the last working day of the month to which they relate, as noted below, to facilitate scrutiny of the bills at the treasuries before arranging payment.

(a) State Huzur Treasury Bangalore-9 days:

(b) District Treasury, drawing cheques (other than SHT)  
- 7 clear days;

(c) Other District Treasuries - 5 clear days;

(d) Sub-treasuries-3 clear days.

(b) <sup>1</sup>[The pay and allowance of Government Servants except for the month of March shall be disbursed on the last working day of the month for which the pay and allowances are due and if the last working day in any month falls on a Bank

---

1. Substituted by No.FD 16 TFC 85 dt. 6-11-1985 (w.e.f. 1-4-1985).

Holiday or Saturday, the pay and allowances shall be disbursed on the working day immediately preceding such a Bank Holiday or Saturday as the case may be. The pay and allowances for the month of March shall be disbursed on the first working day of April only.]

<sup>1</sup>[Exception: In respect of offices situated in Bangalore and who draw pay by encashing cheques at the Reserve Bank of India, Bangalore, pay and allowances of Government servants except for the month of March shall be disbursed on the last two working days of the month for which the pay and allowances are due. If the last working day in any month fall on Saturday or Bank Holiday the pay and allowances shall be disbursed on the last two working days immediately preceding such a Bank Holiday or Saturday as the case may be. The pay and allowances for the month of March shall be disbursed on the first working day of April only.]

The distribution of departments detailed in Annexure-I and II. The Departments can encash their salary cheque only on the days specified in the Annexures.

### **ANNEXURE - I**

List Of Drawing Officers to Whom Salary is to be Disbursed on I Day.

#### **Name of the Department**

1. Animal Husbandary
2. Archaeology & Museum
3. Adult Education

---

1. Inserted by No.FD 8 TFC 91 dt.1-2-1992 (w.e.f. 1-9-1990).

4. Appellate Tribunal
5. Agriculture
6. Bureau of Public Enterprises
7. Bio-Gas Department
8. Co-operation Audit
9. Commercial Tax Department
10. Co-operative Department
11. D.P.A.R. Accounts
12. Election Office
13. Endowment Department
14. Enquiry Commissions
15. Excise
16. Employment and Training
17. Economics & Statistics
18. Education Department
19. Fisheries
20. Fire Force Department
21. Food & Civil Supplies
22. Government Flying Training School
23. Guest House
24. Home Guards

25. Horticulture
26. Information & Publicity
27. Industries & Commerce
28. Insurance Department
29. Judicial Department
30. Lokayuktha
31. Legislature
32. Police Department
33. Raj Bhavan
34. Treasury

**ANNEXURE - II**

List Of Drawing Officers To Whom Salary is to be Disbursed on II Day.

**Name of the Department**

1. Backward Class & Minorities
2. Electrical Inspectorate
3. Forest
4. Health & Medical Department
5. Kannada & Culture
6. Library
7. Mines and Geology

8. Mid-day Meals Department
9. Motor Vehicle Department
10. Marketing Department
11. Printing & Stationery
12. Public Service Commission
13. PWD/National High Way & PHE & Irrigation
14. R.D.P.R.
15. Revenue Department
16. Registration
17. Small Savings & Lottery
18. Scientific Department
19. Survey and Settlement
20. Store Purchase
21. Sericulture
22. Social Welfare
23. Technical Education Department
24. Tourism
25. Translation Department
26. Town Planning
27. Youth Services
28. Weights & Measures

29. Women & Children Welfare

30. All other Departments

(c) The payment due for a part of a month should ordinarily be made at once without waiting till the end of the month, in the following circumstances:-

(1) When a Government servant proceeds out of India on deputation or on leave other than earned leave taken by itself.

(2) When a Government servant finally quits the service of Government or is transferred to Foreign Service.

(3) When a Government servant is transferred to another Audit Circle.

(3A) When a non-gazetted Government servant is promoted as a gazetted officer or a gazetted officer is reverted as a non-gazetted Government servant.

(4) When Government so authorise specifically.

(5) <sup>1</sup>[When a Government servant is transferred within the same Account Circle from one office to another in the same or different station involving change of Drawing and Disbursing officer.]

Note 1.- In the case of Government servants transferred from or to the Bhadra Reservoir Project or Ghataprabha Project and Sharavathi Valley Hydro-Electric Project, payment of salary due for a part of a month is authorised.

Note 2.- In the case of trainees of the Central Recruits School, Bidar, leaving the School after completion of their

---

1. Inserted by No.FD 6 TFC 85 dt.14-2-1986.

training, drawal and disbursement of their salary up to the date of leaving the school is authorised.

(d) The last payment of salary should not be made to a gazetted Government servant finally quitting the service of Government, until the Treasury Officer has satisfied himself by reference to the Accountant General, the departmental authorities and to his own records, that there are no demands outstanding against him. In other cases, the payment may be made without reference to the Accountant General on the responsibility of Head of the Office concerned.

Note 1.- The procedure prescribed in clause (d) above, shall apply to the last payment of dues or honorarium to non-officials, including members of any Commission or Committee, whether statutory or not, as it applies to the last payment of pay or allowances to, or in respect of a Government servant who finally quits the service of the Government.

Note 2.- With a view to expediting the disposal of pension cases, the last payment of pay and allowances may be made and the last pay certificate issued pending final assessment and realisation of outstanding demands, provided that adequate security for meeting the likely demands is taken either in cash or by a surety bond from the Government servant concerned; or by withholding a part of the gratuity payable to him in accordance with the provisions of the Karnataka Civil Services Rules.

(e) Pay and allowances of a person who is certified to be a lunatic by a magistrate should be paid in accordance with the following procedure.

(i) On receipts of information that a Government servant, not covered by the individual Running Ledger Accounts (IRLA) Scheme, has been certified to be a lunatic, the Head of the Office in which the Government servant before him being certified to be a lunatic was last employed should, on the basis of the orders issued by the appointing authority indicating the person(s) to whom and the proportion in which the pay and allowances admissible to the Government servant may be disbursed in accordance with the provisions of Section 95(1) of the Indian Lunacy Act, 1912, draw the pay and allowances of the Government servant in the appropriate bill form, gazetted or non-gazetted as the case may be, from the Treasury or other office of disbursement. The claim should be supported by all the relevant certificates which the Head of the Office is required to furnish in the normal circumstances. However, in respect of the certificates which solely depend on the personal knowledge of the Government servant and which cannot be furnished in such cases, the Head of the Office should record, if he is satisfied about the reasonableness of the claim, a certificate to the effect that the claim is not susceptible of verification but is considered reasonable. If the Government servant is invalided from service, the claim would be the last one in respect of him and the requisite payment in case he was a gazetted Government servant shall be made only after the Head of the Office has satisfied himself' by reference to the Accountant General, the Departmental authorities, if any, and his own records that no Government dues are outstanding against him. In other cases payment may be made on the responsibility of the Head of the Office concerned.

(ii) The amount withdrawn in the manner stated above may be paid to the person(s) referred to in sub-para (i) above in the proportion determined by the appointing authority and receipts obtained, stamped where necessary.

(iii) In cases where payments to Government servants are made under the IRLA System and the ledger account remains open, the amounts due from or due to a Government servant may be debited or credited to that account and the credit balance left over may be paid by the Accounts Officer concerned to the person(s) by cheque or Bank draft as the case may be, after ascertaining from the appointing authority the proportion in which amount is to be paid and also the person(s) to whom it is to be paid.

When a Government servant has been invalidated from service and it is found that some Government dues are outstanding against him even after the adjustment of his claims for pay and allowances, the same may be adjusted against the amount of death - cum-retirement gratuity if any and if the same is also insufficient, the balance of the outstanding dues may be written off under sanction of the competent authority.

**PROVISIONAL PAYMENTS PENDING, RECEIPT OF  
SANCTION FOR CONTINUANCE OF TEMPORARY  
POSTS**

80(A) (1) Where action for the continuance of temporary posts beyond the period upto which they stand sanctioned has been taken but the competent authority has not accorded sanction, the holders of such temporary posts may draw provisionally, without any authority from the Accountant General their pay and allowances at the same rate as they were drawing in that post, for a period of three months after the expiry of the period upto which the posts had been sanctioned. The Gazetted Officer availing of the facility should attach to the bill drawing his pay and allowances a declaration by the officer who is empowered to countersign his T.A. bills, that the officer continued to hold the post and that sanction for the continuance of the post has

been applied for. In respect of officers governed by the I.R.L.A. system of payments, they should forward such declarations to the Accountant General.

(2) In regard to non-Gazetted Officers holding temporary posts, the concerned drawing officers are permitted to draw their pay and allowances for a period of three months after the expiry of the sanctioned period provided the proposal for continuance of the posts have been submitted well in time and a certificate to this effect is attached to the relevant pay bills. The concerned drawing officers are also permitted to draw contingent bills towards office rent, postage, etc., without which the establishment cannot function.

(3) It will be the responsibility of the Administrative Department concerned to take timely action for issuing sanction for the continuance of temporary posts in such cases as soon as possible so as to cover also earlier periods governed by payment of provisional salary to the officers.

(4) The bills in which salary is drawn pending receipt of sanction for the post, under the provision of this Article should be marked prominently in red ink that they relate to provisional payments.

#### DEATH OF PAYEE

81. (a) Pay, officiating pay, leave salary and other emoluments can be drawn for the day of a Government servant's death; the hour at which death takes place does not affect the claim.

(b) <sup>1</sup>[Subject to the provisions of Clause (c) of Article 80, Pay and Allowances of all kinds claiming on behalf of a deceased Government servant may be paid without the production of the usual legal authority :-

(a) if the gross amount of the claim does not exceed Rs. 5,000 under the orders of the Head of the Office in which the Government Servant was employed at the time of his death, provided that, the Heads of the Office is otherwise satisfied about the right and title of the claimant, and

(b) if the gross amount of the claim exceeds Rs. 5,000 under the orders of Head of Department on execution of an indemnity bond in Form 13 duly stamped for the gross amount due for payment with such sureties as may be deemed necessary provided that, in cases falling under clause (b) the authority mentioned in clause (a) may, subject to the condition prescribed in that clause, make anticipatory payment of an amount not exceeding Rs. 5,000.

Note 1.- Normally there should be two sureties both of known financial stability, unless the gross amount of the claim is less than Rs.7,500 in which case the authority accepting indemnity bond in Form No.13 for and on behalf of the Government should decide on the merits of each case whether to accept one Surety instead of two.

Note 2.- Obliger as well as the sureties executing the indemnity bond should have attained majority so that the bond may have legal effect or force. The bond is also required to be accepted on behalf of the Governor by an Officer duly authorised in that behalf.

---

1. Substituted by No.FD 43 RFC 76 dt. 8-8-1978 (w.e.f. 8-8-1978).

(c) In case of any doubt payment shall be made only to the person producing the legal authority.

Note.- Regarding the safe custody and disposal of indemnity bonds executed by the dependents of the deceased Government servants, reference is invited to 'Note' below Rule 6 of Appendix-II.

(d) The procedure to be followed in regard to the preferment of withdrawal and disbursement of claims of deceased Government servants to the rightful claimants will be as under:-

On receipt of the claim for payment of arrears of pay and allowances on behalf of a deceased Government servant from his heir/heirs, the Head of the Office in which the Government Servant was last employed should draw the amount in the appropriate bill form from the Treasury. In case of claims of Gazetted Officers necessary authorisation should be obtained. The claims should be supported by all the relevant certificates which the Head of the Office is required to furnish in the normal circumstances. However, in respect of the certificates which solely depend on the personal knowledge of the Government servant and which obviously cannot be furnished by the Head of the office, the Head of the Office should if he is satisfied about the correctness of the claim, furnish a certificate to the effect that the claim is not susceptible of verification but is considered reasonable. In the case of Gazetted officer, the Head of office has to satisfy himself by reference to the Accountant General, the Departmental authorities and his own records that there are no demands outstanding against the deceased Government servant. In the case of other Government servants payments may be made without reference to the Accountant General on the responsibility of the Head of the Office

concerned. The amount should be disbursed to the claimant/claimants by the Head of the office of his own authority where the gross amount of the claim does not exceed Rs. 5,000 in terms of sub-rule (a) above and under orders of higher authorities if the gross amount of the claim exceeds Rs.5,000 as mentioned in Sub-rule (b) above. A formal receipt, stamped where necessary should be obtained from the claimant.

Note.- The procedure prescribed in this rule shall apply to any claim for payments of dues or honorarium payable to deceased non-officials including deceased non-officials members of any Commission/Committee whether Statutory or not as it applied to the claim for payment of pay and allowances of a deceased Government servant.

(c) In any case of doubt payment shall be made only to the person producing the legal authority.

Note 1.- Regarding the safe custody and disposal of indemnity bonds executed by the dependents of the deceased Government servants, reference is invited to “Note” below Rule 6 of Appendix II.

Note 2.- The procedure prescribed in this Article shall apply to any claim or payment of dues or honorarium payable to deceased non-officials including deceased non-official members of any Commission or Committee, whether statutory or not, as it applies to the claim for payment of pay and allowances of a deceased Government servants

**PAYMENT OF DUES OF A GOVERNMENT  
SERVANT WHOSE WHEREABOUTS ARE UNKNOWN**

82. Pay, etc., due to a Government servant whose whereabouts are unknown should not be paid till a presumption

of death of the Government servant is shown to be justified. Action may be taken (when the presumption of death is shown to be justified) as described in Article 81 (b) supra, on the assumption that the Government servant is dead if any one claims the undisbursed pay, etc., in the capacity of legal heir of the Government servant.

### **APPOINTMENTS AND TRANSFERS**

83. (a) Every order of appointment, whether to gazetted or non-gazetted posts, should give clear and specific information regarding (1) the particular sanctioned post filled up, (2) the circumstances of the occurrence of the vacancy and (3) the kind of tenure of appointment ordered substantive provisional, officiating, in charge of current duties in addition to a Government servant's own duties or in charge of current duties independently without retaining charge of a Government servant's own duties.

(b) Vacancies, permanent or temporary, will be filled up by the authorities competent to do so, only when the work of vacant appointments cannot be entrusted to other Government servants without involving extra expenditure.

(c) Transfers should be minimised as far as possible.

### **PRODUCTION OF HEALTH CERTIFICATE ON FIRST APPOINTMENT IN SERVICE**

83-A. In respect of Gazetted officers, certificates furnished by the competent authority to whom the medical certificate has been submitted should be attached to the first pay bill. In respect of non-gazetted officers, the drawing and disbursing officers should furnish such certificates along with the first pay bill of the Government servant concerned.

Where the production of' the Medical Certificate has been dispensed with under sub-rule (b) and (c) of Rule 9 of the Karnataka Civil Services Rules, a certificate to this effect should be attached to the first pay bill of the Government servants concerned.

### **INCIDENCE OF CHARGE**

84. The following rules govern the incidence of cost of pay and allowances of Government servants:-

(a) The whole pay and allowances of a Government servant should be taken against the Department and the post in which he is actually serving,

(b) (i) The transit pay and allowances 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 debited to the office to which he is proceeding.

<sup>1</sup>[(ii) The salary admissible for the period of joining time and the salary admissible for the period of leave of non-gazetted Government servant, who on promotion to Gazetted post avails joining time and then leave under the proviso to sub-rule (1) of Rule 83 of Karnataka Civil Services Rules before joining the Gazetted post, shall be drawn and disbursed by the drawing officer of the office in which the Government servant was working immediately before his promotion. The last pay certificate should be sent to the Accountant General's office immediately thereafter.]

Note.- Transfers to Local Funds will be treated like transfers to Foreign Service.

---

1. Inserted by No. FD 7 TFC 83, dt. 30-8-1983 (w.e.f. 28-4-1980).

(c) The leave allowances of a Government servant transferred from one department to another while on earned leave, are from the date of the order of transfer, charged to the new department.

(d) When, a Government servant is transferred to another department, while on leave, other than earned leave, the transfer does not take effect until he joins his new appointment.

(e) The travelling allowance of a Government servant, on whatever duty he may be employed, is charged to the same head as his pay.

Exception.- The travelling allowance of a Government servant paid from a Local Fund may when travelling in the execution of Government duty, be paid and charged to general revenues. Similarly, the travelling allowance of a Government servant paid from the general revenues, when travelling on duty connected with a Local Fund, may be charged to the Local Fund.

The Travelling allowance of Government servants deputed for training in connection with the Applied Nutrition Programme from various departments to the Administrative Training Institute, Mysore and Rural Development Training Centre, Dharwar, Bagalkot, Gangavathi, Mandya and Kudige, admissible as per rules in the K.C.S.Rs. both for the forward and return journeys and D.A. for the halts at the training centres shall be drawn and disbursed by the authorities of the training centres by debiting the expenditure on this account to the allotments made available by the Department of Rural Development and Co-operation.

The principle laid down in the exception applies also to Government Industrial and Commercial undertakings.

(f) The travelling allowance of a Government servant called away from his duty to give evidence in any court in his official capacity, is during the period of his absence, charged to the department which would bear the charge if the Government servant were on duty.

(g) The Government of Karnataka have entered into reciprocal arrangements with the Central Government, Government of Punjab, Rajasthan, Andhra Pradesh, Maharashtra, Madras and West Bengal in regard to the payment of expenses to the Government servants summoned by criminal Courts to give evidence in their official capacity. The effect of the arrangements will be as follows:-

(1) In criminal cases to which the State is a party, a Government servant giving evidence regarding facts of which he has official knowledge will, on production, of certificate of attendance issued by the summoning court, be paid travelling allowance by the Government under whom he is serving ;

(2) In criminal cases to which the State is not a party, a Government servant giving evidence regarding facts of which he has official knowledge will be paid travelling allowance by the summoning court according to the rules under which such Government servant draws his travelling allowance for a journey on tour, and the charges will be borne by the Central Government or any of the five reciprocating Governments mentioned above according as the Court is situated in the Union territory or in any of the State territory.

(3) When a Government servant serving in a commercial department, or when any other officer is summoned to give evidence as a technical or expert witness, the pay of the Government servant concerned for the period of his absence from his headquarters and travelling allowance and other expenses due to him will first be borne by the Government under whom he is serving and subsequently be recovered from the Central Government or any of the five reciprocating State Governments, according as, the Court in which the officer is summoned to give evidence is situated in the Union territory or in the territory of any of the aforesaid State Governments respectively.

<sup>1</sup>[(h) The Government of Karnataka have entered into reciprocal arrangements with the Governments of Tamil Nadu, Kerala and Maharashtra in regard to the payment of travelling allowance and other expenses to witnesses summoned for giving evidence in departmental enquiries:

(a) In departmental enquiries to which the State is a party, a Government servant giving evidence regarding facts of which he has official knowledge will, on production of certificate of attendance by the summoning authority, be paid travelling allowance by the Government under whom he is serving;

(b) In departmental enquiries to which the State is not a party, a Government servant giving evidence regarding facts of which he has official knowledge will be paid travelling allowance by the summoning authority according to the rules under which such Government servant draws his travelling allowance for a journey on tour and the charges will be borne by the Government of Karnataka or any of the other reciprocating

---

1. Inserted by No. FD 19 TFC 83 dt. 19- I I- 1983 (w.e.f. 29-3-1984).

Governments according as the authority is situated in this State or in the territory of the other reciprocating Governments ;

In such cases the Government servant concerned will carry to the summoning authority a certificate duly signed by his controlling officer showing the rates of travelling allowance and daily allowance admissible to him for a journey on tour. If the Government servant is his own controlling officer, the certificate will be signed by him as such.]

84-A. The incidence of pay, leave salary, allowances, pensions, etc., of Government servants deputed or transferred to or from the Central Government or the following State Governments are regulated by the provisions of Appendix 3 to Account Code, Volume I.

Note 1.- The provision of this Article is applicable to deputations and transfers effected from 1st November 1956 onwards and in respect of the following State Governments :-

1. Andhra Pradesh
  2. Assam
  3. Bihar
  4. Gujarat
  5. Kerala
  6. Madhya Pradesh
  7. Madras
  8. Maharastra
- 8-A. Orissa

9. Punjab
10. Rajasthan
- 10-A. Uttar Pradesh
11. West Bengal

<sup>1</sup>[Note 2.-The provisions of Note-1 shall be applicable to a permanent Government servant of Government of India (including Union Territories) or Governments of Assam, Bihar, Maharashtra, Punjab and Rajasthan who is appointed to a post under Government of Karnataka or to a permanent Government servant of Karnataka appointed to any post under any of the Governments specified above, through open competition provided the Government servant concerned is not required to resign his previous appointment and the Government under whom he was employed prior to his appointment agrees to retain his lien until he is finally absorbed by the other Government.

(on matters covered by this Article (i.e., note-2 below Article 84-A) action taken or required to be taken in accordance with orders issued by Government in that behalf before the commencement of this Article shall be deemed to have been taken under the provisions of this Article).

<sup>2</sup>[84-B. 1. The system of allocating the liability on account of leave salary and pensionary charges in respect of both permanent and temporary Government servants who have served under the Central Government and State Government is as specified below:

- 
1. Inserted by No. FD 6 TFC 84 dt. 21-I- 1985 ( w.e.f. 31-3-1982).
  2. Substituted by No.FD 4 TFC 91 dt.19- 12-1991 (w.e.f .19-12-91)

(a) The liability for leave salary shall be borne in full by the Department from which the Government servant proceeds on leave whether it be his parent department or a borrowing department with whom he is on deputation.

(b) The liability for pension including gratuity shall be borne in full by the Central/State Government to which the Government servant permanently belongs at the time of retirement.

(c) The liability for Government contributions shall be borne by the parent department of the Central Government or State Government.]

<sup>1</sup>[Government servants claiming the benefit of combined service shall be categorised as follows:-

i) Those who having been retrenched from the service of Central / State Government secured on their own are employed under State / Central Government either with or without interruption between the date of retirement and date of new appointment;

ii) Those who while holding temporary posts under Central/ State Government apply for the posts under State/Central Government through proper channel with proper permission of the administrative authority concerned;

iii) Those who while holding temporary posts under Central/ State Government apply for posts under State/Central Government direct without permission of the administrative authority concerned and resign their previous posts to join the new appointments under Central/State Government.

The benefit of combined service may be allowed to the Government servants in categories (i) and (ii) above. Where an

---

1. Substituted by FD 6 TFC 84 21.1.1995 w.e.f. 31.3.1982.

employee under category (ii) is required for administrative reasons for satisfying a technical requirement to tender resignation from the temporary post held by him before joining the new appointment, a certificate to the effect that such resignation had been tendered for administrative reasons and /or to satisfy a technical requirement to join with proper permission the new posts may be issued by the authority accepting the resignation. A record of this certificate may also be made in his service book under proper attestation to enable him to get this benefit at the time of retirement. Government servants under category (iii) will not be entitled to count their previous service for pension.]

#### **LAST PAY CERTIFICATE**

85. A Treasury Officer (or the head of the office in the case of a non-gazetted Government servant) should on no account disburse any pay or allowances to a Government servant to whom he has granted a Last Pay Certificate (Form No. 14) unless the certificate is first surrendered.

The head of an office should give a last pay certificate to a Government servant of his establishment who is transferred or deputed to another establishment. The certificate should be given even when a subordinate is transferred from one establishment to another under the same Government service.

Note.-When the Head of an Office is himself a non-gazetted Government servant he should not sign his own last pay certificate but should obtain one from the relieving Government servant. The certificate should state that the Government servant has received pay up to (date) inclusive, and that from.....date he ceased to draw pay, on account of etc.

(i) The last pay certificate (Form No. 14) provides for details of the fund deductions, although the officer preparing the bills is responsible for their correctness; but the officer preparing the last pay certificate is responsible not only for entering in the certificate all demands against the departing Government servant, including any made under an order of attachment of his pay by a court of law of which he may have received notice before granting the certificate, but also for passing on any of which he may afterwards receive notice, to the treasury of the disbursing office from which the Government servant will in future, draw pay.

(ii) In all cases of transfer within the same Audit Circle, the Last Pay Certificate should specify the last regular or monthly payment ; and the entire salary for the month in which transfer is made should be paid at the new treasury.

(iii) The blank spaces in the printed form of the certificate should be carefully filled up to enable the Accountant General to use and record the particulars without further reference.

(iv) The Last Pay Certificate of a Government servant who is transferred or is proceeding on leave should not be issued until the date and hour making over charge are known to the treasury or other Government servant who has to issue the certificate.

(v) A Last Pay Certificate is also necessary before the first payment of pension to a retired Government servant and should therefore be issued to a Government servant discharged on pension. The certificate should accompany the application for pension, unless the applicant continues in service after submission of his application, in which case the Accountant General in issuing orders for payment will direct that no payment is to be made until the certificate is produced.

Note.- So far as the preparation of Last Pay Certificate is concerned, the disbursing officers should be guided by the provisions contained in Appendix 4 to the Central Treasury Rules Volume II.

(vi) On reversion from a gazetted post to a non-gazetted post, the Last Pay Certificate should be sent by the treasury officer to the Audit Officer, who will countersign and transmit it to the head of office responsible for drawing pay of the Government servant as a non-gazetted officer.

**BOND OF INDEMNITY FOR DRAWING LEAVE  
ALLOWANCE, ETC.**

86. (a) Government servants often make arrangements with their agents to draw their leave or vacation allowances, pensions, etc., either granting them powers of attorney to enable them to do so, or leaving their bills ready signed in the agents' custody for presentation, the Agents in their turn giving Government a bond of indemnity (in Form No.15) as security against any loss in case of overpayment.

Note.- A register of powers of Attorney will be kept by the treasury officers in Form 16.

(b) The bond of indemnity in the case of a Firm or Bank which must be stamped, shall be in Form No.17.

(c) The authority competent to accept indemnity bond on behalf of Government shall before accepting the bond, verify that the person who signs a bond of indemnity on behalf of a Firm or Bank has authority to bind it.

(d) It is not necessary, however, for a separate bond to be entered into in the case of each individual Government servant. Agents of standing and respectability may, for this purpose, be

allowed to enter into a general agreement in Form 17 covering the allowances, pensions, etc., of all their constituents.

(e) A list of Agents who have executed general bonds of indemnity under clauses (b) and (d) is contained in Appendix IV-A.

(f) Separate bonds must be executed for payments relating to or for persons whose salaries or pensions are debit to the Central Government and those debit to a State Government.

The applications for such bonds will be dealt with by the Government (Central or State) concerned.

#### **FUND DEDUCTION**

87. Every Government servant who draws any pay bill should enter in it correctly the deductions, if any, to be made but no discretion is given to the Treasury Officer in carrying out an order received from the Accountant General or from the Secretary, Karnataka Government Insurance Department to make any particular deduction.

88. (a) Every establishment bill should contain the following certificate:-

“1. Certified that I have satisfied myself that all Government servants permanently entertained and Government servants who have already insured their lives in the official branch of the Karnataka Government Insurance Department and who have received permanent increase to their pay during the month have duly submitted their proposals for the first and further insurance respectively, or failing insurance, have contributed to the General Provident Fund as required by the rules.”

<sup>1</sup>[2 Certified that the Officials / Officer whose names have been included in the pay bill have compulsorily obtained KGID policy / Additional policy according to their posts/ or necessary proposals have been sent to KGID for obtaining additional policy and policy Bond is awaited .]

(b) Heads of Offices should carefully satisfy themselves before signing the certificate of insurance in the pay bills that all Government servants permanently entertained and the Government servants who have already insured and who have received permanent increase of pay during the month to which the bill relates have actually submitted their proposals.

(c) Whenever a Government servant, whose life has been insured quits the Government service, for any reason whatever before the policy in his favour has matured, the fact should be reported to the Secretary of the Karnataka Government Insurance Department by the head of the office concerned.

### **RECOVERY OF INCOME TAX**

89. The sole authority for the recovery of Income-tax is contained in the Government of India Income-Tax Manual and rules and orders issued under it.

Treasury Officers are responsible for the deduction of Income-tax due from all gazetted Government servants who draw their pay from treasuries on separate bills and also from all pensioners and gratuitants who draw their pensions and gratuities from treasuries at the time of payment. As regards non-gazetted staff, heads of offices are responsible for the deduction of Income Tax at the prescribed rates.

---

1. Inserted by No. FD 27 TFC 93 dt. 7- 6-1994

**ATTACHMENT OF PAY**

90. (a) The Government servants mentioned in column 2 of the subjoined table are the persons to whom notice should be given of orders of attachment of the salary or allowances of the persons named in column 1 by the Courts. The amount recovered by these Government servants should be remitted to the court concerned at the cost of the Party.

Sl. No.	Class of Judgement Debtor	Officer to whom notice of attachment should be given
<b>1</b>	<b>2</b>	<b>3</b>
1.	Gazetted Officers drawing their salaries and allowances on bills from treasuries	Treasury officer concerned.
2.	Gazetted and other Officer whose salaries and allowances are drawn on cheque	Officers drawing cheques
3.	Non-gazetted officers other than those referred to in 2 above	Heads of officers who draw the salaries and disburse to the officers concerned
4.	Servants of local authorities i.e. Taluk Boards, Municipal Council, Village Panchayats.	The Commissioner or other Chief Executive Officer of the Board or Council concerned

5. Gazetted Officers on the University staff	Chief Pay and Accounts Officer of the University
6. Non-Gazetted staff of the University	Heads of the respective Institutions.

---

(b) Whenever recoveries on account of Court Attachment are to be effected they should be shown as deductions in the concerned establishment or salary Bills and the drawing officers should prepare statements of deductions, separately for each court showing particulars of the suit, the name of the subordinate whose salary is attached and the amount deducted, etc. ; and attach them to the bills. In the case of recoveries on behalf of courts situated outside the station, the commission prescribed for the issue of Treasury Cash Orders should also be recovered from each individual in addition to the amounts to be credited under Judicial Deposits in accordance with the prescribed procedure.

Note.- In the case of warrants of attachments issued by officers of the Co-operative Department also the same procedure may be followed for remittances outside the station, money orders being resorted to only in the case of creditor societies not situated in Taluk or District Headquarters.

91. Recoveries relating to societies situated in the same station will, however be made in cash at the time of disbursing salary.

92. It is the duty of the Government servant receiving the attachment order to see that the amount attached is deducted from the bill and also that a record is kept of such deductions in form K.F.C. 78.

The Government servant receiving the warrant should not enter into correspondence with the court or forward any representations of the Government servants concerned in the matter. His business is merely to execute the warrant provided the amount is available. Any failure to obey the provisions of law in this respect will make the Government servant concerned personally liable to make good the loss that may be caused to Government thereby.

92-A. In cases in which a Government servant concerned does not sign the acquittance roll and intentionally allows his pay to remain undisbursed, or the Government servant concerned, being a Gazetted Government servant or not being a Gazetted Government servant but being permitted to draw his pay on a separate pay bill refrains from preparing his pay bill and drawing his pay regularly, in order to evade payment on account of an attachment order issued by a Court of Law, the head of the office or, in the case of a Gazetted Government servant or of a Government servant treated in this respect like a Gazetted Government servant, the Head of the Department or such other officer whom Government may authorise, may draw the pay of the Government servant concerned in satisfaction of the attachment order, subject to the prescribed restrictions and remit the amount to the court concerned.

The amount so drawn should be treated in the accounts in the same way as pay (or leave salary, as the case may be) drawn in the normal course. Particulars of the attachment order should be cited in the acquittance rolls or the pay bills as the case may be, as an authority for the charge and the court's receipt for the amounts should be filed with the attachment register or such other suitable record as may be kept by the drawing officer.

**ATTACHMENT OF PAY AND ALLOWANCES, ETC.,  
FOR DEBT**

93. The following rule's for the attachment of pay and allowances, etc., for debt in respect of State Government servants are laid down:-

(1) The wages of labourers and domestic servants whether payable in money or in kind are not liable to attachment;

<sup>1</sup>[(2) The salary of all employees of Government or of a Local Authority is not liable to attachment to the extent of the first four hundred rupees and two thirds of the remainder in execution of any decree other than a decree for maintenance:

Provided that where any part or such portion of the salary as is liable to attachment has been under attachment whether continuously or intermittently, for a total period of twenty four months, such portion shall be exempt from attachment until the expiry of a further period of twelve months and where such attachment has been made in execution of one and the same decree, shall, after the attachment has continued for a total period of twenty-four months be finally exempt from attachment in execution of that decree.

(2A) One third of the salary of all employees of Government or of a Local Authority is not liable to attachment in execution of any decree for maintenance.

(3) All compulsory deposits and other sums in or derived from Funds to which the Provident Funds Act 1925, applies, are not liable to attachment;

---

1. Substituted by No. FD I RFC 77 dt. 5-3-1979 (w.e.f. 15-3-1979)

(4) Any allowance forming part of the emoluments of any servant of the State Government or any servant of Local Authority which the Karnataka State Government may, by notification in the Karnataka State official gazette declare to be exempt from attachment, and any subsistence grant or allowance made to any such servant while under suspension is also exempt from attachment;

(5) In sub-para (2) above, the term “salary” means the total monthly emoluments (excluding any allowances declared by Government to be exempt from attachment under the provisions of sub-para (4) above, derived by a person from his emoluments whether on duty or on leave);

(6) The following allowances payable to any servant of Government or of a Local Authority have been declared by the Karnataka Government to be exempt from attachment:-

- (i) All kinds of travelling allowances.
- (ii) All kinds of conveyance allowances.
- (iii) All allowances granted for meeting the cost of, (a) Uniforms, and (b) Rations.
- (iv) Allowances granted as compensation for higher cost of living in localities considered by the Government to be expensive localities.
- (v) All house rent allowances.
- (vi) All allowances granted to provide relief against the increased cost of living.
- (vii) All amounts paid by way of reimbursement of medical expenses.

(7) In accordance with the above provision, the maximum amount attachable by a civil court is to be calculated thus:

If the total gross emoluments earned by the Government servant are represented by X, and the allowances declared to be exempt from attachment (Vide clause 6) and, if the Government servant is under suspensions, any subsistence grant or allowance made to him are represented by Y, the net amount attachable, if any, is  $[(X-Y)/2]-100$ .

Note.- The revised limits referred to above do not apply to an order of attachment issued by a Court of law before 4th September 1963 if such an order specifically lays down that recovery shall be made in instalments of one-half of the salary in excess of Rs.100. In such cases any revision in the rate of attachment will require a revised order of the Court.

(8) (a) If an order of attachment against a Government servant is received before a previous order of attachment against the same Government servant has been fully complied with, the recoveries shall be made by the disbursing office so long as the total amount recoverable with reference to the attachment orders is within the maximum limits prescribed in Clause (7) above.

(b) If a new attachment order has the result of increasing the amount beyond the maximum limits prescribed, the disbursing officer shall return the attachment order to the court concerned with a statement showing :-

(i) Particulars of the existing attachment ;

(ii) Particulars of the amount with-held and paid into the court concerned up-to-date;

and

(iii) amount remaining uncovered.

(9) Any deductions which may have to be made on account of subscriptions (other than compulsory deposits) to provident funds recognised by Government, taxes on income payable by the Government servant and debts due to Government should be made from the non-attachable portion of the Government servant's salary.

### **RECOVERY OF GOVERNMENT DUES**

94. Government servants who purchase article on credit from Departments of the State for their own use should pay for them punctually. In cases where the Head of a Department or other Government servant considers that it is necessary to recover from the pay or pension of a Government servant any amounts in adjustment of his dues to Government or to any concern belonging to Government when such dues relate to transactions in his private and individual capacity, a special reference should be made to Government. Without the special orders of Government no such recoveries can be effected from the pay or pension of the Government servant. This rule applies also to cases in which Government servants stand as security for others and the bill of charges is not paid either by them or by the purchasers.

(1) Arrears of income-tax may be recovered from the pay or pension of the Government servants concerned on requisitions from income-tax Officers.

(2) Dues in respect of sales from the Jail Manufactory may be recovered from the pay of the Government servants concerned.

(3) Whenever possible, hospital charges due to Government on account of treatment given to a Government servant or a member of his family should be recovered in advance. Where, for any reason, such charges are not recovered in advance the amount payable by the Government servant may, if the claim made by the hospital authorities is accepted by him, be recovered from his salary or pension on the requisition of the Medical Officer in charge of the hospital. Should there be any dispute as regards the amount due, a reference should be made to Government.

In cases where a patient admitted to the hospital dies before adequate arrangements are made for the payment of the charges due on his or her account, a report will be promptly submitted to Government by the Medical Officer and orders obtained regarding the recovery of these charges.

Note.- The officers in charge of the hospitals should see that arrears are not allowed to accumulate for more than a month.

#### **RECOVERIES FROM SUBSISTENCE ALLOWANCE**

94-A. (1) The permissible deductions from the subsistence allowance granted to a Government servant under suspension fall under the two categories:-

- (a) Compulsory deductions ;
- (b) Optional deductions.

(2) Recovery of the following deductions which fall under category (a) above, should be enforced from the subsistence allowance:-

(i) income-tax and super-tax (provided the employee's yearly Income calculated with reference to subsistence allowance is taxable).

(ii) House rent and allied charges, i.e., electricity, water, furniture, etc.

(iii) Repayment of loans and advances taken from Government at such rates as the, head of the department may deem it right to fix.

(3) The following deductions which fall under category (b) should not be made except with the Government servant's written consent :-

(a) Premia due on Life Assurance Policies ;

(b) Amounts due to Co-operative Stores and Co-operative Credit Societies.

(c) Refund of advances taken from General Provident Fund.

(4) The deductions of the following nature should not be made from the subsistence allowance :-

(i) Subscription to a General Provident Fund.

(ii) Amounts due on court attachments.

(iii) Recovery of loss to Government for which a Government servant is responsible.

Note.- There is no bar to effect the recovery of overpayments from the subsistence allowance. In such cases the retrenchment order in respect of an overpayment caused to him in the past shall be issued by the Accountant General in

consultation with the authority competent to place the Government servant under suspension. The suspending authority will exercise discretion to decide whether the recovery should be held wholly in abeyance during the period of suspension or it should be effected. If it is decided to effect the recovery, the rate of recovery should not, in any case, exceed one-third of the gross amount of subsistence and other allowances admissible.

**CHAPTER IV****BILLS OF GAZETTED GOVERNMENT SERVANTS  
FORM OF SALARY BILLS**

95. The claim by a gazetted Government servant for pay and fixed allowances shall be presented on a bill in Form 18. A gazetted Government servant who draws a special pay or allowance in respect of a separate office of which he is in additional charge, need not present a separate bill for it, unless it is chargeable to a Local Fund or met from some source other than the Consolidated Fund.

Note 1.- The special attention of all drawing officers is invited to the various certificates prescribed on the bill forms.

Note 2.- A Gazetted Government servant on leave preparatory to retirement or on refused leave under Rule 110 Karnataka Civil Services Rules, 1958 or any other corresponding rule or on such other leave on the expiry of which he is not expected to return to duty should record a certificate on the leave salary bill that during the period for which leave salary is drawn he was not re-employed under Government, Local Fund or Private Employer.

96. Salaries may be paid only upon the personal claim of the Government servant concerned and to his personal receipt and not otherwise, except under the special authority in each case of Government.

The Government servant may, if he wishes, send the bill or cheque with a messenger to the treasury or the Bank, requesting that the moneys be paid to him and the moneys shall then be handed over to the messenger, but only on the strict understanding that Government accept no responsibilities

whatever for any fraud or misappropriation in respect of any moneys, cheque or bill handed over to the messenger.

(1) If a Government servant who draws a bill on the Treasury in respect of a personal claim signs a distinct endorsement in favour of a specified well known Bank or Agent, payment shall be made accordingly.

In cases where the payee does not find it convenient to receive payment personally, he should furnish a discharge on the bill in the proper form (Form No. M.F.C. 19-A) before the bill is presented at the Treasury. In such cases the bill shall be returned to the person presenting it, and will be paid at the Bank in accordance with the orders of the Treasury Officer, the Bank being responsible only for strict adherence to this order and for obtaining a proper discharge from the payee/endorse of the bill in addition to his signature at the foot of the bill.

(2) A Government servant or any other single person cannot be constituted an “Agent” under Article 86 for the purpose of the above rule.

(3) The ruling in this Article applies to all payments, whether on account of salary, travelling or other allowances, except payment of remuneration under Article 17(b) (10) of K.F.C. which under the rules are made to Government servants on their personal accounts.

(4) When the endorsement on a bill is incomplete or irregular, the procedure laid down in Article 24 should be followed. When payment is made by cheque, it is not correct to disregard the endorsement on the bill and issue a cheque in favour of the drawer.

### **DRAWING OF SALARIES**

97. (a) A Government servant drawing salary for the first time from any treasury, should present with his salary bill, a Last Pay Certificate and a pay slip from the Audit Office. If he is a newly appointed Gazetted Government servant drawing his pay for the first time pay slip should be attached to his pay bill.

A fresh pay slip would also be necessary from the Audit Office whenever an officer is transferred from one post to another within the same station involving change in designation or emoluments.

Last Pay Certificate should be issued by Treasury Officers to Gazetted Officers, transferred outside the original station without any delay, to avoid hardship to officers.

(b) In the case of a Government servant newly entertained in service, the payment of his salary in accordance with instructions issued by the Audit Office is subject to the production of a certificate with the salary bill that the Government servant has submitted his proposals for insurance in the Karnataka Government Insurance Department, or is contributing to the General Provident Fund due to his inability to insure owing to overage or certified ill-health or that he has been exempted from insuring his life. Whenever his pay is permanently increased he should certify that he has submitted his proposal for further insurance or that he is ineligible under the rules for such further insurance. The treasury officer should see that these certificates are invariably furnished. The above ruling does not apply to a Government servant appointed on probation as in his case insurance is optional.

### CONVEYANCE ALLOWANCE

98. Government servants should certify on the salary bills that the conveyances maintained, by them, viz., ..... are in sound condition and actually in use.

Conveyance Allowance may be allowed to be drawn by a Government servant, during periods when their conveyances are under repairs, for not more than fifteen days at a time or a month on the whole in any one official year.

When the claim for conveyance allowance is based on the amount spent and this is admissible under a general or special order of Government, the following certificate should be furnished :-

“I certify that I have spent not less than the amount of conveyance allowance claimed in this bill towards conveyance charges in connection with Government work”.

A certificate from the Controlling Officer in the following form should be attached to the salary bills for the month of January and July which include conveyance allowance:-

“Certified that the conveyance allowance claimed in the salary bill for the month of January/July on account of Sri/Smt./Sriyuths..... is in order and that the conditions attached to its drawal have been fulfilled”.

The treasury officers will not accept or honour the salary bills for the months January and July which include the conveyance allowance but are not accompanied with the requisite certificates.

**ALTERATION OF PAY**

99. No Gazetted Government servant may draw an increased or a changed rate of pay, leave salary, fixed allowance, or any reward or honorarium unless the bill on which he draws it is either pre-audited by the Accountant General, or is accompanied by a letter of the Accountant General, authorising the amount to be drawn. These letters will be issued from the Accountant General's office as soon as possible ; but as delay may occur if the change is made near the end of a month, or if it takes effect from a date which cannot, immediately be ascertained, or cannot be fixed by a certificate of transfer of charge appended to the bill, Government servants shall, in the case of pay, leave salary or fixed allowances, either draw their bills for not more than old rates, or send their bills for pre-audit to the Accountant General, if they have not received his letter of authority.

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

<sup>1</sup>[Note.- In all cases of Training, the officer deputed for training can draw his pay and allowances on the basis of pay slip issued by the Accountant General before his deputation, if it is certified that the officer will continue in the same post but for his deputation. In case where an officer deputed for training does not discharge statutory duties and the handing over of cash or stores is not involved and the total absence from headquarters does not exceed ten days, the handing over and taking over charge of the

---

1. Amended by No. FD 8 TFC 88 dt. 14-9-1990 (w.e.f. 16-7-1988).

post is also dispensed with.]

**LEAVE, PROMOTION, REVERSION, TRANSFER,  
ETC.**

99-A. No Gazetted Officer who has relinquished charge of a post consequent on his proceeding on leave, or on training or promotion, reversion or transfer, shall draw any bill on account of his pay, allowances, leave salary, etc., for any period beyond the date of making over charge without a fresh authority from the Accountant General:

Provided that the provisions of this rule shall not apply to cases of transfers within the same Audit Circle and not involving any change in designation or emoluments of the officer concerned:

Provided further that in cases where, on the expiry of leave, an officer is appointed to the same post from which he proceeded on leave, he shall draw bills for his pay and allowances from the date of his assumption of such charge on the basis of the authority of pay and allowances issued to him by the Accountant General, before his proceeding on leave and, if such authority has been superseded on the basis of such revised authority for pay and allowances.

Note 1.- In case any bill presented at the treasury includes claims for any period beyond the date of making over charge, the Treasury Officer should, instead of returning the bill for amendment, pass for payment such portions of the claim as relates to the period up to the date and is otherwise admissible.

Note 2.- In the case referred to in the proviso to this Article, the treasury from which the officer concerned draws his claims, after transfer, shall commence making payments on the basis of the last pay certificate issued by the Treasury Officer who

last disbursed the claims of the officer. For this purpose of the Treasury Officer issuing the last pay certificate, should clearly indicate therein complete information given in the authority of the Accountant General in his possession, particularly the date, if any, up to which it is effective.

<sup>1</sup>[Note 3.- In cases where a Gazetted Officer proceeds on leave for a period of 120 days, he may draw his leave salary and allowances, without an authorisation from the Accountant General, from the Treasury from which he was drawing his pay immediately before proceeding on leave, by enclosing a copy of the sanction duly signed by the sanctioning authority and the certificate of transfer charge. The correctness of the claim shall be verified by the Treasury Officer with reference to the Pay slip/ Authorisation issued by the Accountant General and with reference to the rules and orders governing leave salary and allowances . <sup>2</sup> [xx]. A copy of the Certificate of Transfer Charge should also be sent to the Accountant General.

99-B. Advances to a Gazetted Officer on transfer or on tour or of leave salary or for purposes of leave travel concessions <sup>3</sup>[or Festival Advances to such an officer] may be drawn from the treasury on the ordinary Pay Bill or Travelling Allowance Bill forms on the authority of the sanction or a duly certified copy thereof appended to the Bill, without any previous authority from the Accountant General. As regards temporary advances from the Provident Fund, attention is invited to Clause (f) of Article 325.

- 
1. Substituted by No. FD 20 CFC 78 dt. 28-2-1979 (w.e.f. 28-2-1979).
  2. Deleted by No. FD 5 CFC 79 dt. 18-6-1980 (w.e.f. 18-6-1980).
  3. Inserted by No. FD 5 TFC 82 dt. 29-9-1982 (w.e.f. 1-4-1982).

No other personal advance can be paid to a Gazetted Officer unless the payment has first been authorised by the Accountant General or the claim has been preaudited by him.

Note.- Sanction to personal advances may, if preferred, be obtained in the form of counter signature on the bill itself before it is presented for encashment.

### **TRANSFER OF OFFICE**

100. Every transfer of charge of a Gazetted Government servant proceeding on leave or on transfer or returning from leave (irrespective of whether such a Government servant is in independent charge of the office or attached to an office as a general or an extra assistant) should, without fail be reported by post on the same day to the Accountant General in Form-19 or in Form No.19-A as the case may be and in case of a Government servant having independent charge of a public treasury, statements of the cash balance, of the stamp, ganja and opium stores and also of the bill forms in stock, should be prepared, signed by the Government servant taking charge and forwarded to the Accountant General at the same time.

(1) This rule applies only to charges of Deputy Commissioners and Tahsildars and not to transfers of executive charge of the treasury between their subordinates; in the latter case, the fact of the transfer should simply be advised to the Accountant General.

(2) Every Government servant who is responsible for the adjustment of advances and who is transferred to another office before fully accounting for the amounts outstanding against him should leave for the information and guidance of His successor, a memorandum clearly explaining the state of accounts of each item of advance and noting the action to be

taken for adjusting the outstanding amounts within the time allowed by the sanctioning authority. If he does not do so, his responsibility will not cease and his successor may not be held responsible in respect of the items not brought to the latter's notice.

(3) A statement of unadjusted advances and unremedied objections should be given by the relieved to the relieving Government servant in Forms 20 and 21 respectively.

(4) Special attention should be paid to the rule in this Article which requires reports of transfers of charge being despatched by post on the same day on which the transfer of charge is made, as any delay in reporting the dates of handing over and receiving charge of Government servants on transfer from one appointment to another or when proceeding on leave causes inconvenience to the office of the Accountant General in auditing the pay bills of gazetted Government servants.

(5) Copies of the report of transfer of charge sent to the Accountant General, should, in future, be simultaneously sent to the Treasury Officer and the Head of the Department concerned.

In the copies of the reports sent to the Accountant General Karnataka, and the Head of the Department, a certificate to the effect that "a copy of the report of transfer of charge has been sent to the Treasury Officer .....  
 .....Treasury, on ..... should invariably be recorded hereon.

### **TRAVELLING ALLOWANCE**

101. The claim for travelling allowance of each gazetted Government servant should be prepared separately and drawn in Form No. 22 which provides for the necessary details being furnished.

Note 1.- Claims relating to transfer/travel concessions should be preferred on separate bills. They should not be mixed up with those relating to tour Travelling allowance in any case.

Note 2.- Ordinarily not more than one bill will have to be preferred for the claims of a particular month in respect of a Gazetted Government servant. The bill should be countersigned by the Head of the Department or the Controlling Officer before being presented for encashment in cases in which such countersignature is required by rules.

Note 3.- Instructions for the preparation of T.A. claims are detailed in Article 138.

### **PLACE OF PAYMENT**

102. Unless ordered otherwise by Government, bills for pay and allowances are ordinarily payable at the Treasury of the Station in which the claim arises.

For drawal of leave salary by a Government employee, who signs his bills himself when claiming leave salary in respect of earned leave on average pay (other than leave preparatory to retirement), the provisions of Article 96 will mutatis mutandis apply. In the case of all other kinds of leave, such a Government employee must either appear in person at the place of payment or furnish a leave certificate signed by a responsible Government Officer or some other well known and trustworthy person. If he draws his leave salary through an authorised agent, the agent

must furnish the life certificate aforesaid or execute a bond to refund overpayments under the provisions of Article 86.

#### **PAY TO GOVERNMENT SERVANTS IN ENGLAND**

103. If pay be due in India to a Government servant absent in England, he must make his own arrangements to receive it in India.

#### **INSPECTING OFFICERS**

104. When a Gazetted Government servant, whose duty requires him to travel about or inspection, desires to receive payment of his claims at a place where he is on tour, he shall send his bill to the treasury officer at his headquarters duly receipted and stamped, and endorsed as "Pay by Bank Draft" encashable at ..... to be sent by registered post. He shall also make an application to the treasury officer, along with the bill inter alia specifying therein the address to Which the Bank Draft may be sent by the Treasury Officer. The Treasury Officer shall then arrange to send the Bank Draft by registered post, the expenses incurred on postage (including registration charges) being treated as normal expenditure on correspondence of the treasury.

## **CHAPTER VII**

### **ESTABLISHMENT**

#### **SECTIONS OF ESTABLISHMENT**

105. For the purposes of audit and the preparation of pay bills, the Accountant General divides a non-gazetted establishment, when necessary, into sections in consultation with the Head of the Department or the office on the following principles:

(a) The division should be uniform throughout the State for the same classes of establishment ;

(b) The division into sections in large offices should follow the actual working arrangements of the office ;

(c) In large offices where the members of the ministerial services are arranged by classes and grades, such as Superintendent, First Division Clerks and Second Division Clerks, each class or grade may form a separate section ;

(d) An establishment consisting of a large number of subordinate Government servants, such as school masters, may be divided into sections according to the taluks or sub-divisions of a district ;

(e) Clerks, School masters, etc., should not, except in a small establishment, be combined with the last grade Government servants. Such subordinates should form a separate section, or sections unless they are very few ;

(f) In preparing pay bills, absentee statements, annual returns of establishments, proposition statements, and other similar documents, the entries should be made in accordance with the sections arranged under the provisions of this Article.

Note 1.- Parts of an establishment under the same head of an account which are charged for under different major heads should be treated as separate establishments.

Note 2.- The Accountant General issues from time to time a list of the sections fixed by him for each office and the entries in pay bills, absentee statements, annual returns of establishments, proposition statements and other similar documents should be made in accordance with the sections so prescribed.

### **ANNUAL RETURNS OF ESTABLISHMENT**

106. The directions regarding the form, preparation and submission of the annual return of establishment are contained in Appendix V.

### **ALTERATION OF ESTABLISHMENT**

107. The Head of the Department or other authority concerned should scrutinise with the greatest care every proposal for an addition to an establishment, whether permanent or temporary, or for an increase in the emoluments of an existing post. He should examine the financial implications thoroughly, and should not submit the proposal to the Government unless he is satisfied that it is essential.

108. The scale of pay proposed for a new post whether temporary or permanent, should be the same time-scale as that already in force for the posts of the same class or category, except when a different time-scale has been fixed for temporary posts in a particular department. When the new post to be created will form an addition to a cadre which is divided into grades, the pay of the post should ordinarily be that of the lowest grade, if a higher rate of pay is proposed, the special reasons for proposing the higher rate should invariably be stated. If

there is no post in existence similar to the one proposed, the following principles should be observed in proposing a rate of pay for the new post :

(1) If the post is to be filled by a person not already in Government service, the pay proposed should be the minimum necessary to secure the services of a person capable of discharging efficiently the duties of the post.

(2) If the post is to be filled by a person who is already a Government servant, the pay proposed should be appropriate with reference to the nature and responsibility of the work to be done and the existing pay of Government servants whose status is such that they are considered likely to be suitable for selection for the post.

(3) In determining the cost of a scheme, allowances, whether fixed or variable, should be taken into account. When it is impossible to determine in advance the exact amount of an allowance, it will be sufficient to include as accurate an estimate as possible of the amount required for this allowance.

(4) If the expenditure proposed is to be incurred in the current year, the proposal should show clearly whether it can be met within the grant or appropriation for the year. If the expenditure can be met by re-appropriation, a re-appropriation statement in Form 22-A should also be submitted.

109. Every proposal to add to, or to make a change in an existing establishment should be explained fully in the communication addressed to the authority competent to sanction the proposal. The following information should invariably be furnished :

(i) The reasons for considering the addition or the change Proposed to be necessary,

(ii) The present cost either of the section or sections affected or of the total establishment, as the circumstances may require ;

(iii) The corresponding cost after revision ; and

(iv) The details of the number and pay of the posts, if any, which it is proposed to add to the establishment and of the number and pay of the posts, if any, of which it is proposed to change the conditions.

(1) Government servants on provincial scale, e.g., Assistant Surgeons, Police Inspectors, etc., constitute separate establishments by themselves and whenever any increase or decrease of their emoluments is proposed, the proposals should be for that class of Government servants only and for the whole State without the specification of any other class of establishment in any particular district. The same procedure should be followed in regard to gazetted Government servants.

(2) In the case of proposals which deal with the reorganisation of establishment, the Head of the Department submitting the proposal should certify that claims of pension that may arise in consequence of the reorganisation have been considered with reference to the provisions of Karnataka Service Rules, and should specify any cases in which the maximum pension ordinarily admissible will be subject to reduction under that Article.

A proposal to add to or modify an existing establishment shall be accompanied by a proposition statement in duplicate in Form 23, (1) if it involves a general revision of establishment, (2)

if it cannot be set out clearly without proposition statement, and (3) when the scheme involves recurring expenditure of Rs.6,000 per annum or more.

110. No proposition statement is required in the following cases :

(i) when the new scheme proposed involves no change in establishment except the creation of a post or posts the like of which does not yet exist.

(ii) when the proposal involves only the retention without alteration of an existing temporary establishment for a further period;

(iii) When the proposal is solely for the grant of a compensatory allowance, a special pay or personal pay to a member or members of an existing establishment, or solely for a change in the designation of an existing post.

Where the proposition statements are not required under the above rules, the proposals should distinctly indicate the extra cost of Government including clearly the fixed and variable allowances attached to the appointments.

111. The following instructions should be observed in preparing a proposition statement :

(i) The statement should relate strictly to the section or part of the office affected by the proposals. No details or figures of total cost should be furnished for the other parts or sections of the office;

(ii) The latest order sanctioning the existing establishment should be quoted and not any earlier orders on the subject;

(iii) The Increase or decrease in cost involved in the proposals should be Shown against each post or class or category of posts affected;

(iv) Grand totals should be given for the number of posts in and the total cost of the several sections affected, both under the existing orders and according to the proposal made and also of the amounts under “increase or decrease per month”;

(v) Pay which is not incremental should be entered in the column headed “Maximum”;

(vi) In the case of a temporary establishment the period for which it is proposed that it should continue should be entered;

(vii) When the pay of any post, existing or proposed rises from the minimum to a maximum by periodical increments, the average monthly cost should be calculated according to the formulae given in Article 112 below and not the actual cost or the cost in the first year;

(viii) Fixed allowances should be entered in a proposition statement but not variable allowances, such as ordinary travelling allowance, information in regard to which should be furnished separately in the communication addressed to the authority competent to sanction the proposal.

112. The following rules should be followed in determining the average cost of appointments on progressive (time scale of pay) pay:

I. A time scale of pay raising to its maximum by five equal yearly increments is equivalent to a fixed pay equal to the minimum, plus two-thirds or if the appointment is a ministerial appointment, plus three-fourths of the difference between the minimum and the maximum.

II. When the increment is annual or biennial and the period of rise is above five years, the following principles shall be followed:

(a) In the case of ministerial appointments,  $\text{value} = \text{minimum} + (3/4 - x/60)$  of the difference between the maximum and the minimum.

(b) In the case of other than ministerial appointments,  $\text{value} = \text{minimum} + (2/3 - x/90)$  of the difference between the maximum and the minimum.

Here  $x$  represents the excess in the period of rise in years over five years when the increment is annual, or over four years, when the increment is biennial.

III. When the increment is less than five years, the following method shall be applied:

(a) In the case of ministerial appointments,  $\text{value} = \text{minimum} + (3/4 + x/20)$  of the difference between the maximum and the minimum.

(b) In the case of other than ministerial appointments,  $\text{value} = \text{minimum} + (2/3 + x/15)$  of the difference between the maximum and the minimum.

Here  $x$  represents the deficiency required to make up five years when the increment is annual and four years when the increment is biennial.

113. No proposals for revision of establishments should be submitted after the close of the first two quarters of the official year except when called for by Government.

Note.- Verification of the proposition statement by the Accountant General will be got done in cases of very complicated establishments. The Accountant General will check only such proposition statements which have been forwarded to him for verification by Government in view of their complicated nature.

The work of verification of the correctness of the facts regarding the 'present establishment' is the function of the executive authority, and if a sanctioning authority is to exercise its functions satisfactorily, he should maintain adequate records and statistics of his own sanctions and be in possession of a full picture of the present establishment.

In respect of proposition statements not sent to the Accountant General, Karnataka, for his verification. they will be verified in the concerned Administrative Secretariat.

### **RULES REGARDING TEMPORARY ESTABLISHMENTS**

114. The following additional rules should be observed as regards temporary establishments:

(1) A clear distinction should be maintained between temporary establishment charged to the estimate for a work and temporary establishment sanctioned for general purposes and charged to the departmental head 'Establishment'. The temporary establishment sanctioned for general purposes of control without reference to any special work should be regulated by sanctioned scales as in the case of permanent establishments.

(2) No temporary establishment should be continued in anticipation of sanction and should there be a need for renewal of sanction, application should be submitted in time so as to

reach Government at least three months before the sanctioned period expires. Government servants who do not dispense with temporary establishments on the dates on which sanction expires will render themselves personally liable for the expenditure involved.

(3) In the absence of an express order specifying the period for which a temporary establishment should be retained, it should be considered to be terminated at the end of February of the financial year in which the sanction was accorded.

#### **PLACE OF PAYMENT**

114-A. The claims on account of pay and allowances of the non-gazetted personnel should be deemed to arise at the station where the drawing and disbursing officer, who draws the claims, is stationed.

#### **MONTHLY BILL**

115. Form 24 shall be used for bills for the pay fixed allowances and leave salaries of non-gazetted Government servants drawn by the head of the office for disbursement to them. Separate bills shall be prepared in each office for each of the following classes, if it exists:

- (a) Permanent Establishment.
- (b) Temporary Establishment. and
- (c) Government servants for whom no establishment returns are submitted and no service books are maintained.

116. With the exception mentioned in Article 117 infra the name of every substantive, officiating, or temporary Government servant on whose behalf a claim is made and his post shall be shown in column 2. Against each temporary post the number and date of the

order and the name of the authority sanctioning it and the name of authority which passed the order shall be entered. The rate of pay etc., claimed shall be shown against each name in columns 3 to 8. If the payment of any claim for the month to which the bill relates is postponed, it shall not be omitted from the bill, but the amount of each claim held over for future payment shall be noted in red ink in the appropriate column and ignored while totaling the bill. Column No. 8 shall be used to show the amount actually drawn for each section. Deductions made from the pay of each incumbent shall be shown in columns 9 to 13. When pay, etc., is claimed only for part of a month, the number of days for which it is claimed shall be entered against the Government servant's name. The part of a bill relating to each section shall be marked off in red ink. The component items of an establishment bill shall be checked and the total shown in the bill shall also be checked by adding up the items. If the bill relates to a small establishment, the drawing officer shall either check it himself or leave it checked by a gazetted Government servant under his orders, before he signs it. If the bill relates to a large establishment. The drawing officer shall ensure that the whole bill is thoroughly checked by some one other than the clerk who prepared it, and shall himself check a part of the bill or arrange for a gazetted Government servant to do so, before he signs it.

117. <sup>1</sup>[The names of the following categories of Government Servants shall be omitted from Pay Bills:-

1. Head Constables,
2. Constables, and

---

1. Substituted by No. FD 4 CFC 78 dt. 3-11-1978 (w.e.f. 3-11-1978).

3. Incumbents of posts carrying a fixed Pay not exceeding Rs. 500 p.m. or on time Scales of pay, the maximum of which does not exceed Rs. 500 p.m.]

(2) Incumbents of posts carrying a fixed pay not exceeding Rs.150 per month or on time scales of pay the maximum of which does not exceed Rs.150.

In all such cases, a certificate in the following form shall be furnished in the bill:

“Certified that all persons whose names are omitted from, but whose pay has been drawn in this bill have actually been employed during the month, that full details of the names of the persons concerned and the emoluments drawn for them working up to the total included in this bill have been duly shown in the office copy and that the emoluments drawn are according to the relevant rules and orders.”

Note 1.- The Drawing Officer shall have the office copy of each bill relating to these classes of Government servants prepared separately so as to show full details of names, leave etc. The total of this pay bill shall then be entered in the pay bill. The drawing officer shall verify and satisfy himself that the grand total in the office copy of the bill agrees with the total amount in the fair copy.

Note 2.- Physical fitness certificates of such of the Government servants, as are not required in the Accountant General's Office for purposes of audit, need not be attached to the establishment pay bills sent to his office for audit.

“Note 3.- As regards claims of Government servants referred to in this Article held over for future payment, the procedure prescribed in Article 116 shall apply”.

118. The claims of Government servants whose names are omitted from the bills under Article 117 above should not be lumped together but entered as a single item in the bills. The bills in such cases should be shown separately the numbers on different rates of pay or with different designations. The claims for broken periods of a month and claims of persons on leave should also be shown separately, with particulars regarding the kind and period of leave.

Note .- The special attention of all Drawing Officers is invited to the various certificates prescribed on the bill forms.

118-A. A Certificate from the Controlling Officer in the following form should be attached to the pay bills for the months of January and July which include conveyance allowance:

“Certified that the conveyance allowance claimed in the pay bill for the month of January/July on account of Sri/ Smt./ Sriyuths.....is in order and that the conditions attached to its drawal have been fulfilled.”

The Deputy Commissioner (Treasury Department) will not accept or honour the pay bills for the months of January and July which include the conveyance allowance but are not accompanied with the requisite certificates.

119. Fines imposed on Government servants (wherever permissible) for ordinary neglect of office duty are properly recoverable by stoppage from pay and consequent short drawings from establishment pay bills.

#### **ABSENTEE STATEMENT**

120. The Drawing Officers shall ordinarily attach an absentee statement in Form 25 to the monthly establishment pay bill if any person (other than the last grade Government servants) has been

absent during the month on leave (other than casual leave) or deputation or suspension or without leave or if a post has been left vacant substantively whether or not any Government servant officiated in it. When signing the absentee statement, the Drawing Officer shall see that a diagonal line is drawn across the blank space, if any, below the last entry.

(1) When a Government servant is absent from any cause, such as deputation, suspension or leave, or without leave, the particulars of the absence and the arrangements made in consequence should be shown under the appropriate heads in the absentee statement. When the Government servant is on other duty or deputation, the nature of the duty or deputation with the number and date of the Government order sanctioning the deputation, should be specified. If the absence extends over a period of more than one month, the particulars thereof and of the arrangements made in consequence should be repeated in the statement for each month. When an extension of leave is granted, the fact should be stated in the column for remarks.

(2) Each chain of arrangements consequent on each absence should be separated from others by a line ruled across the absentee statement after the name of the last acting Government servant.

(3) If any Government servant is absent on casual leave he does not forfeit any part of his pay for the period of his absence, and he should not be reckoned as on leave. His name should not be included in the absentee statement, nor his absence noted in his service book.

(4) When any Government servant is granted leave who during the period of duty, immediately preceding the leave, which is taken into account for the calculation of leave granted to him served



following the months to which it relates.

(3) The Drawing Officers should furnish necessary information to the Head of the Department in sufficient time to enable him to prepare the consolidated Absentee Statement and sent it to the Accountant General's Office before the due date.

121-A. (1) When leave salary based on average pay is drawn in a bill for a Government servant, the bill in which it is first drawn shall be accompanied by a statement in Form 26 attested by the Drawing Officer showing the calculation by which the amount drawn on account of leave salary has been deducted. If the calculation is based on pay drawn outside the Government servant's substantive section or office, a reference to the bills in, or the office from, which such pay was drawn shall be given in the statement.

(2) If leave salary is based on actual pay and not on average pay, the Drawing Officer shall attach to the bill a certificate in one of the following forms :-

(i) If the absentee is entitled to leave under the Karnataka Leave Rules, 1957:

“That the leave salary is based on the pay of a permanent post held substantively by the absentee at the time of taking leave”.

(ii) In all other cases :-

“That the leave salary claimed is admissible under (a). (a) The rule under which the leave salary has been claimed should be specified here”.

121-B. A certificate to the effect that the Government servant on leave preparatory to retirement, or refused leave under Rule 11 of Karnataka Civil Service Rules, 1958, or any other corresponding rule, or such other leave, on the expiry of which he is not expected to return to duty, was not employed under Government Local Fund or a private employer during the period of such leave, should be recorded by the Drawing Officer on the bill in which leave salary for such a Government servant is drawn after obtaining from him declaration regarding non-employment.

122. The Head of an Office need not attach an Absentee Statement in Form 25 to his monthly establishment pay bill so far as it relates to any establishment, the scale of which is fixed for the State. In those cases, however, in which the power to sanction leave and officiating arrangements within the office in consequence thereof has been delegated to heads of offices within the prescribed limits, the requisite Absentee Statement shall be furnished by them along with the pay bills and such vacancies and arrangements will be included in the consolidated Absentee Statement to be furnished by the controlling authority.

123. All permanent events such as deaths, retirements, permanent transfers and first appointments, which find no place in the increment certificate or absentee Statement shall be recorded in the remarks column of the pay bill. In the case of establishments on progressive pay, statement of substantive changes in Form 27-A (in the case of Government servants other than those referred to in Article 117 and Form 27-B (in the case of Government servants whose names do not appear in bills) shall accompany the pay bill.

Note .- A certificate to the following effect shall also be recorded in the pay bills.

“Certified that all Government servants referred to in Article 117 for whom increments have been claimed in the bill have rendered the required period of approved service entitling them to the increased pay drawn in the bill”.

124. When the name of a Government servant appointed permanently or on probation to a post appears for the first time in the pay bill of an establishment, the previous post in the Government service, if any, held by him shall be stated and a Last Pay Certificate attached showing the date of handing over charge, advances outstanding, etc. In the case of new appointments, the number and date of sanction creating the new appointment shall be quoted in the bill in which pay is drawn for the first time.

Note 1.- No appointment in any office will be accepted by the Audit Office or the Treasury unless the first entry of the new name in the pay bill is supported by a certificate that the rules rendered the required period of approved service entitling them to Government service have been observed.

Note 2.- If a pensioner is re-employed the fact should be stated in the bill (along with details regarding pay drawn at the time of retirement, pension and pension equivalent of Death-cum-retirement Gratuity).

### **INCREMENTS**

125. When a periodical increment is claimed on behalf of a Government servant in an establishment pay bill, an increment certificate In Form 28 shall be attached to the bill except in the case of those referred to in Article 117. The increment certificate in respect of the Drawing Officer (non-gazetted) will be passed by the next higher authority.

When an increment is due to a Government servant, otherwise than for having been the incumbent of a specified post (less periods not counting for increments as shown in the tabular portion of the certificate) an explanatory memorandum showing briefly and clearly the grounds on which the increments is clarified shall be attached to the increment certificate.

Note.- Office copies of all increment certificate including those referred to in Article 117, shall be kept for record and attached to the office copies of pay bill retained by the disbursing officer.

126. Deleted.

127. Where an increment claimed operates to carry a Government servant over an efficiency bar, the claim shall not be paid unless it is supported by a declaration from the competent authority that it has satisfied itself that the character and efficiency of the Government servant concerned are such that he is fit to cross the bar. In order to prevent the crossing of an efficiency bar becoming a mere matter of form it is imperative that every case shall be carefully scrutinised by the sanctioning authority before signing the declaration prescribed above.

#### **SANCTION OF ESTABLISHMENTS, ETC.**

128. (1) The Financial Powers of the various Heads of Departments are given in the Book of Financial Powers. Officers appointed to be in charge of the current duties of a post shall be competent to exercise all administrative, and financial powers vested in the regular incumbent of that post. Such an Officer should not however modify or overrule the orders already passed by the regular incumbent of the post, except in an emergency, without obtaining the orders of the next higher authority.

(2) The powers delegated to officers subordinate to Heads of Departments are contained in the Departmental Manual or standing orders.

### **TRANSFERS**

129. The entire salary for the month in which a transfer has been made shall be drawn on the bill of the establishment to which the Government servant is transferred, after the close of the month, attaching thereto the requisite Last Pay Certificate, and not in several bills as for example, one for the salary due from the first of the month to the date on which the Government servant makes over charge in the establishment from which he is transferred, another for the period of joining time, and a third from the date on which he joins the appointment in the establishment to which he is transferred to the end of the month.

Note.- The pay of a person, transferred from one Local Fund or Municipality to another or to a different Audit Circle, up to the date of his transfer, shall be drawn on a supplemental bill of the office from which he is transferred, and disbursed to him. His pay for the period of joining time and for the rest of the month shall be drawn in the pay bill of the establishment to which he is transferred. In respect of Government servants transferred to Local Funds the joining time allowance and travelling allowance for the forward and return journey shall be borne by the Local Body concerned.

130. (a) Transfer of Government servants from one department to another without a formal change or transfer of appointments thereby necessitating their pay and travelling allowances being debited to the department to which they belong but in which they are not working is not regular and shall not be made.

(b) In the case of a candidate who is transferred from one department to another in the exigencies of service or other circumstances by a competent authority, his lien may be retained in the former department and he may also be granted other benefits under the Karnataka Civil Service Rules; but in the case of a candidate who leaves one department and joins another as a fresh recruit in accordance with the rule of recruitment cannot be dealt with on the same footing, nor can it be treated as one of transfer, as he elects to take up the new appointment offered in the latter department of his own accord and in his own interest.

Note.- In cases where local candidates in the Departments of Government are regularly appointed in other departments, last pay certificates may also be issued even though the transfer is not in the public interest.

131. The Head of an office is not at liberty to readjust the salary of a Government servant by giving one Government servant more and another less than the sanctioned pay of his post, nor may distribute the pay of an absentee otherwise than as provided in the Karnataka Service Rules. But in the case of departments or establishments divided into grades, there is no objection to an excess appointment being made in a lower grade on an interim basis, against a vacancy left unfilled in a higher grade. This liberty must, however, not be used for the purpose of increasing the numerical strength of an office. For each vacancy in a higher grade, only one extra appointment in a lower grade is admissible. This rule is applicable to ministerial establishments also.

**ARREAR BILLS**

132. Arrear pay shall be drawn on a separate pay bill and not in the original monthly pay bill. The amount of arrears claimed for each month shall be entered separately in the bill furnishing reference to the bill in which the amount was omitted or withheld, or in which it was recovered by deduction, if the claim relates to an allowance or special pay newly sanctioned, the name of the authority which sanctioned it and the number and date of the order sanctioning it shall be entered in the bill. Arrear bills may be presented at any time subject to the conditions prescribed (see Articles 18 and 19) and may include as many items as are necessary. The drawing officer shall certify in every arrear bill that no part of the amount claimed has been drawn previously. Only one bill is sufficient for all arrear claims of different months which are drawn at the same time, particulars of claims of different months, being however, shown separately in the bill.

(1) As the monthly bill should include the full claim for the month, whether drawn or not, no subsequent claim preferred in an arrear bill which is not covered by the amount thus shown as undrawn in the original monthly bill or by an amount refunded into the treasury or by a fine which has been remitted, will be paid without full explanation of the circumstances under which it was omitted from the monthly bill.

(2) For drawing the amount of a fine recovered by short drawing from the pay of a Government servant, no other authority than the order remitting the fine is necessary.

133. All supplemental claims should be verified thoroughly by the Drawing Officers. Such claims should invariably be noted in the original Acquittance Rolls filed in their offices and a certificate in the

following form shall be recorded by them, in addition to the non-payment certificate prescribed above, in all supplemental pay bills:

‘Certified that the supplemental claims preferred above have been verified with reference to the acquittance rolls for the concerned months filed in this Office/the concerned Offices and also that they have been noted against the entries shown therein as withheld or omitted.’

Supplemental pay bills without the above certificates recorded thereon by the Drawing Officers will not be paid at the treasuries when presented for payment.

A note of the arrear bill should invariably be made in the office copy of the bills for the period to which the claim pertains over the dated initials of the drawer to the arrear bill, in order to avoid the risk of the arrears being claimed over again.

<sup>1</sup>Note 1.- A “due and Drawn Statement” in respect of arrears of pay and allowances of a Government servant shall be prepared by the drawing and disbursing officers of the office in which the Government servant is currently working and refer it to the earlier office(s)/parent Office as the case may be for verification of the claim. The latter office after making necessary entries in their records (i.e., in the office copies of the bills) return it to the concerned drawing officer with a certificate that the arrears relating to the Government servant have been noted in the relevant office copies of the bills. On receipt of the “Due and Drawn Statement” duly verified by the earlier/parent Office, the drawing and disbursing officer may prefer the arrear claims of the Government servant in the proper forms recording the certificate as required in Article 132,

---

1. Substituted by No.FD 15 RFC dt. 28-6-1978 (w.e.f. .5-9-74)

draw the bills from the Treasury and disburse the arrears to him on proper acquittance.

The expenditure in this behalf may be debited to the budget provisions of his office.

Note 2.- The claims relating to tour/transfer/travel concession from one office to another office and in respect of whom last pay certificates have been issued, should not be drawn by the office from which these officials have been transferred, even though bills for their arrears may have to be prepared by that office. Such bills should be encashed and disbursed only by the officer under whom these Government servants are actually working at the time of disbursement.

### **SERVICE BOOKS**

134. Special attention is drawn to the rules regarding service books contained in the Karnataka Service Rules. The service book is a contemporary record in minute details of the official career of a Government servant and every entry in it shall be attested by the Head of the Office each time an entry becomes necessary due to orders passed by him or any higher authority. Non-pensionable service should be distinctly shown as such in column 2 of the service books.

135. Service books shall be kept in the custody of the Head of the Office. When a Government servant is transferred to another office, his service book shall be sent to the Head of the Office to which he is transferred and not made over to him nor shall it be given to him when proceeding on leave. When non-gazetted Government servants are officiating in gazetted appointments, their service books shall be kept by the head of the office to which each such Government servant permanently belongs but when they are confirmed in such appointments their service books shall be sent to

the office of the Accountant General for record.

136. Deleted.

### **TRAVELLING ALLOWANCE**

137. Travelling allowance of establishments, other than permanent or fixed allowances, shall be drawn in Form 29 setting forth the details of the journeys and explaining any divergence from the recognised route; ordinarily not more than one bill will have to be preferred for the claims of a particular month in respect of a Government servant. The bill should be countersigned by the Head of the Department or Controlling Officer before being presented for encashment in cases in which such countersignature is required by the rules. When actual expenses are drawn under the rules, details therefor should invariably be furnished in the travelling allowance bill; the travelling allowance bill will be encashed at the treasury in which the pay bill of the establishment is encashed and the amounts distributed as in the case of establishments bills.

(1) The Government servant countersigning travelling allowance bills will maintain a register in Form 30 in which he will note the bills he countersigns.

(2) Travelling allowance bills of subordinate Government servants shall be prepared and passed through in all their stages as expeditiously as possible, and when they are delayed either in the office where such bills are prepared or in the office where bills are received for countersignature for more than a month, a note of explanation shall be added on the bills.

(3) The drawing officers shall prepare separate travelling allowance bills in respect of the non-gazetted Government servants, whose pay exceeds Rs. 200 per mensem.

Note.- The claims relating to tour/transfer/travel concession should be preferred on separate bills and should not be mixed up in one bill.

138. The rules of procedure regarding the preparation of Travelling Allowance bills are given in the Karnataka Service Rules. To facilitate audit and minimise correspondence, attention is invited to the following points:

(1) The hours at which a journey began and ended should always be noted.

(2) A certificate should always be inserted in the case of a non-gazetted Government servant other than executive making a road journey which does not exceed twenty miles to the effect that he was ordered to travel by public or hired conveyance.

(3) Whenever mileage is claimed for a journey which can be performed by rail, or partly by rail and partly by road, the claims should be accompanied by an explanation duly accepted by the controlling or countersigning officer that the road journey, was made in the interest of public service for purposes of inspection or for other causes which should be clearly stated. This concession is to be granted for the forward journey only.

(4) Claims on account of travelling allowance of Government servants summoned to give evidence must be supported by certificate from Courts in the prescribed form as specified in the Karnataka Service Rules.

(5) Such of the printed certificates in the bill as are not necessary should be scored through, and those retained should each be attested with the initials of the drawer of the bill.

(6) Purpose of journey should be specifically stated.

(7) Number of miles travelled by road whether independently or in continuation of railway journey should always be entered in column 13 of the bill.

(8) Travelling allowance should not be claimed for journeys within a radius of five miles from headquarters, nor can this distance be added on to a journey beyond it performed the same day.

(9) Mileage should not be drawn for Gazetted Officers and non-gazetted executive establishments for marches of not more than twenty miles.

(10) When mileage is claimed for the last grade Government servants, the reason for not providing them with seats in carts engaged at Government cost should be given.

(11) When Government servants are transferred, the period of transfer to the new place should invariably be stated and the pay drawn by them before and after the transfer specified. It should also be clearly noted whether the transfer is in the interests of public service or otherwise. In case of reversions, the cause of such reversion should be specified.

(12) Fractions of a mile in the total of a complete journey performed by a person should be omitted and not added on to the fraction of a mile due to another complete journey in the same month.

(13) Halts for more than ten days made at a place should always be supported by the sanction of the Heads of Departments specified in the Karnataka Service Rules.

(14) When the first item in a travelling allowance bill is a halt, the date of commencement of halt should invariably be stated.

(15) The following certificates should be furnished on the Leave Travel Concession bills by the officers concerned as indicated below with a view to satisfy that the conditions laid down in the Karnataka Civil Service Rules have been fulfilled.

**CERTIFICATE FOR CLAIMING TRAVEL  
CONCESSION FOR HOME VISIT**

Certified -

(1) That I and /or my family members travelled in .....class, Vide Ticket Nos..... for the outward journey and Nos.....for the return journey.

(2) That I have rendered a continuous service for not less than one year on the date of performing the journey.

(3) That I have already submitted my declaration to the effect that my home town is.....

(4) That I have not submitted any other claim so far, for the leave travel concession in respect of myself and/or my family members in respect of the block of two years 19..... and 19 .....

(5) That I have already drawn T.A. for the leave Travel Concession in respect of a journey performed by me/my wife with ..... children. This claim is in respect of the Journey performed by my wife/myself with..... children, none of whom travelled with the party on the earlier occasion.

(6) That the journey has been performed by me/my wife with children to the declared home town viz.....

(7) That my husband/wife/is not employed in Government service and that the concession has not been availed of by him/her separately for himself/herself or for any of the family members for the concerned block of two years.

“(7) (a) Certified that my family members, in respect of whom the concession is claimed, are wholly dependent on me”.

(8) That before transfer journey I had been to home-town on..... leave exceeding/not exceeding 4 months and proceeded there from to new station.

(9) That I have been to home-town on ..... leave from tour station/headquarters and there from proceeded to headquarters/tour station.

Signature.....

Designation .....

Certified that the certificates No.2 and 3 tally with the entries made in the Service Book of Shri..... as recorded. The payment of travel concession is sanctioned in Order No.....

Certified that the..... leave applied for from ..... to ..... was refused in the interest of Public Service and that the official was informed in writing that no leave could be granted to him at any time in the calendar year in the exigencies of public service.

Necessary entries as required by Rule 551 of K.C.S.Rs.,  
have been made in the Service Book  
of Shri/Smt .....

Head of Office/Controlling Officer.

Certified that the claims are in accordance with the  
provisions of Rules Nos. 549 and 550 of K.C.S.Rs.

Drawing Officer/Controlling Officer.

Note.- Portion not relevant should be scored out.

### **DEARNESS ALLOWANCE**

139. The rules regarding the grant of Dearness Allowance to  
Government servants on account of increase in the cost of living are  
detailed in Appendix VI.

**CHAPTER VIII**  
**CONTINGENCIES**

140. The rules relating to contingent charges are detailed in the Manual of Contingent Expenditure separately issued.

**CHAPTER IX**  
**MISCELLANEOUS CHARGES**

**TERM DEFINED**

141. The terms “Miscellaneous Charges” used in this Code means all expenditure other than those falling under pay and allowances, contingencies and works. Except where authorised by the rules in this Chapter and the Book of Financial Powers or other authorised Codes or by any general or special orders of Government, no miscellaneous expenditure of any kind may be incurred by any Government servant without the specific sanction of Government or the authority to whom the Government have delegated the power to sanction such expenditure. In the case of payments for which no specific forms have been prescribed, the claims should be preferred in Form 3.

**REFUNDS**

142. The Powers of the Heads of Departments in the matter of sanctioning the several kinds of refunds and the special procedure for refunds of certain items of revenue are given in the Book of Financial powers. In cases not provided for therein, sanction of Government is necessary.

<sup>1</sup>[Note 1.- Heads of Departments, District and other Officers exercise full powers to sanction refunds of revenue. Joint Director/Controlling Officers and Deputy Director of Agriculture may sanction refund of revenue upto Rs. 5,000 in each case. Superintendent Engineers may sanction refunds of revenue upto Rs. 2.000 in each case.

---

1. Inserted by No.FD 12 RFC 77 dt. 19-5-1978 (w.e.f. 1-12-1974).

Note 2.- Heads of Departments, joint Directors /Controlling Officers exercise full powers to sanction refund of wrong or excess credits and District and other Officers may sanction refund of wrong or excess credits upto Rs.500 in each case.]

143. <sup>1</sup>[(a) Every refund shall be noted against the original entry in the departmental accounts, Where all receipts are entered in detail. The voucher for refunds in Form 31 provides for a certificate of such a note to be made by the authority competent to refund the amount under his signature and he will also certify in the refund order that the refund has been noted against the original receipt entry in the departmental account under his initials. He will also be responsible to see that no refund regarding the sum noted in the refund order has been previously granted;

(b) The departmental officers while issuing the refund orders should simultaneously issue an advice in the form No. 31-AA in duplicate to the Bank/Treasury on which the refund order is issued for payment, so that the Bank may make payment when such order is presented by the concerned party. The advice will be prepared in triplicate. One copy will be retained in the office of the Refunding Authority and two copies will be sent to the Bank/Treasury. The Bank/Treasury will return one copy of the advice to the Departmental Officer after noting the date of payment on the advice;

(c) The Competent Departmental refunding authority should also send to the concerned Bank/Treasury his specimen signature duly attested by an Officer whose signature is already lodged with the Bank/Treasury.

---

1. Substituted by No.FD 10 TFC 83(I) dt. 8-10-1984 (w.e.f. 7-4-1977).

(d) The amount of refund should be classified under the concerned "Revenue Head" "Deduct Refund" and the debits will be included by the Bank in the payment scroll.

Note 1.- Refund of Tax Revenue such as Sales Tax. Motor Vehicles Tax etc., shall be as per Forms, procedures and provisions prescribed in the respective Acts.

Note 2.- The refunds, of sales tax are arranged by the Commercial Tax Officers or the Assistant Commercial Tax Officers by refund orders on the treasury. In the case of Bank treasuries such orders are issued on the bank direct. Advices of such orders will be prepared, in triplicate, in form No. KFC 31 -A, in respect of each refund order, one for retention in the Office of the Commercial Tax Officers or the Assistant Commercial Tax Officers concerned and the other two for transmission to the Treasury/ Bank of which one will be returned by the Treasury/Bank to the Commercial Tax Officer or the Assistant Commercial Tax Officer with the date of payment noted thereon.

The Commercial Tax Officers or the Assistant Commercial Tax Officers will intimate to the Treasury/Bank, from time to time, the designation of the Officers authorised to issue such refund orders and the numbers of the Refund Order Books that are brought into use by them.

Note 3.- Refunds of loan amounts recovered in excess are also governed by the provisions of this Article.

<sup>1</sup>[Note 4.- Refund of Court fee ordered by the Court shall be as per form, procedures and provisions prescribed in Court Fee and Suits Valuation Act and Rules and the refund need not be noted against the original credit.

---

1. Substituted by No. FD I TFC 85 dt.19-11-1986 (w.e.f. 25-2-1985).

144. (a) Refund bills may be presented for payment at the treasuries which received the amounts originally. Such bills when presented for payment should have recorded on them the original orders of the authority sanctioning the refund or have attached to them duly authenticated copies of the orders sanctioning of refund:

(b) In the case of refunds sanctioned by Government, it will be enough if an endorsement noting the number and date of the Government order is made on the bill itself and attested by the departmental countersigning authority concerned.

(c) As regards refunds of examination fees, a certificate should be endorsed on the original receipt by the Deputy Secretary, Karnataka Public Service Commission, specifying the amount to be refunded and the receipt returned to the party for presentation at the Treasury in which the amount was originally credited.

Note 1.- As a precaution against double refunds of Land Revenue or other receipts, the amount and the date of each refund should be noted by the Treasury Officer against the original item of credit in the Treasury Receipt Register.

Note 2.- In paying refund bills, the Treasury Officer should see that the certificate of note of refund in departmental accounts is recorded on bills before they are encashed.

144-A. Unless otherwise provided by any law or rule or departmental regulation, an order for refund of revenue shall remain in force <sup>1</sup>[for a period of 3 months after the month of issue], and no payment shall be made on its authority thereafter unless, it is got revalidated by the sanctioning authority.

---

1. Inserted by No. FD I TFC 85 dt. 19-11-1986 (w.e.f. 25-2-1985).

<sup>1</sup>[Note.- The provisions of this Article are also applicable to the refund cheques issued by the Courts.

### **REFUND BY MONEY RODER**

145. Refunds of sale amounts deposited by auction purchasers, in respect of revenue sales for arrears of land revenue, may be made, when such sales are subsequently cancelled, by *Postal Money Order*, if the party claiming the refund furnishes his acquittance (stamped whenever necessary, on the sanctioned refund bill noting therein "Contents Received. Please remit the amount by money order").

146. The Treasury Officer will thereafter draw the amount from the Treasury and remit it by Money Order at the cost of the party and he will cause the postal receipts to be pasted securely to the refund voucher.

Note 1.- When a Money Order is issued, the purpose of the remittance should be briefly stated by the Treasury in the acknowledgement portion of the money order form in continuation of the printed entry "Received the sum specified on the reverse on," sufficient space being left below the manuscript entry thus made, for the signature or thumb impression of the payee.

Note 2.- On receipt of the Money Order acknowledgement duly signed by the payee, it should be attached to the refund voucher, in which the full amount of the refund and the deduction made therefrom on account of the Money Order commission should be clearly shown; the voucher will then be disposed of in the usual way.

---

1. Inserted by No. FD I TFC 85 dt. 19-11-1986 (w.e.f. 25-2-1985).



**REIMBURSEMENT OF THE CHARGES UNDER THE  
KARNATAKA GOVERNMENT SERVANTS (MEDICAL  
ATTENDANCE) RULES, 1957.**

146-A. (i) Charges for treatment and ward charges should be paid by the Government servant in the first Instance and claims for the refund submitted to the Controlling Officer in the appended form\*.

(ii) Final claims for reimbursement of Medical expenses of all the Government servants in respect of a particular spell of illness should ordinarily be preferred within 3 months from the date of completion of treatment as shown in the last Essentiality Certificate issued by the authorised medical attendant concerned. The Controlling Officers are also empowered not to entertain a medical claim not preferred by a Government servant within 3 months of the completion of the treatment where they are not satisfied with the reasons put forth by the Government servant for late submission of the Medical claim or where the claim is prima facie incomplete.

The payment of arrear claim if preferred and entertained by the Controlling Officer after three months shall be governed by the provisions of Articles 18 and 20 of K.F.C. In cases where a claim is not ordinarily admissible and a special sanction is accorded for reimbursement of expenses involved in relaxation of rules, the sanction shall be deemed to be operative for a period of one year from the date of its issue.

<sup>1</sup>[Note.- In the case of prolonged illness requiring treatment for a couple of years or more and where the authorised Medical Attendant certifies in the Essentiality Certificate that the treatment is continuing, the Government servant shall prefer the claims within 3 months from the date of incurring the expenditure.]

---

1. Inserted by No. FD 3 TFC 89 dt. 6-11-1989 (w.e.f. 6-11-1989).

(iii) Officers empowered to countersign the T.A. Bills of the Government servants concerned are Controlling Officers for the purpose of these rules also.

(iv) The expenditure on account of these charges should be classified under the sub-head "Allowances, honoraria, etc cost of medical treatment" under the appropriate budget head to which the pay of the Government servant concerned is debited:

(v) Application form for claiming Refund of Medical Expenses.

1. Name and designation of the Government servant (in block letters)

2. Office in which employed.

3. Salary.

4. Place of duty.

5. Full residential address.

6. Name of the patient and his/her relationship to the Government servant.

(Note.-In the case of children state age also).

7. Place at which the patient fell ill.

8. Nature of illness and its duration.

9. Details for the amount claimed.

10. Total amount claimed.

11. List of enclosures.

**Declaration to be signed by the Government Servant**

I hereby declare that the statements in this application are true to the best of my knowledge and belief and that the person for whom medical expenses were incurred is a member of my family as defined under the Karnataka Government Servants Medical Attendance Rules, 1957 and is wholly dependent upon me.

Signature of the Government servant.

Signature of the controlling officer/competent authority.

Note.- Separate form should be used for each patient.

(vi) The application form prescribed above is intended for obtaining the sanction of the competent authority for the reimbursement of the medical charges and not for drawing the amounts from the Treasury. The competent authorities should indicate their approval on the application itself for the amount reimbursable under the rules as provided for in the Karnataka Government Medical Attendance Rules. The claims relating to the reimbursement of Medical expenses should be drawn in Form 18 or 24 according as the Government servant concerned is a Gazetted or a non-Gazetted Government servant.

“Such claims of Gazetted Government servants may be drawn without the prior authority, of the Accountant General. The amount drawn in the bills must be supported by proper receipts and vouchers in all cases”.

Note 1.- The following procedure may be adopted with regard to the payment of ward charges:-

(i) Government servants of classes III and IV should produce before the Medical Officer a certificate signed by the head of Office

furnishing all particulars about their appointment, pay, etc., which are necessary for allocating wards suitable to their status as well as for purposes of medical charges, in such cases the ward charges need not be collected in advance.

(ii) In case a Government servant of Class III or Class IV is not in a position to produce the certificate from the Head of Office at the time of admission, he or a member of his family may be admitted to the ward he is entitled to on his giving a written statement signed by him indicating the necessary particulars regarding his pay, post and office or department. He should be required to produce the necessary certificate from the Head of Office within 3 days of admission, failing which the ward charges, etc., shall be collected from him, subject to reimbursement later”.

(iii) In the case of Government servants belonging to classes I and II, it is enough if they produce before the Medical Officer a declaration signed by themselves furnishing the required particulars.

Note 2.- The cost of Ayurvedic and Unani medicines will also be refundable under Rule 6(2) of the Medical Attendance Rules.

Note 3.- Deleted.

### **FINANCIAL ASSISTANCE TO GOVERNMENT SERVANTS INVOLVED IN LEGAL PROCEEDINGS**

146-B. The following rules regulate the grant of financial assistance to Government servants involved in legal proceedings:

(1) Legal Proceedings in which Government servants are likely to be involved may be classified as follows:

(a) Proceedings, Civil or Criminal, by Government in respect of matters connected with official duties or the position of a Government servant;

(b) Proceedings by a Government servant against a private party or vice versa in respect of matters not connected with his official duties or position:

(c) Proceedings by a private party against a Government servant in respect of matters connected with his official duties or position;

(d) Proceedings by Government servant to vindicate his official conduct when called upon the Government to do so; and

(e) Proceedings by a Government servant to vindicate his conduct connected with his official duties or position, with previous sanction of Government, though not required by Government to do so.

2. (a) In cases falling under Rule (1) (a) supra, no financial assistance will be given for the defence of a Government servant in the proceedings. However, in the event of the proceedings concluding in favour of the Government servant, the question of reimbursement of the whole or a reasonable portion of the costs incurred by the Government servant for his defence will be considered, provided Government are satisfied, from the facts and circumstances of the case, that the Government servant was subjected to the strain of the proceedings without proper justification;

(b) In cases falling under Rule (1) (b) above, no financial assistance is admissible:

(c) (i) In cases falling under rule (1) (c) above, if the Government, on consideration of the facts and circumstances, decide that it will be in public interest that the Government servant should be defended by the Government, and the Government servant agrees to such a course, arrangements will be made for the conduct of the proceedings as if they had been instituted against the Government themselves.

This is subject to the Government servant agreeing in writing in the annexed Form to render such assistance to Government as may be required for his defence on the clear understanding that no responsibility shall attach to Government in the event of the proceedings resulting in a decision adverse to him.

(ii) If, in such cases, the Government servant proposes to conduct his defence himself the question of reimbursement of reasonable costs incurred by him therefor may be considered on the conclusion of the proceedings in his favour, the amount thereof depending on the extent to which the Court has vindicated the act of the Government servant. The conclusion of the proceedings in favour of the Government servant will not by itself justify reimbursement.

(d) In cases falling under rule (1) (d) also reimbursement will be governed by the principles laid down at clause (c) (ii) supra;

(e) In cases coming under rule (1) (e). no part of the expenses incurred by the Government servant will be reimbursed in any circumstances;

(f) The power of granting assistance under these rules is reserved with Government.

**ANNEXURE**

(Here enter the description of the proceedings)

The Government of Karnataka having been pleased to undertake my defence in the above proceedings, I hereby agree to render such assistance to Government as may be required for my defence and further agree that I shall not hold Government in any way responsible if the proceedings end in a decision adverse to me.

Place:

Date: Signature of the Government Servant.

**DISCOUNT ON STAMPS**

147. The commission allowed on the gross value of the stamps indented is adjusted by book transfer on the acknowledgment furnished by the vendor. The Treasury Officers are responsible for seeing that commission is properly calculated. The District Treasury Officers should furnish the following certificate along with the connected schedule accompanying the Treasury accounts under commission vouchers.

Certified that the commission has been actually allowed to the parties to whom it was due according to the sanctioned rates and that the total amount of the commission allowed and included herein for the month agrees with that shown in the receipt schedule under XIV Stamps for the month.

148. Refund of the amount of spoilt stamps and refund of the amount of Judicial Stamps allowed by the Courts:

In respect of refunds on account of spoilt stamps, the spoilt stamps or stamp papers will be retained in the departmental office itself duly cancelled and a certificate will be recorded on

the voucher that the stamps or stamp papers have been cancelled and notes of payment recorded therein.

In the case of refunds of judicial stamps allowed on court certificates, payments should be made on the court certificate itself, the receipt of the party being taken on such certificate, which should then be treated as a voucher.

Note.- The authority competent to cancel the spoilt stamps and stamp papers is also the authority competent to destroy the cancelled stamps and stamp papers.

<sup>1</sup>[Exception.- A statement of the amounts of refund under sub-rule 3 shall be sent by the Court to the Deputy Commissioner and the Officer-in-charge of Treasury at the end of every month in Form-F of Karnataka Court Fees and Suits Valuation Rules.]

#### **PAYMENT TO VILLAGE OFFICERS (OLD MYSORE STATE)**

149. The remuneration to Shanbhogs and Patels shall be paid annually as a rule either during the collection season or soon after the close of the financial year for which the Potgi is due. Payments should, as far as possible, be made in cash at the headquarters of Taluks by the Tahsildar himself, and not through the agency of revenue inspectors. But Shanbhogs and patels may be allowed to pay themselves their potgi allowances out of the kandayam due by them out of the collections made by them, the amount so withheld being shown in Taluk accounts as received under "Land Revenue" and disbursed as "Potgi". A voucher in proper form should be obtained before such an adjustment is made. These vouchers are audited in the office of the Accountant General.

---

1. Substituted by No. FD I TFC 85 dt. 19. II. 1986 (w.e.f. 25.2.1985)

(1) A permanent order is issued by the Deputy Commissioner to each Taluk in the prescribed form, showing the settled allowances payable to each village officer. It should be kept in a book form, a page being allotted to each village and each payment entered therein with date, under the initials of the Tahsildar or Sheristedar. A copy of the order book may be given to each Shanbhog or Patel concerned and if desired, the payment should be noted in his copy also. Payments should be made as parties appear, on their receipts, and the payments made should be entered in a detailed bill (Form 32) and submitted to the District Treasury, one for the payments from the 1st to the 10th and another for those from the 11th to the end of the month.

At the end of each year, an abstract should be made in the Taluk Potgi Registers showing the total settled allowances payable for the year, the payments made during the year and the balance of outstanding payments. A detailed list of outstanding payments by individuals should also be appended and the Tahsildar should certify that the analysis is correct and that he has satisfied himself that the claims have not been paid. A remark should also be made against each case as to why payment was not made during the year.

Payments against outstanding claims made after the year should be noted against the respective individuals with dates of payments, and the balance after each payment should be carried forward. Before payments are made, the Tahsildar should satisfy himself that the conditions for the non-fulfilment of which the Potgi was with-held in the first instance have since been fulfilled. A certificate should also be recorded on the bills as to why payment had been deferred originally and whether the conditions have since been satisfied.

(2) The Treasury will make no payment unless it is acknowledged in the bill itself (Form 32) by the person or persons actually entitled to it with receipt stamp where necessary.

(3) Potgi allowance should not be drawn and kept in deposit under any circumstances.

(4) The Divisional Commissioner has been empowered to sanction disbursement of Potgi according to decennial revision.

The revised Potgi will be paid from the date of introduction of the revised settlement in the case of an increase and from the date of the order in the case of a decrease.

(5) For the payment of arrears claims requiring the sanction of Government or the Divisional Commissioner, the following procedure will be followed:

The Tahsildar will submit for sanction a statement in triplicate, showing the particulars of claims, the names of claimants, the amount and the period of claim, separately for Patels and Shanbhogs (one for each year). The sanctioning authority will keep one copy, return one to the Tahsildar and the other to the Audit Office noting thereon the sanction accorded. After receipt of sanction payments will be made direct by the Tahsildar in the manner prescribed in Rules (1) and (2) the number and date of sanction being invariably quoted on each arrears bill and the number and date of the bill being entered against the particular item in the order of sanction. No arrears bill under this procedure need be sent to the Audit Officer for pre-audit. Payments made by the Tahsildar from time to time will be admitted against the sanction communicated to the Audit Office direct by the sanctioning authority.

Sanctions not operated on in one year will lapse and will require renewal.

### **HYDERABAD AREA**

150. Vouchers for payments made are sent to the Audit Office alongwith the Treasury accounts.

### **OTHER AREAS**

151. In the old Bombay and Madras areas, payments made by the Revenue Department are audited by the Assistant Commissioner, and vouchers are not sent to the Audit Office and only certificates of Audit are furnished to the Audit Office.

### **MALNAD INAM PAYMENTS**

152. Malnad Inam Payments are money grants sanctioned by Government in lieu of resumed Inam Lands. The rules regulating the grant of these cash payments are given in Karnataka Revenue Manual. These grants are drawn by the Tahsildar of each taluk in the form prescribed for drawing potgi and disbursed to the parties.

Note.- With a view to prevent double payments of arrears claims of Malnad Cash grants in respect of Muzrai institutions the following procedure will be followed:

(1) In the concerned acquittance rolls maintained in Taluk offices a detailed memo of undisbursed items out of the annual allotment should be worked out and arrears claims as they come up should be verified with reference to the relative memos and duly certified.

(2) As a sort of counter-check to the entries in the registers of the Taluk Office a copy of the lists showing undisbursed items should be furnished by Taluks annually to the Deputy Commissioner and the Commissioner for Charitable Endowments. Arrear claims as they are sent up for sanction may be disposed of with reference to the lists noting therein the dates of sanction.

(3) In the Taluk Offices, the dates of subsequent payments should be noted in the lists against the concerned Institutions.

(4) A register embodying the items contained in the lists has to be maintained in the office of the Commissioner for Charitable Endowments for checking the statement subordinate officers and verifying the correctness of old claims.

### **COMPENSATION FOR LAND**

153. (a) The procedure to be observed for the payment of compensation for lands taken up for public purposes under Land Acquisition Act, 1894 is regulated by the rules printed in Appendix VII.

(b) In cases of acquisition of lands for public purposes, departmental officers should see that compensation is settled before possession is taken and Land Acquisition Officers should see that payment or compensation is not delayed and possession is handed over in due course to the departments concerned in a formal manner. In cases where, in contravention of this direction, possession is taken and owing to any inordinate delay in the payment or tender of such compensation, it becomes necessary to pay interest under the Acquisition Act, the Government servant or Government servant responsible will render themselves personally liable to make good such amount.

154. Government may authorise any Land Acquisition Officer to make all or any of his payments by cheques on the Treasury, provided no inconvenience is caused to the payee in consequence of the property being situated at a distance from the Treasury.

155. (i) The cost of any special establishment entertained under orders of Government by a civil officer, is when the Government servant employed as a Public Works Disburser, chargeable to the works concerned; otherwise, it is brought to account in the Civil Department. Contingent charges follow the same rule.

(ii) When land is acquired on behalf of Companies, Local Bodies, Industrial Concerns, Electricity Board, Co-operative Institutions, Central Government Departments, etc., incidental expenses to cover Establishment and Audit charges should be recovered on the following scale:

	Establishment Charges	Audit Charges
(a) Where the cost of acquisition does not	10% on the cost of acquisition	1% on the cost of
(b) Where the cost of acquisition exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	(i) 10% on the first Rs. 50,000 (ii) 5% on the excess	} Rs. 500
(c) Where the cost of acquisition exceeds Rs. 1,00,000	(i) 10% on the first Rs. 50,000 (ii) 5% on the next Rs. 50,000 (iii) 3% on the excess	} Rs. 500

This levy will be made irrespective of the fact whether any special establishment is entertained or not.

Note.- Departmental charges at the rate of 1/8% of the cost of land shall be levied where the State Public Works Department render advice on acquisition of land to autonomous bodies, Commercial Departments, Central Government or other State Governments and the expenditure on such acquisition does not pass through their books.

Establishment and audit charges will not however be leviable in the following cases:

(a) Acquisition of lands on behalf of Village Panchayats and Town Panchayats inclusive of smaller Municipalities with population not exceeding 10,000;

(b) Acquisition of lands on behalf of Village Co-operative Societies;

(c) Cases where a full time Land Acquisition Officer is appointed on behalf of a Local Body, and the Local Body meets the full cost of the establishment.

Government reserve the right by a general or special order to waive the recovery of these charges. In such cases the amounts forgone will be treated as grant-in-aid under the appropriate head.

155-A. In a statutory arbitration, when an award is decreed against the Government for payment of rent compensation, etc., thus imposing an obligation to make a recurring payment, every such recurring payment would be an expenditure 'charged' on the Consolidated Fund of the State.

#### **COMPENSATION TOWARDS ABOLITION OF INAMS**

156. This is regulated accordance with the Karnataka (Personal and Miscellaneous) Inams Abolition Act, 1954 and the rules issued

thereunder. The compensation payable will be payable in one or more of the following modes namely:

- (i) in cash, in full or in annual instalments not exceeding ten;
- (ii) in bonds either negotiable or not negotiable carrying interest at the prescribed rate and of guaranteed face value maturing with a specified period not exceeding ten year.

### **SCHOLARSHIPS AND STIPENDS**

157. The payment of Government scholarships and stipends in Government and non-Government institutions is regulated by the general or special orders on the subject, which the Government issue, from time to time. The rules relating to the Education Department are contained in the Karnataka Educational Manual.

158. Bills for Educational scholarships, stipends, etc. in respect of Aided Institutions of the Education Department shall be presented in form No. K.F.C.32-A by the Heads of Institutions or by any other competent officer who draws the establishment bills of the Institutions, to the Inspecting Officers of the Department who will countersign and return the same for being encashed. A copy of the authority or order of sanction must be enclosed to each bill. If any conditions are attached to the payment of scholarships or stipends, the bill must bear a certificate of the countersigning officer that he is satisfied that the prescribed conditions have been fulfilled.

In the case of Government Institutions, no counter-signature is necessary and Heads of institutions or other competent officers, who are authorised to draw establishment bills, may draw scholarship and stipend bills enclosing a copy, of the sanction either of the Ad hoc Scholarship Committee or the Director of Public Instruction, or in the case of stipends of trainees in Training Colleges, the Principal of the concerned college.

Note.- The Accountant General will not investigate any arrears claim in respect of scholarships or stipends outstanding for over a year after it has become due, except under the orders of Government. Government may delegate this power to Heads of Departments and other officers, subject to such conditions as they deem fit;

### **DISCRETIONARY GRANTS**

159. Discretionary grants, wherever placed at the disposal of Governmental officers, should be spent for the objects for which such grants can be made, subject to the conditions and principles laid down by Government. Generally no recurring expenditure may be incurred under this head and it is not intended that any subscriptions of a purely private nature should be debited to it.

159-A. Discretionary grant by the Governor:

(1) These are petty grants and charitable donations given by the Governor, at his discretion to institutions of a public or quasi-public character and to individuals deserving assistance from public funds. The grant is subject to audit by the Accountant General, Karnataka, Bangalore.

(2) The Secretary to the Governor is authorised to operate on this grant under the orders of the Governor.

(3) The amount required for payment out of this grant shall be drawn on Form No. K.F.C. 3 (Payees' Receipt) furnishing full details of the amount. The payees' acknowledgements shall be sent to the Accountant General subsequently. The provisions of Article 141 of Karnataka Financial Code for the drawl of bills relating to miscellaneous charges should be followed. In exceptional cases, where a voucher cannot be obtained, the Secretary to the Governor

should supply the Accountant General with his own certificate that the amount was actually disbursed to the payee mentioned in the certificate. The Accountant General, Karnataka, Bangalore, may admit the claim on the strength of such certificates furnished by Secretary to the Governor.

160. The following Rules govern the administration of discretionary grants by the Divisional Commissioners and the Deputy Commissioners of Districts:-

(1) The Discretionary grants shall be made for general purposes of public nature calculated to be of benefit to the districts under their control:

(2) The aggregate grants made in a year shall be limited to Rs.2,000 in the case of Divisional Commissioners and Rs. 1,000 in the case of Deputy Commissioners;

(3) The grant, whether made by the Deputy Commissioner or the Divisional Commissioner or by both, shall not exceed Rs.200 in any individual case;

(4) No recurring grant shall be made;

(5) There should be Budget provision;

(6) The grants shall be confined to the objects specified below and will be subject to such further restrictions as may be prescribed:-

(i) Rewards to individuals for conspicuous aid to the Police or other officers of Government:

(ii) Rewards either in money or in the form of Jewellery or dresses-of-honour, for deeds of special merit involving Personal risk of self-sacrifice, such as rescuing life, rendering disinterested service

on occasions of fire, floods or other serious calamities, removing friction between classes of people, educating and uplifting the poorest classes;

(iii) Grants-in-Aid for carrying out schemes:-

(a) Contributions to local exhibitions and Philanthropic Societies:

(b) Destruction of Water Hyacinth, Pickle pea and other noxious growth;

(c) Provision of ballast's or boats for crossing streams and canals or any other arrangements for safely crossing streams which are liable to sudden floods.

(iv) Grants in exceptional cases of individual distress;

(v) Grants for any other object, which in the opinion of the Divisional Commissioner/Deputy Commissioner is calculated to promote the public well-being and contentment.

### **GRANT - IN - AID**

Note.-A grant-in-aid can be given only to a person or body which is independent of the State Government. Accordingly, one Department of Government cannot make a grant-in-aid to another Government Department.

161. (a) The sanction necessary for payment of grants-in-aid or contribution to educational and other institutions, local bodies and co-operative societies is regulated by the orders contained in the Book of Financial Powers and orders issued by the Government from time to time. The rules governing the payment of grants-in-aid to aided educational institutions are found in Grants-in-aid Code of the Education Department, vide Volume III. The rules governing the

payment of grants-in-aid to medical institutions-Indian Medicines as well as Allopathic, are found in Appendix VII-A of this Code. The Bills for grants-in-aid sanctioned to these institutions, should be countersigned by the authorities mentioned in these rules before encashment at the treasuries.

(b) The following instructions are issued for the guidance of sanctioning authorities in the matter of according sanctions for grant-in-aid.

(1) Unless in any case Government direct otherwise, every order sanctioning a grant should specify clearly the object for which it is given and the conditions, if any, attached to the grant. In the case of non-recurring grants for specified objects, the order should also specify the time limit within which the grant or each instalment of it is to be spent.

Note1.- As the sanctioning authorities are normally expected to sanction the amounts expected to be utilised within that year the time limit within which the grant or each instalment of it is to be spent would be one year from the date of sanction of the grant. But, in the case of grant-in-aid sanctioned for building purposes, the period would be two years from the date of sanction of the grant and in special circumstances Government may extend the period.

Note 2.- Before sanctioning Grant-in-aid to private institutions, it should be examined that the concerned institutions have the experience and managerial ability to carry out the purposes assigned to them and a machinery is devised to keep an effective and constant check to see that the money is utilised fruitfully and applied to the purposes intended.

(2) Only so much of the grant should be paid during any financial year as is likely to be expended during the year. In the case of grants for specified works or services such as buildings, water supply schemes and the like, the sanctioning authority should use its discretion in authorising payments according to the needs of the work. The authority signing or countersigning a bill for grant-in-aid should see that money is not drawn in advance of requirements. There should be no occasion for a rush for payment of these grants in the month of March.

Note.- Grants should be made available as far as possible on the basis of specific schemes drawn up in sufficient detail and duly approved by Government.-

<sup>1</sup>[(3) (i) Before a grant is paid to any Public body or Institution the sanctioning authority shall except in cases of trading or commercial organisations, invariably obtain the following set of audited statement of account of the body or institution concerned along with the Auditor's Report thereon in order to see that grant-in-aid is justified by the Financial position of the grantee and to ensure that previous grant: if any, was spent for the purpose for which it was intended:-

(a) The receipt and payment accounts of the body as a whole for the financial year;

(b) The Income and Expenditure accounts of the body as a whole for the financial year: and

(c) The Balance Sheet as at the end of the financial year for the body as a whole.

Trading or Commercial Organisations should, however, be required to furnish the audited statement of profit and loss accounts

---

1. Substituted by No.FD 14 TFC 81 dt. 28.4.1982 (w.e.f .29.6.1982)

with Auditor's Report thereon instead of the Income and Expenditure accounts statement indicated at item (b) above.

Note.- Provision of this rule will not be applicable to autonomous organisations and other institutions which are governed by separate set of grant-in-aid rules and for whom separate sets of forms of accounts have been accepted by the Government for adoption and they can continue to render accounts to the Government in the forms so approved.

(ii) It is not essential for this purpose, however that the accounts should be audited in every case by the Accountant General, Karnataka and it will be sufficient therefore if the accounts are certified as correct by a Registered accountant or other recognised body of auditors. In the case of small institutions, which cannot afford to obtain the services of a registered accountant or other registered body of auditors, the sanctioning authority may exercise its discretion in exempting any such institution from the submission of account audited in this fashion.

Note.- No Department of Government should release grants to private bodies without satisfying themselves about the stability and capacity of the private bodies to undertake the task allotted to them.]

(4) The authority sanctioning a grant while communicating the sanction to the Account General should state whether the audited statement of accounts has been received when required, or whether the grantee has been exempted from submitting the statement.

Note 1.- This order applies both to non-official institutions and to semi-official ones, such as public clubs, etc.

Note 2.- The accounts of expenditure incurred out of grant-in-aid paid by Government or Local Bodies and other

institutions coming under the audit control of the State Accounts Department will be subject to audit by the department.

(5) In cases in which conditions are attached to the utilisation of a grant in the form of specification of particular objects of expenditure or the time within which the money must be spent, or otherwise, the departmental officer on whose signature or countersignature the grant-in-aid bill was drawn should be primarily responsible for certifying to the Accountant General, where necessary, the fulfilment of the conditions attaching to the grant, unless there is any special rule or order to the contrary. "The certificate should be furnished in the form prescribed below this Article not later than 18 months from the date of sanction of the grant to the Accountant General in respect of Grant-in-aid sanctioned where conditions are attached for utilisation by the sanctioning authority". Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such reports, statements, etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report as the case may be, will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of these conditions.

**FORM OF UTILISATION CERTIFICATE**

Sl. No.	Letter No and date	Amount	Certified that of Rs..... of grant-in-aid sanctioned during the year..... in favour of ..... under this Ministry/ department letter No..... given in the margin and Rs..... on account of unspent balance of the previous year, a sum of Rs..... has been utilised for the purpose of ..... for which it was sanctioned and that the balance of Rs.....remaining unutilised at the end of the year has been surrendered to Government (vide No. .... dated ..... will be adjusted towards the grants-in-aid payable during the next year .....
---------	--------------------	--------	--

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilised for the purpose for which it was sanctioned.

Kinds of Check exercised.

- 1.
- 2.
- 3.
- 4.
- 5.

Signature,

Designation,

Date.

Note 1.- The heads of Departments should observe the following instructions in connection with the sanction of grants to private bodies and institutions.

(i) The audited statements of accounts by the grantee institution etc., should invariably be sent not later than 15 months from the date of sanction of the grant. The sanctioning authority should make it incumbent upon the grantee institutions to submit the statement within the period by incorporating a clause to this effect in the sanction order.

(ii) The utilisation certificate should be submitted to the Accountant General by the sanctioning authority, not later than 18 months from the date of sanction of the grant.

<sup>1</sup>[(iii) In all cases where the total grant / loan sanctioned to the institutions exceed Rs.25.00 lakhs in a financial year, copy of the Audited accounts of the year should also be submitted to the

---

1. Inserted by No. FD 6 TFC 90 dt. 19-12-1991 (w.e.f. 5- I- 1990)

Accountant General within 15 months of sanction. Further, copies of Audited accounts for Subsequent two years should also be sent to the Accountant General so as to fulfil the provisions of Section 14(3) of the C & AG (D.P.C.) Act.]

Note 2.- In respect of grants-in-aid sanctioned for specific approved schemes [Vide Note below Clause (2) above] the sanction order should prescribe the submission, by the grantee, of quarterly reports indicating the expenditure on each of the objects as detailed in the scheme. These reports should be scrutinised by the departmental officer concerned to check whether there have been any variations or unauthorised diversion of funds.

Note 3.- (a) There should be a condition in the sanction order that the grantee institution should maintain a record of all assets acquired wholly or substantially out of the Government grant and subject it to the audit of the State Accounts or other Government Department to be specified in the sanction order, unless the institution is specially exempted by the sanctioning authority, under clause (3) of this Article, from the submission of audited accounts for the expenditure incurred out of the grant.

(b) There should be a further condition that the assets referred to in (a) above should not, without the prior sanction of Government, be disposed of, encumbered or utilised for purposes other than those for which the grants are sanctioned.

Explanation.- The term 'assets' used in clauses (a) and (b) of the Note, refer to (i) immovable properties and (ii) moveable properties of a capital nature exceeding Rs.500 in value in each case.

Library books and articles of furniture, do not fall within the definition of the term 'assets' but an inventory of such articles should nevertheless be maintained by the authorities and produced at the time of audit

(c) The following procedure should be adopted in regard to (a) and (b) above:-

(i) An undertaking should be obtained by the sanctioning authorities from the grantee institutions that they (the institutions) agree to be governed by the conditions of the grants which result in the creation or acquisition of permanent or semi-permanent assets.

(ii) The grantee institutions should maintain a register in Form 32-B of the permanent and semi-permanent assets acquired wholly or mainly out of Government grants. The register should be maintained by the grantee institutions separately in respect of each sanctioning authority and a copy thereof furnished to the respective sanctioning authorities annually.

(iii) The sanctioning authorities should also maintain block accounts in Form 32-C of permanent and semi-permanent assets acquired wholly or mainly out of Government grants. This record should be of a permanent nature and should be posted from the annual returns furnished by the grantee institutions under (ii) above,

(iv) The Register of Assets and the Block Accounts maintained by the grantee institutions and the sanctioning authorities respectively should be available for open to scrutiny by Audit.

Note 4.- The Head of every Department shall, in respect of each class of grant paid during the year, submit to

Government annually, by the 15th May of the following year a performance or achievement report. The Government will review the utilisation of the grant where feasible and desirable with the assistance of some leading non-officials interested in the object or scheme and issue where necessary, suitable orders so as to regulate the payments of grants-in-aid in future. Such orders will issue in the Finance Department.

The annual reports of autonomous/statutory bodies are ordinarily laid on the table of the Legislature. In such cases, the Administrative Departments of Secretariat need not incorporate performance-cum-achievement reports in the Annual Administrative Reports. In all other cases if the Grants-in-aid exceed the monetary limits prescribed in Article 161-A of the Karnataka Financial Code, the Administrative Departments should include in their Administrative Reports a review of the utilisation of the Grants-in-Aid individually specifying in detail the achievements vis-a-vis the amounts spent, the purpose and destination of the grants. In cases where the Grants-in-aid are for amounts less than the monetary limits prescribed in Article 161-A of the Karnataka Financial Code, 1958, the administrative Department should include in the administrative reports their own assessment of the achievements or performances in a general way for facility of a complete and comprehensive study of the Grants-in- Aid by the Department.

Where the accounts of the grantee Institutions are audited by the Accountant General, Karnataka, Bangalore copies of the performance-cum-achievement reports, furnished by the grantee institutions to the administrative departments/ sanctioning authority should be made available to audit. In other cases, copies of such reports, received by the administrative department or the sanctioning authority, should be made available to audit when local audit of such grants-in-aid in the office of the administrative department or

sanctioning authority is conducted or when it is called for by the Accountant General.

(6) Unless it is otherwise ordered by Government, every grant made for a specific object is subject to the implied conditions-

(i) Deleted.

(ii) That any portion of the amount which is not ultimately required for expenditure upon that object should be duly surrendered to Government.

(iii) That portion of the grant-in-aid amount to be paid to the Public Libraries in the form of reading materials may be drawn by the countersigning authorities on the detailed contingent bills and endorsed in favour of suppliers.

Note 1.- The authority sanctioning a recurring grant-in-aid to the same institution for the same purpose shall furnish a certificate in the sanction order to the effect that the unspent balance of the previous grant, if any, has either been surrendered to Government in cash or has been adjusted against the subsequent grant to which the sanction order refers.

Note 2.- The voluntary organisations receiving grant-in-aid from Government for the implementation of various programmes under the 'Public Co-operation Schemes' in respect or continuing Schemes, may retain with them at the end of the financial year, an amount of unspent balance equivalent to the estimated expenditure in the first two months of the following financial year subject to the condition that the above procedure should be followed only in exceptional hardship and this procedure should not be resorted to frequently and the unspent balance should not be carried forward as a matter of course. Amounts held in excess of the requirements for

the first two months of the following year, should, without fail, be recredited to Government.

(7) Grants-in-aid in the nature of reimbursement of expenditure already incurred by the grantee may be sanctioned only to meet such expenditure already incurred not earlier than a year prior to the date of issue of the sanction.

(8) Before the grant is released, the grantee should be required to execute a bond with two sureties to the Governor of Karnataka, that he will abide by the conditions of the grant by the target dates, if any, specified therein and in the event of his failing to comply with the condition or committing breach of the bond, the grantee and the sureties individually, and jointly will be liable to refund to the Governor of Karnataka the entire amount of the grant with interest thereon or the sum specified under the bond.

Note 1.- The Grantee institutions are exempted from payment of stamp duty on such bonds. The stamp duty on the bond shall be borne by Government.

Note 2.- To enable the audit to verify that this condition has been fulfilled a certificate to the effect that the grantee has executed the requisite bond or has been exempted from doing so, should be furnished along with the grant-in-aid bill, duly countersigned by the officer on whose signature or countersignature the grant-in-aid bill is drawn.

Note 3.- While obtaining the prescribed bond, where it is necessary, the requirement of furnishing the sureties in addition, need not be insisted on if the grantee institution or Organisation is a Society registered under the Karnataka Societies Registration

Act, 1960 or is a co-operative society or is an institution of standing in whose case such Sureties are not considered necessary by the sanctioning authorities concerned.

Note 4.- In the event of the failure of the grantee to comply with the conditions or committing breach of the bond, he should be charged interest at 6 per cent per annum on the amount of grant-in-aid ordered to be refunded. A recourse to the enforcement of recovery of interest should be had in consultation with the Finance Department. A brief mention of the breach and the decision of the sanctioning authority about the charging of Interest as well as reference to the orders issued should also be made in the utilisation certificate to be furnished under Note-I of clause 5 of the above Article.

Note 5.- These instructions will not apply to the grant-in-aid paid to quasi-Government or Government-aided organisations and Local Bodies. For the purposes of the grant-in-aid the following types of institutions or organisations are treated as quasi-Government and Government aided organisations.

(i) Quasi-Government Institutions.- Institutions or organisations set up by Government as autonomous bodies either under a statute or as a society registered under the Karnataka Societies Registration Act, 1960 or otherwise.

(ii) Government aided bodies .- Institutions or organisations which receive financial assistance from Government on a regular basis (either wholly or on a fixed per centage basis) and/or

(a) whose annual budget is approved by the Government.

Or

(b) Government is adequately represented and associated with the Boards of Management or Committee of Management's of the Institutions.

(9) The following principles should be kept in view by the sanctioning authorities while sanctioning grants to Institutions, etc., for building purposes:

(a) It should be ensured that the building grant is sanctioned for the minimum area required for the purpose of the grantee institution.

(b) The order sanctioning the grant should embody such other conditions as may be considered necessary for ensuring to Government the right to claim a share of the rent where the buildings are used for purposes other than those for which the grants were made:

(c) In order to ensure that the above conditions can in the event of their breach, be enforced through a Court of Law an agreement bond as stated in clause (8) above will also be got executed by the grantee Institutions.

<sup>1</sup>[161-A (1) Subject to the provisions of any law for the time being in force applicable to an autonomous body or authority, the audit and report on the audit of all receipts and expenditure of a body or authority substantially financed by grants or loans from the consolidated fund is entrusted to the Comptroller and Auditor General of India under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971. For this purpose such body or authority shall be deemed to be substantially financed by grants or loans, if -

---

1. Inserted by No.FD 10 TFC 84 dt. 12-10-1987

(a) the total assistance (Grant/Loan/Subsidy/ Rebate) paid from the consolidated fund of the State Government in a financial year is not less than Rs. twenty five lakhs and is not less than seventy five per cent of the total expenditure of that Body/Authority.

(b) notwithstanding anything contained in Clause (a), if the grants, loans, subsidies and rebates to a body or authority from the consolidated fund in a financial year are not less than Rs. one crore and previous approval of the Governor is obtained.

Note.- The test for determining whether a body / authority falls under Section 14 of the Act may be applied with reference to the normal accounting period of that body/authority.

(2) Where the receipts and expenditure of any body/ authority are by virtue of the fulfilment of the conditions, specified in sub-clause (1) above are audited by the Comptroller and Auditor General of India in a financial year, he shall continue to audit the receipts and expenditure of that body/authority for a further period of two years notwithstanding that the conditions specified in sub-clause (1) are not fulfilled during any of the two subsequent years.

(3) To facilitate the Accountant General to identify the institutions for audit under sub-clause (1) and (2) and also for conducting audit in time, all the Departments in the Secretariat shall furnish to the Accountant General (Audit-1) an exhaustive Department - wise list of sanctioning authorities who are empowered to sanction Grants/Loans/ Subsidies/Rebate etc., to the bodies/institutions/ authorities during a particular financial year not later than the 1st June of the succeeding financial year. The orders sanctioning Grants/

Loans/Subsidies should specify where-ever necessary that the accounts of the autonomous bodies/authorities/institutions are subject to audit scrutiny of Comptroller and Auditor General of India. All the sanctioning authorities who are empowered to sanction Grants/Loans/Subsidies/Rebate etc., should endorse a copy of their sanction order as and when issued and also a statement of such sanction orders issued during a particular year in the following proforma to the Audit (the Accountant General (Audit- I), Bangalore) not later than the 1st June of succeeding financial year.

**PROFORMA**

Sl. No.	Sanction order No. and date	Particulars of Grantee along with postal address	Amount of Grant/ Loan/ subsidry/ Rebate	Purpose	Condition if any	Particulars of the scheme
1	2	3	4	5	6	7

(4) In addition the Grantee Institution/Authorities/ Bodies shall furnish the following information to the Accountant General:-

(i) the audited financial statement of accounts consisting of receipt and payment account; income and expenditure and balance sheet for that financial year;

(ii) a statement containing unspent balances of grant/subsidy/ loan granted during the previous financial year; receipt from Government of India and State Government (in case of several State Governments, Government - wise details); the amount received as grants/loans/subsidy during that financial year from Government of India and State Government;

(iii) the expenditure incurred during the financial year (both capital and revenue expenditure excluding payments towards deposits, investments, income tax recovered, advance to staff, transfer of cash between office and bank to be specified) (to be furnished before 1st June of the succeeding financial year).

Note 1.- In the case of grants or loans not coming under the purview of Section 14, the Comptroller and Auditor General of India can still under Section 15 of the Act scrutinise the procedure by which the sanctioning authority satisfied itself as to the fulfilment of the conditions subject to which such grants or loans are given and shall for this purpose have right to access to the book and accounts of that authority or body.

Note 2.- In the other cases where the Administrative Department desire that the accounts of a body or authorities should be audited and certified by the Comptroller and Auditor General of India, they may initiate proposals for the entrustment of Audit to Comptroller and Auditor General of India under section 19 (3) and 20 of the Act irrespective of the fact whether Section 14 of the Act has been attracted (or is likely to be attracted) or not in a particular year. The accounts audited under section 19 (3) shall be submitted to the Government are being placed before the Legislature.

(5) The orders sanctioning grants/loans/ subsidies /rebats should specify, wherever necessary that the receipts and expenditure of the assisted body/authority are subject to audit by the Comptroller and Auditor General of India. The sanctions should also indicate the responsibility of such bodies/authorities to comply with the conditions in sub-clause (4) above.]

162. The following instructions should be strictly observed in connection with the sanction and payment of grants-in-aid to public bodies or institutions or statutory bodies.

(a) Once a Grant-in-aid has been sanctioned, it is the responsibilities of the grantee to prepare and submit the bill in the form annexed to the countersigning authority for signature and the Treasury Officer for payment. In no case, therefore, should the office of the sanctioning authority to this work on behalf of the grantee. There is, however, no objection to the grantee being guided in the preparation of the Bill, such guidance taking the form of supply of blank form and indication of the particulars to be filled in.

(b) Before a bill is accepted, it should be particularly seen that the conditions, if any, attached to the grant have been accepted by the grantee without any reservation,

(c) A Register of Grants containing the following columns should be maintained:

- (i) Serial No.;
- (ii) Number and date of sanction letter;
- (iii) Purpose of grant;
- (iv) Conditions, if any attached to the grant;
- (v) Amount sanctioned;
- (vi) Date of receipt of the bill from the grantee and its amount;
- (vii) Whether conditions attached to the grant have been accepted by the grantee without reservation;
- (viii) Dated initials of the countersigning authority;
- (ix) Date by which audited statements of account etc., are required to be furnished by the grantee;

(x) Date by which utilisation certificate is required to be furnished by the sanctioning authority to the audit office;

(xi) Date by which audited statements of accounts are actually received. The reasons for delays in receipt of such statements as well as efforts made by the sanctioning authority/countersigning authority to expedite submission of such statement should also be indicated in the register;

(xii) Date of submission of utilisation certificate to the audit office, in case there is delay in submission of utilisation certificate to audit, the reasons therefor should also be indicated,

(xiii) Unspent balance, if any, (Indicate whether the unspent balance has been Surrendered by the grantee institution);

(xiv) Whether the register has been reviewed by the superior officer during his periodical visits to the office of sanctioning authority. Any delay in receipt of audited statements of accounts from the grantee institutions or submission of utilisation certificate should be specifically brought to his notice with relevant reasons for the delay. The Accountant General should also be informed of the reasons for delay.

The register should be maintained by the sanctioning authority if the bill is to be countersigned by the same authority. If, however, the powers of countersignature of grants' bill have been vested with an authority other than sanctioning authority under Article 208-A of the Karnataka Treasury Code, the register should be maintained by the countersigning authority and not the sanctioning authority.

Columns (i) to (v) of the Register should be filled in simultaneously with the issue of the order sanctioning each grant if the register is being maintained by the sanctioning authority.

In those cases in which the register is to be maintained by the countersigning authority, these columns should be filled in by the countersigning authority on receipt of his copy of sanction from the sanctioning authority. These columns should be attested by a Gazetted Officer, nominated for the purpose by the sanctioning or countersigning authority, as the case may be. The serial number should be recorded on the body of the sanction letter at the time the item is entered in the Register, as under:

“Noted at Serial No.... .. in the Register of Grants. Such a record will guard against the possibility of double payment. Columns (vi) and (vii) should be filled in and attested by the Gazetted Officer concerned as soon as the bill has been received from the grantee. The bill should then be submitted to the countersigning authority with the Register for countersigning the bill and for giving his dated initials in columns (viii) of the Register. It should also be the duty of the countersigning authority to verify that the conditions, if any, attached to the grant have been duly accepted by the grantee without any reservation and that no other bill for the same purpose has already been countersigned before. Any bill received from the grantee should not be countersigned unless it has been noted in the Register of Grants against the relevant sanction. This would also facilitate watching of payments in installments, if any, in the case of lumpsum sanctions.”

(d) In case the amount of grant-in-aid is considerably small and it is not convenient to follow the procedure laid down in clause (a) regarding the preparation and presentation of a bill by the grantee, the procedure to be followed should be settled in consultation with the Audit office.

In cases where it is agreed between the sanctioning authority and the Audit Officer that grants-in-aid may be drawn by the departmental authorities on contingent bills and then paid by them to the grantees on simple receipt without requiring the latter to present a regular bill, the register prescribed in clause (c) should be maintained with the following changes:

(i) Column (vi) of the register should bear the heading “date of drawal of bill” ;

(ii) Column (viii) of the register should bear the heading “dated initials of the drawing officer”:

(iii) The following two additional columns should be added in the register in such cases;

(a) Column (ix)- “Date of payment to the grantee”.

(b) Column (x)-“Dated” initials of the Disbursing Officer.

**GRANTS-IN-AID BILL**

No .....

Heads of Accounts.....received the sums of Rs..... (.....) being the grant-in-aid for the period..... sanctioned by..... No.....dated..... (copy enclosed). Dated .....

Signature.

Designation.

Countersigned for Rs..... Date .....

Signature.

Designation.

For use in Treasury

Pay Rs .....(.....)

Examined.

Treasury Officer.

Treasury Accountant.

Date .....

For use in Accountant General's Office

Admitted Rs .....

Objected to Rs .....

Reason of objection.....

Auditor.

Superintendent.

Gazetted Officer.

**ADMINISTRATION AND OPERATION OF THE GRANTS PROVIDED IN THE BUDGET FOR AFFORDING RELIEF TO THE SUFFERERS IN ACCIDENTAL FIRE AND ARSON CASES.**

162-A. Following are the rules for the administration and the operation of the grants provided by Government in the budget of each year for affording relief by way of grants to the sufferers in the accidental fire cases in the State:

(1) The Divisional Commissioner shall be the Chief Controlling Authority for the administration of the funds. He will distribute the grants sanctioned in each year to the several districts.

(2) The grant need not be confirmed to persons paying Land Revenue to Government. Relief will be extended to all sufferers in fire accidents who are really poor and require Government help for rehabilitation.

(3) The extent and nature of relief shall have a direct bearing to the immediate needs of the sufferer with particular reference to the number of members in the family, and his minimum requirements for getting rehabilitated in his previous occupation or employment. The relief given need not necessarily be in proportion to the extent of loss sustained by the sufferers as it is neither possible nor necessary that the sufferer be given relief fully for the loss he might sustain due to the fire accident.

(4) The Tahsildar shall investigate and determine the extent and nature of relief to be given in each case with the due reference to the above factors.

(5) Each family shall be treated as a unit for purposes of the grant of relief.

Note.- 'Family' for purposes of these rules means wife or husband, legitimate children and stepchildren residing with and wholly dependent on the sufferer and includes in addition, his parents, sisters and minor brothers, if residing with and wholly dependent on him.

(6) The maximum amount of relief for any one family shall not exceed ordinarily Rs.500.

(7) The Tahsildars and Assistant Commissioners are authorised to sanction relief not exceeding Rs.50 and Rs.100 respectively, to each family. The Deputy Commissioners are empowered to sanction relief not exceeding Rs.250 and the Divisional Commissioners to sanction relief not exceeding Rs.500 to each family. Cases of relief exceeding the limit of Rs.500 shall require the sanction of Government.

(8) (a) The preceding rule is subject to the following limits:

Sl. No.	Name of the Officer	Maximum limit upto which the powers under the preceding rule are to be exercised
1.	In the case of Tahasildar	Not exceeding Rs.1,000 in any one case of accidental fire
2.	In the case of Assistant Commissioner	Not exceeding Rs.2,000 in any one case of accidental fire
3.	In the case of Deputy Commissioner	Not exceeding Rs.10,000 in any one case of accidental fire
4.	In the case of Divisional Commissioner	Not exceeding Rs.20,000 in any one case of accidental fire

(b) cases exceeding the limit of Rs.20,000 shall require the sanction of Government.

Explanatory Note.- For purposes of this Rule:

(a) One case of accidental fire shall mean one fire accident in a village or town involving one or more families:

(b) The amount noted in column (3) represents the total amount of relief that can be afforded in a fire accident.

(9) Cash relief should just cover the cost of foodgrains and clothing, if any needed immediately.

(10) Building materials may be given free according to the requirements of each case. The value of the building materials supplied from forests may be paid direct by the Revenue Department to the Forest Department. In the case of Scheduled Castes and Scheduled Tribes, the material is supplied free of cost.

(11) Cash relief sanctioned in each case shall be disbursed by the Tahsildar.

(12) Cash relief may be granted to each of the sufferers in fire accidents on the following basis:

(a) For loss sustained up to Rs.10 cash relief up to Rs.20;

(b) For loss sustained, between Rs.100 and Rs.500 cash relief of Rs.20 to Rs.50;

(c) For loss sustained between Rs. 500 and Rs. 1,000 cash relief of Rs.50 to Rs.70;

(d) For loss sustained above Rs.1,000 cash relief up to Rs.100.

(13) Cash relief at the scale laid down in rule 12 will be in addition to other reliefs that may be sanctioned by the Revenue and Forest Officers by way of grant of building materials. The total relief including the value of building materials shall not exceed Rs.500 for any one family as laid down in rule 6.

Note.- Under this rule, the value of clothes and foodstuffs to be supplied to the sufferers in addition to other reliefs by way of free grant of building materials may be adjusted towards the relief permissible only when they are paid from Government funds and not from local help or contributions.

As regards the procedure regarding grant of relief to the sufferers Government considers that no hard and fast rules can be laid down regarding the quantum of relief to be granted as the method and extent of such grant will mainly depend upon the nature and extent of loss sustained, the social and financial position of the sufferers, the amount required to provide food, clothing and temporary shelter immediately, the contributions raised from the public or charitable institutions, etc. The Revenue Officers should therefore decide the quantum of relief and the method of its distribution having regard to the circumstances of each case, keeping in view the principle that Government aid is necessarily restricted to supplementing private charity.

With regard to the supply of timber or building materials the following procedure should be observed:

(i) The Revenue Officers may grant unreserved timber from Government waste lands other than those constituted as State forests or vested in other Departments. The value of such grants should not exceed the cash relief which the Officer concerned can grant. Reserved trees should not be granted.

(ii) Where suitable timber is not available in Government waste lands under the control of the Revenue Department within reasonable reach of the person affected, the Revenue Officer will issue an authority in the Forest Department to permit removal of such timber as the Forest Department may select up to the value specified in the permit. The value of the timber granted together with cash relief, if any, should not exceed the grant admissible in the case.

(iii) On receipt of the authority from the Revenue Officers, the Forest Department will select and mark the trees which should be cut and removed by the grantee.

The expenditure on account of grant of relief to sufferers is the accidental fire should be met from the provision made under “64. Famine Relief-d Gratuitous Relief-E. Expenditure an account of Gratuitous Relief to Victims of flood, fire accidents and other natural calamities”.

Note.- Grant of relief in case of the fire victims need not be confined only to sufferers in incidental fires. The relief may also be given to poor persons who suffer on account of arson provided that the relief shall not be available to persons against whom any criminal proceedings have been launched by the Police till such persons are cleared by competent Courts”.

162-AA. Rules regulating the grant of relief to sufferers of flood havoc-

(1) The Divisional Commissioner shall be the Chief Controlling Authority for the administration and regulation of the relief.

(2) The following are the cases, where relief would be admissible:-

- (i) Loss of human lives.
- (ii) Loss of cattle.
- (iii) Damage to houses.
- (iv) Damage to standing crops or crops sown.
- (v) Damage to other properties such as irrigation bunds, pump houses, etc.

(vi) Damage to lands by heavy deposit of silt or by erosion rendering lands unfit for cultivation.

(3) The relief and its quantum will be governed by the following conditions:-

(a) The relief will be limited to the minimum needs of the sufferer to tide over the distress with particular reference to the number of members in the family and for getting him rehabilitated in his previous calling.

(b) It should be adequate enough to make the sufferer feel that he is not left destitute and uncared for.

(c) The amount of relief should not exceed what is quite necessary to supplement private charity.

(d) The quantum of relief should be decided on without delay and dispensed quickly.

(e) It shall in no case exceed the loss sustained by the individual.

(4) In the case of loss of human lives and cattle and damage to houses, the permanent solution of shifting the houses in the low-lying areas to higher regions which can be considered free from danger of floods even during the peak years should be adopted. No relief is admissible to people who persist in residing in their places exposed to danger of floods even after they are offered sites in higher regions.

The relief in such cases will be governed by the following conditions:-

(i) Grant of building sites, free of cost, either out of available Government lands in the vicinity or by acquiring suitable lands for their rehabilitation in exchange for the abandoned sites, the cost of

acquisition being borne by Government.

(ii) Grant of building materials free of cost, the extent of grant being regulated with reference to the number of members in the family of the sufferer and his need for assistance.

(iii) The materials should be supplied from the nearest Forest depots, the transportation and other incidental charges being levied from the grantees. Mafi passes to fetch such materials should not be issued.

(iv) The maximum value of building materials to be granted in any one case shall not exceed Rs.300 per house calculated at the prevailing seigniorage rates of the Forest Department.

(v) The Revenue and forest Departmental Officers who are empowered to grant building materials free shall exercise those powers in those cases also.

(5) In the case of loss of, or damage to crops, where no crop is realised, the assessment on the lands will be remitted in full.

(6) No other relief is admissible ordinarily for damage to crops or other property. Where the persons are, however, deprived of their all and are reduced to a state of destitution, relief by way of cash grant may be dispensed up to a maximum of Rs.500 per family on the following sliding scale subject to the principles enunciated in clause (3) above:-

(i) for loss sustained upto Rs.200-Full extent of the loss.

(ii) for the loss of more than Rs.200 but not more than Rs.1,000-50 per cent of the loss subject to a minimum of Rs.200.

(iii) for loss exceeding Rs.1,000-Cash relief of Rs. 500.

The cash relief indicated above will be in addition to the grant, where necessary, of building materials of the value not exceeding Rs.300 as provided in clause 4 (iv).

The overall cash relief should not exceed Rs.500 per family. Each family shall be treated as a unit for the purpose of grant of relief.

Note.- Family for purposes of these rules means wife or husband, legitimate children and step children, residing with or wholly dependent on the sufferer and includes in addition, his parents, sisters and brothers, if residing with and wholly dependent on him.

(7) The Revenue Officers competent to grant relief for victims of fire accident indicated in Article 162-A, are competent to grant cash relief in respect of flood havoc also. Cases exceeding these limits shall be submitted to Government for orders.

(8) In respect of lands damaged by heavy deposit of silt or by erosion, rendering the lands unfit for cultivation full assessment on the lands may be remitted or the period during which the lands remain unfit for cultivation. This period shall not exceed three years in any case.

(9) Where it is considered necessary, long-term relief by way of loans may be given by Tahsildars to enable the sufferers owning lands to rehabilitate in their former avocation, to the extent of loss sustained by the individual, subject to the following Conditions:

(i) The loan will be interest-free.

(ii) it shall not exceed the value of loss sustained by the sufferers or Rs. 1,000 whichever is less in any case.

(iii) The period of repayment shall not exceed 10 years.

(iv) The loan will be limited to Rs.200 per acre in the case of wet or garden lands and Rs. 50 per acre in the case of dry lands.

(10) The expenditure on account of gratuitous relief is debitable to 64. Famine Relief-D. Gratuitous Relief-E- Expenditure on account of Gratuitous Relief to victims of flood, fire accidents and other natural calamities”.

The loans sanctioned will be debited to the head. “Q. Loans and Advances by State and Union Territory Governments Miscellaneous Loans and Advances (e) Other Loans-Aid against floods, rains, fire, accidents, etc.

Note.- Damages caused due to hailstones, storms, lightning, earth quake and cyclone are also treated as natural calamities and relief to be afforded to sufferers in such calamities by way of cash grants and building materials will be as per the scales mentioned in clause (6) of Article 162-AA.

“Payment of gratuitous relief to the families of persons who loose their lives in the accidents, arson, floods, cyclones, lightening storm and hail-storm”.

162-B. The following are the rules regulating the grant or relief to the bereaved families of the persons killed in natural calamities like fire accidents, arson, floods, cyclones, lightning, storm and hail-storm:-

1. These shall be applicable throughout the Karnataka State.

2. They shall apply to all the families of persons who loose their lives in fire accident, arson and other natural calamities such as floods, cyclone, lightning, storm and hail-storm subject to the conditions noted below:-

(i) the deceased persons should have been the sole earning member of the family as per definition of family under Clause-5 of Note below Article 162-A of Karnataka Financial Code.

(ii) the income of the deceased person should have been below Rs.1,200 per annum.

3. The heirs of the deceased or killed will be sanctioned by Government a lumpsum grant of Rs.250 and monthly payment of Rs.30 for a period of five years from the date of sanction and in the event of death of the payee of the bereaved family before the expiry of five years the relief is payable to the next heir, if any, in the family in the order of merit as indicated hereunder:-

(a) (i) to the surviving widow or if there are more widows than one, all of them in such manner as Government may deem fit, if the deceased is a male member or to the husband if the deceased is a female member;

(ii) failing a widow or husband, as the case may be, to the eldest surviving son:

(iii) failing (i) and (ii), to the eldest surviving unmarried daughter;

(iv) these failing to the eldest widowed daughter, and

(b) in the event of no pension becoming payable under clause (a) the pension may be granted:-

(i) to the father;

(ii) failing the father to the mother;

(iii) failing the father and the mother to the eldest surviving brother below the age of 18.

- (iv) these failing to the eldest widowed daughter, married sister,
- (v) failing (i) to (iv) to the eldest surviving widowed sister;

4. The gratuitous relief amount sanctioned under this scheme will not be liable to attachment under any process of law.

5. Each Tahsildar shall make in respect of grantees in his area yearly verification of the fact that the grantee is alive. The verification shall be made by the Tahsildar once in a year and a report sent to Government (Revenue Department) through the Deputy Commissioner of the District before the end of March.

6. The District Treasury Officer/State Huzur Treasury Officer shall be the authority for the payment of amount.

7. The monthly payment shall become due for payment only on the expiry of the month to which it relates.

8. It shall be the duty of the grantee to intimate any change of his/her address to the Tahsildar who will in turn advise the District Treasury Officer/State Huzur Treasury Officer, who makes the payment.

9. Every grantee will be provided with an identification card furnishing therein his/her marks of identification, his passport size photo, the monthly gratuitous amount payable to him/her.

162-C. The rules governing the grants for construction of houses by Scheduled Castes, Scheduled Tribes, Ex-criminal Tribes and Nomadic and Semi-Nomadic Tribes are detailed in Appendix VII-B.

**CONTRIBUTIONS**

163. As it is considered inexpedient that different departments of the State should, in their Individual names, make contributions towards one and the same object of public utility, Heads of Departments will forward to Government all applications for help for such purposes. In deserving cases, a State grant will be sanctioned in the name of Government.

**CHAPTER X****STORES**

**(The stores Purchase Rules are contained in the Stores Purchase Manual).**

**STOCK ACCOUNTS**

164. (a) Heads of Offices and other entrusted with the care of stores of any kind, e.g., raw materials and consumable stores in all manufacturing, trading or consuming departments, apparatus, instruments, plant and machinery, office furniture, and other office stores like books, forms, stationery, safes, locks, bicycles, clocks, lamps, etc., are responsible for taking all due care for the safe custody of such articles and for maintaining suitable accounts and inventories so as to prevent losses to Government by accident, theft, fraud or negligence. For securing this object, it is important that each item of receipt and issue (or disposal) of stores should be recorded concurrently as it occurs in suitable stock registers or inventories so that it should be possible at any time to check the actual balance with the book balances. It should also be possible to check the expenditure on stores with the help of the stores records and vice versa- vide the certificate prescribed at the foot of the contingent bill forms.

(b) The exact forms in which the stores accounts described above should be kept depend on the nature of the stores, the frequency of transactions and the special circumstances of each department. Thus, the accounts to be kept for consumable stores like dietary stores in a hospital or jail of which there are numerous and varied transactions, differ very materially from those be maintained of the articles of furniture in the office.

Separate stock accounts or inventories should be maintained of-

(i) raw materials and consumable stores in all manufacturing, trading, development and other departments, and

(ii) office furniture such as chairs, tables, racks, stools, benches, trays, etc., and other office stores excluding books, forms and articles of stationery but including live-stock and other stores and movable property in the custody of each Government servant such as iron safes, locks, scales, weights, tents, machines, lamps, bicycles, clocks, etc.

165. Raw Materials and Consumable Stores.- A stock account of these stores should be maintained in the forms prescribed in the respective departmental Manuals, Codes or orders. The main features of the accounts required are the maintenance of Day Books of receipts and issues recording the transactions as they take place, and of a ledger for each kind of article showing the receipts, issues and balances.

In the case of departments for which, no specific forms or rules have been prescribed by general or special orders of Government or in any of the departmental Codes or Manuals, Forms 33 and 34 may be used.

Note.-The issue of stores should as far as possible be on indents duly passed by an authorised officer.

166. Furniture and other office stores.- In the case of office furniture and other office stores a Day Book in Form 34-A and a sample ledger account in Form 34 for each kind of article are sufficient. The form of ledger provides for noting the receipts, disposals (due to damage, loss, transfer or sale) and balances. Articles purchased or supplied should be immediately brought to

account. Once a quarter, these registers should be verified and the result reported to the head of the office.

Note 1.- In the case of furniture in large offices distributed over several rooms, the head of the office may have inventories which may be in each room kept up-to-date to facilitate the annual verification of stock and to fix the responsibility for losses.

Note 2.- In the case of libraries and museums, catalogues are also maintained besides the prescribed inventories.

Note 3.- In case of forms and stationers, stock books should be kept in accordance with the stationary rules.

167. The object of the above provisions is to enable the Government servants to realise their responsibility in respect of Government property and to indicate the general and essential principles on which accounts of stock are kept. The actual system to be followed in any particular case will be depend on the circumstances of each case and where a particular system prescribed in any Manual or Code is already in force, it need not be changed. Where the existing systems are defective or where no accounts are kept at all, Heads of Departments and offices should see that the necessary accounts are kept as far as possible, in conformity with the principles contained above.

### **STORES LOST OR RENDERED OBSOLETE, SURPLUS OR UN-SERVICEABLE**

#### **Stores Lost**

168. (a) If stores are lost by fire, theft, etc., and their value becomes irrecoverable, previous sanction of the competent authority should be obtained for their write-off before the missing articles are eliminated from the store accounts, numerical or otherwise,

vide Article 306. If however, the cost of missing stores is recovered fully, they may be eliminated from the accounts without an order of write-off.

<sup>1</sup>[Heads of Department may declare stores as obsolete surplus or un-serviceable and dispose them of upto Rs.1,000 each time and Rs.5,000 per annum. Joint Director/Controlling Officers may declare Stores to the extent of Rs.200 each time and rupees 1,000 per annum, as obsolete surplus or un-serviceable and dispose them of.]

Stores rendered obsolete, surplus or un-serviceable.

(b) (i) Subject to any special rules or orders applicable to any particular department, whenever stores become obsolete, surplus or un-serviceable for whatever reason, they should be declared as such and disposed of by sale or otherwise under the orders of competent authority by submitting to him a survey report in Form K.F.C. 34-B. After such disposal, they may be eliminated from the accounts without an order for write-off which is required only when the stores are lost and their cost becomes irrecoverable.

(ii) Each order declaring store as obsolete, surplus or un-serviceable under (b) should indicate the causes leading thereto and how the condemned stores are to be disposed of, i.e., whether by sale in public auction or otherwise or by destruction in the case of useless and irreparable materials, such an order would be sufficient to cover the loss to Government, if any. A copy of each such order should be endorsed by the competent authority to the Accountant General. The head of the office should record full particulars of all condemned stores in Form 34-B of Karnataka Financial Code from which their disposal can be watched.

---

1. Inserted by No. FD 12 RFC 77 dt. 19.5.1978 (w.e.f. 1.2.1977)

Where the competent authority holds that stores have become unserviceable, obsolete, or surplus owing to negligence, fraud, etc., on the part of individual Government servants, it will be necessary to fix the responsibility for the loss and to devise measures to prevent recurrence of such cases.

<sup>1</sup>[Note.- Advertisement in news papers for disposal of Articles and empty bottles, containers etc., shall be inserted only when the amount expected to be realised by sale in public auction of condemned stores, is more than Rs.2,500/-. In other cases, local quotations may be called for from three or more known firms and also published in the office notice board. However, in respect Public Works Department and Irrigation Department the procedure prescribed in Karnataka Public Works Departmental code and Departmental Rules shall be followed.]

(iii) Where the articles are sold by public auction the head of the office or any other Gazetted Officer should invariably attend the auction and record the final bids ;

(iv) The Head of the office or any other Gazetted Officer should also be present when the article sold are released, his presence being most essential when the release of the articles takes place sometime after the auction, or when It involves processes such a weighment, etc. ,

(v) The Sale Account should be in Form K.F.C. 34-C. It should be signed by the Officer who supervised the auction after comparing the entries made in that Account with the list of such stores in Form 34-B, vide sub-clause (ii). If the articles are released in the presence of an officer other than the one who supervised the auction, the entries in column 9 of the Sale Account should be attested by dated signature of such officer;

---

1. Inserted by No.FD 2 TFC 82 dt. 2.12.1982 (w.e.f. 24-2-83)

(vi) The sale proceeds should be treated as a miscellaneous receipt of the department concerned.

The term “value of stores” for the purpose of issue of sanction for the write-off of irrecoverable value of stores lost, or for condemnation of unserviceable, obsolete or surplus stores should be taken as (a) the book value where priced account are maintained and (b) the replacement value, i.e., market value (at the time of issue of sanction for the write-off/disposal) of an article of similar nature whether old or new where no such accounts are maintained.

### **VERIFICATION OF STORES**

169. Stores should be verified periodically in the manner prescribed for each department, in any case, at least once a year. Subject to any special rules or orders, consumable stores and raw materials should be checked annually by the Government servants in charge of them and a report of verification should be sent to the controlling authorities, who will check the inventories in the course of their inspections.

In the case of furniture and other office stores, the stock should be verified at least once a year (in April) by the head of the office or one of his Gazetted Assistants. A certificate of check should be submitted to the controlling officer, where there is one, signed by the head of the office who will be held responsible for the proper maintenance of the registers and the correctness of the verification report, whether he conducts the verification himself or entrusts it to a Gazetted Assistant.

Note 1.- When there is a separate store-keeper in charge of stores, the verification of stock prescribed in this Article should be done by another Government servant.

Note 2.- A certificate in Form 35 will also be attached to the salary bill of the Heads of offices for April payable in May. When there is a transfer of charge, a similar certificate should be attached to the first pay bill of the relieving Government servant presented for payment. Explanation for the difference in stock, if any, and action taken thereon should be furnished in these certificates.

Exception.- In respect, however of the heads of Government Colleges, the certificate in form Karnataka Financial Code 35, will be attached to their pay bills for the month of July.

Note 3.- With a view to preventing delay in the annual physical verification of stores (Stock, Tools and Plant and materials at site account including roadside materials) and the despatch of the copy of Part III (Review) relating to Stock and of the certificate relating to Tools and Plant due to the Chief Engineers concerned and of the Annual Certificate of suspense balances due to the Accountant General the certificates should be sent by the Government servants concerned along with their salary bills for July and December of each year to the effect that necessary stores verification has been carried out and returns due to the Chief Engineers and the Accountant General have been despatched on the due dates.

The form of the Certificate should be as follows:

Certified that the following returns and certificates have been submitted with this office letter No..... dated ..... to the concerned officers on the prescribed date as indicated below :-

Name of the returns etc.	Prescribed date of submission	To whom submitted
1	2	3
(i) Part III Review of Register of stocks for the half year ended 30th September and 31st March	15th December and 15th July respectively	To the concerned Chief Engineers. Copy to be endorsed to the Chief Engineer (Communications and Buildings).  To the Chief Acc-ounts Officer of the project in the case of projects having pre-audit set up
(ii) Certificate printed in Part-III Shortages await-ing adjustments of the register of tools and plant	On or before 15th December	To the concerned Chief Engineers, copy to be endorsed to the Chief Engineer (Communications and Buildings).
(iii) Annual Certificate of suspense balance	20th May	To the Accountant General.

Note 4.- (i) The Executive Engineer should furnish a certificate on the pay bill for June to be encashed in July every year to the effect that the pass books or intimations in respect of all irrigation works taken up and completed during the year and for which contribution and water rates are leviable have been sent to the revenue authorities concerned in complete form.

(ii) The Tahsildars should also furnish a certificate on their pay bill for June to be encashed in July every year, to the effect that the demand has been booked in respect of all irrigation works for which pass books, etc., have been received from Public Works Department.

Note 5.- (i) Accounts in respect of receipt, issue and stock of forms and registers should be maintained and verification of their stock should be conducted properly and promptly as prescribed under the rules for printing and supply of forms and registers to Government Offices;

(ii) The forms and registers should not be used for the purposes other than those for which they have been prescribed under the rules;

(iii) The accounts maintained in respect of receipt issues and stock of forms and registers should be made available to the Audit party of the Office of the Accountant General, Karnataka, Bangalore at the time of local audit of the respective offices for verification and scrutiny as is being done in case of stationery articles, and

(iv) A certificate regarding verification of Stock Register of forms and registers, should be attached to the salary bills of all heads of offices for the month of April payable in the month of May, as is being done in case of furniture and other office stores.

The above rules are also applicable to the City Improvement Trust Boards of Bangalore and Mysore and to the Executive Engineers or the Assistant Engineers working therein who are in charge of the Stock, Tools and Plant, materials at site, etc., of the stores of the Boards concerned, the Chairman of the concerned Board exercising the powers of the Controlling Officer for granting extension of time.

170. Whenever a Government servant entrusted with the custody of stores in an office is transferred, the relieving Government servants should verify the stock of stores with the stock accounts and certify to the correctness of the stock taken over. For the purpose of this rule, the Government servant entrusted with the custody of stores is ordinarily the Head of the Office, but this duty may be delegated in large offices to a Gazetted Assistant., Manager or a recognised store keeper. When such a delegation has been made, the verification prescribed is only necessary, unless it is otherwise ordered in any case, when a Government servant to whom the duty has been delegated is transferred, and in such cases the results of verification should always be placed before the head of the office. This does not however relieve the head of the office of the responsibility for the certificate prescribed at the foot of the various contingent bills, etc., stating that the articles billed for have been brought into account, nor for general control over the proper custody and accounts of stores.

#### **DISCREPANCIES FOUND ON VERIFICATION OF STORES**

171. Deficiencies found as a result of stock verification may be due to :-

- (1) incorrect or careless accounting.
- (2) losses arising from fraud, theft or negligence, or
- (3) unavoidable causes such as wastage, shrinkage, spilling, etc., in the cases of consumable stores such as dietary articles, chemicals and certain classes of manufactory articles.

Excesses found in stock verification may be due to incorrect or careless accounting. It will be the duty of the head of the office

or institution to investigate fully into discrepancies and to report them along with the verification reports to controlling authorities with full explanation therefor and recommendations, if any, as to how the losses should be made good by recoveries from Government servants in case the loss can be traced to their culpable negligence or carelessness. The controlling authority should after such examination and investigation as the importance of the case warrants, issue or obtain from the competent authority, orders to write off deficiencies from the account. On receipt of such orders the deficiencies will be charged in the accounts quoting the authority. The realisation of recoveries ordered should be recorded. Excesses at the time of stock taking should, after investigation, be brought on to the stock register as receipts with the remark "Excess found in stock verification." No special orders are necessary for this.

### **ANNUAL REPORT**

172. In the Annual administration report sent to Government, the Head of the Department should furnish information as regards (1) conditions in which stock registers are maintained in his office and in the offices subordinate to him, (2) result of periodical verification of stock, (3) action taken for the adjustment of deficiencies, excesses, etc., if any, noticed during stock taking.

The Head of each department should send to the Audit office annually before 1st June, a statement in the following form, showing (1) the names of institutions and offices under his charge (including Guest's Houses, etc.). (2) the dates on which stock verification reports were received by him in respect of each institution or office, (3) result of verification (excesses or deficiencies noticed), and (4) action taken in respect of excesses or deficiencies, if any, noticed during stock taking.

Serial No.	Name of the Institution or office	Date receipt of stock verification report	Name and designation of the Government servant by who stock was taken	Period covered by stock taking
1	2	3	4	5

#### Difference

Name of article	Book balance	Balance actually counted	Excess	Deficiency	Action taken	Re marks
6(a)	6(b)	6(c)	6(d)	6(e)	7	8

Note.- Details in respect of only such of the articles thereunder differences are observed need be furnished in columns 6(a) to 6(e). When there are no difference under any of the articles in an institution, they need not be detailed but it should be noted as “Nil” in Columns 6(d) and (e).

### **STOCK ACCOUNTS OF BOOKS AND PERIODICALS**

173. All books and periodicals received in an office will be dealt with as laid in the Manual of General Circulars and Standing Orders and entered in a register in Form 36.

Every Government servant, upon receiving charge of an office to which library is Attached, must satisfy himself as to the state of the library, unless he then reports that the books are out of order, it will be assumed that he received the library in good order and he will be held thenceforth personally responsible for any defect.

All books appearing in the register of books or catalogue of the library on the 31st March of every year should be counted and examined by the heads of offices or institutions concerned or by one of their Gazetted Assistants. A certificate to this effect should be furnished by the Head of each office, every year.

### **ACCOUNTS RELATING TO MOTOR VEHICLES**

174. The following rules regulating the use of vehicles maintained in Government Commercial concerns and other Government offices are issued for the guidance of Government servants:

(1) Whenever a Car, Jeep or Bus maintained at the expenses of Government is to be used, the permission of the Chief Officer of the concern or such other Government servants to whom powers have been delegated, should invariably be obtained.

(2) The vehicle should be used only in the interest of Government work.

<sup>1</sup>[Deleted]

(3) The vehicle may be used by the Chief Officer or other Government servant permitted in this behalf to move about on inspection duty. Attention is invited to Rules 497, 527, 527(A), 527(B) and 527(C), Karnataka Civil Services Rules, 1958 regarding the travelling allowance payable when Government vehicles are used.

The Drawing officer/Gazetted Officer should furnish, in the bill containing claims for conveyance allowance, a certificate to the effect that wherever the Government conveyance was used, proportionate conveyance allowance has been deducted/will be deducted from the travelling allowance claims or, in the case of journeys within the headquarters, from the salary bill of the month.

(4) The movements of each vehicle should be recorded in a Log Book which should contain the details as indicated in the forms noted below:

The meaning of the term 'private capacity' used above is that the Government vehicles could be used even by private persons in connection with Government work. Government vehicles should not be used for purposes not connected with Government work. The vehicles can be used by Government officers or by private persons like the contractors of the Public Works Department only for Government work on payment of the hire charges fixed above.

As regards travelling allowance admissible to Government servants when means of locomotion are supplied, attention is invited to Karnataka Civil Service Rules.

---

1. Deleted by No. FD 3 TFC 81 dt. 24.8.1983

“Note 1.- The Assistant Engineers and Executive Engineers incharge of a Sub-division/a division shall furnish a certificate along with their pay bills for the months of June and December to the effect that the log Books and History Registers of Machinery have been brought up to date. Without such a certificate their pay bills for the months of June and December shall not be honored by the ‘Treasury Officers’.

**FORMS**

**LOG BOOKS OF GOVERNMENT MOTOR VEHICLE**

In the custody of.....  
 Type of Vehicle.. .....  
 Name of the Driver.....  
 No. of Engine..... Registration No.....

**PART - I**

Date	From and Time	To and Time	Number of miles run	Details of Places Travelled	Purposes of Journeys and persons who travelled in the vehicle	Quantity of petrol purchased (Galons)	Intials of the Driver	Intials of the Officer
1	2	3	4	5	6	7	8	9

Total for the month ..... Total for the month .....

N.B.- Average number of mile per gallon during the month should be worked out at the end of each month, for the purpose of the T.A. claim.



Note 2 .- <sup>1</sup>(i) Any Officer to whom a Government Vehicle is attached for official work is permitted to use the vehicle for private purposes also if he so desires, subject to payment of Rs. 450/- per month for a vehicle whose H.P. exceeds 16 but below 18 and Rs. 300 P.M. for a vehicle whose H.P. is 16 or less. If the distance covered 500 KM per month, the officer, should pay charges at Rs. 2-30 per Kilometer for a vehicle whose HP exceeds 16 but below 18 and Rs, 2.00 per Kilometer for a vehicle whose HP is 16 or less.

(ii) Any Officer who does not wish to make use of the facility permitted in (i) above, may if he so desires, use the vehicle attached to him for private journeys on payment at the rate of Rs 2-30 per KM, for a vehicle whose H.P. exceeds 16 but below 18 and Rs, 2.30 per Kilometer for a vehicle whose H.P. is 16 or less. ]

(iii) The use of Government vehicle on private journeys should not interfere any way with official requirements, and official journeys should always take precedence over private ones;

(iv) The journeys from the residence of the officer to his place of work and back shall be treated as private journeys;

(v) Notwithstanding what is stated above, the use of Government vehicles, for picnic parties, pleasure trips and other similar journeys is strictly prohibited;

(vi) The Government Vehicle should not be taken on Private Journeys to places outside the Corporations / Municipal Limits of the Headquarters of the Officer to whom it is attached. The Private use of the Vehicle beyond the City / Municipal Town Limits is totally Prohibited;

---

1. Substituted by No. FD 19 TFC 91 dt. 21.8.1995

(vii) The movement of each vehicle should be scrupulously entered in the log book in strict accordance with Article 174 of K.F.C. and rule 55(40) of M.C.E. The entries pertaining to each journey, whether official or private, should be verified, and initialled by the actual user within 24 hours of its performance,

(viii) Officers should not generally use Government vehicles outside the normal hours of duty of the driver, save in exceptional circumstances;

<sup>1</sup>[(ix) Vehicles should be parked, when not in use, only at the office premises/garages and not at the residence of officers].

(x) Rates applicable to diesel vehicles.- The rates fixed for the use of Government vehicles for private purposes are applicable to both diesel and petrol vehicle irrespective of the type of fuel used;

(xi) Use of Government vehicles by the officer when he is on leave:- The Government vehicle should not be taken for private purposes when the officer to whom the vehicle is attached is on leave, other than casual leave. This includes the journey under L.T.C. and other journey the officer may undertake, in his private capacity when he is on leave.

(xii) Use of Government vehicles for journeys on transfer.- Since the places to which the officer is transferred, will be outside the Municipal/Corporation limits of the post he was holding, the vehicle cannot be taken for journeys on transfer;

---

1. Substituted by No. FD 19 TFC 91 dt. 21.8.1995

(xiii) Use of Government vehicles to carry tappal boxes:- (a) The use of Government vehicles occasionally by an officer to whom it is attached for carrying files/tappal boxes to the residence of the officer and back may be treated official journey to limited extent only. But such runs should not exceed eight trips in a month.

(b) In addition to above, the use of Government vehicle by the officers who may have to reach the office very early i.e., before 10 A.M. and leave the office very late i.e. after 6.00 P.M. or on holidays in the exigencies of work is also treated as official to an extent of 6 trips per month only.

(xiv) Payment of the expenses of driver and shifting of vehicles when an officer gets transferred:- The pay of the Driver and expenditure of the Government vehicle has to be met by the concerned department from the funds allotted to that Department. Shifting of cars and drivers to the places where the officer gets transferred is not possible, for the reason that the vehicles are attached to the departments and assigned to work with the officer while occupying a particular post and hence, when the officer is transferred to some other department the vehicle and driver do not go with the officers

(xv) Heads of Account to which the charges for the private use of vehicles to be credited:- Every Department has its own credit heads, under which there is a minor head 'Other Receipts' to which all the credits which are not classified under any particular head may be credited. Since the receipts for private use of Government vehicles are not comparatively huge, they could be conveniently credited to the minor head 'Other Receipts' of the concerned Departments.

(xvi) The aforesaid amendments shall be deemed to have come into effect from the dates indicated below against each.-

Paras	(i) and (ii)	...	from 1.12.1980
	(iii) to (ix)	...	from 18.01.1978
	(x) to (xv)		
Excepting para	(xiii)	...	from 4.10.1979
Para (xiii)	(a)		from 4.10.1979
	(b)		from 28.11.1980

## **CHAPTER XI**

### **WORKS**

175. The duty of constructing and maintaining Government buildings used or intended for any purpose in connection with the administration of the State on behalf of the departments of Government concerned, devolves on the Public Works Department except in so far as Government have assigned such a work to the department using or requiring such buildings. Works assigned to departments other than the Public Works Department are of two kinds, viz :-

(i) Works of petty constructions and repairs of buildings under the administrative control of the Public Works Department.

(ii) Works connected with buildings under the administrative control of departments other than the Public Works Departments, i.e., buildings which are not borne on the registers of the Public Works Department, e.g., certain buildings of the Forest, Agriculture and other departments.

Note.- The Head of each department will keep a register of all buildings under his control.

176. All expenditure on works assigned to Civil Departments will be met out of the budget provision of the departments concerned. The powers of officers to sanction expenditure on works assigned to the civil departments and executed by them are contained in the Book of Financial Powers.

Note.- The execution of works by the Forest Department is regulated by the rules contained in the Karnataka Forest Account Code.

177. The following are the rules and conditions governing the execution, by civil departments, of works of petty construction and repairs of buildings under the administrative control of the Public Works Department :-

(1) Expenditure on construction and repairs executed by civil departments will be treated as contingent expenditure of the department incurring it and classified as petty construction and repairs, when the amount does not exceed Rs.250. Construction and repairs costing more than Rs.250 will be treated as Public Works expenditure.

(2) The execution of works described in rule,(1) above should involve:

(a) no structural alterations to buildings in charge of the Public Works Department : and

(b) the repairs to roofs should be confirmed to only trifling items.

In other words, civil offices may carry out only ordinary repairs which do not affect the capital value of buildings in charge of the Public Works Department, all structural alterations and additions, irrespective of the amount of their cost, being executed by or with the approval of the Public Works Department Officers in charge.

(3) Civil Officers should seek the assistance of Officers of the Public Works Department whenever, they consider that the works undertaken by them under these rules require professional supervision.

(4) Rules 1 to 3 above do not apply to buildings, the maintenance and repairs of which irrespective of the cost, devolve

on the Public Works Department, (e.g., Official residences, Public Office Buildings, etc.)

178. Preparation of estimates.- No work may be started unless as complete an estimate as possible with a detailed explanation of the work and the necessary for the same has been prepared by the officer requiring the work, and has been duly sanctioned by the competent authority with due regard to the appropriations of the year.

Note.- When it is proposed to make a lumpsum payment for any work on items of work, only Such descriptions and details as are necessary to justify the estimate should be given in it.

179. Sanctions for work- Copies of sanction should be communicated to the Audit Office by the sanctioning authority, except when bills are drawn or countersigned by the sanctioning authority itself.

180. Methods of execution.

(1) After the necessary sanction has been obtained for an estimate and an appropriation has been allotted for the work or a group of such works by the competent authority, the work may be executed in one of the two ways, (i), departmentally, all materials being purchased by the department and labour being engaged at daily or weekly rates, or (ii) the work may be executed through a piece- worker or a contractor.

(2) Special care should be taken to see that the rates and amounts fixed upon are economical with due regard to the quantities and the nature of the work.

(3) Attention should also be paid to the principles regarding the invitation of tenders.

(4) When only materials are purchased from a supplier and labour is engaged departmentally, the Stores Purchase Manual contains full instructions as to the Procedure to be followed for the supply of materials. As regards measurements of quantities see Article 183.

(5) If a work is proposed to be executed through a contractor who supplies his own materials and labour, it is important to adopt the measures necessary to secure Government against loss. Written agreements (and securities too, if need be) should be taken in a manner similar to the Public Works Department.

Note.- As works involving technical skill or professional supervision should be entrusted to the Public Works Department, the simpler class of works assigned to civil officers should not ordinarily require elaborate and complicated agreements.

181. Preparation and payment of bills.- Charges on account of petty works and repairs carried out departmentally should be drawn on in bills in Form No, 37. The details regarding the name of work, serial number of the bill for a work, the number and the date of the last bill, the number and date of orders sanctioning the work and the amount of sanctioned estimate should be entered on the bills in the spaces for the purpose. A full description of each item of charge, together with details, where necessary, as to the rates and quantities should be given and sub-vouchers should be attached for payments over Rs.25.

Charges for labour should be supported by a certificate to the effect that laborers were actually entertained and paid on muster rolls maintained in accordance with the rules. These muster rolls should be submitted to audit whenever called for.

In all cases in which no special procedure or forms have been prescribed either in the departmental Manuals or by orders of Government, civil officers proposing to execute works on contract will use the forms prescribed for the Public Works Department.

Note.- Advances to contractors are, as a rule prohibited.

182. Muster rolls.- For work done by daily labour, the officer in immediate charge of the work will prepare a muster roll which is the initial record of labour employed each day on a work. It must be written up daily by the officer in immediate charge of the work. Muster rolls should be prepared in accordance with the following instructions :-

(i) One or more muster rolls should be kept for each work but muster rolls should never be prepared in duplicate.

Note.- All entries in muster rolls should be made in ink.

(ii) Wages may be paid more than once a month and the period covered by each payment may be determined locally; but separate muster rolls must be prepared for each period of payment;

(iii) The daily attendance and absences of labourers and the fines inflicted on them should be recorded daily in Part 1 of the muster roll in such a way as (1) to facilitate the correct calculation of the net wages of each person for the period of payment, (2) to render it difficult to tamper with or to make unauthorised additions to, or alterations in, entries once made, and (3) to facilitate the correct classification of the cost of labour by works and subheads of works where necessary.

Note - Superior officers should, as frequently as possible, test-check the attendance of labourers.

(iv) After a muster roll has been passed by the officer authorised to draw the bill for works expenditure, payment thereon should be made as expeditiously as possible. Such payment should be made or witnessed by the official of the highest standing available, who should certify to the payments individually or by groups, at the same time specifying, both in words and 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 Part II, the register of arrears, before the memorandum at the foot of the muster roll, is completed by the person who made the payment.

(v) Unpaid items should subsequently be carried forward from muster roll to muster roll until they are paid, the payments being recorded and certified in Part II, in the same way as payments of current items.

(vi) In the muster roll 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.

(vii) Paid muster rolls need not pass beyond the office of the responsible disbursing officer.

183. Measurement Books.- Payments for all work done otherwise than by daily labour and for all supplies are made on the basis of measurements recorded in measurement books. The measurement book is the original record of actual measurement or count. The descriptions must be lucid so as to admit of easy identification and check. A reliable record is the object to be aimed at as it may have to be produced as evidence in a court of law. The measurement books should, therefore, be considered as very important account records.

Note.- Whenever measurement books change hands even if it is only from one office to another situated within the same building, the receipt of the books should be acknowledged in writing by some responsible person of a grade not inferior to that of a clerk.

In recording detailed measurements, the following general instructions should be carefully observed. See also instructions printed in the measurement book :

(i) The topmost lines under columns 1 to 4 on each page of a measurement book should invariably be filled in the field. None of the lines should be left blank. Any lines not required should be carefully scored through in order to prevent additional entries being made later on. Detailed measurements should be recorded only by the disbursing officer or such duly authorised executive subordinate incharge of the work, as has been supplied with a measurement book for the purpose. These detailed measurements should, as far as possible, be test-checked by the superior officers.

(ii) All measurements should be neatly taken down in a measurement book and nowhere else.

(iii) Each set of measurements should commence with entries stating :-

(1) In the case of bills for work done :-

- (a) Full name of work as given in the estimate,
- (b) Situation of work,
- (c) Name of contractor,
- (d) Number and date of his agreement, if any, and
- (e) Date of measurement :

(2) In the case of bills for supply of materials.-

- (a) Name of supplier,
- (b) Number and date of his agreement, if any, or order,
- (c) Purpose of supply, and
- (d) Date of measurement:

and should end with the dated signature and designation of the person making the measurements. 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.

(iv) 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 connection 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 fact is recorded prominently just above his initials. If the measurements taken are the first set of measurements on a running account, or the first and final measurements, this fact should be suitably noted against the entries in the measurement book. The signature of the contractor or his agent should be obtained in the measurement book after each set of measurements, with the addition, "I accept the measurements". In the case of illiterate men, their marks should be attested by an independent witness.

(v) At the time of payment, the officer authorising payment should cross out every page containing the detailed measurements of the work of supplies Paid for by a diagonal red ink line and should record a reference to the number and date of the voucher or sub-voucher on the abstract of measurements.

(vi) Entries should be recorded continuously in the measurement book. No blank pages may be left and no page be torn out. Any pages left blank inadvertently must be cancelled by diagonal lines, the cancellation being attested.

(vii) No entry may be erased. If a mistake is made it should be corrected 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 initialled by the officer who made the measurements. In either case the reason for the cancellation be recorded.

(viii) Entries should, if possible, be made in ink; when this is not possible, pencil entries should not be inked over. Entries in the “contents or area” column should be made in ink in the first instance.

(ix) Each measurement book should be provided with an index which should be kept up-to-date.

(x) The measurement book should be made available for the inspection of the Accounts Officer, when necessary.

184. Completion reports.- on the completion of a work in accordance with the sanction, a completion report should be prepared and forwarded to the Audit office through the sanctioning authority. It should show the name of the work, sanction number and date, amount of sanction and the actual expenditure incurred. The expenditure in excess of the sanctioned estimate should be explained

in the completion report and sanction of the authority competent to incur the total expenditure obtained and recorded.

184-A. The special procedure prescribed by Government for the construction of school buildings undertaken under the cheap design scheme is detailed in Appendix VIII.

184-B. The Accounting procedure for the guidance of officers employed in the execution of National Extension Service and Community Development Works, is detailed in Appendix IX.

184-C. In case of Drinking Water Wells, where water is not tapped at the expected depth or the water tapped is brackish or otherwise not potable, they shall be abandoned with specific sanction as under:-

1. The Well proposed to be abandoned shall be inspected by the Assistant Commissioner and the views of either the Assistant Engineer or the Geologist be obtained, before the inspection is taken up;

2. The Deputy Commissioners of the Districts may order write off of the infructuous expenditure on such abandoned Wells upto and inclusive of Rs.2,000 (Rupees Two thousand only) and the Divisional Commissioners upto and inclusive of Rs.5,000 (Rupees Five Thousand only);

3. The Deputy Commissioner and the Divisional Commissioner shall send a list of such cases to Government after the close of each quarter with reasons for abandonment of Wells.

4. The above proviso applies to Drinking Water Wells executed under all Schemes and where the Deputy Commissioner and the Divisional Commissioner is satisfied that the infructuous expenditure could not be forestalled.