

## **KARNATAKA MUNICIPALITIES ACCOUNTS RULES, 1965**

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### **KARNATAKA MUNICIPALITIES ACCOUNTS RULES, 1965**

In exercise of the powers conferred by Sections 289 and 323 of the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), the Government of Karnataka hereby makes the following rules, the

draft of the same having been published as required by sub-section (1) of Section 323 of the said Act in Notification No. PLM 26 MLR 65, dated 13th October, 1965 published as GSR 718 in Part IV, Section 2-C(i) of the Karnataka Gazette, dated 4th September, 1965, namely

#### CHAPTER 1

##### Preliminary

#### **1. Title :-**

These rules may be called the Karnataka Municipalities Accounts Rules, 1965.

#### **2. Definitions :-**

In these rules, unless the context otherwise requires,-

(i) "Act" means the Karnataka Municipalities Act, 1964 (Act No. 22 of 1964).

(ii) "Auditor" means the auditor appointed under Section 290 of the Karnataka Municipalities Act, 1964 .

(iii) "Chief Officer" means an Officer appointed to discharge the duties and perform the functions of a Chief Officer under the Act.

(iv) "Committee" means a committee of the Municipal Council constituted under the Act <sup>1</sup> [x x x]

(v) "Contingent Charges" means expenditure which is incidental to the working of an office and includes all miscellaneous charges other than those relating to establishment and travelling allowances which a Municipal Officer is required to incur in connection with his duties.

(vi) "Controller" means the Controller, State Accounts Department and includes the Deputy Controller and the Assistant Controller in-charge of the Local Audit Circle of the State Accounts Department.

(vii) "Form" means a form appended to these rules.

(viii) "Health Officer" means an Officer appointed under Section 328 of the Karnataka Municipalities Act, 1964 .

(ix) "Major Head" means a main unit of classification of revenue and expenditure in Municipal Accounts.

(x) "Minor Head" means a sub-division of a Major Head.

(xi) "Municipal Commissioner" means an Officer appointed under Section 331 of the Karnataka Municipalities Act, 1964 .

(xii) "Re-appropriation" means the transfer of funds from one head of account to another.

(xiii) "Recurring charges" means charges which involves a liability beyond the financial year in which it is originally sanctioned.

(xiv) "Section" means a section of the Act.

(xv) "Temporary Establishment" means establishment which is employed for a limited period.

(xvi) "Year" means the financial year i.e., the year beginning with the first day of April and ending with the following 31st March.

1. The words "and includes a Standing Committee of the Municipal Council" omitted by GSR 375, dated 17-12-1980

## CHAPTER 2

### General Principles

### **3. All moneys to be brought to account :-**

(a) All money transactions to which any member, Officer or servant of a Municipal Council in his official capacity is a party shall without any reservation be brought to account. All the money received shall be lodged in full in a Government treasury or bank duly authorised by Government to the credit of the Municipal Fund concerned.

(b) Every Municipal Council shall have all its transactions with one treasury (District or Taluk) and all its receipts of every description shall be paid into that treasury and any money required for disbursement shall be drawn from that treasury by cheques, save as otherwise provided no moneys received on behalf of the Municipal Council, shall be utilised for its expenditure without first being brought into account and paid or remitted into the treasury. No Municipal Council shall apply its capital receipts such as sale proceeds of land, building or machinery to ordinary expenditure without the previous sanction of the Government.

### **4. Treasury Schedule :-**

<sup>1</sup> When the Municipal Council has its transaction with the treasury, it will issue a pass book on personal deposit accounts of the Municipal Council and the Municipal Council has to maintain the pass book for the purpose of operating its funds in the treasury. It

should present its pass book once in a month by 10th at the latest at the treasury and get all the entries of receipts and payments of the previous months duly noted therein. The Treasury Officer shall return the pass book to the Municipal Council within a week after noting the transactions in the pass book showing the closing and opening balances of the Municipal Council along with details of receipts and withdrawals. In case the Municipal Council fails to present the pass book on or before 10th of the following month for incorporation of the entries regarding receipts and withdrawals of the previous month and also enclose reconciliation statement of its figures with those of treasury's every quarter within a specified date, the cheques presented by the Municipal Council at the treasury, after 10th of every month for payment will not be honoured by the Treasury Officer.]

1. Rule 4 substituted by GSR 186, dated 18-5-1970

**5. Acceptance of charge :-**

No expenditure shall be finally charged against the Municipal Fund and no adjustment shall be made without the charge being accepted by the Municipal Council.

Exception. Amounts directly debited by the treasury under the orders issued under Section 314 of the Karnataka Municipalities Act, 1964 and s.321 of the Karnataka Municipalities Act, 1964 , or by the Accountant General may be charged finally against the concerned heads of account, even without acceptance of the Municipal Council.

**6. Payments from Municipal Funds :-**

All payments from the Municipal Funds shall be made only by cheques signed by the Municipal Commissioner or Chief Officer as the case may be.

**7. When cash payments may be made :-**

Save as otherwise provided in the rules, all payments under rupees ten shall be made in cash only. No cheques shall be drawn for amounts less than rupees ten except in recoupment of the permanent advance or imprest on the last day of the month.

**8. Settlement of claims :-**

All liabilities incurred other than pay and allowances shall be discharged with the least possible delay. Subject to the provisions of Rule 128 on claim relating to pay and allowances not preferred within one year of its becoming due shall be paid without the

sanction of the Municipal Council to which the delay shall be explained.

**9. Municipal payments to general revenues to be made through Treasury Officers :-**

(1) Payments to general revenues of Government or to local funds on account of contributions payable for the maintenance of hospitals and dispensaries, roads, cesses, audit charges, etc., shall be made only on cheques drawn in favour of the Treasury Officer, the cheques being accompanied by forwarding letters quoting the authority.

(2) Contribution payable to Municipal Councils or payments to them by Government Department or local funds for works done by the municipalities shall likewise be paid ordinarily through the Treasury Officer.

**10. Maintenance of accounts :-**

The accounts of the Municipal Council shall be maintained separately for each financial year. The accounts and registers may be maintained either in Kannada or English. The pages of books of accounts, registers, receipt and bill books shall be serially numbered and each page or folio sealed with the municipal seal. The number of pages of each book or register shall be certified in writing after actual verification on the last page by the head of the office or other person duly authorised.

**11. Receipt for money to be written in words and figures :-**

Amounts received by the Officers of the Municipal Council shall be written in words as well as in figures and the receipts shall be written up by using double sided carbon paper and copying pencil. Note. The receipt books shall be printed with original and duplicate one below the other and the duplicates perforated.

**12. Corrections in accounts :-**

(1) Any correction or alteration in the accounts and registers shall be made in red ink (a single line being drawn through the original entry to be corrected) and attested by the dated initials of the head of office. All corrections and alterations in bills and vouchers shall be similarly attested by the Officer drawing the bill or person preferring the claim, while those in the pay orders shall be similarly attested by the Officer signing them. No erasures shall be made and no document with an erasure shall be accepted.



(2) No correction or alteration in figures in the receipts shall be made and whenever errors occur in writing up of receipts, such receipts (both originals and duplicates) shall be cancelled and preserved.

**13. Charges on account of more than one head :-**

(1) Charges against two or more major heads shall not as far as possible be included in the same voucher. No money shall be paid on a voucher or order signed with rubber or facsimile stamp. When the acquittance on a voucher is given by a mark or seal or thumb impression it shall be attested by some known person. Signatures obtained in languages other than Kannada or English shall always be transliterated.

(2) Bills affixed with the facsimile signature of the Authorised Officer, presented by the following departments and institutions may be accepted for payment, if otherwise in order:

(i) Post and Telegraph Department for telegrams and trunk call charges and telephone bills;

(ii) Public Works Department for water charges;

(iii) Karnataka State Electricity Board for electricity charges;

(iv) Municipalities and Corporations for tax, water and electricity charges;

(v) Air India International on account of their dues against municipalities (for passage fare charges and excess luggage charges).

**14. Issue of receipts for moneys received :-**

All moneys received in the Municipal Office or by any of the outdoor staff authorised in this behalf shall without exception be acknowledged by a receipt in carbon duplicate in Form No. 1 or in any other form specifically provided for in these rules.

**15. Pay orders on bills :-**

Every payment charged to the Municipal Fund shall bear on the bill or voucher an order to pay the amount which shall be expressed both in figures and words as indicated in Rule 16 and every such order to pay shall be signed by the head of office after it has been approved by the Municipal Council.

**16. Preparation of bills and vouchers :-**

All bills and vouchers shall be prepared and signed in ink but where carbon copies are required to be made copying or indelible pencil shall be used. The amount of the bill shall be expressed in words as well as in figures. When writing the amount in words Paise' shall always be prefixed to the amount as illustrated below. Care should be taken to have no space for interpolation. Illustration:

(i) Rs. 700-09 should be written as rupees seven hundred and paise nine only.

(ii) Rs. 35-23 should be written as rupees thirty five and paise twenty-three only.

**17. Dates to be noted in acknowledgments :-**

Dates of payment shall invariably be noted by the payees in their acknowledgments. If for any reason, such as illiteracy or the presentation of a receipt in anticipation of payment, it is not possible for the payee to note the date of payment, the date of actual payment shall be noted by the disbursing Officer under his initials either separately for each payment or by groups as may be found convenient.

**18. Payments through Post Office :-**

In the case of payments made by remittance through the Post Office, the postal money order receipt shall be kept with the vouchers. In the case of payment for articles received by value payable post, the value payable cover together with the invoice or bill showing the details of the items paid for, shall be kept with the vouchers. Separate receipts for having received the amounts may also be obtained and filed with the vouchers.

**19. Issue of duplicate receipts :-**

No duplicate or copy of a receipt granted for money received, or of a bill or other document for the payment of money which has already been paid shall be issued on the ground that the original has been lost. If any necessity arises for such a document, a certificate may be given that on a specified day a certain sum on certain account was received from or paid to a certain person.

**20. Voucher to bear acknowledgments of payees :-**

Every voucher shall bear or have attached to it an acknowledgment of the payment, signed by the person for whom or on whose behalf the claim is put forth. No payment shall be made in the absence of the necessary acknowledgment. If a voucher be lost, a certificate of payment prepared in manuscript and signed by the

disbursing Officer and endorsed, by the superior Officer shall be placed on record. Full particulars of all claims shall be set forth. Payments to illiterate persons shall be certified by the disbursing Officer and except in the case of muster payment the thumb impression of those persons shall be obtained against their names on the vouchers concerned.

## **21. Embezzlement of municipal moneys :-**

Whenever an embezzlement of municipal moneys, stores, etc., is discovered an enquiry shall at once be instituted by the Municipal Commissioner or Chief Officer as the case may be and the fact of the embezzlement shall immediately be reported by him to the Controller and also to the Deputy Commissioner in the case of Town Municipal Council and to the Commissioner in the case of City Municipal Council who shall in turn report the same to Government. When the matter has been fully inquired into, the Deputy Commissioner or Commissioner shall submit to Government a complete report showing the total sum of money misappropriated, the method in which the embezzlement was effected and the steps taken to recover the money and punish the offenders.

## **CHAPTER 3**

### **Preparation of Budget**

## **22. Preparation of Budget :-**

(1) An annual estimate of the anticipated income and proposed expenditure of the municipality during the next financial year, shall be prepared in Form 2 by the Municipal Commissioner or Chief Officer as the case may be and laid before the Municipal Council at its general meeting to be held between the 1st day of November and 1st day of January. The consolidated budget estimate shall be accompanied by subsidiary statements detailed below:

(i) Estimate of demand collection and balance under municipal rates and taxes in Form 2-A.

(ii) Detailed estimate showing the names of works on which expenditure under the head Public Works is to be incurred out of Municipal Funds proper in Form 2-B.

(iii) Statement showing the estimated expenditure to be met out of the loan funds obtained from Government or other sources in Form 2-C.

(iv) Detailed estimates of charges of establishment in Form 2-D.

(v) Statement showing the details of balances and investments of the Municipal Council in Form 2-E.

(vi) Statement showing loans raised and remaining undischarged by the Municipal Council on 1st April of the year to which the budget relates in Form 2-F

(vii) Statement showing the details of estimated receipts and payments on account of any trust funds administered by the municipality with the opening and closing balance in each case in Form 2-G.

(2) Subject to the provisions of S.287(2) of the Karnataka Municipalities Act, 1964, a copy of the budget estimates as passed by the Municipal Council shall also be sent to the Controller.

### **23. Manner of preparing Budget estimate :-**

In addition to the requirements specified in Section 287(3) of the Karnataka Municipalities Act, 1964 the Municipal Council shall prepare the budget estimate in the following manner, namely.

(i) The budget estimate shall be for what is expected to be received or paid during the year and not for demands or liabilities likely to fall due within the year;

(ii) All existing liabilities which cannot be liquidated before the commencement of the year for which the budget is being prepared shall be ascertained and provided for;

(iii) If there are any abnormal variations in fluctuating receipts and charges brief explanations for such variations shall be given;

(iv) Gross receipts and gross charges shall be entered;

(v) Temporary establishment shall be kept distinct from permanent establishment. The abstract figures shown in the budget under permanent and temporary establishments shall correspond with the totals as worked out in the Form 2-D of the budget;

(vi) In the case of conveyance and other allowances which are drawn regularly throughout the year the designation of the Officer and the rate of allowance drawn by him shall invariably be given;

(vii) The estimates for receipts and for varying charges, e.g., contingencies, etc., shall be based on the average of the past three years, the average however being only regarded as approximate and any increase or decrease shall be clearly explained;

(viii) The principal explanations required shall be in connection with the differences between the estimates proposed for the ensiling year and the current year. The explanation shall be short consistent with the subject-matter;

(ix) A full description of the nature of the charge under contingencies shall be given. Vague entries such as "other items", "reserve", etc., shall not find place in the budget. Details shall as far as possible be given for the amounts entered under "Miscellaneous";

(x) Provision shall be made in the annual budget for all charges connected with the prevention of the spread of cholera and other epidemic diseases including the cost of disinfectants;

(xi) Requisite provision shall be made in the budget estimates for expenditure connected with Public Health and Medical Relief;

(xii) The dates prescribed for the preparation and submission of budget estimates shall be strictly adhered to by the Municipal Councils;

(xiii) The invested funds of the municipality shall not be shown in the opening and closing balances of the budget under Part III, but details of such investments shall be shown in Form 2-E;

(xiv) In preparing the budget estimates, the Municipal Council shall see that its normal expenditure is well within its normal income and shall show separately all special items of receipts and expenditure. The items to be treated as special and the statement which shall show them and accompany the budget estimates, shall be in Form 2-H. The normal income and expenditure shall be arrived at by deducting from the total income and expenditure the totals of the special items of income and expenditure. Any increase of expenditure shall be carefully considered with reference to resources, to avoid excess over normal resources;

#### **24. Additional Grants and re-appropriation :-**

Save as otherwise provided in Section 281 of the Karnataka Municipalities Act, 1964 any proposal for additional grants and re-appropriation shall be submitted in Form No. 3 for approval by the Municipal Council.

#### **CHAPTER 4**

#### **Municipal Office Accounts**

**25. Cash and Account branches to be kept distinct :-**

The Cash and Account Branches of each Municipal Office shall be kept distinct from each other as far as possible and under distinct officials who shall be termed Shroff or Cashier and Accountant. The same person shall not compile the municipal accounts and receive the collections on account of the taxes and other municipal income. In municipalities where there is no separate Accountant, his duty shall be performed by the Manager or Head Clerk.

**26. Collection Register :-**

Every municipal servant entrusted with the collection of municipal revenue shall be supplied with a Collection Register in Form No. 4 and receipt books. The collection register shall be in the personal custody of the Bill Collector and the particulars in it shall be written up from the original receipts issued at the time of collections.

**27. . Remittance of daily collection :-**

Each Bill Collector or servant in charge of collection shall invariably remit his collections daily at the appointed time. When doing so, he shall bring with him his collection register as well as the receipt books in his charge enter the details of the amounts making up the remittance from his collection register in the Challan Register maintained in the office in Form No. 5 and take the Shroff's acknowledgment in the collection register under the signature of the concerned Officer.

**28. Payment to the Municipal Office :-**

All Municipal revenue whether collected by Bill Collectors or other outdoor servants or tendered at the Municipal Office by the parties themselves shall be paid to the Shroff who shall maintain a record of the money received by him in a Chitta in Form No. 6. When payments are made by the parties themselves they shall always present the money with the challan in Form No. 7 showing full particulars of the amount sought to be paid. The challan shall first be presented to the Accountant who shall examine it and initial it if he finds it correct in regard to all particulars. The person making the payment will then present it with the money to the Shroff who will receive the money, enter it in his Chitta, number the challan in a consecutive series, sign it and send it to the Accountant. The latter shall then enter it in the concerned register maintained for the receipt in question prepare the formal receipt of licence and after getting it signed by the Municipal Commissioner or Chief Officer or the other concerned Officer make it over to the Shroff for

delivery to the party. The receipt or licence shall be initialled both by the Accountant and Shroff. The Officer signing the receipt of licence shall invariably take care to see that the amount has been entered in the proper register and initial the entry in it at the same time that he signs the receipt or licence. Receipts shall be given for all moneys received at the Municipal Office from the public, except for licences.

Explanation. "Chitta" means the cash book maintained by the Shroff or Cashier.

**29. Chitta or Shroffs cash book :-**

The Shroff shall enter in his Chitta or Cash Book all sums received by him on account of the municipality whether from municipal servants such as Bill Collectors or Revenue Inspectors, Octroi Mutsaddis or from private persons at the Municipal Office. If any money is paid directly to the Government Treasury or Bank, the same will not be entered by the Shroff in his Chitta as he need keep a record only of the money which passes through his hands.

**30. Payments made in Municipal Office :-**

If any taxes which are ordinarily collected by Bill Collectors are paid into the Municipal Office, the Shroff shall enter the details of the collections direct in the challan register with initials of the concerned Officer. At the end of that day, he shall enter the totals of these collections in his chitta.

**31. Closing of chitta :-**

The chitta shall be closed at the end of every day and the total struck and stated in words. It should be agreed with the corresponding total in the Accountant's cash book and both should be agreed and initialled by the Officer concerned. The amount held by the Shroff at the close of the previous day shall be remitted into the treasury, the first thing in the morning. But if during the course of the day the collections are found likely to be unusually large, a further remittance shall be made to the treasury during the course of the day in anticipation of the closing and reconciliation of the chitta and cash book. In the case of small municipalities situated at a great distance from the treasury, the remittances to it may be made at least once a week or as soon as the cash on hand exceeds Rupees five hundred, whichever is earlier.

**32. Inspection of Shroffs books :-**

The Municipal Commissioner or Chief Officer as the case may be,

shall at least once a week, examine the Shroff's cash book so as to satisfy himself that all money received has really been remitted to the treasury without delay and that the Cashier does not retain it in hand sums of money in excess of the security that he may have given and that he always remits the whole and not a part of the day's receipts and shall initial the cash book in token of such examination. He shall at least once a month examine in detail the items in the Cashier's and the general cash books with all the subsidiary forms and registers in which receipts are given and collections recorded with a view to testing whether all sums received are actually brought to account.

### **33. Custody of Money :-**

The cash balance of the Municipal Office shall be deposited in a strong cash chest at the end of each day. The cash chest shall be secured by two locks of different patterns. The key of one lock shall be in the custody of that Municipal Commissioner or Chief Officer as the case may be and the key of the other lock shall be in the possession of the Cashier or the Head Clerk or the Manager. The daily collections of Municipal taxes and other items of receipt shall be remitted to the treasury on the same day or on the next day in exceptional cases.

### **34. Remittances to Treasury :-**

For remittances into the treasury challans showing particulars of the cash remitted shall be prepared by the Cashier in triplicate in Form No. 8. The counterfoil shall be retained in the office and shall be signed by the Accountant as well as the messenger taking the remittance into the treasury. The other two parts shall be taken to the treasury with the money. After payment the triplicate shall be brought back duly signed by the treasury officials and pasted to the counterfoil.

### **35. Collections made by one Municipal Council on behalf of another :-**

Collections made by one Municipal Council on behalf of another, shall, in the first instance, be remitted to the treasury, to the credit of the municipality collecting the amounts which will be credited in its accounts to deposits. A crossed cheque shall then be issued in favour of the treasury Officer, requiring a remittance transfer receipt for the amount which may be debited to deposits in the municipal accounts. The treasury Officer will issue a Remittance Transfer Receipt in favour of the other Municipal Council on the



treasury with which it banks.

### **36. Payment of municipal dues by cheques :-**

(a) Cheques on local banks may be accepted in payment of municipal dues or in settlement of other transactions with the municipality if the cheques have been crossed by the drawer. Until, however, a cheque has been cleared the Municipal Council shall not 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, shall be recovered by or under instructions of the bank from the party presenting the cheque. The preliminary acknowledgment of the receipt of the cheque may be given in the form below: Received cheque No. for Rs.... on account of.....

(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 demand for payment in cash, but the municipality shall not 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) The Municipal Council shall maintain a register of cheques received in Form 9 and at the end of every month an abstract shall be struck showing the total value of cheques pending realisation at the beginning of the month, cheques received during the month, cheques realised and balance outstanding realisation.

### **37. Claims against Municipal Fund :-**

Every person having any claim against the Municipal Fund shall present a bill at the Municipal Office. Wherever possible such bills shall be in the form, if any, provided for the purpose and the claimant shall date and sign the same and stamp it when necessary.

(2) Wherever possible, printed forms shall be used in preparing bills.

(3) Where a claimant presents a bill in the form different from the form provided for the purpose a separate bill in the proper form shall be prepared by the Officer incurring the expenditure and the claimant's bill shall be attached thereto as a sub-voucher.

(4) All bills presented as a claim against the Municipal Council except a paid bill pertaining to recoupment of the permanent advance or to fixed recurring charges shall be received in the Accounts Department and entered in a register of bills in Form No. 10. The bills shall then be sent to the department concerned for scrutiny and admission or rejection of the claims and return. The Accountant shall then examine the bills and if the claims be admissible and authority good, i.e., if the charges have been sanctioned by a Competent Authority and if the signature be true and in order and the receipt a legal quittance the Accountant shall obtain the sanction of the Municipal Commissioner or Chief Officer who shall then make an order for the payment at the foot of the bill and sign it. The Officer making a payment order shall be personally responsible that the bill is complete and affords sufficient information as to the nature of the payment being made. The bills for payments for supplies shall be in Form No. 11.

(5) After the bill has been passed by the Municipal Commissioner or Chief Officer as the case may be and the order to pay endorsed thereon, the procedure prescribed in Rule 6 and Rule 7, shall be followed for the payment of the bill. The bills when paid by cheque shall then be stamped "Paid by cheque No..... dated..... numbered consecutively and filed for audit along with the payee's receipt. A note of payment shall then be made in Form No. 10 under the signature of the Accountant.

(6) At the end of each month, the Municipal Commissioner or Chief Officer as the case may be or other Officer duly authorised, shall examine all vouchers for the month except those for establishment charges and satisfy himself that the charges have been properly vouched for and the sub-vouchers have been so defaced as to preclude the possibility of their being used in support of any other claim.

(7) When a payment is made on a duplicate bill, or a duplicate receipt is attached to any paid bills, the Municipal Commissioner or Chief Officer as the case may be, or other Officer duly authorised shall certify thereon that the original bill has not been paid or that the original receipt has not been used in support of any other bill, as the case may be.

### **38. Payments by cash or cheque :-**

If the bill is to be paid in cash, out of the permanent advance, it shall be made over to the Shroff after the payment order thereon

has been signed, as required by Rule 37. The Shroff will after payment in cash stamp the voucher with the words "Paid" in conspicuous type. This will be attached as a sub-voucher to the next contingent bill or imprest account. If the amount is payable by cheque, the bill shall be stamped 'paid by cheque No.....' in conspicuous type and the cheque shall be written up by the Accountant or Manager. Both the bill and the cheque shall then be placed before the Municipal Commissioner or Chief Officer as the case may be, who will initial the "Paid" endorsement on the former and sign the latter. Facsimile signature shall not be made in such cases. When a portion of the bill has also to be adjusted, a further endorsement shall be made thus under his signature, "Adjust Rs..... (in words and figures) by debit to (major, minor and detailed head) and credit to (major, minor and detailed head)"

### **39. Adjustments :-**

The amount of the cheque shall be entered in the general cash book as soon as the cheque is signed. The adjustment shall also be entered in red ink on both sides of the general cash book at the same time.

### **40. Payments to be covered by receipts :-**

Every payment made, either in cash or in cheque, shall be covered by a receipt, stamped, if necessary, and signed by the person (or his duly authorised agent) to whom the money is due and to whom it has actually been paid. Any receipt signed by another person or by a municipal employee shall be invalid. When payments are made by money order for sums in excess of rupees twenty, they shall be supported by the stamped receipts of the payees, besides the money order acknowledgments. But when an article has been obtained per value payable post, the cover showing the amount paid to the Post Office will be taken as a receipt and no second receipt from the supplier need be obtained.

### **41. Cheques on Treasuries :-**

Cheques drawn on a treasury shall be in Form No. 12. Each cheque book shall contain one hundred cheques and each such book shall bear a number which shall be repeated in print upon each cheque contained in it. The cheques shall also bear consecutive numbers of their own. The drawing Officer shall notify to the treasury upon which he draws, the number of the cheque book which he, from time to time, brings into use; cheque books should always be kept under lock and key in the personal custody of the drawing Officer

who, when relieved, should take a receipt for the correct number of cheques made over to the relieving Officer, a specimen signature should at the same time be forwarded to the treasury concerned, under the signature of the Officer relieved.

**42. Certification of cheque books :-**

When the Officer receives a new cheque book from the treasury he shall count the cheque leaves contained therein and shall record on the back of the cheque book a certificate that "this cheque book contains..... forms".

**43. Writing of cheques :-**

The cheque book in use may be made over to the Accountant or Manager for writing cheques, but it shall be returned before the office is closed for the day. The Officer in whose custody it is to remain shall in that case satisfy himself that all unused cheques are in the book and that none has been surreptitiously extracted.

**44. Cheques to be signed only when required for delivery :-**

No cheques shall ordinarily be signed unless required for immediate delivery to the person to whom the money is to be paid. No signed cheques shall be retained in the office except under exceptional circumstances which shall, in each case, be recorded.

**45. Cheques to be ordinarily drawn in English :-**

Every cheque shall be drawn in English and shall ordinarily be in favour of the person to whom the money is to be actually paid.

**46. Amount of cheques to be expressed in words and figures :-**

(1) The amount of every cheque drawn shall be written in words as well as in figures both on the cheque itself and on the counterfoil and the counterfoil shall be initialled by the person who sign the cheque.

(2) When a cheque is being prepared for signature, the amount which is the next higher whole number of rupees than the sum for which the cheque is drawn, shall as a safeguard, be written in red ink across it and its counterfoil.

**47. Currency of cheques :-**

Cheques 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 up to 30th April. If the cheques are not encashed within

this period and if the payments are required, these time barred cheques shall be got cancelled and fresh cheques obtained. The fact of the cancellation of time barred cheques and issues of fresh cheques in lieu thereof shall be noted in the general cash book against the original transactions. Suitable entries shall also be made in the general cash book in respect of the cancelled cheques and fresh cheques issued.

#### **48. Issue of duplicate cheques :-**

If a cheque is lost before payment, a duplicate will be prepared and issued to the party only after obtaining a certificate from the Treasury Officer that it has not been paid, in the form given below. When such a certificate is once issued by the Treasury Officer, he will not make any payment on the original thereafter. The fact that the original has been lost will be noted on the duplicate cheques under the signature of the passing Officer and the duplicate will bear the same number as the original. The word "duplicate" shall also be clearly noted in red ink on the top of the cheque and a remark shall also be made in the general cash book against the original entry that a duplicate cheque has been issued. A similar entry shall be made in the general cash book also in the column for particulars on the date of issue of the duplicate cheque but without entering any figure in the money column.

#### **49. Cancellation of cheques :-**

(1) When a signed cheque is cancelled it should be enfaced or stamped "cancelled" by the drawing Officer, the fact of cancellation shall be noted in red ink over the initials of the drawer of the cheque upon the counterfoil and also across the order of payment which has been enfaced upon the voucher.

(2) If a cheque is cancelled before the cash transactions of the month in which it was issued have been totalled, the entry in the general cash book shall be struck out in red ink under the initials of the Municipal Commissioner or Chief Officer as the case may be with a note that the cheque has been cancelled.

(3) If the correction is required to be made in a year subsequent to that in which the cheque was issued, the amount of the cheque shall be credited in the general cash book as "refunds of expenditure of previous year". If, however, the correction is to be made in the year in which the cheque was issued, it should be charged on the payment side of the general cash book as a minus

entry under the head of expenditure to which it was originally charged.

(4) Cancelled cheques shall be retained with their counterfoils for purpose of audit.

**50. General cash book :-**

The general cash book of the municipality shall be kept in Form No. 13 by the Municipal Accountant, containing sufficient number of pages to cover one year's transactions. It shall be paged by machine number before being brought into use and the number of pages certified by the Municipal Commissioner or Chief Officer as the case may be. Every page of the book shall be impressed with the Municipal Office seal.

**51. Closing of the General Cash Book :-**

<sup>1</sup> The general cash book shall be closed at the end of the each month. The entries in the book shall be compared, item by item, with the entries in the treasury pass book and the closing balance, according to the general cash book duly reconciled with the closing balance of the treasury pass book. A monthly reconciliation statement in the following form shall also be recorded in the general cash book at the end of each month after closing the accounts.

1. Rule 51 substituted by GSR 303, dated 15-10-1975

**52. Petty cash book :-**

The Shroff or the Cashier or the official entrusted with cash transactions in Municipal Office shall maintain a petty cash book in Form No. 14 wherein amounts withdrawn from the treasury or bank by means of cheques drawn in favour of the Municipal Commissioner or Chief Officer as the case may be and paid on account of pay, travelling allowances, contingencies and miscellaneous items will be entered daily. The total amount of revenue received daily as in the Shroff's cash book (Chitta) will also be entered in this book and shown as remitted to treasury or Bank on the date of remittance in the prescribed columns "Revenue Remitted to Treasury or Bank" respectively. The book shall be closed daily, the totals for the end of the day being struck and the closing balance also worked out with details to show unremitted revenue, undisbursed pay and the travelling allowance and unspent balance of permanent advance for contingencies. The Municipal Commissioner or Chief Officer as the case may be shall examine the

entries in this book and the closing balance and affix his signature in token of such examination. The cash balance on hand shall be verified not less often than once a month and a certificate to the effect recorded in the cash book.

### **53. Classified Registers of receipts and payments :-**

<sup>1</sup> At the end of every day the items of receipts and expenditure posted in the general cash book shall be entered in the classified registers of receipts and payments in Form No. M.A.R. 15. Separate registers shall be maintained for classified receipts and for classified payments and at the end of every month the said registers shall be closed, totalled and verified and attested by the Municipal Commissioner or the Chief Officer, as the case may be.]

1. Rule 53 substituted by GSR 245, dated 22-8-74

### **54. Transfer entries and adjustments :-**

(1) Adjustments are necessary for transferring an item from one head of account to another in order to:

- (i) rectify an error of classification in the original accounts;
- (ii) adjust an item of expenditure on receipt of a bill against an advance or when an advance is written off;
- (iii) credit to head of receipt by debit to deposit)
- (iv) charge to a head of expenditure by credit to deposit, a sum due on a contractor's bill, which sum is retained as a security deposit;
- (v) credit to a head of revenue, by debit to a head of expenditure a sum withheld from a contractor's bill in payment of amounts due by him;
- (vi) adjust refunds of revenue or recoveries of expenditure by deduction from the heads of revenue or expenditure concerned;
- (vii) account by debit or credit to its proper head, for an inter departmental and other transaction in which cash does not actually change hands;
- (viii) to credit lapsed deposits to the Municipal Fund.

(2) Transfer adjustments shall always be made as soon as the necessity for them arises. No adjustment shall, however, be made on account of (i) and (vi) of sub-rule (1) except in the accounts of

the year to which the error of classification, the item of revenue refunded, or the item of expenditure recovered appertains. If, in other cases, the errors are discovered after the accounts of the year have been finally closed, the corrections shall not be made in the closed accounts, but necessary entries made in the accounts of the current year.

**55. Form of transfer adjustments :-**

For every transfer adjustment, a transfer entry will be drawn up in Form No. 16 showing the head or heads of accounts to be debited or the head or heads of accounts to be credited and grounds upon which the adjustment is made. The entry shall be passed by the Municipal Commissioner or other Officer authorised by him with the approval of the Municipal Council or the Chief Officer and will then be entered item, by item briefly in red ink in the general cash book and the classified abstract against the item on date concerned. The entries affecting revenue or receipt heads shall be posted on the receipt side and those affecting expenditure heads on the payment side whether they are debits or credits. Debits to revenue heads and credits to expenditure heads will be posted as minus entries. Where the items to be entered are numerous under any head, the totals may be entered, the individual items being noted separately. At the end of the month the total of the red ink figures shall be made in the abstract (Form No. 15) but before they are entered, the net total of the receipt heads shall be agreed with the net total of the payment heads.

**56. Monthly accounts :-**

(1) Every Municipal Council shall, on or before the last day of the month following that to which it relates forward to the Controller an abstract of the receipts and payments in Form No. 17, together with a Demand, Collection and Balance statement of taxes and other dues for the previous month in Form No. 18. <sup>1</sup> [x x x x.]

(2) The accounts of the Municipal Council shall be periodically checked by the Municipal Commissioner or Chief Officer as the case may be and placed before the Council at its meetings every month. The Municipal Commissioner or Chief Officer as the case may be shall be held personally responsible for any loss that may result to municipality by failure on their part in attending to this important duty.

(a) The Divisional Commissioner and Deputy Commissioner shall



examine during their visits to municipalities whether the abstracts are regularly and systematically compiled and sent to the Controller. Cases of undue delays shall be submitted to Government for orders with the explanation of the Municipal Commissioner or Chief Officer of the Municipal Council concerned.

(b) The drawing Officers of the municipalities shall attach to the establishment pay cheque for the month presented at the treasury for encashment, a certificate that the monthly abstract due upto end of the previous month have been despatched to the Controller.

(c) In cases of undue delay in the forwardal of the abstracts, the Controller shall address the Treasury Officers concerned not to encash the office establishment cheque of the municipality concerned until they are received by him and the same intimated to treasury by the Controller.

1. The words "No separate compilation may be made for this purpose as the accounts of receipts and payments will be an extract from the classified abstracts" omitted by GSR 245, dated 22-8-1974

#### CHAPTER 5

Accounts relating to Taxes

#### **57. Assessment list :-**

For the purpose of determining the demand on account of all assessed tax, an assessment list prescribed in Section 103 of the Karnataka Municipalities Act, 1964 shall be prepared in Form No. 19.

#### **58. Preparation of assessment list :-**

(i) The arrangement of entries in the assessment list shall be first according to divisions and thereafter according to serial numbers of buildings or lands or both. A separate register for each division may be prepared, an abstract of assessment of all divisions being given in the assessment list of the last division or a summary register of assessment.

(ii) If each of the tenements, forming part of a property bearing the same number is separately assessable, such tenements shall be marked with suffixes, A.B.C., etc., added on to the number of the property.

(iii) If the mode of assessing the tax is different for different kinds of property the necessary particulars shall be given in the

assessment list by providing additional columns in order to arrive at the correct value of the property or determine the amount of the tax leviable.

(iv) If in any case the property is exempted from the payment of the tax the grounds of such exemption shall be given in the remarks column of the assessment list. In no case shall any property, be omitted from the assessment list.

(v) The register of objections prescribed by S.106(3) of the Karnataka Municipalities Act, 1964, shall be in Form No.20. The result of the investigation and disposal of objections shall be duly noted in the register and on the applications under the initials of the revising authority. The totals of the list shall be taken and the list shall be authenticated and a certificate endorsed as required by the Act.

(vi)

(a) The Municipal Commissioner or Chief Officer as the case may be shall obtain every year from the Public Works Department a statement of rent realised on each Government building used for residential purposes and liable to taxation in the City and Town Municipalities so that it may serve as the basis for assessments to be fixed on such buildings.

(b) Subject to the provisions of the Act and of Constitution of India the payment of service charges on account of the benefits derived by the Railway Administration shall be governed by orders of Government issued from time to time.

**59. All properties liable to tax to be checked :-**

The Municipal Council shall see that every property which is liable to the payment of the tax has been assessed, and ensure that no property has escaped the tax or has been undertaxed.

**60. Periodical statements of assesseees :-**

(1) The Officer in-charge of collection of tax shall submit every month a statement in Form No. 21 showing for his division all buildings whose construction, reconstruction or enlargement has been completed and which have been occupied during the month together with the names of owners of such buildings and dates of such completion or occupation as the case may be. If in any one month no such buildings are completed or occupied within the

jurisdiction of the Officer concerned, he may submit a 'nil' return.

(2) The official-in-charge of collection of tax shall submit half-yearly statements in Form No. 22 showing for his division names of all persons who become liable during the course of the half-year to <sup>1</sup> [x x x x] tax on vehicles, carts, animals and dogs. These statements shall be compared with the assessment list kept at the Municipal Office and will furnish the necessary information for its amendments.

1. The words "profession and trade tax or" omitted by GSR 375, dated 17-12-80

### **61. Mutation Register :-**

When any building is brought under assessment or the assessment is enhanced or when any change in the demand is made subsequent to the authentication of the assessment list it should be entered in a "Mutation Register" (of increases and decreases) to be kept up in Form No. 23 and shall be then carried by a plus or minus entry into the appropriate columns in Form No. 19 (assessment list) under the signature of the Municipal Commissioner or Chief Officer as the case may be the number and date of the authority for the alteration being quoted in the remarks column.

### **62. Register of taxes on [x x x] vehicles :-**

**1**

(1) An assessment list shall be prepared in Form No. 24 with necessary changes in column 7 thereof and shall be subject to revision half-yearly or yearly as may be decided by the Municipal Council from the information furnished by the Officers referred to in Rule 60 or obtained otherwise.

(2) The half-yearly statements furnished by the Officers referred to in Rule 60 and the declaration made by the owners in Form No. 25 shall form the basis of assessment.

1. The words "Professions" omitted by GSR 375, dated 17-12-80

### **63. Accounting Procedure :-**

Taxes leviable (other than octroi and tolls) may be classified for purposes of collection and accounts under two heads, viz.,

(a) Taxes for which assessments are made at regular intervals;

(b) taxes for which the demand is continually varying;

and the account procedure for both shall be same. The demand shall be brought into the demand and collection register, and bills sent to the tax payers and amounts collected by Bill Collectors; the tax payers may pay the demand direct into the Municipal Office also. When the money is received, receipts shall be given and entries be made against the person's name in the demand and collection register. When collected by a Bill Collector the daily collections shall be accounted for in a collection register and paid into the Municipal Office each day by the Bill Collectors and the money then brought to account in the challan register, Chitta and the general cash book. When collected by direct payment into the Municipal Office, the money shall be brought to account at once direct in the challan register, chitta and the general cash book.

**64. Demand and collection registers :-**

A separate demand register shall be maintained in the following cases in the forms noted against each: The demand registers may whenever necessary be sub-divided into parts according to division.

**65. Assessment numbers to be consecutive :-**

The assessment numbers assigned to the items shall be consecutive, some numbers, being however, always left unutilised at the end of each division for use in the case of new supplemental assessments made during the currency of the demand register. Each division shall also begin with the first number after a complete hundred. Should the number left unutilised at the end of a division be found insufficient or supplemental assessments, such assessments shall be entered at the end of last division and begin with a new set of numbers after a complete hundred.

**66. Money columns to be totalled :-**

(1) At the end of the year, after all the necessary entries in a demand register in respect of the next year's demand have been made, all the money columns on each page shall be totalled; but the totals shall not be carried forward from page to page. A separate page or pages shall be set apart at the end of each register and the totals of the different columns on each page shall be transcribed in the respective columns of the page at the end, an abstract being thus made on these pages of all totals by pages, and the grand total of the different pages, i.e., columns of the registers arrived at. If the register has been sub-divided into parts, the grand totals of all the registers shall be similarly ascertained by making an abstract of the totals the grand total being reconciled with the previous year's total with the help of the mutation register.

(2) The total demands as shown in the abstract at the end of each register shall be written both in words and figures and certified to by the Municipal Commissioner or Chief Officer as the case may be at the end of the year after reconciliation with the assessment list and the mutation register also in the case of tax on buildings or land or both.

(3) The collection columns of these demand registers shall be posted from the collection registers and challan registers and columns for remission and writes-off from their respective registers.

**67. Alteration in figures prohibited :-**

No entries in any of the demand registers shall be altered (except clerical errors, in which case the necessary alteration should be made in black ink under the initials of a responsible Officer) without the express orders of the Municipal Commissioner or Chief Officer as the case may be, or without the authority of a resolution of the Municipal Council. All such orders and resolutions should give reasons for such alterations. These should always be made in red ink and initialled by the Municipal Commissioner or Chief Officer.

**68. Demand Register of tax on building or land or both :-**

(1) The Demand Register of tax on buildings or lands or both shall be opened after the general revision and written up in regard to all particulars of the demand from the assessment list, the amount of the assessment for the first year being also posted from the same. For the demand for each of the years remaining, the demand of the year immediately preceding shall be adopted. The necessary alterations in these figures shall, however, be made from time to time with reference to the mutation register.

(2) When a general revision falls due, it shall be completed before the commencement of the year for which the revised assessments are to have effect.

**69. Demand Register relating to water rate and lighting tax :-**

These taxes when levied may be included in the same demand register as building tax or land tax. In the register, the reference to alterations will be made in accordance with Rule 68(1).

**70. . :-**

**1** x x x x x

1. Rule 70 omitted by GSR 375, dated 17-12-1980

**71. Alterations in demand :-**

Every change made in the demand and registered as provided in Rule 61 shall be brought from the mutation register into the demand and collection register by a plus or minus entry before the end of each half-year. The net alteration to be made in the total demand may be arrived at by taking the difference of the total increases and decreases in the mutation register and adding it to or deducting from the total of the demand register as the case may be.

**72. Municipal demand to be recovered expeditiously :-**

(1) Every municipal demand shall be recovered as expeditiously as possible.

(2) The Municipal Council shall maintain a register in Form No. 29 and also a register in Form No. 30 for watching the proceedings relating to execution of decrees obtained for the recovery of amounts due. Decrees as soon as they are passed shall be entered in the latter register with all particulars. The Municipal Commissioner or Chief Officer as the case may be shall review the registers every month and initial it in token of his inspection.

**73. Issue of bills :-**

(1) Where demand registers have been completed, bills for different taxes shall be written up in the forms mentioned below bearing consecutive numbers in print and be bound in batches of limited number.

(2) Form No. 33 which is a general form of receipt and may be made use of for any tax and payment of money. A separate receipt book in the same form may be used for any head of tax or revenue, the receipts on account of which are numerous.

**74. Additional or supplemental bills :-**

In the case, however, of additional or supplemental bills or of reduction of amounts in the original bills in consequence of an alteration in demand after their preparation, the bills shall be examined by the Municipal Commissioner or Chief Officer as the case may be and the alterations, if any, attested by him in the bills.

**75. Bills how sent :-**

Bills shall be sent by post to taxpayers or delivered to them in

person but not through Bill Collectors. When bills are delivered in person the acknowledgments of tax payers may be obtained on the counterfoils of bills with date of delivery. The fact of posting the bills may be similarly noted by the official who sends them to post with the date of posting and his initials.

**76. Remittances by Bill Collectors :-**

The Bill Collector shall tender his collections daily at the Municipal Office with his collection register and enter the details of collections made by him in the challan registers maintained in the office. The total shall be examined and the amount having been agreed with the cash he produces shall be credited in the municipal treasury after agreeing with the total. The Shroff shall then acknowledge the amount both in the collection register and the challan register.

**77. Postings of collections to demand register :-**

The official in charge of the demand and collection registers shall check the realisations shown in the challan registers with the originals of the receipts and at the same time initial them. He shall then post each item from the challan register into its proper place in the demand and collection registers.

**77A. Verification of entries in the Check Register of Receipts :-**

<sup>1</sup> Of the duplicates of the receipts given to the tax payers in each month at least 5% and the receipts in respect of all amounts of Rs. 100 and above shall be compared in that month by the Municipal Commissioner/Chief Officer/Revenue Officer with the relevant entries in the Demand Registers concerned and result of such comparison recorded in a Check Register to be maintained in Form No. 33-A.]

1. Rule 77-A inserted by GSR 345, dated 29-11 -80

**78. Collection by direct payment in the Municipal Office :-**

(1) In a municipality where the tax is paid by a tax-payer at the Municipal Office, a receipt shall be granted for each payment signed by the Municipal Commissioner or Chief Officer as the case may be or other person duly authorised in this behalf.

(2) Immediately on receipt the money shall be brought to account in the challan register, the Chitta and the general cash book and posted in its proper place in the demand and collection register.

**79. Payment of tax by instalment :-**

When two or more instalments of taxes, fees or other receipts are due from a party and payment for only one instalment is received, it should be credited against the earliest instalment due unless the tax is tendered for a specified period, when it must be credited accordingly:

Provided that part collections of recognised instalments of taxes shall not generally be made.

**80. Progress of collection :-**

(1) To keep a watch over the progress of collections, a demand, collection and balance statement in Form No. 18 shall be prepared every month.

(2) The total collections may be posted in this statement from the classified abstract and the remissions and the writes-off from the remission and writes-off registers. The balance outstanding may be deduced arithmetically from the demand.

(3) The statement as prepared shall be submitted every month to

(4) A review of the statement by the Municipal Council shall be incorporated in the monthly proceedings of the Council to be submitted to the Commissioner.

**81. Register of notice of vacancy :-**

Notice of vacancy received under Section 115 of the Karnataka Municipalities Act, 1964 shall on receipt be numbered serially and entered in Form No. 34 and referred to the concerned official for verification and report; on their return they should be filed separately. The date of receipt of the application for remission shall then be entered in column 14 of the register. The totals of the remissions sanctioned on account of a year but not adjusted during the year shall be deducted in the register from the total remissions sanctioned and the net amount only shall be shown in the demand, collection and balance statement.

**82. Register of remissions and writes-off :-**

(1) When writes-off and remissions have been sanctioned by the Municipal Council, every such item shall be entered in the writes-off and remission register in Form No. 35.

(2) In the writes-off register shall be entered all writes-off and temporary remissions granted, separate pages being set apart for



each class of tax. The official concerned shall initial column 15 against each item in token of having made the necessary "note in the bill.

(3) The bills and warrants, if any (both foil and counterfoil) for the taxes authorised to be written off or remitted shall, as soon as possible after sanction is given, be stamped "written off" or "remitted" as the case may be, with a quotation of the number of the corresponding entry in the writes-off or remission register under the initials of a responsible Officer. The necessary entries shall at the same time be made in the demand register.

**82A. Property tax certificate :-**

<sup>1</sup> The Municipal Commissioner or the Chief Officer as the case may be shall on receipt of payment of a fee of two rupees issue a certificate in Form-35-A to the person entitled to a building].

1. Rule 82-A inserted by GSR 375, dated 17-12-80

**83. Accounting of cash by Octroi Officers :-**

When octroi is collected, the official-in-charge of the octroi station shall immediately keep the amount so received in the cash box and the duplicate copy of the receipt form handed over to the person bringing the goods into the municipal limits. The progressive totals of the octroi received shall be noted in each receipt in the space provided at the foot as the receipts are completed. The total shall be noted progressively and not be put off till the end of the day. At the end of the day, the progressive total of the money received for the day shall be noted on the last receipt issued. The Inspector or other Superior Officer visiting an octroi station shall see that these totals are noted regularly and initial the pages which he checks.

**84. Octroi station ledger :-**

The official-in-charge of octroi station shall classify the octroi he has collected in a jinswar or ledger to be compiled in Form No. 36 and follow the classification of octroi printed at the top of the columns. The official-in-charge of octroi station shall enter the items from the receipts for the day, one after the other, quoting the serial number of the receipt in column 3 and entering the number, quantity, weight of the goods as the case may be, and the amount of octroi in the appropriate columns. The columns shall then be totalled and the abstract of the totals sent to the Municipal Office at the end of each day.

**85. Supply of cash boxes to octroi stations :-**

The Municipal Council shall provide two cash boxes at each octroi station so that while one box is at the Municipal Office the other shall be available for use.

**86. Railway Invoice Register :-**

(1) The octroi collected on railway consignments shall be entered in a register in Form No. 37.

(2) The entries in the Railway Invoice Register (Form No. 37) shall where the railway authorities agree be compared periodically with the railway records by a person duly authorised by the Municipal Council in this behalf and a certificate of such comparison shall be recorded in the register.

**87. Cash boxes, accounts to be sent regularly :-**

(1) The Octroi Mutsaddi or other official-in-charge of octroi station shall send daily to the Municipal Office, at the hour fixed by the council his cash box, book of receipts and other relevant records.

(2) The cash boxes shall be opened at the Municipal Office, and after the money in each cash box is counted the amount shall be endorsed by the receiving Officer on the back of the last receipt for the octroi station concerned or the collection register. The aggregate contents of all the cash boxes shall then be brought to account. The books shall be returned with the empty box to the octroi station without delay.

**88. Accounting of cash in the Municipal Office :-**

The cash shall be brought to account as follows:

(i) If the collections are received at the Municipal Office, they shall be brought to account in the Chitta and the general cash book and remitted to treasury in the usual way.

(ii) If the octroi Officer remits the money to the Municipal Office, he shall send it with a challan register and the Municipal Office shall receive it and bring it to account in the Chitta and the general cash book. The Shroff or Cashier will acknowledge the receipt of the amount in the challan register.

**89. Consolidated ledger :-**

A monthly classified abstract of octroi receipts shall be prepared in the Municipal Office from the daily abstracts of ledgers received from the octroi stations. These shall be compiled into one

consolidated statement as follows The figures of the daily totals received from various octroi stations shall be entered in a register in Form No. 38 and totals struck for each day. From daily totals a monthly abstract shall be prepared and certified by the Municipal Commissioner or Chief Officer as the case may be. The ledger (Form No. 36), received from all the octroi stations shall be kept in a guard file in the Municipal Office.

**90. Ledger account of account current holders :-**

From the declarations, an account of octroi due from each individual or firm shall be prepared in Form No. 39. If goods are in closed boxes or parcels and are subject to assessment on their invoice price, the amount of octroi shall be entered in the account current on receipt of invoices from the person bringing the goods into the municipal limits, and after examination of the contents of the consignments. For every sum adjusted against the deposit of the person bringing the goods into the municipal limits an intimation to that effect shall be sent to him. The Municipal Commissioner or Chief Officer shall see that the settlement of the account is made at periodical intervals not exceeding one month in any case and that at no time the total amount of tax due by the firm is more than the security furnished. The prescribed amount of deposit shall be maintained immediately after such periodical settlement of the account.

**91. Refund ledger :-**

The official-in-charge of refunds shall enter the applications for refund in the refund ledger in Form No. 40 note the serial number and hand the form to the person transporting the goods beyond the limits of the municipality, who shall take it with the goods to the octroi station of exit.

**92. Collection of tolls :-**

The Municipal Council may place the collection of tolls under departmental management, and appoint suitable establishment for the purpose of or may lease out the same from year to year.

**93. Forming of tolls :-**

(1) Where the collection is formed out and after the sale is confirmed by the Municipal Council and lessee shall be required to execute a bond in which provision should be made for the payment of penal interest in cases of late payments. Ordinarily two months' instalments and in the case of residents outside the State four

months instalments should be received in advance as security deposit and should be in cash or in Karnataka Government Savings Bank Deposits or in bonds of the Karnataka Government or of local bodies. The monthly and other periodical payments of instalments shall be, without reference to the amount of security paid and shall invariably be made payable on the first or fixed day of the period covered by the instalment. The Security Deposits, if in cash, shall be taken as a set off against the instalment due for the last few months covered by it subject to all the conditions of the lease having been duly fulfilled by the lessee. The amounts deposited shall on receipt be credited in the accounts direct to the revenue head concerned, unless they are received in the year previous to that to which the leases appertain, in which case, they shall be credited under deposits in the accounts for the year of receipt, but shall be transferred to the revenue head at the beginning of the following year.

(2) The different bids at each auction sale shall be recorded in a sale list which may be signed by the Officer or Officers conducting the sales, the amount of the bid accepted being stated in words. Immediately after the sale has been confirmed, the necessary particulars shall be entered in the register of revenue yielding property in Form No. 41 and the special demand register in Form No. 42.

(3) The instalment of khists shall invariably be paid by the lessees into the Municipal Office, and shall be brought immediately into the Chitta and the general cash book the necessary note being made at the same time in the Special Demand Register in the column of the month in which they are received.

(4) In the special demand register (Form No. 42) the particulars of the items and the demands and instalments shall be written from the register of revenue yielding property, in Form No. 41 and the sale lists approved by the Municipal Council, the collections being posted from the original receipts.

(5) Penal interest realised each month may be recorded in a separate line just below that for instalments and the total of such realisations should, at the end of the year, be posted in the column headed "Penal interest total collections". The total of the amounts due for penal interest on late payment for the year shall be noted in the column headed "Penal interest, total due".

(6) A notification of the sale of right of collecting toll shall be published by the Municipal Council by.

(a) affixing a copy thereof on the notice board of the Municipal Council;

(b) publication in a daily newspaper having wide circulation within the municipality; and

(c) publication in the Karnataka Gazette.

**94. Composition of tolls :-**

Where composition fee is levied under Section 139 of the Karnataka Municipalities Act, 1964 , it shall be shown against tolls only as a realisation for the month concerned if, according to the contract with the renter, it is receivable by him. If, however the municipality is entitled to receive these in addition to the amount of the lease, it may be posted both as an addition to the demand in column 9 of the register and as realisation of the month concerned, so that the demand against the lessee may remain unaffected.

(2) The balance in this register of both instalments and penal interest shall, after the close of the year, be transferred to the special demand register for the next year.

**95. Tolls collected departmentally :-**

(1) When collections of tolls is managed departmentally, the Municipal Council shall provide double set of books and two cash boxes at each toll gate, so that, if one is sent to the Municipal Office the other shall be available for use.

(2) The tax shall be collected by means of face value tickets. Such tickets shall be in Form No. 43 (with or without counterfoils) and in different colours for different rates. If counterfoils are kept, these counterfoils shall be of a size smaller than the face value tickets themselves. Each kind of ticket shall be bound in books of hundred and shall bear consecutive numbers printed or machine numbered and stamped with the municipal seal.

(3) A stock account of these face value ticket books shall be maintained in Form No. 44. At the end of each year an agreement shall be effected between the value of the opening balance of the tickets plus the value of tickets received from the press during the year and the amount realised plus the value of unused tickets. The closing balance of unused rickets in the previous year shall be

carried over, as the opening balance for the succeeding year.

(4) The daily collections shall be transcribed into a collection register in Form No. 45. At the close of the day, the register shall be totalled and the collections remitted to the Municipal Office.

(5) Collection on account of toll shall be verified in the Municipal Office and shall be brought to account in the manner laid down in Rule 30, Rule 31, and Rule 32.

**96. Half-yearly statement of licences :-**

(1) The Municipal Commissioner or Chief Officer as the case may be, shall obtain half-yearly statements of licences granted in the manner prescribed in Rule 60.

(2) The licensing Officer shall immediately on receipt of the statements and applications, if any, received from persons desirous of obtaining licence, compare them with the register of licences for the previous period, and in each case in which a licence is required to be taken out, but has not been applied for, suitable action shall be taken by reporting the matter to the Municipal Commissioner or Chief Officer as the case may be.

**97. Period of licence :-**

Except where otherwise provided, a licence shall not be issued for a shorter period than three months. All licences of one kind in a municipality shall cover an equal number of months beginning from the same date. Licences shall ordinarily be terminable on the 31st of March following.

**98. Form of licence and fees :-**

(1) Licences granted by a Municipal Council shall be in Form No. 46 and issued as soon as the fee is paid. The amount thus collected shall be entered in a register of licences in Form No. 47. The names of licensees may be entered in alphabetical order to facilitate the comparison prescribed in Rule 96. No separate receipt shall be given to the licensee for the fee.

(2) The progressive totals of the fees paid having been entered in the register of licences the cash which should agree with the last total on the counterfoils of the day shall be dealt with in the following manner:

(i) If the licence fees are received at the Municipal Office the cash

will be brought to account in the chitta and the general cash book and shall be remitted to the treasury in the usual way;

(ii) If the fees are received by a Licensing Officer appointed by the Council, he shall remit the cash after entering the details in a collection register to the Municipal Office.

(3) At the end of each month, the Licensing Officer shall examine his register of licences and shall, by issuing a demand notice or otherwise, take such action as may be within his power with regard to every person whose licence may have expired up-to-date and who has not taken out a fresh licence; or he may, if necessary, report the case to the Municipal Commissioner or Chief Officer as the case may be for orders. At the end of the year the Licensing Officer shall cause the details of all expired licences, if any, to be carried forward in the register of the following year.

**99. Licence to be granted in the name of licensee :-**

(1) Licences shall be granted exclusively in the name of the licensee and are not transferable. No licence shall be re-issued when its term has expired or be endorsed for a continuance of the term. At the expiry of the period for which a licence is granted, the licensee shall, if a licence is still required apply for a licence. The expired licence shall be stamped or endorsed as cancelled.

(2) The conditions, if any, under which a licence is granted shall be clearly intimated to the licensee when it is issued.

**100. List of licences taken out for the year :-**

At the close of the year, the balances due on account of all licences not taken out should be worked out in the half-yearly lists; and the items transferred to the next year's register then the amounts are recovered, the number of licences issued should be noted in the register.

**CHAPTER 6**

**Accounts of Other Revenues**

**101. Register of properties yielding revenue :-**

(1) The Municipal Council shall maintain a register in Form No. 41 of all revenue-yielding property (including trees) whether vested in it or placed under its management by Government.

(2) The Municipal Commissioner or Chief Officer shall periodically, but not less than once a year, cause the register to be examined,

and certify that the record is correct.

(3) The demand for rents of lands and buildings other than market fee, etc., shall be based on this register and shall be entered in the special demand register in Form No. 42. Rents include lease money and also the income from the letting out of municipal shops, etc. Separate sets of pages may be set apart for each class of revenue.

(4) If the collection of these rents is made through the agency of a tax or rent collector, the procedure prescribed for collection of building tax will mutatis mutandis apply to these collections also.

(5) If the demands are required to be paid at the Municipal Office then for each payment so made a receipt in Form No. I shall be issued signed by the Municipal Commissioner or Chief Officer or other authorised Officer. Immediately on receipt, the money shall be brought to account and posted in the relevant column of the demand and collection register. It shall be remitted to the treasury Section of the Municipal Council.

### **102. Revenue from sale of property :-**

When, any immoveable property recorded in the property register is sold, the necessary entry shall be made in the remarks column thereof. If the sale money is realised in one lump payment, it shall be brought into account direct in the general cash book. If the sale money is to be paid in instalments, the details of the instalments payable shall be entered in the demand and collection register (Form No. 42) under the signature of the Municipal Commissioner or Chief Officer as the case may be, when the amount is paid, the particulars of the payment shall be entered in the register and the cash received brought to account in the general cash book.

### **103. Revenue from market and slaughter houses :-**

(1) In the case of stallage or other rents of any Municipal Market or slaughter house, the accounting procedure for demand and collection of dues shall be the same as that prescribed for rents of buildings and lands with suitable modifications in the form of demand register.

(2) When fees are levied and collected departmentally they shall be recovered by means of receipts in carbon duplicate in Form 1 or face value tickets with foil and counterfoil in different colours for different rates. In the latter case, a stock account of the face value tickets shall be maintained in Form No. 44. The procedure



prescribed in Rule 95 for keeping the account shall apply in this case also.

(3) The daily remittances of collections made by the collecting officials shall be accompanied by a collection register showing in detail the number and value of each kind of ticket actually issued. The Shroff or Cashier or other person receiving collections shall pass an acknowledgment of such remittances in the collection register.

(4) A personal ledger account in Form No. 48 shall be opened in the name of each official entrusted with the collection of revenues by means of face value tickets. The account shall be debited with the number and value of each kind of tickets issued to each official and credited with the amount of his collections paid daily into the Municipal Office. The balances of tickets in his hand shall be struck at the end of every month. When any book has been completely exhausted, the counterfoils shall be sent to the Municipal Office for check with the actual credit.

#### **104. Forming out of market fees :-**

(1) When the dues are formed out, the rules laid down for the collection of toll by contract will, mutatis mutandis apply, the demand and collection being watched through a register in Form No. 42.

(2) When a Municipal Council collects fees for permission to set up shops and stalls at a fair, the fees shall be collected in the same manner as laid down for market fees.

(3) For recording transactions connected with miscellaneous sales effected from time to time of distrained property, road side trees, stores and materials, produce of lands and gardens, street sweepings, night soil, land, etc., a register in Form No. 49 shall be kept. Separate pages shall be set apart in this register for each class of sales according to the budget heads. A separate register may be maintained for recording sales of each department of the municipality.

#### **105. Slaughter houses :-**

(1) When the fees are not farmed, they shall be collected by the official appointed to be in charge of the slaughter house. He shall be given a locked cash box, the key of which will be in-charge of

the Officer appointed in this behalf and the official shall place in it without delay or reservation all fees as soon as they are recovered.

(2) When a fee is levied at so much per head on the cattle brought for slaughter, it shall be recovered by means of receipts in carbon duplicate in Form No. 1 or face value tickets with foil and counterfoil in different colours for different rates. In the latter case, a stock account of the face value tickets shall be maintained in Form No. 44. The procedure prescribed in Rule 95 for keeping the account shall apply in this case also.

(3) When the fees are farmed and the lease money is paid in a lump, it shall be brought to account in the miscellaneous challan register, chitta and the general cash book. If paid in instalments it shall be brought as a miscellaneous demand in accordance with the procedure laid down in Rule 106.

**106. Miscellaneous demands :-**

The recovery of demands otherwise not provided for in these rules and all other fixed recurring demands shall be watched through the demand register in Form No. 42 in columns 1 to 7 of which the demand shall be posted as they occur.

**CHAPTER 7**

**Public Works Accounts**

**107. Works Executed through the Public Works Department of Government :-**

Where works are executed through the agency of the Public Works Department of Government, they may consist of either (a) Deposit works or (b) Local Loan Works.

(a) In respect of deposit works the following accounting procedure shall be observed: The gross estimated expenditure of the work shall be paid to the Divisional Officer in one lumpsum. The amounts paid will be debited to "advance recoverable" in the municipal accounts in the first instance. The Accountant General will send to the municipality every month after the audit of the divisional accounts has been completed, a statement showing the outlay incurred during each month and up-to-date outlay on the works concerned. On receipt of this statement, the amount shown as spent during the month will be adjusted by credit to "advances" and debit to the service head concerned in the municipal accounts of the month then open. These works shall be treated as deposit works in the accounts of the Public Works Department and unspent

balances of completed works will be refunded to the municipality contributing, if claimed within three years of completion.

(b) The following accounting procedure shall be observed in respect of local Loan Works

(i) Where Loans are sanctioned by Government for the execution of water supply schemes, underground drainage, construction of markets, etc., the Municipal Council shall execute an agreement, agreeing to abide by the terms stipulated in the Government Order sanctioning the loan regarding repayment of principal and interest and forward the same to the Divisional Commissioner through the Deputy Commissioner along with a payee's receipt. The Divisional Commissioner will forward the same to the Accountant General who will issue a letter of advice to the Executive Engineer of the Public Works Division, then such an advice is issued by the Accountant General, the Executive Engineer will take action to execute the work and debit the expenditure against the allotment intimated by the Accountant General under "Q. Loans and Advances;"

(ii) On receipt of the copy of letter of advice of the Accountant General in the Municipal Office an entry shall be made in general cash book both on the receipt and payment sides in red ink to indicate that the loan has been received and that the same has been advanced to the Public Works Department for execution of the required work. Necessary entries shall be also made in the loan register and advance register;

(iii) The Accountant General will send to the Municipal Council every month after the audit of the accounts has been completed a statement showing the outlay incurred during each month and up to date upon the works concerned. On receipt of the statement the amount shown as spent during the month will be adjusted by debit to "works carried out by Public Works Department" and credit to "advances" in the municipal accounts of the month then open.

#### **108. Schedule of Rates :-**

Every Municipal Council shall maintain, a schedule of rates in Form No. 50 for items of work commonly executed by the municipality. They shall be based upon the schedule of rates of the Public Works Department in force during the year obtained from the Public Works Division in which the municipality is situated and passed annually by the Municipal Council in April of each year. It shall not be acted upon until it has been duly sanctioned by the Municipal

Council, a note of which fact should be made in the register itself at the end of the list of rates under the signature of the Municipal Commissioner or Chief Officer as the case may be. All changes in the rates during the currency of the year should likewise be sanctioned by the Municipal Council and the number and date of the resolution quoted in the remarks column against the items concerned under the initials of the Municipal Commissioner or Chief Officer as the case may be.

**109. Schedule of rates for metal supply (Metal Rate Book)**

**:-**

The schedule of rates shall also provide for rates for collection and carriage of metal on the different roads in the municipality in Form No. 51. The rates of carriage may be calculated according to the average distance of either the different parts of each road or of all the roads in each Division as may be considered convenient by the Municipal Council. The rates may be altered from time to time with the sanction of the Council in the same way as the rates for other articles in the schedule, as old quarries are exhausted and new ones are opened or the rates are otherwise affected.

**110. Data sheets to be worked out in certain cases :-**

(1) The rates provided in the estimates shall not exceed those in the schedule of rates. But if, from any cause, these are not considered sufficient, a detailed statement shall be prepared showing the manner in which the rates used in the estimates have been arrived at. If the rates are higher than what have hitherto sufficed, it will be necessary to supply detailed data in support of the rates proposed. If the rates are due to the higher prices of a stock, this must not only be stated, but sufficient details should be given proving the statement.

(2) In addition to the charge of 3 per cent for unforeseen contingencies, all incidental expenditure which can be foreseen, such as, compensation for or cost of land, sheds for workmen and stores, etc., shall be separately provided for in the estimates. The amount provided for unforeseen contingencies shall not be utilised except under the special sanction of the Municipal Council which should be given only when specific charges not provided for in the estimates are required to be met.

**111. Payment of works bills :-**

(1) The contractors' bills shall be prepared in Form No. 52 and shall

furnish full particulars of the work done so as to admit of the items being identified and checked by a comparison with the estimate.

(2) In municipalities where there is an Engineer the bill shall be checked by that Officer with the measurement book and other records and if in order, it shall be passed on to the Municipal Office for payment. In other cases mis check shall be exercised by the Chief Officer or other Officer duly authorised for this purpose.

(3) The final bill shall be distinctly marked as such and shall be checked by the Municipal Accountant and before payment with reference to connected documents (e.g. contract deed, sanctioned estimate and measurement book) and with reference to the corresponding entries in the register of works.

### **112. Payments to contractors :-**

(1) Payments to contractors and suppliers shall be made by means of cheques drawn in their favour.

(2) Every payment to a contractor shall be on account of some particular work and not on general account. No payments in anticipation of measurements shall be made to a contractor.

(3) No advances to contractors shall be made except when a contractor whose contract is for finished work requires an advance on the security of materials brought to site. In such cases, the Municipal Commissioner or Chief Officer as the case may be may sanction advances up to an amount of 75 per cent of the value of such materials provided they are of an imperishable nature and a formal agreement is drawn up with the contractor under which the municipality secures a lien on the materials and is safeguarded against losses due to the contractor postponing the execution of the work or to the shortage or misuse of materials and against the expenses entailed for their proper watch and safe custody

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### **113. Departmental labour :-**

(1) When work is done by daily labour the basis of the account will be the nominal muster roll in Form No. 53 which as a rule shall be kept separately for each gang of labourers for a week, fortnight or a month as may be found convenient.

(2) When works are executed departmentally the rates at which

such works are valued and paid for shall not exceed those allowed to contractors for similar class of works.

(3) The nominal muster roll shall be written up daily by the subordinate deputed for the purpose, before the labourers begin work.

(4) In opening the nominal muster roll, the work people shall be mustered in order and their names taken down according to their classes and rates or wages, the names of the higher paid men being entered first and so on down to the lowest class a little space should be left after each group of names to provide for the entry of the names of additional labourers who may be engaged before the close of the period for which the muster roll is kept.

(5) The daily presence or absence of each labourer may be denoted by the insertion of the letters 'P' or 'A' as the case may be against his name. The sum of figures brought out in the column "total" will represent the total number of days each labourer has been present.

(6) The muster roll shall be closed immediately after the close of the week or other period for which it is kept and the labourers paid as soon as possible.

(7) A report in Form No. 54 shall be submitted by the subordinate in-charge of the work every morning to the Engineer or the Municipal Commissioner or the Chief Officer showing the details of the labour employed. This report shall be used in the Engineer's and Accounts Section to check the muster roll when presented for payment. Labour employed daily as shown in these reports shall be test checked as often as practicable by the Engineer or the Municipal Commissioner or Chief Officer, who shall attest the musters in token of such check.

(8) When the muster is closed, the work turned out shall be measured and recorded in the muster roll in terms of items given in the sanctioned estimate. When the work turned out is not susceptible of detailed measurements such measurements may be made on the certificates of the Officer-in-charge of the work to the effect the work turned out is commensurate with the amount spent shown thereon.

(9) The paying Officer shall make the disbursements in the presence of the Engineer or Municipal Commissioner or Chief Officer, note the date of the payment and enter his initials,

opposite the name of each labourer paid. The disbursement certificate at foot of the nominal muster roll will then be signed by the Officer witnessing the disbursement.

#### **114. Register of Public Works :-**

(1) For every work undertaken by the municipality the estimated cost of which does not exceed Rs. 2,000 (Rupees two thousand) an account shall be kept in a register in Form No. 55.

(2) The accounts of all other works shall be kept in Form No. 56 in which the expenditure shall be recorded duly classified according to the several heads shown in the estimates. All items, the total estimated cost of which does not exceed Rs. 500 (Rupees five hundred) may, however, be grouped under one sub-head 'miscellaneous'.

(3) The quantity of work done and amount paid shall be recorded from the bills, as they are passed for payment. When a work is completed a double red line shall be drawn below the entries and the following note made in the register and duly dated: "Work completed and completion certificate furnished on....."

#### **115. Measurement of Works :-**

(1) All works executed by the Municipal Council shall be measured at least once in a month: Provided in the case of small works, however, the execution of which runs over only a few days, such works may be measured up and paid once for all after their completion and the agreements with the contractors shall provide for this when practicable.

(2) Check measurements of works shall ordinarily, be made as early as possible after their completion. In no case shall check measurements be delayed for more than a period of two weeks from the date of completion of the work.

#### **116. Measurement Books :-**

(1) All measurements of work done (whether by means of daily labour or by contract or materials received or issued) will be recorded in the measurement book in Form No. 57 to be kept by the overseer or other Officer deputed for the duty of periodically measuring the work.

(2) Outside each measurement book shall be noted the exact

period to which it appertains, thus "from 13th July to 18th December 1964," the earlier date being that in which it was completely filled in and returned to the Municipal Office.

(3) The pages of the book shall be machine numbered and no page shall on any account be torn out nor shall any entry be erased so as to be illegible. If a mistake be made it should be corrected by crossing the incorrect words or figures and the correction thus made should be initialled.

(4) The entries shall be recorded in the measurement book at the work spot indelibly in ink so as to render it difficult to tamper with or make unauthorised additions to or alterations in entries once made. When any measurements are cancelled, the cancellation must be supported by the dated initials of the Officer ordering the cancellations or by a reference to his orders initialled by the Officer who made the measurements, the reasons for the cancellation being also recorded. A reliable record is the object to be aimed at, as it may have to be produced as evidence in a Court of law.

(5) The situation of the work shall be clearly described so as to admit of easy identification and check and measurements should be written up and rendered complete by calculating quantities.

(6) From the measurement book all quantities shall be clearly traceable into the documents on which payments are made. No contractor's bill shall be signed without crossing off the connected entry in the measurement book, and the documents, on which payment is made, shall invariably bear a reference to the number and page of the book in which detailed measurements are recorded. Reference to bill number and date of payment should also be given in the measurement book.

#### **117. Custody of measurement books :-**

(1) All the measurement books should be numbered serially and shall be returned to the municipal office for record after completion.

(2) The Municipal Commissioner or Chief-Officer or the Engineer shall be responsible for seeing that measurement books are carefully kept and measurements are properly recorded and that they are complete records of each kind of work done for which certificates have been granted or muster rolls prepared.

#### **118. Stock book for stores :-**



Articles required in the execution of public works shall be purchased only on estimates sanctioned by the Municipal Council. All purchases made on account of stock and charges incidental to the same, such as railway fare, cartage, supervision, storage, contingencies, etc., relating thereto shall be debited under "Public Debt stock debits" and all issues therefrom shall be credited to the same head by debit to the works for which the issues were made and all cash received by the sale of such stock shall also be credited to the same head.

**119. Fixation of rates :-**

(1) At the end of each half-year rates shall be fixed for each item of stock and the issues made during the half-year-ensuing at these rates. At the end of the month, an abstract account showing the balance, the receipts, and the issues during the month and the closing balance under each item of stores in Form No. 58 shall be prepared for audit.

(2) The stock account shall be closed every half-year and the balances verified and certified by the Engineer or Municipal Commissioner or Chief Officer as the case may be.

(3) All surplus materials after the completion or abandonment of a work and all old materials of a work which is demolished shall be recorded in the stock account in Form No. 59 through which their subsequent disposal shall be watched.

**120. Accounts relating to maintenance of motor vehicles :-**

Where a Municipal Council maintains a motor vehicle:

(1) The vehicle shall be used only in the interest of municipal work and with the permission of the competent authority;

(2) The movement of each vehicle shall be recorded in a log book which should contain the details as indicated in Form No. 60.

(3) An account in Form No. 61 shall be maintained for quantities of petrol, oil, etc., purchased by the Municipal Council for the use of cars, lorries, etc., owned by it.

(4) All motor vehicles whether cars or lorries or vans, etc., maintained by the Municipality shall be insured only with the Karnataka Government Insurance Department, the expenditure therefor being met from out of the funds of the Municipal Council concerned.

### **121. Register of tools and plant :-**

(1) A register of tools and plant shall be maintained in Form No. 62 in suitable sections (i) Plant and Machinery (ii) Instruments and (iii) tools and petty miscellaneous articles.

(2) No entry shall be made in this register for the issue of articles on works done departmentally or by contract. Issues and returns of all articles shall be watched through a separate register in which the signatures of the persons concerned shall be obtained at the time of issue and return of the articles.

### **122. Government grants for public improvements :-**

Where Government grants for public improvements are received by a Municipal Council the accounts thereunder shall be maintained as follows:

(1) All works for the improvement of water supply for which Government grants are made shall ordinarily be executed by the Public Works Department of Government. In the case of works to be executed by the Municipal agency, the contribution of the Municipal Council together with the grant from Government should be formed into a fund earmarked for public improvements and be kept under a separate head in the accounts so as not to merge in the general balance of the Municipal Councils. An annual report of the expenditure incurred from such grants shall be submitted to Government.

(2) In regard to all works, the bills for drawing the Government grants shall be prepared by the Municipal Commissioner or Chief Officer as the case may be with details as noted below and get countersigned by the Deputy Commissioner before encashment at the treasury. In the case of works to be executed by the Municipal agency, the bill for drawing the grant shall not be prepared by the Municipal Commissioner or Chief Officer as the case may be, nor countersigned by the Deputy Commissioner, until the estimate for the work is sanctioned by the Competent Authority and is taken up for execution. In case of works to be executed by other than the Municipal agency this may be relaxed.

(1) Name of the work.

(2) Estimated cost.

(3) Number and date of the order and the name of the authority

sanctioning the estimate.

(4) The date of commencement of the work.

(5) Number and date of Government Order or other authority sanctioning the grant.

(6) Amount of grant sanctioned.

(3) The Municipal Commissioner or Chief Officer as the case may be shall in the case of works to be executed by the Municipal agency present the countersigned bill at the treasury with a challan for credit of the amount to the Municipal funds. The amount so received and credited in the treasury to Municipal funds shall be shown in the accounts of the Municipality under "Public Debt Public Improvement Fund". The contribution made by the Municipal Council shall also be credited simultaneously to that head by transfer adjustment by debit to "G. contribution for Public Improvement Fund" under Part I of the Budget Estimates.

(4) In the case of works to be executed otherwise than by the Municipal agency, the Municipal Commissioner or Chief Officer will present the countersigned bill at the treasury with a challan for payment by transfer credit to "Public Work Deposits" in the treasury accounts. The contribution payable by the Municipal Council also be simultaneously credited to the same head in the treasury by issue of a crossed cheque in favour of the treasury Officer. As it is necessary that the Municipal Council should watch the progress of work, these transactions shall be incorporated in their accounts by means of transfer entry by credit to "Public Debt-Public Improvement Fund" and debit to "Public Debt Advances recoverable". On receipt of the monthly statement of outlay incurred upon the work the amount shown therein as spent during the month may be adjusted by credit to "advances" and debit to "Public Improvement Fund" in the Municipal Accounts.

(5) At the end of each month, an extract from the above register shall be sent to the Controller on or before the 10th of the succeeding month. This extract shall be accompanied with a statement of improvement works in Form No. 64.

(6) In the remarks column of the extract relating to the month in which the grant is received from Government, the number and date of the order of the Deputy Commissioner sanctioning the grant shall be quoted. If the extract does not show contribution from Municipal

funds of an amount not less than that contributed by Government, a copy of the order of the Competent Authority waiving the contribution shall be attached or the circumstances under which the contribution was not adjusted explained.

(7) The rules relating to execution of municipal works shall apply to the works executed out of grants also. In the register of "Estimates" and register of "Public Works" required to be maintained, separate pages shall be allotted for the works carried out of the Public Improvement Fund and these shall not be mixed up with the ordinary Public Works of the Municipality.

#### CHAPTER 8

#### Establishment and Contingent Charges

#### **123. Sections of Establishment to be distinct :-**

For purposes of preparation of pay bills, departments or sections of establishment which are to be charged under different Major/Sub-heads shall be regarded as distinct departments, i.e., the collection department shall be treated for account purposes, as distinct from the conservancy or Engineering Department.

#### **124. Proposition statement :-**

Save as otherwise provided when a change in a sanctioned scale of establishment, permanent or temporary, is made or proposed, a proposition statement in Form No. 65 showing clearly its financial effect should be submitted with full explanation of the grounds of the change. If the change would affect only a section of the establishment, the numbers and cost of the other sections may be shown in totals without details, but full particulars shall be given for all sections in which any alteration is recommended.

#### **125. Scale Register :-**

(1) The whole establishment of the Municipality shall be recorded in a scale register in Form No. 66 in which every appointment shall be entered under the initials of the Municipal Commissioner or Chief Officer, a page or pages being allotted to the establishment chargeable to each item of the budget. Whenever any revision is made, the revised number of posts and scale of pay and allowances shall be noted in the columns provided for the purpose.

(2) Temporary establishment shall be recorded separately at the end of the space allotted for the permanent establishment and shall not be mixed up with it. The period for which the temporary

establishment is sanctioned and the order of sanction shall be distinctly specified in the scale register.

(3) All fixed recurring charges such as house rent allowance, conveyance allowance, leave and pension contribution, etc., shall be recorded on a separate page of the scale register.

**126. Pay of Establishment :-**

The Pay of the Establishment of a Municipal Council shall not be drawn or paid before the first working day of the month succeeding that during which it has been earned: <sup>1</sup> [Provided that when the first two days (including Sunday) of the Month succeeding happen to be public holidays, the pay of the establishment may be drawn and paid on the last working day of the month during which it has been earned.]

1. Proviso added by GSR 197, dated 11-6-1968 and shall be deemed to have come into force w.e.f. 15-2-1967

**127. Monthly combined pay bills and acquittance rolls :-**

(1) Pay bills for each department shall be prepared in Form No. 67 and signed by the Municipal Commissioner or Chief Officer or other Officer authorised by the Municipal Commissioner with the approval of the Municipal Council. They shall be divided into convenient sections and the totals worked out separately for each section.

(2) The details by names shall invariably be given in the bill in cases in which the incumbent is a subscriber to the Provident Fund.

(3) The pay bills of establishment shall be prepared as follows:

(a) The pay, charge and leave allowances, whether drawn or not, shall be entered in columns 3 to 6. Pay, officiating pay and leave salary not drawn but held over for future payment shall be entered in column 7 the reasons for doing so, being briefly noted in the remark column. When the amount is redrawn on a supplementary bill, reference to that bill shall be given in the original bill from which the charge was withheld or vice versa. Deductions on account of fines, provident fund, income-tax and other recoveries, if any, shall be distinctly specified and shall be shown in the columns provided for the purpose, and the net amount payable to each person shall be entered in Column 12.

(b) When salary is drawn for a broken period of the month, the reasons why this has been done the period for and the rate at

which it is drawn shall be distinctly entered in column 1 under the name of the incumbent.

(c) Officers absent on leave or on deputation or under suspension shall be clearly shown as such in the monthly pay bills and officiating arrangements that may have been made shall be noted.

(d) The pay of all temporary establishment shall be billed for separately in the same form, the sanction being quoted.

(e) The pay of labourers, workmen, etc., shall not be drawn in the regular pay bill form but only on muster rolls.

(f) Fixed travelling and conveyance allowances shall be drawn in the pay bill of the Officer or servant concerned and not on travelling allowance bills. To every bill for conveyance allowance, a certificate shall be attached that the conveyance was actually maintained in good order and used by the Officer or servant concerned during the month.

(g) To the first pay bill in which a periodical increment is drawn an increment certificate in Form No. 68 signed by the Competent Authority shall be appended.

(h) The total amount of income-tax deducted from pay bills shall be credited to Government.

(i) In claiming pay of new employees for the first month, the Municipal Commissioner or Chief Officer as the case may be shall certify that the physical fitness certificate issued by a Medical Officer has been produced by the employee.

(j) The combined pay bills and acquittance rolls shall be in bound books of hundred pages each.

(k) When the first three days of a month are public holidays on which payments are not made at the treasury, the establishment pay bills may be paid on the last working day before the said holidays with the sanction of the Municipal Council.

(l) Pay, officiating pay, leave salary and other emoluments may be drawn for the day of an official's death; the hour at which death takes place does not affect the claim.

#### **128. Arrears Bills :-**

Arrears of pay shall be drawn separately, the amount claimed for each month being entered separately with a quotation of the bill in

which the charge was omitted or withheld or on which it was refunded by deduction or of any special order granting a new allowance. Such bills can be paid at any time and may include as many items as are necessary. When arrears are paid, the number and date of the cheque and voucher shall be noted on the original bill in which the charge was withheld or omitted or in which it was refunded against the particular item, in order to prevent a second claim from being entertained. Payment of claims of Officers to arrears of pay or allowance or to increments which have been allowed to remain in abeyance for a period exceeding one year shall require sanction of the Municipal Council.

### **129. Supplemental Claims :-**

(1) All supplemental claims shall be verified thoroughly by the drawing Officer. Such claims shall be invariably noted in the original acquittance roll filed in their offices and a certificate in the following form shall be recorded by him, in addition to the non-payment certificate. "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."

(2) A note of the arrear bill shall invariably be made in the office copy of the bills for the period to which the claim pertains over the dated initials of the Municipal Commissioner or Chief Officer to the arrears bill in order to avoid the risk of the arrears being claimed over again.

### **130. Responsibility of Drawing Officer :-**

(1) The drawer of a bill shall be personally responsible for all moneys drawn as pay, leave salary, allowances, etc., on an establishment bill signed by him until he has paid them to persons concerned who are entitled to receive them and has obtained their dated acknowledgement duly stamped when necessary. These acknowledgements shall be taken as a rule in the acquittance roll.

(2) In cases where employees cannot themselves take payment at the office stamped and signed receipts shall be separately obtained from them, the signature of the agents being obtained on the letters or authority granted by the former.

(3) The acquittance roll shall be examined every month by the

Municipal Commissioner or Chief Officer or other Officer authorised by the Municipal Commissioner with the approval of the Municipal Council, who shall satisfy himself that proper receipts have been taken for all sums disbursed and that the amounts drawn on cheques and payments made have been posted in the general cash book:

Provided that it shall not be necessary to insist upon any acknowledgment of payment in respect of adjustment bills for nil amounts.

**131. Cheques to be drawn for net amount only :-**

Cheques in payment of establishment bills shall be drawn for the net amounts payable. When an establishment bill is paid by a cheque, a separate crossed cheque in favour of the treasury Officer shall be given for insurance premium, provident fund subscription, etc., payable by the establishment and the necessary statements attached thereto.

**132. Payment of claims of deceased Municipal Servant :-**

Pay, etc., due to and claimed on behalf of a deceased municipal servant may be paid without the production of the usual legal authority:

(1) to the extent of Rs. 500 (Rupees five hundred) under the order of the Municipal Commissioner or Chief Officer responsible for the payment after such enquiry into the right and title of the claimants as may be deemed sufficient and;

(2) above Rs. 500 (Rupees five hundred) under the orders of the Municipal Council on the execution of an indemnity bond with such surety or sureties, as it may require, if it is satisfied, after such enquiry as it may consider sufficient, about the right and title of the claimant and considers that undue delay and hardship would be caused by insisting on the production of such authority.

**133. Transfer of charge of Municipal Servants :-**

Where a municipality is divided into several departments such as Health, Engineering, Octroi, Revenue, etc., the head of each of which is a drawing Officer, no transfer of officials from one department to another without actual change as also no transfer of appointments resulting in the pay of officials being debited to department to which they have been transferred but in which they are not working shall be made.



#### **134. Advances on transfer of municipal servants :-**

(1) Advances may be made to a municipal servant under orders of transfer involving change of station up to an amount not exceeding one month's pay which he is in receipt of immediately before his transfer or the pay he is entitled to after the transfer whichever is less plus the travelling allowance to which he may be entitled under the rules in consequence of the transfer.

(2) Recovery towards advance of salary paid by a Municipal Council, local body or department of Government or vice versa shall be effected in cash at the time of disbursement of salary of the official concerned and remitted to the municipality, local body, department of Government which originally paid the advance by means of R.T.R. or Bank draft for being credited in the first two cases, to the funds of the local body concerned and to the credit of the head "advances" in the case of the last.

#### **135. Contributions :-**

(1) Amounts payable by a Municipal Council to Government shall be paid by cheques drawn in favour of the treasury Officer for adjustment in the treasury accounts by credit to the heads concerned by per contra debit to the accounts of the municipality. These payments shall in any case be made before the end of the year for which they are due.

(2) A register showing the several kinds of contributions payable by a municipality shall be maintained in Form No. 69.

(3) Simultaneously with the issue of crossed cheques for amounts due to Government and also for supplies and services made by Government Departments, the Municipal Council shall send intimation thereof containing full details, namely, (i) requisition number and date; (ii) Bill No. and date; (iii) nature of payment and (iv) period to which it relates, etc., to the concerned department of Government at whose instance crossed cheques are issued.

#### **136. Annual Return of establishment :-**

(1) Early in March of each year a detailed statement in two parts one for permanent establishment including officiating incumbents of permanent posts and the other covering all temporary establishments entitled to pension existing as on the 1st march shall be prepared in the Forms No. 70 and 71 and transmitted to

the Accountant General through the Controller as soon as possible and in any case not later than 15th May.

(2) A similar return in respect of non-pensionable employees shall also be prepared and forwarded to the Commissioner together with the annual return in respect of the pensionable employees referred to in sub-rule (1).

(3) The returns referred to in sub-rules (1) and (2) shall be prepared in the following manner, namely:

(i) The particulars (such as designation, pay, etc.) of all members of the establishment, holding permanent and temporary posts, whether on duty or absent or foreign service, leave or deputation or in temporary posts elsewhere or under suspension or in transit to another office shall be entered in the appropriate columns in Form No. 70, the particulars relating to pensionable and non-pensionable employees being shown separately.

(ii) The date of birth, of appointment to present post and of promotion to present pay of each person as well as the authority creating the posts shall be clearly entered in the appropriate columns of the return. The date of birth by Christian era shall be given. If the month and year are known but not the exact date, 16th of the month and if the year only is known the 1st July of the year shall be taken as the date of birth.

(iii) The return shall show accurately the sanctioned scale of permanent establishment and so will include every post, whether filled or not, and if a post be vacant, the word "Vacant" shall be set against it in the column "Name of incumbent". Post sanctioned but not filled shall be detailed at the foot of the return.

(iv) There shall be a separate return for each permanent establishment and not more than one establishment shall be exhibited on a single page.

(v) The names shall be entered in the order of sections of the establishment. There shall be a separate total for each section, and a grand total for the whole establishment.

(vi) (a) In column (1) of Form No. 70 the General orders shall be entered once only, and any other shall be entered against every entry which it supports.

(b) The date to be entered in column 7 shall be the date from

which the official has held the post continuously in an officiating, provisionally substantive or substantive capacity, as the case may be.

(c) Personal pay shall be shown on a separate line immediately below the entry of pay in Column 8, the orders of the Competent Authority, sanctioning it being quoted in Column 1.

(d) The columns of minimum or maximum pay of post shall be filled up only when the pay is progressive, i.e., rises from a minimum to a maximum by periodical increments.

(e) If the pay entered in Column 8 includes an increment allowed with effect from 1st March, the entry shall be checked with the increment certificate which would accompany the March establishment bill.

(vii) When the pay of an establishment or of an individual employee is met partly from local or other funds, the whole shall be shown in the return and the portion payable from each source specified in a foot-note.

(viii) The name of an employee officiating in a post and the amount of additional pay for officiating drawn by him need not be shown unless the additional pay for officiating counts for pension.

(ix) In the case of an establishment on a time scale of pay, the names of all officials not belonging permanently to the cadre but officiating in permanent posts or holding temporary posts shall be included with an indication of the nature of vacancies they fill.

(x) If the officiating incumbent holds a permanent post on another establishment the fact shall be stated and the entry shall be supported by a certificate.

(xi) Under the pension rules, service (either in full or half as the case may be) in a temporary post counts for pension, if such service is followed by a substantive appointment and an employee without a substantive appointment officiating in a post which is substantively vacant or the permanent incumbent of which does not draw any part of the pay or count service may if he is confirmed without interruption in his service, count his officiating service. As the annual establishment returns are intended for verification of service for pension and payment of pensionary contribution on behalf of the employee entitled to pension the

names of all temporary and officiating employees to whom the above rules apply shall be included in the return, in order that their service for pension can be Verified.

(xii) If an employee on the establishment has attained the age of compulsory retirement, the number and date of the order of the competent authority permitting his retention in service shall be quoted in a note at the foot of the return and the period for which retention has been authorised or for which leave beyond the age of compulsory retirement has been granted shall be mentioned. If no orders for his retention have been received, the number and date of the retention have been received the number and date of the application for sanction to his retention shall be noted.

(xiii) A detailed statement shall be furnished in Form No. 71 showing relevant particulars of the names which did not appear in the return of the previous year and those which appeared in the return of the previous year but are now omitted, as well as the names of employees who are on leave or under suspension during the previous year. Note 1 If an employee was transferred more than once in the preceding year, the name of each office and post in which he was employed during the year shall be mentioned with dates in Column 2 of the statement.

(xiv) When the statement is completed as indicated above and before it is despatched to the appropriate authorities the entries in the returns shall be carefully checked with the service books so as to ensure the accuracy of the return, to facilitate the verification of pension claims as well as contributions towards pension. The Municipal Commissioner or Chief Officer shall also satisfy himself of the correctness of the entries in the return with reference from the service books and shall record the following certificate on the return: "Certified that I have satisfied myself of the correctness of the entries in this return by personally checking a few items in it with the service books."

### **137. Contingent Expenditure :-**

All Contingent expenditure including charges other than those for establishment and travelling allowance, shall be drawn in a bill in Form No. 72.

### **138. Permanent advance :-**

**1**

(1) To an Officer whose duties cause him to incur petty expenses

which require to be paid at once before money can be obtained from the treasury on a regular bill, a suitable amount of permanent advance shall be sanctioned in consultation with the Controller, State Accounts Department by the Deputy Commissioner in the case of Town Municipal Councils and Notified Area Committees and the Divisional Commissioner in the case of City Municipal Council. The Chief Officer or Municipal Commissioner shall be responsible for the safe custody of this amount and he shall at all times be ready to purchase the total amount of the advance in vouchers or in cash or both. The sum to be allowed shall be fixed on the supposition that recoupment will be made atleast once a month, if not often.]

(2) A register of permanent advances will be maintained in Form No. 73.

(3) A portion of a permanent advance shall never be refunded. If it is desired either to increase or decrease the amount of the advance, it shall be refunded in full and the revised advance drawn.

(4) A permanent advance shall not be multiplied and an Officer having subordinates who require petty sums may spare a small portion of his own advance for their use than apply for separate advances for them, taking acknowledgments of them in the same form as he himself furnishes, and retaining them in his office.

(5) Each Officer holding a permanent advance shall keep a permanent advance account or contingent register in Form No. 74 in Columns 1 to 5 of which shall be entered the items of expenditure from the advance as they occur. The headings of the columns shall follow the heads of the budget or the monthly account.

(6) When the cash in hand is running low, the advance shall be recouped as follows: A line shall be ruled over the page of the permanent advance account, the several columns shall be added up, and the total posted into a contingent bill in Form No. 72. The bill, supported by vouchers, shall be laid before the Officer responsible for the permanent advance, who shall compare the entries in the bill with the permanent advance account, initial the grand total given therein, and sign the bill.

(7) The holder of a permanent advance shall on first receiving it and thereafter on the 1st April of each year, sign an acknowledgment for the full amount in the following manner and forward the same to the Controller for reference: "I hereby

acknowledge that the amount of Rs.....being the permanent advance of.....Municipal Council is due from and has to be accounted for by me."

(8) The acknowledgment shall always be for the full sanctioned amount. On transfer of charge of office, a similar acknowledgment for the full amount shall be signed by the relieving Officer and the same forwarded to the Controller.

1. Sub-rule (1) substituted by GSR 373, dated 18-10-1976

### **139. Stamp Accounts :-**

(1) Postage Stamps A stamp account showing the purchases and issues of stamps shall be maintained in Form No. 75. The balance of stamps on hand shall be verified once a month by an Officer duly authorised who shall make a note of such verification in the register under his signature.

(2) Revenue stamps.

(i) The revenue receipt stamps required for the use of a Municipal Council may be purchased at convenient periodical intervals from any post office or Government Treasury. The money required for the purchase of the stamps shall be paid out of the Municipal Funds in cash.

(ii) The revenue receipt stamps purchased shall be taken to stock as soon as they are received in the Municipal Office and entered in the revenue receipt stamps account register in Form No. 76 and accounted for from day to day. The revenue receipt stamps shall be treated as cash for purposes of safe custody and accountal.

(iii) The stock of revenue receipt stamps on hand shall be checked with reference to the revenue receipt stamps account register at least once a month by the Municipal Commissioner or Chief Officer. Besides, whenever the cash balance of the Municipal Office is checked by any inspecting Officer, the stock of revenue receipt stamps shall also be produced before the Officer for being checked with reference to the revenue receipt stamps account register.

### **140. Stationery :-**

A stationery account shall be maintained in Form No. 77 to show the actual stock on hand, the actual receipts and consumption and the balances. The receipts shall be entered in red ink and issues in black ink. The issues shall be acknowledged in the register under

the initials of the Officer supplied. Balances shall be struck at the end of each year and verified with the actual stock by a responsible Officer who should certify to the verification in the register.

#### CHAPTER 9

##### Debt Heads

### **141. Advances :-**

(1) An account of advances shall be maintained in a Register in Form No. 78. Whenever advances other than permanent advances are made under the special orders of the Municipal Council or of the Government, the transactions may be recorded in this register and the recoveries watched. All the balances outstanding at the end of the previous year may be first entered in it and then each advance made during the year shall be entered as soon as it is made. The total of the advances made during every month, as shown in this register, shall be agreed with the corresponding total shown in the monthly abstract and in the plus and minus memo of Debt Head balances and the entry in the Advance Register shall be initialled by the Municipal Commissioner or Chief Officer as the case may be, in token of such agreement. When an advance is recovered in cash or adjusted by deduction from bill or transfer adjustment the amount shall be noted against the original advance in the column for the month in which the recovery or adjustment is made. The monthly columns for recoveries should be totalled at the end of the month and the total agreed with the corresponding credit under advances in the monthly account. The register shall be balanced at the end of the year and details of outstanding balances carried forwarded to the next year.

(2)

(a) When there is change in incumbancy in the office, the outgoing and the incoming Officers shall examine the register and attest it.

(b) Advances shall only be made on proper authority. When so made, they shall be recovered or adjusted within a period of three months, unless the authority sanctioning the advance orders otherwise.

(c) The payment of advances for the purchase of conveyance, purchase of a ready built house or constructing a new house, etc., shall be in accordance with the rules issued separately for this purpose.

## **142. Deposits :-**

(1) A register of all deposits paid to the Municipality in cash shall be maintained in Form No. 79. Separate sets of pages may, if necessary, be set apart for each of the following classes of deposits.

(i) Deposits by renters, i.e., those who farm out municipal revenue;

(ii) Deposits by contractors, i.e., those who undertake to execute any work for the municipality;

(iii) Sale proceeds of impounded cattle;

(iv) Other deposits.

(2)

(i) No sums shall be credited in the deposit register which may be carried to any other head of account.

(ii) Earnest money deposit by intending bidders at an auction sale may not be brought on the municipal deposit account except in the case of successful bidders. They shall, however, be shown in the general cash book and refunded immediately the auctions are closed and the acknowledgment of the depositors obtained in the statement of the earnest money deposits prepared at the time of auction. Should it, however, be found not possible to refund any of the amounts on the day of auction, they shall be brought on the Municipal Deposit account under 'other deposits'.

(iii) Deposits made by the renters of tolls, etc., and by private parties for the execution of works for which they are liable, not being returnable to the parties concerned shall be credited to the Municipal fund as soon as they are received. But deposits paid by renters towards the end of a year on account of the next official year shall be placed in deposit and credited by transfer entries to the revenue head concerned only after the commencement of the year to which they relate.

(iv) Pay or allowances shall not be placed in deposit on the ground of the absence of the payee or for any other reasons.

(3) Each part of the register shall indicate the details of the previous year's outstanding balances as shown in the previous year's register. The deposits received during the year shall then be entered in the proper part as such transaction occurs. At the end of the month, a total of the deposits received during the month, shall



be made and the total reconciled with the corresponding figure in the monthly classified abstract and initialled by the Municipal Commissioner or Chief Officer as the case may be. Repayments in cash or by transfer shall be noted against the original credit in the column for the month in which the refund is made, and a total of the postings shall be made at the end of the month and agreed with the corresponding figures in the classified abstracts. A plus and minus memo of deposits showing the opening balance, total receipts and expenditure and closing balance of deposits shall also be prepared every month.

#### **143. Refund of deposit :-**

(1) Refund of deposit in cash shall be made on vouchers in Form No. 80 and shall be passed for payment only when the Municipal Commissioner or Chief Officer has satisfied himself by a reference to the deposit register and the Accountant has certified that the deposit is actually outstanding in token of which he shall set his initials to the entry on the payment side of the register.

(2) The transfer of deposit to the proper service head of municipal accounts, shall be made as follows As the transfer of amounts from deposits to the proper head is a transaction within municipal accounts and in no ways affects treasury balances and accounts, it shall be made by simple book transfers and not by drawing money from and remitting it again to treasury. There shall be a voucher in support of debit to deposits; and the voucher shall be in the same form as for cash payments and be signed by the Municipal Commissioner or Chief Officer. The Head to which the amount is transferred shall be noted in red ink on the voucher. The payment may be noted in the deposit register maintained in the Municipal Office and both debit and credit in the general cash book under the respective heads. For the purpose of distinguishing these book adjustments from cash transactions the entries on this account shall be made in red ink.

#### **144. Lapse of deposits :-**

(1) The deposits balance shall not be drawn upon to meet charges debitable to the general revenues of the municipality, provided that in the following cases, the amounts of unclaimed deposits shall lapse at the close of March of each year, and be credited to the Municipal fund under the head "E. Miscellaneous-(1) lapsed deposits" under Part I of the Budget estimates:

(i) Deposits not exceeding one rupee unclaimed for one whole account year.

(ii) Balances not exceeding one rupee of deposits partly repaid during the year closing.

(iii) Deposits remaining unclaimed for three complete account years after their refunds have fallen due. Refund of lapsed deposit when made from the general balance shall be noted against the original entry of lapse in the deposit register.

(2) In April of each year all the outstanding balances, which are not to lapse to the benefit of the Municipal Fund shall be transferred to the next year's register and when a claim for refunds is preferred and the payment of deposit is made, the fact shall be noted also in the register of that year in which the item was credited to the Municipal Fund so as to guard against a second repayment.

#### **145. Security Deposits :-**

A Municipal Council shall maintain a separate register in Form No. 81 of all securities and other deposits furnished by municipal employees, otherwise than in cash, viz., Deposit in Savings Bank Government pronotes, Municipal and other debentures. 146. Investments. A register of securities, Government or otherwise held by the Municipal Council as its property shall be maintained in Form No. 82 showing all investments belonging to the Municipal Council, the purpose for which each is held being stated in the column provided for the purpose and the orders of Government if any, being quoted against each. No investment shall be written off this register unless disposed of absolutely by sale or otherwise. (2) The register shall also indicate interest due and the realisations on account of it from time to time, care being taken to see that the amounts due are realised on due dates and that there are no outstandings.

#### **147. Monthly statement :-**

A plus and minus memo of debt head balances showing the opening balance, receipts of the month, total payments and closing balance for each debt head shall be prepared and agreed with the monthly accounts and the respective subsidiary registers and appended to the monthly accounts to be sent to the Controller, every month.

#### **148. Loans :-**

(i) All loans received by the Municipal Council from Government shall be recorded each on a separate page in a register of loans in Form No.83 each instalment of the loan as it is taken being recorded in column 5 and each entry in the register being attested by the Municipal Commissioner or Chief Officer.

(ii)

(a) Where a loan is raised in the open market and is repayable by means of a sinking fund, a separate account shall be maintained in Form No. 84. Payments shall be made into the sinking fund, as soon as they fall due and the balance shall be invested in public securities. The adequacy of the sinking fund shall be watched and certified every year.

(b) A separate cash book in Form No. 85 showing on the receipt side the opening balance, if any, the annual instalment, interest on instalments, etc., and on the payment side the cost of the purchase, purpose of securities and other payments shall be maintained.

#### **149. Transactions relating to Public Improvement :-**

All transactions relating to Public Improvements referred to in Rule 122 will be exhibited under the Debt Head "Public Improvement Fund" in Part III of the Budget estimates.

#### **CHAPTER 10**

#### **Miscellaneous**

#### **150. Appropriation register of loans, endowments and other funds :-**

An appropriation register shall be maintained in Form No. 86 in respect of funds raised by a loan or special contributions or endowments. The receipts and payments shall be posted from the classified abstract as soon as it has been posted for the month. Without the sanction of Government previously obtained, no portion of such funds shall be appropriated even temporarily, to any object other than that for which they have been raised. Separate pages or sets of pages should be set apart for each endowment of fund. There shall be an abstract at the beginning of this register showing the monthly closing balance of each fund.

#### **151. Stock book of forms :-**

(1) The forms receipt books and cheque books prescribed under the Act or the rules or bye-law, shall be printed in the Government

Press or in a press approved by the Director of Printing and Stationery when printing in the Government press is not possible. The forms, receipt books and cheque books shall be supplied by the Director of Printing, Stationery and Publications, Government Press upon requisition from the Municipal Commissioner or Chief Officer. A stock book in Form No. 87 shall be maintained for all forms. If there are different sizes of the same kind of book separate pages should be used for each size. The Municipal Commissioner or Chief Officer shall be responsible for the correct maintenance of the stock book, the balance of forms on hand shall be verified annually by the Officer appointed by the Municipal Council to check the Municipal stock who should record a certificate of correctness or otherwise over his dated signature.

(2) The Municipal Commissioner or Chief Officer or other Officer responsible for the stocking and distribution of receipts and cheque books shall forward to the Director of Printing, Stationery and Publications by about the middle of November of each year an indent for the number of books required during the succeeding official year, a reserve stock of books which will last for at least a year shall as far as possible, however, be maintained by the Municipal Council.

### **152. Receipt Books :-**

Receipt books shall, on receipt immediately in the municipal Office, be counted, numbered and entered in the stock book of forms. Each receipt book shall at the time be serially numbered and paged and a Certificate of the number of pages each book contains shall be furnished in each book and signed by the Municipal Commissioner or Chief Officer or other Officer duly authorised in this behalf. The issue of receipt books shall be in order of their numbers and the signature of the receiver obtained in the stock register. No fresh book should be issued before the previous one is completely exhausted and returned to the Municipal Office. Each page of every copy of all kinds of receipt books, tickets, etc., shall be impressed with the common seal of the Municipal Council before issue from the stock of books of the Municipal Office.

### **153. Lapse of Sanction :-**

(1) A sanction for any fresh charge which has not been acted upon for a year shall be held to have lapsed unless it is specifically renewed by the authority which originally sanctioned the charge.

(2) When in the order sanctioning a temporary establishment the period for which it should be retained is not specified, sanction to it shall be considered to terminate at the end of the official year in which it is accorded.

**154. Facsimile stamp and Councils seal :-**

The facsimile stamp shall be kept in the personal custody of the Officer whose signature it represents and shall never be used except in his presence and actually within his sight. The Municipal Council's common seal shall also be kept in the personal custody of the Municipal Commissioner or Chief Officer as the case may be and shall be only used in his presence.

**155. Registration of free grant of sites :-**

The Municipal Council shall maintain a register showing the detailed particulars of grant with the number and date of Government Order sanctioning the same and shall be examined periodically to see whether the object of the grant is fulfilled within a stipulated time. Mutchalikas obtained from the grantees shall also be preserved in safe custody permanently.

**156. Miscellaneous accounts :-**

Subject to the rules made in this behalf under the relevant enactments the Municipal Council shall maintain the accounts in respect of the following receipts as follows:

(i)

(a) The accounts of cattle pounds in respect of registration, receipt, release, sale and disposal of sale proceeds shall be maintained in Forms 88 to 92.

(b) At such times as may be fixed by the Municipal Council, the pound keeper shall remit his collections to the Municipal Office with a challan in duplicate. The duplicate duly receipted shall be returned to the pound keeper for his record.

(c) If the Municipal Council purchases grass for feeding impounded cattle, the pound keeper shall maintain a stock account showing (1) the stock of grass on hand, (2) the stock purchased from time to time, (3) the quantity issued from day-to-day in accordance with the prescribed scale, and (4) the balance. If the feeding of the cattle is entrusted to the pound keeper himself, he shall appropriate the whole of the feeding charges collected in accordance with the sanctioned rates. In the latter case, the pound

keeper shall deduct the feeding charges from the total collections and remit the balance to the Municipal Council.

(d) The surplus sale proceeds of impounded cattle shall, in the first instance be credited to deposits in the municipal accounts, the necessary entries being made in the register of deposits.

(e) When a claim is preferred under the Cattle Trespass Act for any sum credited as net surplus sale proceeds of unclaimed cattle, the original credit shall be traced in the deposit register. If on investigation, the claim is established, the amount payable shall be paid under the written orders of the Competent Authority and the payment shall be brought to account direct in the general cash book, the payment being noted in the Deposit Register against the original entry.

(f) The surplus sale proceeds remaining unclaimed for more than three months shall be adjusted by credit to "cattle pound receipts" and debit to "deposits". These receipts shall be entered in the general cash book as well as in the collection register to the account of the pound concerned.

(ii) Where the Municipal Council recovers royalty on stones, ballast, gravel, jelly, sand, kankar and bricks from the contractors on the work bills passed for payment at the prescribed rates, an account in Form No. 93 shall be maintained and credited to Government under the head of account "IX-Land Revenue-(i) Miscellaneous, Royalty" at the end of each month. Recoveries of royalty and remittance to Government shall be exhibited separately in the Municipal Accounts under Part III of the Budget estimates.

(iii)

(a) Collections of education cess for each month shall be credited to the head "Education Cess" under Part III of the Budget Estimates in the municipal accounts and paid, debiting it to the same head, by means of a crossed cheque into the Government Treasury with which the Municipal Council has a current account on or before the 4th of the subsequent month to the credit of the head "XXII-Education F (j) Miscellaneous-4 Miscellaneous-Education Cess on (iii) Municipal Revenue".

(b) After crediting the amount into the treasury the Municipal Commissioner or Chief Officer shall forward to the Director of Public Instruction a bill for collection charges; on receipt of the same from

the Director of Public Instruction after counter-signature the same shall be presented to the treasury which will credit the amount of the bill to the Municipal Funds and debit the same to the detailed head under "28-Education E-FX-V Miscellaneous-17 Charges payable to local bodies for collection of education cess" in the treasury accounts. The collection charges so adjusted shall be credited to the Municipal Funds under the head "E. Miscellaneous" under Part I of the Budget Estimates.

(iv)

(a) Collections of Health Cess for each month shall be credited to the head "Health Cess" under Part III of the Budget Estimates in the municipal accounts and paid, debiting it to the same head, by means of a crossed cheque into the Government treasury with which the Municipal Council has a current account, on or before the 4th of the subsequent month to the credit of the head "XXIV Public Health (e) Miscellaneous (i) Health Cess".

(b) After crediting the amount into the treasury, the Municipal Commissioner or Chief Officer shall forward to the Director of Public Health, a bill for collection charges; on receipt of the same from the Director of Public Health, after counter-signature the same shall be presented to the treasury which will credit the amount of the bill to the Municipal Fund and debit the same to the detailed head under "30 Public Health Establishment E Health Cess Collection charges" in the treasury Accounts. The collection Charges so adjusted shall be credited to the Municipal Funds under the head "E. Miscellaneous" in Part I of the Budget Estimates.

(v) The Municipal Council shall forward a monthly statement of demand, collection and balance of Education Cess and Health Cess to the Director of Public Instruction and to the Director of Public Health on or before the 15 of the month following to which it relates in Form No. 94.