

## **KARNATAKA PANCHAYAT RAJ (GRAMA PANCHAYATS ACCOUNTS AND BUDGET) RULES, 1995**

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## **KARNATAKA PANCHAYAT RAJ (GRAMA PANCHAYATS ACCOUNTS AND BUDGET) RULES, 1995**

Whereas the draft of the Karnataka Panchayat Raj (Grama Panchayats Accounts and Budget) Rules 1995 in Notification No. RDP 612 ZPS 95, dated 8-3-1995 was published in Part IV, Section 2-C(i) of the Karnataka Gazette, Extraordinary, dated 8-8-1995 as required by sub-section of Section 311 of the Karnataka Panchayat Raj Act, 1993 (Karnataka Act, 1993 (Karnataka Act No. 14 of 1993)) inviting objections and suggestions to the said draft, from persons likely to be affected thereto within 30 days of the publications in the Official Gazette. And, whereas, no objections or suggestions have been received by the State Government in respect of the said draft. Now, therefore, in exercise of the powers conferred by Section 213, 241, 243 and 244 of the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993) read with Section 311 of the said Act, the Government of Karnataka, hereby makes the following rules namely.-

### CHAPTER 1 Preliminary

#### **1. Title and commencement :-**

(1) These rules may be called the Karnataka Panchayat Raj (Grama Panchayats Accounts and Budget) Rules, 1995.

(2) They shall come into force at once.

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

In these rules, unless the context otherwise requires

(i) "Act" means the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993);

(ii) "Auditor" means an officer authorised by the Controller of State Accounts under S.246 of the Karnataka Panchayat Raj Act, 1993;

(iii) "Bank" means the Bank to which Government Treasury business is entrusted including a Scheduled Bank or a Co-operative Bank situated in the Panchayat area or the neighbouring Panchayat area, in which the funds of the Grama Panchayat are kept with the approval of the Executive Officer under sub-section (3) of S.212 of

the karnataka panchyat raj act, 1994;

(iv) "Chief Accounts Officer" means the Chief Accounts Officer of the Zilla Panchayat appointed by the Government under sub-section (2) of S.196 of the karnataka panchyat raj act, 1993;

(v) "Committee" means a committee constituted by the Grama Panchayat under S.61 of the Karnataka Panchayat Raj Act, 1993;

(vi) "Contingent charges" means expenditure which is incidental to the working of the office and includes expenditure on furniture, books, periodicals, postage and telegrams, bicycles, electric charges, clearing charges, freight charges and all miscellaneous charges other than those that fall under any other head of expenditure like "Establishment", "Travelling Allowances", "Works", "Stock" and "Tools and Plant";

(vii) "Financial Year" or "Year" means a year commencing on the First day of April and ending with the 31st day of March of the succeeding year;

(viii) "Form" means a form appended to these rules;

(ix) "Fund" means the Grama Panchayat Fund as defined under S.212 of the Karnataka Panchayat Raj Act, 1993;

(x) "Local Audit Circle" means the office of the Assistant Controller, Local Audit Circle of the State Accounts Department within whose jurisdiction the Grama Panchayat is situated;

(xi) "Section" means a section of the Act;

(xii) "Temporary Establishment" means an establishment which is employed for a limited period;

(xiii) "Treasury" means a Government Treasury and includes a Bank carrying on cash transactions of such Treasury.

## CHAPTER 2

### General Provisions

#### **3. Separate Accounts for each financial year :-**

Accounts shall be maintained in every Grama Panchayat separately for each financial year.

#### **4. Transaction relating to a closed Holiday :-**

If, on a date provided under these rules for an act, proceeding or transaction, the Grama Panchayat office is closed on account of a

holiday, such act, proceeding or transaction shall be deemed to be duly done or taken, if it is done or taken on the next working day.

#### **5. Page Numbering of books and Registers :-**

The pages in the account books and registers excluding receipt books, bill and cash books shall be serially numbered and cash page sealed with the seal of Grama Panchayat unless they are printed registers or forms and their pages are machine numbered at the press itself. In respect of receipt, bill and cash books, only printed books having their pages machine numbered at the press itself shall be used. Before such a book or register is taken up for use, the number of pages that it contains shall be certified in writing on the first page by the Secretary, under his dated signature after actual count.

#### **6. Corrections in Accounts :-**

Every correction or alteration in accounts shall be made neatly in red ink and attested by the dated initials of the Secretary, a single line being drawn through the original entry to be corrected. 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 pay orders shall be similarly attested by the officer signing them. Erasures are strictly forbidden and no document containing erasure shall be accepted.

#### **7. Accounts at the Treasury :-**

The account of the Grama Panchayat fund at the Treasury is governed by the provisions of Chapter XVII of the Karnataka Financial Code and Article 222 of the Karnataka Treasury Code. This account which shall be a mere banking account shall be operated upon by the Adhyaksha and the Secretary of the Grama Panchayat after they have been placed in account with the concerned Treasury by the Accountant General, Karnataka. However, the Executive Officer may permit the Grama Panchayat to keep its funds in a Scheduled Bank or Co-operative Bank situated in the Panchayat area or the neighbouring Panchayat area, instead of at the Treasury.

#### **8. Intimation of opening of account and issue of cheque book to be sent to Executive Officer :-**

Once a Treasury or Bank account has been opened, and subsequently whenever a new cheque book is issued, the concerned officer of the Grama Panchayat shall forthwith intimate these facts to the Executive Officer together with necessary details

like the Account No., cheque book No., cheque Nos. etc.

#### **9. Procedure regarding cheque books :-**

Cheque books shall be obtained by the Grama Panchayat, only from the Treasury or Bank as the case may be, with which the Grama Panchayat has been placed in account. Only cheque books with counterfoils shall be issued by the Treasury/Bank. Cheque books on receipt should be carefully examined by the Secretary who should count the number of leaves contained in each book and record a certificate of count on the fly leaf. Whenever a new cheque book is brought into use, a suitable intimation of this fact shall be sent immediately to the Executive Officer and the Treasury/Bank by the Secretary. A stock account of cheque books shall be kept in Form No. 31. Counterfoils of used cheque books shall be kept in safe custody by the Secretary and produced for audit or inspection whenever required.

#### **10. Drawing of cheques :-**

No money shall be paid from the Grama Panchayat fund except on a cheque drawn on the Treasury or Bank, as the case may be and duly signed by the Adhyaksha and the Secretary. As a rule, no cheque should be drawn unless it is intended to be delivered immediately in payment of a claim or the proceeds thereof are intended for immediate disbursement by the Grama Panchayat. All payments to contractors, suppliers and other parties shall be made only through cheques drawn in their favour. Payments of sums less than Rs.25 in each case except when such payments have to be made in compliance with any law or a rule having the force of a law, shall, however, be made in cash from the permanent advance. The amount so paid in cash shall be recouped by a self-cheque drawn on the Treasury or the Bank, as the case may be.

#### **11. Currency of cheque and renewal of cheque :-**

No Treasury or Bank shall honour a cheque presented for encashment after the expiry of the period of its validity unless it is renewed by the Adhyaksha and the Secretary. Renewal of a cheque shall be noted in the general cash book against the original entry.

#### **12. Cancellation of cheque :-**

When a cheque is cancelled, the fact of cancellation shall be noted in the general cash book and also on the counterfoil and the original cheque. The cancelled cheque shall be filed with its counterfoil. The relative pay orders on the bills shall also be simultaneously cancelled

**13. Entries to be made after cancellation of cheque :-**

If a cheque is cancelled before the general cash book is closed for the day on which the cheque was issued, the entries in the cash book, the bill and other connected records shall be struck out in red ink under the initials of the Adhyaksha. If the cheque is cancelled after the general cash book has been closed, the amount of the cheque shall be adjusted by reverse entries in the cash book with a suitable note. The fact of cancellation of the cheque shall also be noted on the bill and other connected records.

**14. Loss of cheque :-**

If a cheque is lost or destroyed before payment, an intimation of the fact shall be given at once to the Treasury or Bank with a request that payment of the cheque may be stopped and after ascertaining from the Treasury or Bank that the cheque has not been cashed and on getting an assurance that it will not be cashed if presented thereafter, a fresh cheque may be issued in lieu of the cheque lost or destroyed. The number and date of the fresh cheque shall be quoted against the relevant entries in the general cash book, bill, register and other connected records.

**15. Accounting of receipts and expenditure and remittances to Bank :-**

All money transactions to which Grama Panchayat is a party shall without reservation be brought to account. All receipts shall be credited to the Fund in the Treasury/Bank without undue delay. No moneys pertaining to the Grama Panchayat Fund, with the exception of authorised advances and amounts remaining undisbursed out of the cheques already drawn and encashed, shall be kept apart from the general balance of the Grama Panchayat. No portion of the receipts shall on any account be kept back or appropriated directly for current expenditure. All moneys required for expenditure of whatever nature shall be drawn by the Grama Panchayat from the Fund in the Treasury Bank in accordance with the procedure laid down in these rules: Provided that in the case of Grama Panchayats which are at a distance of more than 5 kilometres from the nearest Treasury or Bank, remittances may be made once in a week if the total amount unremitted does not exceed Rs. 1,000 at any time.

**16. Receipts for Moneys received :-**

All moneys received on behalf of the Grama Panchayat shall be acknowledged by a receipt in carbon duplicate (using a double side



carbon paper) in Form 1 duly signed by the Secretary or any other person authorised by the Grama Panchayat in this behalf. The carbon copy of the receipt shall be given to the party making the payment. Note: Only printed forms of receipts having their pages machine numbered at the printing press should be used. Use of manuscript forms of receipts is strictly prohibited.

**17. Receipts for cheques received in payment of dues :-**

When amounts due to the Grama Panchayat are paid by received parties by means of cheques, only an acknowledgment for the receipt of the cheques in Form 2 shall be given to them. A final receipt for the net amount realised shall be given in Form 1 after the cheque is realised and the amount realised is entered in the General Cash Book. In order to keep a record that all cheques received in payment of Grama Panchayat dues are dealt with promptly and systematically, they shall be entered in a Register of Cheques Received in Form 3. This register shall be scrutinised every month by the Secretary.

**18. Stamping of Receipts :-**

If the amount of the receipt given under Rule 16 or Rule 17 exceeds rupees five hundred, the receipt shall be duly stamped, except when the receipts are granted to a Government Department for money paid by it to the Grama Panchayat.

**19. Loss of original receipt :-**

No duplicate copy of the receipt granted for money received, or bill or other documents for the issue of which money has already been paid, shall be issued on the ground that the original has been lost. If any necessity arises for proof of such receipt or payment, a certificate may be given that on a specified day, a certain sum, on a certain account was received from or paid to a certain person. This does not prevent a certified copy of a public document being granted.

**20. Payments to be supported by Bill or Voucher :-**

Every payment charged to the Grama Panchayat Fund shall be supported by a Bill or Voucher and shall bear an order to pay the specified amount which shall be expressed both in figures and words. Every such order to pay shall be signed by the Adhyaksha and the Secretary, after it has been approved by the Competent Authority, as required by these rules. An endorsement of payment shall be made on every bill noting the number and date of the cheque in which the claim has been paid and the same shall be

attested by the Adhyaksha and the Secretary.

**21. Bills and Vouchers :-**

Every bill and voucher shall be prepared and signed in ink. The amount of the bill or the voucher shall be written in words as well as in figures, the word "only" being added at the end of the amount written in words. Illustrations.-

(1) A claim for Rupees Five hundred and paise eight should be expressed as "Rs. 500.08" in figures and "Rupees Five hundred and paise eight only" in words.

(2) A claim for Rupees Seventy-five should be expressed as "Rs. 75.00" in figures and as "Rupees Seventy-five only" in words. Explanation.-A bill is a statement of claims against the Grama Panchayat containing the specification of the nature, full particulars and amount, of the claim either in gross or by 'item' and includes such a statement presented in the form of a simple receipt. A bill becomes a voucher when it is receipted and stamped paid.

**22. Payments of Bills and acquittances thereon :-**

Charges against different heads of account shall not be included in the same voucher or bill. No money shall be paid on voucher or orders signed with a rubber or facsimile stamp. When the acquittance on a voucher is given by a mark or seal or thumb impression, it should be attested by some known persons. Signatures in languages other than English and Kannada shall be transliterated.

**23. Payments to be rounded off to nearest rupee :-**

All individual items of pay and allowances including travelling allowance and contingent and other charges payable to a single individual shall be calculated to the nearest rupee.

**24. Instructions regarding preparation of vouchers :-**

The following instructions shall be followed in the preparation of vouchers.-

(i) Voucher shall indicate full particulars regarding the nature of claim, amount claimed, period to which the claim relates, if it arises periodically, orders sanctioning the charge, if it was incurred under special orders and the detailed classification of the charges.

(ii) It shall bear or have attached to it an acknowledgment of payment signed by the person for whom or on whose behalf the

claim is put forth.

(iii) Dates of payment shall invariably be noted by the payees in their acknowledgment. If for any reason, such as illiteracy of the payee or 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 Secretary under his initials.

(iv) In the case of payments made by remittance through the Post Office, the Postal Money Order receipts shall be filed with the voucher. 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 enclosed to the voucher.

(v) In the case of payments for supplies received or other purchases made, certificate shall be recorded under the signature of the Secretary on the bills to the effect that the materials were received in good condition and that they are taken to the stock account. The page number of the stock register in which entries pertaining to such materials are made shall also be recorded on the bills.

## **25. Passing of Bills :-**

Bills and relative vouchers prepared in the manner indicated in the foregoing rule, shall be examined by the Secretary who shall after satisfying himself that the claim is admissible, the authority good, the signature true and in order, submit to the Adhyaksha for signature. The Adhyaksha shall sign the bill after ensuring that the claim is in order.

## **26. Payments on passed bills :-**

After the bills are passed for payment by the Secretary and the Adhyaksha, cheques for the amounts concerned shall be prepared and signed by the Secretary and the Adhyaksha. Cheques drawn in favour of contractors and other outside parties shall be handed over to them by the Secretary, an acknowledgement for the cheque being obtained separately or on the relevant counterfoil of the cheque. In respect of self cheques drawn to recoup the permanent advance or cheques drawn towards pay and allowances or other amounts intended to be disbursed at the Grama Panchayat Office, the cheques may be presented at the Treasury or the Bank, as the case may be, by the Grama Panchayat and the proceeds thereof obtained in cash.

**27. Payments to Government Departments only through crossed Demand Drafts :-**

Payments of amounts due from the Grama Panchayat to Government on any account and advance payments due to Government Departments for supplies to be made or services to be rendered shall be made only by crossed Demand Drafts which shall be accompanied by a statement showing the particulars in respect of which the amounts are paid.

**28. Delayed claims :-**

Claims for payment of money by the Grama Panchayat may be paid without any special sanction up to a period of one year from the date on which the claim arose. Claims preferred after a period of one year may be paid only after condonation of the delay in preferring the claims by a resolution passed by the Grama Panchayat.

**29. Payment of claims relating to deceased persons :-**

A claim for an amount not exceeding Rs. 500 preferred on a deceased person may be paid, without the production of succession certificate or other grant of authority by a Competent Court, provided that the Grama Panchayat, after such enquiry into the right, title and interest of the claimant as may be deemed sufficient is satisfied of the rights of the claimant to the deceased's estate. Such claims up to Rs. 1,000 may be paid with the specific sanction of the Executive Officer after obtaining an indemnity bond from the claimant. All other claims on behalf of the deceased persons can be paid only on the production of letter of administration, succession certificate or other legal authority granted by a Competent Court.

**30. Classification of receipts and payments :-**

All items of receipts and payments posted in the General Cash Book shall be classified and entered at the end of each day in a Register of Classified Receipts and Payments in Form No. 4.

**31. Treasury/Bank Pass Book :-**

All amounts paid into the Treasury/Bank to the credit of the Grama Panchayat and all payments made out of the fund shall be entered in a pass book normally in use in Banks. The Pass Book shall be presented at the Treasury/Bank every week for updating the entries of receipts and payments therein. The entries in the Pass Book shall be compared with the corresponding entries in the General Cash Book of Grama Panchayat promptly and any differences noticed shall be got reconciled and rectified invariably

before next set of entries are made in the Pass Book by the Treasury/Bank.

**32. Monthly statements of accounts to be forwarded by Treasury/Bank :-**

A statement of Accounts (which will be an extract from the Treasury/Bank ledger) showing the opening balance, receipts (Date, Challan no. and amount), payments (date, cheque no. and amount) and the closing balance for a month, relating to the Grama Panchayat shall be forwarded by the Treasury/Bank to the Grama Panchayat so as to reach the latter on or before the 5th of the following month.

**33. Statement of reconciliation of financial transactions and rectification of mistakes :-**

On receipt of the monthly statement of financial accounts under Rule 32 from the Treasury/Bank, the Secretary shall reconcile the figures of financial transactions of the Grama Panchayat with those of the Treasury/Bank as specified in Rule 41 and furnish a statement of reconciliation of the figures of the Grama Panchayat with those of the Treasury/Bank to the Executive Officer and the Local Audit Circle office, on or before the 20th of the month following that to which the accounts relate. The Treasury/Bank shall also be addressed simultaneously, to take suitable action immediately if there are any misclassifications, omissions or errors to be rectified. If the Grama Panchayat fails to furnish the statement of reconciliation for any month within a period of three months, the Executive Officer shall instruct the Treasury/Bank not to honour any cheque presented to it by the Grama Panchayat, unless the cheque is specifically cleared by him. The Executive Officer shall, however, ensure that payments of inevitable charges like water charges, electricity and telephone bills and payments, if any, ordered by Courts are not withheld on account of this measure.

**34. Reports regarding defalcations or losses and investigation :-**

Whenever any facts indicating a defalcation, loss, misappropriation or any serious irregularity come to notice, an enquiry shall at once be instituted by the Grama Panchayat. The fact of discovery of the same shall be reported immediately to the Executive Officer, Chief Executive Officer and the Controller, State Accounts Department. After completion of the enquiry, a full report indicating the total

sum of money involved, the circumstances under which the defalcation or loss was rendered possible, the persons responsible for the same and the steps taken to recover the loss and to punish the offenders shall be forwarded to the Executive Officer, Chief Executive Officer and the Controller, State Accounts Department. Where the amount of defalcation, loss or misappropriation, involved is more than Rs. 1,000, the Chief Executive Officer shall send a report to Government also, indicating the details referred to above.

### CHAPTER 3 BUDGET

#### **35. Annual estimate of receipts and expenditure :-**

(1) An Annual Estimate of the receipts and expenditure of the Grama Panchayat for the ensuing financial year shall be prepared in Form No. 5 by the Secretary and laid before the Grama Panchayat for approval before 10th March as specified in S.241 of the Karnataka Panchayat Raj Act, 1993. The Budget as passed by the Taluk Panchayat on or before 25th March.

(2) The estimates of receipts of the Grama Panchayat relating to Taxes, fees and other items of revenue including the local cess passed on by Government to the Grama Panchayat under sub-section (3) of S.204 of the Karnataka Panchayat Raj Act, 1993 and the grants released by Government to the Grama Panchayat under S.206 of the Karnataka Panchayat Raj Act, 1993 and s.208 of the Karnataka Panchayat Raj Act, 1993 and the expenditure other than those mentioned in sub-rule (3) shall be included in Part 1.

(3) The estimates relating to the programmes and non-plan and plan schemes entrusted to the Grama Panchayats by the Government or the Zilla Panchayat, for which funds are also placed at the disposal of Grama Panchayats shall be included in Part 2 in accordance with such instructions as may be issued by Government.

#### **36. Payments that can be made without budget grant :-**

Save as provided below, no expenditure shall be incurred out of the Grama Panchayat fund, unless the same is covered by a budget grant except in the following cases, namely.-

(i) refunds of taxes and other moneys which the Grama Panchayat is authorised to make under the Act or the rules or regulations made thereunder;

(ii) repayment of moneys belonging to the contractors or other persons held in deposit and of money credited to the Grama Panchayat by mistake;

(iii) sums which Grama Panchayat is required or empowered by the Act to pay by way of compensation;

(iv) every sum payable:-

(a) under the Act by order of the Taluk Panchayat or Zilla Panchayat or the Government;

(b) under decree or order of Civil Court;

(c) under a compromise of any suit or other legal proceedings or claim; and

(v) all contributions payable by the Grama Panchayat to the Government or the Zilla Panchayat or the Taluk Panchayat for the maintenance of water supply, dispensaries and other institutions or services managed by the Government or the Zilla Panchayat or the Taluk Panchayat on behalf of the Grama Panchayat

### **37. Expenditure exceeding Budget Provision. :-**

No expenditure in excess of the sanctioned budget provision shall be incurred under any head, unless provision for such excess is made by transfer under S.242 of the Karnataka Panchayat Raj Act, 1993.

## **CHAPTER 4**

### **General Procedure for Accounting**

### **38. Office Cash Book :-**

Every Grama Panchayat shall maintain an Office Cash Book in Form No. 6. All moneys received in cash or by means of cheque or Money Orders or Demand Drafts in the office on whatever account, whether it be through the collection staff or directly, shall be entered in the Office Cash Book on the receipt side and then charged off on the payment side when remitted to the Treasury/Bank. Moneys drawn on self cheques for disbursement in the office shall also be entered in this book on the receipt side immediately on their receipt from the Treasury/Bank and the eventual disbursement recorded on the payment side, when payments are made. The Office Cash Book shall be closed at the end of every working day and the closing balance on hand shall be verified with the balance according to the cash book and duly

attested by the Secretary and the Adhyaksha. The Cash Balance of the Grama Panchayat shall be kept secure under double locks, one of the keys being kept by the Adhyaksha and the other by the Secretary.

**39. General Cash Book :-**

Every Grama Panchayat shall maintain General Cash Book in Form 7. The transactions of the Grama Panchayat with the Treasury/Bank shall be recorded in the General Cash Book. The receipt side of the General Cash Book shall be posted with reference to the credit entries in the Treasury/Bank remittance register and the payment side with reference to all the cheques issued on the funds of the Grama Panchayat in the Treasury/Bank. The entries shall be made as and when amounts are credited to the Treasury/Bank in the case of receipts and as and when cheques are signed with reference to bills/vouchers in the case of payments. Besides, all adjustments effected in the office on account of deductions made in work bills, pay bills, etc., shall also be entered in the General Cash Book. Such adjustment entries shall be made in red ink.

**40. Remittance Register :-**

All amounts sent to the Treasury/Bank for remittance shall be entered in a Remittance Register in Form No. 8. The remittance should be acknowledged by the Treasury Officer or Bank, as the case may be, in the appropriate column of the Remittance Register.

**41. Procedure of reconciliation of Cash Book figures with those of Treasury/Bank every month. :-**

The General Cash Book shall be closed at the end of each month and attested by the Secretary and the Adhyaksha. Entries in the cash book relating to every month shall be compared item by item with the monthly statement of accounts sent by the Treasury/Bank (under Rule 32) and the closing balance as per the General Cash Book duly reconciled with the closing balance according to the Treasury/Bank. A monthly reconciliation statement shall also be drawn up in the following form: The details of the amounts/cheques may be shown below this entry. If, however, the number of cheques is large, the details may be shown in a statement drawn up separately and enclosed to the reconciliation statement.

**42. Compilation of monthly account, internal audit of accounts and records and approval of accounts :-**



(1) The Secretary shall compile the monthly account of the Grama Panchayat according to the authorised Heads of Account. He shall prepare a monthly statement of accounts in Form No. 9 and forward a copy of the same to the Chief Accounts Officer so as to reach the latter by the 5th of the month following that to which the accounts relate.

(2) The Chief Accounts Officer shall ensure that the primary accounts records are maintained by the Grama Panchayat properly and that the monthly accounts are prepared correctly. He may therefore depute his accounts staff to the Grama Panchayat every quarter to verify the correctness of the monthly accounts or require the Secretary to produce all the relevant records at the Zilla Panchayat office once a month or once in a quarter.

(3) The internal checks and certification of monthly accounts of Grama Panchayat referred to in sub-rule (2) shall be completed before the end of the month following the month or the quarter (according to the procedure laid down by the Chief Accounts Officer) to which the accounts relate and errors and misclassifications, if any, noticed during such checks shall be got rectified through suitable adjustment entries, wherever necessary, in the accounts on hand. The Secretary should afford all facilities and produce all the relevant records to the staff conducting internal checks so that certification of monthly accounts and rectification of errors etc., are completed in time. On no account should this work be allowed to fall into arrears by all concerned.

(4) The Secretary shall at an ordinary meeting of the Grama Panchayat place for its approval, the monthly statement of accounts showing the receipts and expenses of the Grama Panchayat during the month immediately preceding the month in which the meeting is being held. The Secretary shall also submit a report at the meeting, about the progress of certification of monthly accounts of the Grama Panchayat by the Chief Accounts Officer.

(5) The Grama Panchayat shall at such meeting adopt the monthly accounts by resolution after going through the accounts and reports placed before it.

**42A. . :-**

(1) On receipt of the audit intimation from the Auditor referred to in S.246(1) of the Karnataka Panchayat Raj Act, 1993, the

Secretary shall produce the complete accounts and necessary records and registers of the Grama Panchayat to the Auditor at the Taluk Panchayat Office, on the dates specified by the Auditor.

2. On receipt of the audit report, the Secretary shall take action to remedy the defects or irregularities which have been pointed out in the Audit report within two months from the date of receipt of the audit report. He shall place the audit report together with the report of action taken thereon before the Grama Panchayat and obtain its approval. He shall submit the report and remedial action taken by the Panchayat within three months from the date of receipt of audit report.

#### CHAPTER 5

General Procedure for Collection and Remittance of Grama Panchayat Moneys

#### **43. Preparation of bill :-**

On receipt of orders of Government sanctioning grant from time to time to the Grama Panchayat under S.206 of the Karnataka Panchayat Raj Act, 1993 and s.208 of the Karnataka Panchayat Raj Act, 1993, and of Government or of authority to whom relevant powers by Government have been delegated by Government, as the case may be, passing on to the Grama Panchayat under sub-section (3) of S.204 of the Karnataka Panchayat Raj Act, 1993 the local cess collected, periodically, the Secretary shall prepare bills for claiming the amounts so sanctioned or passed on. The bills, after being countersigned by the Executive Officer, shall be presented at the Treasury for payment. The proceeds of the bills shall be promptly credited by the Secretary to the account of the funds of the Grama Panchayat kept at the Treasury or the Bank, as the case may be.

#### **44. Collection of Revenue receipts, taxes etc., and procedures to be followed therefor :-**

(1) Save as otherwise provided in S.203 of the Karnataka Panchayat Raj Act, 1993, all the Revenue Receipts, Taxes, Licence Fees and other amounts due to the Grama Panchayat, except the amount of cess payable under sub-section (3) of S.204 of the Karnataka Panchayat Raj Act, 1993 and grant payable under S.206 of the Karnataka Panchayat Raj Act, 1993 and s.208 of the Karnataka Panchayat Raj Act, 1993 shall be collected by the Grama Panchayat.

(2) Collections of amounts due to the Grama Panchayat under sub-

rule (1) shall be made only by a person authorised to do so by the Grama Panchayat, by a resolution passed in this behalf. The person making the collection shall be supplied with a Day Book in Form No. 10 and a Receipt Book in the form specified and current at the time of supply. The books shall be in his personal custody. On every working day at the specified hour, the Day Book and the Receipt Book together with the collection shall be handed over by the person making the collections to the Secretary or to the cashier, if there is any. The Secretary or the cashier, shall acknowledge all such collections handed over to him, in the Day Book both in words and figures, after satisfying himself about the correctness of the entries made and totals arrived at in the Day Book. The person handing over the collections shall be responsible for the amount collected until the collections are handed over and acknowledgment of the Secretary or Cashier receiving the amount is obtained in the Day Book.

(3) Collections shall also be made directly from the parties desirous of making payments at the Grama Panchayat Office, by the clerk duly authorised in this behalf or the cashier, if there is any, at the office of the Grama Panchayat. When collections are made by the clerk or the cashier, the receipts to be issued to the payee shall be signed by the Secretary and each item of receipt posted in the concerned Day Book and brought to account in the Office Cash Book immediately on receipt of the amount by him. After all the items of receipts are thus entered in the Office Cash Book, the Secretary or the cashier shall prepare a challan in Form 11 or the Bank challan form in use at the Bank, and simultaneously write up the Treasury/Bank Remittance Register. The Challan and the Treasury/Bank Remittance Register shall then be checked and attested by the Secretary. The collections shall thereafter be sent to the Treasury or Bank along with the Treasury/Bank Remittance Register. The Secretary shall keep a watch over the remittance of collections to the Treasury/Bank.

(4) The office cash book shall be in the personal custody of the Secretary. He shall scrutinise this register daily and satisfy himself that all the collections are credited to the Treasury or Bank promptly. Only trustworthy employees of sufficient standing shall be entrusted with the collection and remittance work. Adequate security shall also be taken from them.

#### **45. Demand Register for taxes on buildings and land,**

## **Assessment lists, Mutation Register, Presentation of Bills to tax payers and Arrears list of dues :-**

(1) The final assessment of tax on buildings and land shall be made in accordance with the provisions of the rules governing the collection of taxes and fees by Grama Panchayats. On the basis of assessment lists prepared in the form specified in such rules, the assessments shall be entered in a Demand Register in Form 12 in the same order as that in the assessment lists. Every entry in the Demand Register shall be attested by the Secretary.<sup>1</sup> □

(2) Properties exempted from the levy of tax shall be entered in the assessment lists, but no assessment of tax need to be made in such cases. The grounds on which or permissions under which such exemptions are granted shall be recorded in the assessment lists.

(3) Every change made in the Demand Register in between the periodical general revisions shall be entered in the Mutation Register in Form No. 13 and the total new demand under these taxes shall be posted in the Demand Register, duly reconciled with the old demand after taking into account all the mutations effected during the intervening period. (4) After the demands have been posted in the demand register, bills shall be presented to the tax payers and the number and date of presentation of the bills shall be quoted in the remarks column of the demand register.

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5) As soon as any sum is received by the tax collector, receipt in Form No. 1 duly signed and dated shall be issued by him to the party paying the amount. When one or more instalments of taxes or other Grama Panchayat dues are recoverable from a party and only lesser number of instalments are received, they shall be credited against the earlier instalments due.

(6) The tax collector shall enter all his collections in the serial order of the receipts issued by him, in the day book.

(7) The procedure laid down in Rule 44 shall be followed in the Grama Panchayat Office for the consolidation and remittance of collection of taxes referred to in this rule.

(8) The collections shall be posted into the demand register under the appropriate column with reference to the office copies of the receipts issued, as soon as possible. These postings shall be made by the office staff. Under no circumstances shall the person making

the collections from the tax payers have access to the demand register. At the end of the year, the collections posted into the demand register and collection figures shall be totalled and agreed with the collections as per the collection registers and the remittances made to the Treasury/Bank. After taking into consideration the writes off and remissions sanctioned by the competent authority, the individual balances and the total balance due from the tax payers as at the end of the year shall also be worked out immediately after the close of the year and brought forward in the next year's demand register. The arrears list so prepared shall be placed before the Grama Panchayat promptly.

1. Inserted by Notification No. RDP 67 GPS 97, dated 8-10-1997

**46. Demand Register for taxes on entertainments etc :-**

In the case of taxes on entertainment and other taxes or fees having a fixed periodical demand, an assessment list shall be prepared at the beginning of each year in accordance with the provisions of rules governing the collection of taxes and fees by Grama Panchayats. On the basis of the said assessment list, entries shall be made in a Demand Register which shall be maintained in Form No. 14 in respect of such items of taxes and fees.

**47. Cattle Pound Register :-**

Where a Grama Panchayat administers a cattle pound, a Pound Register shall be maintained in Form No. 15. On the cattle being impounded an impound receipt in Form No. 16 shall be issued to the person impounding the cattle and when cattle are released, fine and feeding charges shall be recovered from the persons concerned and a receipt in Form No. 1 issued to them. If the cattle are not released within the time fixed in the rules and bye-laws, they shall be sold in public auction and net sale proceeds (after deducting fines and feeding charges due) shall be paid to the owner of the cattle in case a claim therefor is preferred by him. Otherwise, they shall be kept in deposit for a period of three months and then credited to the Grama Panchayat funds. The amounts so credited may be refunded at any later date, if a claim for the same is preferred and established.

**CHAPTER 6**

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**CHAPTER 7**

Remissions, Writes-off and Refunds

**48. Applications from tax payers and noting of remissions in Registers :-**

Remissions of demands for taxes and fees etc., shall be allowed in accordance with the rules and bye-laws providing for such remissions. Notices of vacancies and other applications from the tax payers and other persons concerned in this connection and orders passed thereon by the competent authority after due inquiries and report by the concerned. Noting of remissions officers of the Grama Panchayat, shall be filed in serial in Demand Register and Register of Remissions order and according to the several divisions of the Panchayat area. The remissions granted shall also be noted against the items concerned in the Demand Register in the column provided for the purpose. A Register in Form No. 17 shall be maintained to record all cases of remissions therein.

**49. Conditions for sanctioning remissions :-**

Remissions may be sanctioned by the competent authority subject to the following conditions.-

(i) Grant of remissions shall be at the absolute discretion of the sanctioning authority and no person can claim remission as a matter of right;

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ii) In the case of property tax, remission shall be proportionate to the period during which the property remained vacant;

(iii) In all cases of revenue from lease and amounts due under contract, the lessees and the contractors shall be held liable according to the terms of their agreements and remissions shall never be granted except in cases in which the lessee or the contractor has unduly suffered on account of unforeseen events beyond his control.

**50. Writes-off :-**

Writes off of irrecoverable amounts due to the Grama Panchayat sanctioned in accordance with the rules applicable in this regard shall also be entered in the Register in Form No. 17.

**51. Refunds of deposits, taxes or fees :-**

Refunds of deposits or of taxes or fees paid in excess to the Grama Panchayat shall be made in bills prepared in Form 18. All refunds shall be noted in red ink against the original entry of credit in the General Cash Book of the Grama Panchayat. The refunds of

deposits shall be noted in the Register of Deposits in Form No. 41. Refunds of taxes or fees paid in excess shall be noted in the collection register of taxes in Form 10 and Demand Register in Form 12 or Form No. 14, as the case may be.

#### CHAPTER 8

#### Establishment

#### **52. Annual Statement of employees of Grama Panchayat :-**

Grama Panchayats in which any pensionable employees or Government Servants on deputation are employed shall forward not later than the 15th May each year, a detailed statement of such employees or servants existing as on the 1st March of that year in Form 19 to the Accountant General (Accounts), Karnataka, and copies thereof to the Local Audit Circle Office concerned and the Zilla Panchayat. In respect of employees other than Government servants on deputation and pensionable employees, the Grama Panchayats shall send a statement in Form 19 to the Local Audit Circle Office and the Zilla Panchayat.

#### **53. Scale Register :-**

The sanctioned establishment of the Grama Panchayat shall be recorded in a Scale Register in Form 20. The entries in the Register shall be attested by the Secretary and the Adhyaksha. Separate pages shall be allotted for the appointments falling under Government. Zilla Panchayat services and those made by the Grama Panchayat under S.113 of the Karnataka Panchayat Raj Act, 1993. Temporary establishment shall be recorded separately at the end of the space allotted for the permanent establishment. The period for which temporary establishment has been sanctioned and the order of sanction shall be distinctly specified in the scale register.

#### **54. Payment of salaries of employees and instructions for preparing paybills :-**

(1) The pay of the establishment of the Grama Panchayat shall be drawn and paid on the last working day of the month except in the month of March. Pay for the month of March shall be paid on 1st working day of the succeeding month.

(2) Pay bill shall be prepared in Form 21.

(3) The following instructions shall be observed in preparing the pay bills.-

(a) Pay and leave and other allowances whether drawn or not, shall be shown in the pay bill in the specified column. When pay and allowances are not drawn, but are held over for future payment, the reasons for doing so shall be briefly noted in the remarks 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 and vice versa. Deduction on account of fines, Provident fund, Insurance 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 entered in column 14.

(b) When salary is drawn for a broken period of the month, reasons why this has been done, the period for and the rate at which it is drawn shall be distinctly entered in column No. 1 under the name of the incumbent.

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

(d) Arrears of pay shall be drawn on a separate pay bill and not in the original monthly pay bill. The amount of arrears claimed for each month shall be entered separately in the bill furnishing reference to the bill in which the amount was omitted or withheld or in which it was refunded by deduction. If the claim relates to an allowance or special pay sanctioned with retrospective effect, the name of the authority which sanctioned it and the number and date of the order sanctioning it shall be entered in the pay bill. Such bills may be paid at any time and may include as many items as are necessary.

(e) All supplemental claims shall be verified carefully by the drawing officer and certificates to the following effect recorded by him on the arrears bills after such verification.-

(i) that no part of the amount claimed in the bill has been drawn on any of the previous bills and

(ii) that a note of having drawn the arrears has been made in the office copy of the original pay bill for the months to which the claim relates.

(f) The pay of a temporary establishment shall be drawn in a



separate pay bill in the same form, the sanction for the establishment being noted invariably.

(g) The pay of labourers, workmen, etc., who are remunerated on a daily wages basis, shall not be included in the regular pay bill but shall be drawn only on Muster Rolls in Form 34.

(h) To the first bill in which a periodical increment drawn, an increment certificate in Form No. 22 signed by the Secretary, or other competent authority shall be attached.

(i) When the name of an employee appears for the first time in the pay bill, the previous post, if any, held by him shall be stated and a last pay certificate in Form No. 23 showing the date of his handing over charge of the previous post, advances outstanding etc., shall be attached to the pay bill. If an employee was not holding any appointment in Health or vaccination wing previously, the certificate of health or vaccination required of Government servants under the Kamataka Civil Service Rules shall be attached to the pay bill

(j) In respect of deductions made from pay bills and other bills, which are not finally adjustable in the books of the Grama Panchayat, separate cheques shall be drawn in favour of the Treasury Officer for the amounts accountable in the Treasury, e.g., Insurance Premium. State Provident Fund etc., and in other cases, cheques/Demand Drafts shall be drawn in favour of the authorities who have to account for the credits, and forwarded to them. In all such cases, full details of the credits as required by the Treasury and other authorities shall be furnished in the prescribed forms.

**55. Prompt disbursement of pay and refund undisbursed pay :-**

(1) When the pay bill has been drawn, the money shall be promptly disbursed to the payees concerned under acquittances obtained in the office copy of the bill (Acquittance Roll) or on a separate sheet of paper in case the payee is unable to receive payment in person and sends a messenger to receive his pay.

(2) If the payee does not present himself before the end of the month, his pay shall ordinarily be refunded by short drawai in the next pay bill and redrawn when he presents himself. If the Drawing Officer considers that such immediate refund would cause undue inconvenience, he may retain the undisbursed amounts for a period

not exceeding three months. He shall continue to be held, personally responsible for all such undisbursed amounts. A record of the amount drawn, the amount disbursed and the balance pending disbursement shall be maintained at the foot of the office copies of the bill (Acquittance Roll) and the Muster Rolls to watch payment made subsequently. The drawer of a bill shall be personally responsible for every pay drawn on that bill until he disburses it to the person entitled to receive it and gets the latter's valid acquittance for the same either in the Acquittance Roll or Muster roll or on a separate sheet of paper filed along with those documents.

#### **56. Provident and Pension Funds :-**

If and when a Grama Panchayat establishes a Provident Fund or a Pension Fund for the benefit of the employees appointed by it such funds shall be administered in accordance with rules made in that behalf.

#### **57. Travelling Allowances :-**

The claims of the employees of the Grama Panchayat for travelling allowance shall be presented by the Secretary on a bill in Form 24 duly countersigned by the Adhyaksha. The claims of the Adhyaksha, Up adhyaksha and Members of the Grama Panchayat for travelling allowance shall be presented by the Adhyaksha on a bill in Form 24 duly countersigned by the Executive Officer. The Secretary shall maintain acquittance rolls for travelling allowances disbursed.

### **CHAPTER 9**

Contingent and Other Charges and Stock Accounts for Materials and Property

#### **58. Bills for contingent charges :-**

All contingent charges shall be drawn on a bill in Form No. 25. Petty items may be paid from the permanent advance sanctioned for the purpose in the first instance and the amount so paid recouped by the Secretary on regular bills later on. Bills received from the Contractors and others for supplies made and services rendered may be paid in accordance with the provisions of Rule 10. The requisitions issued by Grama Panchayats shall always be attached to these bills. Certificates as specified in clause (v) of Rule 24 shall be recorded on all the bills for the supply of materials.

#### **59. Permanent Advance :-**

In order to meet petty expenses which are required to be paid at once before money can be drawn from the Treasury or Bank

through a cheque issued on the basis of a regular bill, a suitable amount of permanent advance shall be sanctioned by the Executive Officer to the Grama Panchayat. The Secretary shall be responsible for the safe custody of this amount and he shall at all times be ready to produce the total amount of the advance in vouchers or in cash or both.

**60. Register of permanent Advance and Recoupment of permanent advance :-**

(1) A Register of Permanent Advance shall be maintained in Form No. 26. All payments made out of permanent advance and their recoupment shall be recorded in serial order in this register and also in the Office Cash Book under the column 'Permanent Advance'. When the balance of permanent advance on hand runs low, the advance shall be recouped as specified in sub-rule (2).

(2) The several items of expenditure to be recouped shall be added up and the total posted into a contingent bill in Form No. 25. The bill supported by vouchers shall then be passed for payment and a self cheque drawn therefor on the Treasury or Bank, as the case may be.

**61. Acknowledgement for permanent advance :-**

(1) The holder of a permanent advance shall, on first receiving it and thereafter on the 1st of April each year, sign on acknowledgement in the following terms and forward the same to the Local Audit Circle Office: "I hereby acknowledge that the amount of Rs. . . being the permanent advance of Rs. . . .of Grama Panchayat is due from and has to be accounted for by me".

(2) The acknowledgement shall always be for the full sanctioned amount. On transfer of charge of office, a similar acknowledgement for the full amount shall be signed by the relieving officer and the same forwarded to the Local Audit Circle Office.

**62. Stamp Account :-**

A stamp account showing the purchases, issues and balances of stamps shall be maintained in Form 27. The balance on hand shall be verified with the balance as per stamp account by the Secretary at least once a month and the result thereof recorded in the register under his signature.

**63. Record of street lighting :-**

A register shall be maintained in Form No. 28 to show the number of electric poles/lights maintained by the Grama Panchayat for street lighting. Orders regarding the changes in the number of poles and lights shall be noted in the remarks column of the register.

**64. Register of Moveable Properties and Stock Register for consumable stores and Immoveable properties :-**

(1) A list of all moveable properties of a permanent or durable nature such as machines, conservancy cart and other appliances, furniture and other articles shall be recorded in a Register of Moveable Properties in Form No. 29 under the initials of the Secretary. Separate pages shall be allotted, according to requirements, to each kind of article or property, sufficient space being left between each set of entries to admit of subsequent transactions being recorded.

(2) For consumable stores such as disinfectants, oils, D.D.T. and other articles, a separate stock register in which a sufficient number of pages shall be allotted for each kind of article according to requirements, shall be maintained and posted.

(3) Particulars of immovable properties like lands and buildings acquired or disposed of by the Grama Panchayat from time to time shall be recorded in the Register of Immovable Properties in Form No. 30.

**65. Annual Physical verification of stocks and stores :-**

Physical verification of stocks and stores shall be conducted by the Adhyaksha at the end of every year and he shall record a certificate indicating the result of such verification under his signature. Shortages that come to notice shall be got made good from the official in-charge of stores, if they cannot be accounted for or explained satisfactorily and excesses, if any, found shall be taken to stock as receipts.

**66. Indent for Receipt Books, Licence forms etc., and Stock Register and Issue of books and forms :-**

(1) On or before the 1st week of January of each year the Secretary of each Grama Panchayat shall furnish to the Chief Executive Officer an indent for the entire requirements of receipt books, licence forms, ticket books and other forms and registers required for the use of the Grama Panchayat during the following

financial year. The Chief Executive Officer shall get the Forms and registers by all the Grama Panchayats within the jurisdiction of Zilla Panchayat printed by any printing firm after calling for tenders. The printed forms and registers shall be supplied to the Grama Panchayats by the Chief Executive Officer on payment of the cost of such forms and registers.

(2) As soon as the receipt books, forms and registers are received in the Grama Panchayat Office, the total number of leaves in each book and register shall be counted and certified by the Secretary on the last page of the book or register. The entire stock of receipt books, forms and registers shall then be taken to stock in the Stock Register in Form 31. Separate pages shall be allotted in the Stock Register for the stock account of each kind of receipt books, forms, registers. No Grama Panchayat shall purchase, lend to or borrow from any other Grama Panchayat or other sources, such receipt books, forms or registers.

(3) Only one book of a particular kind shall be issued for use at a time after obtaining the acknowledgement of the person to whom it is issued. Fresh issues shall be made only after the used book is returned and the fact recorded in the stock register.

(4) The books shall be issued strictly in serial order duly noting in the serial number of each book issued. The office seal of the Grama Panchayat shall be affixed on each page of the books issued.

(5) When used receipt books are returned, the Secretary shall scrutinise the books to ensure that all the office copies of the receipts are intact and in order. The used books should be kept in the personal custody of the Secretary and destroyed after audit, if there is no audit objection.

(6) As regards cheque books the procedure laid down in Rule 9 shall be followed.

#### CHAPTER 10

##### Public Works

#### **67. Execution of Public Works :-**

Works which require no technical skill and costing not more than Rs. 10,000 may be got executed by the Grama Panchayats through their own agency. Works costing more than Rs. 10,000 shall be executed by the Zilla Panchayat as deposit contribution works from out of the money deposited by the Grama Panchayat with the Zilla

Panchayat to cover the cost of such works.

**68. Estimates for works :-**

A proper detailed estimate in Form No. 32 shall be prepared and arranged to be sanctioned for every work before it is undertaken by or on behalf of a Grama Panchayat. No works shall be commenced in the absence of a sanctioned estimate therefor. The detailed plans and estimates of all public works, the estimated cost of which exceeds Rs. 10,000 shall be got scrutinised by the Engineering Department of the Zilla Panchayat. If any professional opinion upon any work is necessary before any estimate (including that for work costing Rs. 10,000 or less) estimate is sanctioned, it may be called for and obtained from the Engineering Department of the Zilla Panchayat.

**69. Schedule of Rates :-**

To facilitate the preparation of estimates, a schedule of rates for items of work commonly executed by Grama Panchayats shall be maintained by the Grama Panchayat. For this purpose, the schedule of rates of the Public Works Department in force during the year in the Public Works Division in which the Panchayat area is situated, shall be adopted. Any changes in the rates effected by the Public Works Department during the course of the year shall be incorporated in the schedule of rates maintained by the Grama Panchayat also.

**70. Revised Estimates and Supplementary estimates :-**

(1) A revised estimate in Form No. 32 should be prepared for any work whose sanctioned estimate is likely to be exceeded by more than five per cent either due to the rate being found insufficient or from any other cause.

(2) Any development of a project considered necessary while a work is in progress, which is not fairly contingent on the proper execution of the work on originally sanctioned, should be covered by a supplementary estimate accompanied by a full report of the circumstances which render it necessary.

**71. Currency of estimates and their renewal :-**

If any work for which an estimate has been sanctioned is not commenced within one year from the date of sanction, the currency of the estimate may be got renewed by the authority which sanctioned the original estimate. Before renewing the estimate, the necessity for preparing and sanctioning a fresh estimate in lieu of

the earlier one shall be examined and suitable action taken in the matter, if the latest circumstances so warrant.

## **72. Commencement of works :-**

No work shall be commenced by the Grama Panchayat unless funds have been allotted for the work in the sanctioned budget and competent administrative and technical sanctions for the work have been obtained, unless otherwise specially ordered by the Government or the Chief Executive Officer. But in such cases, estimates should be prepared and appropriation of funds arranged with the utmost expedition, recording the reasons, for having started the works without such sanctions or funds.

## **73. Administrative sanction :-**

Administrative sanction should be accorded for all public works of the Grama Panchayats by the several authorities as detailed below.-

(i) Public works, the estimated cost of which does not exceed two thousand rupees in each case - The Adhyaksha, if the Grama Panchayat has delegated such powers of sanction to him.

(ii) Public works, the estimated cost of which does not exceed ten thousand rupees in each case - The Grama Panchayat.

(iii) Public Works, the estimated cost of which exceeds ten thousand rupees and does not exceed twenty-five thousand rupees in each case- The Executive Officer.

(iv) Public Works, the estimated cost of which exceeds twenty five thousand rupees in each case-The Chief Executive Officer.

## **74. Register of Estimates :-**

Estimates for Public Works sanctioned during each month shall be recorded in a Register of Estimates in Form No. 33, specifying therein the name of the work, amount of sanctioned estimate, number and date of the order sanctioning the work and number and date and amount of final work bill on which payment was made, if the work has been completed.

## **75. Payment of work bills :-**

The following procedure shall be followed by the Grama Panchayat for the payment of work bills;

(i) The work bills shall be prepared in accordance with the provisions of the Karnataka Public Works Accounts Code;

(ii) The bills shall be examined to see whether all the necessary requirements, as detailed in relevant provisions of the Karnataka Public Works Accounts Code have been met in the preparation of the bill and whether competent administrative and technical sanctions for the works have been obtained. If the bills are found to be in order, the Adhyaksha and the Secretary shall pass the bills for payment. In all cases, payment should be limited to work actually done;

(iii) If the work is executed by the Grama Panchayat and the payment due is to contractors, payment on the basis of passed work bills may be made by means of cheques issued in favour of the contractors. Labourers employed directly by the Grama Panchayat for execution of the works shall be paid on a muster roll prepared in Form No. 34 drawing funds on a self cheque.

#### **76. Completion reports :-**

On completion of each work, completion report in Form No. 35 shall be signed by the Adhyaksha. The Completion report shall accompany the final bill concerned when it is presented for payment.

#### **77. Daily Labour Report :-**

A labour report should be prepared afresh for each day in duplicate for each work on which labourers are employed on Muster Rolls. The original copy of the labour report should be retained by the Official who is in charge of the work and the duplicate copy should be forwarded each day to the Adhyaksha. Discrepancies between the Labour report and muster rolls should be investigated by the Adhyaksha as soon as the latter are received in the Grama Panchayat Office.

#### **78. Deduction of royalty and other dues from work bills :-**

The Adhyaksha and the Secretary shall be responsible for the deduction of royalty and other items, legally due to the Government from the contractor, from the work bills passed for payment by them.

#### **79. Contracts for supply of materials and Execution of works :-**

All contracts for supply of materials or execution of works shall be signed on behalf of the Grama Panchayat by the Adhyaksha. Before entering into any contract of supply of materials or execution of any works, competitive quotations shall be invited by the Grama



Panchayat in such manner as the Grama Panchayat may consider necessary.

**80. Security Deposits from contractors :-**

(1) Security shall in all cases be taken for the due fulfilment of a contract and such security shall be equal to seven and a half per cent of the total estimated cost of the work entrusted to the contractor and it shall be recovered as follows:

(i) Two and a half per cent of the estimated cost at the time of receiving the tender; and

(ii) Five per cent to be deducted from the progressive work bills of the contractor.

(2) Security deposit is refundable only after the fulfilment of the contract

**81. Contract agreement :-**

An agreement for the due fulfilment of the contract shall be obtained from the contractor and filed along with the estimate.

**82. Measurement Books :-**

(1) All measurements for work done and materials supplied shall be recorded in a Measurement Book in Form No. 36 to be kept by the Engineering Officer deputed for the duty of periodically measuring the work. The measurement book must be looked upon as the most important record of works, since it is the basis of all accounts of quantities, whether of work done by daily labour or contract or of materials received which have to be measured or counted. Full particulars and the situation of the work measured must be given in the measurement book to admit of the work being readily identified and the measurements checked and also of the value of the work being readily calculated.

(2) On the cover page of each measurement book should be noted the name of the work and the exact period to which it pertains, thus "From 1st July to 15th December", the earlier date being that on which it was brought into use and the latter that on which it is completely filled in and returned to the Grama Panchayat Office. The pages of the book should be machine numbered and no page should on any account be torn out. Any page/pages left blank inadvertently should be cancelled by diagonal lines the cancellation being attested and dated.

(3) All entries in the measurement book should be made on the spot in ink. No entry should be erased or effaced so as to become illegible. If any mistake is made, it should be corrected by scoring out the incorrect words and figures and rewriting them, and the correction thus made should be initialed. A reliable record is the object to be aimed at as it may have to be produced as evidence in a Court of Law.

(4) Every measurement should be recorded by the officer by whom the measurement is actually taken and bear his signature and date. The practice of entering measurements in note books or on slips of paper and afterwards copying them into measurement books is strictly prohibited. The date of every entry should invariably be recorded. The omission of the date will be considered a very serious offence as on it depends the possibility of counter-check. The recording of the date of measurement also reduces the chances of irregularities. The names of all the contractors should be entered in full in the measurement books when there is more than one contractor. Care must be taken to show clearly various portions of the work done by each contractor.

(5) From the measurement book, all quantities should be clearly traceable into the documents on which payments are made and reference to the voucher in which the quantities are entered for payment, as well as the date of entry, should be given by an endorsement upon the original entries of the measurement book. No contract certificates for a bill should be signed without thus crossing off the connected entries in the measurement book. The document on which payment is made should invariably bear a reference to the number and page of the measurement book in which the detailed measurements are recorded.

(6) Final measurements for all works should be carefully recorded in the measurement books. The Adhyaksha should check measure the final measurements recorded in the measurement books in respect of such works as are executed by Grama Panchayat Agency, before payment.

(7) All measurement books should be serially numbered and kept in the personal custody of the Secretary who will issue the required number of measurement books to the officials in charge of Public Works after obtaining their acknowledgement and watch the entries of each measurement book after its issue. The Adhyaksha shall be responsible to ensure that the measurement books are carefully

kept, the measurements of works properly recorded and that complete details for each kind of work done including work executed by labourers borne on Muster Rolls are recorded in measurement books.

**83. Applicability of Karnataka Public Works Accounts and Departmental Codes :-**

In all matters of general procedure, maintenance of accounts of works, stock, stores, tools and plant etc., and matters not specifically mentioned above, the provisions of the Karnataka Public Works Accounts Code and provisions contained in the Karnataka Public Works Departmental Code shall mutatis mutandis apply, until separate rules are prescribed by Government in this regard.

**CHAPTER 11**

**Debt Heads**

**84. Register of Investments :-**

A record of all investments shall be maintained in a Register of Investments in Form No. 37.

**85. Register of Loans :-**

All loans received by Grama Panchayat from the Government, Zilla Panchayat, Taluk Panchayat or other authority shall be recorded, each on a separate page in a Register of Loans in Form No. 38.

**86. Register of Advances and prompt recovery of advances :-**

An account of all advances made by the Grama Panchayat shall be maintained in the Register of Advances in Form No. 39. All the balances outstanding at the end of the previous year shall be first entered in it and then each advance 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 should agree 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 should be initialled by the Adhyaksha in token of such agreement. When an advance is repaid or recovered in cash or is adjusted by deduction from bill on transfer adjustment, the amount should 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 agree with the corresponding credit under advances in the monthly account. The register should be balanced

at the end of the year and the details of outstanding balances carried forward to the next year. Note 1: Advances should only be made on proper authority. All advances should be recovered or adjusted within a period of three months unless the authority sanctioning the advance orders otherwise. Note 2: It shall be the duty of the Chief Accounts Officer or his internal Audit staff, to ensure among other things, that advances given by the Grama Panchayat conform to the procedure and requirements spelt out in this rule. If it is noticed that advances are not recovered or adjusted within a period of three months or within such period as ordered by the sanctioning authority, the Chief Accounts Officer shall, as soon as the default is brought to his attention by his staff, advise the treasury or the bank, as the case may be, not to honour the cheques presented to it by the Grama Panchayat unless the cheques are specifically cleared by him or the general ban is lifted by him.

**87. Register of Grants :-**

Particulars of grants received by the Grama Panchayat from the Government, Zilla Panchayat, Taluk Panchayat or any other authority and their utilisation shall be entered, each on a separate page in a Register in Form No. 40. At the end of the year an abstract showing the opening balance of the grant, the grants received, grants utilised during the year and the balance at the end of the year should be recorded and attested by the Adhyaksha.

**88. Register of Deposits, Refund of Deposits and lapsed Deposits. :-**

(1) All deposits received and refunded by the Grama Panchayat shall be recorded in a Register in Form No. 41, separate sets of pages being allotted for different kinds of deposits. All kinds of deposits received viz., contractor's deposits, election deposits, security deposits etc., shall be recorded in this register.

(2) Each part of the register will open with the details of the previous year's outstanding balances as shown in the previous year's register. The deposits received during the year will then be entered in the relevant part as each transaction occurs. At the end of the month, a total of the deposits received during the month should be made and the total reconciled with the corresponding figure in the monthly statement of accounts and initialled by the Adhyaksha. Repayments in cash or by transfer should be noted against the original credit in the column for the month in which the

refund is made and total of the postings should be made at the end of the month and agreed with the corresponding figure in the monthly statement of accounts. A plus and minus memo of deposits showing the opening balance, total of receipts and expenditure and closing balance of deposits shall also be prepared every month. Similar plus and minus memo should be put up at the end of the year.

(3) Refunds of deposits in case should be made on vouchers in Form No. 18. Refunds should be passed for payment only when the Adhyaksha has satisfied himself by a reference to the Deposit Register, General Cash Book and other records that the deposit is actually outstanding and is required to be refunded.

(4) The deposit balances should not be drawn upon to meet charges debitable to the General fund of the Grama Panchayats. But deposits remaining unclaimed for three complete account years after their refunds fall due, should be transferred to the credit of Grama Panchayat Revenues, as lapsed deposits. If claims are subsequently made and admitted, the amounts so claimed may be refunded as miscellaneous charges from the General balance of the Grama Panchayat, with the sanction of the Grama Panchayat.

## CHAPTER 12

### Miscellaneous

#### **89. Security deposit to be furnished by Secretary :-**

The Secretary who will be in-charge of cash and stores furnish Security Deposit of Rs. Five hundred in cash either in one lumpsum or in suitable instalments by recovery from his pay every month. The amount so recovered shall be kept in a Savings Bank account opened in the name of the Secretary in the Taluk Treasury or in Post Office or a Nationalised Bank Savings Bank Account or invested in National Savings Certificate. The Savings Bank Account or the National Savings Certificate shall be got pledged in favour of the Adhyaksha.

#### **90. Village Libraries and reading rooms and Duties of Librarian :-**

(1) For each of the village libraries and reading rooms established under Item XV of Schedule I to the Act, the Grama Panchayat shall

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(i) subscribe for such newspaper or newspapers, as it thinks fit and

(ii) purchase such books as it deems fit, preference being given to Kannada Books.

(2) It shall be the duty of the person in-charge of library or reading rooms.-

(a) to submit to the Grama Panchayat any suggestions made by the visitors and readers for the purchase of books or for subscription to newspapers;

(b) to arrange for light and drinking water thereat according to necessity; and

(c) to keep a daily record of readers, visitors and borrowers of books and to present a monthly report to the Grama Panchayat.

**91. Issue of books and loss of books :-**

(1) No books shall be issued for reading at home for more than a week from the date of its issue.

(2) A book shall be issued for reading at home on payment of such fee and such caution money by the borrower as the Grama Panchayat may fix.

(3) If a book is not returned within a week from the date of its issue, such amount of fine as the Grama Panchayat may fix, shall be recovered from the borrower for each day after the expiry of one week from the date of issue.

(4) All amounts received under this rule shall be credited to the Grama Panchayat account.

(5) If a book borrowed is lost or the borrower fails to return the same within three months from the date of issue, the cost of the book along with any charges due under sub-rule (3) shall be recovered from the borrower and credited to the Grama Panchayat account. If the borrower fails to pay the amount, the same may be deducted from out of the caution money paid by him.

**92. Registers to be maintained in Libraries and Reading Rooms :-**

The following registers shall be maintained in a library and reading room, viz.,

(a) a catalogue for books in Form No. 42;

(b) a catalogue of newspapers in Form No. 43;

(c) an attendance register of visitors and readers in Form No. 44 and

(d) a register of issue and receipt of books in Form No. 45.

**93. Annual physical verification of stock of library books :-**

In the month of April every year, the Adhyaksha shall conduct a physical verification of stock of library books with reference to the catalogue for library books and record a certificate to that effect in the catalogue. Shortages, if any, found during such verification shall be made good by recovery of the cost of books concerned from the borrower or the Librarian, as the case may be.

**94. Disposal of old newspapers :-**

Old newspapers shall be sorted and kept safely in the library in convenient bundles. They shall be disposed of periodically as waste paper to the best advantage of the Grama Panchayat with the approval of the Adhyaksha.