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FINANCE & ACCOUNTS MANUAL

(Revised – July, 2018)

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CENTRAL INSTITUTE OF PLASTICS ENGINEERING & TECHNOLOGY
(Department of Chemicals & Petrochemicals
Ministry of Chemicals & Fertilizers, Government of India)
Head Office, Guindy
Chennai - 600032





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Dir. (Fin.)

F. No. 45012/81/2017-Pc0IV
Government of India
Ministry of Chemicals & Fertilizers
Department of Chemicals & Petrochemicals


Shastri Bhawan, New Delhi
Dated: 26.07.2018


Dr. S.K. Nayak,
Director General, CIPET
T.V.K. Industrial Estate,
Guindy, Chennai – 600 032

Subject: Revision of Finance and Accounts Manual of CIPET regarding.

Reference is invited to CIPET's letter dated 24.07.2018 requesting approval of DoC&PC on the revised Finance and Accounts Manual of CIPET as approved by the Governing Council in its 124th meeting held on 22.06.2018 at Bhubaneswar.

2. The approval of Secretary, Department of Chemicals and Petrochemicals on the "**Finance and Accounts Manual of CIPET (Revised: July, 2018)**" is hereby conveyed. Necessary update to the said manual should be made in view of the relevant new provisions issued through Government of India's orders/ modifications in GFR and any changes in the MoA and Rules and Regulations of CIPET. The revised provisions may be implemented with immediate effect and the GC of CIPET should be informed of the same during its next meeting.


(Prannoy Sharma)
Director (Petrochemicals)

सिपेट-महानिदेशक कार्यालय / CIPET-DG'S OFFICE
पंजी संख्या / Register No : 1270
दिनांक / Date : 26/7/2018
हस्ताक्षर / Initial : 



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PREFACE

Central Institute of Plastics Engineering & Technology (CIPET) was established in 1968 with the objective of training skilled manpower and providing technical services to the Plastics Industries in India. The tremendous growth of Plastics Industries over the years has necessitated starting of a number of CIPET Centers in various regions of India. At the initial stages the institute was functioning in a small way. Consequent upon the diversification of the activities of the Institute and opening of a number of Centers in different States of India, the functions of the institute have increased manifold and it has become necessary to publish an Accounts Manual so that uniformity of systems and procedures at all CIPET centers could be achieved. The Manual has been designed to serve as a valuable guide to those engaged in implementing Financial and Accounting policies of CIPET.

As the accounting transactions are varied in nature, it has been our endeavor to publish the Manual which not only provides an in-depth knowledge of the accounting functions but also describes the techniques and procedures adopted in compiling the accounts in a simple and lucid style.

With the rapid expansion of the activities of the Institute some changes may become inevitable necessitating issue of amendment to the Manual from time to time. Valuable suggestions for simplifying the accounting systems/ procedures in vogue without in any way diluting the ultimate objective of correct compilation of accounts, and also for improving the Manual and for rectification of errors and omissions noticed would be gratefully accepted.

Prof.(Dr.) S. K. Nayak
Director General





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Chapter - 1

Organizational Set-up of the Institute and its Activities

- 1.1 The Central Institute of Plastics Engineering and Technology (CIPET) was established in 1968 with UNDP assistance, with its Head office at Chennai. CIPET is an autonomous Institute under the Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India. This is the only Institute of its kind in India where various facilities like training, designing, tooling processing and testing of plastics are available under one roof. CIPET caters to the needs of the plastic industries through manpower training, testing, consultancy, advisory and development services.
- 1.2 The day-to-day functions are managed by the Director General of this Institute subject to superintendence, control and directions of the Governing Body called the Governing council. Composition of the Governing council is as follows:

President of the Society: Secretary (C&PC), Ex-officio
5 Nominees of the Central Government representing the Ministries of (a) Chemicals & Fertilizers (b) Finance (c) MSME (d) MSDE (e) HRD
3 Representatives from Industry Associations
3 Representatives from Institutions
5 Prominent members from Public, Academics, Management, Government User Department - Defence / Railways / PSUs
Director General of the Institute (Ex-officio Member and Secretary)

- 1.2.1 The following are the authorities of the Institute.
- The Governing Council
 - The President
 - The Director General
 - Such other authorities as may be constituted by the Governing Council
- 1.3 The Head office of the Institute is located at Guindy, Chennai. To meet the growing needs of the Plastics industry, CIPET has established Centers in different parts of the country. Each centre of CIPET is equipped with facilities for training, mould/product design and CAD, Plastics Processing and Testing / Quality Control.
- 1.3.1 Each CIPET Centre is headed by a Principal Director/Director/ Manager/ other Officer who reports to the Director General. Each CIPET Centre Head is assisted by a team of Senior Executives, who look after training, administration, processing, testing, tooling, finance, marketing and other key areas.
- 1.4 The main objectives of the Institute as provided for in the Memorandum of Association are (i) Training (ii) Development (iii) Testing (iv) Standardization and quality control (v) Consultancy and Advisory services.

These objectives are fulfilled in the manner explained in the succeeding paragraph.

1.5 Academic Courses and Training

1.5.1 Academic Courses

CIPET offers highly specialized, practical oriented Academic Courses in various disciplines in the field of plastics engineering & technology at Chennai (HQ) and its centers. The details of courses conducted at various centers and the duration's are as under.

i) Doctoral (Ph. D) Programs in the areas of Polymer Science & Technology

ii) Postgraduate Programmes

M. Tech. (Plastics Engineering / Technology)	-	2 Years
M. Tech. (Polymer Nano-technology)	-	2 Years
M.E. (CAD.CAM)	-	2 Years
M.Sc. (Biopolymer Science)	-	2 Years
M.Sc. (Polymer Science)	-	2 Years
M.Sc. Tech (Material Science & Engineering)	-	5 Years

iii) Undergraduate Programmes

B. Tech. (Plastics Engineering/Technology)	-	4 Years
B. Tech. (Manufacturing Engineering/Technology)	-	4 Years

iv) Diploma, Post Diploma & Post Graduate Diploma Programs

Post Graduate Diploma in Plastics Processing & Testing (PGD-PPT)	-	1½ Years
Post Graduate Diploma in Plastics Testing & Quality Management (PGD-PTQM)	-	1½ Years
Post Diploma in Plastics Mould Design (PD-PMD) with CAD/CAM	-	1½ Years
Diploma in Plastics Mould Technology (DPMT)	-	3 Years
Diploma in Plastics Technology (DPT)	-	3 Years

1.5.2 Short Term Training courses

CIPET offers short-term training courses in the important areas of Design, Tooling, Processing and Testing of Plastics at Chennai (HO) and its centers. These courses vary from 2 to 5 days of duration and are designed for Entrepreneurs, Managers, Engineers, Supervisors and Technicians in the Plastics Industry.

Further CIPET also offers Short term courses for the duration of 03/06/09 months etc., which are sponsored by various Ministries and Industries.

The details of Short Term Training courses conducted at various centers are as under:

i) Modular Training Courses

Modular training programmes in the specific disciplines of Mould Design, CAD, Tooling, Processing and Testing of Plastics are also organized for the benefit of personnel sponsored by the Industry and Entrepreneurs.

ii) Tailor Made Courses

Tailor made training courses are organized to suit the purpose and interest of the Sponsoring Industries in the areas of Mould Design, Computer aided Design and Manufacturing, Testing and Quality Control.

iii) In-plant Training

CIPET also imparts in-plant training to the students of Polymer Technology from Institutions and Universities in the areas of Plastic Mould Design, Tooling, Processing and testing.

iv) Training for Foreign Nationals

CIPET offers training in all the disciplines of Plastics Engineering and Technology for participants from foreign countries like Bangladesh, Bhutan, Egypt, Nigeria, Tanzania, Malaysia, Algeria, etc., sponsored by International Agencies like UNIDO, UNDP, ILO, etc.

v) Entrepreneur Development

Entrepreneur Development programmes are also organized for identifying potential entrepreneurs and for promoting them to become prosperous entrepreneurs.

1.6 Technical Support Services

The major Technical Support services offered includes:

1.6.1 Developmental Activities

- i) Design and development of moulds and dies.
- ii) Development of new materials and products for data collection and newer applications.
- iii) Development of innovative applications of plastics in the field of electronics, telecommunications, transport, engineering, housing, packaging, agriculture and water management.
- iv) Technical Services



1.6.2 Testing and Standardization

- i) Inspection, proving and evaluation of moulds and dies.
- ii) Testing of mouldability and optimization of processing parameters.
- iii) Identification of Plastics.
- iv) Testing, characterization and assessment of plastics materials
- v) Maintenance of quality standards.
- vi) Formulation and supplementation of standards.
- vii) Performance evaluation of plastic products.

1.6.3 Information and Consultancy

- i) Information on materials and machinery/equipment
- ii) Plastic material selection for specific application
- iii) Machinery/equipment selection
- iv) Setting up of Tool Room/processing Units/Testing Laboratories
- v) Design and fabrication of testing equipments
- vi) Dissemination of technical information on processing and testing of plastic materials and products.
- vii) Information on Hi-tech plastics products.
- viii) Technical Project Reports.

Chapter - 2

Functions of the Finance & Accounts Department

- 2.1 The main objective of the Finance & Accounts Department is to provide the management with timely information to serve as a basis for managerial decisions, as also to continuously explore and recommend possibilities of reducing cost and increasing efficiency. The success of the Finance & Accounts department lies in its ability to deploy the modern management techniques for achieving this objective.
- 2.2 The Finance & Accounts functions are an integral part of the management system. Finance & Accounts personnel should acquaint themselves with the functioning of the other departments to be able to appreciate the eco system in which the organization operates and decisions are taken and implemented.
- 2.3 The functions of the Finance & Accounts Department can be grouped in the following areas:
- 2.3.1 General**
- i) Management of financial resources for meeting the Institute's programmes, operations and capital expenditure.
 - ii) Establishing and maintaining a system of financial scrutiny and internal checks and rendering advice on financial matters including examination of feasibility studies and detailed project reports.
 - iii) Establishing and maintaining an appropriate system of budgetary control and reporting to different levels of the management.
 - iv) Carrying out special studies with a view to reducing expenditure, improving efficiency and profitability.
 - v) Maintaining the financial accounts and cost accounts in accordance with various statutory and other requirements.
 - vi) To ensure that the expenditure conforms to the general principles of financial propriety and is justified on the grounds of economic viability and administrative prudence:
 - vii) To ensure that the expenditure conforms to the relevant provisions of the Memorandum of Association and the Rules and Regulations of the Institute.
 - viii) To ensure that all policy matters, regulations, orders or instructions which are of financial nature or have financial implications are issued strictly as per Head Office Directives and wherever directions are not available the same are sent to Head office for scrutiny and necessary guidance and approval.

- ix) To ensure that all third party payments (beyond certain limit issued from time to time) are mandatorily released through electronic mode (NEFT/RTGS etc.) only. Cash payment should be discouraged and avoided.

2.3.2 Budget

- i) Budget is a statement of estimated annual revenue and expenditure of CIPET duly approved by the Governing Council.
- ii) Budget will be prepared by the estimating authorities i.e. Centre Head separately for each Head of Account in the prescribed form. The Revised Estimates of current financial year and Budget Estimates of the following financial year after scrutiny by the Centre Head, will be forwarded to the Head Office. Head Office shall compile the budget centre-wise and put up consolidated budget to Finance & Accounts Committee for scrutiny and recommendation to BOG for final approval. Minor head wise details of budget will be approved by DG.
- iii) There should be provision of funds for the proposed expenditure in accordance with the approved budget of the Institute vis-à-vis grants received from the Government.

2.3.3 Financial Concurrence

Due care should be taken at the time of Financial Concurrence such as:

- i) Any expenditure is incurred or any liability involving expenditure is created only after the proposed expenditure has been sanctioned by the competent authority:
- ii) In cases where the sanction is for a limited period, expenditure beyond that period is incurred only after obtaining fresh sanction:
- iii) All necessary pre-requisites are observed before an expenditure is incurred such as preparation of estimates, submission of proposal for administrative approval calling for tenders, acceptance of tenders, evaluation and execution of agreements etc.:
- iv) The authorities to whom power has been delegated to incur expenditure, exercise control of expenditure against the corresponding sanctions:
- v) The payments made for the work done, supplies made or services rendered are as per the terms and conditions of the agreement.

2.3.4 Accounting

- i) The terms of payment are strictly adhered to and payments are made to the proper persons and are duly acknowledged by them so that a second claim against the Institute for the same transaction is ruled out:
- ii) All money due is correctly recovered and checked against demands and money received is duly brought into the Institute's books of account:

- iii) Proper books of accounts are maintained in accordance with the CAG instructions, statutory requirements and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and General Financial Rules (GFR) in respect of Income and Expenditure Account and Balance Sheet of the Institute and such Income and Expenditure are classified properly and recognized on Accrual basis.
- iv) Proper accounts for Institute's property, assets, stores, spares etc., are maintained and any loss or shortage of money or stores or other property caused by theft, pilferage, defalcation or otherwise is promptly brought to the notice of the Centre-In-Charge and Head Office.
- v) Every officer who is entrusted with the physical custody of the assets or materials belonging to the Institute renders a proper account of such assets or materials as and when required to do so.

2.3.5 Issuing of Utilization Certificate

- i) The Certificate of actual utilization of the grants received for the purpose for which it was sanctioned in the Form GFR 12-A, should be submitted. The Utilization Certificate in respect of grants should also disclose whether the specified, quantified and qualitative targets that should have reached against the amount utilized, were in fact reached, and if not, the reasons thereof.
- ii) The Utilization Certificate should be submitted within twelve months of the closure of the financial year. Where such certificate is not received from the grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such Institution or Organization from any future grant, subsidy or other type of financial support from the Government.

2.3.6 Compilation of Annual Accounts

- i) The books of account of the Institute are maintained on the double-entry system of accounting. All items of income/ expenditure and assets/liabilities are brought into the books on accrual basis except Bonus, irrespective of the fact whether the transactions are settled in terms of money or otherwise.
- ii) A decentralized system of accounting is followed whereby each centre is considered as a separate accounting unit and separate identical sets of books of account as prescribed by the Head Office are maintained by each centre. All items of income/expenditure and assets/liabilities of a particular centre are to be incorporated in the books of that centre. With a view to have uniformity in the major classification of expenditure at all centres, the Head Office has prescribed a "Master Chart of Accounts" containing main account heads. The Master Chart of Accounts provides for classification of expenditure under various heads of accounts. The Master chart of Accounts prescribed by the Head Office (which is incorporated as Annexure-E) has to be followed by the Centres.



2.3.7 Internal Audit

Internal Audit has been defined as an independent service within an organization for achieving effectively the objectives of Audit. Internal audit should be based on a sound internal control environment which should provide valuable material and support for review of financial compliance by external agencies/audit.

The purpose of internal audit is to:

- i) provide information to management that working of all the centers/institutes/STCs including Head Office is in accordance with the laid Rules, Regulations, Policies and Orders issued from to time by the competent authority;
- ii) identify weakness/lapses/irregularities in the system and recommend improvements;
- iii) suggest opportunities to reduce expenditure, increase revenues and better Infrastructure; and analyze & report the differences between actual and expected performance;
- iv) Internal audit should be sufficiently independent of the activities which it audits, in order to enable the auditors to perform their duties in a manner that facilitates impartial and effective professional judgments and recommendations. Equally important is ensuring accountability for response to the advice and recommendations of Internal audit.

Chapter - 3

Guiding Principles for Financial Proprietary and Management

3.1 Standards of Financial Propriety:

Every Officer incurring or authorizing expenditure from public money should be guided by high standards of financial propriety. Every Officer should also enforce financial order and strict economy at every step and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. The Following Principles must be observed:

- i) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- ii) The expenditure should not be prima facie more than the occasion demands.
- iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- iv) Expenditure from public moneys should not be incurred for the benefit of a particular person or section of the people, unless:
 - i) A claim for the amount could be enforced in a Court of Law, OR
 - ii) The expenditure is in pursuance of a recognized policy or custom.
- v) The amount of allowances granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole a source of profit to the recipient.
- vi) The responsibility and accountability of every authority delegated with financial powers to procure any item or services on Government account is total and indivisible. Government expects that the authority concerned will have the public interest uppermost in its mind while making a procurement decision. This responsibility is not discharged merely by the selection of the cheapest offer but must conform to the following yardsticks of financial propriety
 - vii) Whether the offers have been invited in accordance with governing rules and after following a fair and reasonable procedure in the prevailing circumstances.
 - viii) Whether the authority is satisfied that the selected offer will adequately meet the requirement for which it is being procured.
 - ix) Whether the price on offer is reasonable and consistent with the quality required.

- x) Above all, whether the offer being accepted is the most appropriate one taking all relevant factors into account and in keeping with the standards of financial propriety
- xi) Whenever called for, the concerned authority must place on record in precise terms, the considerations which weighed with it while taking the procurement decision. Audit Officers shall also be responsible for watching that the above principles are strictly observed.

3.2 DO's and DON'Ts

3.2.1 DO's

- i) Every employee should spend the public money most frugally in the same way as a person of ordinary prudence would do concerning his own money.
- ii) Always follow the recognized accounting systems and rules for recording all transactions accurately.
- iii) Ensure to clear the bills of parties expeditiously as per the terms of the Purchase Orders/ Contracts/ Agreements.
- iv) Ensure that the supporting documents are attached with the claim form and the Competent Authority approves the bills/claim form.
- v) Ensure that the expenditure incurred on various heads periodically with the object of effecting reduction in the expenditure and to ensure that the expenditure is within the approved budgetary limits.
- vi) Ensure that procurement cost does not exceed the amount worked out as per the standard costing
- vii) Ensure compliance to the purchase procedure while clearing the purchase proposals.
- viii) Ensure deductions of Income Tax at source as per the Income Tax Act.
- ix) Ensure to deposit the (a) Income Tax, (b) GST (c) PF etc., deducted at source within stipulated time.
- x) Ensure to submit the Income Tax, GST etc. returns within time to avoid action under those Acts for such delays.
- xi) Follow the cash counter timings strictly to avoid inconvenience.
- xii) Ensure to clear all payments within the reasonable time.
- xiii) Ensure according priority to payments of urgent and time-bound nature, e.g., electricity and water supply bills etc.
- xiv) Ensure to take decision within reasonable time.

- xv) Ensure maintaining the Cash Book on day-today basis.
- xvi) Ensure following the principle of the 'value for money' (VEM).
- xvii) Ensure to close a Contract as per the Contract signed/amended.
- xviii) Ensure realizing of amount as per the Contract Agreement.
- xix) Ensure to make payments on first come first served basis, keeping in mind the Contract Agreement entered.

3.2.2 DON'T's

- i) Don't sanction any advance until and unless the employee does not clear the advance given earlier.
- ii) Don't process any payment, which is not in accordance with the rules of the Company.
- iii) Don't act on any verbal instructions with regard to release of any advance payments.
- iv) Do not process any payment not approved by the Competent Authority.
- v) Expenditure should not prima facie be more than the occasion demands.
- vi) No authority should exercise powers of sanctioning expenditure to pass an order which will directly or indirectly be to its own advantage.
- vii) Public moneys should not be utilized for the benefit of a particular person or section of the community, unless :
- viii) Amount of expenditure is insignificant;
- ix) A claim for the amount would be enforced in a Court of Law:



Chapter - 4

Budgeting

Budget represents the Annual Financial statement showing the estimates of receipts and expenditure in respect of a financial year. Financial year commences on 1st day of April of each year and ends on 31st day of March of the following year.

Preparation of Budget is an exercise of advance planning. It is a tool of scientific management of resources of an organization with a time perspective. To be more precise budget is a statement of estimated annual revenue and expenditure of CIPET duly approved by the Governing Council.

Budget will be prepared by the estimating authorities i.e. Centre Head separately for each Head of Account in the prescribed form. The Revised Estimates of current financial year and Budget Estimates of the following financial year after scrutiny by the Centre Head will be forwarded to the Head Office. Head Office shall compile the budget centre-wise and put up consolidated budget to Finance & Accounts Committee for scrutiny and recommendation to BOG for final approval. Minor head wise details of budget will be approved by DG.

4.1 The Budget shall contain the following:-

Estimates of all Revenue/Income expected to be received during the financial year to which the budget relates. The detailed estimate of receipts will be prepared by all Centre Head in consultation with Finance Division of their Centre as per Annexure-A.

Budget Estimates will be prepared Financial year wise taking into account all anticipatory receipts which includes Internal Receipt and Other Receipt and the Estimated Expenditure with reference to the approved Plan of CIPET for the year and committed expenditure on Salaries, maintenance of infrastructure and Other Administrative Expenses etc., during the period.

4.2 Receipt Budget

4.2.1 The main components of Receipt Budget are given below:

- i) Grant-in-aid received from Ministry of Chemicals & Fertilizers, Govt. of India
- ii) Grant-in-aid received from State Government
- iii) Grant-in-aid received from other Ministries / departments
- iv) Internal Resources

4.2.2 Revenue Receipts from Internal resources

User Charges

a) Academic Courses

- i) Long-term courses Fee
- ii) Short Term Training courses Fee
- iii) Interest Received
- iv) Other Income

b) Technical Support Services

- i) Receipts from Design, Tool Room
- ii) Receipts from Processing
- iii) Receipts from Testing and Quality Control
- iv) Receipts from R&D and Consultancy Services.

4.3 Expenditure

4.3.1 Capital Expenditure

Estimates of Capital Expenditure for each head for the financial year to which the budget relates will be prepared based on the past expenditure and future programs. The detailed estimates of expenditure will be prepared by Centre Incharge, in consultation with Finance Division of the Centre.

4.3.2 Revenue Expenditure

Estimates of Revenue Expenditure for each head for the financial year to which the budget relates will be prepared based on the past expenditure and future programs. The detailed estimates of expenditure will be prepared by Centre Incharge, in consultation with Finance Division of the Centre.

4.4 Budget Preparation and Procedure.

In the month of September every year, a circular will be issued from the Finance Division at Head Office to all Centres for submission of Revised Estimate of Current year and Budget Estimate for ensuing year in the prescribed format at Annexure-A

4.5 Preparation of BE & RE by the Centers

- i) CIPET Centres will prepare Revised Estimate for the Current financial year and Budget Estimate for ensuing financial year in consultation with the Department Heads and their respective Finance/Account Officer in such a way that Budget Estimate are submitted by them to the Finance Division by the date stipulated in this regard.
- ii) The Heads of Centers will be the estimating authorities for the purpose of preparing budget in respect of the Centers. The Accounts Officer of Centers will be responsible to prepare Budget Estimate under the overall supervision / guidance of the head of the Centers. The Finance Division will prepare the Budget Estimate in prescribed format after taking into account all the activities/ schemes/ programmes being implemented/ executed in the Center and the Centres under its jurisdiction.

- iii) In preparing the Revised Estimates, while previous year's actual and current year's trends will be material factors to review the original Budget Estimates, special attention should be given to make estimates as realistic as possible.
- iv) In framing the Budget Estimates for the ensuing year, the estimating authorities should exercise utmost care. While all receipts which can be foreseen in the light of latest trends, decisions and developments must be provided for, care should be taken to ensure that undue optimism does not influence these estimates. Similarly, where the receipts have a seasonal character, due note should be taken thereof in preparing the estimates.
- v) The estimates should be realistic; that is to say, that the estimates should reflect not merely what is due but what is likely to be realized during the year together with the reasons for non-recovery of the difference between receipts due and assumed in the estimates.
- vi) The Accounts Division shall submit the draft budget to the Account Officer/Finance Officer of the concerned Centre for vetting and finalization. The Account Officer will vet the Budget Estimate with reference to the records maintained in Finance branch like register of committed expenditure, approved new items, change in norms of expenditure under various schemes, outstanding liabilities of previous years and receipts receivable etc. Thereafter, the Budget Estimate shall be recommended by the Head of the Centre in consultation with the Account Officer concerned. The Budget Estimate so prepared shall then be submitted to the Finance Division of CIPET, HO for vetting in consultation with the Heads of Divisions concerned at Head Office.

4.6 Guidelines for Budget Preparation, Formulation and Submission

The detailed guidelines/instructions for preparation of Budget are available in General Financial Rules. The broad guidelines in this regard, so far as CIPET budget is concerned, are issued from time to time.

The Budget Estimate for the ensuing year should be prepared taking into account the following broad guidelines:-

- i) Estimated amount to be paid, on account of existing ongoing programmes/Schemes and new items, approved by the competent authority, for the ensuing financial year.
- ii) Economy instructions issued by the Government must be kept in view. While all inescapable and foreseeable expenditure should be provided for, care should be taken that the estimates are not influenced by under optimism. No lump sum provisions will be made in the Budget except where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/ scheme which has been accepted in principle for being taken up in the financial year.
- iii) The Estimate of establishment charges should be framed taking into account the trends over preceding three years and other relevant

factors like changes in rates of pay, allowances, number of sanctioned posts, employees in position against sanctioned posts, vacancies as on date of commencement of financial year including the vacancies expected during the financial year and recruitment plan to be executed against such vacancies.

- iv) Expenditure estimates shall be prepared under complete Heads of Accounts i.e., by Major/Sub Major Head, Minor Head, Sub-Head and Detailed Head. The correctness of accounts classification must be ensured in each case. In case of any doubt, the clarification should be sought from the Finance Officer in case of Center or as the case may be.
- v) While projecting the budget estimate under Major Head/Plan Scheme, the approved financial norms under the concerned scheme may be strictly followed.
- vi) Budget Estimate for purchases of goods/ stores of non-consumable nature, which are to be capitalized, may be prepared with due diligence so far as the prevailing market rates are concerned and full details/justification of the items to be purchased may be prepared. Similarly proposals for the purchase of store/ assets in replacement of old/obsolete store/ equipment etc., under any Major Head/Scheme may also be included.

4.7 Guidelines for framing Revised Estimates

The revision of various existing schemes/ programmes/projects and addition of New Schemes/ programmes/ Projects necessitates reviews of already approved budget allocations. Therefore, estimates are revised based on actual progress achieved/ requirements. The Revised Estimate is the 2nd stage of review done after the closure of August account. At this stage Revised Estimates for the current year and BE for next year are prepared.

If an excess is anticipated in the Revised Estimate under any particular head, it is necessary for controlling authority to apply separately in proper time for additional funds required, unless the excess can be met by re-appropriation of savings from other heads or has already been sanctioned by the competent authority.

4.7.1 Method for framing the Revised Estimate:

The Revised Estimate is generally based on the actual (receipts and expenditure) of the first five months of the year (generally April - August). The following parameters are generally adopted for framing the Revised Estimates:

- i) Proportionate Revenue & Expenditure for the remaining seven months for the financial year is calculated under each head of accounts. This anticipated revenue and expenditure is added to the actual receipts and actual expenditure under each head of accounts for first five months. This consolidated figure under each head of accounts becomes the revised budget for the current financial year under that head of account.



- ii) Proportionate Actual Expenditure for seven month (September- March) of the previous year shall also be compared and variation, if any, shall be analyzed and explained in the justification note while submitting the Revised Estimates to the Finance Division by the Center/Institute. In case the reason for the variation is on account of special factor, it may also be mentioned in justification note whether such factor is likely to continue throughout the year.
- iii) While framing Revised estimates, the orders/judgment issued by statutory authorities/ court of law shall also be taken into account, if such orders/ judgment have financial implication during the financial year

4.8 Consolidation/Finalization of RE by the Finance Division of CIPET, HO

The RE received from the Centres duly approved by the head of the Centre with the concurrence of concerned Finance Officer shall be scrutinized by the Finance Division at CIPET, HO. The Finance Division, while vetting/finalizing the proposals in the RE will exercise all prescribed checks in accordance with the provisions contained in the orders/instructions issued on the subject by Government of India/CIPET.

In addition, the Finance Division may also undertake the following exercise;

- i) The decision taken by the Governing Council/ DG, CIPET having financial impact on the already approved budget shall be taken into account.
- ii) The liabilities/commitments which arise/given after the approval of the budget estimate for the current financial year which are to be met during the financial year shall be taken into account.
- iii) Provisions for meeting the committed expenditure on account of the events (unforeseen) which have taken place after finalization of BE of current financial year and its approval (for example casualities of employees, etc) shall be taken into account.
- iv) Revision of Rates on account of DA, increase in Minimum Wages payable under wages contract, Amendment of Acts of Central/State Government and increase of Tariff by Government Agency like Property Tax, Service Tax, Electricity Charges, Water Charges etc., shall be taken into account.

4.9 Role and Responsibilities of Finance Division at Head Office

Role and Responsibilities of Finance Division with regard to vetting and finalization of Revised Estimates of the current financial year and Budget Estimates for the ensuing financial year are very important and critical for meeting physical and financial target of CIPET during the financial year concerned. The Director (Finance), who is the Finance Head of CIPET, has the overall responsibility for preparation and submission of realistic Budget Estimates and Control of Expenditure vis-a-vis the sanction.

4.9.10 On receipt of BE from the Centers and from "other functional Heads of CIPET, Head Office Finance Division will compile the BE separately. The Finance Division will

also compile proposed expenditure in the estimate and the Revenue and Capital Heads. Similarly, Receipt will also be compiled separately as Revenue Receipt and other Receipt. After compilation of Estimates under different Schemes/ Major Head, giving breakup upto detailed head, the Finance Division will carry out the following checks and ensure that:

- i) All the decisions taken by the Governing Council/ Finance & Admin Sub-Committee/ DG, CIPET having financial impact during the current financial period have been taken into account while preparing Revised Estimates for the current financial period and similarly all such decisions having financial impact on the ensuing financial year have been taken into account while projecting Budget Estimate.
- ii) The basis taken for projecting anticipated Receipt is realistic
- iii) In the Revised Estimate no new scheme/item has been included without the approval of the Competent Authority.
- iv) Scheme-wise expenditure projected in the estimate by Technology Support Services (TSS), Academic, Business Development (BD) Directorate has conformity with the Budget Estimate projected by the Center under the concerned schemes.
- v) All the guidelines/instructions issued by the Ministry of Finance/MC&F and CIPET have been followed strictly while preparing the Budget Estimate.
- vi) The economy instructions issued by Government of India/CIPET from time to time have been given due consideration.
- vii) Information is provided in the prescribed format duly supported by the relevant documents.
- viii) Full justification for the variations in the Budget Estimates with reference to actual expenditure in last three preceding years has been carried out.

4.9.2 The Revised Estimates of the current financial year and Budget Estimates of the ensuing financial year shall be submitted to the MC&F in the prescribed format along with justification note by the stipulated date after obtaining the approval of Governing Council through Finance & Accounts Committee.

4.10 Appropriation of Funds / Budget Allocation

- i) After the appropriation bill relating to Budget is passed, the Ministry of Finance communicates Budget provision to the MC&F. In turn, Ministry of Chemicals & Fertilizers communicates to the Director General.
- ii) Based on the funds appropriated/allotted to CIPET, which may not be same as projected in the Budget Estimates, necessary modification in allocation of funds under different schemes/Major Head shall be made by the Finance Division with the approval of DG. CIPET.

4.11 Funds Allocation/Appropriation of Funds to the Center/Institute over and above Grant in Aid.

- i) The Finance Division, after obtaining the approval of Director General, shall distribute/allocate the budget provision under various major head, sub-head and detailed head.
- ii) This detailed Budget Allocation shall be put up to the Director General for approval through Director (Finance).
- iii) After the detailed allocation of funds is approved for Revised Estimates and Budget Estimates, the Finance Division may notify the same and communicate to Heads of Centers and to the other relevant units.
- iv) The Centers, on receipt of approved budget allocation from the Finance Division incorporate sanctioned allocation of funds under each major head wise/sub-head wise/detailed head wise in the Expenditure Control Register and register of financial sanction maintained at Center/ Institutes Head Quarter for the purpose of budgetary control.

4.12 Release of Funds from Ministry of Chemicals & Fertilizers

- i) At the start of financial year, in the month of April and at regular intervals as and when funds are required, requisition will be made by Finance Division of CIPET Head Office to MC&F for release of funds.
- ii) On receipt of fund from MC&F, the same will be entered in grant register maintained at Head Office in the Performa annexed at **Annexure-B**
- iii) Finance Division of Head Office will on receipt of Grant from MC&F, releases funds to Centers and the CIPET centers are required to maintain proper record in the format as being maintained by CIPET, HO.

4.13 Re-appropriations

- i) Re-appropriation of funds shall be made only when it is known or anticipated that the appropriation under a particular head of account from which funds are to be transferred, will not be utilized in full and savings are inevitable. In such cases, while preparing the proposals for Re-appropriation of such savings to another head of account under which excess expenditure is anticipated or has been done, the reason for saving and justification of re-appropriation must be recorded.
- ii) Funds shall not be re-appropriated from any head of accounts/sub-head of accounts/detailed head of account with the intention of restoring the diverted appropriation to that Centre when saving become available under other Centres later in the year.
- iii) A proposal of re-appropriation of funds should be supported by a statement in the format prescribed by competent authority in CIPET showing how the

excess is proposed to be met. In all orders, sanctioning re- appropriation of funds, the reason for saving and excess should invariably be stated and a copy of the sanction must be endorsed to the concerned Finance Officer / Account Officer and the Finance Division of CIPET.

- iv) No re-appropriation shall be made from the Grant of one scheme to Grant of another scheme without sanction of the Government.
- v) The funds of CIPET will not be appropriated or re-appropriated to meet expenditure, which has not been sanctioned by the authority, competent to sanction it under the bye laws of CIPET.
- vi) The DG, however, will have full powers for re-appropriation of revenue expenditure provisions from one major head to another.

4.14 Responsibility for control of expenditure against approved budget allocation:

4.14.1 The responsibility for control of expenditure against the sanctioned budget allocation for the concerned financial year lies with the concerned Centre Head.

4.14.2 Finance Division of CIPET is responsible for the accounting of financial transaction in CIPET. The Director (Finance) exercises this responsibility through the officers of the finance division at the CIPET, HO and the Account Officers/ Finance Officer in the Center.

4.14.3 While according sanction for expenditure under any head of account, the sanctioning authority has to ensure that:

- i) The proposal for the expenditure invariably contains the information as to which major head of account/sub-head of account/detailed head of account the expenditure shall be debited.
- ii) Fund is available in the concerned head to meet the proposed expenditure.
- iii) Financial concurrence of the Finance Division/ Finance Officer, as the case may be, has been obtained and its reference has been incorporated in the sanction. Thereafter, he/she will ensure that the sanction issued/ conveyed to the concerned Finance Officer has been noted in the "Sanction Register" maintained in the prescribed format. The officer concerned will also attest the relevant entry in the sanction register.
- iv) The sanctioned amount has been entered in the Expenditure Control Register, progressive expenditure has been worked out and the balance fund available, out of sanctioned budget under the relevant head of account, has been mentioned under his/her attestation.
- v) No expenditure shall be incurred which may have the effect of exceeding the sanctioned budget allocation under the relevant head of account unless re-appropriation of funds to cover the expenditure has been made by the competent authority in advance or an assurance to this effect has been received in writing from the appropriate authority.

4.15 Budgetary and Expenditure Review

- i) Finance Division at CIPET, HO and Finance Officer in the Center will review the trend of expenditure vis-a-vis approved budget allocation under each major head/ scheme including sub-head/ detailed head wise allocations. This exercise shall be carried out every month after finalizing the accounts of the concerned month. The Center/Institute will submit a summary of results of such review in the form of statement along with the monthly account.
- ii) Finance Division will compile information received from Center and Head Office. The statement of review of expenditure vis-à-vis budget allocation shall be submitted by Director (Finance) to Director General on 10th Day of every month in respect of the Budgetary Review of the preceding month.
- iii) Similar exercise shall also be carried out quarterly and the results and recommendations proposing the remedial steps shall be submitted to the Director General through Director (Finance) at CIPET, HO.

Chapter - 5

Sources of Funds

The funds required for meeting the Capital and Revenue expenditure of the Institute, its centres and Head office are received from the following sources:

1. Grant-in-aid received from Ministry of Chemicals & Fertilizers, Govt. of India
2. Grant-in-aid received from State Government
3. Grant-in-aid received from other Ministries / departments
4. Revenue Receipts from Internal Resources

5.1 Grant-in-aid received from Ministry of Chemicals & Fertilizers, Govt. of India

The fund requirement of the institute is provided by the Government of India by Deptt. of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers through regular budgetary support. The quantum of the grant to be provided for each centre is decided by the Head Office and is made available to them from time to time.

5.2 Grant-in-aid received from State Government

The Grant-in-Aid received from the State Government is generally of capital nature and earmarked for specific purposes. On receipt of such remittance, the Centre should credit the Grant-in-Aid (State Government) Account.

5.3 Grant-in-aid received from other Ministries / departments

The Grant-in-Aid received from other Ministries / departments can be of Capital nature or Revenue nature and earmarked for specific purposes. On receipt of such remittance, the Centre should credit the Grant-in-Aid (other Ministries / departments) Accounts specifying the name of Ministry/Department

5.4 Revenue Receipts from Internal Resources:

User Charges

i) Academic Courses

- i) Longterm course Fee
- ii) Short term course Fee

ii) Technical Support Services

- i) Receipts from Design, Tool Room
- ii) Receipts from Processing
- iii) Receipts from Testing and Quality Control
- iv) Receipts from R&D and Consultancy Services



iii) Interest received

Represents the interest received/accrued on term deposits with the bank, interest on advance to staff and other miscellaneous interest.

iv) Other Income

Represents the amount of any other income now shown elsewhere inclusive of recovery from employees on account of House Rent, Room Rent, Guest House, sale of publications, profit on sale of assets and other miscellaneous income; such as provisions made in earlier years and no longer required.



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Chapter - 6

Accounting of Financial Transaction

- 6.1 CIPET has been following the Accrual based Accounting System (Double Entry System) right from the beginning and preparing the Income & Expenditure Account and the Balance Sheet.

The CIPET has been preparing Accounts in the format prescribed by C&AG for Central Autonomous Organization.

The Prescribed Format of Income & Expenditure account and the Balance Sheet is enclosed as Annexure-C.

6.2 Accounting Standards

Accounting Standards (AS) aim at standardizing diverse accounting policies and providing accounting policies, valuation norms and disclosure in conformity with requirements, the Generally accepted Accounting Principles, issued by the Institute of Chartered Accountant of India, which is the recognized apex accounting body and deals with measurement, treatment, presentation and disclosure of accounting transactions and events.

Among the total number of Accounting Standards issued by ICAI following Accounting Standards are applicable on Central Autonomous Bodies like CIPET:

AS No.	Particulars
AS-1	Disclosure of Accounting policies
AS-2	Valuation of Inventories
AS-4	Contingencies and events occurring after balance sheet date
AS-5	Prior period items and changes in accounting policies
AS-6	Depreciation Accounting
AS-9	Revenue Recognition
AS-10	Accounting for fixed assets
AS-11	Effects of Changes in Foreign Exchange rates
AS-12	Accounting for Government grant
AS-13	Accounting for Investments
AS-15	Accounting for Retirement benefits in the Financial Statement of employers
AS-26	Intangible Assets
AS-28	Impairment of Assets
AS-29	Provisions , Contingent liabilities and contingent assets

6.3 Origin of Transactions, Source Document and Preparation of Vouchers

- i) A transaction originates as soon as goods are purchased/sold or services taken/rendered. In other words, any Asset is created by paying cash or on credit, services rendered for return in the form of Cash or credit. Similarly, when a liability is created by procurement of goods on credit or services obtained from any agency or individual for the objectives of the

organization. The source of document for the transaction is like Invoice, Cash Memo, Receipt, Pay in Slip, Cheques, Debit Note, Credit Note, Cash Voucher, Credit Voucher, Debit Voucher, Transfer Voucher etc.,

- ii) In cases where CIPET's dues are received directly in CIPET's Account through RTGS/NEFT, the concerned division after due verification about deposit of dues from the Bank will intimate Finance Division about details thereof, including Head of Account within three days from date of receipt.
- iii) Similarly, a payment voucher is originated in the Cash Section of the concerned Finance Division. The basis of Payment Voucher is the claim form/sanction order received from the concerned branch/section duly supported by an order document viz., copy of claim, invoices, establishment expenses, claims submitted by service provider bills received against supply of goods etc., The Cash Section prepares a bill on the basis of Sanction received for payment. After a payment is released, such bills are called Paid vouchers. These Vouchers are arranged in serial order for each month for posting the transactions in the AccountBook.
- iv) The third source is transfer entries. These entries are passed for correcting the existing entries and for adjusting the transaction already recorded while preparing the accounts for the month/financial year.
- v) All transactions pertaining to the year are recorded irrespective of the facts whether cash is received or not or cash is paid or not.
- vi) In the Accrual System, if the transactions pertain to previous or subsequent year, they are also recorded but shown separately as in terms of prior period receipt or expenditure of prior period. Similarly where such transactions are related to subsequent year, such Income or Expenditure is also recorded distinctly. Such entries like "prior period Income", "Prior period Expenditure", "Income received in advance" or "Prepaid expenses" are recorded only in respect of revenue transactions and not Fixed Assets, Current Assets or Liabilities in the Balance Sheet.

6.4 Cash and Bank Transactions

6.4.1 Receipt of Cash, Cheques and Bank Drafts

- i) The Accounts Department alone is authorized to serve as a counter for receiving money on behalf of the centre. Any Cheques, demand draft etc., received through post or otherwise will be passed on to the section immediately. No money shall be received at the counter unless authorized by the Officer -In-Charge.
- ii) For each and every money receipt transaction, official receipt shall be issued by the Accounts Department to the party tendering such money. The receipts shall be signed by the concerned Accounts Assistant/Accounts Officer.
- iii) The receipt shall be generated through accounting software in duplicate, serially numbered. The original receipts shall be handed over to the party

tendering the money. The duplicate copy shall be retained by the Accounts Department.

- iv) In exceptional circumstances, the printed receipts can be issued from preprinted blank Receipt Book, serially numbered arranged in sets of original and duplicate. The original is perforated and after preparation of receipts it shall be handed over to the party tendering the money. The duplicate carbon copy shall be retained by the Accounts Department.
- v) All blank Receipt Book shall be kept under lock and key and a Register shall be maintained to record the details of the Blank Receipt Books and issue thereof from time to time in a chronological order. Where for administrative reasons specific authority is issued to other departments for handling petty cash receipts, it must be ensured that i) All receipts are promptly recorded and ii) cash received is deposited within 24 hours with the Accounts Department.
- vi) The spoiled or cancelled sheets shall not be used and shall be kept pinned with the duplicate.

6.4.2 Payment

- i) All payments shall be made only on the basis of payment vouchers prepared & Authorized by the concerned departments, concurred by Finance Division and approved by the Competent Authority.
- ii) Payment shall be made only to the person named as payee in the voucher or to any person who is holding proper authority/ authorization in writing to receive such payments on behalf of such payee. Identification of outside party can be accepted if such identification is made by some responsible officer.
- iii) Petty Payments can be made in cash with the approval of the competent authority, which shall not exceed Rs.2,000/- at a time. Payment exceeding Rs.2,000/- shall be made by NEFT/IMPS/RTGS crossed cheque or demand draft only as per the guidelines issued in this regard.
- iv) Payment to suppliers/contractors etc., shall be made only by means of A/c payee Cheque/NEFT/RTGS and in exceptional cases by Demand Draft. No payments shall be made by means of bearer cheque/cash.
- v) All Cheques shall be signed only by the officers who have been authorized by the Head Office as the authorized signatory. The person signing the cheque shall ensure that:
 - i. The supporting payment vouchers have been passed by the competent authority.
 - ii. Names of the payee and the amount of the Cheques tally with the particulars given in the relevant vouchers. The particulars in the cheque counterfoils are properly filled in.



- iii. Cheque issue register should be maintained with particulars such as cheque no. date, Amount, & issued in favor of (drawee name).
- iv. The person authorized to sign cheques must ensure that at no point of time a blank cheque is signed.
- vi) Proper acknowledgement by the payee shall be obtained against all payments beforehand except in cases where Account Payee Cheques are issued and sent by post. For cheques sent by post the party shall be asked to furnish official stamped receipt separately. All cheques to be forwarded to the parties shall be sent by registered post along with forwarding letter giving details of payment.
- vii) After the payment is made the payment vouchers shall be defaced by means of "Paid" stamp. In case of payment by cheque the cheque No. and date shall invariably be mentioned in the vouchers. All paid vouchers shall be given a serial number in sequence of the payment and shall be kept in proper custody by the Accounts Department.
- viii) All blank cheque books shall be kept under the custody of the Accounts Officer and a register containing the details of receipts and issues shall be maintained.

6.4.3 Custody of Cash and Bank Withdrawals / Deposits

- i) Cash shall be kept in a safe deposit vault. The sets of keys of the double lock shall be kept with 2 officers i.e, one set with the Accounts Officer/Administrative Officer and the other with the concerned Accounts Executive. The cash safe shall be utilized only for the purpose of keeping the cash of the centre and no private cash or cash of the employees shall be mixed with the cash of the centre. Keeping in view of the normal requirement of cash maximum permissible limits of cash to be kept in the safe shall be prescribed by the Center Head and the amount of cash in safe shall not at any time exceed such permissible limits except on grounds of special requirements duly approved by the Center Head.
- ii) All remittance received by the centre shall be remitted into the bank on daily basis.
- iii) All incoming cheques shall be deposited with the bank on the next working day. Any delay in such deposit shall be construed as dereliction of duty and such delay shall have to be duly approved by the Center Head.
- iv) A register of cheque/Demand Drafts received and deposited in the bank shall be maintained.
- v) The Accounts Department shall also keep a stock of revenue stamps to meet their day-to-day requirements. The stock of such revenue stamps shall form part of cash.



6.4.4 Maintenance of Cash Books and Bank Book

- i) Separate Books shall be maintained for recording bank and cash transactions. The Cash Book shall be maintained in the form prescribed from time to time. Every entry in the Cash Book on the receipt side shall be supported by duplicate copies of the receipts and on the payment side by paid vouchers. The Cash Book shall be written and closed every day. The cash balance as appearing in the cash book at the end of the day's transactions shall be verified by the Accounts Executive with reference to the physical cash available in the chest, after which the Cash Book shall be signed by the Accounts Executive. The Accounts officer shall verify the Cash Book and sign it every day at the closing hours. The cash balance shall also be written in words.
- ii) All cash and cheques received shall be entered in respective books on the same day.
- iii) The correctness of the amount retained in the cash chest will be the responsibility of the Accounts Executive. The Accounts Officer shall conduct a surprise verification of cash at least once in a month and a note of such verification shall be recorded in the cash book. In addition to this, he may arrange for surprise verification of cash by the Centre Head or other Senior Officials.

6.4.5 Reconciliation of Bank Accounts

The bank reconciliation statement shall be prepared every month latest by the 7th of the succeeding month. The statement shall be scrutinized every month by the Accounts officer to ensure that;

- i) All cheques deposited but not credited are immediately followed up.
- ii) All cheques issued and which are outstanding for more than 3 months are reversed and necessary liability set up.
- iii) All other debits such as bank charges, commission, interest etc., debited by the bank or supported by the bank's debit advice and are entered in the books of the centre after proper verification. In case of any discrepancy, it should be immediately followed up with the bankers.
- iv) Wrong credits/debits incorporated by the bank are followed up for rectification.

6.4.6 Security Arrangements for Cash Handling

Accounts Department shall ensure that adequate insurance cover for cash in safe and cash in transit exists. Any variation in the cash limits shall be duly informed to the Centre Head. In respect of persons, who are entrusted with the work of handling cash, fidelity insurance cover shall be obtained.

6.4.7 Safe Custody of Documents

All paid vouchers duly numbered shall be arranged serially and preserved in files along with supporting papers. These vouchers shall be retained till the annual audit is over after which they will be indexed properly and transferred to record room.

6.4.8 Schedule of Dates for Payment for Recurring Payments

Certain statutory payments such as PF Contributions, Tax deducted at source, GST dues, Electricity Bills, Telephone Bills etc., are payable on a recurring basis. A schedule of date in each month for such payments shall be drawn up by the Accounts Officer and intimated to the Accounts Executive to ensure timely payments.

6.4.9 Cash Imprest / Temporary Advance

Petty cash imprest of not more than Rs. 5000/- at a time can be operated with the approval of the Centre Head. It will then be permissible to authorize a few officers to hold imprest for incurring petty expenses. In all such cases, timely account shall be rendered by such officers. Imprest holders shall be personally responsible for the safe custody and accounting of imprest money.

Chapter - 7

Accounting of Grants-in-Aid (GIA)

7.1 Types and Categories of Grants-in-Aid:-

To achieve aims & objectives as defined in MOA, CIPET receives various kinds of Grants from Government of India / State Government for capital expenditure for existing centers and the capital expenditure & revenue expenditure for establishment of new centres.

As per the Accounting Principle, Grant is divided into Revenue Grant or Capital Grant.

Revenue Grant: General Purpose Grants, received from the Ministry are of revenue nature.

Grants received or receivable in respect of specific revenue expenditure shall be recognized as income in the accounting year in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.

Capital Grant: Grants received towards capital expenditure shall be accounted on actual receipt basis. Grants in the form of non-monetary assets (such as fixed assets / Land given at a concessional rate) shall be accounted for on the basis of the acquisition cost. In case a non-monetary asset is received free of cost, it shall be recorded at a nominal value.

7.2 Accounting of Grants

- i) Receipt of grant is recorded in the Grant Register as well as in Cash Book / Bank Book and credited to relevant grant account. When expenditure is incurred from the Grant/Funds, payment entries are recorded in Cash Book against the concerned expenditure head.
- ii) Specific Grant receipts will be accounted according to the nature of Grant i.e., Revenue Grant or Capital Grant. Expenses against the specified grants will be met out of the respective Grant.
- iii) **Grant Register:** When grants received from Ministry, all such grants should be entered in the Grant Register maintained at Head Office. Grant Register shows all the particulars relating to Grant like Sanction No. and date of issue of sanction order of Ministry, objective of grant, amount of grant, Bank name and Account No. in which grant is credited, balance amount, if any, remaining from Ministry, etc. (Format of Grant Register as shown in Annexure B).
- iv) **Grant Control Register:** In order to keep control over Grants received under various heads, a separate Register is maintained, which is known as Grant Control Register. Under this Register each grant received under particular head is recorded in separate page (on the left side of Register) and release or expenditure related to that particular grant is also recorded on that page (on the Right side of Register). At last, at the end of the page **Balance available**

under particular grant is written, after every Release or expenditure. The specimen of Control Register is as under:

Grant Control Register
Grant Received under _____ (Nature of Grant)

S. No.	Sanction order No.	Date of Receipt	Name of Centre	Amount	Balance	Remarks	Signature

- v) Revenue Grants received or receivable in respect of specific revenue expenditure shall be recognized as income in the accounting year in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.
- vi) The Capital Grant released by Ministry (C&F) is subject to certain conditions as stipulated in GFR. Capital Grants received towards capital expenditure shall be accounted on actual receipt basis. Grants in the form of non-monetary assets (such as fixed assets/Land given at a concessional rate) shall be accounted for on the basis of the acquisition cost. In case a non-monetary asset is received free of cost, it shall be recorded at a nominal value.

7.3 Accrual Accounting of Grant

Normally Grants are accounted for on realization basis, i.e. on receipt of the amount. However in number of cases the State Government sanctions are issued for Grants on or before 31st March and cheques dated 31st March are issued or instructions dated 31st March to the Ministry's Bank for the electronic Transfer of Grant. The amount may be received after 31st March. In such cases, the Grant should be accounted for on accrual basis crediting the Grants Account and debiting 'Grants in Transit'.

7.4 Conditions for utilizing the Grants

Grant released by Ministry (C&F) is subject to certain conditions as stipulated in GFR. These conditions are to be kept in mind while utilizing the grant. At the time of submitting the utilization certificate, on the format as envisaged in GFR, which is in terms of the conditions stipulated in the grant.

Points to be remembered while submitting Utilization Certificate to Ministry

- i) **Form GFR 12-A:** certificate of actual utilization of the grants received for the purpose for which it was sanctioned in the Form GFR 12-A, should be submitted. The Utilization Certificate in respect of grants should also disclose whether the specified, quantified and qualitative targets that should have reached against the amount utilized, were in fact reached, and if not, the reasons thereof.
- ii) **Time Limit for Submission of Utilization Certificate:** The Utilization Certificate should be submitted within twelve months of the closure of the

financial year. Where such certificate is not received from the grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such Institution or Organization from any future grant, subsidy or other type of financial support from the Government.

7.5 Public Financial Management System (PFMS)

The Public Financial Management System (PFMS), earlier known as Central Plan Schemes Monitoring System (CPSMS), is a web-based online software application developed and implemented by the Office of Controller General of Accounts (CGA). PFMS was started with the objective of tracking funds released under all schemes of Gol, and real time reporting of expenditure at all levels of Programme implementation.

The primary objective of PFMS is to facilitate sound Public Financial Management System for Government of India (Gol) by establishing an efficient fund flow system as well as a payment cum accounting network. PFMS provides various stakeholders with a real time, reliable and meaningful management information system and an effective decision support system, as part of the Digital India initiative of Gol.

The biggest strength of PFMS is its integration with the Core banking system in the Country. As a result, PFMS has the unique capability to push online payments to almost every beneficiary/vendor. At present, PFMS interface is having interface in addition to the Core Banking System (CBS) of all Public Sector Banks, Regional Rural Banks, major private sector banks, Reserve Bank of India, India post and Cooperative Banks.

The Office of the Controller General of Accounts (CGA), which is the apex accounting authority of the Government of India under Ministry of Finance, is implementing the Public Finance Management System in the entire country.

7.5.1 Main modules of PFMS

- i) **Agency registration module:**
 - i) Agencies get mapped in scheme hierarchy.
 - ii) Level wise bank account balances & daily transactions available.
- ii) **Expenditure filing module:**
 - i) Component-wise Fund Utilization available - Expenditure/ Advances/ Transfers.
 - ii) Cheque validation facility for ensuring exp. filing.
- iii) **e-Payment module:**
 - i) Direct credit to beneficiaries (scheme & bank independent).
 - ii) E-transfers to vendors, employees & other institutions.
 - iii) Ensures compulsory expenditure filing.

7.5.2 EAT module

- i) E - stands for Expenditure. Expenditure is done for running office requirement.
- ii) A - stands for Advance & settlement. Advance is given to Vendors, Staff and Beneficiaries for supply or service.
- iii) T - stands for Transfer. Transfer is always to the lower level agency.
- iv) EAT Module is also called as Expenditure Filing Module.

The process of entering the day to day transactions as recorded in the cash book on the PFMS portal by an agency registered on PFMS, is called expenditure filing with the following objective:

- i) Tracking of flow of funds from Centre to the lowest level of implementation- both under SPV & Treasury route.
- ii) On line information on bank balances to facilitate “Just in time” provision of funds to implementing agencies.
- iii) Real time data on fund utilization : bank reconciled & transaction based
- iv) Decision Support System (DSS) for all levels of program administration
- v) Enhance transparency & accountability in public expenditure.
- vi) Dissemination of financial information to citizens.

The Grant received from Government of India under various schemes are through PFMS only. The payments for the procurement of Goods and services by CIPET are to be done through PFMS only. The Expenditure incurred under the grants received from Government of India has to be filed through PFMS Portal.

Chapter - 8

Accounting of Fees and User Charges

The Fees and User Charges are levied for the services rendered by CIPET to third parties. The Fee and user charges are reviewed periodically.

The Fee and user charges collected by CIPET can be bifurcated into the following categories;

a) Fee

- i) Long Term courses Fee
- ii) Short Term courses Fee

b) User Charges

- i) Receipts from Design, Tool Room
- ii) Receipts from Processing
- iii) Receipts from Testing and Quality Control
- iv) Receipts from R&D and Consultancy Services

I) Accounting of Fees

8.1 Long Term Course Fees

8.1.1 Under Graduate & Post Graduate Course Fees

Courses offered by CIPET are based on affiliation to specific university. The fee structure of Under Graduate & Post Graduate courses are determined according to the fee structures of the respective university.

8.1.2 Diploma, Post Diploma and Post Graduate Diploma Fees

The fees are fixed by CIPET by taking into account the expenditure involved and as approved by G.C.

8.1.3 Short Term Skill Development / Vocational Training Programme

CIPET is entrusted to provide technical education to the poor and deserving candidates. CIPET works with Government, PSU and reputed corporate entities to provide Skill Development Training Programmes to the needy and deserving candidates in the society through sponsorship programme.

i) Courses sponsored by Ministry of Skill Development and Entrepreneurship (MSDE)

- i) Ministry of Skill Development and Entrepreneurship (MSDE) sponsors Skill Development Training Programme and the cost of training is funded by the Government.

- ii) The Fees for the Training is fixed by the MSDE and the same is revised by every year.

ii) The Courses sponsored by PSUs and Corporate Entities

- i) Government PSUs like., GAIL, Power Grid, PFC etc., and Corporate Entities like., SABIC are also sponsoring Skill Development Training Programme through CIPET.
- ii) Cost of training is being funded by Government, PSU and Corporate entities for a limited number of candidates as per the agreed Memorandum of Understanding, signed between the sponsors and CIPET.
- iii) The sponsor release payment as per the terms of MOU in periodic interval.
- iv) Fund utilization report, money receipt and Income & Expenditure report is furnished to the sponsor in periodic interval, as per the terms agreed in the MOU wherever necessary.
- v) The payment so collected is accounted as income under the respective department's head and a money receipt is issued to the sponsors.

iii) Short term for up-skilling / CAD/CAM

- i) CIPET provides short term certification courses on advanced CAD/CAM, training on testing and mould design etc at a minimal fee for the students willing to sharpen their skills in the respective field. Students also carry out their project works at CIPET Centres for their UG/PG programme.
- ii) Candidate and course/project fee details are submitted by the concerned department with the Finance & Accounts Department, prior to taking up the project work/taking admission into the certification course. The student submits the Fee in cash/DD at the cash counter with the Finance & Accounts Department.
- iii) The candidate submits proof of payment in the respective department to pursue his certification course / project work.

8.1.4 Review of Fees

- i) **UG & PG Course Fee**
Fees are reviewed and approved normally once in three years by the affiliated universities and accordingly the fees are revised.
- ii) **Diploma, Post Diploma and Post Graduate Diploma Course Fee**
The Fees are revised 10% every year as per the decision taken by Governing Council.

8.1.5 Method of Receiving Payment for Fees

The Institute can receive payment:

- i) Online (through payment gateways, such as SBI Collect etc.)
- ii) Demand Draft
- iii) Fee payment challan (of a specified Banker)
- iv) Cash

In general cash payments are not accepted.

Fee collection is done normally twice in an Academic year, at the beginning of each semester.

Student Fee collection have to be bifurcated and accounted in the respective heads towards which the fee got collected for admission and re-admission. For e.g., Admission Fee, Registration Fee, Course Fee, Uniform Fee, Course Material Fee, Gymkhana Fee, Library Fee, Hostel Fee etc.

8.1.6 Accounting of Course Fee at the time of admission:

- i) The students have to fill the Pre-printed Admission Form and submit it in the Admission Counseling Cell along with their Original Documents (Such as proof of Educational Qualification, Birth Certificate, Caste Certificate etc). The documents will be verified by the Officer in-charge for Admission for the academic session and will authorize for payment collection.
- ii) The students who failed to pay the Fees on time will have to pay their fees with a late fine as stipulated by the University/State Technical Board/ CIPET HO.
- iii) Such Fee has to be accounted by crediting to the Other Income from Academic Activities under the head Late Fee and debiting to the concerned Student ledger /cost centre.

8.1.7 Accounting of Fee for Hostel Admission

- i) Administration Department publishes the list of students to whom the hostel rooms are allocated at the beginning of each Academic year.
- ii) The students to whom the Hostel is allotted will get a pay in slip duly authorized by the Administrative Officer. The students have to pay the Hostel Fee in advance for a year (normally) in the form of Demand Draft or through payment Gateway.
- iii) F& A Department will credit the Student ledger / cost centre under the Head Hostel Fee and issue receipt to the student for payment of Hostel Fee.
- iv) Payment of Fee through Bank Challan is available where the students can collect the pre filled payment challan from Cash Counter/ Finance & Accounts Department and remit the fee in the cash counter of the designated bank.

- v) The fee collection details is submitted by the banker on a periodic interval and based on the same fee collection entry is accounted in the respective student ledger/Cost centre.
- vi) Fee collected through the online gateway will be downloaded on a daily basis and accounted by crediting the concerned student's ledger/cost centre. Receipt for fees paid through payment gateway can be downloaded by the student online. Hence, no receipt will be issued to the students for payment made through online gateways.
- vii) Notice for payment of Hostel Fee is circulated by the Administrative department once in every six months.

II) Accounting of User Charges

8.2 Technology Support Services

- i) The User Charges for the Technology Support Services is worked out by taking into account the expenditure incurred viz., Capital cost incurred, Power & lighting, depreciation and overhead expenses etc., and the same is implemented after approval by the Governing Council.
- ii) The User Charges for TSS are reviewed and approved as per provisions of GFR and the decision taken by the Governing Council.

8.2.1 Tool Room and Processing Fee

Orders received from Customers are primarily categories into two parts i.e. order received from Government entities & from Private Parties.

Cost of Job work is received towards the following supplies;

- i) Mould Designing
- ii) Product Designing
- iii) Mould Manufacturing
- iv) Processing
- v) Processing with material

8.2.2 Accounting of User Charges for Supply of Goods and or Services

The Particular department (Design, Tool Room & Processing) raises work order in the name of respective customers after receipt of the Job work. The work order contains details of User/customer along with GST registration number, if any, date of placing order, starting date of work and date of completion, quantity of mould, Raw material input quantity for processing job work, time taken on processing & amount of such mould design/ manufacturing or processing, delivery details such as delivery challan number, gate pass number, date of dispatch and delivery address etc.

After verification of the said documents the work orders are signed by the



concerned Department Head and the Centre Head. The work order copy is handed over to Finance & Accounts Department for Accounting & Invoicing.

Accounting is done by the F&A Department after thorough scrutiny stated below;

- i) Check whether the user/customer is a registered. If the customer detail is not available in the customer ledger, creation a new Ledger Account as per the User/Customer details furnished in the work order.
- ii) Check whether payment is received against the work order for Processing, Mould design/development.
- iii) Payment received in advance should get accounted by crediting to the user/customer ledger account.
- iv) Reconcile amount received with Cash Receipts & Bank Receipts Voucher Number.
- v) Credit is offered to Government/Private entities of repute in few instances. Credit offered has to be mentioned in work order.
- vi) Verify Mould, Process Cost with Head Office Technology Support Services Rate Chart to ensure accuracy of fee charged.
- vii) Verify the Total Value of the order with Quantity & Amount as per the Work Order.
- viii) Account for the supply of Goods or Services by raising invoices against the work order.
- ix) After preparation of invoices in quadruplicate, submit it to the F & A Officer In-charge for verification and authentication. One copy has to be kept in Accounts Department for record and remaining three copies to be handed over to concerned department for dispatch of Material, submission of invoices to the customer and for the department concerned record purposes.

8.2.3 Accounting of User Charges for the Testing Services

Orders received from Customers are primarily categories into two parts i.e. order received from Government entities & from Private Parties.

Testing Fee is received towards the following supplies of services;

- i) Testing
- ii) Specification
- iii) Inspection
- iv) Calibration

Testing department raises work order in the name of respective customers upon receipt of the test samples. The work order is submitted to the Finance & Accounts Department for invoicing after completion of the testing and receipt of payment

against the same. Credit is offered to Government/Private entities of repute in few instances.

The work order contains details of user/customer along with GST registration number, if any, date of placing order by the user/customer, test starting date and date of completion, Type of Test, Test Report Number, and amount of such Test/Inspection etc. The work orders are signed by the testing in-charge and Centre Head after thorough verification of the said details. Then the work order is handed over to F & A Department for Accounting & Billing.

Accounting is done by the Finance & Accounts Department after scrutiny stated below;

- i) Check whether the user/customer is a registered. If the customer detail is not available in the customer ledger, creation a new Ledger Account as per the User/Customer details furnished in the work order.
- ii) Check whether the customer has paid the Testing Fees
- iii) Payment received in advance should get accounted by crediting to the user/customer ledger account.
- iv) Reconcile amount received with Cash Receipts & Bank Receipts Voucher Number.
- v) Verify Testing Fees with Head Office Technology Support Services Rate Chart.
- vi) Verify of Total Value of the order with Type of Test & Rate.
- vii) Account for the supply of services based on the work order.
- viii) After preparation of invoices in triplicate, submit it to the Finance & Accounts Officer In-charge for verification and authentication. One copy has to be kept in Accounts Department for record and remaining two copies to be handed over to concerned department for submission of invoices to the customer and for the department concerned record purposes.

8.3 Follow Up of outstanding Sundry Debtors:

A committee headed by the Centre in-charge and all department heads to be formed to review the status of supplies of Goods and or Services in credit. The committee so formed has to seat twice in a month to appraise the status of outstanding payment collection and the follow up action plan for recovery of long overdue sundry debtors. The follow up action taken has to be documented and submitted in the said review meeting for deciding the further course of action.

Chapter - 9

Accounting of Fixed Assets

9.1 All items of fixed assets under Head Office and Centres such as Buildings (residential and non-residential), Plant & machinery, Furniture and fittings, Office Equipments, Class room Equipments, Vehicles, Electrical substation and overhead lines, Capital works in progress, Equipment in transit, Equipment in Stores and Advances against purchase of Capital Equipment are included under this head.

Accounting:

9.2 The salient points in respect of accounting of fixed assets are indicated below:

- i) Capitalization of the cost of acquisition of assets.
- ii) Accounting of depreciation
- iii) Transfers, disposals and discarding of assets.
- iv) Arrangement for physical verification of assets
- v) Preparation of schedules for balance sheet.

9.2.1 Capitalization of the Cost of Acquisition of Assets

- i) The cost of acquisition of an asset shall include all expenses incurred for bringing the assets into use upto the stage of commissioning. Such cost include purchase cost, erection cost, supervision cost, freight, insurance and other similar incidental expenditure upto the stage of commissioning of the assets. The acquisition of the cost of the land shall include all initial legal charges including stamp duty and other related expenses.
- ii) During the initial stage of establishment of Centre, all expenses direct as well as indirect, incurred upto the point of commissioning of all the project shall be treated as incidental expenditure during construction period and shall be apportioned to various capital assets and capitalized proportionately. Preliminary expenses such as cost of designing, technical assistance fee, project cell expenses etc., shall be grouped under the headings of "Incidental expenditure during project period". The cost of establishment and other general administrative expenses incurred upto the point of commissioning i.e, construction period expenses shall also be included in the above head of expenditure.
- iii) The total direct cost of the assets shall be determined by adding the cost of materials to the erection cost reported by the user department. Construction period expenses including the establishment and other general administrative overhead shall be allocated to each assets on a pro-rata basis based on the total direct expenditure incurred asset wise.
- iv) The allocation shall be made on all construction jobs including Factory building, water supply, sewage network etc. The temporary assets in the nature of construction site requirements shall be excluded from such allocation. The un-

allocated capital expenditure items shall also be allocated separately in the same manner to the cost of the jobs to which they relate.

- v) After such allocation journal entries shall be passed by transferring the cost of "each asset (including allocated overheads) to the relevant "Fixed Assets Account".
- vi) The journal entry shall be passed only in respect of such assets which are completed and /or commissioned on or before the date of capitalization. For other assets which continue to remain in construction, work in progress, no such entry shall be passed and the portion of construction period expenses & un-commissioned assets shall continue to remain in their respective heads of accounts. The allocation of construction period expenses shall be the expenditure incurred during the year under reference. When the assets are commissioned in subsequent years, journal entry shall be passed for capitalizing the cost of assets which shall include all allocated expenses on the particular asset. For purpose of capitalization each building shall be taken as one unit.
- vii) For construction activity when work is assigned to a contractor on turnkey basis, the commissioning date of the assets for the purpose of capitalization shall be determined only after the successful completion of the pre-commissioning test/trial runs. Accounting treatment of expenses for the extended period of trial runs over a longer period shall be determined by the Head office by taking into consideration the facts and circumstances of each case.
- viii) While capitalizing the cost of building, the cost of water supply connections form water supply mains and the cost of electrification shall be capitalized along with the cost of building. Detachable items like fans, geysers etc. shall be shown under "Electric Fans, Fittings & Appliances". Fencings and pavements shall form part of the building to which they are attached.
- ix) All expenditure of revenue nature (other than depreciation) incurred on fixed assets when a project is under planning stage shall be carried forwarded as "Incidental Expenditure during construction period pending Capitalization" to be capitalized at the time of conversion of the project to completion status.
- x) After completion of project the expenditure on additional facilities in subsequent years, if any, shall be capitalized only on the basis of direct expenses incurred for bringing such additional facilities into existence. Salaries etc. of employees exclusively employed for construction work of additional facilities shall be allocated for the cost of additional facilities. The amount incurred on "development of land" is to be debited to building account.
- xi) For movable items of plant & machinery the acquisition cost shall be only the direct expenses and no overheads shall be allocated.

9.2.2 Accounting of Depreciation

- i) Depreciation is charged on all capital assets. The Depreciation should be charged on Written Down Value Method (WDV) as per the rates given by Head Office for different class of Assets. In case of deviation in depreciation

rate being charged on a particular class of Asset the same may be disclosed in the note to the Accounts.

The detailed list for the rates to be adopted for various categories of assets is furnished below:

S.No.	Particulars	Rate of Depreciation
01.	Land	Nil
02.	Building	5%
03.	Plant and Machinery	7.5%
04.	Vehicles	20%
05.	Electrical Fittings	10%
06.	Office Equipments	10%
07.	Guest-House, Kitchen Equipments	10%
08.	Design, Drawing Equipments	10%
09.	Library Books	10%
10.	Teaching & Training Aids and TV,	7.5%
11.	Glassware, Lab Equipment's	7.5%
12.	T.V for Guest-house	7.5%
13.	Furniture for Hostel	10%
14.	Tool-Room Equipments	7.5%
15.	Guest-House, Kitchen Equipments	10%
16.	Water-line connections	10%
17.	Air-conditioners	7.5%
18.	Bore-well	10%
19.	Approach Road	5%
20.	Electrical Installations	10%
21.	Computer	10%
22.	Furniture & Fixtures	10%
23.	Generator	10%
24.	Measuring Instruments	7.5%

- ii) For temporary structures such as temporary building, temporary power & water supply installations etc., erected as part of construction site requirements, depreciation shall be charged at the rate of 100% in the year in which the cost is incurred. Temporary structures, however, shall be updated on the asset register and the cost and depreciation particulars shall be shown separately in the schedule of assets, till the asset is dismantled or discarded.
- iii) Booking of assets to various account heads shall be done in such manner that each account head comprises such assets only, which are subject to a uniform rate of depreciation. This will facilitate calculation of depreciation based on the balances appearing in each account head.
- iv) The Companies Act & the Income Tax Act prescribe the minimum rates of depreciation which should be charged to the Income & Expenditure Account. In order to maintain uniformity at different centres depreciation has to be provided at the rates indicated by Head Office, on the written down value. However, it has to be noted that for all those assets which have been in use for more than 6 months i.e., assets commissioned before

30th September of the financial year, full depreciation is to be charged. For all those assets commissioned after 30th September of the financial year, pro-rata depreciation will be charged. For instance, in respect of assets commissioned on 1st January, the pro-rata depreciation will be provided as under:

- i) $90 \text{ or } 91 \text{ days} * X \text{ cost of assets} \times \text{Rate of depreciation divided by } 365 \text{ or } 366 \text{ days.} *$
- ii) Depending upon the number of days in the month of February.

9.2.3 Transfer, Disposal and Discarding of Assets

- i) When an asset is returned to the stores department for transfer or disposal, the material return voucher shall invariably bear the identification number given by the accounts department as this would facilitate linking the asset to its date of acquisition and its original cost.
- ii) Assets declared as un-serviceable/obsolete shall be disposed off after getting the approval of the Director General. After the asset is declared as un-serviceable/obsolete, it shall be returned to the stores department under material return voucher which shall contain description of the asset along with its identification number.
- iii) After the asset is sold off, the Accounts Department shall make adjustment between the written down value of the asset and the sale price. In case the sale price is more than the original book value (Original purchase price) the difference between the sale price and the original book value shall be treated as "Capital Gain" and transferred to Capital Reserve Account on the liability side of the Balance Sheet. The difference between the written down value and book value shall be transferred to the Income side of the Income and Expenditure Account as "Profit on sale of Assets".
- iv) Dismantling of assets shall be undertaken only after furnishing justification and after obtaining the approval of the Director General. Salvage materials recovered from dismantling shall be returned to the stores under a material return voucher giving the description of the asset so dismantled. The loss or gain on value of the salvaged materials and the cost of dismantling. In case of dismantling of temporary structures where 100% depreciation has been charged in the year in which such structure was brought into existence, the credit for the value of the salvage material shall be given to "Miscellaneous Receipts".
- v) After completing all adjustments by eliminating the original cost and the cumulative provision for depreciation from the books of accounts, the value of such assets shall be removed from the asset ledger.

9.2.4 Physical Verification of Assets

- i) Physical verification of assets shall be carried out annually by committee headed by Admin in charge of the Centre and other members from Finance & Account, Technical, Purchase departments. Before starting physical

verification, the entries in asset ledger shall be fully reconciled with the financial records. After reconciliation the verifiers shall carry out physical verification on the basis of the identification number, location and other details mentioned in the asset ledger. The verification shall be conducted for assets in possession of each department and discrepancies if any shall be processed for the approval of the Director General.

- ii) During the course of verification if any asset is found in un-serviceable condition, such instances shall be brought to the notice of the Centre Head for such action which may be deemed necessary. This fact shall also be brought out in the physical verification report.
- iii) The discrepancies noticed on physical verification shall be first referred to the concerned departments for clarifications by the accounts department. Discrepancies finally established shall be put up to the Director General along with the reasons for the discrepancies for write off approval.

9.2.5 Preparation of Schedule for Balance Sheet

The various heads of accounts are grouped and the balances under the group are reflected in the Balance Sheet. The various sub-groups form part of the schedule to the Balance Sheet. This serves as a tool to link up the balances as per the General Ledger. In order to have an idea of the constituent elements under each head of accounts the item-wise details are prepared and put forth in the detailed schedules.

Chapter - 10

Accounting of Payroll

10.1 Preparation of Pay Roll

Pay roll is prepared by the Personnel Department on the basis of attendance particulars. The pay details are compiled and an employee-wise summary of the same is prepared and sent to the Accounts Department for disbursement of wages. Pay sheets prepared by the Personnel Department shows number of days worked with leave/absence particulars, the gross pay, deductions on account of PF, Advances (Festival Advance, Conveyance Advance etc.,) and net pay entitlement.

- 10.1.1 After the pay sheets are prepared such pay sheets are sent to the Accounts Department for scrutiny and passing them for payment and transfer through NEFT/RTGS to the respective employee account. After the pay sheet is passed for payment, a sectional journal entry shall be passed and crediting the appropriate heads for various deductions. The net amount payable shall be credited to "Salary Payable".
- 10.1.2 An advice shall be sent to the bank along with the list of officers/staff/employees stating their account numbers and the amount to be credited to the account of each officers/employee, for all those who salaries are to be paid through the bank. Under no circumstances salary should be paid in cash.
- 10.1.3 After the pay disbursement is over, the details of unpaid salaries/wages shall be furnished by the Accounts Department. Each and every item of the unpaid salary shall be verified by the Officer-In-Charge of the Accounts Department before the details are sent to the Personnel Department.
- 10.1.4 On receipt of the details of the unpaid salaries, the Accounts Department shall enter them in the unpaid salary register giving full particulars, details of unpaid wages/ salaries for each month and year shall be kept separately in the register. Subsequent claims by the employees for unpaid wages/salaries shall be passed by the Accounts Department by means of individual vouchers debiting the unpaid salaries/wages account.

10.2 Deductions from Pay Roll

The deductions from pay rolls are classified into two categories, i) recovery of advances ii) Other deductions such as HRA, Transport Allowance etc., and on behalf of outside agencies including statutory deductions. The recovery of advances shall be effected in installments as provided for in the rules & regulations and as per the terms of sanction of advance. Some other important items of deductions are dealt with in the succeeding paragraphs.

- 10.2.1 Recoveries for House-Rent and water & electricity charges are usually based on pay particulars and terms & conditions prescribed in the Quarter Allotment Letter.

- 10.2.2 The Income Tax Act imposes responsibility for deduction of Income Tax Deduction at source from salaries of the employees whenever the estimated income of the employee under the head salaries during the relevant year is likely to exceed the limit prescribed in the Act. As per the provision of the Act, any person responsible for paying salary shall at the time of payment deduct income tax at source on the amount payable at the rate prescribed for the financial year in which the payment is made on the estimated income of the employee. Before making deductions, the Accounts Department shall take into account the contributions made towards PF/NPS, LIC and other investments made by the employee. Tax is to be deducted proportionately every month. Any short deductions due to unforeseen circumstances shall be adjusted in the months of January and February every year.
- 10.2.3 At the beginning of the year, the employee shall be asked to submit an estimate of the total income and the likely investments proposed to be made, the details of LIC Premium and other particulars on which they are eligible to avail rebate of IT. Rebate shall be allowed on the specified items while calculating tax to be deducted at source. The list is to be amended from time to time as per the changes in the IT act.
- 10.2.4 The whole amount of IT due must be deducted from the salary of the employee before the end of the financial year. Certificate for tax deducted at source shall be furnished to the employee on request.
- 10.2.5 Provident Fund /NPS deductions shall be made at the rates prescribed under the PF/ NPS Act. The Centre shall make deductions in respect of PF/NPS contributions from the Salaries of the employees and shall make matching contribution as prescribed. The total amount shall then be transferred to the Head Office. The Centres contribution shall be debited to "contribution to PF/NPS account".
- 10.2.6 Total deductions shall be kept within the limits prescribed in the payment of Wages Act. Under this act separate sets of rules are applicable in different states. The department shall ensure that the limits prescribed under such rules are adhered to. In cases where the total amount of deductions to be made exceeds the permissible amount under the payment of wages, preference shall be given to statutory deductions over the non-statutory deductions.
- 10.3 Statutory deductions and deductions on behalf of other agencies such as IT, PF/NPS etc., are made by the Centre and deposited with the bank or sent to the Head Office as stipulated.
- 10.4 In case of transfer of employees from one centre to another centre, it shall be the responsibility of the centre from which the employee is transferred to prepare a Last Pay certificate giving the required details and send it to the other centre. A copy thereof shall also be sent to the Head Office Personnel Department. LPC shall interalia contain the following details
- i) Scale of Pay applicable
 - ii) Particulars of Pay & Allowance applicable.
 - iii) Details for IT calculations showing PF, House-Rent, Insurance Premium etc.
 - iv) Month-wise details of gross pay, PF deductions, IT deductions since the beginning of the financial year.

- v) The details of House Building, conveyance, travelling etc., advances and the balance of these advances lying to the debit of the employee on the date of transfer.
- vi) Salary advance paid on transfer.
- vii) Transfer TA Advance paid.
- viii) The details of any other advances recoverable from the employee.
- ix) Date of handing over charge at the centre from which the employee is transferred.
- x) Leave availed statement

10.4.1 In case of transfer, the documents relating to Conveyance Advance, House Building Advance, Nomination Forms for PF and Gratuity shall be transferred to the New Centre.

10.5 The Centres shall maintain Service Books and Personal Files of all non supervisory staff members. However, particulars of all such employees shall be maintained in the manpower registers in the Head Office Personnel Department.

10.5.1 The Service Books and Personal Files of all supervisory staff members shall be kept at the Head Office and maintained by the Personnel Department.

10.5.2 Increment/Confirmation of the all Supervisory staff members shall be ordered by the Head Office.

10.5.3 Increments of all non supervisory staff members shall be ordered by the Center Heads. A consolidated sheet shall be sent to the Head Office Personnel Department for making necessary entry in the General Manpower Register.

10.6 Payment of Advances to Employees

The Advance to Employees are paid as per Government of India rules for the eligible advances

10.7 Processing of Personal claims for payment:

10.7.1 Claims relating to the Children Education Allowance, Reimbursement of Tuition Fees, Hostel Subsidy, Re-imburement of Medical Expenses and other claims are processed for payment after ensuring that the conditions for admissibility as laid down in the Administrative Manual containing Rules & Regulations of CIPET and Government of India rules are strictly adhered to.

10.7.2 Claims for Lunch Allowance

A claim for Lunch Allowance is payable to all non-supervisory staff of CIPET on fulfilling the following conditions:

- i) Employee should be on official work between 12.00 & 14.00 hrs away from the Institute.
- ii) Section Head shall certify that the work entrusted to the employee requires absence from the Institute during the lunch hours.

10.7.3 Shift Allowance

Shift Allowance at appropriate rates is payable monthly to all non-supervisory staff of CIPET on fulfilling the following conditions:

- i) There should be more than one shift.
- ii) The Head of the Department shall certify that the employee attended split shift.

10.7.4 Claim for Encashment of Earned Leave

- i) The employee of CIPET is allowed to encash EL at the rate of 15 days in a year subject to the following conditions:
- ii) All permanent employees of CIPET shall be entitled for the benefit of encashment of EL.
- iii) Maximum leave encashable is 15 days in a year.
- iv) An employee is allowed to carry forward his/her encashable leave to the second year and thus is allowed to encash 30 days once in two years.
- v) Leave should be applied by the employee and refused by the competent authority due to exigencies of work.
- vi) Pay for this purpose will mean Pay as per Pay Band and Dearness Allowance.
- vii) Leave encashment will be debited to the leave account of the employee concerned immediately after such encashment.
- viii) No deduction other than IT/Surcharge on IT will be made from the amount payable to a serving employee, from the amount of leave encashment.
- ix) The sanctioning authority for encashment of EL will be the Director General CIPET.
- x) The maximum accumulation of EL shall be 300 days or number of days as decided by the Government in respect of Central Government employees from time to time.



Chapter - 11

Checklist for Financial Concurrence

11.1 Points to be Checked in Finance/Accounts Section

In CIPET, Account functionaries like Sr. Accounts Officer, Accounts Officers discharges the function of Finance Head to in the Centers in addition to handling accounts related issues. Where there is no Finance Official, the concerned Asst. Finance Officer will discharge the functions of Finance Officer. Therefore, proposals having financial implications are to be scrutinized by the Finance Officers in terms of rules & orders on the subject matter.

Following is the list of important points to be seen by Finance/Accounts Division, while scrutinizing different type of proposals and estimates.

11.2 Estimates

Abstract estimate

- i) Detailed justification is provided by the Center In-charge/Head of Department
- ii) Expected period of completion
- iii) Estimated cost of purchase
- iv) Approval of Competent Authority
- v) Certification of quantities is based on realistic field requirement of the work as per Plan.
- vi) Rates taken are based on last, lowest, latest accepted rate for the similar items.
- vii) The availability of funds during the year is certified.
- viii) The estimate is arithmetically accurate.
- ix) All the provisions in the estimate are as per CIPET's circulars issued from time to time and as per the provisions contained in GFR 2017 for procurement.

11.3 Purchase of Goods without Quotation

- i) Ensure that cost of goods to be purchased on each occasion without quotation is within the limits specified in Rule 154 of GFR 2017.
- ii) Ensure that certificate in the format as prescribed in Rule 154 of GFR 2017 has been recorded by the Competent Authority
- iii) Ensure that Purchase proposal under this provision are not being split up.

11.4 Purchase of Goods by Purchase Committee

- i) Purchase of goods on each occasion is within the limits specified in Rule 155 of GFR.

- ii) Requirement of goods is not split up to bring it within the powers of lower authority.
- iii) Local Purchase Committee is constituted under approval of Competent Authority in terms of Rule 155 of GFR.
- iv) A certificate in prescribed format duly signed by all the members of the Purchase Committee is there.
- v) Recommendations of Purchase Committee are approved by the Competent Authority.

11.5 Purchase of Goods by Quotation

Quotations are to be invited as per guidelines prescribed in GFR. Following points need consideration while examining quotations:

- i) Reasons for dispensing with calling of tender
- ii) Justification for calling of Quotation
- iii) Whether the quotation has been invited as per provisions of GFR
- iv) Reference to the enquiry letter.
- v) Approval of the competent authority for inviting quotations
- vi) Number of offers received (minimum three offers).
- vii) Whether the quotations have been opened properly and on due date.
- viii) Reference to the comparative sheet.
- ix) Net cost of the work
- x) Certificate of suitability, reasonableness, technical suitability and rate reasonability is submitted for the valid lowest offer.
- xi) Repair is not for condemned items.
- xii) Competency of the sanction in terms of delegation of Financial Powers as notified in CIPET.
- xiii) Availability of funds.
- xiv) Adherence to annual ceiling limit of sanctioning authority in the financial year.

11.6 Repair Proposal

- i) Date/cost of procurement, installation / commissioning.
- ii) The repair proposal is not for items which have been condemned.
- iii) The nature of the work done by equipment/machine and life of the machine.
- iv) The life of asset and work done by the asset.
- v) Whether the machine is covered under period of warranty.
- vi) Instances of earlier repairs, amount spent on its repair/maintenance till date, last similar repair, agency and mode of tender.
- vii) Comparison between cost of machine and repair cost.
- viii) Date of breakdown of the machines and how the work is managed after the breakdown.
- ix) Justification for the work and mode of tendering system i.e. open, limited or single; is given. Possibility to get most competitive rates/conditions must

be explored.

- x) Administrative approval of the competent Authority exists.
- xi) Cost benefit analysis indicating repairs cost and enhanced life of the machine. It should be worth spending on repairs so that life & performance of the asset increases considerably.
- xii) Reasonability of rates to be certified and should match with the last accepted rates or actual expenditure.
- xiii) Warranty for satisfactory working after its repair.
- xiv) Competency of sanction and arithmetic accuracy.
- xv) Availability of fund.

11.7 Hiring of Vehicles

- i) Justification for hiring of vehicles.
- ii) Whether spare vehicles are available with the department from where the requirement can be met?
- iii) Condemnation certificate is available if the hiring of vehicle is proposed on that ground.
- iv) How the work is presently being managed?
- v) How the cost of hiring has been worked out?
- vi) Whether the budgetary quotation/LAR has been obtained?

11.8 AMC Proposals

- i) When were the machine /equipment procured and original cost of machine/equipment?
- ii) Whether the machine is under warranty period, if so the details thereof.
- iii) Administrative approval is obtained from competent authority.
- iv) Whether AMC is comprehensive or Non-comprehensive?
- v) Whether AMC is to be done with OEM or local dealer?
- vi) If from Local Dealers, cost benefit analysis vis-à-vis technical parameters for preferring dealer other than OEM
- vii) Why it cannot be maintained departmentally?

11.9 Cash Imprest Proposals

Following points are to be checked while scrutinizing the proposal for cash imprest or extension or enhancement:

- i) Proper justification is given.
- ii) Imprest is an amount where pre-check is not carried out. Therefore, the provision should be bare minimum.
- iii) Whether the proposed imprest is bare minimum to meet emergent requirements of the office?
- iv) The monthly/seasonal fluctuation in need of imprest is observed.
- v) Actual amount of payment made during the past six months, if enhancement of cash imprest proposed.

- vi) Proposals on the plea of delays in recoupment should not be entertained; actions should be taken to expedite recoupment.
- vii) Competency of sanction for the imprest.
- viii) In case of new cash imprest, the proposal should be initially for a temporary period subject to review after a period of six months or so.

11.10 Misc. Proposals

- i) Scrutiny of financial justification is carried out with reference to provisions in General Financial Rules 2017 connected rules, orders and instructions issued from time to time by GOI, CIPET Head Office.
- ii) Rates reasonability, quantity justification and funds availability should be seen simultaneously.

11.11 Vetting of Indents/Requisitions

The following checks are required for vetting the indents:-

- i) It should be ascertained whether requisition has been processed on the indent form prescribed & notified by CIPET
- ii) It should be ascertained whether requisition has also been processed for the same item in the recent past, if so, a reference thereof with justification
- iii) The requisition should be accompanied with a top sheet and all the requisite details should be duly filled in.
- iv) If the requisition is for items, which are being regularly procured every year, the consumption of last three years should be furnished in the top sheet.
- v) If the requisition is being processed for a new item for the first time, detailed justification, as to the background for procuring the item is required.
- vi) If any of the above details is not fulfilled, the indent will be returned with specific remarks duly taking the approval of In charge of the Center.
- vii) If all the above requirements are met, the requisition is vetted & details thereof are entered in the vetting register and put up for signature of In-charge of the Center.

11.12 Purchase by Tender documents (Notice Inviting Tender)

- i) Administrative Approval for scope of work for which tenders are to be invited has to be obtained from the competent authority i.e. the authority as per delegated powers.
- ii) The mode of tendering has to be proposed in terms of provisions of GFR & the orders issued in this regard from time to time.
- iii) The tender documents should be prepared on standard terms & conditions duly approved & circulated by CIPET, Head Office.
- iv) Special terms & conditions, if any, stipulated in the tender documents

should have clearance both from Finance Officer and Legal Section.

- i) Initial (with date) all corrections in the schedule of quantities, schedule of materials to be issued and specification and other essential parts of the contract document.
- ii) Mark and initial all over writings in red ink. The corrections, overwriting and omissions should be serially numbered and the total number of such corrections etc. should be clearly mentioned at the end of each page of the schedule attached to the tender and attested with date.
- v) All the information of each tenderer, viz. rate, special conditions, credentials, validity of offer, EM details etc. should be recorded in the tender NIT wise.
- vi) It should be ensured that all the terms & conditions considered necessary for smooth execution of the contract between the two parties are stipulated in the tender documents;
- vii) Before placing tender documents to the tender approving authority, it should be ensured that tender documents are prepared in such a way that there remains no room of any addition, alternation, etc. in the documents after approval.
- viii) The tender documents after approval may be properly sealed and put in the cover, stating the total pages of the NIT.

11.13 Tender Opening Procedure

- i) Tender should be opened by nominated Officer / Committee at the prescribed time, date and place in the presence of accounts representative and authorized representative of the tenderer's.
- ii) First, the cover containing technical bids/qualification criteria only is to be opened.
- iii) The second cover i.e. financial bid of only those found qualified in the first cover will be opened.
- iv) Initial (with date) the cover containing the tender. All the tenders should be counted and marked 1/n.2/n.... N/n (n=total numbers of tender forms received against NIT). Immediately after opening the tender, each page of tender form should be numbered and signed by the Nominated Officer/Committee.
- v) The names of the tenderers and the rates quoted by each tenderer should be read out, wherever practicable, to the tenderers or the representative who may be present at the time of opening of the tenders.
- vi) The rate quoted in figures and words should be circled in such a manner as to not leave any space after starting or ending digit.
- vii) Clearly indicate on each page of the schedule attached to the tender, any ambiguities in rates quoted by the tenderer in words or figures.



- viii) Specifically record whether samples submitted or not along with the tender.
- ix) While opening the tenders, no opportunity should be given to any tenderer to repudiate, amend or explain the rate and or any condition quoted in the tender.
- x) Delayed & Late tenders should not be considered.
- xi) If the rates are not quoted in words, it should be recorded on the same page.
- xii) Regarding Earnest Money, it should be seen whether requisite EM is submitted in the prescribed form or not. Otherwise suitable remarks may be offered in the tender document. On front page of tender format endorsement that "Tender forms contain pages from 001 to" Should be made and initialed by Authorized Officer/Committee.
- xiii) Tenderer's authorized representative's initials should invariably, be obtained in tender register.

11.14 Tender Evaluation

Following factors are to be kept under consideration while undertaking evaluation of Tenders:

- i) Tender Number.
- ii) Name of work.
- iii) Reference to sanctioned Estimate with copy on record.
- iv) Copy of the NIT along with newspapers cutting in which advertisement appeared showing date of publication, date of uploading the tender enquiry in website etc.
- v) Original copy of receipt to purchase Tender documents.
- vi) Number of tender forms sold/received.
- vii) Validity date of offers.
- viii) Number of Non-scheduled items included and whether the document(s) in support of the rate of such NS items is there.
- ix) Requisite amount of Earnest Money.
- x) Whether E.M. is in valid and acceptable form
- xi) No over writings and corrections and whether these are correctly examined and signed if found.
- xii) Description of eligibility criteria & reference of the case file.
- xiii) Technical Evaluation Committee evaluated the offers as per laid down eligibility criteria in the tender documents;
- xiv) Comparative statement has been prepared and signed by all the members of Technical Evaluation Committee;
- xv) Technical qualified offers have been approved by the competent authority;
- xvi) Price Bid Evaluation Committee has evaluated the responsive tenders as per terms & conditions stipulated in the tender documents;
- xvii) Comparative statement containing financial offers of all responsive



- tenderer's has been prepared & signed by all the members ofPBEC.
- xviii) Administrative remarks on special conditions submitted by the Party & evaluation of special conditions.
 - xix) Specific recommendations of PBEC for LIwith reference to reasonableness of rates exist.
 - xx) Last accepted rate of the similar work in the same or contiguous area.
 - xxi) Last, lowest, latest LAR isgiven.
 - xxii) Any special reason or unusual factor with respect to acceptance of last rates.
 - xxiii) Comparative position with the last, lowest, latest accepted rate
 - xxiv) Any error in the tender document and Comparative statement.
 - xxv) Percentage variation between sanctioned Estimate and lowest offer received and reasonthereof.
 - xxvi) Basis of rates for items in TenderSchedule.
 - xxvii) Deviation statement between sanctioned estimate and the tender schedule in terms of No. of items, quantity andrates.
 - xxviii) Reasons for variation between NIT Cost and the lowest offerreceived.
 - xxix) Any otherreasons.
 - xxx) Legal vetting of Joint Venture documents or any deed etc. having legalimplication.

11.15 Vetting of Contract Agreements

- i) After the acceptance of the tender, the contract agreement is received for vetting. The following checks are required: -
- ii) The rates, terms & conditions in the agreement are as accepted by the competent authority as per delegated powers
- iii) The competent authority along with the contractor has signed the contractagreement.
- iv) If all above requirements are met, the cover page of the agreement is to bevettted.

All the purchases and outsourcing of services to be done as per the provision of GFR 2017 read with Delegation of Powers entrusted to the Director General.

Chapter - 12

Payment of Bills

Passing of Bills for Supplies Received

- 12.1** All bills against purchase orders issued shall be received in Purchase Department initially and shall be noted in a bill register after which the original copies of the bills along with the document if any shall be sent to the Accounts Department.
- 12.1.1** As and when the supplies are received by the Stores Department and the SRR's raised, the Stores Department shall send a copy of the SRR to the Purchase Department which shall link it with the respective bills and send them to Accounts Department.
- 12.1.2** Care shall be taken to see that all linked bills are passed promptly as soon as they are received in the Purchase Department. Normally the bills shall be cleared within 10 days of its receipt by the department. No payments shall be made on the duplicate bills. In exceptional cases where processing of such duplicate bills becomes necessary it is to be verified that the payment has not been made earlier to the supplier and that a non-payment certificate has been obtained from the supplier. Approval of the Centre Head shall be obtained before passing any duplicate bill for payment.
- 12.1.3** All materials received in stores before the last day of the financial year shall be accounted for in the same financial year by raising SRR. However, if due to inspection and testing delay, it is not possible to accept these materials immediately, the list of such items shall be prepared and the total value debited to an account sub-head namely "Stock Pending Inspection Account" under the main account head of stores & spares. The corresponding credit shall be given to "Provisional Creditors Account". The entry will be reversed in the subsequent financial years, once the items are taken into actual account after due inspection.
- 12.2** Before the bills are passed for payment the following checks shall be exercised:
- i) The bill/invoice is printed form and bears bill no./invoice no. with date.
 - ii) All particulars in supplier's bills, such as name of the suppliers, specification of the materials, quantity, price, taxes, freight etc., are in conformity with the provisions of the corresponding purchase order.
 - iii) The particulars given in the SRR are in conformity with the purchase order and the particulars in the suppliers bills.
 - iv) The materials have been inspected by the user department and acceptance has been recorded on the SRR.
 - v) The terms & conditions of the purchase orders have been complied with by the suppliers.
 - vi) That In case a special requirement of inspection or a test certificate etc., is provided for in the purchase order, such inspection report or test certificate is enclosed.

- vii) That in exceptional case where supplies are received in excess of the ordered quantity, the excess quantity is within 5% of the quantity stipulated in the purchase order and acceptance of such excess has been approved by the competent authority.
- viii) In case of delay in supply, the case is referred to the purchase committee for deciding whether liquidated damages should be recovered from the party or not.
- ix) In such cases where the deduction is made from the bill of the supplier on account of transit losses, the claim shall be processed with the carriers/insurance company if the insurance is arranged by CIPET and in case the claim is settled favorably, the amount shall be remitted to the supplier.
- x) Before passing the bills, it shall be checked whether any advance payment has been made to supplier and if advance payment was made, the same should be deducted from the bill.
- xi) It shall be ensured that the code number of the material has been mentioned in the SRR to confirm that the Stores Department has posted this item in the receipt column of the bin cards.

12.3 As per the provisions of the Income Tax Act, any person responsible for paying any sum to a resident contractor for carrying out any work or supplying labour for carrying out any work shall deduct income tax at the rate applicable from time to time. In view of the above provision, all contracts including service contracts involving the carrying out of any work are covered by the act. Tax is required to be deducted at source where advance payments are made during the execution of a works contract and such payments are to be adjusted at the time of final settlement of accounts. The tax deducted at source shall be remitted to Tax Authority within stipulated period.

Payment of Bills

12.4 Payment of bills is done by the Accounts Department on the strength of the SRR in accordance with the terms & conditions of the purchase order. It is also the responsibility of the Accounts Department to comply with all the accounting requirements in respect of the purchase transactions.

12.4.1 A Bank voucher shall be prepared by the Purchase Department mentioning the appropriate account code and it shall be authorized by the Purchase Officer/Officer-In-charge of purchase. Then it shall be sent to Accounts Officer for passing. At the time of preparation of the bank voucher, it will be ensured that payment endorsement is properly recorded on original copy of the bill, purchase order and original SRR.

12.4.2 A forwarding letter giving details of payment & deductions, if applicable under the Income Tax/GST Act shall be sent to the supplier along with the cheque.

12.5 No Correspondence shall be undertaken directly with the supplier by the Accounts Department except in matters relating to payment details, issue of required GST



etc. Letters received from the suppliers concerning the matters of contractual performance and obligations shall be passed on to the Purchase Department.

- 12.6** In respect of bills where no SRRs are prepared for services rendered, such bills shall be passed on the basis of certification by the department concerned confirming that the services have been rendered.
- 12.7** After passing the bills along with the supporting papers shall be filed properly and kept in safe custody till the annual audit is over. After the audit the bills shall be transferred to the record-room duly indexed.

Advance Payment to Suppliers

- 12.8** Any payment made before the supplies are inspected & accepted shall be treated as an advance payment. Advance shall be paid only in exceptional circumstances, advance payments shall be made to the suppliers like Government parties/ Government PSU/ highly reputed limited companies. Such advance shall be made against bank guarantee and it should be ensured that supplies are effected before expiry of the bank guarantee period. If the supplies are likely to be delayed, the bank guarantee should get extended for further period. A register namely "Advance Register" shall be maintained which should indicate the name of the party, Purchase Order reference, date of payment of advance, bank guarantee details, bill number etc.
- 12.8.1** In case of payments against documents through bank, the documents shall be examined with reference to the terms of the Purchase Orders before authorizing the bank to retire the same. Discrepancies, if any shall be sorted out with the purchase department. Prompt action for retirement of documents shall be given to avoid delay and consequent payment of demurrage charges.
- 12.9** After it is ensured that the advance payment is in order, a voucher shall be prepared and passed for payment. An endorsement of the advance payment shall be made on the original & duplicate of the bill and also in the purchase order and the advance register.
- 12.10** In cases where the supplier is required to comply with certain formalities such as provision of bank guarantee, it will be ensured that all such formalities are compiled with before the payment is released.

Accounting of Cash Purchase made by Purchase Department

- 12.11** In accordance with the purchase procedures as prescribed by the purchase committee, cash purchases can be made by the Purchase Department within the prescribed limit. Imprest shall be taken by the officers of the Purchase Department nominated for this purpose, who shall be responsible to render the account every month before the 10th of the following month falling which further drawal of imprest shall not be entertained. The imprest can be drawn daily/once in two days depending upon the requirement. No surplus, cash out of imprest shall be kept with the purchase Department. Maintenance of surplus cash out of imprest shall be the sole responsibility of the Purchase Officer and shall warrant explanation. No other official other than the Purchase Officer shall draw imprest in their name for local purchase whatsoever be the reason.

- 12.11.1 When such accounts are received, they shall be checked in detail with reference to the payment vouchers duly authorized. In addition, cash memos shall be matched with the SRR raised by the Stores Department to ensure that all materials covered under the cash purchase have been delivered to the stores. All materials/items irrespective of value shall be taken to Stores and SRRs prepared. Under no circumstances materials/items shall be issued directly to the User Department without routing through the stores.
- 12.12 While checking, the Accounts Department shall ensure that the limit of authority prescribed for cash purchase is not exceeded. A close watch shall be kept on the advances drawn for the purchases to ensure that the accounts are rendered on monthly basis before the 10th of the following month.
- 12.13 For all bills passed payment vouchers shall be prepared by debiting appropriate account heads and shall be signed by the authorized officers after which they shall be forwarded to cash section for payment.
- 12.14 In respect of orders placed on foreign suppliers, involving opening of irrecoverable letter of credit in favour of supplier, prompt action shall be taken to open such letter of credit with bankers by the Accounts officer.
- 12.15 Payments to foreign parties in foreign currency shall be made through the nominated bank of the company in one of the following ways:
- By direct remittance to the foreign parties.
 - By opening letters of credit (LC) in favour of foreign parties.

Direct Remittance to Foreign Parties

- 12.16 Direct remittance is resorted to where payments are required to be made in terms of the contract for royalties, fees, subscription, down payment etc., or in advance for which Proforma invoices are received before the services have been rendered or supplies made. For making such payments the bank should be provided with copies of foreign exchange sanction, contract, import license, Proforma-invoice etc., as the case may be.
- 12.17 The remittance will be arranged by the bank in any of the modes namely, mail transfer, telegraphic transfer, cable transfer or foreign demand draft as may be agreed upon.

Letters of Credit

- 12.18 The letters of credit are assurances of one bank to another to honour bills drawn by the later on the former complying with the terms & conditions stipulated therein. The terms & conditions generally stipulated are:
- Complete set of clean bills of lading
 - Signed invoices in quadruplicate
 - Packing list
 - Certificate of country of origin of goods

- v) Insurance certificate in respect of CIF orders
- vi) Quality/Inspection Certificates.
- vii) Any other documents that may be specified in the purchase order.

12.18.1 The bank is expected to arrange for the payment on presentation of the above document to the foreign bank. Whenever certain credit periods are involved the parties may also draw a draft for acceptance which shall require to be accepted before the documents are handed over by the bank.

12.18.2 The system of opening letters of credit is also adopted in the case of remittance to Rupee payment countries under trade plan. In such cases, the invoices and document are negotiated by the foreign bank through the letters of credit. The actual remittance of money involved between the two countries is however done by the respective banks under the accounting procedures established by the two countries under the Trade Plan Agreement.



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Chapter - 13

Guidelines for Compilation of Annual Accounts

General Outlines of the Accounting System:

- 13.1** The books of account of the Institute are maintained on the double-entry system of accounting. All items of income/ expenditure and assets/liabilities are brought into the books on accrual basis except Bonus, irrespective of the fact whether the transactions are settled in terms of money or otherwise.
- 13.2** A decentralized system of accounting is followed whereby each centre is considered as a separate accounting unit and separate identical sets of books of account as prescribed by the Head Office are maintained by each centre. All items of income/expenditure and assets/liabilities of a particular centre are to be incorporated in the books of that centre. With a view to have uniformity in the major classification of expenditure at all centres, the Head Office has prescribed a "Master Chart of Accounts" containing main account heads. The Master Chart of Accounts provides for classification of expenditure under various heads of accounts. The Master chart of Accounts prescribed by the Head Office (which is incorporated as **Annexure-E**) has to be followed by the Centres.

No additions or deletions can be made without prior written approval of the Director (Finance).

- 13.3** The chart of accounts operates on a six digit codification scheme.

The first two digits indicate the centre to which the transaction relates. The third digit indicates whether the payment or receipt is an expenditure/income/asset or liability.

- | | | |
|------|-----------|-------------|
| i) | indicates | Asset |
| ii) | indicates | Liability |
| iii) | indicates | Income |
| iv) | indicates | Expenditure |

The next three digit represents the major group of accounts. For example 101540 would represent (10) Ahmedabad, (1) Asset, (540) payment made on behalf of Ahmedabad Centre, for purchase of a Capital item.

- 13.4** The major heads have been arranged in the sequence of the Balance Sheet and Income and Expenditure Account. The proforma of Balance Sheet, Income and Expenditure Account and other schedules forming part of the balance sheet are as per accepted Accounting practices followed in similar other Organizations/ Institutions.

Accounting of Financial Transactions:

- 13.5** Each section shall be responsible for raising Accounting entries for all the financial transactions arising within its area of accounting. Following shall be the documents of original entry for the purpose of sectional accounting:



- i) Cash Voucher
- ii) Bank Voucher
- iii) Journal Voucher

Cash Voucher

13.5.1 A cash voucher is a document authorizing the Accounts Executive to release the payment of a specific amount to the payee. It will be authorized by the concerned authority and approved by the competent authority. It will also be signed by the person who has checked it, after which it will be passed for payment by the Accounts Officer. The voucher will be supported by documents such as conveyance voucher, advance slips, cash memos, cash receipts and voucher for reimbursement of expenses. The person preparing the voucher shall enter the code number in the voucher before signing it. The supporting documents shall be attached to the voucher and shall be passed on to the cash section for filing them along with the voucher. Where payments are made by debiting to liability account, the supporting papers shall be filed with the journal vouchers by which the liability has been created. Wherever supporting documents are required to be filled separately due to administrative requirements, proper reference shall be given on the face of the vouchers so that the supporting documents could be produced whenever required without difficulty.

13.5.2 All documents supporting the cash voucher shall be defaced with a "PAID" endorsement.

13.5.3 For receipt transactions, the sections concerned shall give the detailed description on the receipt foil and counterfoil. Based on this, account code number on the receipts issued shall be given with the approval of the Accounts Officer.

Bank Voucher

13.5.4 A bank voucher is a document indicating a transaction with the Bank, such as withdrawal, deposit. Bank charges prepared along with the cheque. It shall be signed by the person preparing it, who shall also enter the code number of the transaction. It shall also be signed by the person who is responsible for checking before it is sent to the Accounts Officer for approval. The voucher shall be accompanied by the supporting documents.

Journal Voucher

13.5.5 Journal Voucher shall normally be prepared for the following types of transactions:

- i) Accounting of income or expenditure on accrual basis:
- ii) Transfer, Adjustment or provision entries, not involving cash payment.

The journal voucher shall contain the following information:

- i) Month & Date:
- ii) Serial number of the Journal Voucher
- iii) Name and reference number, if any, of the parties, where personal ledger accounts are involved:

- iv) Reference of related documents like bill number, SRR (Stock Received Report) numbers etc:
- v) The name of the main account heads and sub account heads along with code numbers which are to be debited and credited in the journal voucher:
- vi) A brief narration of the transaction. The narration should be clear and self-explanatory as far as possible and should explain the nature of the transaction.
- vii) Any other information which may be considered necessary.

13.5.6 Every journal voucher shall be supported by such documents as are necessary for verification of the journal entry. These documents shall normally be filled with the journal voucher. Wherever the supporting papers are filed separately due to administrative requirements, proper reference shall be given on the face of the journal voucher to ensure that the supporting papers are traced without difficulty. Wherever journal entries are passed on the basis of specific orders issued by higher authorities supporting documents for the journal entry should be attached. In case these orders are filed in separate files, proper reference shall be given on the journal voucher. The journal voucher shall be signed by the person preparing and checking it, he shall also enter the code number after which it will be approved by the Accounts Officer before it is entered into the books of account. All documents in support of a journal voucher shall be given a vouching endorsement as soon as the journal entry is passed.

13.5.7 For control accounts operated by the accounting section under the heads of liabilities, sundry debtors, advances (HBA/vehicle advance) etc. individual detailed accounts in sub-ledger shall be maintained in support of the control accounts.

13.6 Procedure for issue of Debit /Credit advice

13.6.1 Inter Centre debit advice is required to be issued on a regular basis along with supporting details, schedules and other relevant documents. Delay and omission not only create problems at the time of finalisation of centre accounts and delay the overall schedule of finalisation, keeping un-reconciled amounts in suspense but also attracts severe audit comments. In order to overcome these difficulties, the following points need to be adhered to:-

13.6.2 As and when the voucher is prepared for any transaction affecting Inter Centre account, Debit note has to be prepared and sent to the concerned centre as per procedure. Before issuing the Debit Advice on any item the centre as also the concerned section in Accounts at H.O. shall ensure that the debit is raised on the correct Centre for correct amount and with full details.

13.6.3 Each Debit advice shall contain full particulars of debit for the purpose of its acceptance. Where-ever necessary, information should be enclosed in a schedule. In case of expenditure incurred, copies of documents/passing vouchers should also be attached with the Debit advice.

13.6.4 All Debit/Credit Advice shall be sent together once in every calendar month and by the 15th of the following month.

- 13.6.5 No debit/Credit note should be accepted in part. In case the debit/Credit note has been wrongly received, the same shall be returned back to the originating centre and intimation to this effect shall be sent to HO. for record.
- 13.6.6 The transferee centre shall take immediate action to verify the debit/ credit advice received from other centres/HO and create necessary adjustments in accounts in the following month.
- 13.6.7 Every month a report of the unsettled debits/ credits shall be sent by the originating centre to HO giving details of progress made in respect of the disputed Debit/ Credit Advice.
- 13.6.8 As per the standard financial practice Accounts Department issues the Debit Note duly approved by the Accounts Officer. The debit advice will be serially numbered.
- 13.6.9 For proper control of issue of debit advice the procedure should be as follows:-
- i) Debit note register will be maintained
 - ii) Value of debit note issued will be entered
- 13.6.10 Three copies of debit note shall be prepared, one will be sent to concerned centre, one will be enclosed with the Journal voucher and one will be kept in the purchase file.
- 13.6.11 Debit note shall be signed by all -prepared by, checked by and approved by the authority.

13.7 Inter centre Reconciliation

Periodically (in Six months) Inter Centre Reconciliation should be done and the Annual Accounts Debits / Credits Advice must be reconciled.

13.8 Preparation for Final Account

- 13.8.1 At the time of preparation of final trial balance, it will be ensured that the following requirements are compiled with:
- i) All income and expenditure relating to the financial year known upto the last date of passing entries have been accounted for an accrual basis.
 - ii) Head Office account in the Centre's books and the Centre's account in Head Office books are reconciled.
- 13.8.2 The Balance Sheet and the Income & Expenditure Account together with the supporting schedules shall be prepared by each centre separately. Standard format of accounts for preparation of Income & Expenditure Account and Balance Sheet is incorporated as **Annexure-C** and Explanatory note on the various Accounts Heads is given as **Annexure-D**. Attention shall be paid to following points before preparing the final accounts:



- i) For all amounts shown under Advances, where separate liability is shown in the books in respect of the same transactions, such liability and advances accounts shall be aired off against each other while grouping and only the net amount shall be shown at the appropriate place in the Balance Sheet.
 - ii) Personal ledger accounts appearing under sundry debtors, loans and advances and claims recoverable shall be scrutinized with reference to the realisable value and in case any of the amounts are considered doubtful, proper provision shall be made to the accounts.
 - iii) Separate figures shall be provided in the Balance Sheet Income & Expenditure Account in respect of such inter - centre transactions which are to be reconciled at the time of consolidation. This will cover items inter-unit transfer of assets, transfer of liability, transfer of products etc.
- 13.8.3 Prepaid subscription of books and periodicals and other similar items shall be shown as prepaid expense. All prepaid expenses shall be shown in the Balance Sheet. Necessary liabilities will be provided for in respect of payments made after March but expenditure relating to the previous accounting period. The liabilities to be provided are for Telephone charges, Electricity Bills and other payments.
 - 13.8.4 Such items of income and expenditure which relate to previous years but where omitted to be accounted for in the respective year's Income & Expenditure Account, shall be shown separately under "Expenditure related to prior period". The expenses for previous years shall not be merged with current year's expenses and shall be shown separately in the Income & Expenditure Account.
 - 13.8.5 Under "Contingent Liability Not Provided for" details shall be furnished for all claims, arbitration cases and suits against the Institute for which the amounts have not been acknowledged as debts by the Institute. The statement shall provide available details against each such item, the details may be obtained from the legal department etc.
 - 13.8.6 In respect of contracts remaining to be executed on capital account, details shall be prepared separately for works contracts and purchase contracts. Contracts below Rs.10,000/- shall be ignored for this purpose.
 - 13.8.7 Confirmation of balances of sundry debtors/creditors is to be obtained at least once in a year, preferably balance appearing in books of account as on last day of Financial Year.
 - 13.8.8 In respect of leasehold land, a portion of the lease rent is to be charged off to the income and expenditure account.
 - 13.8.9 Transactions in foreign currencies are to be accounted at the exchange rate prevailing on the date of such transaction.
 - 13.8.10 Provisions for Gratuity is to be made based on Actuary valuation. This shall generally be carried out at the Head Office based on the details provided by the Centers.

13.9 Accounting Procedures for Preparation of Final Accounts:-

After the preparation of trial balance, the next step in accounting is of preparation of Final Accounts. Since, CIPET is an Autonomous Body (Non Profit Organization) under Ministry of Chemicals & Fertilizers, the following key statements of accounts are prepared at the end of FinancialYear:

- i) Income and Expenditure Account
- ii) Balance Sheet

13.10 Consolidation ofAccounts:

- i) Accounts prepared by CIPET Centres, along with all information relating thereto, are submitted to their concerned Finance Officers/ Accounts Officers.
- ii) The Finance Officer/Account Officer of the respective Centre will submit its consolidated accounts duly approved by the Center Head, to the Finance Division of CIPET HeadOffice.
- iii) On Receipt of Accounts from all the Centres of CIPET, the Finance Officer of CIPET Head Office shall post in the consolidated ledgers. On the basis of information with regards to assets and liabilities where Journal Entries are required to be made, necessary steps shall be taken to record these entries in the consolidated Journal in the respective Center Folio under relevant head of accounts.
- iv) Based on this finally consolidated Accounts/information, the final accounts of CIPET shall be prepared along with all the prescribed Schedules and Sub-Schedules.

13.11 Income and Expenditure Accounts:

Introduction - It is a revenue account prepared at the end of the financial period for determining surplus or deficit of that period in non-profit organization. The Income and Expenditure Account is prepared by matching expenses against the revenues of the period concerned. All incomes are shown on right hand side (Income Side) and all expenditures are shown on left hand side (Expenditure Side). Both cash/ bank transactions (like salary, purchase of goods, etc.,) and non cash/bank transactions (like depreciation, write of losses etc.,) are taken into consideration but all Capital Expenditures and Incomes are excluded. Only current year Income and Expenses are considered. The items which are not concerned to the period (month/year) are not taken into account for example Salaries prepaid, liability of previous year etc., All such items which do not pertain to the current period are directly transferred from Receipt and Payment Account to the Balance Sheet. If the right hand side of the total (Income) of this account exceeds the left hand side (Expenditure), the balance is shown as "Surplus" and is usually termed as "Excess of Income over Expenditure". On the other hand, if the left hand side (Expenditure) exceed the right hand side total (Income), the balance is shown as "Deficit" and is called "Excess of Expenditure overIncome".



13.11.1 Preparation of Income and Expenditure Account:

In the course of preparation of Final Account trial balance is prepared from Cash Book and Ledger. The Financial Statement is “Income and Expenditure Account” which is prepared from the Trail Balance.

13.11.2 Format of Income and Expenditure Account:

The format of Income and Expenditure Account prescribed for the Non-Profit Organizations/Autonomous Bodies funded by Government of India (Like CIPET) is given in the Annexure - C.

The explanatory note on the various account head for preparation Annual Accounts is enclosed as Annexure - D.

13.11.3 Time Limit:

- i) The Head Office intimate the centres in month of February of the every year, the time (normally by 25th of April) upto which the unaudited final accounts of the centres (Income & Expenditure and Balance Sheet) are to be sent to Head Office. The Centres have to adhere to the time limit.
- ii) As soon as the unaudited accounts are received at Head Office, the Finance Division of Head Office scrutinized same and if any clarifications are needed, the Centres are asked to provide within a week time.
- iii) The Unaudited Accounts are compiled at Head Office in the Consolidated Accounts.
- iv) Simultaneously Head Office also draws Audit plan in consultation with the Statutory Auditor and fix the date of Accounts Audit of each centre and communicate the same well in advance to the centres.
- v) Statutory Auditor after auditing the accounts of the centres issue a report for any points in the Accounts which are affecting the Profit / Loss, non-disclosures etc., to the centre and copy to Head Office.
- vi) The Centres changes the Accounts consequent to the Audit Report and send the Audited Accounts to the Head Office along with the reasons for variations if any., due to points raised by the Audit Report.
- vii) Head Office, Finance Division changes the Accounts of the Centres in Consolidate Accounts, if any changes are made due to Audit Report.

Chapter - 14

Internal Audit

14.1 Purpose of Internal Audit:

Internal Audit has been defined as an independent service within an organization for achieving effectively the objectives of Audit. Internal audit should be based on a sound internal control environment which should provide valuable material and support for review of financial compliance by external agencies/audit.

The purpose of internal audit is to:

- i) provide information to management that working of all the centers/institutes/STCs including Head Office is in accordance with the laid Rules, Regulations, Policies and Orders issued from time to time by the competent authority;
- ii) identify weakness/lapses/irregularities in the system and recommend improvements;
- iii) suggest opportunities to reduce expenditure, increase revenues and better Infrastructure; and analyze & report the differences between actual and expected performance;
- iv) Internal audit should be sufficiently independent of the activities which it audits, in order to enable the auditors to perform their duties in a manner that facilitates impartial and effective professional judgments and recommendations. Equally important is ensuring accountability for response to the advice and recommendations of Internal audit

14.2 Role and Scope of Internal Audit

- i) Study of accounting procedures prescribed for the Department with a view to ensure that they are correct, adequate and free from the defects or lacunae;
- ii) Check that the prescribed procedures and the orders issued from time to time are implemented properly;
- iii) Scrutiny and check of payments;
- iv) Investigation of important arrears and other connected records;
- v) Periodical review of all accounts records;
- vi) Pursuance/settlement of objections reported in test audit notes issued by Statutory Audit Office by obtaining satisfactory explanation or regularization or adjustment;
- vii) Examine and report on irregularities pointed out by Audit;
- viii) Coordination with other Departments regarding Internal audit procedure;
- ix) Performance evaluation of important schemes and programmes, i.e. to see whether schemes are being executed and their operations conducted economically and schemes are result oriented.

The audit should scrutinize 100% record/vouchers of the two months selected by Head Office (one from first two quarter and second from last two quarter of financial year) and for remaining period, a test check is to be done.

For transactions exceeding Rupees two lakh, 100% audit is to be done irrespective of whether such transactions fall within selected two months or not. Similarly all major contracts including service contracts should be audited. The audit must establish the correctness and usefulness of the contracts. The process and procedure followed in payment should be as per the system of the CIPET. The audit party will maintain a record of the documents selected for audit and prepare a list to be attached with the audit report for submission to the HO.

After completion of the Internal Audit, the Auditor will take comments of concerned Head of Centre/Academic Institution/unit after submission of draft report to them. Internal Audit observation should be seriously considered by the concerned Head of Centre/Academic Institution/unit and corrective actions/necessary instruction may be issued to all concerned.

In order to keep a watch over the settlement of audit objections included in the Test Audit Notes issued by the Statutory Audit Offices, the Internal Audit Wing will maintain a register, setting apart separate folios for each Centre under audit. The progress made towards the settlement of outstanding objections should be reviewed quarterly and appropriate further action taken to ensure their speedy settlement. The compliance with the objections reported to have been made should be verified during next internal audit of the concerned office.

14.3 Scheduling of Internal Audit:

At present, there are 30 Auditable Centres in CIPET. The frequency of internal audit will depend upon the staff strength sanctioned & in position for Internal Audit Wing as well as number of Centres falling under its purview. The number of days for inspection, as also the frequency depends upon the nature of transactions, amount of expenditure incurred, state of arrears and the general health of accounts of each unit. However, to the extent possible, internal audit of all the centers/STCs/Institutes will be conducted generally once in a year, based on sensitivity analysis.

The Internal Audit team, formed by Internal audit cell at Head Office with the approval of Director (Finance), conduct internal audit on regular interval as per approved programme. Normally audit of Center is conducted along with the audit of concerned Institute/Centers. For this purpose concerned centre should provide the internal audit team a list of financial transactions duly prepared and certified from the Cash book, along with the bank reconciliation statement. A list of purchases and contracts for the period of audit and related documents having financial bearing should also be made available to the Internal Audit.

In order to ensure that Audit team completes the audit work in time, it may be provided proper and space based on the numbers of team members and for other staff members called for clarification/enquiry by the audit team. Computers with printers must be provided to all team members so that half margins may be issued daily for observations noticed during the period of internal audit. Internet

& Photo coping facility should also be provided. A senior official (UDC/Assistant level) along with a MTS may be attached with the Audit Team to coordinate with the Sections/Branches for records/information and reply of observations as well as the replies of outstanding audit paras of previous audit reports of Statutory Audit & Internal Audit.

14.4 Internal Audit -Objective

To study the accounting procedures prescribed with a view to ensure that procedures followed are correct and leave no room for ambiguity/ lacunae etc.

To check and scrutinize the payments and accounting thereof to ensure that the payments made are strictly in conformity with the sanction issued by the competent authority and do not infringe in any way the financial regularity.

To ensure that the accounts have been maintained in the forms prescribed by the Authority.

To keep a watch over the implementation of the prescribed procedures and orders issued from time to time.

In order to achieve the objects of internal audit, the internal audit team should also see the following in different division/Departments of centre:

14.5 Finance Department:

- i) All vouchers and cheques are entered on daily basis in the Cashbook.
- ii) Cash balances agreed with the cash book every month.
- iii) Finding of inspection of physical cash balance with balance shown in cash book conducted periodically and findings thereon are noted in the Cashbook.
- iv) Huge balances of cash are not kept without justification for unduly long period. Petty cash balances are reconciled and reviewed.
- v) Advances paid to the officers should be accounted for promptly with the entries recorded. Outstanding advances for unduly long period are brought in the audit report.
- vi) Bank reconciliation statements are checked to ensure that all the transactions due are adjusted. Cheques deposited are properly credited and action taken for cheques yet to be credited. If any cheque requires revalidation action to revalidate the cheque in question has been taken. Audit should prepare a statement for inclusion in audit report of such cases.
- vii) Accounting records, journal entries etc., should be reviewed and checked with the supporting documents of transactions.
- viii) Payments may be released after pre-check and proper scrutiny of the bills and claims required in terms of rule positions contained in the CIPET Manuals and GFR. The voucher should be numbered and language of the narration should be clear and should have approval of the Competent Authority before the payment is finally released by cash or cheque.

- ix) In case of advances, the same should be recorded in the registers immediately and settlements may be watched regularly and for personal advances of TA/DA etc. Second advance may be released only on receipt of settlement of earlier advance. Reimbursements should not be made in advance and should be strictly as per entitlement only. Advances to the contractor should be strictly in compliance to the GFR and their settlement may be watched for early settlement i.e. immediately after completion of the work.
- x) As regards, payment received in the center the cash/ cheque should be received only through the receipts book and may be deposited immediately in the bank. A proper record of the receipt books may be maintained and use of number of receipt books at a time may be avoided.
- xi) Monthly salary is drawn as per entitlements with reference to authorized/sanctioned strength, if any, for any department/centres.
- xii) Loans and advances paid to the office staff are recovered regularly along with the interest wherever recoverable.
- xiii) Recoveries like Income tax, provident fund, refund of advances, etc are recovered correctly.
- xiv) Verify that the refunds of advances and interest thereof recovered from the pay bills have been posted in the Registers maintained for the purpose and the monthly total agree with that recovered from the pay bills.
- xv) Register of payment of TA/ DA advances should be verified to see that advances paid have been got adjusted in time and the bill for adjustment have been submitted within 30 days of the completion of tour. Action has been taken for any delayed submission of claim where advance has been taken. A list of such outstanding cases included in the audit report.
- xvi) Other claims such as LTC, Medical reimbursement, retirement benefits should be subject to scrutiny and to watch that the claims are in accordance with the prescribed provision of rules.

14.6 Purchase section/store

- i) The competent authority has sanctioned the purchase/expenditure.
- ii) The rates are reasonable and competitive with reference to the comparative statement of tenders or pricelists.
- iii) The expenditure is covered under the rules and funds are there.
- iv) The purchase quantity is as per occasion demands, and received in accordance with the provisions of the contract.
- v) Purchase procedures have been followed.
- vi) The bill for purchase of stores/ services accompanied by receipts/vouchers from the recipient of the stores/services, stating when, where and how they have been accounted for.
- vii) The stores procured have been properly accounted for in the books of stores. Payments have been made in accordance with the payment schedule of the contract.
- viii) The unserviceable stores are disposed of after proper sanction obtained.

Annual stock taking is undertaken and verified. If any shortcoming is noticed it should be included in audit report.

- ix) In the cases of service contract for maintenance services, the concerned section should maintain a record of visits and jobs per-formed.
- x) The sections/ departments concerned are maintaining the contract registers to see that the payments are made on date as per contractual agreement. Security deposit and bank guarantee given by the contractor are recorded in the register. The life of bank guarantee corresponds to the period of contract.
- xi) The dead stock register is maintained for entering dead stock articles purchased and issued.
- xii) Library books accession register is maintained and verification of books is done once in 5 years and a note to this effect has been made in the Register.

14.7 Infra Department:

- i) Capital expenditure for the building and any new construction and major repairs of capital nature must be recorded in the Fixed Assets Register.
- ii) Expenditure should be prior approved and within the grants approved for the purpose.
- iii) Proper record of the expenditure should be maintained and in case of deposit works a monthly expenditure report should be obtained and final expenditure may be reconciled and in case of excess funds released the same may be obtained from the department concerned.
- iv) AMC awarded for various services in the center may be recorded in a register on a separate folio and services obtained on each occasion should be recorded so as to ensure the justification for awarding AMC to the concerned party. The record of AMC should be reviewed periodically to ensure the process for renewal is commenced well in time to award the contract for the required service.
- v) Audit is to ensure that the Building register, for capital cost of buildings, including repairs and renovations is maintained properly.

14.8 Points required to be seen on each of the following quoted items

14.8.1 Imprest Cash:

- i) The cash balance on hand to be verified by actual count and tallied with the book balance; Certificate to this effect should be recorded in the Imprest register under the initial of the inspecting official.
- ii) Proper arrangements exist for the safe custody of the cash.
- iii) Prescribed Imprest register is maintained in the prescribed form, and the amounts spent are recorded correctly.
- iv) Recoupment is made periodically.



- v) The Imprest Account is balanced and closed daily.
- vi) Amount spent from Imprest are correctly payable and authorized by the competent authority.
- vii) The sanctioned amount is not in excess of requirement, and a justification exists. In case Recoupment is made occasionally, reduction of Imprest is to be suggested.
- viii) Special Imprest sanctioned for a specific purposes are closed immediately duly surrendering the balance amount after the special event is over.
- ix) Amount spent from special Imprest are spent only for the specific purpose for which it was sanctioned.
- x) Separate Imprest Account is maintained and not mixed with general Imprest, if the Imprest is sanctioned for special purpose.

14.8.2 Postal Stamps Account:

- i) Postal stamps on hand to be verified by actual count and tally the same with the balance as per Register of Stamp Account.
- ii) Recoupment of postal stamps is properly accounted in the postal stamps account.
- iii) Full particulars are given in the postal account register for the usage of postalstamps.
- iv) The postal stamp account is balanced daily/ periodically, and initial of the in charge/ supervisor is obtained in the Resister of Stamps Account.
- v) If the postal stamps are used for registered articles etc., necessary acknowledgements obtained from the postal authorities are pasted in the Postal Stamps Register.
- vi) Audit Party to ensure that test check is done on periodical basis and certificate to the effect is recorded in the register.

14.8.3 Franking Machine Account:

- i) Proper sealing of Franking Machine is to be checked.
- ii) Opening and Closing Nos. are entered in the stamps register.
- iii) Proper account for usage of stamps from the Franking Machine is recorded in the stamps register.
- iv) When refilling of franking machine is done are from Postal Department, necessary entries are made in the register (opening and closing numbers)
- v) Rebate @ 3% for the usage of Franking Machine, if admissible is claimed from the Postal Department periodically, and the amount realized is accounted for in the CIPET's account.

14.8.4 Miscellaneous Cash Receipt and Remittances:

- i) The office is authorized to receive the cash, and proper receipt is issued for all receipts of cash.
- ii) The receipt books have been kept under lock and key in the personnel custody of the official responsible.

- iii) The amount received is remitted to the cash office/bank without any avoidable delay and the amount is remitted correctly.
- iv) Proper Acknowledgment is obtained and made a part of the receipt book for cross check.
- v) Proper account is maintained for the receipt and deposit of cash.
- vi) Necessary returns are submitted to the Accounts Office monthly.
- vii) Correct head of account is recorded on all the vouchers/record.

14.8.5 Issue of cheques:

- i) The cheques issued by the office are checked to see that the drawl of amount is justified and sanction of the competent authority is obtained.
- ii) Cheque book is properly maintained and necessary certificate is recorded to the effect that all the folios are checked and found correct.
- iii) All the cheques are stamped with seal of the office.
- iv) Cheque books are kept under lock and key.
- v) Separate register (bank wise) is maintained for issue of cheques.

14.8.6 Money Value Books and Machine Numbered Books:

- i) Proper accountably and receipt of the books is to be checked.
- ii) Proper arrangements exist for safe custody of the books.
- iii) The numbers of unused books agree with the entries in the stock register.
- iv) All issues are properly acknowledged.
- v) Obsolete or excess to requirements are not stocked.
- vi) Prompt action is taken in the event of loss/ theft of money value books/or folios to avoid fraudulent usage of the Money Value Books.

14.8.7 Register of Agreements:

- i) A Register is maintained in the prescribed form.
- ii) All agreements entered into with the contractors are entered in the register.
- iii) Complete details viz. name of the work, Agt. No., and date, letter of acceptance of the agreement, total value of the Agt./contract, Date of commencement, due date for completion, particulars of EMD/SD, extension granted if any, special remarks if any etc., are furnished.
- iv) The register is periodically reviewed and initialed.

14.8.8 Tenders and Contract:

- i) Tenders have been called for with the sanction of the competent authority.
- ii) Accounts concurrence is obtained before calling for Tenders (in the case of Single, Limited and Special. Limited Tenders and all other cases where necessary).
- iii) Tenders have been called for, only after preparation of Estimate, sanction of Indents (For supply), drawings and plans etc.,
- iv) A register is maintained showing all particulars of tenders received.
- v) In case of sale of Tender Forms, proper account is maintained for receipt, accounting and remittance of cash.
- vi) Tenders have been called for well in advance of the date of commencement of work/supply.

- vii) All relevant rules and procedures have been followed for calling, opening, and finalization of tenders.
- viii) Terms and conditions stipulated in the Agreement/Contract are as per extant orders.
- ix) There is no deviation from the standard conditions, special conditions, if any, and have the prior approval of the competent authority.
- x) The lowest tenders only have been accepted.
- xi) Negotiations if conducted are as per latest instructions on this subject i.e. only with the lowest tenderer etc.,

14.8.9 Review of Agreements:

- i) Agreement Register should be checked to ensure that all details are furnished,
- ii) Some of the agreements should be checked with reference to
 - i) Progress of the work
 - ii) Test check the measurements recorded and bills claimed.
 - iii) There is no delay in progress of the work/supply.
 - iv) Proper action has been taken against the Agency in case of delay.
 - v) Final Bills are prepared without delay on completion of the work and final Measurements are taken. If there is undue delay in preferring final bills, the reasons for the delay should be analysed.
 - vi) All records connected with execution of the work are maintained correctly.
 - vii) The claims preferred are only to the extent the works are executed/ supplies made.
 - viii) Variations to the execution of work or supply of items are regularized with the sanctions of the competent authority as per rules.

14.8.10 Stationery Books and Forms:

- i) Necessary Registers are maintained properly for receipts and issues.
- ii) There are no abnormal issues.
- iii) Issue of "Xerox" paper etc. proper account is maintained separately.
- iv) Stationery purchased locally in case of urgent need is done after obtaining proper sanction and as per provisions of GFR.
- v) Computer Stationery is purchased only after necessary sanction is obtained from the competent authority, and the purchase is made as per the provisions of GFR and extant rules on this subject.

14.8.11 Consumable Stores Account:

- i) Register is maintained to record the receipt of consumable stores.
- ii) 'Empties' are checked with Issue Notes.
- iii) Issues are as per the prescribed scales.

- iv) A responsible official has attested balances periodically.

14.8.12 Dead Stock:

- i) The Dead Stock Register is maintained in prescribed form showing the purchase reference, purchase order No. etc.,
- ii) The receipts, issues and balances are correctly posted.
- iii) Receipts should be checked with the firm's Invoice, Issue Notes etc.
- iv) Proper arrangements exist for accountability and safe custody of the Dead Stock items kept in stock.
- v) All items available/received are properly and correctly taken in the Dead Stock Account.
- vi) Proper nomenclature, price list No, measurements etc. are indicated against each item.
- vii) Separate Folios are kept distinctly for items like, PCs, VCR, TVs, Cameras, and Audio Visual equipments, Fridge etc.
- viii) Departmental Stock verification has been done periodically and certificate recorded against each item.
- ix) Un-serviceable items are condemned under proper authority.
- x) Suitable reference furnished in the Dead Stock Register for the Articles disposed and transfer, if any to other Centres etc.

14.8.13 History Books of Vehicles, Computers / Type Writers etc:

- i) Complete History of the Vehicle, viz. firm name, cost of the vehicle/item, date of purchase, models etc. are furnished in the Register.
- ii) A detail of spare parts supplied, free guarantee period etc. is indicated.
- iii) Expenditure incurred for repairs, overhauls and spare parts are posted correctly in the register and the monetary limit prescribed for various factors are not increased.
- iv) In the case of new machines, free servicing if any agreed to by the suppliers is availed of.
- v) Released un-serviceable spare parts after repair are accounted.

14.8.14 Review of outstanding Audit and Accounts Inspection Reports:

- i) Outstanding Audit and Accounts inspection Reports are properly attended to and the mistakes/ irregularities have been rectified.
- ii) In the case of Pt. II Audit Reports, the finality of the action rests with the Head of Centres where the audit was carried out. Action taken on the Part-II reports should be reviewed during audit.
- iii) It is to be enquired and reported that, is there any vigilance enquiries dealing with financial matters are pending.

14.8.15 Review of Bills Register:

- i) A register to record the bills received in the office is maintained and postings made correctly.
- ii) Postings are made as and when they are received.
- iii) Bills have been passed expeditiously and the outstanding on hand is not heavy.
- iv) Paid bills for the month selected should be traced in the bills register, and checked.
- v) The register is put up to the controlling officer periodically for review.

14.8.16 Review of Telephone bills:

- i) A separate Register is maintained to indicate the receipt of Telephone bills with separate folios for office and residential phones.
- ii) All the Bills passed are properly entered, there is no unusual/abnormal charges passed for payment. In such case, the reasons for such payment should be reviewed.
- iii) In the case of residential DOT phones, the excess amount than permissible has been recovered.
- iv) Charges for Private Calls (Trunk Calls) etc. have been recovered from the officer concerned.

14.8.17 Review of Log book:

- i) A general review of the Log Book pertaining to all department vehicles with reference to the movement of the 4 wheelers and 2 wheelers and entries made there in.
- ii) Whether, the journeys performed are systematically and correctly recorded with time, date, and Kms. Travelled and signature of the officer travelled.
- iii) In case of private trip, it has to be checked whether necessary charges have been billed and collected.
- iv) Consumption of petrol is to commensurate with the Kms recorded in the Log Book.
- v) Petrol and other consumable oil drawn are recorded in the LOG Book systematically.

14.8.18 Review of Stores Ledger:

- i) Separate ledger folios are maintained for each type of consumable stores, empties etc.,
- ii) Postings are up to date and test checked with connected records to ensure the correctness of the postings.
- iii) Proper records are maintained for receipts and issues.
- iv) Balances are arrived correctly.
- v) Stocks are not held unnecessarily.

- vi) In case of overstock items, proper action is taken for disposal.

14.8.19 Review of Progress of expenditure:

- i) Proper records are maintained for the incurrence of expenditure.
- ii) Expenditure incurred is sanctioned and same is as per the provisions made in the Budget.
- iii) Debit/Credit relating to the year is booked in the same year's account.
- iv) Adequate action is taken to obtain all Dr./Cr. and to account for in the same year.
- v) All adjustments, Transfers are accounted without delay.
- vi) All expenditure are properly allocated and brought into the Account.

14.8.20 Write-off / Sanctions:

- i) Proper records are maintained for all sanctions and write off.
- ii) Write off sanctions have been obtained as per the provisions of GFR, etc.
- iii) Finance concurrence has been obtained, wherever necessary.
- iv) Staff responsibility has been fixed, for the write off proposals involving loss to CIPET due to negligence of employees.
- v) Preventive measures are taken to avoid recurrence of loss/theft etc., for which write off proposal is obtained.

14.8.21 Library Books:

- i) A register is maintained for receipt and issues.
- ii) Proper accounting entries of the books are checked with reference to receipt vouchers.
- iii) Books issued to the officials are returned within the prescribed time.
- iv) Books purchased for the library are as per the requirement, and guide lines issued by CIPET.
- v) Books, which are not required for day to day functioning, are not purchased.
- vi) Books purchased for library are as per the monetary limits prescribed and had the sanction.
- vii) In case of books lost/not returned, proper action is taken to recover the cost etc.,

14.8.22 Review of Implementation of CIPET Orders, Instructions etc:

During inspections, the inspecting officials should test check and see whether the important CIPET Orders, circulars etc. are properly and correctly implemented, the instructions if any have been correctly understood and there is no deviation.

14.9 List of Personnel Items common to All Offices and points required to be seen on each:

14.9.1 Scale Check:

- i) Proper Register/Record is maintained to indicate the sanctioned posts, category wise.
- ii) Checked with Attendance, Pay Bills etc. to see that the posts operated are as per the sanction strength.
- iii) Book of sanction reference is indicated against each Department against the posts sanctioned.
- iv) No posts are operated in excess to the sanctioned strength or without sanction
- v) In case of excess operation, action has been taken to regularize the posts.

14.9.2 Service Registers / Books:

- i) Service Registers/books have been opened for all the employees without delay and necessary Medical Certificate attached.
- ii) All required details have been filled correctly.
- iii) Necessary Thumb impressions have been obtained and certified by Responsible official.
- iv) Service records are kept in safe custody.
- v) The Date of Birth recorded in the S.R. agrees with Medical Certificate, School Certificate etc.
- vi) All necessary entries viz., increment, transfer, promotion, fixation of pay, option forms for PF, CGIS, sanction reference of HBA, Scooter Advance etc. are recorded correctly and attested by Gazette Official.
- vii) Qualifying service is recorded every year and period not qualified for pensionable service is recorded correctly.
- viii) In case of employees, for whom DAR action have been initiated, suitable entries in the S.R. duly indicating the punishment penalty, suspension etc. entered clearly and duly quoting the orders of the competent authority.
- ix) That the Service Records are periodically reviewed, by the controlling officials.
- x) In respect of SC, ST and BC candidates' authenticated documentary proof should be available in the SR/Personal File of the employees concerned.

14.9.3 Leave Account:

- i) Leave account is maintained correctly for all the staff on Rolls, and governed by the leave rules the employee is governed.
- ii) Advance crediting of EL/HPL are made correctly taking into account the Dt. of joining, period of leave without pay etc.
- iii) Every leave posting in leave account (Debit) is supported by leave application, and sanctioned by the competent authority.
- iv) In the case of commuted leave employee's specific request is forthcoming

- and the period of absence is covered by Medical Certificate.
- v) Proportionate reduction in the EL @ rate of 1/10 for the period of LWP (if any) is done before affording advance credit every half year.
 - vi) In the case of 'Leave not Due (LND)', extraordinary leave etc, the leave period is covered as per the extant rules.
 - vii) In the case of 'Half-pay-leave (HPL)' Leave salary is drawn correctly.
 - viii) Leave without pay (LWP) period are recorded correctly in the Service Register (S.R.) and no salaries are drawn.
 - ix) No. leave is sanctioned /availed without sufficient leave balance.
 - x) Postings of leave account are test checked and Leave balance is brought forward correctly on every page of the leave account without any over or under casting of leave.
 - xi) Leave accounts are properly attested by the responsible official periodically.
 - xii) Paternity leave is availed by the male employee within the prescribed time.
 - xiii) Maternity leave is availed for the first two living children and necessary entries about availing the leave mentioned in the leave record.

14.9.4 Traveling Allowance and Conveyance Allowance:

- i) The T.A. Bills are correctly prepared, signed by the controlling officials.
- ii) The movement shown in the TA Bills agrees with Attendance register.
- iii) The amount of T.A. claimed are as per the eligibility criteria based on their Pay and Class of City.
- iv) Conveyance allowance claimed by the employee is admissible as per rules and rate per km. claimed are as per prescribed rates.

14.9.5 Rent Rolls:

- i) Rent Rolls are prepared correctly including all the employee's who are in CIPET's Quarters.
- ii) Rent, water, conservancy charges shown in the statement are correctly recoverable from the staff.
- iii) Electrical energy charges are recovered correctly from all the staff in occupation of CIPET Quarters.

14.9.6 Building Register:

- i) Necessary Building Registers are required to be maintained by the Engineering cell.
- ii) Complete details viz., Plinth area, type of the building, electrical installations etc. are indicated both for service and residential buildings.
- iii) The Register is updated every time when buildings are constructed / dismantled.
- iv) The Register is periodically reviewed to ensure that all the Buildings in that particular jurisdiction are brought into the Register.

14.9.7 Loans and Advances (Recovery Register):

- i) Details of various advances sanctioned to the employees are recorded correctly and the recoveries made are posted correctly individual employee wise.
- ii) Conditions stipulated for grant of various advances are satisfied.
- iii) Balances of advances are struck correctly and it is ensured that the advances are recovered within the permissible installments.
- iv) In the case of interest bearing advances, the recovery of interest is certified well in advance and recovery towards interest commenced immediately on completion of principal amount.
- v) In the case of staff transferred from other units, the recovery of loan amount are correctly brought into the Register and checked with the LPC. Similarly in the case of transfer of employee's to other units, the LPC reflect the correct amount of loan due for recovery.
- vi) The Register is reviewed by the responsible official periodically.

14.9.8 Recovery of Rent:

- i) Rent and conservancy charges are recovered from all those employees who are in occupation of CIPET Quarters.
- ii) Rent has been recovered according to plinth area and type of the quarter.
- iii) Water charges are recovered from all the quarters occupied by Gazette Officers, according to the type of the CIPET Quarters, at the prescribed rates.
- iv) It has to be checked that Rent is recovered from the employees, who have been allotted quarter and not occupied/delay in occupation beyond 7 days etc.
- v) Damaged rent/special license fee for un-authorized occupation are correctly recovered as per extant rules till the quarter is vacated/evicted.

14.9.9 Reimbursement of Tuition fees and Children Allowance Scheme:

- i) Necessary Register is maintained to record the receipt of claims, claims admitted and rejected.
- ii) The claims admitted are correct and supported by authenticated documents.

14.9.10 Recovery of Advance of Pay on Transfer:

- i) Separate Register is maintained for watching the recovery of Advance of Pay.
- ii) Proper sanction is obtained for sanctioning of Advance of Pay.
- iii) In case the employee has drawn advance of pay before effecting transfer, the same should be recorded in the LPC.
- iv) There is no delay in recovery, and recoveries are completed within a period of 3 months.



14.9.11 Pay Bills:

- i) Pay and allowances were drawn correctly.
- ii) All recoveries are made correctly.
- iii) Special Pay, Personnel Pay, leave salary etc., if any are drawn correctly and as per rules.
- iv) Rent recovery, Elec. Energy recoveries for the staff occupying quarters are done correctly.
- v) Increments are drawn correctly.
- vi) CGIS and other statutory recoveries are made correctly.
- vii) All accompaniments to the pay sheets are attached and are correct.
- viii) The posts for which salaries drawn are as per the scale check and necessary scale check statement attached to the paysheet.
- ix) In case of Fixation of Pay/revision of pay due to promotion, revision of the Grade etc. are done correctly and certified by Accounts Office and suitable entries made in the service register.
- x) Recoveries towards Festival advance is made correctly and immediately after receipt of the advance. This has to be checked duly connecting the memorandum of sanction.
- xi) In case of supplementary Pay Bill proper care is taken to ensure that necessary certificates are furnished, and suitable entries are made in the relevant records to avoid double payment.

14.9.12 Review of Last Pay Certificates:

It should be seen that:

- i) The last pay drawn by the employee has been correctly mentioned in the LPCs.
- ii) Outward LPCs should be checked with recovery registers to ensure that the outstanding balances if any are correctly mentioned.
- iii) In case the employee is in occupation of CIPET Quarter, LPC should clearly indicate the period up to which permission obtained penal rent if any to be recovered etc.
- iv) In the case of Inward LPCs, it should be seen that the amount due for recovery towards loans and advances, advance of pay if any are correctly recovered. Inward LPCs should be checked with pay sheet and recovery registers.

14.9.13 Log Book of Office Staff Cars:-

- i) It should be seen that the staff cars have been used for official purposes only and the officers' signatures/initials obtained against each movement.
- ii) If the cars had been used for private purposes, necessary charges as applicable have been billed and recovered.
- iii) Drawal of petrol commensurate with KMs in usage and there is no abnormal variation in the consumption pattern.
- iv) Repairs to the Staff cars have been done as per the provisions contained in rules.

14.9.14 Register of Purchase Order: It should be seen that:

- i) The Register is efficiently maintained. Continuity of P.O. Nos. is maintained.
- ii) The P.O is signed and issued by the authorized official.

14.9.15 Cash Imprest:

- i) The cash imprest should be verified and balance certified in the Imprest Register.
- ii) It should be seen that the amount spent from imprest are reasonable and correct procedures are followed.
- iii) In case the medicines are purchased locally to meet urgent need, sanction of the competent authority has been obtained for such purchases.

14.10 How Inspection Report is prepared:

The reports should be prepared in two parts i.e., Part I and Part II. Particular care should be taken about the language and tone of the report. All objections should be stated in simple and polite terms.

Part I: This should contain points of major importance only which may be held to include objections involving recurring over payments due to wrong fixation of pay, grant of leave and T.A. under a wrong set of rules etc. and any other irregularities which are required to be regularized under competent sanction. The remarks for individual para should be called for from the Head of the Office Inspected.

Part II: All other items, which have not figured in Part I should be included in Part II. The disposal of paras in Part II may be left to the Head of Office inspected. He should however, give suitable remarks as to the action taken by him against each item in the report before filing it. The Accounts Officer should during his next inspection, review the remarks recorded on the Executive officer's copy of the Part II of the report and satisfy that suitable action has been taken on the points raised therein.

CENTRAL INSTITUTE OF PLASTICS ENGINEERING & TECHNOLOGY								
Format of Budget Estimate and Revised Estimate (Income)								
Sl. No.	Head of Account	Actual Income in Previous FY	Estimated Income in Current FY	Actual Income from April to September in Current FY	Estimated Income from October to March in Current FY	Revised Income for Current FY (5+6)	Estimate Income for Next FY	Reasons/Justifications
1	2	3	4	5	6	7	8	9
	Total							

CENTRAL INSTITUTE OF PLASTICS ENGINEERING & TECHNOLOGY								
Format of Budget Estimate and Revised Estimate (Expenditure)								
S. No.	Head of Account	Actual in Previous FY	Budget Estimate for Current FY	Actual Expenditure from April to September of Current FY	Estimated Expenditure from October to March of Current FY	Revised Estimate of Current FY (5+6)	Budget Estimate for Next FY	Reasons/Justifications
1	2	3	4	5	6	7	8	9
1	Salaries and Allowances							
2	GC/Committee Meeting Expenses							
3	Travelling Expenses							
4	Audit Fees/Exp.							
5	Rent, Rates and Taxes & water charges							
6	Insurance							
7	Communications							
8	Advertisement & Publicity							
9	Scholarships							
10	Student Welfare Expenses							
11	Expenses on STC							
12	Guest Lecture Fees							
13	Seminar & Exhibition Expenses							
14	Hostel Running Expenses							
15	Affiliation/Registration fee							
16	Faculty Development Programme							
17	Printing and Stationery							
18	Consumable Stores, Tools & Raw materials							

S. No.	Head of Account	Actual in Previous FY	Budget Estimate for Current FY	Actual Expenditure from April to September of Current FY	Estimated Expenditure from October to March of Current FY	Revised Estimate of Current FY (5+6)	Budget Estimate for Next FY	Reasons/Justifications
1	2	3	4	5	6	7	8	9
19	Power & Lighting							
20	a. Buildings							
21	b. Plant & Machinery							
22	c. Electrical Installation							
23	d. Others							
24	Professional Services							
25	Expenses on Mould base, Testing Material, Calibration and Fabrication							
26	Vehicle running & Maintenance							
27	Subscription to Periodicals							
28	Recruitment Expenses							
29	Expenses on seminar , workshop employees							
30	Misc. Exp. on NABL,BIS &ISO Audit							
31	Expenses related to previous years							
32	Inauguration and Other Exp							
33	Depreciation							
	TOTAL							





CENTRAL INSTITUTE OF PLASTICS ENGINEERING & TECHNOLOGY						
Grant-in-Aid (GIA) Register						
S.No.	Scheme Name	Grant Sanctioned	Grant Received	Sanction order No. & Date	Date of Receipt of Funds	Date of submission of U.C

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The standard format of Balance Sheet and Income & Expenditure, Notes on Accounts are as under :-

CENTRAL INSTITUTE OF PLASTICS ENGINEERING & TECHNOLOGY (CIPET)				
BALANCE SHEET AS AT 31st MARCH XXXX				
(Amount - Rs.)				
Sl.No	Particulars	Schedule	As at 31.03. XXXX	As at 31.03. XXXX
A	<u>CAPITAL FUND AND LIABILITIES</u>			
a	CAPITAL FUND	1	-	-
b	RESERVES AND SURPLUS	2	-	-
c	CORPUS FUND	3	-	-
d	SECURED LOANS AND BORROWINGS	4	-	-
e	DEFERRED CREDIT LIABILITIES	5	-	-
f	CURRENT LIABILITIES AND PROVISIONS	6	-	-
	TOTAL		-	-
B	<u>ASSETS</u>			
a	<u>FIXED ASSETS</u>	7		
	GROSS BLOCK		-	-
	LESS: DEPRECIATION		-	-
	NET BLOCK		-	-
b	INVESTMENTS FROM CORPUS FUND	8	-	-
c	CURRENT ASSETS, LOANS AND ADVANCES	9	-	-
d	EXCESS OF EXPENDITURE OVER INCOME	10	-	-
	TOTAL		-	-
e	SIGNIFICANT ACCOUNTING POLICIES	20		
f	CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	21		

CENTRAL INSTITUTE OF PLASTICS ENGINEERING & TECHNOLOGY (CIPET)				
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 ST MARCH XXXX				
(Amount - Rs.)				
Sl.No	Particulars	Schedule	FOR THE YEAR ENDED	
			31.03.XXXX	31.03.XXXX
A	<u>RESOURCES</u>			
a	ACADEMIC ACTIVITIES	11	-	-
b	TECHNICAL PROGRAMS [Sponsored]		-	-
c	TECHNICAL SUPPORT SERVICES	12	-	-
d	OTHER INCOME	13	-	-
	TOTAL (A)		-	-
B	<u>EXPENDITURE</u>			
a	ESTABLISHMENT EXPENSES	14	-	-
b	ADMINISTRATIVE EXPENSES	15	-	-
c	TRAINING EXPENSES	16	-	-
d	INTEREST	17	-	-
e	EXPENSES ON SALES/SERVICES RENDERED	18	-	-
f	OTHERS	19	-	-
g	DEPRECIATION		-	-
	TOTAL (B)		-	-
h	EXCESS OF INCOME OVER EXPENDITURE FOR THE CURRENT YEAR [A-B]			
i	TRANSFER TO CORPUS FUND		-	-
	NETT EXCESS OF INCOME OVER EXPENDITURE			
	CARRIED OVER TO BALANCE SHEET		-	-

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH XXXX			
(Amount -Rs.)			
Sl.No.	Particulars	As at 31.03.XXXX	As at 31.03.XXXX
(a)	SCHEDULE : 1		
	CAPITAL FUND		
	GRANT-IN-AID		
	a) From Government of India		
	Balance as at the beginning of the year Add: Amount received towards Capital Fund Additions during the year Less: Transfer during the year		
	TOTAL (a)		
	b) From World Bank		
	Balance as at the beginning of the year		
	TOTAL (b)		
	GRAND TOTAL (a) + (b)		
(b)	GRANT-IN-AID		
	From State Government		
	Balance as at the beginning of the year Add: Amount received towards Capital Fund Less: Transfer during the year		
	TOTAL		
(c)	GRANT-IN-AID		
	Others		
	i) From NCPA		
	Balance as at the beginning of the year		
	TOTAL		
	ii) From I P C L		
	Balance as at the beginning of the year		
	TOTAL		
	iii) From T I F A C		
	Balance as at the beginning of the year		
	TOTAL		
	iv) From D S T		
	Balance as at the beginning of the year Less: Transferred during the year		
	TOTAL		

Sl.No.	Particulars	As at 31.03.XXXX	As at 31.03.XXXX
	v) From OIBD Balance as at the beginning of the year		
	TOTAL		
	vi) From Indo US Project Balance as at the beginning of the year		
	TOTAL		
	vii) From AICTE Balance as at the beginning of the year		
	TOTAL		
	viii) From Plastindia Foundation Balance as at the beginning of the year		
	TOTAL		
	ix) From Haldia Development Authority Balance as at the beginning of the year		
	TOTAL		
	TOTAL (c) (i+ii+iii+iv+v+vi+vii+viii+ix)		
	GRAND TOTAL (a+b+c)		
1	SCHEDULE : 2 RESERVES AND SURPLUS CAPITAL RESERVE a) Capitalized Value of Plant & Machinery received Balance as at the beginning of the year Add: Additions during the year		
	TOTAL		
	b. Capitalized value of Land received as gift from State Government Balance as at the beginning of the year Add: Additions during the year		
	TOTAL		

Sl.No.	Particulars	As at 31.03.XXXX	As at 31.03.XXXX
	<u>c. Contribution received towards stipend</u> Balance as at the beginning of the year Add: Additions during the year		
	TOTAL		
	<u>d. On account of sale of assets</u> Balance as at the beginning of the year Add: Additions during the year		
	TOTAL		
	TOTAL (1) (a+b+c+d)		
2	<u>Revaluation Reserve</u> Balance as at the beginning of the year Add: Additions during the year		
	TOTAL (2)		
	GRAND TOTAL (1+2)		
	<u>SCHEDULE : 3</u> <u>CORPUS FUND</u>		
a)	Opening balance of the Funds		
b)	<u>Additions to the Funds:</u> i) Transfer of Cash Surplus ii) Income from investments made on account of funds iii) Less: Provision for Contribution to Pension Fund iv) Less: Purchase of Land from M/s.HFL. v) Less: Repayment of OPEC soft loan		
	TOTAL (a+b)		
	<u>SCHEDULE : 4</u> <u>SECURED LOANS AND BORROWINGS</u>		
a)	<u>Financial Institutions</u> I) Term Loans (TI) Add: Additions during the year Less: Refund during the year		
	TOTAL		
	II) Term Loans - OPEC Add: Additions during the year Less: Refund during the year		
	TOTAL		
	GRAND TOTAL (I+II)		



Sl.No.	Particulars	As at 31.03.XXXX	As at 31.03.XXXX
	<u>SCHEDULE : 5</u>		
	<u>DEFERRED CREDIT LIABILITIES</u>		
a)	Acceptances secured by hypothecation of assets		
	TOTAL		
	<u>SCHEDULE : 6</u>		
	<u>CURRENT LIABILITIES AND PROVISIONS</u>		
	<u>A. CURRENT LIABILITIES</u>		
1	Acceptances		
2	Sundry Creditors a) For Goods b) Others		
3	Advances received from Customers		
4	Statutory Liabilities a) Overdue b) Others		
5	Other Current Liabilities		
	TOTAL (A)		
	<u>B. PROVISIONS</u>		
1	Taxation		
2	Superannuation benefits [Gratuity etc]		
3	Incentive		
4	Research & Development Project		
5	Pension Fund		
	TOTAL (B)		
	TOTAL (A + B)		
	<u>SCHEDULE : 7</u>		
	<u>FIXED ASSETS</u>		
A)	<u>Gross Block</u> Balance as at the beginning of the year Add: Additions/Transfer during the year		
	TOTAL		
	Less: Deletions		
	TOTAL (A)		

Sl.No.	Particulars	As at 31.03.XXXX	As at 31.03.XXXX
B)	Capital Work in Progress Balance as at the beginning of the year Add: Additions during the year		
	TOTAL Less: Transfer during the year		
	TOTAL (B)		
	TOTAL (A) + (B) Less: Depreciation		
	NET BLOCK		
	<u>SCHEDULE : 8</u> <u>INVESTMENTS FROM CORPUS FUND</u>		
1	In Government Securities		
2	Other approved Securities		
3	Fixed deposits in Nationalized Banks		
4	Others		
	TOTAL		
	<u>SCHEDULE : 9</u> <u>CURRENT ASSETS, LOANS AND ADVANCES</u>		
	<u>A. CURRENT ASSETS</u>		
1	<u>Inventories</u> a) Raw Materials b) Tools c) Stores d) Moulds for Training e) Measuring instruments		
2	<u>Sundry Debtors</u> a) Debts Outstanding for a period exceeding six months b) Others		
3	Cash balances in hand		
4	<u>Bank Balances</u> a) <u>With Scheduled Banks</u> - On Current Accounts - On Deposit Accounts - On savings Accounts		
	TOTAL (A)		

Sl.No.	Particulars	As at 31.03.XXXX	As at 31.03.XXXX
	B. <u>LOANS, ADVANCES AND OTHER ASSETS</u>		
1	<u>Loans & Advances</u> a) Staff b) Others		
2	<u>Advances and other amounts recoverable in cash or in kind or for value to be received</u> a) Advances for Purchases b) On Plant & Machinery under Erection c) Margin against Specific Commitments i) at Centre ii) at Head Office d) Deposit with Government e) Deposit with other Department f) Prepaid Expenses g) Grant-in-Transit h) R.A.Bills paid to Contractors i) Transit Insurance j) Others		
3	<u>Income Accrued</u> a) On Investment from Earmarked Funds b) On Investments - Others c) Others		
4	<u>Incidental Expenditure During Construction Period</u> Balance as at the beginning of the year Add: Additions during the year Less: Transfer during the year		
	TOTAL (B)		
	TOTAL (A + B)		
	<u>INTER BRANCH ACCOUNT</u> Debit Credit		
	<u>SCHEDULE : 10</u> <u>EXCESS OF EXPENDITURE OVER INCOME</u> Balance as at the beginning of the year Add: Additions during the year Less: Deductions during the year		
	TOTAL		

SCHEDULES FORMING PART OF INCOME AND EXPENDITURE ACCOUNT			
FOR THE YEAR ENDED 31ST MARCH XXXX			
(Amount - Rs.)			
Sl.No	Particulars	FOR THE YEAR ENDED	
		31.03.XXXX	31.03.XXXX
	SCHEDULE : 11		
	ACADMIC ACTIVITIES		
	(1) Long Term Courses		
	1) Long Term Course Fees		
	2) Prospectus & Applications		
	3) Course Materials		
	4) Electricity Charges		
	5) Room Charges		
	6) Examination Fees		
	7) Seminars		
	8) Admission Fees		
	9) Library Fees		
	10) Gymkhana Fees		
	11) Others		
	TOTAL		
	(2) Sponsored Programs		
	1) Short Term Course Fees		
	TOTAL		
	SCHEDULE : 12		
	TECHNOLOGY SUPPORT ACTIVITIES		
	[incl.R& D, Consultancy Services]		
	1) Job Orders		
	2) Testing		
	3) Inspection Charges		
	4) Consultancy Services		
	5) Fabrication of Moulds& Dies		
	6) Plastic Products and Scrap		
	7) Development Work		
	8) Calibration Charges		
	9) Others		
	TOTAL (A)		
	SCHEDULE : 13 OTHER INCOME		
	(incl.Interest, Profit on Sale of Fixed Assets		
	i) Interest Earned		
	1) On Term Deposits		
	a) With Scheduled Banks		
	2) On Loans		
	a) Employees/Staff		
	b) Others		
	TOTAL (B)		

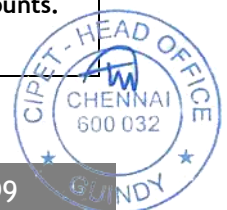
Sl.No	Particulars	FOR THE YEAR ENDED	
		31.03.XXXX	31.03.XXXX
	ii) Others		
	1) Profit on Sale/disposal of Assets		
	2) Fees for Miscellaneous Services		
	3) Income related to previous years		
	4) Contribution from Govt. for Project Expenses		
	5) Miscellaneous Income		
	TOTAL (C)		
	TOTAL (A + B + C)		
	SCHEDULE : 14		
	ESTABLISHMENT EXPENSES		
	1) Salaries and Wages		
	2) Allowances and Bonus		
	3) Contribution to Provident Fund & EDLI		
	4) Contribution to New Pension Scheme		
	5) Contribution to Superannuation Fund [Gratuity, etc]		
	6) Staff Welfare Expenses		
	7) Others		
	TOTAL		
	SCHEDULE : 15		
	ADMINISTRATIVE EXPENSES		
	1) Electricity and Power		
	2) Water Charges		
	3) Insurance		
	4) Repairs and Maintenance		
	5) Rent, Rates and Taxes		
	6) Vehicles Running and Maintenance		
	7) Postage, Telegram & Telephones		
	8) Printing and Stationary		
	9) Travelling and Conveyance Expenses		
	10) Subscription Expenses (Periodicals, Membership)		
	11) Auditors Remuneration		
	12) Professional Charges (Legal Fees etc.)		
	13) Freight and Forwarding Expenses		
	14) Advertisement and Publicity		
	15) Bank charges		
	16) GC Meeting Expenses		
	17) RAC & Other Meeting Expenses		
	18) Admn. Expenses to R.P.F.		
	19) Admn. Expenses to N.P.S		
	20) Recruitment Expenses		
	21) Consultancy Services		



Sl.No	Particulars	FOR THE YEAR ENDED	
		31.03.XXXX	31.03.XXXX
	22) Expenses related to previous years 23) Expenses incurred for Audit 24) Expenses incurred for ISO Audit 25) Expenses incurred for NABL Audit 26) Expenses incurred for BIS Audit 27) Expenses incurred for Delhi Guest House 28) Lease Rent 29) Expenses incurred for Standing Committee(C&F) 30) Expenses on Seminar / Workshops / Other Expenses 31) Expenses related to Swatch Bharat Mission 32) Inauguration Expenses 33) Others		
	TOTAL		
	SCHEDULE : 16 TRAINING EXPENSES <ol style="list-style-type: none"> 1) Stipend to Trainees 2) Consumption of Raw materials, Chemicals, Tools & Stores and other consumables 3) Electricity and Power 4) Electricity and Power (Hostel) 5) Expenses on Short Term Courses 6) Design & Drawing Material 7) Printing & Stationery for training 8) Guest Lecture Fees 9) Seminar & Exhibition Expenses 10) Advertisement for Training 11) Hostel Running Expenses 12) Repairs & Maintenance 13) Postage, Telegram & Telephones 14) Rent, Rates & Taxes 15) Subscription to Journals & Periodicals 16) Affiliation/Registration fee 17) Stipend to CRR Trainees 18) Faculty Development Programme 19) Others 		
	TOTAL		
	SCHEDULE : 17 INTEREST <ol style="list-style-type: none"> 1) Interest & Services on OPEC Loan 2) Others 		
	TOTAL		

Sl.No	Particulars	FOR THE YEAR ENDED	
		31.03.XXXX	31.03.XXXX
	SCHEDULE : 18 EXPENSES ON SALES/SERVICES RENDERED <ol style="list-style-type: none"> 1) Consumption of Raw materials, Stores & Tools 2) Processing Charges 3) Mould Order Expenses 4) Freight Expenses 5) Testing Charges 6) Fabrication Charges 7) CAD/CAM Expenses 8) Calibration Charges 9) R & D Expenses 10) Others 		
	TOTAL		
	SCHEDULE : 19 OTHERS <ol style="list-style-type: none"> 1) ISRO Project Expenses 2) DST Programme Expenses 5) Others 		
	TOTAL		

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)			
SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH XXXX			
SCNEDULES-21 CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS			
CENTRE NAME : XXXXXXXX			
(CONTINGENT LIABILITIES FOR XXXXX)			
	NAME OF THE ENTITY : CIPET - (CENTRE)	CURRENT YEAR	PREVIES YEAR
1	CONTINGENT LIABILITIES		
1.1	Claims against the entity not not acknowledged as debts		
1.2	In respect of : Bank Guarantees by/on behalf of Entity Letters of Credit opened by bank		
1.3	Disputed Demands in respect of: Income Tax GST Tax Municipal Tax		
1.4	In respect of claims from parties for non-execution of orders, but contested by by the Entity		
2	CAPITAL COMMITMENTS : Estimated value of contracts remaining to be executed on capital account and not provided for (net of advance)		
3	LEASE OBLIGATIONS Future obligations for rentals under finance lease agreements for Plant and Machinery amount to		
4	CURRENT ASSETS, LOANS AND ADVANCES In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business, equal at least to the aggregate amount shown in the Balance Sheet		
5	FOREIGN CURRENCY TRANSACTIONS		
5.1	Value of Imports calculated on C I F Basis Purchase of finished Goods Raw Materials & Components (including in transit) Capital Goods Stores, Spares and Consumables		
5.2	Expenditure in Foreign Currency a) Travel b) Remittance and Interest Payment to financial Institutions/Banks c) Other Expenditure - Commission on Sales - Legal and Professional Expenses - Miscellaneous Expenses		
5.3	Earnings Value of Exports on FOB Basis		
5.4	Remuneration to Auditors As Auditors - Taxation Matters - For Management Services - For Certification Others		
Note : It should be filled after the completion of Statutory Audit and sent it to Head Office along with final 1 Accounts. 2 Foreign Currency Transactions should be filled in INR and it must be tallied with final accounts. (Foreign Currency value may indicated within brackets of the bottom of the INR) 3 Justification is to be given if there is any huge difference between current and previous year.			



Explanatory note on the various Accounts Heads are as under :-

Income and Expenditure Account - Revenue	
Account Code	Head of Account
	<p>Receipt from Sale and Services rendered:</p> <p>Represents amount received from executing job orders, testing services and mould-making for the clients. This head shall also include receipts on account of consultancy services rendered by the Centres. Receipts from sale of scrap and other plastic products shall be included under this head.</p> <p>Training Activities (Long term/Short term)</p> <p>Represents amount received from students on account of training activities rendered by the Centre. The revenue under this head would include the following receipts:</p> <ol style="list-style-type: none"> a) Course fee receipts: b) Sale of application form and prospectus: c) Sale of Course Material: d) Hostel Room Charges e) Gymkhana fee f) Electricity charges: g) Examination fee: h) Course fee (tailor-made): i) Sale of guide etc: j) Any other head. <p>Interest received</p> <p>Represents the interest received/accrued on term deposits with the bank, interest on advance to staff and other miscellaneous interest.</p> <p>Other Income</p> <p>Represents the amount of any other income now shown elsewhere inclusive of recovery from employees on account of House Rent, Room Rent, Guest House, sale of publications, profit on sale of assets and other miscellaneous income; such as provisions made in earlier years and no longer required.</p>



Income and Expenditure Account - Expenditure

Establishment Expenses

Represents expenses incurred on the manpower requirements of the Institute mainly on account of salaries, wages etc. and other benefits connected with it. These expenses under this head will broadly include:

- a) Salaries, wages and Allowances:
- b) Leave Salary and Pension Contribution:
- c) Insurance Premium on gratuity:
- d) Gratuity Paid:
- e) Contribution to provident fund:
- f) Contribution to family pension fund:
- g) Contribution to EDLI:
- h) Staff Welfare expenses:
- i) Travelling and Conveyance expenses:
- j) Fellowship expenses:
- k) Security service expenses:

Salaries Wages and Allowances

Represents the amount of salaries paid to staff every month, wages paid to workmen every month and other allowances such as shift allowance, leave salary, overtime allowance, payment to casual labourers and tuition fees.

Bonus

Represents the bonus paid/payable, if any to the employees inclusive of ex-gratia payment. If any.

Contribution to Provident Fund/Family Pension Fund and Other Funds

Represents the employer's Contribution to the Provident Fund / F.P.F in a respect of all employees. Any other contribution made by the employers towards any other statutory fund shall also be clubbed under this head.

Staff Welfare

Represents the cost of various expenses such as tea, coffee, cold drinks but not lunch incurred on staff during the working hours including the cost of uniform etc.

Medical Expenses

Represents the cost of reimbursement of medical expenses incurred by the employees including hospitalization claims.

Canteen Subsidy

Represents subsidy paid by the Centre to the canteen towards supplies made to staff.

Income and Expenditure Account - Expenditure

Staff Training

Represents expenses incurred by the Centres for training of staff in India and abroad.

Travelling and Conveyance Expenses - Inland

Represents the cost of travel expenses outside the headquarters of the employees for the Centre's work. Conveyance expenses shall represent the expenditure incurred on local conveyance within the city for the Centre's work. This head shall also include all travelling allowances paid to staff and Director General such as LTC (2 years, 4 years,) conveyance allowance and travelling expenses incurred in connection with the General Council Meetings.

Travelling Expenses - Foreign

Represents the amount of travel expenses inclusive of the cost of foreign exchange incurred by the Head Office for its employees and others. A separate register is required to be maintained shown therein the expenses in foreign currency in which the amount in rupees equivalent to the foreign exchange spent, should be entered at the time of passing the bills. All bills as well as advancers for foreign travel shall be controlled by the Head Office.

Security Service Expenses

Represents monthly payments made to private agencies engaged for providing security services to the Centre.

Training Expenses

This head shall represent all types of expenditure incurred by the Centre on trainees such as stipend consumption of raw material, training material, trainees welfare expenses etc.

The expenses shall broadly fall under the following categories:

- a) Stipend paid to trainees:
- b) Consumption of raw materials, chemicals, Tools & Stores and other consumables for training
- c) Power & Lighting:
- d) Expenses on Short term courses
- e) Design and Drawing materials
- f) Printing and Stationery for Training:
- g) Guest Lecture Fees:
- h) Seminar and Exhibition Expenses:
- i) Plastics in Agriculture:
- j) Advertisement for training:
- k) Hostel Running Expenses:
- l) Travelling Expenses of trainees:



Income and Expenditure Account - Expenditure

- m) Postage, Telegram and Telephones:
- n) Rent, Rates and Taxes:
- o) Subscription to journals and periodicals
- p) Repairs & maintenance
- q) Others.

Stipend

Represents all types of stipend and scholarships paid by the Centre to the trainees during training as per guidelines laid down by the Head Office.

Consumption of Raw Material, Chemicals, Tools, Stores, and other Consumables

Represents the landed cost of raw material, chemicals, tools, stores and other consumables issued for designing, processing mould making and testing during the course of training of students.'

Power and Lighting

Represents the cost of electricity and power consumed by the Centre.

Guest Lecture Fee

Represents the fee paid to the Guest Lectures for delivering special lectures.

Seminar and Exhibition Expenses

Represents expenditure incurred for holding, organizing and participating in all international and national trade fairs, seminar and exhibitions symposium such as souvenir expenses and other exhibition/seminar materials.

Rent Rates and taxes

Represents the cost of rent paid by the Centre for Office premises excluding lease rent, various taxes levied by the State and Central Government.

Subscription in Periodical and journals

probe · perform · practice · Plastics

Represents the cost of books, periodicals and journals (both Foreign & Indian) purchased/subscribed by the Centre)

Other Training Expenses

Represents training expenses not shown under any at the above heads such as PTC consumables, Deepavali / Holi expenses, Sport day expenses, Hostel day expenses, JEE expenses, journal and periodicals for the Hostel, trainee welfare expenses & sitting fees.

Expenditure for Services Rendered

Represents expenditure directly incurred by the Centre for earning revenue.

Income and Expenditure Account - Expenditure

Such expenditure would broadly consists of:

- i) Consumption of Raw Materials, Stores & Tools:
- ii) Processing Charges,
- iii) Mould Making Charges,
- iv) Freight and Cartage and
- v) Testing Services.

Consumption of Raw Materials, Stores & Tools

Represents cost of Raw Materials, Stores & Tools for undertaking jobs and mould orders. This head would also include expenditure incurred for undertaking development job orders.

Testing Fee/Service

Represents payment made to outside parties for undertaking special types of testing for which facilities are not available at the Centre.

General Administrative Expenses

Represents expenditure incurred towards general administration. Such expenditure would broadly be classified as:

- i) Power and Lighting:
- ii) Advertisement'
- iii) Postage, Telegrams and Telephones:
- iv) Rent, Rates and Taxes,
- v) Insurance:
- vi) Bank Charges,
- vii) Vehicle Running Expenses;
- viii) Repairs & Maintenance.
- ix) G.C., Meeting Expenses,
- x) R.A.C. and other Meeting Expenses
- xi) Expenses on World Bank Project
- xii) Audit Fees,
- xiii) Legal Expenses
- xiv) Consultancy Services,
- xv) Entertainment Expenses
- xvi) Subscription to Journals & Periodicals,
- xvii) Members Subscription,
- xviii) Lease Hold Rent,
- xix) Bad Debts,
- xx) Committee Meeting Expenses,
- xxi) Printing and Stationery,
- xxii) Loss on sale of fixed assets,
- xxiii) Recruitment Expenses,
- xxiv) Miscellaneous Expenses,
- xxv) Delhi Guest House Expenses
- xxvi) Interest



Income and Expenditure Account - Expenditure

Advertising

Represents cost of printing charges paid for advertising material like brochures, pamphlets, cost of news paper advertisement but not connected with the recruitment of personnel.

Postage, Telegram and Telephone

Represents the cost of Postage, Telegrams for the Centres work. This will also include cost of Telephones and Fax installed at the office and at the residences of the Officers. Care should be taken that long distance personal calls made by such officers son their residential telephones are recovered from them.

Insurance

Represents insurance premium paid by the centre on different types of policies taken by them. The unexpired portion of the Insurance Premium should be transferred to pre-paid expenses.

Consultancy Expenses

Represents the expenses incurred by the Institute on consultation with consultants other than legal consultants.

Audit Fees

Represents the amount paid/incurred for the Statutory Auditors whether on account of Audit fees or other expenses.

Bad Debts

Represents the amount of account receivable which are no longer recoverable. This amount can only be written off after specific approval of the Head Office. The complete file containing correspondence to prove that the account is really not recoverable and has become bad debts only in the relevant year should be sent to the Head Office.

Vehicle Running & Maintenance

Represents the cost of running and maintenance of the Centre's motor vehicles including scooter if any kept by it for use of the staff for official work.

Repairs & Maintenance

Represents all expenses incurred for repairing and maintenance of assets such as building, garden, plant & machinery Office equipments, electrical installations, telephones, furniture & fittings, generators, air-conditioners

Income and Expenditure Account - Expenditure

etc. All expenditure incurred on their annual maintenance contract (AMC) shall also be included in this head of account.

Committee Meeting Expenses

Represents expenses on holding meetings in hotels or in offices for various discussions in connection with Institute's official work.

Legal Expenses

Represents the cost of stamp papers, legal consultancy fee, retainer ship fee for legal consultants etc.

Loss on sale of Fixed Assets

Represents the shortfall of realization over the written down value of the asset.

Delhi Guest-House Expenses

Represents all expenditure on maintenance and upkeep of Liaison office at New Delhi.

Master Chart / List of Account Heads

S.No.	Code	Account Head
1	990001	Bank Account (Bank I)
2	990002	Bank Account (Bank II)
3	990003	Bank Account (Bank III)
4	991001	Land
5	991002	Building Main
6	991003	Building - P.T.C
7	991004	Building Hostel
8	991005	Plant & Machinery
9	991006	Plant & Machinery (U.N.D.P.)
10	991010	P.T.C. Equipments
11	991011	UNDP Equipments
12	991012	Design and Drawing Equipments
13	991013	Tool Room Equipments
14	991014	Kitchen Equipments
15	991015	Air-conditioning Equipments
16	991016	Electrical Installations
17	991017	GENERATOR
18	991018	Electronic System - Computers
19	991020	Training & Teaching Aid
20	991025	Transfer of Funds
21	991030	Library
22	991040	Furniture & Fittings
23	991045	Office Equipments
24	991050	Vehicles
25	991102	Term Deposits
26	991105	Accrued Interest
27	991200	Term Deposit against L.C.
28	991250	Margin against Specific Project
29	991300	Raw Material
30	991305	Tools
31	991310	Stores
32	991315	Moulds (Training Aids)
33	991400	Sundry Debtors
34	991425	Advance received for Sale of Bid Documents
35	991501	Advances To Staff (L.T.C.)
36	991503	Advances To Staff (House Building)
37	991505	Advances To Staff (Compassionate)
38	991506	Advances To Staff (Medical)
39	991507	Advances To Staff (Flood)
40	991508	Advances To Staff (Drought)
41	991509	Advances To Staff (Salary)

S.No.	Code	Account Head
42	991520	Advances To Staff - (Tour)
43	991525	Advances To Hostel
44	991530	Advances To Canteen
45	991540	Advances To Suppliers
46	991600	Imprest For Purchase
47	991610	Imprest For Postage
48	991650	Imprest - Others
49	991700	Deposits With Electricity Authorities
50	991701	Deposits With Telephone
51	991702	Deposits With T.D.D.D.C
52	991703	Deposits With T.N.M.P.F.
53	991704	Deposits With D.A.V.P.
54	991712	Deposit For Gas Cylinder
55	991750	Prepaid Expenses
56	991775	I.T. Deducted On Testing/Mould Orders
57	991800	Other Current Assets
58	991810	Amount Recoverable From C.P.F. Account
59	991900	Excess Of Expenditure Over Income
60	992000	Grant-In-Aid -Plan
61	992001	Grant-In -Aid-Non-Plan
62	992002	Grant -In-Aid-Plan (State Government)
63	992003	Grant-In-Aid - IPCL
64	992004	Grant-In-Aid (Plan) In Transit
65	992006	Grant-In-Aid TIFAC, New Delhi
66	992100	Capital Reserve (Land)
67	992101	Capital Reserve (Plant & Machinery)
68	992110	Corpus Fund
69	912120	CIPET Employees Gratuity Fund
70	992200	Sundry Creditors - Purchases
71	992210	Audit Fees Payable
72	992211	Internal Audit Fees Payable
73	992250	Outstanding Liabilities For Expenses
74	992251	Subscription For International Journal
75	992255	Contribution Received towards scholarship
76	992300	Salary Payable
77	992310	C.P.F. Subscription Payable
78	992312	Amount payable to FPF
79	992313	Amount payable to EDLI
80	992315	C.P.F. LOAN Payable
81	992316	C.P.F. Voluntary Contribution Payable
82	992320	I.T. Deducted On Contracts
83	992320	G.S.T
84	992321	IT Deducted On Salary

S.No.	Code	Account Head
85	992322	Payable for Professional Tax
86	992340	Bid Security
87	992400	Amount payable to Thrift Society Limited
88	992401	Earnest Money Deposit
89	992402	Caution Money Deposit
90	992403	Retention Money Deposit
91	992405	Amount payable to Benevolent Fund
92	992406	Amount payable to Hostel
93	992407	Amount payable to Canteen
94	992410	Amount payable to CUEA
95	992411	Amount payable to Union
96	992414	Group Insurance
97	992417	Amount payable to S.B.I.R.D.
98	992418	Amount payable to CO-OPTEx
99	992419	Amount payable to KHADI
100	992421	Amount Payable To L.I.C. OF INDIA
101	992422	Amount Payable To P.L.I
102	992450	Amount Payable To Others
103	992500	Advance Received For Testing
104	992510	Advance Received For Moulds
105	992520	Advance Received For Processing
106	992530	Advance Received For Design
107	992540	Advance Received For Scrap
108	992600	Other Current Liabilities
109	992700	Licence Fee For Residential Accommodation
110	993000	Receipts From Testing Services
111	993010	Receipts From Mould
112	993015	Receipts From Job Works In Tool Room
113	993020	Receipts From Processing
114	993030	Receipts From Design
115	993040	Receipts From Plastic Products
116	993050	Receipts From Consultancy Services
117	993060	Receipts From Developmental Products
118	993070	Receipt From Development Of Machineries
119	993071	Contribution Received For Souvenir
120	993072	Subscription For International Journal
121	993073	Delegate Registration Fees For Seminar
122	993101	Short Term Course Fees
123	993102	Receipts From Tailor-Made Courses
124	993103	Receipts From Special Training Programme
125	993104	Receipts From Trainee (Foreign)
126	993121	Regular Course Fees
127	993122	Examination Fees

S.No.	Code	Account Head
128	993123	Medical Examination Fees
129	993124	Room Charges
130	993125	Electricity Charges
131	993126	Janata Policy Premium
132	993127	Gymkhana Fees
133	993128	Receipts From Application & Prospectus
134	993129	Receipts From Course Materials
135	993201	Interest On Term Deposit
136	993202	Interest-Conveyance Advance
137	993203	Interest-House Building Advance
138	993206	Interest On Corpus Fund Investment
139	993301	Guest Room Charges
140	993302	Bank Charges
141	993304	Receipts From Tender Form
142	993305	Receipts From Scrap
143	993306	Profit On Sale Of Assets
144	993307	Receipt From Canteen
145	993308	Receipt From Hostel
146	993309	Licence Fee For Residential Accommodation
147	993310	Misc. Income
148	993311	Advertisement In International Journal
149	993313	Income Relating To Previous Years
150	994001	Salaries & Allowances
151	994002	Salary Casual
152	994003	Salary To Security Staff
153	994004	Leave Salary
154	994005	Shift Allowance
155	994006	Overtime Allowance
156	994007	Children Educational Allowance
157	994008	Conveyance Allowance
158	994020	Bonus
159	994021	Leave Salary And Pension Contribution
160	994022	Contribution To Provident Fund
161	994023	Contribution To Family Pension Fund
162	994024	Contribution To E.D.L.I
163	994027	Contribution To IPCL Gratuity Fund
164	994030	Insurance Premium On Gratuity
165	994035	Gratuity
166	994040	Staff Welfare Expenses - Medical
167	994041	Staff Welfare Expenses - Uniform
168	994043	Staff Welfare Expenses - Canteen Subsidy
169	994044	Staff Welfare Expenses -Staff Training
170	994047	Staff Welfare Expenses (Others)

S.No.	Code	Account Head
171	994050	Travelling Expenses
172	994051	Travelling Re-Imbursement
173	994055	Conveyance Expenses
174	994060	Leave Travel Concession
175	994070	Fellowship/Experts
176	994101	Stipend To Trainees
177	994102	Guest Lecture Fees
178	994103	Honorarium
179	994104	Seminar & Exhibition Expenses
180	994105	Consumption Of Materials, Chem., stores etc., (Training)
181	994106	Design & Drawing Material For Training
182	994107	Printing and Stationery For Training
183	994108	Publications For Training
184	994109	Joint Entrance For Training
185	994111	Hostel Day Expenses
186	994112	Sports Day Expenses
187	994113	Advertisement - Training
188	994114	Journals & Periodicals (Hostel)
189	994115	Trainee Welfare Expenses
190	994116	Training Expenses Others
191	994117	Training And Expenses
192	994118	Expenses On Short Term Courses
193	994200	Power & Lighting (Hostel)
194	994201	Power & Lighting (Institute)
195	994202	Postage & Telegram
196	994203	Telephone
197	994205	Rent
198	994206	Rate & Taxes
199	994207	Corporation Service Charges
200	994208	Insurance
201	994209	Bank Charges
202	994210	Vehicle Running Expenses
203	994211	Governing Council Meeting Expenses
204	994212	Printing & Stationery
205	994213	Legal Fees
206	994214	Consultancy Services
207	994216	Journals & Periodicals
208	994217	Membership Subscription
209	994218	Advertisement (Others)
210	994219	Printing & Stationery
211	994220	Misc. Expenses
212	994221	Inauguration Expenses
213	994222	Audit Fees

S.No.	Code	Account Head
214	994223	Other Meeting Expenses
215	994225	General Administrative Expenses -Other
216	994227	Expenses On "International Journal
217	994229	Internal Audit Fees
218	994230	Repairs & Maintenance-Building
219	994231	Repairs & Maintenance -Vehicle
220	994232	Repairs & Maintenance -Plant & Machinery
221	994233	Repairs & Maintenance - Electricals
222	994234	Repairs & Maintenance - Office Equipments
223	994235	Repairs & Maintenance -Garden
224	994236	Repairs & Maintenance - Others
225	994301	Consumption Of Raw Materials
226	994302	Consumption Of Stores Consumables
227	994303	Consumption Of Tool Consumables
228	994304	Processing Charges
229	994305	Freight
230	994306	Job/Mould Order Expenses
231	994307	Testing Expenses (Expenses For Service Corporate)
232	944400	Expenditure Related To Previous Years
233	994500	Depreciation
234	994570	Expenses Incurred For Golden Jubilee Celebration
235	994575	Expenses Inc For Delhi Guest House
236	994576	Expenditure Incurred For Audit
237	994577	Recruitment Expenses
238	994590	Faculty Training World Bank Account (UNIDO)