


GOVERNMENT OF JAMMU AND KASHMIR
FINANCE DEPARTMENT

C I R C U L A R

Subject:- Dispensing with the cheque system and extension of the Civil Accounting System to the Public Works, PHE, Irrigation & Flood Control, Power Development and Forest Divisions/ other cheque drawing units in J&K State.

Pursuant to the Cabinet decision No. 222/3412012 dated 6/12/2012 sanction has been accorded vide Government Order No. 264-F of 2012 dated 21/12/2012 to dispensing with the cheque system and switching over to the civil accounting system in the Public Works, PHE, Irrigation & Flood Control, Power Development, Forest Division and other cheque drawing units in J&K State.

2. During the course of practical application of the new regime, certain difficulties have been expressed by the implementing departments and have been brought into the notice of the Finance Department. These difficulties are:-

- (a) The balance of temporary advance/ Misc advances imprest advances in general include the amounts which are lying for decades unadjusted against the officials who either have expired/ transferred and balances carried over on each month in the cash book needs to be sorted out for their final settlement on merit of each case to avoid un-necessary carrying over of the balances.
- (b) Procedure regarding revalidation/ issuance of fresh Cheque in lieu of lost one/ time barred, though clarified vide No. DGAT/PS/DR/232, dated 11/03/2013, the period of six months requires consideration for enhancement as the same is very short period for treatment of lost/ defaced/ time barred cheques.
- (c) While switching over to Civil Accounting System the Divisional officers do not have any kind of advance for meeting the emergent nature of work. Sufficient amount of advance may be sanctioned in favour of each division to meet any eventuality.
- (d) The manner of adjustment of unutilized stock/ stores as on 31-03-2013 already debited to concerned Head of Account/ schemes needs to be clarified. Besides, balances under stock suspense yet to be adjusted to final heads against which token grants were allocated previously in view of close of the Head of Account needs clarification for adjustment. Further the stock/ stores temporarily adjusted from one scheme to other through TE/s and their reversal adjustment needs clarification.
- (e) Procedure regarding adjustment of deductions on account of deposit/ income tax/ service tax/ Misc revenues/ labour cess/ Education cess etc. and taxes from contractor bills whether adjusted at divisional level/ treasury level with mode of adjustment/ payment needs categoric clarifications.

- (f) Maintenance of single drawal register for all transactions shall affect working procedure in Divisions.
- (g) Adjustment of amount already advanced for material booking, procedure to adjust material already booked by the Divisions in the previous years' needs to be clarified.

3. These issues were discussed in the meeting by Hon`ble Minister Finance with the Hon`ble Minister for PWD and all concerned officers on 30/05/2013 to ensure that there is no hiatus in implementation of ongoing projects and delivery of development projects on account of such a crucial systemic reforms. Consequent upon the decisions, it is hereby clarified that:-

- (a) Cheque system now dispensed with and replaced by civil accounting system is in no way an impediment to adjustment of balances, which remain as outstanding against the offices/officials of any Division. Finance Department has already made it clear in the G.O. No. 264-F of 2012 dated 21/12/2012 that the Civil Cash Book shall have the opening balances of outstanding temporary advances, etc which will include balances of other advances for future adjustments and any adjustment of outstanding advances shall be intimated to the AG monthly.
- (b) It has already been clarified vide circular bearing No DGA&T/PS/DR/232 dated 11/03/2013 that unutilized cheque books shall be returned by the Treasury Officer to the AG A&E J&K Jammu/Srinagar as the case may be who will keep them in safe custody for sometime, say for a period of six months before disposal under rules so as to meet any requirement for issuing fresh cheque by the concerned division, in the event of lost /defaced /time barred cheques. In such an event the required number of cheques may be issued by the AG A&E to the division on a recommendation received by his office through the concerned Treasury. However, a period of (6) months as mentioned in the said circular can be considered for extension by the Finance Department further as on a case to case basis.
- (c) In order to fix a reasonable amount, as permanent advance (works) for a division depending upon its requirement with regard to any emergent nature of work, it is hereby impressed upon the concerned that proposals for fixation of the amount for such advance are to be submitted to the Finance Department by the concerned Divisions, through their Head of the Departments and by the latter through the Administrative Department. These should be accompanied by a statement showing month by month, for the preceding three years, amount of the expenditure on emergent works met out of cash in the chest and imprest accounts adjusted with the classified details of items of expenditure, so that a reasonable amount is fixed as permanent advance (works). However as an interim arrangement authorization for Permanent Advance works on adhoc basis is being issued separately.
- (d) In respect of works, which have not been executed or executed partially but grants utilized in full by purchase of material in excess of requirement, the excess stock /material shall be utilized on other works by means of sale indent. The sale indent shall form voucher for WDC Bill to be presented at

Treasury for payment by contra credit to 8443 deposit in the name of concerned Xen. The amount thus available under Major Head : 8443 Civil Deposit – Minor Head : 108 PW deposits sub head material adjustments shall be utilized on the work from which the material has originally been purchased.

- (e) During cheque regime, Executive Engineers in charge of divisions were functioning as Drawing and Disbursing officers as well as Treasury Officers so far its relates to the compilation of accounts. By virtue of switch over to Civil System, functions of compilation of accounts and their rendition to AG is now to be done by the Treasury officers. Accounts of all deductions other than labourers C P Fund are therefore, to be maintained by the concerned Treasuries both in respect of deposits and other deductions and withdrawals there-from. The remittances to the concerned quarters of deductions made shall have be made by the Treasuries. In respect of deductions on account of labourers CPF, the amount shall be paid by Treasury Officer to concerned division through their official bank account for its onward payment to the concerned. Transfer of such payments shall be the responsibility of concerned DDO.
- (f) Contingent bills, other than such relating to office expenses are to be endorsed to the payees which do not require presentation of drawal register. Only a certificate of entry in the drawal register is required.
- (g) Advances are adjusted finally through red accounts by Treasuries, after presentation of Red DC Bills by the concerned DDOs. However if any difficulty is felt by any division the same can be referred to the concerned Administrative Department and if required, to the Finance Department for further clarification.

4. The above dispensation shall remain in vogue/force till December 31, 2013 by which time a further review of arrangement spelt out above could be done by the Finance Department in consultation with executing agencies.

Sd/-
(B. B. Vyas),
Principal Secretary to Government,
Finance Department.

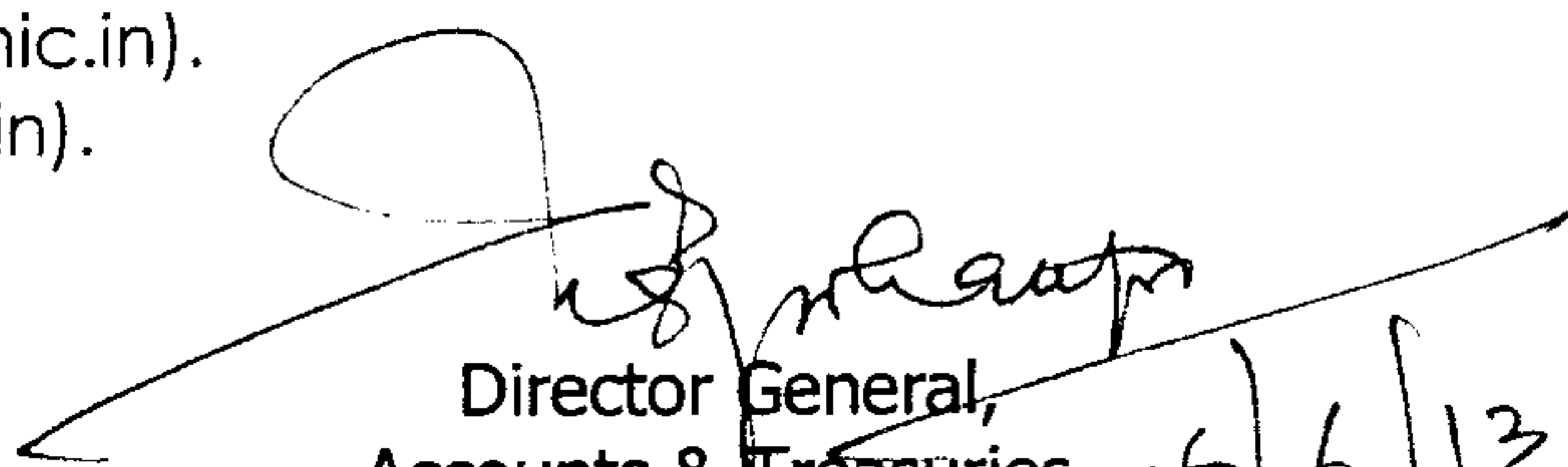
No: DGAT/PS/DR/531

Dated: 06.06.2013.

Copy to the:-

1. Advocate General J&K.
2. Principal Resident Commissioner, 5-Prithvi Raj Road New, Delhi.
3. All Financial Commissioners.
4. All Principal Secretaries to Government.
5. Principal Secretary to Hon'ble Chief Minister.
6. Chief Electoral Officer, J&K Jammu.
7. All Commissioner / Secretaries to Government.
8. Secretary to HE the Governor.
9. Divisional Commissioner Kashmir/ Jammu.
10. Accountant General, J&K Srinagar/ Jammu.
11. Commissioner of Vigilance, J&K Srinagar.

12. Secretary to Chief Justice-J&K High Courts Srinagar /Jammu.
13. Registrar General, J&K High Court Srinagar/ Jammu.
14. Director General Accounts & Treasuries / Budget.
15. Director Audit & Inspections.
16. Director Funds organization J&K.
17. All Head of Departments / Managing Directors/ Chief Executive of State PSU`s / Autonomous Bodies.
18. Secretary J&K Public Service Commission.
19. Secretary, J&K Legislative Assembly / Legislative Council.
20. Joint Director Accounts & Treasuries / Funds Organisation Srinagar /Jammu.
21. FA&CAO, Flood Control Organization Srinagar /Jammu.
22. Director Information J&K Srinagar /Jammu.
23. Principal Accountancy Training School Srinagar.
24. Principal Northern Zonal Accountancy Training Institute Jammu.
25. All Financial Advisors & CAO`s.
26. All Treasury Officers.
27. General Manager, Government Press for publication in Government Gazette.
28. Chief Accounts Officer, Examiner Local fund Audit Cell.
29. Private Secretary to Hon'ble Ministers/ Hon'ble Ministers of State for information of the Hon'ble Ministers.
30. Principal Private Secretary to Chief Secretary.
31. All officers / Section officers of Finance Department.
32. President Non-Gazetted Employees Union Civil Secretariat Srinagar/ Jammu.
33. I/c Website, FD. (www.jakfinance.nic.in).
34. I/c Website, GAD. (www.jkgad.nic.in).
35. Government order file (W2scs).


Director General,
Accounts & Treasuries,
Finance Department

06/6/13