

# FHB VOL I

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# **Exam Notes- General Principal & Rules**

## **RECEIPT OF MONEY General Instructions**

**Rule 4.** (1) Moneys received by Government servant as dues of Government should be deposited in the custody of Government and should be paid in full without undue delay, into a treasury or into the Bank to be credited to the appropriate account and made part of the general treasury balance.

**Rule 5.** (a) Under Article 284 of the Constitution, all moneys received by or deposited with any Officer, employed in connection with any affairs of the Union in his capacity as such, other than Revenues or public money raised or received by Government shall be paid into the **Public Account**.

## **The Public Account**

**Rule 6.** The Public Account is the account maintained of moneys which have passed into the custody of Government. It does not cover moneys paid to a Government servant in an official or any other capacity, unless such moneys have been paid by such Government servant into the Government account at a Treasury or the Bank. Every Government servant, therefore, should, without undue delay, pay into the Public Account all moneys received by him as dues of Government or for deposit in the custody of Government; and no Government servant should deposit in a private Bank moneys withdrawn from the Public Account.

## **Check of Receipts**

**Rule 9.** It is ordinarily the duty of the Departmental officers and not of the Audit Officer, to see that the dues of the Department are regularly collected and brought to account, The following are the safeguards-

- (1) Money can be withdrawn only under the written authority of a Disbursing Officer or an Accounts Officer.
- (2) An Accounts Officer may not permit withdrawal at a place outside his jurisdiction.

(3) The following are the only specified purposes for which a Disbursing Officer may permit withdrawal on his own authority:

(i) To pay sums due from the Government to the Drawing Officer.

(ii) To provide the Drawing Officer with funds to meet claims likely to be presented against the Government in the immediate future by other Government servants or private parties:

(iii) To enable the Drawing Officer to supply funds to another Government Officer from which to meet similar claims

(iv) To pay sums on account of loans and advances. Withdrawal for any other purpose requires authorization of Account Officer.

(6) No authority may incur any expenditure or enter into any liability until the expenditure has been sanctioned by the competent authority. [Rules 10-16, FHB, Vol. I]

(7) A disbursing Officer has no general authority to make payment on demands presented at the office which is not authorized by or under the rules, shall decline payment.

(8) (a) When bills presented for payment contain obvious inaccuracies or arithmetical mistakes, which can be corrected, a Disbursing Officer need not return such bills but may correct them and pay the corrected amount of the bills.

(b) Similarly, when bills contain doubtful items which can easily be eliminated, the Disbursing Officer should disallow the doubtful items and pay the remainder of the bill.

### **Final payment of GPF money**

Rule 19-B. The circle Account Officer who maintains the GPF Account of the subscriber shall issue the final payment authority stamped with a special metallic embossing seal bearing the name of the office of issue for disbursement of balances standing in the GPF account at the credit of the subscriber..

All Disbursing Officers should, before acting on the authorities for final payment issued by the Circle Postal Accounts Offices, in addition to the usual checks and safeguards, ensure and verify that the payment authority has been embossed with the specific metallic seal of the office of issue. It should also be ensured that no final payment of the General Provident Fund is made without verification of the special seal and specimen signature of the Officer authorized to issue payment authorities for the GPF claims.

## **Arrear Claims by Government Servants**

**Rule 24.**No claims against the Government, other than those by one department against another or by a state Government, not preferred within two years of their becoming due can be presented without an authority from Circle Accounts Officer, provided that such claims are not exceeding Rs. 500 if presented within three years of their becoming due may be paid without pre-check by the Circle Accounts Officer: Provided further that this rule shall not apply to the following categories of such claims: -

- (a) claims on account of pensions, the payment of which is regulated by Rule 124 of F. H. B. Volume II;
- (b) claims on account of interest on Government Securities; and
- (c) any other class of payments which are governed by special rules or orders of Government

## **LTC Claim**

**Rule 25.(A).** The right of a Government servant to travelling allowance, including daily allowance is forfeited or deemed to have been relinquished if the claim for it is not preferred within sixty days from the date on which it becomes due.

**(B).** Leave Travel Concession claim of a Government servant shall fall due for payment on the date succeeding the date of completion of return journey. The time limit for submission of the claims shall be as under: -

- (i) In case advance drawn: Within thirty days of the due date.
- (ii) In case advance not drawn: Within sixty days of the due date.

In case of (i) above if the claim is not submitted within one month of the due date, the amount of advance shall be recovered but the Government employee shall be allowed to submit the claim as under (ii) above. In case of failure to submit the claim in both the cases within the prescribed time lines, the claim shall stand forfeited.

## **GOVERNMENT OF INDIA'S DECISIONS**

(1) Relaxation in LTC Rules- Delegation of Powers to Ministries/Departments regarding time limit for the submission of the claim: 1. Rule 14 and 15 of LTC Rules provide that a claim for reimbursement of expenditure incurred is to be submitted within three months after the completion of the return journey if no

advance has been drawn and within one month after the completion of the return journey if advance has been drawn. It has now been decided to delegate the powers to relax these provisions. Relaxation of the provisions subject to the following time limits without reference to DoPT: -

- (a). Where no LTC Advance is taken, LTC bill is submitted within a period not exceeding six months;
- (b). Where LTC advance has been drawn the LTC claim for reimbursement submitted within a period of three months after the completion of the return journey (provided the Government servant refunds the entire advance within 45 days after the completion of the return journey).

**Rule 27.** Claims of officials to arrears of pay and allowances, increments, or other dues which are not preferred \*within two years of their becoming due shall not be investigated and authorized by Circle Account Officer unless -

- (i) In the case of claims more than two years, but not more than \*\*six years old, specific approval for investigation of such claims is received from the Head of the Department
- (ii) In the case of claims more than six years old and connected records are available in the Circle Postal Accounts Office; specific approval to investigation of such claims is received from the Head of Department.

### **Avoidance of delays in payment of arrear claims.**

(a) **Drawl of increments.** - Claims for normal increment become payable on the succeeding day of the period to which they relate and the prescribed time limits are to count therefrom. In the case of confirmation, declaration of results of examination, etc., the prescribed limits are to count from the date on which the orders are issued or the results of the examination declared.

(b) **Claims relating to deceased officials.**- In the case of deceased officials, if the claims are not preferred within the 2 years reckoned an from the day following the day of death, the bills will have to be pre-checked by Circle Accountant.

(c) **Travelling Allowance.** -A claim for T.A. should be considered as falling due for payment on the date succeeding the date of completion of the journey in respect of which the claim is made. In the case of T.A. claim of a successful



candidate in an obligatory departmental examination, the time limit of 60 days should be counted from the date of announcement of the result.

**(d) Reimbursement of Medical Charges.**

- 1) In case of claims which are prepared at the end of illness- the last date of treatment.
- (2) In case of claims for any particular course of treatment-last day of the course of treatment.
- (3) In the case of prolonged illness- last date of the period in respect of which a claim is preferred that date being a day
- (4) In case where medical charges are actually paid to the claimant at a later date, the date of such payment.

**(e) Leave Salary.** - Since the claim for leave salary arises when the official enjoys the leave, the prescribed time limit should count from the date of its becoming due in the normal course irrespective of the fact that the leave might have been sanctioned sometime later.

**Old claims**

Old claims, connected records of which have been destroyed in the Accounts Office and cannot be verified by the Accounts may be paid only if the payment is sanctioned by the Government of India .

The Departments of the Central Government may sanction ad hoc payments in respect of the following items, but excluding (a) Leave Salary, (b) Allowances other than those arising directly out of the fixation or refutation of pay. c) Travelling Allowance or (d) Other ad hoc claims

- (1) arrears of pay and arrears of allowances arising therefrom, if the pay fixation has been verified by the Accounts Officer concerned and the arrear claim does not exceed Rs 1,000; and
- (ii) claims which are time-barred but have been or can be verified by Accounts Officer.

The head of circle who are declared as Head of departments may sanction adhoc payment of arears of pay and allowances not exceeding 1000/- in cases where the pay fixation had been verified by th accounts officer and the claims cannot be verified by Accounts officers due to destruction of records.

The claim of non-Gazatted government servants which are not required to be pre-checked under rule 25-B FHB VOL-I will be investigated and authorized the executive itself without reference to Accounts Officer.

## **GOVERNMENT OF INDIA'S DECISION Procedure for dealing with time-barred claims.**

Time-barred claims need not be rejected merely on the ground of law of limitation. Such claims may be entertained, provided that the concerned authority is satisfied that they are correct and genuine and payment of such claims should be made only with the sanction of the Government.

The claims should not be entertained if the authority concerned is satisfied that the claimant has, by his own negligence or laches, allowed it to become time-barred.

### **Payment of rent of buildings occupied by the Post Offices/ Department.**

**Rule 32.** Rent of a building occupied by an office of the Department should be paid either on obtaining a receipt duly signed by the owner and stamped.

When rent is remitted by Money Order to an agent of an owner a separate receipt (duly stamped where necessary) should be obtained from the owner in addition to the Money Order acknowledgment.

### **Payments by e-Money Orders**

**Rule 33.** When a departmental payment is required to be made either by a postal service or an electronic Money Order (eMO), the purpose of remittance may be briefly stated by the remitting Officer on the "acknowledgement" portion of the Money Order.

### **Preparation of bills and their check**

The following general instructions are prescribed for observance by the Drawing officer.

1. Printed forms of bills should, as far as possible, be used.
2. When the use of a bill purely in any regional language is unavoidable, a brief abstract should be endorsed in English stating the amount, the name of the payee and the nature of payment.

3. Bills must be filled in and signed in ink/ ball point pens. If the amount is in whole rupees only it should be written in figures as well as in words followed by the word, "only". If there is any fraction, the rupee portion should be written in figures and words and the fraction may be indicated in figures.
4. When any kind of bill is required to be prepared in duplicate or triplicate, only one copy shall be signed or countersigned in full and the other copy or copies may be only initialled.
5. There should be no erasures or overwriting's. All corrections and alterations in the total of a bill should be attested by the dated signature of the person signing the receipt.
6. The full accounts classification should be recorded on the bill. The classification should also show whether the expenditure is Voted or Charged, and also its allocation, if any, between the Branches, Departments or Governments concerned.
7. Charges against two or more major heads should not be included in one
8. No payment can be made on **facsimile signature**.
- 9 When the drawing officer requires payment to be made through some other person or agency, he must specifically endorse an order or furnish such authorization as may be necessary to pay to that specified person or agency.
9. The spaces left blank either in the money column or in the column for particulars of the bill should invariably be covered by oblique lines.
10. Dates of payment should be noted by the payees/ Disbursing Officers under their initials
11. A note "Under Rupees only" should be recorded in the body of the bill in red ink.

**Rule 37.** The following checks should *inter alia*, be adopted by a Disbursing Officer in dealing with bills presented for payments: -

- (a) That the bill has been prepared as prescribed in Rule 35;
- (b) That the claim is admissible, the authority good, the signature and countersignature, where necessary, genuine and in order and the receipt, a legal quittance;
- (c) That the arithmetical computations on the bill are accurate

### **Instructions for Rounding off for transactions**

(i) Petty cash payments for local purchases are met out of permanent cash imprest available with the Head of Office and recoupment bill duly supported by sub-vouchers (where necessary) is required to be preferred periodically to the Pay and Accounts Office for replenishment of the imprest. As far as possible, suppliers should be persuaded to co-operate in rounding off the amount payable to them on each occasion to the nearest rupee.

For the purpose of balancing the transactions in the main Cash Book as well as in the Petty Cash Book, the DDO will:

- a) Indicate the actual amount received in recoupment of the permanent advance;
- (b) Recorded therein the un-recouped paise as an item of 'rounding off of transactions'; and
- (c) Carry it over to be claimed through the subsequent recoupment bill by giving particulars of the bill in which this amount was short-received.

(ii). In the case of receipts arising out of sale of waste papers or old news- papers, periodicals, condemned furniture, etc., the amounts to be realized should be rounded to the nearest rupee and not include paise in the sum total of transactions with any party for which a single receipt is given so that the receipts are credited into Government account in whole rupees only.

## **Stamps for Receipts**

**Rule 48.** Receipts for all sums exceeding Rs.5000 must be stamped under Section 3, read with item 53 of Schedule 1 of the Indian Stamp Act (Act II of 1899) unless they are exempt from stamp duty. A list of authorized exemptions relating to receipts is given in Appendix 3 to this volume.

NOTE 1.-The limit of Rs. 5000/-up-to which a receipt is not required to be stamped should be applied to the net amount payable on a bill and not the gross claim preferred therein.

NOTE 2.-Receipts for payments made outside India should be stamped in accordance with the local Laws, if any, governing the stamping of such receipts in the country concerned.

## **Duplicates or Copies of Documents**

**Rule 50.** No Government Officer may issue duplicates or copies of receipts granted for money received, or duplicates or copies of bills or other documents