

Postal Account Manual Vol-I

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Exam Notes- Definition and General System of Accounts

Definition

- (a) **Accounting Authority** - means the General Manager (Finance) Postal Accounts and includes Director of Accounts (Postal) & Deputy Director of Accounts (Postal) who exercises accounting functions.
- (b) **Accounts Officer** -means any officer subordinate to, or under the superintendence of Chief Accounting Authority or the Accounting Authority who exercises accounting functions.
- (c) **Audit Officer** -means any officer subordinate to, or under the superintendence of the Comptroller and Auditor General who exercises audit functions.
- (d) **Bank means-** the Reserve Bank of India or any of its offices or branches, any branch of the State Bank of India acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (2 of 1934) and any branch of a subsidiary bank as defined in Section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959) or any other agency appointed by the Reserve Bank of India.
- (e) **Branch Audit Office or Audit Office-** means the office of the Director of Audit / Audit officer in-charge in independent charge of one of the Postal and Telecom Audit Offices.
- (f) **Branch Postal Accounts Office or Postal Accounts Office** - means the office of the General Manager (Finance) Postal Accounts, Director of Accounts (Postal) & Deputy Director of Accounts (Postal) in-charge of the Postal Accounts Office of the Circle.
- (g) **Constitution-** means the Constitution of India.

- (h) **Chief Accounting Authority**-means Secretary of the Department / Ministry with overall control of the accounting functions of the Department.
- (i) **Comptroller and Auditor General**- mean the Comptroller and Auditor General of India.
- (j) **Controller General of Accounts**- means Controller of Accounts in the Ministry of Finance (Department of Expenditure) who inter-alia is responsible for establishing and maintaining a technically sound Payment- cum- Accounting system in the departmentalized accounts offices and for prescribing the rules for regulating the custody, payment into and withdrawal of money from Govt. Accounts.
- (k) **Director General**- means Director General, Postal Services.
- (l) **Director of Audit**- means Director of Audit, P&T.
- (m) **Department**- means Department of Posts.
- (n) **Debt Heads**- means the Heads of Account to which transactions relating to Debt, Deposits, Sinking funds, Advances and Suspense accounts are recorded.
- (o) **Government means**- either Central or State Government or both as the context may imply.
- (p) **Government Account**- means the account relating to the Consolidated Fund of India or the Public Account.
 - 1) **Consolidated Fund** - means the Consolidated Fund of India as referred to in clause (1) of Article 266 of the Constitution. Public Account means the Public Account of India as referred to in clause (2) of Article 266 of the Constitution.
 - 2) **Contingency Fund** - means the Contingency Fund of India established under the Contingency Fund of India Act, 1950 (49 to 195) in pursuance of Article 267(1) of the Constitution.

General Outlines of the System of Accounts

1. The Chief Accounting Authority is responsible that suitable accounts are maintained by the officers subordinate to him in the prescribed forms of initial or other accounts or of bills.
2. The accounts of the Postal Wing are prepared and their results exhibited, as far as practicable according to the practice and usage of Commercial Book Keeping. The important aspects in the system of accounts of the Department, made from time to time with this object, are:-
 - (i) The institution of a Capital Account to exhibit the value of the assets.
 - (ii) The opening in the Government ledger, of a head to exhibit the true or commercial profit or loss on the working of the Department. As a corollary to this decision, it has been ruled that the Department should bear all charges incurred on its account in other Departments
3. Revenue realisations and working expenses other than interest charges of the Department are booked under the major heads 1201-Postal Receipts and 3201- Postal Services respectively. These major heads are divided into a series of sub major heads and subdivided into a number of minor, sub & detailed heads. The general plan of the Revenue Accounts of the Department is designed to enable the exhibition of the profit or loss separately under the Postal branch. A large amount of Expenses of Department relates jointly to more than one branch. The arrangement of the account is such that receipts or expenditure relating to more than one branch are isolated for subsequent apportionment between the branches concerned.

Profit and Loss Account

1. The finances of the Department form part of the general finances of the Central Government. The Department has to meet all the liabilities from its own revenues. The surplus or deficit in the working of the Department is appropriated to and from the Postal Capital Reserve Fund. The Profit

and Loss Account of the Department is a real account inside the Government accounts and includes the inter branch adjustments.

2. The Profit and Loss Account is prepared annually from the net Profit and Loss account in the Ledger after the final closure of the Accounts. It shows the final results of the working of the Department during the year. The Profit and Loss Account so exhibited in the Finance and Revenue Accounts of the year and also in the financial review of the year prepared by the Director-General for inclusion in the Appropriation Accounts.

Initial Accounts

Each Head Post office forms primary accounting unit responsible for correctness of transaction rendering the Circle Accounts Offices an e-account of all its receipts and disbursements followed by physical vouchers wherever applicable, including the accounts of all the receipts and disbursements of offices subordinate to it. Transactions are classified in the respective Head of Account at the point of origin of transaction and primary accounts records viz., Daily Transaction Report, Treasurer's Cash Book and each transaction wise details as available in the application.

The account of a month is frozen on 5th of the following month, for which accounts returns applicable. The Head Postmaster, after tallying the figures of schedules with reference to the accounted figures as per transactions GL wise, shall render accounts return to PAO. The Units designated as DDOs other than HPOs and also NCDDOs shall render accounts accordingly as per periodicity.

Compilation of Accounts in Circle Postal Accounts Offices

Accounts of HPOs, DDO-wise are pushed to **PFMS on T+3 basis** (transaction date + 3 days). At the close of a period, monthly CGA report is generated and the data in the monthly CGA report is cross checked & compared with the data so pushed to PFMS. Any difference between the figures is analyzed and variation if any shall be made GL wise as transfer entries in PFMS. At the end of the month, PAO shall consolidate the

accounts in PFMS after incorporating necessary Transfer Entries which flows to e-Lekha.

Compilation of Accounts in the Directorate

The Postal Accounts Wing of headquarter office shall submit the monthly accounts in PFMS with digitally signed certificate and also submit the accounts in e-Lekha for DOP as a whole.

The Postal Accounts Wing of headquarter office also compiles the annual accounts of the Department of Posts for incorporation into the Combined Finance and Revenue Accounts of the Central Government. It is also required to prepare annual Appropriation Accounts relating to the Department.

General Rules of Classification

Broadly the transactions of the Department of Posts fall under three groups such as (i) Revenue Receipts (ii) Working Expenses (iii) Capital Outlay, For Revenue, Major Head 1201 Postal Receipts and for Working Expenses Major Head 3201 Postal Services operated which are further divided into Sub Major Heads. The Capital Expenditure is recorded under Major Head 5201 Capital Outlay on Postal Services. For Debt transactions, s u c h of the heads enumerated in the list of Major and Minor Heads of Account of Central and State Receipts & Disbursements are operated on as may be required

The Major Head 1201 Postal Receipts is divided into Sub Major Heads which are technically called Abstracts. The Major Head 3201 Postal Services has Sub Major Head and a number of minor, sub-detailed heads. Each sub division has a number of units under it which corresponds to the secondary units of appropriation viz. salaries, wages, travel expenses etc. Each such unit is further sub divided into a number of detailed heads. The Capital Head, 5201/5465-Capital Outlay on Postal Services is also similarly divided into Sub Major, Minor, and Detailed heads.