

COPY OF:

(63)
GOVERNMENT OF TAMIL NADU

ABSTRACT

Accounting Procedures relating to the rounding off of cash transaction in Government Accounts to the nearest rupees Orders issued.

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FINANCE (T & A II) DEPARTMENT

G.O.MS.NO. 82

Dated: 8.2.1989

Vibava, Thai 28
Thiravalluvar andu 2019

Read:

1. From the Joint secretary to Government of India Ministry of Finance Department of Expenditure New Delhi No. F. 23(8) E.II(A)/86 dated 26.6.86.
2. From the Joint Controller General of Accounts Ministry of Finance, Department of Expenditure Government of India, New Delhi No. 14(10)86/TA/1001, dated 29.9.1986.
3. Government Finance Department letter No. 88338/es/86-8 dated 24.4.87.
4. From the Director of Treasuries and Accounts letter No. Rc. 85809/88/D2 dated 27.9.88.
5. From the Accountant General letter No. DCN/1/15-30/GICC/88-89/137 dated 12.1.1989.

ORDER

The simplification of accounting procedure and management of payments and receipts arising out of Government transactions was considered by a committee set up by the Government of India. The committee has recommended that all Central Government transactions involving fraction of a rupee shall be brought into account by rounding off to the nearest rupee fractions of 50 paise and above to be rounded off to the next higher rupee and fractions of less than 50 paise to be ignored. The Government of India have given effect to this procedure with effect from 1.4.1987 and requested all State Governments to give effect to this change.

2) The Government have examined the procedure suggested by the Government of India in consultation with the Director of Treasuries and Accounts and have decided that;

1) All Government transactions whether involving actual receipts/payments or book adjustments except petty cash (i.e.0 across the counter type) transactions which are reflected in departmental cash books, should be in whole rupees.

ii) Interest on loans/advances to employees which is computed as a percentage of base amount and its recovery effected in instalments, will now be made recoverable in whole rupees.

iii) All entitlements due to employee by way of pay/allowances/leave salary/pension etc., will be in whole rupees. All 'Inner column' deductions from salary bills on account of Postal Life Insurance, License fee taxes etc. will be rounded off to the nearest rupee. All book transactions including entries appearing in 'Inner column' of bills will have to be on whole rupees.

iv) All claims on Government by institutions like the Electricity Boards/Corporations etc., will have to be made in whole rupees. (Vide also instructions in Government Finance Department letter No. 83338/ es/86-88 dated 24.4.87) Since the State Government will discharge their liability on claims on whole rupees such service institutions are advised to change over to bills in whole rupees for all customers with a view to reduce work loan in their own offices.

v) All local bodies should restructure their tax claims etc., so that amount is realised in whole rupees.

vi) Certain taxes such as Sales Tax being dependent upon the value of purchase will inevitably generate fractions. Sales tax authorities will advise the assesses who are responsible for remitting sales tax collected from customers to make the deposits to Government Accounts in whole rupees.

vii) All transactions of the Pay and Accounts Offices/Treasuries/Banks through cheques / Challans will only be in whole rupees. Organisations like State Public Service Commission etc., which receive revenues in terms of examination fees etc., should rationalise the fee structures so that fractions are eliminated.

(viii) In case of cash transactions for petty purchases met out of permanent cash imprest or petty sales which are reflected in a primary record like cash book, the accounting procedure to be followed is set out below:

a) Petty cash payments for ~~met~~ 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 offices/Treasuries etc., 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. In exceptional cases where payment of paise cannot be avoided, the total ~~total~~ of the sub-vouchers sought to be recouped would include paise also. Nevertheless, the recoupment ~~in~~ bill shall be submitted to the Pay and Accounts Offices/Treasuries for the whole rupee portion only. However, for the purpose of balancing the transactions in the main cash book as well as in the petty cash book, the officer concerned will () indicate the actual amount received in recoupment of the permanent advance () record there in the unrecouped paise as an item of rounding off of transactions, and () carry it over to be claimed through the subsequent recoupment bill by giving particulars of the bill in which this amount was short received. Illustrative examples are given in annexure A & B for guidance.

(b) In the case of receipts arising out of sale of waste papers or old newspapers, periodicals, condemned furnitures etc., the amounts to be realised should be rounded to the nearest rupee and should not include paise in the sum of 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.

(ix) Since almost all the petty purchases are made from co-operative instructions the Co-operative societies/Stores may be instructed to issue the cash bill on each and every occasion duly rounded off to the nearest rupee.

3) The Director of Treasuries and Accounts is requested to propose necessary amendments to the Tamil Nadu Treasury Code Volume II, Tamilnadu Financial Code Volumes I & II.

4) This order will take effect from the 1st April '89

(BY ORDER OF THE GOVERNMENT)

NARESH GUPTA
ADDITIONAL SECRETARY TO GOVERNMENT

/True copy/

G.P.


COMMISSIONER
SATTUR MUNICIPALITY