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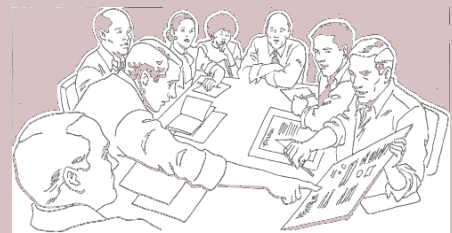


UTTAR PRADESH DEVELOPMENT AUTHORITIES FINANCE AND ACCOUNTS MANUAL 2004



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**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL 2004**

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PART – I : PROCEDURES

SECTION NO : 1

REVENUE RECOGNITION PROCEDURES

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
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PART – I : PROCEDURES
SECTION NO : 1
REVENUE RECOGNITION PROCEDURES

1. Revenue:

Revenue is the gross inflow of cash, receivables or other consideration arising in the course of ordinary activities of Development Authority of Uttar Pradesh from the lease/ sale of properties, from the rendering of services including levies against post services or pre-levies against past services including levies against their regulatory role, from the use by others of their resource(cash and assets tangible or intangible) yielding interest, other income, entrance fees, booking income or rent and use of facilities by others of these authorities. Revenue is measured by the charges made to customers or clients for properties sold, facilities provided, services rendered or to be rendered and allowed others to use the resources (cash or asset).

2. Revenue Recognition Norms:

Revenue recognition is mainly concerned with the timing of recognition in the statement of income or expenditure of the authorities .The amount of revenue arising from any transaction is usually determined by the agreement between the parties involved in the transaction and or by enforcement. When uncertainties exist regarding the determination of the amount, or its associated costs, these uncertainties may influence the revenue recognition. Revenue Recognition norms for the Development Authorities of Uttar Pradesh are illustrated in following paragraphs:

3. Revenue Recognition Criteria and Related Accounting Policies:

Nature of Transactions:	Criteria/Accounting Policies
--------------------------------	-------------------------------------

3.1 Revenue Arising From Sale Transaction

Criteria:

In a transaction involving the sale of products(properties), performance should be regarded as being achieved when the following conditions have been fulfilled.

- (i) The seller of the products (properties) has transferred to the buyer the property in goods/products / properties for price or all significant risks and rewards of ownership have been transferred to the buyer and seller retains no effective control of the goods/products to a degree usually associated with the ownership; and
- (ii) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods/products.
- (iii) “ In the context of Development Authorities, Sale should be deemed as complete at the point of registry of the property in favour of the buyer(s) registration of which is executed on or after 01-04-2002” or possession of the property handed over to buyer(s) which ever is earlier. Provided further that in case of such sales where in full development / construction cost has not been incurred , liability for the uncompleted portion based on the costing prepared by Engineering Deptt. shall be provided in books of Accounts to ascertain profit or loss of the respective scheme(s).
- (iv) In the context of the Development Authorities the ownership of the properties is intended to pass to the applicant upon allotment and treated as such in public.
Hence allotment of property should be treated as fulfillment of all the conditions regarding sale of the property from accounting point of view and accordingly dealt with in the accounts.

Accounting Policy:

Revenue from sale of products (property) should be recognized when requirements as to performance as set out under criteria above are satisfied i.e. at the point of issue of allotment letter and upon fulfillment of any other criteria laid down from time to time .

3.2 Revenue Arising From Lease Transactions

Criteria:

In a lease transaction ownership in the leased property finally passes to the lessee when the lease hold property is converted in the free hold property. In the context of Development Authorities following procedures should be followed :

- (i) Lease Premium (lease money) against the lease property to the lessee on or after 01-04-2002 should be shown as unexpired revenue till the leased property is finally converted into the freehold property and the cost of leased property (assets) shall be shown as lessors' assets in the Balance Sheet till the same is converted into freehold property (as sets). In the year of conversion to freehold property, the unexpired revenue should be recognized in the Properties Trading Account as Income and cost of such leased properties (assets) on conversion to freehold shall be charged to Property Trading Account as expenditure.

- (ii) Annual Lease Rent is considered as income in the year of its accrual. In the case of one-time lease rent as per the accepted accounting principles, the same should be spread over equally to the entire period of lease accordingly.

Accounting Policy:

- (i) Property (assets) will be shown as Cost of lease in the Balance Sheet under the head Current Assets instead of Fixed Assets (as provided earlier).
- (ii) Lease Premium (lease money) of the property shall be treated as unexpired revenue and shown as Liability under the head "Unsettled Lease Deposits".
- (iii) One-time leased rent shall be recognized to the revenue over the period of lease. Unexpired portion of lease rent shall be treated as unexpired revenue and shown as unexpired liability in the Balance Sheet.
- (iv) Annual lease rent shall be recognized as revenue on accrual basis over the period lease rent is payable.
- (v) In the year in which Lease Property is converted into freehold property, amount of lease premium (lease money) along with the lease conversion charges should be recognized as revenue and credited to the "Properties Trading Account" as "Sale of Leased Assets and Freehold Conversion Charges". Cost of the leased property (assets) shall be charged to the Properties Trading Account as cost of leased properties sold out in the year the leased property is converted into the freehold property.

3.3 Revenue Arising From Development: Charges & Levies:

Criteria

- (i) It is not very important to assess whether money has been received what really matters is whether money or resources have been created or accrued or not. It is equally important to see whether money in question will accrue upon performance of an activity or set of activity. In a transaction involving services, performance should be measured either under completed service contract method or the proportionate completion method, which ever relates the revenue to the work accomplished. Such performances should be regarded as being achieved when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service.
- (ii) Unrealized revenue needs to be accounted for as accrued revenue such that budgetary reconciliation becomes effectively between resources accrued and consumed. This also helps strengthening of recovery process.

Accounting Policy:

Revenue from Development Services/ Activities including levies should be recognized when it is due and there is no uncertainty as to its realization

3.4 Revenue Arising From Use by Others Resources of Authorities

- (i) Resources in the form of investments yielding interest, (cash resources) entrance fee, levy, booking, rent (asset resources) are used by others who derive further revenue/benefits from such use should be recognized only when no significant uncertainty as to measurability or collectability exists.
- (ii) To allow a person or agency to look after a facility or amenity to be used by others (public) like parking space/facility, community facilities, premises provided for P&T, electricity & other services providing agencies should be charged.
- (iii) Materiality is also considered while treating such revenue in the accounting statements.
- (iv) Convenience is also important while treating such revenues in the accounting statements of an organization like penal interest, penal charges are considered when decision to recover them is taken and or when such charges are ultimately realized

Accounting policy:

These revenues are recognized on the following basis:

- (i) Interest On Term Deposits With nationalize Bank(s), Uttar Pradesh Cooperative Bank Ltd. and District Cooperative Bank Ltd. on a time proportion basis taking into account the amount outstanding and the rate of interest applicable..
- (ii) **Entrance Fee, Booking, Hire Charges etc:**
When the collection and the service goes together, such income should be recognized on the receipt basis. When service is provided at one point of time and money is recovered in advance or it is deferred, such revenue should be recognized when it is accrued.
- (iii) **Rent from Rented Properties:**
When the money becomes due or accrued, it is recognized as revenue.

3.5 Revenue Arising from Sale on Installment Basis

Criteria :

- (i) When the consideration is receivable in installments, revenue attributable to sale price exclusive of future interest should be recognized on the date of allotment as all the risks and rewards pass to the allottees, as the property passes to the buyer
- (ii) The interest element represents finance charges on use of Development Authority ; resources on unpaid balance due to it by others or on account of deferred receipt of its money resources.

Accounting Policy

Revenue attributable to the sale price exclusive of future interest should be recognized at the time of issue of allotment letter . The interest element should be recognized as revenue on accrual basis from year to year basis over the installment period, proportionately to the unpaid balance due to the Authority.

3.6 Revenue Arising From Use by Others Facilities of the Authorities

Criteria :

- (i) Uses of facilities or resources (men, money, material or a thing like assets) by others other than under contractual obligations if any; should be recovered like House Facility, Car, Conveyance, Telephone, Electricity, Servants towards personal elements of use of such resources .
- (ii) To provide staff to the governments for undertaking duties on their behalf like election duty, census duty etc should adequately be charged .
- (iii) To allow own staff to work for other organization, agency/ government on deputation charges like employer share to provident fund / pension contribution fund and provision for gratuity and other retirement benefits should be adequately recovered.
- (iv) To provide consultancy or taking up jobs/works on others behalf like deposits works, in such cases supervision charges should be recovered.
- (v) Any other facility provided, role played, obligation fulfilled should be charged at least to meet out of pocket outlay (cash or resources).

Accounting Policy :

Revenue arising from use by others facilities, resources money, men or playing a role, fulfilling an obligation including forming duties on others behalf should be recognized as and when such facilities or resources are provided or such duties and roles have been performed.

3.7 Revenue Arising From Government Grants in Aid, Subsidies and Other Financial Assistance

Criteria:

- (i) Government grants , subsidies or assistance by government in cash or in kind to the authorities for past or future compliance with certain condition. They exclude those forms of government assistance which can not be distinguished from the normal trading transaction of the authorities
- (ii) Government grants may be in the nature of promoters contribution i.e. they are given with reference to fulfill obligation on its parts like to undertake responsibility of planned urban development and to play role as environmental custodian and regulatory authority to monitor and regulate private developmental and construction activities .
- (iii) The authority may earn them, through compliance with the condition of government and meeting the envisaged obligation.

Accounting Policy :

- (i) Government grants related to specific project /scheme (like slum up gradation scheme or scheme for low income people) should be shown as deduction from the gross cost of such project/scheme concerned in arriving at their net cost to the authorities.
- (ii) Government grants in the nature of the promoters contribution should be credited to development fund and treated as part of Owned Funds.
- (iii) Government grants as stated under criteria above should be taken to income and matched with the associated cost to which the grant is intended to compensate.
- (iv) Government grants in the nature of the promoters contribution that become refundable should be reduced from the Development Fund/ Owned Funds.

3.8 Revenue on Account of Allocation of Costs Over Scheme /Project and Deposit Works etc

Criteria:

- (i) Cost of staff resources and management relating to project or works done for the purpose of sale or own use, should be recovered from such projects/work .
- (ii) If there is any difficulty in measurement of allocation of such cost of staff resources and management, it should be recovered on notional basis determined on the basis of past experience and other prudence basis.

(iii) Other allocable costs like administrative and miscellaneous cost, interest cost, provision for contingencies and for tools and plants and provision for future maintenance of services /facilities are allocated over the Projects/Works. These cost are charged as cost in the period in which they accrue, however recovery of such costs is made in the year of sale of properties. It would not be appropriate to allocate entire such costs upon completion of Projects /Works. In order to give adequate effect to accrual accounting concept following treatment should be given:

- (a) Allocate such costs on year to year basis based upon predetermined criteria
- (b) Charge these cost to the revenue in the period in which these costs actually occur
- (c) Treat recovery of such allocated cost as revenue from year to year basis as stated at (a) above.

Accounting Policies:

- (i) Cost of staff resources and management should be charged to relevant Projects/Works on pre determined (actual time frame work) notional basis and such allocated cost may be treated as revenue recovered from cost allocated over the Projects/Works.
- (ii) Allocable costs other costs over the Projects/Works should be recognized as revenue as per criteria stated at (iii) above.
- (iii) Cent age Charges (Supervision Charges) on deposits works under taken by the Development Authority should be treated as revenue as per criteria stated at (iii).

3.9 Other Items

Criteria:

Treatment of any other item of revenue depend upon substance of transaction and its frequency, commercial practices and prevalent accounting norms.

Accounting Policies:

Any other item of income not covered under para 3.1 to 3.8 should be recognized as revenue as per the criteria, for the respective items.

4. Operating Systems and Procedures:

4.1 General Procedures:

Revenue arising from the transaction as detailed above under para 3.1 to 3.9 would be as per the criteria laid for relevant transactions.

Transactions would be recorded in the relevant books of accounts on the basis of source input and accompanying documentation and authorization of competent authority as per delegation of powers.

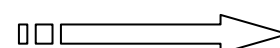
4.2 Topics Covered Under Other Section of the Manual:

Following topics have been covered under other specific section of the Manual.

S.No	Topics	Section
3.1	Revenue arising from Sale Transactions	Accounting for Properties and Related Revenue.
3.2	Revenue arising from Lease Transactions	Accounting for Properties and Related Revenue.
3.3	Revenue arising from from Development Charges and Other Levies.	Accounting for Development Charges and Other Income.
	Revenue arising from Use by Others Resources of the Authorities	Accounting for Investments and Related Income and Amortization cost.
3.5	Revenue arising from Sale on Installment basis	Accounting for Properties and Related Revenue
3.6	Revenue arising from Use by others Facilities Of Authorities	Accounting for Development Charges and Other Income
3.7	Revenue arising from Govt. Grants –in-Aid Subsidies and other Financial Assistance	Accounting for Miscellaneous Topic.
3.8	Allocation of Costs over Schemes Projects etc	Accounting for Works
3.9	Miscellaneous Income	Accounting for Development Charges and Other Income

5. Deviations:

In no case deviations from the designated systems and policies would be allowed unless permitted by the Government of Uttar Pradesh (Housing Department).



PART-I : PROCEDURES

SECTION NO. - 2

**RESOURCES UTILISATION
(TREATMENT) PROCEDURES**

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
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RESOURCES UTILISATION(TREATMENT) PROCEDURES

1 Rationale for Treatment of Resource Utilization on Accrual Basis of Accounting:

- 1.1 Cash basis of accounting fails to meet most of the financial reporting objectives. Evaluation of performance of Development Authority (or for that matter, of any enterprise) requires the measurement of accomplishments (the revenues) during a period the resources expended for those accomplishments. It is obvious that in today's world, the timings of cash receipts and cash payments may not coincide with the earnings of revenue or incurring of expenses. Further more, measures of performance based on cash basis of accounting are to be linked with Budget heads susceptible to alteration through a slight variation in the timings of cash receipts or payments. For example, merely postponing payment of certain bills by a few days can conceal a budgetary deficit. Another major weakness of cash basis of accounting is that no distinction is made between receipts or payments on capital account and those on revenue account. Thus, under cash basis of accounting no distinction is made between construction works such as buildings, roads, water distribution system etc and routine expenses like salaries, administration expenses etc. Similarly, loans and deposits taken are treated as revenue and payments on refund of such loans and deposits are treated as expenses.
- 1.2 The limitations of cash basis of accounting for proper measurement and performance and financial position have led to the adoption of accrual basis of accounting by the commercial world.

2. Concept of Accrual Basis of Accounting:

- 2.1 Accrual basis of accounting is the method of recording transactions by which revenues, costs, assets and liabilities are reflected in the accounts in the period in which they occur. The accrual basis of accounting includes considerations relating to deferral, allocations, depreciation and amortization.

2.1 Accrual basis of accounting attempts to record the financial effects of the transactions and other events in the period in which they occur rather than recording them in the period (s) in which cash is received or paid. Accrual basis recognizes that the buying, construction or, developing of properties, selling of properties and other economic events that affects performance of Development Authority often do not coincide with the cash receipts and payments. The goal of the accrual basis of accounting is to relate the accomplishments (measured in the form of revenue sale proceeds of properties or other goal) and the efforts (measured in terms of costs) so that the reported net surplus/deficit measures the performance of the Development Authority for the period rather than merely listing its cash receipts and payments. Apart from income and sale of properties, cost of properties other cost measurement, accrual basis of accounting recognizes assets, liabilities or components of revenues and expenses for amounts received or paid in cash in past, and amounts expected to be received or paid in cash in future.

2.2 Following are the essential features of accrual basis of accounting:

- i) Revenue(including sale of properties) is recognized as it is earned or property is sold out.
- ii) Costs(including cost of properties developed and constructed) are matched either against revenues so recognized or against properties developed and/ or sold out, constructed or against the relevant time period to determine periodic income.
- iii) Costs, which are not charged to income, are carried forward and are kept under continuous review. Any cost that appears to have lost its utility or its powers to generate future revenue is written-off as a loss.

3. Rules for Expenses Recognition:

- 3.1 Expense is a cost relating to the operations of the Development Authority for an accounting period or which relate to the revenue earned by it during the accounting period or the benefits of which do not extend beyond that period.
- 3.2 Under the accrual basis of accounting costs are matched either against revenues development of properties or against the relevant time period to determine periodic results. Further, costs, which are not charged against income of the period, are carried forward. If a particular item of cost has lost its utility or its power to generate future revenue, the same is written-off as an expense or loss.
- 3.3 Under accrual basis of accounting expenses are recognized by the following approaches:

3.3.1 Identifications with Revenue Transactions:

Costs directly associated with the revenue recognized or properties developed and or sold out during the period (irrespective of whether the money has been paid or not) are considered as

expenses and are charged to income for the period and cost of properties remaining unsold is carried forward to the next accounting period till the properties are actually sold out.

3.3.2 Identification with a Period of Time:

In many cases, although some costs may have connection with the revenue or property development for the period, the relationship is so indirect that it is impracticable to attempt to establish it, however, there is a clear identification with a period of time. Such costs are regarded as 'period cost' and are expensed in the relevant period, e.g. salaries, telephone, electricity traveling, depreciation, office building and other assets etc.

Similarly, the costs the benefits of which do not clearly extend beyond the accounting period are also charged as expenses.

3.3.2.1 Similarly expenses relating to future period are accounted for as prepaid expenses even though they are paid in the current accounting period. Similarly, expenses of current period for which payment has not yet been made (outstanding expenses) are charged to the Income and Expenditure Account of the current accounting period.

3.4 As in the case of revenue property development and sale thereof and expenses/costs are recognized under accrual basis of accounting as they are earned, taken up or incurred (even no money is received or paid), the transactions related to assets and liabilities are recognized as they occur irrespective of the actual receipts or payments.

3.5 The amended provision w.e.f. 01-04-2002 should be read as under :

In the context of Development Authorities, Sale should be deemed as complete at the point of registry of the property in favour of the buyer(s) registration of which is executed on or after 01-04-2002" or possession of the property handed over to buyer(s) which ever is earlier. Provided further that in case of such sales where in full development / construction cost has not been incurred , liability for the uncompleted portion based on the costing prepared by Engineering Deptt. shall be provided in books of Accounts to ascertain profit or loss of the respective scheme(s).

4. Resources Utilization Treatment Norms, Criteria and Related Accounting policy:

Below is given some of the norms of and criteria and relevant accounting policy for the resource utilization treatment:

Nature of Transaction

4.1 Construction	<p>Criteria</p> <p>a) Cost of property development/cost incurred on property development / construction includes cost of land, material cost, labour cost for property development and construction including provision for facilities, provision for physical contingencies cost, center cost, overhead charges, interest cost, provision for maintenance of development services and provisions for future and other contingencies. While direct costs are attributable directly to each of the development /construction activity on actual basis. Indirect costs like overhead, interest costs or cost of owned funds etc are determined on predetermined notional basis based upon actual time frame for the execution of the works/projects.</p> <p>b) Cost of properties under development and cost of developed properties but remaining unsold are carried forward to the future period(s)till such properties are sold out.</p> <p>Accounting Policy</p> <p>a) Cost which is directly attributable to each of the development/construction of works/projects should be charged to work/project on actual basis.</p> <p>b) Indirect costs and provisions including interest (if development or construction is not taken up on self finance basis),overheads, cost of cost centers, cost of facilities, cost of future maintenance of development services, should be charged on predetermined notional basis based upon past performance and/or actual timeframe for execution of works/projects.</p>
	c)Cost would be ascertained and accounted for as per the management policy applicable from time to time.
4.2 Salaries, wages, ex-gratia, overtime payment, contribution	i) Cost of staff resources should be charged to the period in which they incur or arise.

<p>to CPF /Pension Fund but excluding arrears of salaries.</p>	<p>ii) Cost of contracted staff wages should be charged to works/ projects directly (for which their services are taken). If it is difficult to charge such wages on work to work basis ,the same should be charged to the works/projects on predetermined notional basis based upon past performance during the period in which their services are taken.</p> <p>iii) Retirement benefit payments like gratuity etc should be provided for on year to year basis, if a fund or trust is not created for this purpose. Alternatively if such fund or trust is not created such payments should be charged on cash basis in the year of payment.</p> <p>iv) In case pension/family pension is paid out of pension/family pension fund/trust fund ,actual pension/family pension payments need not to be charged to the income statement of the Development Authority rather contributions made for such fund/trust should be charged on year to year basis. However if pension /family pension payments is not made out of a fund or trust created for the purpose, it should be charged in the year of payment. Likewise any contribution/payments to make good any shortfall in pension/family pension fund/trust fund should be charged in the year in which such shortfall is made good.</p> <p>v) Any other costs relating to staff like reimbursement of medical claim, leave encashment, leave travel concession etc where it is difficult to quantify or measure such liability for such dues on accrual basis ,should be charged in the year in which such claims are made.</p> <p>vi) Arrears of salary/wages due to pay scale revision, D.A. revision where it is difficult to quantify liability or provision on accrual basis should be charged in the period in which such arrears are paid.</p>
	<p>Accounting Policy:</p> <p>a)Cost of staff resources should be charged as per the criteria .</p> <p>b)Elements of staff resources cost allocable to the works/projects, should be allocated to the work/projects as per actual allocation or on predetermined notional basis based upon past performance and/ or actual time frame work for the execution of works/projects. Under this situation cost shall be charged to the Income & Expenditure Account and allocation of such cost should be shown as cost recovery from works/ Projects and should be credited to Income & Expenditure Account.</p>
<p>4.3 Expenses, which could not be identified to the revenue / development work corresponding property sale or corresponding benefits like travel, conveyance, telephone, office electricity, rents, rates and taxes, audit fee, repair & maintenance of building, equipments and repair of vehicles used for administration purpose etc.</p>	<p>Criteria: Where it is difficult to co-relate any costs with revenue, they are charged on time basis.</p> <p>Accounting Policy:</p> <p>Costs where it is not possible to relate them with the revenue/benefits, should be charged on time basis i.e. costs should be accounted for in the period in which they arise.</p>
<p>4.4 Expenses, which could be, identified with the revenue or benefits or directly attributable to the works /projects like project consultancy fee, direct cost pertaining to work like</p>	<p>Criteria:The expenses, costs, charges or payments which are directly attributable to the works/projects under construction/development should be directly charged to such works/projects in the period ,they arise. In case difficulty in actual allocation of any costs they should be allocated on predetermined notional basis based upon past performance and/or actual time frame for execution of works/projects. The past performance shall be linked with Budget</p>

<p>payments to the contractors, salaries engineers staff, interest on borrowed funds during the construction period</p>	<p>Accounting policy: The expenses or cost directly attributable to the works/ projects should be charged on them. In case there is difficulty in allocation of any such costs, they may be allocated on predetermined notional basis based upon past performance and /or actual timeframe for the execution of the work/project. Interest cost on borrowed funds shall be allocated on weighted average system .</p>
<p>4.5 Allocation of common expenses which are incurred for various works /projects.</p>	<p>Criteria: Where it is difficult to measure the role or quantification of any common expense on the specific work/project etc, such expenses are termed as indirect overheads. These expenses may be allocated to the works/ projects on predetermined notional basis based upon past performance.</p> <p>Accounting Policy: Indirect overheads attributable to works/projects should be allocated on predetermined notional basis based upon past performance and/or the actual timeframe for of the works/projects.</p>
<p>4.6 Expenses against which benefits or revenue have yet not arisen or expired like stocks of materials, prepaid expenses and cost of unsold properties /services etc.</p>	<p>Criteria: The expenses against which benefits or revenue have not yet arisen or expired should be carried forward till the benefits /revenue against them do not arise .Expenses or costs so carried forward should be kept under continuous review and when they have lost capability to generate revenue should be written-off as loss.</p> <p>Accounting Policy: Expenses against which benefits or revenue have not arisen or expired/exhausted should be carried forward .</p>
<p>4.7 Expenses against which benefits or revenue have already arisen but not paid for like telephone, electricity rent rate ,taxes, audit fee etc but not paid for.</p>	<p>Criteria: The expenses against which benefits or revenue have already arisen but not paid for should be provided for on time basis and shown as outstanding expenses.</p> <p>Accounting Policy: Such expenses should be provided for as per the criteria.</p>
<p>Depreciation cost of Fixed Assets/ Properties under own use.</p>	<p>Criteria Depreciation cost represents the proportion of cost of fixed assets or properties under own use over the useful life of such asset or property .It is determined on the basis of use or benefits from such property during the reporting period . Alternatively, it is determined, dividing the depreciable amount (cost less residual value) by the number of years of its expected useful life on rational basis . Two methods are recognized appropriate viz straight-line method and written down value method.</p> <p>Accounting Policy w.e.f. 1.4.02 ,depreciation on Fixed Assets under own use shall be charged on written down value method as per the provisions of the I T Act 1961 / IT Rules 1962.</p>
<p>4.9 Amortization Cost of Investments in Public Utility Properties</p>	<p>Criteria: A mortization cost represents the proportionate value of investments in public utility properties like community centres ,conference hall etc (other than play grounds ,beauty sites developed etc.) having limited life. Cost of such properties should be provided or charged against revenue from such property. Likewise cost of temporary structure or other facilities provided at play grounds or parks etc. should be charged or provided for. Amortization cost may be arrived on the lines of depreciation on fixed assets on properties as per para 4.8 above.</p>
	<p>Accounting Policy: Amortization cost would be provided for as per the criteria</p>
<p>4.10 Any other item</p>	<p>Criteria: Any other item of expenses which have not been covered under above paras, are treated in the accounts as per their role, effect, materiality, commercial practice and prevalent accounting norms.</p> <p>Accounting Policy: Such expenses should be accounted for as per the criteria</p>

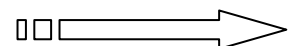
5. Operating Systems and Procedures Regarding Resource Utilization (Treatment):

Operating systems and procedures pertaining to the resources utilization have been dealt with in separate sections specifically designed for the purpose.

Nature of Costs/Expenses	Sections
i) Cost of Staff Resources including CPF/ Pensionary Contribution, Retirement Benefit payments and Other Related Cost.	Accounting for Personnel and Establishment Cost.
ii) Cost of Materials and Stores Consumed on Works/Projects and Official Purposes.	Accounting for Materials and Stores.
iii) Costs of Works/Projects	Accounting for Works
iv) Cost on Administration and General Repairs & Maintenance etc.	Accounting for Administration Cost
v) Interest Cost of Borrowed Funds	Accounting for Borrowings.
vi) Other Costs	Accounting for Miscellaneous Topics
vii) Depreciation Costs	Accounting for Fixed Assets and Depreciation Cost
viii) Amortization of Cost of Investments in the Properties not for Sale or Own Use.	Accounting for Investments Related Income and Amortization Cost.
ix) Allocation of Costs over Works/ Projects.	Accounting for Miscellaneous Topics
x) Write Off and Miscellaneous Costs.	Accounting for Miscellaneous Topics

6. Deviations:

In no case Deviations from designed systems and policies would be allowed unless permitted by Government of Utter Pradesh (Housing Department) .



PART-I : PROCEDURES

SECTION NO. - 3

COLLECTION PROCEDURES

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





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PART-I : PROCEDURES
SECTION NO. - 3
COLLECTION PROCEDURES

1. Introduction:

The Development Authorities are responsible for planned Urban Development. They undertake property development works in planned way and provide these developed properties (Plots, Houses and Shops) on reasonable price to the public for residential as well as commercial purposes. The Development Authorities are also committed to social justice by undertaking slum-up gradation schemes designed to uplift the living standard of urban poor. They also fulfill their social obligation by undertaking construction and maintenance of public utilities like community centers, parks, grounds, and roads etc. These activities inter alia are financed through loans from government, financial institutions like HUDCO and banks etc. Social welfare schemes are financed through government loans on subsidized interest and also through grants under welfare programmes delivered by the governments. The proposed collection system would therefore include a system of collection of registration charges, allotment money and future installments under welfare schemes as well as commercial schemes and collections from other sources as well.

2. Sources of Collection The following are the sources of collection.

2.1 Property Development & Construction

- Registration
- Sale of residential plots
- Sale of commercial plots
- Sale of house
- Installment of sale/lease of houses
- Sale of commercial buildings and shops
- Installment of sale/lease of sale of commercial buildings and shops
- Sale of properties on rent
- Public Facilities

2.2 Rental Income and Income from Investments in Properties

- Lease rent from schemes
- Rent from houses/shops/offices
- Rent from community centers/guest houses, conferences hall
- Income from parks etc transfer /sale of properties
- Interest and other income on investments in deposits etc.

Share in stamp duty on transfer/sale of properties

Water supply and sewerage charges from schemes

Income from Buildings Control Department

- Levy for non construction
- Betterment charges
- Compounding charges
- Malwa charges
- Building plan sanction fee (map charges)
- Surveyors license fee
- Development charges

Other Income:

a) Sale of booklet /brochure

- Sale of master plan book/registration book/form
- Sale of tender form
- Registration fees from contractors and suppliers
- Cycle/scooter/car stand charges
- Miscellaneous e.g. road cutting charges, roller charges, water charges, penalty, fine etc.

Recoveries from facilities provided to Employees

- a) Electricity
- b) Telephone
- c) House Rent
- d) Conveyance
- e) Other advances

Income from conversion of Nazool property to freehold by the earmarked Percentage by government of Uttar Pradesh

Income from conversion of leasehold property to freehold

3. Method of Collection

3.1 General Principles

- i) In case of income from parks, community centers, guest house and meeting halls, collection would be made by the In charge of the center. The collections would be remitted to Development Authority at such intervals as determined in this behalf from time to time.
- ii) The method of collection through Banks be introduced/ extended, as the Banks would be able to make collection through their various branches and it would be convenient both for the customers /beneficiaries as well as the Development Authorities. Collection through Banks may include registration fee/earnest money, allotment money from the prospective customers/beneficiaries as well as collection of future installments under various schemes.
- iii) Collection would be made through designated Bank and its branches at designated places.
- iv) Collection at counter and extension counter of the Development Authority would continue.
- v) Adequate publicity mechanism would be introduced to give wide publicity about collection methods and collecting Bank branches ,collection centers ,payment through cheque or demand draft etc.
- vi) Proper arrangement would be made in consultation with the Bankers that their selected branches would provide separate counter for deposit of collection to the account of the Development Authority.
- vii) The customers/beneficiaries would choose one branch of the Bank where they can make their deposit. Shift from one branch to other branch would not be permitted in normal circumstances.
- viii) The customers/beneficiaries would be provided with the specially printed Pay-in-Slip or Challan Books for this purpose. They would be designed in such a manner that customer/beneficiaries has to fill the minimum details (Like-- Name of Scheme /Project, House/Shop No.--- situated at and the head of deposit etc). The Pay-in-Slips or Challans would be filled up in the quadruplicate, the distribution of which would be made as under:
 - One copy for customer/beneficiary
 - One copy to be retained by Bank
 - Two copies to be forwarded to the Development Authority – (one for Computer Section/ Property Department and other for Finance and Accounts Department).
- ix) The Bankers would be required to send scroll for collection in duplicate, giving details of amount collected and its break up under different heads, together with two copies of Pay-in-Slip or Challans, from each of the branch indicating there in the names of depositors, their code numbers and scheme name and number etc.

For facilitating above information to be conveniently collected at the end of the Bank branches, the Development Authority may design software for this purpose and provide it to the concerned Bank branches .

In later case the concerned Bank branch would facilitate loading of above information on computers of the Development Authority. However Bank branches have to provide a hard copy of the information as stated above.
- x) Similar method of collection would also be deployed in case of collection at the counter/counters of the Development Authority .For all the collections at the counters , a system of Challan in three parts would be introduced. Challans would be filled up by depositors and would be deposited at collection counter. There should be a person to check these challans to ensure that they have been correctly filled up before their lodgment with the cashier. The distribution of challans would be made as under:
 - one copy to the depositor
 - one copy to the Finance and Accounts Department
 - one copy to the Computer Section/Property Department.

In case of property accounting is computerized Challan would be first sent to the Computer Section who in turn after recording the challans in the computer, shall sent the challan s the Property Department

- Xi) Present system of calculating interest for delayed period (panel interest) and intimating the same to the concerned party specifying the date of payment may be discontinued. Alternatively interest as well as panel interest, if any, would be applied on quarterly basis (viz. 30th June, 30th September, 31st December and 31st March).
- Xii) Account Statement would be issued to the concerned party on quarterly basis. For extra copy, charges would be recovered from the party.
- Xiii) Outstation collection shall be accepted directly through the Development Authority and not through the Bank. Out station payment shall be accepted only through the crossed demand draft payable on specified Bank.
 - xiv) Banker's cheque shall be accepted if drawn on a local bank.
 - xiv) In case of payment through the Banker's cheque /demand draft, particulars like party name, plot /house /shop numbers, scheme name should be mentioned on the back of Banker's cheque /demand draft.
 - xiv) All the payments through Banker's cheques /demand draft shall be in the name of the Bank Account number.
 - xiv) In order to make the collection system effective collection method should be publicized properly in the manner and at such intervals as detailed in "Publicity Procedures" in the section on "Property Management" of the Manual.

3.2 Publicity of Collection Procedures

The Development Authority would carry out publicity regarding the collection procedures. The publicity mode may be newspaper, trade journal, hoardings, websites etc. Besides the Publicity of collection procedures, the methodology of collection procedure should also be incorporated in the Booklet on properties, which may be provided to the customers/prospective customers at reasonable cost. These procedures should also be incorporated in the scheme literature.

3.3 Method of Collections:

Following would be the methods of collection:

- Collection at counter(s) of Development Authority
- Collection through any other mode as approved by Government of Uttar Pradesh.
- Collection through any other mode as approved by government of Uttar Pradesh
- Mobile Van
- Camps
- Any other convenient and popular mode of collection

The Development Authority may adopt one or more or all the modes of collection as specified above depending upon suitability of the method and convenience to Development Authorities as well as customers and the cost of collection.

3.4 Collection Method and Accounting Linkage

The methods designed for collections should provide linkage to the accounting in one or more ways in different situations e.g.

- a) Counter collection:
 - In case of counter collection processing of accounting, information may be interlinked like recording of collection details in the computer-designated programme.
- b) Collection through Banks:
 - In case of collection through the Banks the designated bank may be provided with the specifically designed software programme. The data entered by Bank at their end should be accessible to the Development Authorities on computer network or the data processed by Bank through specifically designed package should be made available to Development Authorities through one or more ways viz. floppies or by online loading i.e. through e-mails.
- c) On several occasions, head of deposit is not mentioned correctly in the Challans, this would require special attention and framing of procedures in this regard. One model for this may be that the Finance and Accounts Department should first record the collections to the respective group /control account. Computer Section/ Property Department shall appropriate collections as per dues details for of the party and may provide head wise details at monthly/quarterly intervals to the Finance and Accounts Department so that adjustment entries may be passed in the financial books.

4. Defaulters

In addition , penal intt. from defaulters @ 2.5% p.a. over & above the normal rate of intt. shall be charged on the defaulted amount allowing a grace period of 15 days. The rate of penal intt. will stand revised as the Govt. of U.P. (Housing Dept.) may decide from time to time. The penal interest shall be accounted for in books of accounts on realization basis. However, proper records shall be maintained on yearly basis.

5. Recovery Mechanism and Follow Up

- i) Each scheme would be divided into different sectors.
- ii) A sector shall comprise of properties falling under the locality/jurisdiction of the sector /locality.
- iii) Surplus staff at Development Authorities may be identified state wide.
- iv) Services of this surplus staff may be availed of for recovery campaign as well as persuasion to depositor/ defaulter(s).
- v) A leader having experience in the field should head each team.
- vi) Training to the designated team leader and other staff would be provided under continuous education program for persuading the depositors/defaulters.
- vii) Work of each team would be monitored by a Sector Officer on weekly basis .The team leader would prepare Weekly Collection Report showing figures for the week and up to the previous week against the monthly targets fixed by Sector Officer. Each of the pursuers would be given monthly targets by the team leader. Pursuers would submit their Weekly Report along with conveyance bill. Conveyance payable to them would be a fixed amount for the month to be calculated in terms of actual days of persuasion.
- viii) Management of the Development Authority would fix quarterly targets of collection under each of the scheme/head against the demands outstanding at the end of previous quarter. In turn the concerned Property Officer would be responsible to allocate the targets of collection to the Sector Level Officer.
- ix) Some incentive may also be offered at each level depending upon the amount of collections effected.
- x) Hurdles and difficulties faced by the pursuers would be reported to the concerned Property Officer through the Sector Level Officer. Difficulties would be sorted out as soon as possible.
- xi) Besides above, there should be a Complaint Mechanism which would include nature of complaint that can be lodged, authority to whom complaint is to be lodged and its disposal.
- xii) A Monthly Follow Up meeting would be held, first at the level of Scheme Property Officer, thereafter at the level of Secretary Development Authority wherein all the pursuers, their team leaders, Sector Officers and Property Officer shall participate. This meeting would address the targets achieved, problems faced and future course of action.
- xiii) Besides above collection camps may be arranged like collection counters, mobile van in various parts of the city/town for facilitating the depositor (s) to deposit the money conveniently.
- xiv) The Development Authority may also assign the job of collection through any other mode as sanctioned by Government of Uttar Pradesh. In this case collection would be permitted only through account payee cheque or account pay demand draft bearing the Bank name and the Bank Account number i.e. no collection shall be allowed in cash through these Collecting Agents.

6. Computerization of Property Accounting

Property accounting would be computerized to facilitate processing of accounting information promptly from various angles viz. individual party accounting, scheme-wise accounting, loan account wise accounting, collection head wise accounting.

7. Compromises and Arbitration Cell

All compromises and disputes would be addressed to this cell, who in turn, based upon facts and figures, would initiate a compromise/arbitration proceeding to make good as much money as can be possible in the given case and circumstances, before initiating the attachment steps.

8. Collection Point

Every Development Authority should prescribe the collection center /point for collections under different heads such collection point may differ from Development Authority to Authority depending upon their size and special needs. However the collection point should be well planned and documented and may be as under:

a) Properties	Through specified Bank branches, collection counter of Development Authority or any other mode as per scheme literature or as prescribed by the Development Authority from time to time.
b) Development Charges and Other Income	
i) Development Charges and Levies	As prescribed in the section on "Accounting for Development Charges and Other Income".
ii) Other Income /Receipts Tender from fee, earnest money security deposits from the contractors /suppliers	The Concerned division of the Engineering Department
iii) Sanction of building plan/map, surveyors license ,drafts mans fee etc.	Planning Section/Building Section
iv) Sale of Stationary and form like master plan book, registration book other Statutory forms etc	Store /Stationary Section or any other Department as prescribed
v) Income from community center, conference hall, guest house ,parks etc.	The concerned In Charge of Property
vi) Interest and other income from investment in deposits etc	The Finance and Accounts Department
vii) Any other receipt	The Finance and Accounts Department or any other Department/ Section as specified

9. Systems of Collections and Their Recording

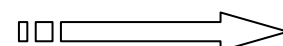
General operating systems, procedures and accounting policies and accounting procedures for collection transaction have been given in the Section on "Accounting of Transactions on Movement of Cash /Funds and Accrual of Funds." of the manual.

Besides the general operating systems, procedures specific operating systems, procedures, accounting policies and accounting procedures have also been developed in respect of following aspects/topics and the same have incorporated at appropriate places in the various sections of the manual.

Specific Procedures in Relation To Certain Collections	Name of the Concerned Section of the Manual
1. Collection from Properties Including registration, allotment money & future installments.	Accounting for Properties and Related Revenue
2. Income from other development activities.	Accounting for Development Charges and Other Income
3. Income from Investments : interest/dividend from securities and entrance fee/rent etc. from properties including sale/disposal of investments.	Accounting for Investments Related Income and Amortization Cost and Accounting of Fixed Assets and Depreciation Cost
4. Other revenue receipts income including recoveries from employees for facilities provided.	Accounting for Development Charges and Other Income.
5. Loans received from government, financial institutions, banks etc	Accounting for Borrowings
6. Deposits accepted including deposits for works	Accounting for Miscellaneous Topics.
7. Recovery of loans and advances allowed to the employees including interest there on .	Accounting for Loans and Advances to Employees and Interest Income.

10 Deviations:

Any deviations from the designed systems and procedures would not be allowed unless permitted by the Government of Uttar Pradesh (Housing Department).



PART I : PROCEDURES

SECTION NO. - 4

DISBURSEMENT PROCEDURES

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





Click here for
MAIN INDEX

PART I : PROCEDURES
SECTION NO. - 4
DISBURSEMENT PROCEDURES

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II. System of Disbursement and Recording	16

PART I : PROCEDURES
SECTION NO. - 4
DISBURSEMENT PROCEDURES

General Disbursement Procedures

1. All disbursements, would be made on the basis of payment order, payment advice received from the concerned / user Department along with the approval /sanction for the payment.

Disbursements in cash or by cheque /draft would be made on the basis of Payment Vouchers only . In case of payment by cash .A Cash Payment Vouchers ' and in case of payments by cheque /drafts a 'Bank Payment Voucher' would be prepared. The payment vouchers shall be passed by an Accounts Officer as per the delegation of powers .In case of payment by the cheque /draft 'Forwarding Memo' would be prepared in duplicate, second copy of which is to be attached with Bank Payment Voucher. Upon receipt of acknowledgement for the receipt of payment, it would also be attached with the concerned voucher. Payment would be made only to the claimant or his authorized representative.

2. As and when the bills are received in the Finance and Accounts Department, they shall be scrutinized and checked as per checklist devised for different types of payment/disbursements. The checklist of tests to be applied by the Finance and Accounts Department have been developed for the different heads and the same have been incorporated at the appropriate places in the different sections of the manual.
3. All the payment/ disbursements shall be initiated by the concerned user Department The concerned/user Department shall carry out such examinations / verifications regarding the payments / disbursements as prescribed and required before recommending the payment. It shall be the responsibility of the user Department to complete all the procedural formalities and carry out tests and verifications as may be required under the case. The user Department shall also obtain necessary sanctions and approval for the payment /disbursement before forwarding the bill to the Finance and Accounts Department. The concerned user Department should also maintain respective bills registers as prescribed. The format of the Bill Register is given as per [Form No. DP-1].
4. The suppliers bills received would be linked up and checked up with the Material Inward Note and bills for Material /Goods Received Register prepared by the Purchase and Supply Department. Reference of entries in financial books would be marked on Material /Goods Received Register/Bills Received Register. It would be checked and seen that the bill is passed for the actual quantity accepted by the Purchase and Supply Department. Rates charged would also be verified from the copy of the purchase order attached with the bill. It would be the responsibility of the Purchase and Supply Department to purchase the material, receive it, and to get record it in the stores record and obtain necessary approvals and sanctions for the purchase and payment. The passed bills would be sent to the Finance and Accounts Department, who in turn would recheck the bill as detailed above, record/journalize the transactions and make payments. Specific procedures have been covered in a separate section on Accounting for Materials and Stores. In case of contractors bills they would be checked with the measurement books and concerned contract bond. It would all be the responsibility of the Engineering and Works Department to award the contracts as per the procurement procedures. The said Department would also obtain all the necessary approvals and sanctions as prescribed from the appropriate authority. The passed bills would be sent to the Finance and Accounts Department, who in turn would recheck the bills, record/journalize the transaction and make payments. The similar would be the procedure for other expenses/payment heads, that the concerned/user Department shall furnish bills with the Finance and Accounts Department when bill is complete in all respects.
5. The Finance and Accounts Department would then prepare a Payment Voucher. The Vouchers would be prepared on the basis of bills received from Suppliers /Contractors/Other Parties /Employees etc through the Engineering and Works Department / Purchase and Supply Department or the concerned user Department.
6. The particulars of the bill and checking of rates would be exercised by a person other than who is preparing the Payment Voucher .The Accounts Officer before passing the voucher would once again check whether the bill in question has been scrutinized in all respects and the amount payable has been correctly arrived at and appropriate accounts classification given .The signature of payee on the

payment voucher or on official letter head/receipt both in case of all payment shall be obtained as provided under para(1)above.

7. "The cheque preparing official shall prepare the cheque on the basis of duly passed/approved Payment Voucher. The counter foil of the Cheque and the Cheque Issue Register would be initialed by him/her. Thereafter the cheque along with Payment Voucher and supporting bill etc. will be put up before the cheque signing authority as provided in Section 4 Para 13 of the Manual.
8. All cheques in general shall be crossed as 'Account Payee Only'.
9. No payment shall be allowed in Cash except petty cash/expenses paid through imprest.
10. Assistant Accounts Officer, Accounts Officer/Senior Accounts Officer/Chief Finance and Accounts Officer shall finally pass the Payment Voucher for payment in accordance with the power delegated to them for the purpose.
11. The Payment Vouchers along with the bills and supporting documents would be sent to the Internal Audit Department for pre-audit if there is any such arrangement programme laid down by the Internal Auditor.
12. After audit, if it becomes necessary to revise the payment, which has, been entered in the books of accounts, a Debit/Credit note as the case be, would be prepared and the adjustment recorded through the journal entry as stated at para number 7 above.
13. The Head of Department of Finance and Accounts Department not below the rank of Finance Controller shall have the power to sign and draw the cheque on all the Banks/ PLAs/ Treasury/ Post Office or any other account whatsoever of the Development Authority upto the limit of Rs. 50000/= singly. For the amount(s) exceeding Rs. 50000/= the Head of Finance and Accounts Department shall ensure to sign the cheque, etc. jointly with the Vice Chairman or Secretary when so authorized by the Vice Chairman of the Development Authority. Where the Finance and Accounts Department is headed by an Officer below the rank of Finance Controller, all the cheques, etc. shall be signed jointly with the Vice Chairman or the Secretary if so authorized by the Vice Chairman of the Development Authority irrespective of the amount(s).For this purpose Secretary shall not include Additional Secretary, Joint Secretary or any other officer whatsoever.
14. Approved and passed Voucher, upon payment would be entered in the Cash Book/Bank Book/Journal Books etc as the case be.

II. Systems of Disbursements and Recording:

15. General Operating Systems, Procedures and Accounting Procedures for Disbursement

Transactions have been given in the section on 'Accounting for Transactions on Movement of Cash/Funds and Accrual of Funds.'

Besides the general operating systems, procedures, specific operating systems, procedures and accounting policies and accounting procedures have also been developed in respect of following aspects/topics and the same have been incorporated at appropriate places in the various sections of the manual:

Specific Procedures in- -Relation to Certain- - Disbursements	Name of the Section- -of the Manual
1. Disbursements of Salaries and Wages including other Personnel Related costs and CPF/Pensionary Contributions and other Retirement Benefits.	Accounting for Establishment and Personnel cost.
2. Disbursements of Administration Costs including repair and maintenance and Upkeep of Public Utilities like Community Centers, Parks etc.	Accounting for Administration Cost.
3. Disbursements of Other Costs	Accounting for Miscellaneous Topics
4. Disbursements of Interest Costs including repayment of loans taken . and deposits accepted.	Accounting for Borrowings and Accounting for Miscellaneous Topics

5. Disbursements for acquisition of Fixed Assets including construction.	Accounting for Fixed Assets and Description Costs.
6. Disbursements for Loans and Advances to the Employees including Disbursal of Official Advance/Imprest etc.	Accounting for loans and advances to Employees and Interest Income
7. Disbursements of Investments acquisition including Investments in Public Utilities.	Accounting for Investments Related Income and Amortization Cost and Accounting Fixed Assets and Deprecati Cost
8. Disbursements for procurement of Material including payments for the supplies bills outstanding.	Accounting for Materials and Stores
9. Disbursements for procurement of Works including payments for contractors outstanding and payments for Land and expenses relating to construction/development	Accounting for Works
Disbursements for refund of Deposits	Accounting for Miscellaneous Topics

10. Deviations:

Deviations to disbursement procedures would not be allowed in any case when permitted by Govt.of Uttar Pradesh (Housing Department)

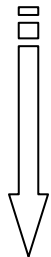


UTTAR PRADESH DEVELOPMENT AUTHORITY

Form No DP-1

BILL REGISTER

S.L NO	Date of Receipt of bill	Suppliers /Contractors /Party's name and particulars of bill	Bill Amount	Passed Amount	Date of Passing	Passing Authority	Date of Payment	Amount Paid	Payment Details like Cheque /DD etc	Date of Journalizing Recording
--------	-------------------------	--	-------------	---------------	-----------------	-------------------	-----------------	-------------	-------------------------------------	--------------------------------



PART –I : PROCEDURES

SECTION NO. - 5

PROCUREMENT AND WORKS PROCEDURES

Part I: General Guiding Principles

Part II: General Procedures and Operating Systems

Part III: Tendering procedures

Part IV: Work Procedures

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**



PART -I : PROCEDURES

SECTION NO. - 5

PROCUREMENT AND WORKS PROCEDURES

Part I: General Guiding Principles

Part II: General Procedures and Operating Systems

Part III: Tendering procedures

Part IV: Work Procedures

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PART -I : PROCEDURES

SECTION NO. - 5

PROCUREMENT AND WORKS PROCEDURES

Part I: General Guiding Principles

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PART I- GENERAL GUIDING PRINCIPLES

PROCUREMENT PRINCIPLES FOR WORKS, MATERIALS/ASSETS AND SERVICES:

Essential Attributes of an Effective Procurement System:

An Effective Procurement System should be so designed that the following are achieved:

- I) Transparency
- II) Value of Money
- III) Open and Effective Competition
- IV) Fair Dealing
- V) Accountability and Due Process
- VI) Non Discrimination

I) Elements of Transparency:

The general principle is that sufficient and relevant information should be made available to all interested parties consistently and in timely manner through a readily accessible, widely available medium at no or reasonable cost.

This general principle is applicable to all aspects of procurement including operating environment, opportunities, procurement, requirements, bid evaluation criteria and award of contracts as further elaborated below:

- **Sufficiency and relevance to information:**

To enable potential suppliers/contractors to make informed decisions. For example, potential bid must have access to information on the conditions for participation and requirements of the intended procurement in order to decide whether to participate and to prepare a responsive offer.

- **Timeliness:**

To ensure that the information is valid and useful when available to the receiver.

- **Availability to all interested parties:**

To ensure that the procurement process is fair to all participants and seen to be fair.

- **Through Readily Accessible Medium at no or reasonable cost:**

To ensure that the information is accessible in practice.

- **Consistency:**

The objectives of the transparent procurement system can only be achieved if the system remains consistently transparent this also includes making information up to date and informing relevant parties of changes and additional information promptly.

Notwithstanding the above, the following information may be with held: Commercial sensitive information, and information the release of which would prejudice fair competition among suppliers / contractors, impede law enforcement be contrary to the public interest or compromise security. Where such information is with held, the reasons should be given on request.

Operational Environment:

1. The laws, regulations, judicial decisions where applicable, administrative rulings, policies (including any discriminatory or preferential treatment such as prohibitions against or set aside for certain categories of suppliers), procedures and practices(including choice of procurement method)related to procurement should be transparent .

This is to let suppliers/contractors know the rules of game so as they can decide whether to participate or not. ***This may include in practice:***

- i) Publishing of these 'rules' in a medium which is readily accessible to all
- ii) Publishing either a positive or negative list of entities.
- iii) Publishing any change immediately.
- iv) Establishing contact point for enquiries.
- v) Where possible providing description of the above information on notice board or any other mode like Internet etc.

2. The procurement opportunities should be transparent:

This would encourage wide participation leading to increased choices for procurement and enhanced competitions contributing to achieving better value of money in procurement activities.

This may include in practice:

- Making open and competitive tendering the general preferred method of procurement is tendering. Where other procurement methods are to be used, any procurement invitation issued should indicate the intended method
- Where open tendering has been adopted, publishing procurement opportunities in a medium readily accessible to suppliers/contractors (e.g. official journals/gazettes, newspapers/specialized trade journals, internet) where the rate contracts/quantity contracts entered by State stores Purchase Department are preferred, reason should be recorded.
- Allowing adequate and reasonable time to interested suppliers/contractors to prepare and submit responsive bids.
- Publishing contracts details of purchaser, products, services interest for suppliers/contractors wishing to register their interest in being registered.
- Making early advice of complex high value procurement needs to interested/suppliers/contractors through staged procedures such as public requests for information, requests for proposals and invitation for pre-qualification and allowing adequate time to interested suppliers/contractors to prepare and submit a response.
- Making available requirements and procedures for pre-qualification.

3. Procurement Requirements & Bill of Quantity:

This is to facilitate effective and efficient participation by potential suppliers/contractors in procurement exercise. Also because potential suppliers/contractors know specific requirements, the non-responsive offers that the buyer may have to process can be minimized, increasing the operational efficiency of the buyer.

In practice, this can include:

Including in procurement notices the following information :

- The nature of the product or services to be procured, specifications, quantity, time frame for delivery, closing times and dates, where to obtain tender documentation, where to submit bids, and contract details from which further information can be obtained
- Providing tender documentation and other information to suppliers/contractors promptly.
- Where ever possible, drawing up specifications in terms of performance/functional/operational requirements, and relevant standards.

4. Bid Evaluation Criteria:

All criteria for evaluating bids should be transparent and bids should be evaluated and contracts awarded strictly according to these criteria.

This is to ensure fairness and integrity. In practice, this can include:

- Setting out in procurement notices and/or tender documentation all evaluation criteria, including any preferential arrangements
- Making proper record of decisions.

5. Awards of Contract should be Transparent:

This would demonstrate buyer's accountability to suppliers/ contractors and the public.

In practice, this can include:

- Publishing of outcomes of the tender including name of the successful suppliers/contractor and the value of the bid.
- As a minimum, promptly notifying unsuccessful suppliers/contractors of the outcome of their bids and where and when contract award information is published, and debriefing unsuccessful suppliers on requests.

6. Due Process:

Due process and public accountability are essential of the elements of the fair, open and impartial procurement procedures, and the availability of an avenue/channel for review of complaints is an element of transparency.

II. Elements for Value of Money:

The general principle is that procurement policies, practices and procedures should be directed to achieving the best available value for money in the acquisition of goods and services to deliver or support delivery of Urban Development Program.

The test of the best available value for money is a comparison of relevant benefits and cost on whole of life basis. Purchase price alone is not only an adequate indicator of total relevant costs. The lowest priced complaint offer does not necessarily represent best value for money.

7. Assessment of Needs:

The desired outcomes of a procurement activity should be accurately identified. This assists the buyer in identifying those factors that would contribute to the value of procurement outcomes. Buyers should not over specify or under specify the attributes and performance required to accomplish their objectives as these may affect the quality for value for money achieved.

In practice, in identifying the desired outcomes of the procurement activity; buyers may consider:

- The program objectives and functional requirements, with a focus on what is to be achieved rather than, how it is to be done , to encourage innovative solutions that may improve the value for money outcome.
- Whether the need is for the replacement or enhancement of existing resources, or to meet an entire requirement.
The Development Authority would develop a business case:
 - Consideration of funds availability;
 - Analyzing and refining the initial statement of needs;
 - Taking specialized advice from technical and procurement experts and on product availability, capability of potential suppliers and potential risks or constraints;
 - Setting out anticipated costs and benefits on whole life basis and where appropriate, financial and sensitivity analysis which might include calculation of discounted cash flows;
 - Identifying the costs of project management, including support requirements for technical and commercial expertise at the project approval stage, when these resources will need to be identified and the project team designated/appointed.

8 Selection of Approval Procurement Method:

Procurement method is chosen according to the needs of each procurement situation that is likely to achieve the best value for the money outcome. This includes encouraging levels of competition among suppliers commensurate with the anticipated value for money benefits from the competition.

No single method of procurement fulfills all requirements. The Developments Authority should choose the method for each procurement that will best enable them to achieve value for money out comes from a range of procurement methods according to the circumstances of each case .In practice, while open and competitive tendering should generally be the preferred method of tendering, in selecting the appropriate procurement method, the Developments Authority may take in to account:

- The strategic importance of the procurement;
- The complexity /or cost of procurement;
- The complexity of the market place and environment in which that procurement shall be under taken; and constraints, such as urgency, compatibility with existing goods and services ;or existence of sole source of supply.

9 Evaluation of suppliers /contractors and their offers:

The Developments Authority should evaluate suppliers /contractors and their offers to identify the bid offering the best value for money . For this Developments Authority should:

- Evaluate offers in a comprehensive and fully professional manner by taking account of costs and benefits on a whole of life basis;
- Establish or verify competence, viability and capability of prospective suppliers/contractors;
- Confirm that product offered comply with requirements including fitness and time frames and reflect an understanding of the needs of end –user;
- Assess and allow for relevant risks;
- Ensure that unnecessary costs are avoided and other costs are reduced wherever possible, for example through clarifications; and
- Ensure that the contractual agreements entered into are comprehensive and accurate reflection of the terms, conditions and obligations agreed between the suppliers/ contractors and the Development Authority.
- In practice, supplier evaluation can be done through a pre qualification process and /or be part of the evaluation of bids. When evaluating suppliers/contractors, Developments Authority may consider their management competence, financial status, technical competence and other matters such as their legal identity, previous contract performance and similar information that would provide an indication of the suppliers /contractors capability to meet the procurement requirements . Where suppliers evaluation is part of a pre qualification process resulting in a

register of suitable suppliers /contractors, Developments Authority should regularly re-evaluate suppliers /contractors to confirm their continued ability to deliver value for money outcomes.

- Evaluation of offers should be done in a whole of life context, so as to ensure that the best value is obtained for the procurement. Besides price and fitness for purpose, other factors that may be taken into account include performance, quality, reliability, delivery, inventory costs, running costs, warranties and after -sale support, and disposal. In addition, negotiation may be held, as per provisions made by Government in Works Manual of the Developments Authority may be considered to improve the value for procurement outcome under certain circumstances; for example when:
 - It appears from evaluation that no one tender is obviously the most advantageous in terms of specific evaluation criteria set forth in the tender notices or documentation;
 - Only one tender is received;
 - Potential suppliers raise reasonable objections or propose alternatives to the prescribed terms and conditions;
 - Offer prices unfair and unreasonable in the circumstances; or
 - There are substantial risks for party warranty negotiation.

As a good policy, and to provide the Developments Authority with the legitimacy for conducting negotiations, it is advisable to state in the tender notices, and / or tender documentation that the Developments Authority reserves right to negotiate for the best offer and , if the submission of alternative proposal is allowed ,that alternative proposal that improve the value of the offer may be submitted .The Developments Authority should conduct negotiations in the structured and in the ethical manner and should not in the course of the negotiations discriminate between different suppliers. Properly drafted tender documentation, including draft terms and conditions, should ensure that negotiation with bid commences from a well defined base. Proper record of negotiation should be kept.

10. The Procurement Function itself providing value for Money:

In principle procurement systems should themselves represent value for money.

The Developments Authority should regularly monitor and evaluate their procurement systems to ensure that they are efficient, effective, appropriate and continue to represent value for money, cost to Developments Authority and suppliers of procurement activities should be minimized as far as possible.

This may be achieved by following practices:

- Procurement are effectively planned and approved prior to commencement;
- Specifications are not unnecessarily complex, or onerous; costly or time consuming, but is still designed to adequately deliver the value for money outcomes;
- Procurement activities are not unnecessarily complex, costly time consuming or having uncertain outcomes;
- Pre-qualifications, short listing and staged-procurement are under taken where appropriate;
- Contracts resulting from procurement activities should be managed so as to produce best available value outcomes; and
- Procurement officials should be trained and competent.

III) Element of Open and Effective Competition:

The general principles are that the Procurement Staff should be transparent and procurement methods should suit market circumstances and facilitate levels of competition commensurate with the benefits received .The procurement staff should readily accessible to the public and in particular to all potential suppliers/contractors. In addition, there should be predictable bidding environment in which suppliers/contractors can readily evaluate their competitiveness and their chances of winning contracts. These can be achieved by acting consistently with the transparency principles and practices set out in Para (I) above.

11. Encouraging Competition in an Open Environment:

Procurement process should readily be designed to encourage levels of competition among suppliers/contractors commensurate with the anticipated value of money benefits from that competition.

Consideration may include:

- Ensuring that the maximum numbers of contractors/suppliers are able to compete, including access for new potential contractors/suppliers to opportunities, consistent with the value for money principles and with efficient operations of the procurement systems.
- Ensuring that the procurement procedures are flexible enough to accommodate market conditions; and
- Avoiding unnecessary costs for buyers and suppliers.

In practice Development Authority may choose for open, limited or restricted procurement process depending upon circumstances of each case as set out in Para (8) above.

The following may be necessary to ensure that procurement action facilitates effective competition:

- Specifications are adequate and drawn up, where possible, in terms of performance/functional/operational requirements using international or other standards;
- Or equivalent should be added to a particular trademark, patent, design or type, specific source of origin, producers or suppliers prescribed in tender documentation.
- Sufficient time for tendering is allowed to enable interested parties to prepare for participation;
- Requests for offer are made in good time, effectively prompted in the market and are clear, succinct and informative;
- Bids are evaluated expeditiously on whole of life basis against the notified criteria, giving all bidders full opportunities to demonstrate benefits they can provide; and
- Any negotiation undertaken with the supplier/contractor is conducted in structured and ethical manner by trained and experienced negotiators.

Also, good market knowledge can help Developments Authority to design and plan the procurement process, to identify new sources of supply as well as to conduct the procurement in the most effective manner. The Developments Authority may use methods such as rate contracts, Invitation to Register Interest or Requests for Proposals to identify the market and available or possible product or services, or to encourage suppliers/Contractors to propose solutions where the fundamental nature of solutions to a requirement is not clear.

12. Responding to Conditions that limit Competition:

Developments Authority should ensure that limitations to competition are effectively addressed to ensure value for money outcomes. Competition may be limited by factors such as existence of monopolies or cartels, limited number of qualified suppliers/contractors, urgency of requirements, need for compatibility with existing products and difficulty in persuading suppliers/contractors to bid. Developments Authority should adjust their procurement method to achieve the best value for money in such limited competition situations.

IV) Elements of Fair Dealing:

The general principle is that the procurement system should be designed and Developments Authority should conduct in themselves in ways such that procurement activities are conducted in fair, reasonable and equitable manner and with integrity.

13. Procurement Process:

The Procurement process should be fair and seen to be fair and should treat all parties even-handedly.

This may be achieved by the following practices:

- Contact between all procurement and evaluation personnel and tenderers and prospective tenderers should be on formal basis once the formal procurement procedure start;
- All the suppliers/contractors should be accorded fair and equitable opportunity and treatment at all stages of procurement from access to pre-tender information to debriefing and consideration of complaints (without prejudice to tenders in future);
- Qualification of suppliers/contractors and technical specifications should not be prepared, adopted or applied with a view to, or with the effect of, creating unfair advantage to some supplier/contractors;
- Tenders should be kept sealed until they are opened and there should be clear policy or regulation setting out the circumstances under which they would be invalidated.
- Tenders should be opened by a designated tender opening committee as constituted by the Vice Chairman, which should authenticate the tenders and keep a duplicate copy of the tenders before passing them to the officers responsible for the evaluation of the tenders. The tender opening team should also properly record the names of the tenderers and tender prices.
- Clear and responsible time limits should be set for various stages of the procurement process and should be followed strictly by all parties .In particular, there should be a clearly defined policy on whether and in what circumstances late tenders may be accepted.
- Technical specifications and evaluations should be undertaken by more than one evaluating staff member or a committee to confirm their freedom from bias, and to verify that the offer contain all the elements necessary to enable them to be compared on a common basis.
- Any short listing process for negotiation should be conducted in a fair and equitable manner and any negotiation should be conducted in a structured and ethical manner and;
- Bids should be evaluated strictly and contracts awarded strictly according to the published criteria. Any action that the Developments Authority is entitled to take, such as negotiation or cancellation of tender should be included in the published criteria.

14. Procurement Personnel:

Procurement Personnel should at all times treat suppliers/contractors fairly and even handedly and with integrity. Officials involved in procurement should have access to interalia:

- Advice about legal and legislative obligation and requirements.
- Whole of Government advice such as Codes of Conduct; and
- Agency/Department –Specific or work area instructions or direction ,including procedures to address instances of conflict of interest .

15. Disclosure of Interests:

Procurement Personnel should not allow the pursuit of private interests to interfere with the proper discharge of their official duties. Also they should not allow their conduct to warrant any suspicion of conflict between their official duties and their private interest. Early and open disclosure of personal interest will allow management to prevent a conflict of interest from arising.

In Practice: -

- Procurement personnel should disclose any interest directly or indirectly possessed, which conflict or might reasonably be thought to conflict with their public duties, or improperly influence their conduct in the discharge of their public duties; and
- Procuring agencies should have a systematic way to address conflict of interests e.g. where a Procurement officer posses an interest which conflict with his public duties, the basis of that interest should be discontinued, or the person should cease the duties involve or obtain management permission to continue.

16. Gifts Benefits and Hospitality:

Procurement Personnel should not solicit or accept gift benefits or hospitality, which might Influence or be perceived to influence the conduct of their duties. Potential suppliers /contractors should not seek to influence procurement personnel in their duties by gifts, benefits or hospitality.

In Practice: -

- Procurement Personnel should not solicit or accept gift benefits or advantages or whether for themselves, their immediate family or business concern or trust with which they are associated from persons who have or ,seek to have supply contracts with their agencies .
- Procurement Personnel should not accept any gifts or hospitality from supplies /contractors expect as may be permitted under rules of their agencies.
- When it is difficult to decide whether an offer or gift or hospitality is acceptable or not, procurement personnel should decline the offer or seek the advice of a superior.
- Procurement Personnel should report to management immediately any attempts by suppliers/contractors to undermine impartiality and independence of action by the offer of benefits or other form of inducement.
- Procurement Personnel should avoid occasions where their presence may appear to imply a close relationship with the suppliers /contractors or lead to perception of a conflict of interest.
- Procuring Agencies should have a clear policy on whether their procurement personnel may accept any purchasing privileges offered to them by suppliers /contractors. If such privileges are allowed, value and quantity limits should be set .It is vital that the requirement for fairness and equity is not compromised by this practice, which can place procurement personnel under pressure to regard certain suppliers /contractors favorably.

17. Confidentiality and Accuracy of Information:

Commercially sensitive information should be kept secure and should not be used for personal gain or to prejudice fair, open and effective competition. Information given by procurement personnel in the course of their work must be accurate, impartial and not designated to mislead.

In practice, Procurement Personnel:

- Should not give one-supplier or tenderers prices to another to meet or beat.
- Should not reveal details of commercial arrangements including the details of contract pricing, in a way that compromises the commercial interests of the suppliers /contractors concerned.
- Safe guard commercially sensitive information physically so that other parties do not release it deliberately or inadvertently, and
- Should not use information obtained in the course of official duties to gain directly or indirectly pecuniary advantage for himself or herself or for any other person.

If a procuring agency engages consultants to assist in the tender evaluation process, they should also be subject to the principles mentioned under point 14 and 15.The contractual agreements with such consultants should contain a statement to this effect. Also stipulate that information gained during the tender evaluation may not be disclosed for a specified period after the evaluation.

18. Separation of Responsibilities and Authorization Power:

To exercise the internal checks and avoid the possibilities of frauds manipulation and similar acts where practicable the various responsibilities and authorization in procurement should be separated.

- One method could be to rotate duties so that key decision areas are not continuously in the control of one individual. Rotation can reduce the risk of relationships that are 'too cozy' developing between a particular staff member and supplier, or the appearance of this.
- Other method may be sanctioning of expenditure and authorization of payment should separate functions to be undertaken by different authorities/officer.

19. Procurements Records:

A record should be kept in relation to every contract awarded. The information recorded should be sufficient to justify decision taken in the procurement process.

V) Element Of Accountability and Due Process:

The general principle is that buyer procuring agencies and individual procuring personnel should be and are seen to be, accountable to the end users, the public and suppliers/contractors for the efficient cost-effective and fair conduct of their procurement; and that mechanism for scrutiny of the procurement process and avenues /channels for review of complaints should be available.

20. Procurement Process:

The Developments Authority should establish and make known clear procurement laws/regulations /policies /practices and procedures; and procuring agencies and personnel should follow them without intentional or negligent infraction through out the entire procurement process.

21. Record Keeping:

Proper record should be kept of the entire procurement process, including decision and action taken during the procurement process and the reason for taking them, to the extent that is sufficient to justify the decision and action taken. These records should be retained for a predetermined period.

In practice, matter that should be documented include:

- Specification of the items/services to be procured..
- Budget availability
- Approval to spend public money.
- Selection of procurement methods.
- Criteria for evaluating and selecting tenders.
- Discussion with potential tenders before tender close.
- Opening and authentication of the tender received.
- Names of the tenderers who have participated in tendering.
- Contents of invalid tenders and reason.
- Clarification of tenders or other discussion with tenderers during tender evaluation.
- Decision on selection of tenders.
- Authorization and signing of contracts, and
- Reason for varying a contract.

22. Independent Scrutinies:

Scrutiny mechanisms should be put in place to support and ensure accountability and due process.

Such mechanisms: -

- should operate in way that are independent, according to their circumstances, scope and objectives, and are not subject to the authority., control or influence of scrutinized entities ; and
- should treat, and be seen to treat, all parties even handedly and fairly .

In practice, such mechanisms may include: -

- Management controls and internal audit procedures designed to ensure efficiency, economy and probity in the agency use of public resources,
- Internal scrutiny of action or decision of a procurement official or section within an agency by another official or section of that agencies; and
- Scrutiny by another government agency, which may or may not be independent of government influence, such as an audit by another and government organization like local fund Audit Department or an outside audit by auditing firm

23. Review Mechanisms:

Mechanisms should be put in place for handling complaints about procurement processes or alleged breaches of procurement laws/regulations /policies /procedures which cannot be resolved through direct consultation with the procuring agency in the first instance, such mechanisms should provide

independent, impartial, transparent, timely and effective procedures for the review of such complaints or alleged breaches by suppliers/contractors who have, or have had, an interest in the procurement concerned.

In practice, this can include: -

- Designating a review body / person for the purpose of an objective and impartial review of the complaints /alleged breaches. The review body may take the form of a court, an independent review body, a government agency not directly involved in the procurement, or a reputable private sector arbitration/mediation service. The review body should have no interest in the outcome of the procurement and its members should be secure from external influence during the review.
- Providing for correction of the breaches or compensation for the loss of damages caused, which may be limited to the cost of tender preparation or protest.
- Making information on the review mechanisms including its scope, objectives and operations and rights and obligations of all parties involved, readily available and accessible to suppliers/contractors and
- Making the review mechanisms available equally to domestic and foreign suppliers/contractors.

24. Openness and Transparency

The procurement process should be open and transparent. Openness and transparency support and help ensure accountability and due process. In practice this can be achieved by acting consistently with the transparency principles and practice, including those in the area award of contracts, set out in the paragraph.

I- Elements of Transparency above.

VI) Elements of Non – Discrimination

The general principle is that procurement laws, regulations, policies, administrative guidelines, Procedures and practice should not be prepared, adopted or applied so as to afford protection / favour / preference to, or discrimination /bias against, the goods, services or suppliers of any particular economy/economies. The use of discriminatory practices in Government procurement undermines the competitive process and thus the ability of member government to achieve the best possible value of money outcomes. This principle should apply at all stages of procurement.

In practice this can be achieved through the following:

- The same information on procurement opportunities should be available in a timely manner to all potential suppliers/contractors. For example, publishing tender information through the Internet allows it to be available instantaneously to all interested suppliers/contractors wherever they are.
- Criteria for qualification for suppliers/contractors, evaluation of bids, and awards of contracts should be based solely on the ability to meet the procurement requirements such as technical competence, and value for money consideration in terms of relevant benefits and costs on a whole of life basis.
- Where open call for tender is not practical, selective invitation to tender should be based on non-discriminatory and objective criteria of ability to meet the procurement requirements, consistent with the open and effective competitive principles and practices identified.
- Tender specification should not be prepared, adopted or applied with a view to, or with the effect of creating bias for or against the goods, services or suppliers of any particular economy/economies; or unnecessary obstacles to trade. Where possible, tender specifications should be drawn up in term of performance /functional operational requirements using international or other relevant standards.
- Bids should be evaluated and contracts awarded strictly according to prescribed criteria. Post tender negotiations would not normally be allowed. However the Vice Chairman may allow post-tender negotiations in the cases in which he deems fit.
- The Development Authority should conduct negotiation in a structured and ethical manner and should not in the course of negotiation discriminate between goods, services or suppliers / contractors. Also an opportunity to submit revised bids should be provided on a non – discriminatory basis.
- Any debriefing should be available to all participating suppliers /contractors and suppliers/contractors having an interest in the procurement concerned, on a non – discriminatory basis, and;
- Suppliers /contractors should not be unjustifiably excluded from the procurement process.

Part II: GENERAL PROCEDURES & OPERATING SYSTEM

A. Land Acquisition and Taking up Schemes/Projects.

1. Initiation of Proposals For The Land Acquisition:

Proposals initiated for schemas/projects would be recorded in the record for proposals in the pipeline, giving details of follow up, its outcome and actions taken. Follow up would be done in time bound manner. Follow up action and each level /phase would be closely monitored by an higher authority/higher level officer. Flow chart of different stages for land acquisitions may be:

- Initiation of proposal for land acquisition.
- Approval from the Vice-Chairman and Board
- Forwarding of proposal to the District Administration
- Approval of proposal by revenue board
- Forwarding of approved proposal to the Housing Secretariat Government of U.P.
- Notification of proposals for no objection from the public.
- Settlement/Disposal of objections raised by public at Government end by a committee at Government level.
- Approval of proposal from the Minister
- Sanction of the Housing Department Government of Uttar Pradesh.

The record of proposal should give complete detail information regarding status of Proposal at each of the phase/stage.

2. Initiation of Schemes/projects (on land acquired or land acquisition under pipeline or land to be acquired)

Land acquisition follow up and monitoring would be close as per the criteria laid down at (1) above. Regarding taking up a new scheme/project the procedure/criteria for the follow up and monitoring is given as under:

- Scheme/project conceived, should be supported by cost-benefit analysis feasibility report based upon Preliminary Estimate
- Status of land acquisition
- Status of Approval and sanctions sought and to be sought from respective Government Agencies.
- Funds availability including arrangement of loans from the financial institution end/or commissioning of projects through builders agreement.
- Approval of proposal from vice-Chairman and the Board
- Forwarding of proposal to the Government of Uttar Pradesh
- Notification of Government of Uttar Pradesh for taking up the scheme/project for inviting of public response, suggestions/ objections etc.
- Taking action on public opinion including review, modification in the scheme/project and settlement of public objections and other bottlenecks.
- Revision of scheme/project and redrafting of cost-benefit analysis cum feasibility report.
- Approval of scheme/project from Government of Uttar Pradesh through concerned ministry. Different phases/stages should be recorded in the Project/Scheme/Record report for this purpose. Follow up action would be done in the time bound manner and closely monitored at each stage/phase/level by a higher authority/higher level officer as per the jurisdiction and flowchart of the activities/stages.

1. Preparation of Preliminary Estimation:

For preparation of Feasibility Report Preliminary Estimates for all the schemes/projects would be prepared by Engineering and works Department in time bound manner and would be recorded in the record for the Preliminary Estimation for monitoring of the work of preparation of estimate. These estimates shall be put up before Vice-Chairman for its consideration and approval. There upon the Vice-Chairman would put the estimate before the board for its sanction .The board shall after study of the estimate and after taking the opinion of the consultants if any would sanction the proposal subject to conditions if any thought fit in the given case, and subject to technical sanction and availability of funds.

2. Preparation of Detailed Estimates:

Upon sanction of the preliminary estimate for the scheme/project/proposal from the board, detailed estimation would be prepared by the engineering and works department .Detailed estimates would include all the components of the scheme/project, bill of quantity and appropriate rates taking PWD/CPWD norms for rates analysis. The detailed estimates would be prepared in the time bound manner and record for the detailed estimation for monitoring the work of preparation of estimates .

3. Technical Sanction of the Estimates:

Detailed estimation would be sanctioned by the technical committee comprising of :

- HOD Engineering/Works Department
- The Secretary
- The HOD Finance and Accounts Department
- The Consultants for the scheme/projects if any

The technical sanction would be authorized as laid down under Para 5.1 of Para II of "Work Procedures" of this Section.

4. Administrative and Expenditure Sanction

After preparation of estimates as above, administrative and expenditure sanctions shall be obtained as provided under Para 6 of the Part IV : of "Works Procedures" of this section.

B Procurement of Stores, Materials, Equipments and other items:

Stores materials requirements for the works would be determined as per the technically sanctioned estimates and the procurement would be made as per the material budget plan for taking up the works i.e. at own through the contractors. In the case of works through contractors, vertical contracts would be awarded and in no case material should be provided by the Development Authority except in case where material is to be provided as per the terms of the contract. Requisition for the desired bill of quantity would be prepared by the Engineering and Works Department and forwarded to the purchase and supply department.

In case of Procurements other than for works, the user Department would prepare the Demand Requisition Note giving reasons why the said materials/items are needed and quantity thereof. The demand requisition as authorized by the HOD of the concerned user Department would be forwarded to the Purchase and Supply Department for procurement. Procurement would be made through tendering and some other methods of procurements as per principles laid down in the I- part on "General Principles".

5. Selection of Procurement Method

5.1 For Works:

Following may be methods of procurement:

- Award of Contracts through tendering process
- Taking up the works at own on payroll or through work charge staff
- Taking up small works through works order
- Taking up small miscellaneous jobs/works at own on pay roll basis

5.2 For Supply:

Following may be the methods of procurement:

- Government of Uttar Pradesh Rate contract or DGSND Rate contract basis.
- Supply Contract
- Supply Order

6. Procurement Alternatives:

6.1 Works order/Supply order on quotation basis

For small amount of procurement of non-recurring nature, quotation system may be preferred. Quotation may be displayed on the notice board and may be invited through the tender notice advertised in news paper/trade Journal or through private enquiry basis (from the reputed firms only). The resources for selecting particular method for inviting the quotation shall be recorded in writing.

6.2 Contract:

- a) Items under rate contracts of U.P. Govt. or D.G.S & D shall be purchased only from the approved firms on approved rates except in case of exceptional circumstances, to be reduced into writing, warrant otherwise.
- b) Items not covered in (a) above shall be purchased preferable from the manufacturer(s) or through the proper Tendering system.

6.3 Tendering for Award Of Work/Supply:

This is most preferred method of procurement to get the best for money.

PART III-TENDERING PROCEDURES:

1. Preliminary Requirement for Tender

- Administrative Approval
- Technical and Expenditure Sanction (Financial Sanction)
- Budget Allocation
- Availability of Funds
- Selection of Appropriate Method of Procurement

2. Floating of Tender

- 2.1.1 Tender bids for projects upto a specified limit shall require only Price Bids. Thereafter technical and financial bids shall be called as per the provisions of Works Manual of the Development Authorities
- 2.1.2 The Executive Engineer /HOD Purchase Supply Department shall prepare the tender documents on the basis of standard terms and conditions. No deviation as to the standard terms and condition is permissible without approval of the government. Additional conditions may be stipulated with the approval of V.C.
- 2.1.3 In case of works Executive Engineer shall forward the documents to the SE/CE, where the same shall be checked for all aspects including technical feasibility of Scheme /Project, Work specifications, bill of quantity, calculations, tender conditions etc. He will then submit the same to competent authority for approval. Special attention shall be exercised on terms relating to time schedule (CPM/PERT) for completion, penalty conditions, maintenance schedules, pre qualification condition and methodology/technology of the construction process.
- 2.1.4 It is to be clarified in the tender document that under no circumstances rates will be revised upwards. Extension of time as permitted under these rules relates only to permitting the Contractor to continue the work and not forfeit his security deposit.
- 2.1.5 Care is to be taken to include detailed specifications in such away that no need will arise for extra items/substituted at the later date. Prospective contractors are also to sort out all such likely issue before quoting the rate as no extra cost will be sanctioned after the rates have been approved .
- 2.1.6 The competent authority to approve the tender documents shall be

For Works

As per the provision of Work Manual of the Development Authority.

For Supply

As per the provision of Work Manual of the Development Authority.

- 2.1.6 The approved documents shall be forwarded to Communication Section for tender publication by SE/CE. All tenders shall be floated through a single file. It shall be the responsibility of SE/CE /HOD Purchase and Supply Department to ensure that the tenders are combined in a manner so as to make their publication cost effective. The tender will be forwarded to Communication Cell at least 3 day in advance.
- 2.1.7 The standard time schedule to be followed in the case of tender as regards the minimum period between publication date and tender opening date shall be as follows:

Tender Value Limits or Limits As provided in the Works Manual of the Development Authorities	No. of days
a) For Projects up to 10 lacs	10 days
b) For Projects above 10 but less than or equal to 50 lacs	14 days
c) For Projects above 50 lacs but less than or equal to 100 lacs.	21 days
d) For projects above 100 lacs.	28 days
e) For Supply	15 days

However the limit sums as the provisions of Work Manual of the development Authorities be applied.

3. Tendering Authority:

The concerned superintending/Chief Engineer/HOD Stores. Purchase and Supply Department would be responsible for inviting the tender.

****Preliminary Requirements for Tendering:**

- Sanctions of Bill of quantity/Technical sanction of the Estimate.
- Budgetary Allocation
- Availability of Funds
- Selection of Method of Procurement.

4. Preparation of Tender Notice:

The tendering authority would prepare the draft of the tender notice where in he would record the bill of quantity, manufacturer's name, design, performance objects time frame for the supply or work, last date of submission of tender offer, venue of tender submission, date of tender opening, earnest money deposit, security/performance deposit etc. The tender notice would also specify the contract point for further enquiry, category of contractor/supplier eligible for the bid, terms and conditions of the bid evaluation and Selection and any other method.

- (i) While specifying the categories of the contractors/Suppliers upper category contractor/supplier may be allowed to participate in the lower amount bid.
- (ii) For very large amount of bid (8.5.141 crores & above) even contractors not registered with Development authorities would be allowed to participate provided they fulfill the criteria at for the technical part of the bid which may be provided to them with the tender offer document and bid document from such contractors/suppliers may be asked in two parts viz (I) Technical part and (II) Financial part. Technical part of the bid may be evaluated first.

5. Publication of Tender Offer:

Tender offer should be advertised in the newspaper/Trade Journal/internet/or any other suitable mode or more than one mode collectively at a time. While publication of tender notice following criteria should be adhered to:

For Works up to Rs.50 lacs-having & for supply up to Rs.10 lacs	Tender notice should be invited at least two newspapers circulation more than 50000out of which one should be.State Level Newspaper
For works above Rs.50 lacs & For Supply above Rs.10 lacs	Tender notice should be invited at least two newspapers one National Level and other State Level.

The limits of publication of tender other shall stand revised from to time as per the provisions of the Work Manual of Development Authorities.

6 Requirements For Qualification of the Tenders

6.1 EXPERIENCE OF EXECUTION OF SIMILAR WORKS.

The tenderers should have appropriate experience in similar works for last four years in organized sectors. The tendered must have experience of successfully executing work as stated below.

For Work

S.No.	Categories	Work Experience	Work Done As per provisions of the Work Manual of Development Authorities.

For Supply:

S.No.	Categories	Work Experience	Work Done As per provisions of the Work Manual of Development Authorities.

The said certificate of experience from the Engineer-in-Charge of the work not below the rank of the Executive Engineer or equivalent rank officers only shall be considered acceptable in Govt./Semi. Government organizations.

6.2 FINANCIAL CAPABILITY

- a) The contractor should have a minimum tangible net worth of at least 25% of the bid value or as provided in the Work Manual of the Development Authorities. Net worth will mean value of Fixed Assets as per last audited Balance Sheet (after providing Depreciation) Plus Net working Capital (current Assets minus current liabilities).
- b) Proof of liquid assets duly certified from bank shall be submitted (original or attested).

6.3 TECHNICAL SUPERVISORY STAFF

The tenderers must have staff on their payroll as provided hereunder:

7. Short Term Tender Notice

In case of cancellation of tender the second tender can be of shorter duration. Cancelled tender and other short term tenders can be released but only with the prior approval of the sanctioning authority as given below: -

- | | | |
|----|--------|----------------------------|
| a. | OSD/VC | for project up to 50 lacs |
| b. | VC | for project above 50 lacs. |

Or as per provisions of the Work Manual of Development Authorities.

8. Receipt of Tender

- 8.1 On the last date of submission of tenders, a tender box, duly locked and sealed, shall be placed at the pre-designated location. The tender box shall clearly indicate the name of work, tender number, date of publication of tender and the last date of submission.
- 8.2 The tender box shall be locked and sealed by the authorize Accounts Officer/Accountant in the presence of the Assistant Engineer of the Division responsible for undertaking the works. The keys shall be kept under double lock in the cash safe.
- 8.3 At the scheduled time, the tender box shall be closed and a certificate obtained from the Assistant Engineer and any or all of the contractors present at the time. One copy of the certificate shall be stuck on the tender box itself while a second copy kept in a sealed envelope. Under no circumstance shall any tender be accepted after the scheduled time.
- 8.4 Effort should be made to ensure that the last day of tender submission be fixed on a week day by 15.00
- 8.5 The officer designated shall transfer the tender box to the meeting room and the tender committee to asked to an able with an half an house of the tender closing hours and it will be opened on the same days at 16.00 hours.

9. Tender Opening Committee

All Tenders shall be opened in the presence of the tender Committee as confirmed by Vice Chairman. In this regard the provisions of Work Manual of the Development Authorities shall apply.

10. Prequalification Bid Opening

In this regard the provisions of Financial Hand Book Vol. VI shall apply till the implementation of Works Manual.

11. Price Bid Opening

- 11.1 Price bid shall be opened on next Monday (or 3 working days after opening of pre qualification bids) of such contractors who are present. This will also be applicable in case of tenders up to Rs.5.0 lacs where pre-qualification bids are not called for. The Tender Committee shall sign and put date on the opened documents. A comparative chart of the offers shall be prepared by EE (Division supply purchase and supply department) along with a designated Account Office and signed by the Tender Committee immediately.
- 11.2 The assistant Engineer under whom the project is to be undertaken shall within 4 days of opening of price bid, submit his comments and justification to the EE He (AE) should ensure that the rates at which the works are contracted are reasonable considering the present conditions. He shall prepare the detailed justification statement as per procedure laid down in the Works Manual of the Developments Authorities relating to 'Examination of Tenders by the Tender Committee'. This will be completed within 4 days of opening of price bid. Incase of supply the designated officer would within four days of opening of tender price bid, should give justifications for the rates.
- 11.3 The Concerned EE HOD purchase and supply department shall within 4 days of opening tender, check the papers and place the same before the designated Tender Committee for its consideration. The Tender Committee will not only examine the tenders with respect to justified

rates, but shall also compare the tendered rates with the rates accepted for similar work in the past six month.

- 11.4 The Tender Committee recommendations shall be forwarded to tender accepting authority as per the provisions of Works Manual of Development Authorities. In the event of the tender accepting authority not being in agreement with the finding of the Tender Committee, he/she shall record his/her detailed reasoning and cancel the tender.
- 11.5 The entire tender accepting process should be completed within 14 days from the date of opening of pre-qualification bid. The concerned Executive Engineer/HOD Purchase and Supply Department should issue tender acceptance letter to the contractor within 2 days thereafter.
- 11.6 As a general rule, no negotiations shall be carried out with any of the bidders for reduction of rates. However, in exceptional cases, where exigency demands, negotiations may be permitted by Vice Chairman to be conducted with the lowest bidder and revised offer received in sealed envelop to be opened before the Tender Committee at an appointed date and time.

12. Contract Bond

- 12.1 On completion for the tendering process, a contract agreement/bond shall be drawn between the designated officers and the contractor. This job is to be completed within 15 days of issue of acceptance
- 12.2 All agreement bonds in original shall be kept in safe custody of Chief of Accounts Section or by the officer or authorised by him, who will ensure that adequate number of certified copies are available for the concerned Contractor, EE/SE/CE, of division/HOD of Purchase and Supply Department.

13. Award Of Contract Without Tender

In case of urgency, or works of a specialist nature, the work may be awarded on work order on selection basis, without calling for an open tender, The prices, nature of urgency or specialization shall be recorded before dispensing with the procedure of calling for tenders. Financial powers for the award of the contract on selection basis will be as per the provisions of Works Manual of Development Authorities.

14. Inconsistency between Works Manual and Accounts Manual Of Developments Authorities

In case of inconsistency between provisions of the Accounts Manual and Works Manual of Developments Authorities, provisions of the Work Manual shall prevail.

PART IV- WORKS PROCEDURES

1. Introduction: -

The need for the standardized works procedures for the Development Authorities of Uttar Pradesh was felt much long time before. In addition elements of transparency and concept of accountability have to be brought in the functioning of the Development Authorities. Some elements have been identified on the principles of transparency, value for money, open and effective competition, fair dealing, accountability and due process and non-discrimination. The principles developed have been enunciated in the I-Part of this section on "General Guiding Principles". The personnel's conducting the procurement would be in this position to decide on the applicability of individual elements taking into account the specific circumstances as well as the past of benefit of adopting specific measurers. Procurement procedures and practices both in the case of works and supply have been covered in the II-Part of this Section on "General Procedures and Operating System" While tendering procedure have been covered in the II-Part of this Section on "Tenderizing Procedures".

In the upcoming paragraph emphasis has been in laying down standardized illustrative works procedures to guide support the personnel handling the works and related activities.

2. General Principles: -

Some of the most commonly addressed principles are enunciated here in under :-

- 2.1 No work shall be commenced, are liability incurred until following approvals are sought.
 - Administrative approval and
 - Expenditure sanction.
- 2.2 No work shall be sanctioned unless the budget provision exists for it.
- 2.3 No work shall be split to bring it within the powers of a specified competent authority.
- 2.4 When a thing or act falls within the powers of specified authority then delay at any stage because permission of higher authority has not been taken would not be permissible. (The said specified authority would take action under intimation to the higher authority if it were required.
- 2.5 When a decision or a action is to be taken at the end of a higher authority in no ease any such action or the decision taken up beyond the time stipulated as per time frame, stating that the matter was not forwarded to them or processed at subordinate level (for example in awarding a contract at CE level, all the matter should be perused at CE level and at no point matter should be left to the subordinate level to come up in own way).
- 2.6 Efforts shall be made to execute the job/works a departmental activity so as to ensure optimum utilization of junior and supervisory staff resources.
- 2.7 Works through labour contract should be resorted to as an exceptional cases (other than the cases where lab our contract is suitable) as the supply of materials by the department generally leads to delays and losses on account of wastage.
- 2.8 Detailed specifications are to be prepared at the time of tendering so that no further sanctions, like extra items, in lieu items etc, are sought in between.
- 2.9 The Procedures detailed in upcoming paragraphs can be amended only with the prior approval of Government. The Vice Chairman keeping in view local factors, requirements may, however, prescribe additional guidelines.

3. Basis of Preparation of Estimates: -

The development Authority would follow the U.P. P.W.D. Schedule of rates for all the works, except multi stories, changes, if any in base, can be made only after approval of the vice-chairman.

4. Preparation of Preliminary Estimates: -

For all the works/jobs the department would prepare departmental estimates. The concerned section/division would prepare a case in brief with estimate of the cost involved on not exceeding basis and seek acceptance of necessity of administrative approval.

5. Preparation of Detailed Estimates:

The Executive Engineer shall in consultation with SE/CE (for obtaining works specifications) would be responsible for the preparation of detailed designs and estimate to obtain

- i) Administrative Approval
- ii) Expenditure Sanction.

6. Technical Sanction: -

6.1 The Technical sanction of detailed design specifications and cost involved would be obtained from the technical committee, constituted as under: -

- a) Secretary
- b) Financial controller (CAO)
- c) SE/CE

- 6.2 The concerned section of each member of the technical Committee shall evaluate the project from his/her point of view viz :-
- 6.3 Finance Section- To Budget availability and fund availability and financial evaluation.
- 6.4 Engineering Section - Design Specification; comparison with standard design; layout; technical Specifications, rates of estimates prepared for the project.
- 6.5 Administrative Section- availability of land, land acquisition status and disputes, if any.
- 6.6 In the event of members having objections/ clarifications to any of the points under their respective areas of responsibility, the same shall be communicated in writing to the remaining members, latest by the following Monday, so that remedial measures may be taken.
- 6.7 The Technical committee shall meet for ever sanction to the proposed project i.e. detailed estimates, designs and specifications.

7. Administrative and Expenditure Sanction: -

- 7.1 Executive Engineer, after obtaining sanctions of the technical Committee would forward the case to the sanctioning. Authority for expenditure sanction as per the provisions of Works Manual of Development Authorities.
- 7.2 On obtaining the administrative approval and Expenditure sanction, SE/CE shall intimate to EE for tendering process.
- 7.3 Tendering Prices i.e. issuing tenders, opening tenders, bid evaluation and award of contracts have been covered under Procurement Procedures.

8. Issue of Measurement Books: -

The concerned JE would prepare requisition for the issue of the measurement books. The said application would be recommended by AE/EE. The designated Accounts Officer would issue the measurement book to the JE after verifying that the previous measurement books issued and consumed have been duly returned. Return of measurement book upon completion would be recorded in the Measurement Book Registers kept in the Finance and Accounts department. Consumed Measurement Books would be kept under control of the designated Accounts Officers as provided. Two Measurement Books at a time may be issued to the JE.

9. Billing Of Works

Register of Measurement Book shall be kept in the Finance and Accounts Department wherein all the receipts will be recorded. Measurement Books Shall be Machine numbered and get printed by the Finance and Accounts Department after taking approval of the Vice Chairman.

The bill should be accompanied by following documents when it is submitted to Accounts Section for payment by the sanctioning authority as detailed: -

- a. Measurement Book
- b. PERT/CPM Chart giving the progresses against schedule
- c. Indenture for secured advances
- d. Material issue and consumption statement for cement and steal etc
- e. Recovery Statement
- f. Test Check Statement
- g. Part Rate Statement
- h. Extra/Additional substitute item statement
- i. Farkati (with final bill)
- j. Certificate of quality and manpower and machines as per terms and conditions of tender by EE
- k. Bill Summary Statement (Photocopies of approvals regarding time extensions/penalty waivers from the competent Authority.)
- l. Completion Certificate

Billing Procedure

- (i) All bills will be prepared on standard U.P.P.W.D./C.P.W.D. format
- (ii) As a general rule bills are to be raised by contractors on a fortnightly basis.
- (iii) Only two measurement books shall be issued to JE on which he shall record his measurements whenever he visits his site. The measurement book will accompany Bill, when it is submitted to the Finance and Accounts Department. While the first measurement book will be used to record measurements .The M.B must be up to date at all times and one book shall always be available at the site for inspection. Cross-references shall be done in the two measurement books.
- (iv) The quantity of building material will be entered on the day of receipt. In case of material not being found satisfactory and rejected the quantity will be subtracted giving the reference the quality control report in the MB boll. However, it will be ensured that payment is not made unless quality is certified.

- (v) Bills shall be prepared and submitted by the contractor and should be complete in all respect i.e. all columns should be properly filled and it should be signed by the contractor along with seal of the firm.
- (vi) The bills raised shall be verified 50% by the AE with reference to the measurement book Maintained by him and physical measurement at site.
- (vii) The EE shall test check the measurements up to 25% for rates and measurement book and other terms and conditions before approving the bill. He shall include such documents certificated required and necessary to process the bill e.g. Q.C. report of checks done by him.

10. Variations:

For Variation in the quantities of items in existing works, the competent officers shall after satisfying themselves about necessity, accord sanction for variation in Contract, provided rates are not revised upwards as per provisions of the Work Manual of the Development Authority.

11. Sanction of Bill: -

11.1 Bill Sanctioning Authority

- a) EE up to 50%(including all advances) on recommendation of the AE. EE will verify the measurements and quality before approving the bill. However, he will inform SE/CE regarding the payments sanctioned by him against work done on fortnightly basis.
- b) SE/CE above 50% till completion of work on recommendation of EE/SE, and satisfactory quality of work. At all level of sanctioning and verifications, terms and conditions of the contract agreement relating to maintenance ,security money deductions, retention money, delay, penalties etc. shall be considered and recorded.
- II) The final bill of a contractor can be processed only after a Certificate of Completion has been issued by EE.

12. Completion Certificate:

- 12.1 The issue of works completion certificate shall be initiated by the specified person as per the provisions of the Works Manuals of completion of work, prior to the maintenance period if any and will be forwarded to EE.
- 12.2 The EE shall verify the certificates on the basis of the M.B. and his own records pertaining to physical measurements and Q.C. reports before forwarding the same to the Finance Accounts Department .
- 12.3 Incase of individual contracts valuing upto a specified limit, the EE is authorized to issue a Completion Certificate. This should be done within 7 days of initiation of completion and forwarded to SE along with all relevant documents and Certificates required for final bill as listed for final payments.
- 12.4 In Project above the specified limit the EE shall record his recommendation and countersign on Completion Certificate and forward it to the SE within 7 days of the receipt of the Completion Certificate format.
- 12.5 In case of individual contracts valuing in excess of 10 lacs, Se staff are the Completion Certificate shall be issued by the SE on presentation of all documents by EE. The Certificate shall be issued after inspection by within 7days of receipt of documents from EE.
- 12.6 The Completion Certificate will necessary accompany the final bill.
- 12.7 EE shall withhold the security deposit or an amount provided for maintenance in the contract till the completion of maintenance period. Recommendation to withhold the payment for it should be recorded on the completion certificate by the EE.
- 12.8 On completion of maintenance period, the prescribed authority for issuing of completion certificates, will authorize the release of the withheld security/retained money after deductions if any.

13. Works Delegation:

All development activities shall be carried through Division. The Division to undertake the particular roject Development work shall be identified by the CE.

13.1 Division shall constitute of: - JE /AE and EE as per the provisions of work Manual of Development Authorities

Delegation of Development Works

Allocation of works shall be as per the provisions of the Works Manual of the Development Authorities

14. Specific Job Responsibility of Division:

Detailed responsibilities of personnel within a Division in addition to those in the Works Manual of the Developments Authorities shall be as assigned by the SE/CE/VC

15. Time Extension:

Time Extension may be asked for but extension will not mean revision of rate under any circumstances. Time extension is to be sought out so that the Contractor is permitted to complete the contract and his

Security Deposits etc. are not forfeited. In unavoidable circumstances, the time for completion of work may be extended by the following authorities as per the provisions of the Work Manual of the Development Authorities.

16. Quality Controls:

The Quality Control Cell will prepare and submit the reports listed at formats MIS-PRO-01 to 05 prescribed relating to works, to CE based on information collected within the Division on fortnightly basis, it shall also submit MIS reports relating to Quality Control as may be prescribed.

16.1 Inspection of Works Under Execution:

Quality control would be the responsibility of the concerned CE/SE/EE for the works under taken by them. Liaison Officers should carryout inspections regularly and issue detailed inspections and follow the points raised in the said Inspection Note. A higher authority should do monitoring of Inspiration Notes. During the inspection, the Officer should examine the materials used in works, quality there of and other checks and other measures as specified from time to time. Short comings and deficiencies noticed should be recorded in the Inspection note.

Minimum Inspection shall be carried as provide in the Works Manual of the Developments Authorities as amended from time to time as detailed below

JE :	Regular
EE :	Once in a week arrange day of the week for all the works under his jurisdiction.
SE :	Once in a month on any day of the month for all the works under his jurisdiction.
CE :	Once in a Quarter of all works under his jurisdiction.

16.2 Inspection During the Work Period

If inferior quality is found on inspection in any work or excess payment made is found on account of errors in measurement of work quantities and loss is caused to the department, such losses (i.e. repair cost, replacement cost and like other lost etc would be recovered as per the provisions of the Works Manual of the Development Authorities.

17. Terms and Conditions of Contracts: -

While designing terms and conditions, it should be added that in the case of any irregularity or financial loss to the department, such loss caused to department would be recovered from the concerned contractors as per the provisions of the Works Manual of the Development Authorities.

18. Accounting Records to be maintained by the Engineering and Works Department

Following additional records than individual's usual financial books of accounts would be maintained.

18.1 Register of Projects/Works: -

Register of Projects/Works is to maintained to monitor the financial aspect for each of the work contract, work order, purchase order, including muster roll works and works undertaken through permanent work change staff. The Register shows agreement/contract wise position of the works. The agreement/ contract wise account/folio shows bill-wise status if payments made against running bills and amount outstanding, status of situation deductions like trade tax, income tax, royalty etc. The Register also includes details of security deposit; its mode and releasing security deposit after the warranty period. The objects are to keep and collect all the statistical data/information relating to each project/work. Work contract, work/purchase order etc at one place.

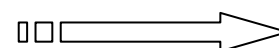
18.2 Other Record to be Maintained

The Developments Authorities shall maintain following other records:

- (I) Project /Scheme Wise Cost Ascertainment Register
- (II) Contractors Ledger
- (III) Works Ledger
- (IV) Bills Received Register
- (V) Bill Payment Register
- (VI) Security Deposit Register
- (VII) Secured Advance Register
- (VIII) Material Issue Register
- (IX) Facility Provided Register

19. Inconsistency between Provisions of the Accounts and Work Manual

In case of there is any inconsistency between the provisions of the Accounts Manual and the Works Manual of the Development Authority Provision made in the Works Manual shall prevails.



PARA-I : PROCEDURES

SECTION NO. - 6

PRICING AND COSTING PROCEDURES

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





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PARA-I : PROCEDURES
SECTION NO. - 6
PRICING AND COSTING PROCEDURES

1. Introduction:

It is the responsibility of the Development Authority to undertake the land and property development works in planned way and provide developed plots, land and constructed properties to the public for residential and commercial purposes at reasonable cost.

It also looks after beautification of town, undertakes regulatory functions.

The Development Authority also undertakes schemes to bring social justice to the economically weaker sections.

The Development Authority also acts as custodian of environmental balances through plantation and preservation of trees, parks, green belts etc.

The Development Authority fulfils the social obligation to public and government through construction and maintenance of community centers, parks, playgrounds, and roads and by providing concessional land for educational institutions, government service departments/ agencies.

On one hand the Development Authority has to provide and deliver developed land, plots, constructed properties at subsidized rates to the said agencies and urban poor by way of launching special schemes/ provisions in pricing pattern specially designed for them.

On the other hand the Development Authority carry huge financial burden in the form of establishment cost, interest cost on borrowed funds, administrative cost, repair and maintenance of owned assets and maintenance and upkeep of welfare properties/ programmes.

Provided further, the Development Authority has to function on commercial lines to sustain the aforesaid obligations/ programs and to meet the financial burden on it and at the same time generate surplus funds for further developmental activities and meet its future financial obligations.

The above can be achieved only if the Development Authority designs its costing and pricing system based on the above considerations for determination of the selling price. Up going paragraphs would deal with the price determination under different circumstances, costing systems, costing procedures, cost control and cost reduction techniques.

2. Costing as the Basis of Pricing

Costing is the technique and process of ascertainment of cost. The technique in costing consists of principles and rules, which govern the procedure of, ascertain cost of properties/services. Mainly there are three components of cost, such as material, labor and overheads. The overheads include overheads of cost center, administrative office expenses and expenditure on selling and distribution of properties.

The main purposes of costing are:

- (i)** Proper pricing of properties/services,
- (ii)** To reduce and control cost,

The price is very much related to the demand in the market. The law of demands states that "higher the price, lower the demand and vice-versa, other things remaining the same." The prosperity of a Development Authority depends upon its ability to compete in price and quality. This is possible only if a Development Authority aims at doing at the minimum cost. Thus, cost control becomes an essential element for the successful functioning of a Development Authority. Cost control has two aspects;

- (i)** Reduction in specific expenses, and
- (ii)** More efficient use of money

In practice, cost control will ultimately be achieved by looking in to both the above aspects.

Value Analysis and Value Engineering are most important factors for cost control. Value Analysis means, the value of money to spend while the Value Engineering means to change the design/drawing of the properties as per the demand of the public in the market. As already mentioned above the other important factor is cost reduction without affecting the quality. The formulation of a detailed and co-ordination plan to cost reduction, demands a systematic approach in the problem. The first step would, the Vice Chairman of a Development Authority should constitute a Cost Reduction Committee consisting of all Departmental heads, who shall identify the areas of cost reduction. Cost reduction is just as much concerned with the stoppage of unnecessary activities as with the curtailing of expenses on that is essential. The essentials for the success of a cost reduction programme may be summarized as follows.

- (i) Every Departmental head should recognize his responsibility in the interest of Development Authority.
- (ii) The resistance to change should be properly explained by convincing the person who insists it.
- (iii) The efforts should be concentrated in the areas where the savings are possible.

(I) PRICING PROCEDURES

3. Pricing Policy

From the viewpoint of price analysis, it is very important for the management to keep in mind market conditions and of the policies appropriate to those market conditions. Presently, the developmental activities are being carried out by other agencies also, such as U.P. Housing and Development Board and Private Developers.

Therefore, it is imperative on the part of the Development Authority that the price of property should be rational and quality of construction should also be comparatively better. The system adopted for pricing should be simple to understand by the public, there should be complete transparency, which is of vital importance in these days. Last but not the least the important factor is "Affordability" which should always be kept in mind.

3.1. Elements of Price

The following elements will be included for determining the price of the property:-

- (i) Price of Land
- (ii) Price of Development Works
- (iii) Overheads
- (iv) Profits

Price of land should include the following: -

- (a) Compensation as per award declared by SLAO/ADM (Land Acquisition). It consists of compensation, additional compensation, solatium, interest, acquisition cost.
- (b) Overhead charges
- (c) Interest

The price of development works includes the works cost and provision viz: -

- a) Survey
- b) Land development
- c) Roads
- d) Water supply
- e) Sewerage
- f) Drainage
- g) Electrification
- h) Arboriculture and parks
- i) Provision for development of villages
- j) Provision for physical contingencies and tools and plants.
- k) Cost of public services, which are to be provided at free of cost or on reduced price.
- l) Overhead charges
- m) Interest
- n) Provision for maintenance of development services (including provision for tools and plants or money to be given to Nagar Nigam/ Nagar Palika after handing over services).
- o) Provision for future contingencies.

The overhead charges include the expenses of cost center, administrative office and selling and distribution department. The provision for profit or surplus should be made as per the policy of the management.

From the above factors, the price of the developed land can be worked out by dividing it by the saleable area. Thus a single rate will be arrived at. The differential rates should be worked out for economically weaker section houses, shelter less/sites and services, LIG/MIG/HIG houses and plots. Besides it, concession in price is also given for some public facilities such as educational institution, police out post/police station, social and cultural activities, government dispensaries, fire station, post office, bus stand, auto/tempo/rickshaw stand etc. If the demand of commercial property as well as quantity of commercial property is much more, the cost of subsidized services may be charged to the commercial land. If there is no commercial land or the quantity is less the cost of services will be charged to middle and higher income group plots/ houses.

3.2 Pricing of Various Properties

3.2.1 Pricing of Houses and Shops

The following elements should be taken in to account.

- a) Construction cost
- b) Overhead charges
- c) Interest (if not constructed on self-finance basis)
- d) Price of land

Thus the price of a house/shop is arrived at. If the management decides to charge profit, or to make any provision for future contingency, the same may be included in the cost of house/shop as per the policy of the management.

3.2.2 Pricing of Multistoried Residential/Commercial Complexes

The cost of total area of the land, on which the complex is built, should be taken into account. The cost of development as required in the above land area should also be added, thereafter construction cost, overhead charges and interest should be worked out. The provision for the profit may be made as per the policy of the management. The profit factor depends upon location of the site and demand in the public. Thus, the sale rate on the basis of super area should be worked out. The differential rates for residential accommodations and shops/offices should be fixed for different floors.

3.2.3 Pricing of Vacant/Idle/Properties

The price of such type of properties may be based upon the following formula.

- (i) Sale price as already fixed.
- (ii) Add escalation as per cost index of government.

From the above formula the price of above type of properties may be worked out before the beginning of the financial year so that the new price may be fixed from first April of the next financial year. The price so fixed may be kept as prevalent for six months (i.e. up to 30th September of the said financial year). In the month of September the price for such type of property may again be re-fixed on the above formula for next six months. But, there may be some exceptions such as, if the property is not popular or the site is not popular, or the property constructed is old, instead of adopting the above formula, the following may be followed:

- (i) The present construction rate minus depreciation,
- (ii) Price of developed land at current rate.
- (iii) The formula of depreciation may be adopted as applicable in U.P.PWD.

3.2.4 Pricing of Properties Resulting by Transfer, Cancellation and Refund.

In the above case the pricing of property may be done under usual procedures.

3.2.5 Pricing of Property on Reviving.

The price is determined under para 3.2.4 above. But NPV (Net Present Value) should be worked out for the sum deposited by the allottee by selecting appropriate rate of normal return and value so determined would be reduced for determining the difference price to be paid.

3.3. Basis for Pricing.

To sum up the above it is restated that price of a property should be fixed on the basis of demand in the market. The very important factor is "Affordability". This factor should always be kept in mind while taking up the scheme it self.

This is the age of competition in which the Development Authority can survive if the prices are genuine and the quality of property is also genuine/better.

(II) COSTING PROCEDURES

4. Costing

Costing includes cost ascertainment, cost control, comparison of actual cost with the estimates or standards and cost reduction.

4.1. Cost Ascertainment

For each scheme/project undertaken by the Development Authority the costs should be estimated and duly approved by the Vice Chairman/ Development Authority Board and, Financial Institution if they finance the scheme.

It is imperative to ascertain the actual cost of scheme/ project under all the elements of cost from the accounting records.

4.2. Cost Control

As stated earlier cost control and cost reduction would be the responsibility of the Cost Reduction Committee by way of participation of all the Departmental heads.

Control over cost would be feasible only through the comparative analysis of actual cost with the estimated cost.

Allocation of establishment cost of engineering staff should be made on actual basis and administrative office and other overheads should be allocated on predetermined notional basis linked with the actual timeframe for execution of the works.

Similarly allocation of interest cost should be based upon the actual interest burden or opportunity cost of own funds till the date of completion (unless the construction or development work is undertaken on self finance basis).

Other charges and provisions made while preparing estimates or while price fixation should be given effect in the accounting books also make comparison possible of the actual with the estimates.

This should provide basis for 'Responsibility Accounting' through the concept of 'Management by Exception', comparative analysis of actual with the estimated cost so that one can identify loss/escalation causing factors and ascertain improved methods of work execution (learn by mistakes). By identification of factors of over-spending and mishandling of works, lack of executives' attention etc. and by applying this exercise on continuous basis cost reduction can be achieved.

4.3 Evaluation of Performance.

The ascertainment of detailed cost for all the works/jobs under each of the scheme/project and their comparison with the estimates leads to the determination of performance standards.

4.4 Cost Determination

Present method of price determination i.e. cost of land, cost of execution of development/ construction works, allocation of cost of cost centers, administrative staff cost, selling and distribution staff cost, interest cost other overheads, provision for physical contingencies, provision for future maintenance of development services and facilities etc. should be linked with the actual timeframe for execution of the works/uniform standard.

Charging cost of engineering staff and cost of cost center on actual basis should make cost ascertainment. Establishment cost of administrative staff and other administrative cost should be allocated on predetermined notional basis linked with the timeframe for actual execution of the works. Selling and distribution staff cost should be charged on the basis of predetermined time schedule norms. Provisions for contingencies/ future maintenance of development services or facilities should be arrived at on rational and justifiable basis. Interest cost of borrowed funds or opportunity cost of owned funds should be charged on actual/ prevalent rate of interest basis.

It should be understood that the above exercise should be brought through the accounting entries in the financial books so that the process can become part of integrated accounts and accounts can generate "Management Information Reports" in better way.

It may further be noted that while adding margin for the future development and to meet out other establishment and running cost of the Development Authority, discounted cash flows should also be considered for each of the scheme/project while evaluating scheme/project viability.

4.5 Costing as a Management Tool

From the costing system and cost analysis system the matter of significance for the management decisions should be determined or resolved. It would also help formulation of popular plans for scheme/project handling, improved plans of action directed towards commercial approach in to the

working/functioning of the Development Authority and switch over to profitable/self sustainable operations in phased manner.

4.6 **Methods of Costing**

As it has already been discussed under Para 3.1 above costing method would be different under different pricing situations. Basically costing methods under different situations would deal with the following:-

- (a) Determination of cost of land and land development;
- (b) Determination of cost of different sizes of plots by dividing total cost by area and
- (c) Determination of cost of residential houses public facilities and commercial properties.

4.7 **Elements of Cost**

Identification of all the elements of cost provides basis for cost estimates and actual cost ascertainment under the same element, provides basis for comparison.

Elements of cost can be divided under following major heads:-

- (a) Cost of Land
- (b) Cost of Development/Construction Works
- (c) Overhead and
- (d) Profit

Under each of the major heads there are further subheads as detailed under Para 3.1 above.

4.8 **Types of Costing** Types of costing include: -

- (a) Estimated costing and
- (b) Actual costing

Estimated Costing

The estimates under all the elements of cost shall be prepared taking in to account U.P. PWD schedule of rates.

Detailed estimates would be prepared by Engineering and Works Department and after adding the notional cost e.g. allocation of establishment cost, administrative cost, interest during the construction period and other provisions. Technical Sanction Committee would sanction these estimates.

The estimates would include all the elements of cost against major heads and further broken in to various components, phases of works including estimate of timeframe for their execution based upon CPM/PERT analysis to ensure budget allocation/funds availability for the same.

Against these estimates feasibility reports should also be prepared to justify taking up the scheme/project. For this purpose discounted future cash flows may be as appropriate basis and expected whole life benefits from the said schemes/projects may also be considered.

Actual Costing (i.e. Ascertainment of Actual Cost)

The actual cost incurred for each of the work under the scheme/project and scheme/project cost, as a whole should be determined for all the elements of cost as well as under each of the components/phases for which detailed estimates were prepared.

While ascertaining the actual cost incurred for land and land development for each scheme/project, cost would be ascertained for the net salable area/and area kept for public utilities having economic significance. Likewise common direct and indirect cost pertaining to scheme/ project should be allocated to various scheme/project activities like plotting and construction of properties on the basis of area for each activity and other norms.

Cost, which is directly attributable to the scheme/project activities, would to be charged to them directly. Interest cost during the construction period should be charged to relevant scheme/project activity.

In case of works/projects are taken up through own resources (even partially) opportunity cost of own funds so deployed should be charged on predetermined notional basis. For this purpose average prevailing interest rate may be considered.

Establishment, administrative and others costs where it is difficult to allocate such costs on actual basis on each of the work/project taken up, such cost may be allocated on predetermined notional basis based on actual timeframe for execution of the work/project.

Other charges, which are to be recovered on account of public facilities, development services including future maintenance cost, quantification of such charges may be made as per detailed estimates and natural justice.

It may be further noted that the cost whether direct or indirect attributable to the works/projects would be considered on actual basis for the determination of selling price.

However, the allocation of establishment, administrative and other cost including opportunity interest cost and charges for maintenance of the public facilities and development services may be made on differential basis in respect of schemes for weaker sections, low income groups, residential and commercial plots/properties.

4.9 Evaluation of Deviations

Upon completion of work/project the actual cost should be compared with the estimated cost/revised estimated cost in terms of actual work taken up.

Reasons of deviation should be ascertained under each of the component, phases, subheads and major heads for all the element of cost. Any abnormal deviation should be reported to the higher authorities. It may be noted that overall deviation to the extent of 2 % from the estimated/revised estimated cost might be allowed. Likewise deviation under any element of cost or component of cost as per the estimate/revised estimate would be permissible only to the extent of 10 %. Any deviation beyond the above laid down levels should be reported to the competent authorities and their sanction obtained for the same.

4.10 Application of Cost Control and Cost Reduction Techniques

Innovations and new learning's should always be welcomed as cost control and cost reduction techniques

4.11 Sale as Work in Progress before Completion of Scheme Project

If sale of plot/ property is made before the completion of the scheme /project, then it is termed as sale as work in progress. For the pricing of such plots /property cost shall be considered as per time frame for the completion of the work.

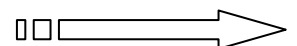
If actual cost incurred in such cases turns up to be higher than as estimated for the pricing purpose, such additional cost should be disclosed separately in the Annual Accounts of Development Authority. Like wise any recovery from customers/beneficiaries on account of such additional cost should also be disclosed as additional recovery under the scheme/project.

In other words there should be provision in the allotment letter, sale/lease agreement/deed, additional cost incurred over and above the estimate shall be recovered from the allottees.

However if there is escalation in cost due to delayed completion of works beyond the stipulated completion time schedule should not be recovered from the customers.

5. Deviations:

In no case deviations from the designated system and policies would be allowed unless permitted by the Government of Uttar Pradesh(Housing Department).



PART I : PROCEDURES

SECTION NO. - 7

FUNDS MANAGEMENT PROCEDURES

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**



PART I : PROCEDURES
SECTION NO. - 7
FUNDS MANAGEMENT PROCEDURES

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PART I : PROCEDURES
SECTION NO. - 7
FUNDS MANAGEMENT PROCEDURES

1 Objectives of the Section

This section on Funds Management for the Development Authorities in Uttar Pradesh aims at establishing effective controls to ensure ascertainment of viability of the projects/schemes before taking any project or scheme, time management for timely completion of projects/schemes and procurement of funds in an effective manner to ensure minimum cost. It also aims at establishing effective and uniform operating systems and procedures to conform to policies.

2 Responsibility of the Engineering and Works Departments

The Engineering & Works Department shall be responsible for the following:

- Project/scheme analysis by preparing detailed projects reports
- Ensure timely completion of projects/schemes
- Preparation of funds requirements including phase wise requirement
- Determination of schedule of sale/allotment including ascertainment of realization schedule, which shall be in coordination with Property Department.

3. Evaluation of Project/ Scheme

Each of the project/scheme would be evaluated on the basis of detailed Project/Viability Report based upon predetermined/prevalent evaluation criteria. Entire running cost of the Development Authorities is ultimately to be recovered from the projects/schemes undertaken by the Development Authorities hence while evaluating project/scheme investment decision care should be taken that the adequate provision for the establishment, administration and other cost of the Development Authority has been made in the project/scheme viability analysis.

4. Means of Finance

The Development Authority may opt for different financing modes as given below depending upon the requirements, strategies and market condition viz

- Floating of Bonds/Debentures
- Borrowings from State Government
- Borrowing from Financial Institutions and Banks.
- Grants from State/Central Government.

The mode opted for should be duly supported by justification for the particular mode opted depending upon policy of the Development Authority.

5. Borrowing Mix

Long-term projects/schemes should be financed by long term borrowing sources and short-term requirements should be met from the short-term sources. Disbursement of borrowings should be need based as per the schedule of implementation or phase-wise funds requirements. However, if there are any funds borrowed which are not immediately required shall be deposited in the form of short term deposits with nationalized banks as prescribed.

6. Diversion of Borrowings

Diversion of borrowings towards running cost of the Development Authority shall not be permitted under any circumstances. Diversion even from one scheme to another should be allowed as a special case after obtaining prior permission of vice-chairman and after satisfying him that such inter-transfer shall be made good within the specified period.

7. Repayment Planning

The Development Authority should design a plan for the repayment of each loan and interest thereon. This can be achieved by transferring "Repayments Due" to an "Installment Due Account" and side by side by earmarking a portion of the day to day collection under the scheme to be deposited in a separate bank account opened for the purpose. To implement the above an ESCROW Account Module may be introduced for ensuring repayment of principal as well as interest thereon as per the schedule.

8. Funds Management

The Financial Management plays a dynamic role in modern business development, which now extends far beyond records, reports, cash position and paying of bills. In the context of Development Authorities, Financial Management is concerned with (1) investing funds in development activities (2) promulgating the best mix of financing such activities with income and (3) financing of these activities vis-à-vis establishment and administration costs.

Objective of the Development Authorities

It is assumed that the objective of the Development Authority is to undertake development work on self sustainable/affordable basis. Value of objectives in turn is represented by unit cost of property it provides which is within the reach of citizens when compared to open unit market price of the similar property. Thus objective on one hand is to provide property at cheaper cost and on the other hand to maximize its own funds for the future development.

a) Owned Fund Maximization Vs Wealth Maximization

In the context of Development Authority wealth maximization as a whole (i.e. citizens wealth on one hand and net owned funds of the Development Authority on other hand) should be considered. The criteria of cheaper unit cost of property alone can not be termed as the end goal. Similarly, the total surplus earned (or per unit margin) can not be taken as the objective. Rather both should be considered simultaneously in the context of the Development Authorities.

b) Financial Management Decisions

- Investment Decision
- Financing Decision
- Return on Projects/Schemes Decision

Investment Decision

The investment decision perhaps is the most important of the three decisions. Investment in development work, a major aspect of this decision, is the allocation of capital to development proposals whose benefits are to be realized in future. Because the future benefits are not known with certainty, investment proposals necessarily involve risk. Consequently, they should be evaluated in relation to their expected return and risk. Included also under the investment decision, is the decision to reallocate capital when an investment proposal at future point no longer economically justifies the capital committed to it. The theoretical decision is taken up by using an appropriate acceptance criterion or required rate of return. Because of the paramount and integrative importance of this issue, much consideration is required to be attempted in determining the appropriate required rate of return for investment in projects.

In addition to selecting new investment proposals the Development Authority must manage existing projects efficiently and effectively. More concern is also to be given to manage the current assets than fixed assets and liquid funds vis-à-vis investment of surplus funds in investable securities. Determining a proper level of liquidity is also much a part of this decision.

Financing Decision

The second major decision is the financing decision. Financing decision is concerned with determining best financial mix or capital structure or loan/own funds mix. If by varying capital mix, return or unit cost of property is changed, an optimal financing mix would exist. The decision shall be arrived at on the basis of some acceptance criterion like return on property on unit basis. The emphasis is not only on valuation aspect (per unit return) but also on the managerial aspects of financing problems associated with alternative source like repayment capacity for loans.

Return Decision

The third important decision is the return on investments in projects. This decision includes percentage of earnings to total funds/net owned funds or per unit return on properties to cover the establishment and administration cost and to create surplus funds for further development.

Key To Financial Management

Financial Management involves the solution to three major decisions viz investment, financing and return decision. The Development Authority would strive for optimal combinations of three inter related decisions, solved jointly. The decision to investment in a new project for example, necessitates financing the investment. The financing decision in turn influences and is influenced by the return decision. With a proper conceptual framework, joint decisions that tend to be optimal can be reached. The main thing is that the management of the Development Authority should relate each decision to its effect on the project as well as overall valuation of the Development Authority.

9. Principles of Capital Investment In Projects

When a Development Authority makes a capital investment in projects, it incurs a current cash outlay for benefits to be realized in the future. The proposal should be judged by its expected return. To simplify the

presentation it is assumed at present that the required rate of return on investment projects is given and is the same for all the projects. However for economically weaker section projects, concessions would come from government grants/ subsidies etc.

a) The Administrative Framework

Successful administration of capital investment in projects involves :

1. Generation of investment proposals
2. Estimation of cash flows for the proposals
3. Evaluation of cash flows
4. Selection of projects based upon accepted criterion
5. Continual reevaluation of investment projects after their acceptance.

Projects may include new projects or expansion of existing projects, development of facilities with certain standard.

The hierarchy of the authority might run from (1) Section/Division chiefs to (2) Chief Engineer to (3) the Vice-Chairman to (4) Technical Sanction Committee to (5) the Board. The greater the capital outlay, the greater the number of screens usually required.

b) Estimating Cash Flows

One of the most important task in evaluating projects is estimating future cash flows for a project. For each investment proposal we need to provide expected future cash flows. While determining future cash flows, one must be mindful to consider the opportunities costs also as outflows in the projects evaluation, though they may be treated separate items in the overall income statement of the Development Authority in the period in which they occur. If the project cost is Rs.100 crores and 10 crores is the allocation of establishment and administrative cost then the total cost of project (i.e. Rs.110 crores) should be treated as a project cash outlay. Thus, in deriving cash flows opportunity cost must be considered. Similarly, the opportunity cost of internal funds (opportunity cost of funds)i.e. notional interest should also be treated as cash outflow-while evaluating the projects. On the other hand cash inflows would include cash sale, recovery of installments (if sale is made on installment basis) etc.

Suppose that on the basis of these considerations the Development Authority estimates cash flows as under :
(Figures-Crores of Rs.)

	Initial cost	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5	Yr.6
Cash Inflows	- 10	25	25	25	25	25	25
Cash outflows	50 20	10	10	10	10	10	-
Net cash flows	(-50 (-)10	15	15	15	15	15	25

These cash flows represent the relevant information one need in order to judge the attractiveness of the project. Expected net cash surplus is Rs. 25 crores which represent return on investment over the period.

10. Methods For Evaluating Profitability

Once the necessary information has been collected, the attractiveness of proposal should be duly evaluated. The investment decision will be either to accept or to reject the proposal based on following methods :

1. Return
2. Pay Back Period
3. Internal Required Return Rate
4. Net Present Value

a) Average Rate Of Return

This accounting measure represent the ratio of profit/surplus to the investment. In the example
=25/110 = 22.72% approx.

Acceptance Criterion

If the return from the project works out to be higher than average market return or predetermined return, proposal is accepted, if not, it is rejected.

b) Pay Back Period

The payback period of an project is the number of years required to cover the initial cost of investment (cash outflow stream). In the example

$$\begin{aligned} \text{Payback Period} &= \frac{\text{Initial outlay}}{\text{Average net inflow}} \\ &= \frac{50s}{(-10+15+15+15+15+25)/6} \\ &= 4 \text{ Years} \end{aligned}$$

Acceptance Criterion

If the payback period calculated is less than some acceptable pay back period, the proposal is accepted, if not, it is rejected. The pay back period can not be regarded as a measure of profitability.

c) Internal Rate of Return.

Because of shortcomings in the average rate of return and pay back period, it is generally felt that discounted cash flow method is more objective basis for evaluating and selecting investment projects. This method takes account of both the magnitude and the timing of expected cash flows in each period of project's life. The internal rate of return for an investment proposal is discount rate that equates the present value of the expected cash out flows with the present value of expected cash inflows. It is represented by the rate, r , such that:

$$\text{Sum of } [I_t / (i+r)^t] - [O_t / (i+r)^t]$$

Where I = Inflow, O = Outflow. In the example:

In the above example:

$$\text{Sum of } [I_t / (i+r)^t] = 10/(i+r)^1 + 25/(i+r)^2 + 25/(i+r)^3 + 25/(i+r)^4 + 25/(i+r)^5 + 25/(i+r)^6$$

Less

$$[O_t / (i+r)^t] = 50/(i+r)^0 + 20/(i+r)^1 + 10/(i+r)^2 + 10/(i+r)^3 + 10/(i+r)^4 + 5/(i+r)^5$$

Equal to Zero

Acceptance Criterion

The acceptance criterion, generally employed is to compare the internal rate of return with the required rate of return, known as also the cut off rate. If the internal rate of return exceeds the required rate of return the project is accepted, if not, it is rejected.

d) Net Present Value

Like the internal rate of return method, the present value method is the discounted cash flow approach to investment proposals for projects. With the present value method, cash flows are discounted to present value, using the required rate of return. The net present value of an investment proposal is

$$NPV = \text{Sum of } A^t / (i+k)^t$$

Acceptance Criterion

Where k is the required rate of return. If the sum of these discounted cash inflows is more than the sum of the discounted cash outflows, the proposal is accepted. The rationale behind the acceptance criterion is that assured minimum return is confirmed if the NPV is more than zero. One can solve the equation by computer, by calculator or by reference to the appropriate present value table.

11. Viability Analysis

The Proforma of Viability Analysis Report is given as per (Form No. FM-1)

12. Principles of Financing

The Financial Management is very much concerned with the 'Financing Decision'. The second most important decision in Financial Management is the financing decision and determination of financing mix. Financing decision is more concerned with the determination of best financing mix. capital structuring or determination of loan mix etc.

13. Nature of Funds Requirement

In Development Authorities funds are required:

- To meet out operating costs (when there is mismatch in receipts on account of revenue heads than payments)
- To finance the schemes/projects.

While first situation requires permanent solution which exist in planning for enhancing revenue income base and curtailing avoidable expenses. While second requirement is concerned with the financing of schemes/projects and planning of sale of scheme/project in such a manner and at such time so as the borrowing cost is at its lowest level. This decision shall also include determination of sale mix viz cash down sale/installment sale including framing of installment model in such a manner so as to ensure uninterrupted repayment of loan installment and recovery of revenue cost included in the cost of scheme/project (i.e. establishment, administration and miscellaneous overheads).

14. Means of Finance

A scheme/project can be financed as under :

- Self finance basis : (when a scheme/project is taken on self finance basis)
- Partially by own funds : (In every scheme/project some funds other than borrowed funds are involved)
- Borrowed Funds/Grants : It is the very frequently used financing model in the Development Authority.

There exist an other model which if opted may be used in financing. Under this model the Development Authority may raise Bonds or Debentures. Bonds/Debentures provide permanent source to financing projects.

15. Borrowing Mix

Borrowing mix means designing of borrowing mix and borrowing tenure to ensure smooth flow of funds. The principle requires that short term requirement should be met through short term borrowings and long term requirement should be financed through long term loan/borrowing. The long term borrowings mean the borrowings which are repayable beyond 3 year from the cut off date.

16. Ascertainment of Funds Requirements.

While evaluating a borrowing decision, it is necessary that funds requirements should be worked out. Funds requirement worked out for financing a scheme/project should be supported by a project report or a viability analysis report. Total funds requirement should be ascertained from the said project report or the viability analysis report.

17. Ascertainment of Funds Requirements Phase Wise

The said project report/viability report should also specify funds requirements phase wise. Borrowing arrangement should be made in such a manner so that funds are released in the phases as per requirement to minimize the interest cost. Loan amount may be sanctioned for the total funds requirement. Where as release of amounts should be taken at different points of time based upon phase wise demands.

18. Ascertainment of Repayment Schedule

In Development Authorities as finance is taken on scheme to scheme basis therefore repayment of loan should necessarily be made out of collections from the scheme/project itself.

19. Evaluation of Mode of Borrowing

The HOD Finance and Accounts Department and the HOD Engineering and Works Department shall evaluate various modes available for the borrowing. Borrowing proposal shall be evaluated with respect to rate of interest, repayment period and collateral security etc. These two Departments shall take borrowing decision and shall also obtain approval of the competent authority.

20. Arrangement of Disbursement In Phases

Disbursement of loan should be arranged in phases as per schedule of implementation and phase wise funds requirements as worked out at para 17 above.

21. Execution of Loan Documents

Loan documents shall be executed by the person to whom powers are delegated by Vice-Chairman / Board.

22. Repayment Planning

The repayment plan shall include interalia the following:

- Due installments including interest to be transferred to a account designated as (Escrow A/C)
- Development Authority shall earmark a portion of day to day collections under the scheme for the repayment of loan installment. Such sums shall be kept in a separate Bank Account opened for the purpose.
- Minimum balance is required to be maintained in the said account.
- Any shortfall in this account than required deposit will have to be made good by the Development Authority. Similarly excess funds deposited in this account may be withdrawn by the Development Authority and may be used for other purposes. Plan for redemption of Bonds and Debentures have been covered in the Section on "Accounting for Miscellaneous Topics".

23. Deviations

The deviations from the prescribed policies and procedures would not be permitted unless accompanied by justifiable reasons and request for the deviation, clearly stating the following:

- Nature of deviation
- Reasons for deviation
- Time span for which the deviation is required
- Procedure that would be followed if deviation is accepted
- Financial implication of the deviation

Any deviation from the designed systems and policies would not be allowed unless permitted by Government of Uttar Pradesh through Secretary Awas (Housing Department).

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
 METHODOLOGY FOR DETERMINATION/WORKING OF VIABILITY OF PROJECT**

1) Cost of Project

(a) Actual Cost

- Cost of Land
- Land Development Cost
- Construction Cost
- Interest During Construction Period

(b) Notional Cost (Allocable based on Past Performances/ Standard Norms)

- Administrative and other overheads
- Establishment charges

Notes :

- a. Cost of land shall be taken on actual basis.
 - b. (i) Cost of construction to be taken on PWD norms by applying PWD Floor rate.
 (ii) Cost incurred in next years shall be enhanced to cover up for escalation in rates.
 - c. Interest rate to be considered at maximum borrowing rate.
 Disbursement of loans to be taken as per schedule of implementation and actual inflow requirement.
 - d. Cost of land development if any to be considered on estimated basis.
 - e. Notional cost should be treated as outflow item- however the same will not be considered for determination of funds to be borrowed.
- 2. Ascertainment of outflow over implementation period.**
- 3. In case construction takes more than one year, cash outflows shall be discounted i.e. present value of discounted cash flows to be considered.**
- 4. Ascertainment of Selling Price**
 By taking market rate or adding appropriate rate of return on above discounted cash flows. In case of sale in next years, selling price shall be adjusted for inflation factor. Cost index shall be taken as announced by the Central Govt. for civil constructions or as per Income Tax Act or PWD rates may be enhanced by average inflation factor and after taking appropriate margin.
- 5. Determination of collections schedule based upon requirement for margin to cover up running cost and repayment of interest and principal in case of borrowed funds.**
- (i) Ascertain installment payable over the tenure of loans.
 - (ii) Convert the outflow stream at present value.
 Based upon the repayment requirement as stated at 5 (i) above collection schedule shall be determined.
 - (i) Calculate collection to be made over the term of the loan.
 - (ii) Convert the inflow stream at present value.
- 6. Return**
 Return shall be worked out as under:
- (i) Return as per (4) above.
 - (ii) Comparison of present value of cash inflow and outflow stream
- 7. Pay Back Period**
- i. Work out present value of outflow stream
 - (a) Cost of projects (excluding interest payment)
 - (b) Repayment of loan.
 - ii. Work out present value of inflow stream
 - (a) Sale proceed/principal amount recovery
 - (b) Interest on installment sale
- i. Divide the inflow stream by outflow stream, if result is more than 5 years pay back period shall be treated as adverse.
 - ii. Compare Inflow with the outflow.
 Find out surplus.

$$\text{Return} = \frac{\text{Inflow}}{\text{Outflow}} \times 100$$

Presumption:

It has been presumed that there shall not be any budget constraints. Also there shall be no cost over run. The project/scheme/complex shall be completed within the scheduled period. However provision of 10% as contingencies may be made to cover up normal cost over run.

8. Decision

Decision shall be taken based upon acceptance criterion in terms of investments, pay back period and any other basis as determined by the Management from time to time.

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
BONDS/DEVENTURES LEDGER**

Name of the Bond/Debenture Holder :

Address:

Date	Particulars	Folio No	Date of Allotment/ Transfer	No. of bonds held	Distinctive No	Face Value per Bond/Debenture	Date of maturity	Total Amount	Remarks
1	2	3	4	5	6	7	8	9	10

UTTAR PRADESH DEVELOPMENT AUTHORITIES

LOANS LEDGER

Part I : Loan Accounts :

Type of Loan : State Government/ Financial Institution
/Bank/Other

Name of the Scheme:

Total Sanction: Rs

Date of Sanction

Disbursement

Schedule

Repayment Term :

Date

Amount

Repayment Instalments

Security Offered

Date	Particulars	Folio No	Amount		
			Debit	Credit	Balance
1	2	3	4	5	6

UTTAR PRADESH DEVELOPMENT AUTHORITIES

LOANS LEDGER

Type of Loan : Part -II : Installment Due Accounts
State Government/Financial Institution
/Bank/Other

Name of the Scheme:

Total Sanction: Rs

Date of Sanction

Disbursement

Schedule

Repayment Term :

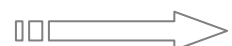
Date

Amount

Repayment Instalments

Security Offered

Date	Particulars	Folio No	Amount			Remarks
			Debit	Credit	Balance	
1	2	3	4	5	6	7



PARA-I : PROCEDURES

SECTION NO. - 8

PROPERTY MANAGEMENT PROCEDURES

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





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ARA-I : PROCEDURES
SECTION NO. - 8
PROPERTY MANAGEMENT PROCEDURES

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ARA-I : PROCEDURES
SECTION NO. - 8
PROPERTY MANAGEMENT PROCEDURES

1. Introduction

2. Property Data Base – A Management Tool

Management decisions and actions are necessarily based upon facts and figures, guiding principles, governing policy and objectives to attain.

Past experience and past achievements provide basis for the current decisions and future courses of action.

The property development is the main function of Development Authority. To support this function, the Development Authority should use technique of 'Data Base Management'. For this purpose, the Development Authority should maintain 'Data Bank' of its properties:

- (i) Land under acquisition,
- (ii) Land acquired but no developmental activity started,
- (iii) Properties under development & sold out, developed & sold out and developed but remaining unsold.

Break up for (iii) above will also be prepared as under:

- (a) Residential
- (b) Public convenience/Public facilities
- (c) Commercial
- (d) Others

The 'Data Bank' should be accessible to all the line Departments either through computer network or some other device. The said support 'Data Bank' shall be maintained for each of the scheme/project.

The 'Data Bank' system should have linkage with various line Departments with respect to the following:

- Land Acquisition : The Administration/Land Acquisition Department
- Physical Achievements and Progress : The Engineering and Works Department
- Financial Progress : Finance and Accounts Department and the Engineering

3. Marketing Management

Marketing shall comprise of the following elements viz

- Marketing methods
- Publicity procedure
- Marketing procedure
- Special policy regarding sale of undisposed properties

3.1 Marketing Methods

- Registration and selection on lottery system
- Auction v/s cash down sale

Marketing methods have been discussed at appropriate places in subsequent paras.

3.2 Publicity Procedure

Publicity procedure would include 'interalia' the following:

- Publicity material
- Publicity mode
- Publicity time/ intervals
- Authority
- Publicity

3.2.1 Publicity Material

(a) General Booklet

The Development Authority should design a Booklet relating to properties which shall include general terms and conditions for registration, selection, allotment, sale procedures, terms of payment, collection procedure, interest rates and other important modalities relating to sale, allotment, transfer, cancellation, refund, revival, transfer of properties to legal heirs upon death etc.

(b) Literature for Scheme/Project

Publicity literature for each of the scheme/project shall be developed which would incorporate the following:

- Project/scheme features;
- Modes of sale/lease and various payment options;
- Price of different properties under different options;
- Interest applicable, discount available under different options;
- Payment modalities under different options;
- Literature should give special emphasis on development services/facilities available under the scheme;
- Accident cum-death insurance cover available to the applicant/allottee etc. This offer would help in customer building.

Besides the above the date of registration, the contacting authorities/places and other specific details would be included in the said literature.

(c) Special Literature for Undisposed Properties

Special publicity literature for undisposed properties on the above lines should be developed. The literature should include 'interalia' method of determination of price, concession/rebate available, cash sale/installment sale options, payment model and applicable interest rate etc. under different options.

3.2.2 Publicity Mode

Publicity mode include:

- (i) News paper, trade journal.
- (ii) Hoardings/boards
- (iii) Website, Internet
- (iv) Exhibitions counter at trade fair and
- (v) Cinema slides, city T.V. etc

No one mode is suitable under all the situations, the publicity authority may choose one or two modes at a time based upon requirements of the particular case and his judgement.

3.2.3 Publicity Time/Intervals

First publicity should be done at the time of initiation of the project/scheme to ascertain the public response and their likings for various sizes of plots/houses/shops under the project/scheme. This would facilitate in incorporating the buyers views in the project/scheme modalities at the project/scheme planning stage itself.

Next publicity should be done at the time of commencement of the project/scheme to invite public offers for registration.

Thereafter there should be arrangement for continuous publicity of project/scheme through one or more modes e.g. hoardings/boards at prominent places in the city, at the site of the project/scheme as well as at the campus of the Development Authority direct communication with the prospective customers, camps and door to door publicity etc.

Besides above there should exist a mechanism, which should provide access to the properties for which registration is open and to the undisposed properties to the prospective buyers, selling agents and property dealers etc. Such mechanism may include a website on Development Authorities and Internet access to undisposed and other saleable properties. Newspaper advertisement on periodical basis may be taken up to popularize the projects/schemes and the undisposed properties of the Development Authority.

Special emphasis should be given in each advertisement to the availability of development facilities/services, public facilities/utilities, social and cultural infrastructure, roads, parks, arboriculture, educational and medical facilities etc. This shall help in creating 'Image' in public of the Development Authority.

Inclusion of clauses like accident cum-death insurance cover available may also boost up the marketability of the Development Authority properties. For this purpose the Development Authority may make arrangement with the Life Insurance Corporation/General Insurance Companies, cost of premium (the amount would of course shall vary nominal) may be included in cost while pricing of the properties.

3.2.4 Publicity Authority

The management would specify the authority/authorities responsible for the publicity. It shall be the obligation of the specified authority to conduct the publicity in effective manner as laid down above

3.3 Marketing Procedure

General procedures are detailed as under:

3.3.1 Opening of Registration

The Development Authority shall advertise registration offer notice for sale of plots, houses and shops etc. The scheme may 'interalia' offer the following:

- Confirm allotment on lump sum payment
- Confirm possession as per stipulated time schedule failing upon which the Development Authority shall pay interest on amount deposited from the target date of possession till the date of possession
- Lottery system followed for allotment
- Payment schedule under different options including rate of interest payable under different options
- Target date of possession etc.

3.3.2 Registration

Registration shall be done for allotment of all types of properties. The Development Authority shall lay down eligibility criteria for the registration. Registration procedure shall include:

- Application in prescribed form
- Registration amount payable by way of crossed bank draft or pay order
- Candidate who has been registered under any other scheme would also be eligible if the allotment has not been made to him. Amount already deposited shall be adjustable against the current registration amount. The Development Authority may also offer priority in case of such applicants
- Reservation shall be allowed as per the reservation policy of the government
- Other eligibility criteria shall be specified
- Lottery shall be adopted in allotment
- Lottery shall be opened on specified date in the presence of applicants

3.3.3 Lottery System of Allotment

Date of lottery shall be predetermined or specified through advertisement. Open and transparent lottery system shall be followed. List of successful allottees shall be published through widely accessible and easily available mode. Waiting list as specified by government from time to time over and above shall be issued than the number of plots; houses/shops etc. are proposed to be allotted under various categories. Allotment letters shall be issued to the successful candidate only after the approval of the Vice-Chairman.

In all the cases allotment letters shall be issued within 30 days of date of lottery. The allottee shall be required to deposit specified amount within specific time from the date of issue of allotment letter. Amount already deposited in the form of registration etc. shall be adjusted against the allotment money.

Unsuccessful applicant who intends to purchase property on cash down basis, remaining unsold property can be sold to such person on lottery basis.

3.3.4 Reservation in Allotment

Reservation shall be allowed in allotment as per the government policy.

3.3.5 Eligibility for the Registration and Selection Criteria

The Development Authority shall specify eligibility criteria for the registration and selection criteria for the allotment of properties. However eligibility criteria shall be relaxed as per the policy in case of counter sale/lump sum sale/bulk sale.

3.3.6 Registration Amount and Application

Application complete in all respects shall be forwarded along with the registration amount. Application without registration amount and incomplete or where prescribed documents are not attached shall not be entertained. Registration amount shall be paid by way of crossed account pay bank draft/pay order payable at specified bank. Every Development Authority shall arrange registration deposit through the specific bank branch where there is no system of bank collection. Registration deposit shall be collected through the own collection counters.

3.3.7 Change in Registration and Transfer

In case of death of the beneficiary, registration shall be transferred in the name of legal heirs without any transfer charges.

Allottee can also transfer during his/her lifetime to the family members (parents, spouse, minor child, unmarried daughter and widow daughter as provided by government from time to time) without any charges.

Registration transfer from one scheme to other scheme before lottery shall be permissible.

However after lottery transfer shall be permissible as per the transfer rules only.

Transfer within the scheme from one category to another category shall be permissible. However in case of waiting list in case the transfer is requested after lottery, the date of registration shall be reckoned from the date, the transfer is requested.

Registration/transfer/lottery rules shall be applicable as amended by government from time to time.

3.3.8 Refund

- (a) When refund is requested before the lottery, refund shall be granted without any deduction.
- (b) In case of refund is requested after the specified date of lottery when lottery could not conducted due to any reason, refund shall be granted without making any deduction.
- (c) Refund to unsuccessful applicants shall be allowed without any deduction and waiting list shall automatically stand revised.
- (d) Once the plot/house/shop is allotted through lottery or otherwise if the refund is requested, refund shall be granted after deducting such amount as the prescribed from time to time.

3.3.9 Sale, Transfer and Mortgage etc.

Before the registration of title, the allottee shall not be allowed to dispose the property to any other person. However, change in nomination, mortgage of allotment right and transfer to family members etc shall be permissible as per allotment rules. Provided that allottee has to obtain 'No objection certificate' for transfer/nomination/change in nomination etc. Provided further that transfer to family members and others would be permissible as provided under para 3.3.7 above. Change in nomination would be permissible as per applicable law.

Any action as sale, transfer or mortgage etc by allottee, which is not permissible without permission of the Development Authority, shall be subject to panel action.

Transfer to any other person than the family members as specified under para 3.3.7 above shall be void and not enforceable at law before the registration of title in favour of the first party.

3.3.10 Possession

While arranging physical possession, if area of land etc is increased, the allottee shall have to bear the cost of the additional land etc. as per the provisions of properties allotment rules/costing manual.

3.3.11 Change, Extension and Modification

Prior permission of vice-chairman shall be necessary for change, modification extension in house etc. Such change, extension etc shall be permissible as per Building Rules and policy of the government from time to time.

3.3.12 Dispute

In case of any dispute regarding allotment procedure, granting possession of allotted property etc, decision of the vice-chairman of the Development Authority shall be final.

3.3.13 Death of Applicant/Allottee

Upon death of applicant or death of a successful allottee before all the formalities (including final possession of the property etc.) have been completed, property shall be transferred to the favour of nominee (s)/legal heirs. In case of legal heirs, requisite certificates to the satisfaction of the Development Authority will be required to be produced.

3.3.14 Cancellation

Upon failure to deposit the desired amounts as per scheme of registration/allotment or upon failure to fulfill the requisite formalities, allotment shall stand cancelled and the deposit amount shall be forfeited or subject to deductions as prescribed from time to time in this regards. Extent of failure shall be predetermined in scheme registration/allotment letters.

3.3.15 Revival

In case of revival is desired pricing of plot etc would be done as provided in the 'Pricing and Costing Procedures' of the Manual. Current cost of land and current cost of construction after deducting depreciation as per PWD norms shall be charged. However, compounded value of amounts already deposited shall be considered as amount already deposited and as amount already deposited net amount shall be payable by the party.

3.3.16 Leasehold to Freehold

Conversion of leasehold property to freehold shall be permissible as per the policy and upon deposit of specified amount and upon completing any other formalities as prescribed.

3.3.17 Completion of Scheme and Closing of Registration

Date of closing of registration and completion of selection process shall be prespecified. Upon completion of selection formalities, the Development Authority shall inform to the registered unsuccessful applicants and registration amount shall be refunded. If such applicant intends to transfer his/her registration to other scheme, it shall be permissible.

3.3.18 Registration of Title

Upon full payment and completion of other formalities, registration of title shall be done in favour of the allottee.

3.4 Marketing Techniques

3.4.1 Image Building

It shall be the approach of the Development Authority to build its image in delivering its products viz properties. The image building shall be in the following fields viz :

- Quality of properties
- Fair dealing
- Transparency in delivering properties/services and
- Existence of functional complaint and review mechanism

3.4.2 Scheme Image and Scheme Publicity

The Development Authority shall carry out publicity to make the scheme popular. In the planning stage itself public liking with respect to the size of plots/houses/shops should be obtained and incorporated in project planning. Emphasis may be on following:

- Services/facilities/public utilities available
- Accident cum-death insurance cover available to the applicant/allottee
- After sale services etc.

3.4.3 Access to Undisposed Properties

The Development Authority shall develop mechanism, which shall ensure access at all the times to the undisposed properties through a widely available mode. Such mechanism may include 'a website on Development Authority', Internet access, newspaper advertisement etc.

3.4.4 Special Policy Regarding Sale of Undisposed Property

Special pricing and sale mechanism shall be applied in case of undisposed property. This topic has been covered in the section on 'Pricing and Costing Procedures' of the Manual. Current price of land, and current cost of construction after depreciation factor may be considered. Alliteratively indexed cost may be considered.

3.4.5 Sale Through Auction vs. Cash Down Sale

While in allotment of residential plots and houses registration and lottery selection system shall be employed. In case of cash down sale or auction sale minimum sale price shall be reserved which shall be determined on the basis of cost, market rate and market returns in real estate business etc.

3.4.6 Option for Rescheduling of Payment Term

Payment term shall be amendable on the request of the buyer. In case of a buyer at a later stage, offers down payment for the balance amount under installment sale method, he shall be allowed. Interest in such case shall be recalculated based upon rate applicable for the effective period on reducing balance method. From the balance amount determined, rebate or discount if any available shall be deducted. In case of upward revision i.e. extension in repayment period (overall payment period shall not exceed the maximum payment period option as per scheme) revised installment shall be calculated taking applicable rate of interest under the concerned model. Adequate adjustment to the balance payable including interest suspense etc shall be made.

4. Pricing of Saleable Properties

It is worthwhile to note here that entire establishment; administration and repairs & maintenance cost of the Development Authorities is ultimately chargeable to the properties. Hence pricing policy should

consider this fact while ascertaining and notifying saleable prices of various properties. Price determination has been dealt with in the section on 'Pricing and Costing Procedures' of the Manual. In all circumstances price determination shall be based upon the following consideration:

- Price determination on commercial basis
- Differential prices for different properties viz residential, shops, commercial purpose property etc
- Rebate, discounts etc available to the weaker section should be self sustainable within the scheme or through government grants or subsidy etc

5. Identification Mechanism for Undisposed and Unpopular Properties

The Development Authority shall establish a mechanism for the identification/listing of undisposed properties on regular basis. Most likely reasons for non-disposal of such properties shall be identified. Monthly Report shall be put before the vice-chairman and the vice-chairman shall peruse the report and take such action or frame appropriate line of action after discussions with all the concerned and concurrence of the board.

6. One Time Settlement Scheme

To strengthen the recovery position of the Development Authorities, the Board/Government may frame schemes like one time settlement scheme. Such scheme may provide special concession like waiver of penal interest or charging of reduced rate of interest etc as provided under the scheme. The objective of such scheme shall be to bring down overdue position well within the normal limits. Such schemes when launched, shall be as provided in the scheme and as amended from time to time

7. Deviations

In no case deviations from designated systems and policies would be allowed unless permitted by the Government of Uttar Pradesh (Housing Department).



PART-I : PROCEDURES

SECTION NO. - 9

TAX DEDUCTION PROCEDURES

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





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1. Tax Deduction Account Number (TAN)B

Every Development Authority has legal obligation to obtain TAN(Tax Deduction Account No.)which has to be properly quoted on every challan for deposit of TDS, on every certificate of deduction of tax, and on every return whether annual or half yearly to be filed by such Development Authority with the Income Tax Department. The application for allotment of TAN, if TAN has not been allotted will have to be made in Form No.49B. Every Development Authority is required to deduct Tax on Salaries (U/S 192), on Works (U/S 194 C), on Professional Fees (U/S 194 J) and on any other payment as per Income Tax Act, 1961.

2 TDS on Salaries U/S 192B

a. When to Deduct Tax

At the time of payment of salaries Development Authority is required to deduct Income Tax on the amount payable at the average of Income Tax computed on the basis of the rates enforced in the Financial Year in which the payment is made.

b. Where to Deposit the Tax

The deposit of tax so deducted is to be made to the credit of Central Government.

c. When to Deposit Tax

Tax is to be paid within one week from the date of such deduction.

d. How to Deduct Tax

The amount of tax to be deducted at source is computed as per the following steps :

Step I -- Make the following computations:

Total Income for this purpose =Estimated salary taxable under the head Salaries
+ Any Income chargeable under any head of income - Standard Deduction U/S16
and - Permission Deduction under chapter VI-A.

Step II -- Compute tax on total income computed above

The amount of tax to be deducted at source = Tax on total income - Rebate
under section 88, 88B & 88C + Surcharge, if any, on total income -
Relief under Section 89(1)
- Tax Deduction, if already made.

Step III --

Therefore, tax to be deducted per month = Tax to be deducted as per Step IV/Number of months for which the employee has rendered service during the Financial Year.

e. Issue of Tax Deduction Form

A certificate of Tax Deduction will be furnished to the employee with in one month from the close of the Financial Year in which such deduction is made i.e. by 30th April. The certificate is to be in Form No.16.

f. Filing of Annual Return

An Annual Return is required to be furnished by Development Authority in Form No. 24. This return is to be filed by 31st May to the Assessing Officer within whose jurisdiction the Development Authority is situated.

3. TDS on Works U/S 194 (C)B

a. When to Deduct Tax

Tax is to be deducted at the time of credit or on payment whichever is earlier to a person carrying out any work(including supply of labour for carrying out any work) in pursuance of a contract, entered into with Development Authority.

b. Where to Deposit the Tax

The deposit of tax so deducted is to be made to the credit of Central Government.

c. When to Deposit Tax

The payer after deducting tax should deposit tax as under: --

- (a) within a week from the last day of the month in which such deduction is made.
- (b) in case of credit on last day of the financial year, within two months of expiry of the financial year.

d. When Tax is to be Deducted at Lower Rate

A contractor may apply to the Income Tax Department for issue of a certificate to the payer to deduct Tax at a rate lower than the prescribed or even at nil rate. No tax or tax at lower rate shall be deducted in such case.

e. How to Deduct Tax

In case the payment is made to a contractor, the amount of tax to be deducted at source is computed at the rate of 2 percent plus surcharge of the payment. For any deduction of tax from the payments made to a sub-contractor, the rate of deduction of tax is at the rate of 1 percent for the sum paid.

f. Issue of Tax Deduction Form

A certificate of Tax Deduction will be furnished in Form No.16A.

g. Filing of Annual Return

An Annual Return is required to be furnished by Development Authority in Form No. 26C. This return is to be filed by 30th June to the Assessing Officer within whose jurisdiction the Development Authority is situated.

4. TDS on Professional Fees U/S 194 (J)B

a. When to Deduct Tax

Development Authority is required to deduct tax on any amount payable as fees for Professional Services or for any Technical services at the time of payment or credit which ever is earlier.

b. Where to Deposit the Tax

The deposit of tax so deducted is to be made to the credit of Central Government.

c. When to Deposit Tax

The payer after deducting tax should deposit tax as under : --

(i) in the case of Government by or on behalf of the Government on the same day.

(ii) in any other case

(a) within a week from the last day of the month in which such deduction is made.

(b) in case of credit on last day, within two months of expiry of the month on which credit is given.

d. How to Deduct Tax

An amount equal to 5 percent plus surcharge on such sum as income tax is required to be deducted. However, no tax is required to be deducted under this section in the following cases :

(i) Where the amount payable does not exceed Rs. 20000/-

(ii) Where such fees for Professional / Technical services is paid through regular banking channels to any C.A., Lawyer, Advocate or Architect or any other professional services providing persons as per the provisions of Income Tax Act, 1961.

e. Issue of Tax Deduction Form

A certificate of Tax Deduction will be furnished in Form No.16A.

f. Filing of Annual Return

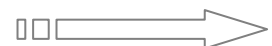
An Annual Return is required to be furnished by Development Authority in Form No. 26K. This return is to be filed by 30th June to the Assessing Officer within whose jurisdiction the Development Authority is situated.

5. TDS on Other Payments (As per the Provisions of the Income Tax Act, 1961)3B

The Development Authority is required to deduct Tax at Source on any other payment as per Income Tax Act, 1961. Procedure of Deduction, Deposit, Issue of T.D.S Form and filing of Return would be the same as stated at 3 to 4 above.

6. T.D.S. Rates

The tax shall be deducted as per the prevailing provisions of Income Tax Act 1961.



PART-II : SYSTEMS

SECTION NO. - 10

BUDGET AND BUDGETARY CONTROLS

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





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CHAPTER – I

INTRODUCTION

1.1 Objectives of the Section:

Budgeting is a quantitative expression of comprehensive and coordinated operations and resources of Development Authorities of Uttar Pradesh. It induces the management to think systematically, promotes optimal utilization of resources, serves as a device for coordinating the complex operations of Development Authority, provides a medium for communicating the plans of the Development Authority, motivates management at all levels to perform well and serves as a standard against which the actual performance can be judged.

The major objective for the preparations of budgeting is formulations and quantitative interpretations of future plan of the Development Authority. In a budget an attempt is made to:

- (i) Forecast revenue based on a realistic assessment;
- (ii) Forecast expenditure based on achievable norms.

There are two aspects of projection making, one- projection for planning and two - projection for control. Projections for planning covers, various alternatives open to the organization, which are evaluated in terms of their impact on future earnings. It may be formal, systematic and factual or it may be directed by expediency when adhoc decision may have to be made and the results achieved will generally be in direct proportion to the thought, consideration and skill applied to it. A projection for control is frequently carried out as a process of performance evaluation.

Control involves several steps:

- (i) Comparison of projected performance with the actual performance at stated intervals.
- (ii) When there are deviations from projected performance, a decision whether it is significant.
- (iii) If deviations are significant, a decision as to what action should be taken

1.2 Scope of the Section:

The section would detail the policies and procedures to be followed in the Budgeting process of the Development Authority.

1.3 Deviations:

Deviation from the prescribed policies and procedures would not be permitted unless accompanied by a justifiable request for the deviation, clearly outlining the following:

- Nature of deviation
- Reasons for deviation
- Time span for which the deviation is required
- Procedure that would be followed if the deviation were approved.

However any deviation from the designed systems and policies would not be allowed unless permitted by Government of Uttar Pradesh (Housing Department).

1.4 Responsibility of the Finance and Accounts Department:

The responsibility of the Finance and Accounts Department would be to ensure that the budget for the Development Authority is ready by the start of the financial year. It would be their responsibility to help all the Departments in preparation of the budget. This Department would identify any duplication/ inconsistency of expenses in the Departmental Budget. Periodic review of the Budget would also be their responsibility.

1.5 Responsibility of the Other Departments:

The concerned Department shall be responsible for the preparation of Departmental Budget. They shall also be responsible for review of the Budget at prescribed intervals.

CHAPTER-2

POLICIES

2.1 General Policies:

- The Budget would be drawn for a financial year beginning 1st April and ending on 31st March of the subsequent year.
- The Development Authority would review the Budget periodically, say, at the end of each quarter.
- At the end of nine months, Budget would be reviewed and Revised Budget would be prepared.
- In case of preparation of the Revised Budget and the Budget estimate, the actual expenditure would be taken for the tenure for which data is available.

2.2 Budget Period:

The preparation of budget would be an annual exercise. The consolidated budget for a financial year would be required to be passed by the end of the previous year e.g. Budget for the Financial Year 2002-03 shall be passed by the end of 31st march 2002.

The Budget would essentially base upon annual work plan. Therefore the Vice-chairman of the Development Authority would ensure that the Annual work plan is duly prepared and approved by the Board by 31st December each year. On approval of annual work plan, a copy of it would be forwarded to each department. A meeting of the Board would then be convened within reasonable time wherein allocation of funds of each department would be finalized. In turn all departments would prepare a proposed Departmental Budget, which would be consolidated by the Finance and Accounts Department. After approval by the Vice-Chairman, the Board would be approved the Budget.

The first review of the Budget would be conducted at the end of each quarter. The Finance and Accounts Department would give the figures for each quarter separately and cumulatively and corresponding of the previous year.

The second review of the Budget would be conducted at the end of third quarter.

The Finance and Accounts Department would consolidate all the amendments made in the Budget in the corresponding period and would present actual expenditure and revenue for the quarter covered and the estimates of the expenditure and revenue for the next quarter. The Revised Budget would be required to be presented to the Governing Body / Board and its approval is sought.

2.3 Budget Document

The consolidated Budget, with all Departmental Budgets as annexure, would be the Budget Document. This would be prepared by the Finance and Accounts Department.

2.4 Reporting to Government of Uttar Pradesh

The Development Authority would also provide copy of Annual Budget to Government of Uttar Pradesh through Secretary Awas after approval by Board.

CHAPTER – 3

OPERATING SYSTEMS AND PROCEDURES

3.1 Budget Period

Budgeting is an annual exercise in the Development Authority. The Annual Budget, approved by the Board, should be ready by the beginning of the financial year i.e. 1st of April every year.

3.2 Departmental Estimate based on the Work Plan

3.2.1 Designing of work plans and targets for the Development Authority would be done in the meeting of all the Departmental heads chaired by Vice-Chairman. All the Departmental heads would be required to prepare Departmental targets and work plan based on which the work plan of the Development Authority for the year would be finalized in the meeting. This work plan has to be approved by the Governing Body/ Board. The Budget would be based on approved work plan of the Development Authority. Meeting of all Departmental heads would be convened by the Vice-chairman where programmatic and financial estimates for each Department that they would be required to undertake in the next year would be finalized.

3.2.2 In view of the fact that work plan is the result of collective thinking of all the participants within the objectives and policies laid down by the management, it is essential that the plan is discussed from the lowest level of responsibility. Unless, it is done, often-strong resistance in working out plans develops at the lower level since the Budgets are treated as the standards of performance. Therefore, it is very essential that the planning process should be done with an eye on the possible standard of achievement and involvement of all the concerned.

3.2.3 In view of the important role of the Finance and Accounts Department in quantifying all the information in and in its capacity to present information in desired format, this Department will have to function normally as coordinator in the Budget preparation process. The Head of the Finance and Accounts Department or his representative at lower level should act as convener of the Budget preparation process. They shall call for Departmental Budget and such information as desired in the format is prescribed. They shall scrutinize all the information.

3.2.4 All Departments would clearly outline the programmatic targets they propose to achieve in the Budget and the corresponding expenditure on the standardized format provided by the Finance and Accounts Department.

3.2.5 The Engineering and Works Department would be expected to enclose a summary of all Projects whose expenditure are detailed in the Proposed Budget with the Proposed Departmental Budget.

3.2.6 Land Acquisition Department would give details of land acquisition to be made along with expected funds outflow, and it shall be enclosed with the Proposed Departmental Budget.

3.2.7 Similarly, the Property Department would give recovery targets as well as sale targets, further detailed under each of the schemes.

3.2.8 Other Departments would give their Departmental Budgeted expenditures and incomes and basis of such projections.

3.2.9 The Proposed Departmental Budget would be forwarded to the H.O.D. of the Finance and Accounts Department. The Finance and Accounts Department would check that the Programmatic and financial targets as decided in the initial meeting, are consistent. In case of any inconsistencies in the targets stated, the Budget would be sent back to the concerned Department for review along with the remarks of the Head of the Finance and Accounts Dept.

3.3 Budget Formats

The Budget formats, which will be presented to the Board, are given at the end of this Section. Also, formats have been devised to indicate the Budgeted targets, quarter-wise to facilitate reporting and comparison:

3.3.1 Master Budget

- (i) Income and Expenditure Account
- (ii) Receipts and Payment Account
- (iii) Balance Sheet

3.3.2 Sales Budget

- (i) Sales and Related Revenue
- (ii) Cost of Sales and Related Expenditure

3.3.3 Revenue Income and Revenue Expenditure Budget

- (i) Revenue Income
- (ii) Revenue Expenditure

3.3.4 Capital Expenditure Budget

- (i) Land
- (ii) Fixed Assets
- (iii) Materials
- (iv) Capital Expenditure on Schemes/Projects
- (v) Properties Available, Creation, Under Creation and Disposal of Properties
- (vi) Borrowings and Repayment of Borrowings

3.4 Preparation of Budgets

The Proposed Departmental Budgets would be forwarded to the Finance and Accounts Department, which would compile all the Departmental Budgets when they are complete in all respects, reconciliation of any inter-departmental inconsistencies like duplication of any expenses in the Budget, would be identified by the Finance and Accounts Department and rectified by the concerned Departments.

The Secretary would call a meeting on behalf of Vice-Chairman of all the Departmental heads. The meeting would review the consolidated Budget. In case any modification is required, it would be the responsibility of the Finance and Accounts Department to incorporate in final Budget. The changes made would be informed to the respective Departments. The Budget would become operational after approval of the Board

3.5 Periodic Review and Amendment to the Budget:

The Development Authority would ensure a review of the Budget at the end of each quarter and with an option to amend it. The amendment, if required, would be first assessed regarding its nature. The nature of amendment amongst the activities outlined for the year can be of two types :

- Programmatic
- Financial

In case of any programmatic review of the target, a meeting of the Vice-Chairman, Secretary, Head of concerned Department need to be called. In the meeting, review of the Proposed changes made, the financial implication of the amendment should also be determined and the corresponding approval sought.

The financial amendment can either be an activity in re-appropriation of funds, within a Particular project, or it may be an increase or decrease in the overall Budgetary outlay for the year.

In case any amount required to be increased from the current stipulated level stated in the budget for the year, then the financial authority for the sanction of the same shall be as follows:

S.No.	Financial Limit	Approval Sought
1.	Upto 10% of the overall Budget or as per financial delegation of powers from time to time.	Vice-chairman
2.	Above 10% of the overall Budget or as per financial delegation of powers from time to time.	Governing Body [in case of urgency Vice-chairman shall make the re-appropriation and obtain ex-post facto approval of G.B.]

However, in case requirement for re-appropriation of funds within a particular project would be felt, a meeting of the concerned Departmental Heads, Secretary and Vice-chairman would be held for approval. The Budget should have fine flexibility.

However the financial delegation of power shall override the aforesaid sanctioning financial authority. Once the sanction is obtained, the Finance and Accounts Department shall make required changes in the Budget. If sanction is not received, the matter is assumed closed.

- The review of the Budget shall bring forth all the mid-term amendments done to the Budget within the specified period and status of utilization of funds.

- The Finance and Accounts Department would prepare Budget review at the end of each quarter. This would incorporate all the actual expenditure for the period and budgeted figures for the next three months. This review would act as a control mechanism and activities that are slow in their progress may be geared up so as to be able to achieve the targets set for the year.
- At the end of nine months, revised budget would be prepared by the Finance and Accounts Department, which gives actual expenditures for the nine months and projected estimates for the upcoming three months. This would also incorporate any approved amendment to the budget for the concerned period. The revised budget would be put before the Governing Body/ Board and its approval sought. This revised budget would also be an important input at the time of preparation of the annual budget for the forthcoming year.

3.6 Responsibility for Implementation:

It shall be the responsibility of each Departmental head to achieve the Budget targets and keep the expenditure within the Budgetary limits. Any variance shall be reported on quarterly basis giving reasons therefor.

3.7 Report Generation:

The Finance and Accounts Department would be responsible for the generation of M.I.S. Report. This M.I.S. Report would be sent to the Secretary, Vice-Chairman and all the Departmental Heads for perusal. The M.I.S. Report would detail budget under each head, corresponding expenditure, income and the variance with the budgeted amount, if any.

UTTAR PRADESH DEVELOPMENT AUTHORITIES Master Budget-Receipts and Payments Account

Particulars	Actual For	Budget For	Tentative For	[Rs. In Lacs] Budgeted For
	-----	-----	-----	-----
I] INFLOW				
1. Opening Balance				
2. Receipts				
i) Net Cash Flow from Operating Activities				
ii) Capital Inducted				
iii) Receipts from Customers and Cash Sales				
iv) Loan Receipts				
v) Grant/Subsidies Receipts				
vi) Deposits Against Works and Properties				
vii) Recovery against Loans to Employees				
viii) Net Increase/Decrease in working Capital other than Sundry Debtors, Sundry Creditors and Suppliers/Contractors' Balances and Interest Payable/Material Stock etc., Deposit against Works and Properties				
ix) Other Receipts				
Total				
II] OUTFLOW				
3. Outflow				
i) Net Outflow Flow from Operating Activities				
ii) Capital Reduction				
iii) Development and Construction and Other Capital Expenditure				
iv) Repayment of Loan and Repayment of Deposits				
v) Deposits Works				
vi) Interest Payment				
vii) Loans and Advances				
viii) Other Payments				
ix) Net Increase/Decrease in Working Capital Other than Sundry Debtors/Suppliers Contractors and Interest Payable / Material Stock Deposit against Works and Properties.				
4. Closing Balance				

**UTTAR PRADESH DEVELOPMENT AUTHORITY
Master Budget –Balance Sheet**

Particulars	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
<u>LIABILITIES SIDE</u>				
<u>I CAPITAL & GENERAL FUNDS</u>				
(A) DA FUNDS				
i)				
ii)				
iii)				
iv)				
v)				
(B) RESERVES				
i)				
ii)				
iii)				
iv)				
v)				
<u>II UNUTILISED BRANDS / CONTRIBUTIONS</u>				
i)				
ii)				
<u>III LOANS FUNDS</u>				
(A) SECURED LOANS				
i)				
ii)				
iii)				
iv)				
(B) UNSECURED LOANS				
i)				
ii)				
iii)				
iv)				
<u>IV DEPOSITS</u>				
ii)				
iii)				
iv)				
<u>V UNSETTLED LEASE DEPOSITS</u>				
i)				
ii)				
<u>VI SUSPENSE ACCOUNTS AND DEFERRED REVENUE</u>				
i)				
ii)				
<u>VII CURRENT LIABILITIES</u>				
i)				
ii)				
iii)				
iv)				
v)				
vi)				
vii)				
viii)				
ix)				
x)				

UTTAR PRADESH DEVELOPMENT AUTHORITIES

Particulars	Actual For	Budget For	Tentative For	[Rs. In Lacs] Budgeted For
	-----	-----	-----	-----
1. ASSETS SIDE				
I) ASSETS				
Fixed Assets				
Less: Depreciation				
Capital Work In Progress				
II) INVESTMENTS				
ii) In Securities and Term Deposits				
iii) In Properties Not For Sale				
III) PROPERTIES				
ii) Land Under Development				
iii) Properties Under Development				
iv) Developed Plots (Unsold)				
v) Developed Properties Unsold				
vi) Advances for Works in Progress				
IV) CURRENT ASSETS				
i) Materials and Stores				
ii) Loans and Advances to Employees				
iii) Sundry Debtors				
iv) Development Charges Accrued				
v) Income from Properties Accrued				
vi) Income from Investments Accrued				
vii) Other Income Secured				
viii) Balances with Banks and Post Office				
ix) Cash and Closing Balances				
V) MISCELLANEOUS EXPENDITURE				
(To the extent not written off)				

Sales Budget

Annexure-1

Performa Of Sales Budget				
Sales Budget: Part A Sales and Related Revenue				
Details	Actual For	Budget For	Tentative For	Budgeted For
A. Sale of Plots /Land				
i) Sale Of Plots-Houses				
Square Meters				
Rs in Lacs				
ii) Sale Of Plots Public Conveience/ Public Facilities				
[Like educational institution and other institution etc]				
Square Meters				
Rs in Lacs				
iii) Sale Of Plots -Shops				
Square Meters				
Rs in Lacs				
iv) Sale Of Plots –Other Commercialise				
Square Meters				
Rs in Lacs				
v) Sale Of Plots –Bulk Land				
Square Meters				
Rs in Lacs				
vi) Sale Of Plots –Any Other				
Square Meters				
Rs in Lacs				
Total (A)				
[(i)+(ii)+(iii)+(iv)+(v)+(vi)]				
Square Meters				
Rs in Lacs				
B. Sale Of Constructed Properties				
a) Sale Of Properties- Houses				
(i) Sale Of Houses-HIG				
Square Meters				
Rs in Lacs				
ii) Sale Of Houses-MIG				
Square Meters				
Rs in Lacs				
iii) Sale Of Houses-LIG				
Square Meters				
Rs in Lacs				
iv) Sale Of Houses-EWS				
Square Meters				
Rs in Lacs				
v) Sale Of Houses-Any Other				
Square Meters				
Rs in Lacs				
Sub Total [a]				
[(i)+(ii)+(iii)+(iv)+(v)]				
Square Meters				
Rs in Lacs				
(b) Sale Of Properties –Shops				
Square Meters				
Rs in Lacs				
(c) Sale Of Properties –Copmlex/Floor				
Square Meters				

Rs in Lacs		
(d) Sale Of Properties –Others		
	Square Meters	
	Rs in Lacs	
Total		
[(a)+(b)+(c)+(d)]	Square Meters	
	Rs in Lacs	
C. Sale Of Leased Assets		
and Free Hold Conversion Income		
a) Sale Of Leased Assets		
	Square Meters	
	Rs in Lacs	
b) Free Hold Conversion Income		
	Rs in Lacs	
c) Other Charges		
	Rs in Lacs	
	Square Meters	
Total		
[(a)+(b)+(c)]	Rs in Lacs	
D. Sale Of Rented Propertie		
a) Sale Of Houses		
	Square Meters	
	Rs in Lacs	
b) Sale Of Shops		
	Square Meters	
	Rs in Lacs	
c) Sale Of Other Properties		
	Square Meters	
	Rs in Lacs	
Total (D)		
	Square Meters	
	Rs in Lacs	
E. Recovery Of Additional Cost		
From Scheme /Project		
	Rs in Lacs	
Total Sale and Related Revenue		
[(A)+(B)+(C)+(D)+(E)]		
	Rs in Lacs	
Note: Schemewise/Project wise details shall be prepared under sub heads from (A) to (E) shown Above.		
Prepared By	Checked By	Approved By

Sales Budget: Part B Cost Of Sales and Related Expenditures				
Details	Actual For	Budget For	Tentative For	Budgeted For
Cost Of Plots/Land/Properties Sold Out				
A. Cost Of Plots/Land				
(i) Sale Of Plots -Houses				
Square Meters				
Rs in Lacs				
(ii) Cost Of Plots -Public				
Convenience/Public Utilities				
[Like educational and other institutions etc]				
Square Meters				
Rs in Lacs				
iii) Cost Of Plots –Shops				
Square Meter				
Rs in Lacs				
iv) Cost Of Plots –Other Commercial Use				
Square Meter				
Rs in Lacs				
v) Cost Of Plots –Bulk Land				
Square Meter				
Rs in Lacs				
iii) Cost Of Plots –Any Other				
Square Meter				
Rs in Lacs				
Total [A]				
[(i)+(ii)+(iii)+(iv)+(v)+(vi)]				
Square Meter				
Rs in Lacs				
B. Cost Of Constructed Properties				
a) Cost Properties - Houses				
(i) Cost Of Houses -HIG				
Square Meter				
Rs in Lacs				
(ii) Cost Of Houses –MIG				
Square Meter				
Rs in Lacs				
iii) Cost Of House –LIG				
Square Meter				
Rs in Lacs				
iv) Cost Of Houses - EWS				
Square Meter				
Rs in Lacs				
v) Cost Of Houses – Any Other				
Square Meter				
Rs in Lacs				
Sub Total [a]				
[(i)+(ii)+(iii)+(iv)+(v)]				
Square Meter				
Rs in Lacs				
(b) Cost Of Properties-Shops				
Square Meter				
Rs in Lacs				
(c) Cost Of Properties- Complexex/Floor				
Square Meter				
Rs in Lacs				
(d) Cost Of Properties- Others				
Square Meter				
Rs in Lacs				
Total				
[(a)+(b)+(c)+(d)]				

	Square Meter	
	Rs in Lacs	
C. Cost Of Leased Assets [Transfer Of Fixed Assets]	Square Meter	
	Rs in Lacs	
D. Cost Of Rented Properties		
(a) Cost Of Houses	Square Meter	
	Rs in Lacs	
(b) Cost Of Properties-Shops	Square Meter	
	Rs in Lacs	
(c) Cost Of Other Properties	Square Meter	
	Rs in Lacs	
Total [c] [(a)+(b)+(c)]	Square Meter	
	Rs in Lacs	
E. Additional Cost Incurred on Semi Finished Properties Sold Outs		
	Rs in Lacs	
Total Cost Of sales and Related Expenditures [(A)+(B)+(C)+(D)+(E)]		
Note: Scheme wise/ Project Wise details shall be prepared under subheads from (A) to (B) above.		
Prepared By	Checked By	Approved By

UTTAR PRADESH DEVELOPMENT AUTHORITIES

Revenue Income and Revenue Expenditure Budget

Part A: Revenue Income

Particulars	Concerned Department	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
1. Interest Income from Properties					
i. Interest on Installments					
ii. Penel Interest on Installments					
iii. Other Charges on Installments					
iv .Others					
Total Rs.					
2. Development Charges and Levies					
i. Levy for Non-Construction					
ii. Betterment Charges					
iii. Compound Charges					
iv. Malwa Charges					
v. Development Charges					
vi. Building Plans Sanction Fee					
vii. Surveyor's License Fee					
Total Rs.					
3. Income From Properties / Public Utilities					
i. Lease Rent					
ii. Building Rent					
iii. Hire-Charges/Booking Income from Community Centres, Conference Hall etc.					
iv. License Charges / Income from Parks					
v. Income from Lakes / Other Public Utilities					
vi. Others					
Total Rs					
4. Other Income From Sale / Transfer of Properties					
i. Margin/Profit on Lease Assets					
ii. Share of Profit on Second Sale					
iii. Share of Registration Charges on Transfer / Sale of Properties					
iv. Establishment Charges on Nazool Transactions					
v. Others					
Total Rs					
5.Income from Investments in Properties					
- Interest /Dividened from Securities					
- Interest on Term Deposit					
- Bank SB Account Interest					
- Others					
Total Rs					
6. Interest on Loans to Employees					
- Interest on House Loans					
- Interest on Vehicle Loans					
- Interest on Special Loans					
- Interest on Other Loans					
Total Rs					

7. Other Incomes

- Sale of Master Plan Book/Registration Book/Tender Form
- Registration of Contractors/Suppliers
- Cycle/Scooter/Car Stand/Charges
- Miscellaneous like Road Cutting/Roller/Water Charges
- Others

Total Rs

8. Recovery from Employees for Facilities Provided

- Telephone
- Electricity
- House Rent
- Vehicle
- Others

Total Rs

9. Recovery From Projects / Schemes and Deposit Works

- Establishment Charges
- Administrative Cost
- Miscellaneous Expenses
- Interest Cost
- Contingencies and Provisions for Tools and Plants
- Provisions for Future Maintenance of Facilities / Services
- Centage Charges on Deposit Works

Total Rs

Total Revenue Income [Rs]

[(1) to (9)]

Prepared By

Checked By

Approved By

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Revenue Income and Revenue Expenditure Budget

Part B: Revenue Expenditure

Particulars	Actual For -----	Budget For For -----	Tentative For -----	[Rs. In Lacs] Budgeted -----
1. Establishment Cost				
i. Establishment Cost (Gross Pay)				
ii. Establishment Cost + Contributions				
iii. PF/CPF/Pensionary				
iv. Employees Welfare Fund				
v. Others				
Total				
Establishment Cost Others				
i Exgratia				
ii Honorarium				
iii. Medical Reimbursement				
iv Uniform				
v Leave Travel Concession				
vi Leave Encashment				
Total				
Establishment Cost Retirement Benefits				
i. Pension / Family Pension				
ii Gratuity				
iii Compensation				
iv Other Retirement Benefits				
Total				
2. Administration Cost				
i. Rent				
ii. Rates and Taxes				
iii. Electricity and Generator				
iv. Communication				
v. Stationery and Printing				
vi. Advertisement and Publicity				
vii. Entertainment Refreshment and Meetings				
viii. Traveling and Conveyance				
ix. Consultancy Fees and Audit Fees				
x. Legal Expense				
Repair Maintenance				
- Office Building				
- Residential Building/Shops				
- Furniture and Fixtures				
- Equipments Construction and Heavy Equipments				
- Sewerage Water Supply Facilities				
- Others				
Vehicle Running				
Function, Inaugurations and Welcome/Farewell				
3. Interest and Other Cost of Borrowings				
Interest Cost of Borrowings				
a) Interest Cost-Bonds/Debentures				
b) Interest Cost of-Loan from State Government				
c) Interest Cost of-Loans Financial Institutions/Banks and Others				
Total				
Other Cost of Borrowings				
a) Guarantee Commission				
b) Commitment Charges				
c) Other Charges				
Total				
Grand Total				

3. **Interest and Other Cost of Deposits**
 - a) Self Finance
 - b) Deposits
 - c) Others**Total**
4. **Social Overheads**
 - a) Roads
 - b) Aboriculture
 - c) Mela and Trade Fair
 - d) Town Development
 - e) Others**Total**
6. **Other Expenses**
 - a) Contribution to UP Awas Bandhu
 - b) Expenses on V.C Discretion
 - c) Training and Work Shop
 - d) Miscellaneous and Contingencies**Total**
7. **Depreciation and Amortization**
 - a) Depreciation of Fixed Assets
 - b) Amortization Cost of Public Utilities**Total**
8. **Other Heads**
 - a) Amount written off
 - b) Adjustments**Total**
9. **Future Maintenance of Facilitation/Services**
 - a) Paid to nagar nigam/nagar palica
 - b) Expenses incused pay D.A**Total**

pP Prepared B

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ANNEXURE-3

10. **Net srplus deficit from operating activities**

Non cash items

 - a) Depreciation
 - b) Amortization of investmant cost
 - c) Amortization of deferred revenue expenditure
 - d) Intrest on borrowing
 - e) Interst on deposits
 - f) Other items
 - g) Bad Debts Written Off
 - h) Reduction in carrying Amount of Investments
 - i) Stock Adjustment Account
 - j) Interest Income from Installment Sale
 - k) Recoveries from Project Scheme
 - l) Surplus/Deficit from Properties
 - m) Profit and Loss Account
 - n) Net Cash from Operating Activities

UTTAR PRADESH DEVELOPMENT AUTHORITIES

ANNEXURE 4

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
1) Capital Inducted				
a) Contribution from State Government				
b) Any Other Mode				

ANNEXURE 5

2) Receipts from Customers and Cash Sales
Sales during year
Add : Sundry Debtors at the beginning of the year
Less : Sundry Debtors at the end of the year
Net Recovery from customers (including adjustment of deposits ,against allotment/sale/lease)
(Refer Annexure)
Add: Cash down Sale
Total receipts from customers and Cash sale

ANNEXURE 6

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
3) Loan Receipts				
- Debentures and Bonds				
- State Government				
- Financial Institutions and Banks				
- Others				

ANNEXURE 7

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted -----
4) Grant/ Subsidy Receipts				
- Special Purpose				
- General Purpose				

ANNEXURE 8

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
5) Deposits against Works and Properties				
(A) Works				
-Deposits from Government/ Government Departments/Agencies				
-Deposits from Institutions/Corporations				
- Deposits from Public and Others				
(B) Properties:				
- Registration Money/Earnest Money				
-Allotment Money before Registration				
-Deposit under Self Finance Scheme				
-Other Deposits				
Add: Closing Balance of Deposits				
Less: Opening Balance of Deposits				

ANNEXURE 9

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted -----
6) Recovery against Loans				
Opening Balance of Loans given to Employees				
Add: Loans disbursed during the year				
- Housing Loan				
- Vehicle Loan				
- Festival Loan				
- Special Loan				
Less: Closing Balance of Loans given to Employees				
Net Recoveries against Loans				

ANNEXURE 10

7) Net Increase/ Decrease in Working Capital Other than Sundry Debtors/ Suppliers/ Contractors and Employees Loan and Material Accounts/ Earnest money and Security Deposits/Amount with held of Suppliers and Contractors deposits against Works and Deposits.

a) Current Assets

- i) Other Loans and Advances
- ii) Development Charges accrued
- iii) Income from Parties accrued
- iv) Income from Investments accrued
- v) Other Income accrued
- vi) Other Current Assets

Closing Balance other than Cash and Bank balances

b) Current Liabilities

- i) Expenses Payable
- ii) Employees Statutory Dues Payable
- iii) TDS/WCT /Trade Tax Payable
- iv) Interest accrued but not due
- v) Provisions

NET WORKING CAPITAL (a-b)

ANNEXURE 11

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
8) Other Receipts				

ANNEXURE 12

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
Outflow				
1. Capital Reduction	-71-			

ANNEXURE 13

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
2. Development /Construction and other Capital Expenditure				
a) Land Payments				
b) Purchase of Fixed Assets				
c) Land Development Scheme-Wise (as per enclosure)				
d) Construction Cost Scheme-Wise (as per enclosure)				
Total				
Total Capital Expenditure as per accrual Budget				
Add: Payable on account of Suppliers / Contractors including Security Deposits and amount with held etc at the Beginning of the year.				
Add: Material Stock at the Beginning of the year				
Add: Payable on account of Land at the beginning of the year				
Less: Payable on account of Suppliers / Contractors including Security Deposits and amount with held, etc at the end of the year.				
Less: Material Stock at the end of the year				
Less: Payable on account of Land at the End of the year				

UTTAR PRADESH DEVELOPMENT AUTHORITIES

ANNEXURE 14

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
9) Repayment of Loans (Excluding Interest)				
a) Borrowings at the beginning of the year				
Add: Borrowings made during the year as per work Plan				
Less: Borrowings at the end of the year				
b) Refund of Deposits				
-Registration /Earnest Money				
-Self Finance				
-Any Other				

ANNEXURE 15

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For
Deposit Works				
Deposits Works at the beginning of the year				
Add: Deposits Works made during the year				
Less: Deposits Works at the end of the year				
Net Deposits Work done during the year				

ANNEXURE 16

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
11) Interest Payment				
a) Interest on Borrowing				
Add: Interest Payable at the beginning of the year				
Less: Interest Payable at the end of the year				
b) Interest paid on Deposits				
Interest paid during the year				
Add: Interest Payable at the beginning of the year				
Less: Interest Payable at close of the year				

ANNEXURE 17

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For -----
12) Loans and Advances				
c) Employees				
d) Any Other				
(as per Annual Work Plan)				

ANNEXURE XVI

	Actual For -----	Budget For -----	Tentative For -----	[Rs. In Lacs] Budgeted For
13) Other Payments				
Give details				

**FORM No. BC-2
PROPERTIES PROFIT AND LOSS BUDGET**

INCOME FROM PROPERTIES	Actual	Budget	[Rs. In Lacs] Tentative
	<u>Budgeted</u>	For	For
	-----	-----	-----
I. Sale of Plots / Land			
II. Sale of Constructed Properties			
III. Sale of Leased Assets and Freehold Conversion Income			
(a) Sale of Leased Assets			
(b) Freehold Conversion Income			
IV. Other Property Related Income			
TOTAL (Rs.)			
COST OF PROPERTIES			
V. Cost of Plot / Land Sold Out			
VI. Cost of Constructed Property Sold Out			
VII. Cost of Properties Leased Out			
VIII. Additional Cost of Properties Sold as Work in Progress			
IX. Other Cost Related To Properties			
TOTAL (Rs.)			

**FORM NO. BC-3
UTTAR PRADESH DEVELOPMENT AUTHORITY
Operating Budget**

Following Operating Budget shall be drawn, basis for which is given here under: -

1) Project/Scheme Capital Expenditure Budget

Basis: Engineering and Works Department shall draw this Budget by giving details under each of the Schemes based upon respective implementation Schedule.

2) Recovery/Revenue from Properties

The Budget shall be drawn by Properties Department by giving details for Cash Sales Installment Recovery under each of schemes. While estimating recoveries, past achievements shall be taken into consideration.

Revenue

As per Annexure I above

Add Recoveries from Properties on account of allocation of cost

- a) Establishment Cost
- b) Administration Cost
- c) Miscellaneous Cost
- d) Provision for contingencies, tools and plants
- e) Provision for future Maintenance of services/facilities
- f) Centage Charges on Deposit Works

Expenditure

As per Annexure I above

Note: - This Budget shall be based upon compilation of Departmental Budget.

3) Development of Works/Properties Budget

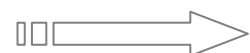
This should be compiled by Finance and Accounts Department by considering the following Department Budget viz.

- Land **Acquisition** Department
- Engineering and Works Department
- Stores Department

4) Sales Budget

5) This budget shall be drawn by Properties Department and Planning Department. Income Budget

This Budget shall be drawn by the Finance and Accounts Department as under:



PART-II : SYSTEMS

SECTION NO. - 11

MANAGEMENT INFORMATION SYSTEM

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





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CHAPTER 1

INTRODUCTION

1.1 Objective of the Section

The section on Management Information System for the Development Authorities of Uttar Pradesh provides basis to assist the management in taking decision for controlling current and planned future results.

The Management Information reports show to each level of Management how well it is performing against the planned goals.

The section also aims at designing a uniform and effective Management Information System as derivatives of overall Accounting System.

This section also aims to enable the Management to plan its future strategies within the designed parameters and analyze its own competitiveness and end -results based on decisions taken in the past and also takes remedial measures wherever required. This section also aims to devise the system, which can produce the desired information without any hindrance and time lag - both in financial and physical terms. The effective reporting is an essential tool for Management decisions for Cost control and Cost reduction. The primary purpose of these reports is to enable Management to exercise control on the principle "Management by Exception". This Principle provides a system of communication that shall indicate the areas of problem to which the attention of Management is to be drawn. Thus the reports are more action oriented meaning thereby these reports would call for corrective action or indicate state of satisfactory performance.

1.2 Scope of the Section

The Section would detail policies, operating systems and procedures that would be followed in generating Management Information Report for the Development Authority Management.

1.3 Deviation

Deviation from the prescribed policies and procedures would not be permitted unless accompanied by a justifiable request for the deviations, clearly outlining the following:

- * Nature of Deviation
- * Reasons for Deviations
- * Time span for which Deviation is required
- * Procedures to be followed if the Deviation is accepted.

The Deviations shall be permitted by Vice Chairman recording reasons in writing.

1.4 Responsibility of the Various Departments

Each of the Department would be responsible for compiling and filling the Management Information Report pertaining to the said Department .In case a Management Information Report is pertaining to more than one Department the concerned Departments would jointly be responsible to generate the said report. All the Departments would work in co-ordinated manner. In case there is dispute to any matter like jurisdiction and obligation of various Department, matter shall be referred to the Secretary /Vice Chairman whose decision shall be final. The head of each Department shall ensure that report submitted by its department is true, correct and duly supported by documents and records.

CHAPTER - 2

POLICIES

2.1 Types of Reports

Reports to the Management shall be of two types .The first set of reports is those which shall be submitted at regular intervals. These are periodical reports and to make them useful, the same shall be submitted in time. The timely submission of such reports shall have the added advantage of built -in controls leading to timely action wherever needed. Just as timely submission of reports is insisted upon, it shall also be necessary that there should be quick follow up of such reports by the operational staff to provide basis to the management decisions without which the very purpose of reporting would be defeated.

The second type of reports are required by the management for some special reasons or purpose such as new scheme /project decision /viability to sale as to Plot or as Constructed property, disposal of unsold /idle properties and like matters or where operating staff or officers want to draw the attention of the management in a detailed manner.

The reports designed in this section cover the first type of reports and since the second type of reports are special; they have to be designed to the need of the special reporting necessities.

These reports would be in addition to any other reporting requirements of the Government of Uttar Pradesh or the Management of the Development Authority.

2.2 Periodicity of Generation of MIS Reports

The periodicity of the reports shall be as prescribed and discussed under para 3.2 below

2.3 Responsible Departments

The concerned Departments shall be responsible for preparation and generation of these reports as detailed under para 3.2 below.

CHAPTER - 3

3. OPERATING SYSTEMS AND PROCEDURES

3.1 Nature of Reports:

- Nature of reports shall be of two types viz.
- Periodic reports to be submitted at regular intervals.
 - Exceptional reports required for special purpose.

3.2 Management Information System Reports

This section deals with the following Reports:

3.2.1	Area /Name Of the Report	Periodicity	Form No.	Responsible Deptt.
A. Status of Cash and Bank				
	i. Cash Balance	Daily	MIS-1	Finance and Accounts Department
	ii. Bank Balance	Weekly	MIS-2	Finance and Accounts Department
	iii. Bank Reconciliation (s)	Monthly/ Quarterly	MIS-3	Finance and Accounts Department
B. Material, Stores and Fixed Assets				
i. Inspection Reports				
	a)Stores and Material Inspection	Monthly / Quarterly	MIS-4	Stores Department
	b) Fixed Assets	Half Yearly	MIS-5	Purchase and Supply Department
	ii) Stock Status	Monthly	MIS-6	Stores Department
	iii) Insurance Cover, Adequacy Claim and Follow-Up	Quarterly	MIS-7	Stores Department & Purchase and Supply Department
	iv) Status of Purchases and Monthly Forecast		MIS-8	Stores Department & Purchase and Supply Department
C. Property:				
	i) Status of Sales and Forecast	Monthly	MIS -9	Property Department
	ii)Status of Undisposed Properties	Monthly	MIS-10	Property Department
	iii)Installment Due and Collection	Monthly	MIS-11	Property Department
	iv)Allotment	Monthly	MIS-12	Property Department
	v)Disposal of Rented Properties	Monthly	MIS-13	Property Department
	vi)Status of Freehold Property	Monthly	MIS-14	Property Department
	vii)Status of One Time Settlement	Monthly	MIS-15	Property Department
D. Works:				
	i)Work Wise Scheme/Project Progress (Physical)	Monthly	MIS-16	Engineering and Works Department
	ii)Work Wise Scheme/Project Progress (Physical)	Monthly	MIS-17	Engineering and Works Department

	iii) Monthly Status of Scheme/Project in Pipeline	Monthly	MIS-18	Engineering and Works Department
E. Land:				
	i) Land Bank	Monthly	MIS-19	Land Acquisition Department
	ii) Status of Land/Acquisition (Physical)	Monthly	MIS-20	Land Acquisition Department
	ii) Status of Land/Acquisition (Payment)	Monthly	MIS-21	Land Acquisition Department
	iii) Status of Land /Acquisition in Pipeline	Monthly	MIS-22	Land Acquisition Department
F. Borrowings:				
	i) Status of Loan installment and Funds Earmarked for Payments	Monthly	MIS-23	Finance and Accounts Department
	ii) Follow-Up on Fresh Borrowings Arrangements	Monthly	MIS-24	Finance and Accounts Department
	iii) Loans Guarantee and Security Status	Monthly	MIS-25	Finance and Accounts Department
G. Investments:				
	i) Inflow and Outflow Statement and Forecasts	Quarterly	MIS -26	Finance and Accounts Department
	ii) Report on Investment Proposals and Decisions	Quarterly	MIS -27	Finance and Accounts Department
	iii) Investment Maturity Due and Follow-up	Monthly	MIS -28	Finance and Accounts Department
H. Financial:				
	i) Trial Balance	Monthly	MIS-29	Finance and Accounts Department
	ii) Income and Expenditure Account	Quarterly	MIS-30	Finance and Accounts Department
	iii) Inflow & Outflow Statement	Quarterly	MIS-31	Finance and Accounts Department
	iv) Budget	Annual	MIS-32 As per Chapter on Budget & Budgetary Control	Various Department (s)
	v) Review of Budget	At the end of 1st, 2nd & 3rd Quarter	MIS-33, 34 & 35 As per Chapter on Budget & Budgetary Control	Various Department (s)
	vi) Balance Sheet	Quarterly	MIS- Balance Sheet MIS-36	Finance and Accounts Department
I. Building Control				
	i) Unauthorised Construction	Monthly	MIS-37	Building Control Department
	ii) Building Plan Sanction	Monthly	MIS-38	Building Control Department
	iii) Nazool Properties	Monthly	MIS-39	Nazool Department
J. Miscellaneous:				
	i) Compliance with Audit Report	Monthly	MIS-40	Finance and Accounts Department Internal Audit

				Department
	ii) Status of Litigation for and against on Property Matters And Others	Monthly	MIS-41	Property Department & Finance and Accounts Department
	iii) Status of Infrastructure Development Fund	Monthly	MIS-42	Various Departments
	iv) Profitability/ Viability Status of Project/ Scheme		MIS-43	Various Departments
	v) Reporting to Govt. in prescribed Format	As per requirement of Government	As per reporting pattern of Govt. of U.P.	Various Departments

3.2.2 The above reports are required to be submitted to the Authority as designated by Vice Chairman.

3.2.3 The reports that are submitted to the Secretary/Vice Chairman shall primarily pass through the Departmental heads.

3.2.4 All the reporting forms shall contain narrative report making brief clarification, explanation and reasons for deviation from the plans and mentioning the remedial measures taken or required to be taken. These explanations etc are required by means of appropriate numbers within brackets against figures which require clarifications.

3.3 Guidelines For Filling Up the Reports/ Forms:

3.3.1 Some of the guidelines for filling up the forms are as under:

- a) Main and important deviations/variations between budgeted and actual figures should be given briefly in the narrative report.
- b) The word "Plan" or "Budgeted" wherever appear in the report means the Relevant figures as per original budget/ estimate as may have been last approved.
- c) Many of the columns of the forms are self - explanatory.
- d) The forms have been designed with a view that they are easy to fill and easy to understand.

CHAPTER 4

FORMS OF M.I.S REPORT AND NARRATIVE STATEMENT

4. Forms of M.I.S Report and Narrative Statement

4.1 CASH AND BANK

4.1.1 Daily Cash Balance Report MIS-1

This Statement shall be prepared by the Cashier in charge at the end of the day and submit the same to the Head of the Finance and Accounts Department.

Form Of Daily Cash Balance Report MIS-1			
Date	Cash As Per Book	Physical Cash	Variation if any with reason.
1	2	3	4
(Cashier)	(Accountant)	(Accounts Officer)	

4.1.2 Weekly Bank Balance Report MIS-2

Weekly Bank Balance Report shall be generated by the concerned Cashier /Accountant and submitted to the Head of the Finance and Accounts Department.

Form of Weekly Bank Balance Report MIS-2							
Week ending	Type of Account	Account No.	Name of Bank	Balance As Per Books	Balance As Per Bank Statement/ Pass Book	Reconciliation Attended Upto the end of the Month / <u>Date</u>	Reporting of Exceptional pending entries under reconciliation
1	2	3	4	5	6	7	8
Cashier/ Accountant				Accounts Officer			

4.1.3 Bank Reconciliation Report MIS-3

The Bank Reconciliation Statement for each Bank Account shall be prepared by concerned Accountant on monthly basis. One copy of Reconciliation shall be submitted to Head of the Finance and Accounts Department and one copy to be held on record.

Copy of Bank Account wise Reconciliation at the end of each Quarter shall be submitted to the V.C.

Form for Monthly Bank Reconciliation Report MIS-3	
Name of Bank	Nature of Account
Account No.	
Bank Reconciliation at the end of the month _____	
Balances as per Ledger	
Add: Cheques Issued but not Presented	
Less: Cheques/ Demand Draft Deposited but not Collected	
Sl. No.	
Cheque No.	
Cheque Amount	
Date on which Cheque cleared	
Date of Reversal of Entries	
Remarks	
	1
	2
	3
	4
	5
	6
Add/ Less: Other Pending Entries with Details	
Balance as per Bank Statement/ Pass Book	
(Accountant)	(Accounts Officer)

Note: In case Bank Reconciliation is pending for more than three months the matter shall be brought to the knowledge of Vice-Chairman for necessary action and fixation of the responsibility.

4.2 Material, Stores and Fixed Assets

4.2.1 Stores and Material Inspection Report MIS-4

This report shall be prepared by the Incharge Stores Department on the date of inspection and the same shall be submitted to Head of Stores Department on monthly basis. In case of any material discrepancy the matter shall be referred to Vice Chairman.

Further it shall be the responsibility of the person conducting the inspection to identify idle /obsolete and / or damaged items. Copy of monthly Stores and Material Inspection and Book Balance at the end of each Quarter shall be submitted to the Vice-Chairman and the Finance and Accounts Department.

Date of Inspection	Inspection Conducted by	Name of Items	Quantity Physical As Quantity Books	per	Idle/ Obsolete Item Identified	Variation	Remarks
1	2	3	4		5	6	7
Prepared By		Verified By			Approved By		

4.2.2 Half Yearly Fixed Assets Inspection Report

The report shall be prepared by Purchase and Supply Department at the end of each half-year and submitted to Head of Purchase and Supply Department. Physical Verification shall be carried by the person(s) nominated by the Vice-Chairman in consultation with the Head of Department, Engineering and Works Department and the Finance and Accounts Department. In case of any material discrepancy the matter shall be brought to the knowledge of Vice-Chairman immediately. Further it shall be the responsibility of the person conducting the inspection to identify the idle/ obsolete/ damaged items Copy of physical verification/ inspection shall be submitted to the Vice-Chairman and the Finance and Accounts Department.

Form of Half Year Fixed Assets Inspection Report MIS-5								
Date of Inspection	Inspection Conducted by	Name of Items	Item No. per Books Register	Quantity as per Fixed Assets	Physical Quantity	Idle /Obsolete Item Identified	Variation	Remarks
1	2	3	4	5	6	7	8	
Prepared By			Verified By			Approved By		

4.2.3 Monthly Stock Status Report MIS-6

This report shall be drawn by Stores and Purchase Department in order to compare the maintainable level of Stock for all the major items. This report shall be submitted to the Head of Stores Department and /or S.E. /C.E. Copy shall be forwarded to the Head of Department, Finance and Accounts Department and Vice Chairman for information and necessary action.

Form of Monthly Stock Status Report MIS-6					
Name of Item	Quantity as per Books	Value	Reorder level if any	Excess or Under Stocking	Remarks
1	2	3	4	5	6
Prepared By		Verified By		Approved By	

4.2.4 Quarterly Report on Insurance Cover, Adequacy, Claims and Follow-Up MIS-7

This report shall be prepared by Purchase and Supply Department and Stores Department jointly. The report shall contain items which require Adequate Insurance Cover, Loss/Damage to the items of Fixed Assets and Stores insured during the month and Status of the Insurance Claims made, settled and pending. Copy of this report shall be forwarded to the Vice Chairman, Head of Department, Purchase and Supply Department and the Finance and Accounts Department.

Form of Quarterly Report on Insurance Cover, Adequacy, Claim and Follow-up MIS-7						
Sl.No	Items	Sum Insured/ Apx. Value to be Insured	Insurance In Force Till	Remarks of the Controlling Authority for Over / Under insurance	Follow-up action deserved/taken	Remarks
1	2	3	4	5	6	7
Prepared By		Verified By		Approved By		

4.2.5 Monthly Status of Purchases Forecast Report MIS-8

This report shall be generated by purchase and Supply Department. The report shall specify the nature of purchase made during the month value thereof along with the reference to Previous Forecast Report. The report shall also give the forecast for the following month. This report shall be submitted to the S.E./C.E. and to the Finance and Accounts Department as well as Vice Chairman.

Form of Monthly Status of Purchases Forecast Report MIS-8					
Month ending:					
Sl.No.	Item No. and Name	Forecast for the Previous Month	Purchase Made During the Previous Month(Rs.)	Forecast for the Following Month(Rs.)	Remarks
1	2	3	4	5	6
Prepared By		Verified By		Approved By	

4.3 Property

4.3.1 Monthly Status of Sales and Forecast Report MIS-9

This report shall be generated by Property Department and it shall be submitted as under:

- Head of Property Department
- Additional Secretary
- Additional Secretary/Secretary
- Vice-Chairman

Form of Monthly Status of Sales and Forecast Report MIS-9												
Month ending											Rs. in Lakhs	
Sl.No	Name of scheme/ Project and Nature of Properties	Forecast				Actuals			Variations			Remarks
		For this Quarter	For the Month	Cumulative upto this Month	Forecast for the Year	For the Quarter	For this Month	Cumulative upto this Month	For the Month	Cumulative for the Quarter	Cumulative upto the Month	
1	2	3	4	5	6	7	8	9	10	11	12	13
Prepared By		Verified By				Approved By						

4.3.2 Monthly Status of Undisposed Properties Report MIS-10

This report shall be generated by Property Department and submitted as under

- Head of Property Department
- Additional Secretary
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice Chairman

Form of Monthly Status of Undisposed Properties Report MIS-10								
Sl.No	Scheme /Project and Nature of Property	Nos .	Locatio n	Cost	Year of Constructio n	Current Cost as per Chapter on Costing and Pricing Procedures	Physical condition	Remarks
1	2	3	4	5	6	7	8	9
Prepared By			Verified By			Approved By		

4.3.3 Monthly Status of Installment Due and Collection Report MIS-11

This Report shall be generated by Property Department and submitted as under

- Head of Property Department
- Additional Secretary
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice Chairman

Form of Monthly status of Installment Due and Collection Report MIS-11											
Sl.No.	Name of Scheme/ Project & Nature of Property	Installments due			Recoveries			Variations			Remarks
		For the Quarter	For this Month	Cumula- tive upto this Month	For the Quarter	For this Month	Cumula- tive upto this Month	For the Quarter	For this Month	Cumula- tive upto this Month	
1	2	3	4	5	6	7	8	9	10	11	12
Prepared By			Verified By			Approved By					

4.3.4 Monthly Allotment Report MIS – 12

This Report shall be generated by the Property Department and submitted as under :

- Head of Property Department
- Additional Secretary
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice Chairman

Form of Monthly Allotment Report MIS – 12		
1. Reporting Month		
2. During the F.Y.....units during the reporting month		
(i) Completed		No.
(ii) Applied		No.
(iii) Allotted		No.
(iv) Processing Complete		No.
(v) Sale Deed Registered		No.
(vi) Possession		No.
(vii) Occupancy		No.
(viii) Unallotted Properties		No.
a) More than six months		No.
b) More than one year		No.
c) More than two year		No.
(ix) Value of Total Unallotted Properties		Rs. in Lacs
(x) Camps		No.
(xi) No. of Camps Organized		No.
Prepared By	Verified By	Approved By

4.3.5 Monthly Disposal of Rented Properties MIS – 13

This Report shall be prepared by the Property Department and shall be submitted as under :

- Head of Property Department
- Additional Secretary
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice Chairman

Form of Monthly Sale of Rented Properties MIS – 13		
1. Reporting Month		
2. Total Number of Undisposed Properties		
at the beginning of the Reporting Month		No.
		Rs. in Lacs.
3. During the F.Y..... Properties Sold		
during the Reporting Month		No.
		Rs. in Lacs.
4. Number of Camps Organized		
		No.
Prepared By	Verified By	Approved By

4.3.6 Monthly Status of Freehold Properties MIS – 14

This Report shall be generated by the Property Department and submitted as under :

- Head of Property Department
- Additional Secretary
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice Chairman

Form of Monthly Status of Freehold Properties MIS – 14		
1. Financial Year		-
2. Reporting Month		
3. Application Received During the Reporting Month		
4. Applications Pending at the beginning of the Reporting Month		
5. Applications Disposed during the Reporting Month		
6. Applications Pending as the end of the Reporting Month		
7. No. of Camps Organized during the Reporting Month		No.
Prepared By	Verified By	Approved By

4.3.7 Monthly Status of One-Time Settlement Scheme MIS – 15

This Report shall be generated by the Property Department and submitted as under :

- Head of Property Department
- Additional Secretary
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice Chairman

Form of Monthly Status of One-Time Settlement Scheme MIS – 15		
1. Financial Year		-
2. Reporting Month		
3. Scheme Commencement Date (G.O. No.)		
4. Scheme Closing Date		
5. Calculation Sheets Issued		
6. Applications		
(a) Pending at the beginning of the month		
(b) Received		
(c) Accepted		
(d) Rejected		
(e) Pending under consideration		
7. Amount Deposited during the Reporting Month	Rs. in Lacs.	-
8. Amount Deposited Progressive	Rs. in Lacs.	-
9. Amount Refund Progressive	Rs. in Lacs.	-
Prepared By	Verified By	Approved By

4.4. Works:

4.4.1 Monthly Work-Wise Scheme/Project (Physical) Report MIS-16

This report shall be prepared by Engineering and Works Department and shall be submitted as under:

- S.E /C.E
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice-Chairman

Month Ending:

Form of Monthly Work-wise Scheme/Project (Physical) Progress Report MIS-16								
Sl.No.	Name of Scheme/Project and Work Name	Cost as per Estimate / Revised Estimate	Budget Allocation	Brief detail on Envisaged Progress as per Schedule of Implementation till this Month	Progress Made till this Month	Reason for Under Progress and/or Other Bottle Necks	Follow-up Action	Remarks
1	2	3	4	5	6	7	8	9
Prepared By			Verified By			Approved By		

4.4.2 Monthly Work-Wise Scheme/Project Progress (Financial) Report MIS-17

This Report shall be prepared by Engineering and Works Department and shall be submitted as under

- S.E /C.E
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice-Chairman

Month Ending:

Form of Monthly Work-wise Scheme/Project (Financial) Report MIS-17							
Sl.No.	Name of Scheme/Project and Work Name	Cost as per Estimate/ Revised Estimate	Budget Allocation	Cost incurred upto the month	Progress in terms of %	Remarks	
1	2	3	4	5	6	7	
Prepared By		Verified By		Approved By			

4.4.3 Monthly Status of Scheme/Projects in Pipeline MIS-18

This report shall be prepared by Engineering & Works Department .It shall be inter-alia, include -

- Scheme under initiation:
- Scheme for which viability report prepared/under progress
- Status of Estimates prepared or to be prepared
- Status of land acquisition
- Status of follow up at various levels

The report shall be submitted as under:

- S.E /C.E
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice-Chairman

Month Ending:

Form of Monthly Status of Scheme/Project in Pipeline Report MIS-18					
Sl.No.	Name of Scheme/ Project and Work Name	Brief Details/ Status of Schemes and Project	Follow-Up Action Required	Follow-up Action Taken on Points Raised in Previous Report	Remarks
1	2	3	4	5	6
Prepared By		Verified By		Approved By	

4.5 Land:

4.5.1 Land Bank MIS-19

This report shall be prepared by Land Acquisition Deptt. /Planning Deptt. and submitted as under:

- Head of Land Acquisition Department/Planning Department
- Head of Engineering and Works Department
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice-Chairman

Form of Land Bank MIS-19			
1.	Financial year		-
2.	Reporting Month		
3.	Land Balance at the beginning	Hectare	-
	Of the Reporting Month	Rs.in lacs.	
4.	Land Acquisition for New Schemes during the Reporting Month		
	a) Area of Land Acquisition	Hectare	
	b) Budget Allocation	Rs.in lacs.	
	c) Possession	Hectare	
	d) Possession in Progress	Hectare	
5.	Compensation		
	a) Total Payable till the end of Month	Rs.in lacs.	
	b) Paid during the month	Rs.in lacs.	
6.	Land under Use		
	a) During the Month	Hectare	Rs.in lacs.
	b) Upto the end of Month	Hectare	Rs.in lacs.
7.	Balance Land at the end of Month	Hectare	Rs.in lacs.
Report Legal Position of Disputes, if any			
Note: 1) Scheme wise details should be enclosed.			
2) Information under S.L No 6&7 shall be made available by Engineering And Works			Deptt.
Prepared By		Approved By	
Verified By			

4.5.2 Monthly Status of Land Acquisition Progress Report MIS-20 (Physical)

This report shall be prepared by Land Acquisition/ Planning Department as the case may be. This report shall be submitted as under

- Head of Land Acquisition /Planning Department
- Head of Engineering and Works Department
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice-Chairman

The report shall be prepared in the following format

Form of Monthly Status of Land Acquisition Progress Report MIS-20				
Sl.No.	Name of Scheme/ Project and Work Name	Acquisition as Planned Till the Month	Acquisition Made Till Date	Remarks
1	2	3	4	5
Prepared By		Verified By		Approved By

4.5.3 Monthly Status of Land Acquisition Payment MIS-21

This report shall be generated by Land Acquisition / Planning Department as the case may be in co-ordination with the Finance and Accounts Department.

It shall be submitted as under:

- Head of Land Acquisition /Planning Department
- Head of Engineering and Works Department
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice-Chairman

Form of Monthly Status of Land Acquisitions Payment Report MIS-21							
Sl.No.	Name of Scheme/ Project	Acquisition as Planned	Acquisition Made Till Date	Budgetary Allocation	Payments Due Till Month	Payments Made Till Month	Remarks
1	2	3	4	5	6	7	8
Prepared By		Verified By			Approved By		

4.5.4 Monthly Status of Land Acquisition in Pipeline MIS-22

This report shall be prepared by Land Acquisition /Planning Department as the case may be. It shall include, inter-alia,

- The Plan for land acquisition
- Notification issued
- Status of litigation & court orders
- Status of follow up at various levels

It shall be submitted as under:

- Head of Land Acquisition /Planning Department
- Head of Engineering and Works Department
- Head of Finance and Accounts Department
- Additional Secretary/Secretary
- Vice-Chairman

Form of Monthly Status of Land Acquisitions in Pipe line MIS-22						
Sl.N o.	Location	Area	Date of Notification	Estimated cost	Brief Details on Progress & Follow-up action at each Level	Remarks
1	2	3	4	5	6	7
Prepared By		Verified By		Approved By		

4.6 Borrowings

4.6.1 Monthly Status of Loans and Installments Due and Funds Earmarked MIS-23

This report shall be generated by Finance and Accounts Department and shall be submitted to:

- HOD the Finance and Accounts Department
- HOD the Engineering and Works Department
- Additional Secretary/Secretary
- Vice-Chairman

Form for Monthly Status of Loans and Installments Due and Funds Earmarked MIS-23								
Sl.N o.	Name of Scheme /Project for Which Loan Taken	Name of the Financial Institution Bank/Others	Limit & Date of Limit	Amount Outstanding up to the end of Month Including Interest	Amount of Installment Due during the Month	Installment Paid during the Month	Funds earmarked or kept in Bank A/cs Bank Name A/c No. & Amount	Remarks
1	2	3	4	5	6	7	8	9
Prepared By		Verified By		Approved By				

4.6.2 Monthly Follow-up Report on Fresh Borrowing Arrangements MIS-24

It is the descriptive report to be prepared by Finance and Accounts Department and Engineering and Works Department jointly .It shall be based upon funds requirements for taking up the Scheme /Project activities. It shall inter-alia; include alternative modes of arrangements for the borrowing including floating of Bonds & Debentures etc.

It shall be submitted as under:

- SE/CE
- Head of the Finance and Accounts Department
- Additional Secretary/Secretary
- Vice-Chairman

Form for Monthly Follow-Up Report on Fresh Borrowing Arrangements MIS-24							
Sl. No.	Scheme/ Project for which Finance Needed or Long Term Borrowing Arrangements	Estimated Amount of Funds Required	Period for which Funds Required	Proposed Mode of Re-Payment	Alternative Available	<u>Institution/</u> Bank Contacted and their Response	Remarks
1	2	3	4	5	6	7	8
Prepared By		Verified By		Approved By			

4.6.3 Monthly Status of Loan Guarantee and Security MIS-25

This report shall be prepared by the Finance and Accounts Department and shall be submitted as under:

- SE/CE
- Head of the Finance and Accounts Department
- Additional Secretary/Secretary
- Vice-Chairman

Monthly Status of Loan Guarantee and Security MIS-25							
1. Financial Year							
2. Reporting Month							
3. Statement of Loans Rs. in Lacs							
Sl. No.	Name	Opening Balance	Received during the Month	Utilised during the Month	Invested in Short Term Deposit	Repayment during the Month	Closing Balance (3+4-7)
1	2	3	4	5	6	7	8
a)	Government						
b)	Financial Institutions and Banks						
c)	Others						
Total (Rs.)							
4. Statement of Guarantees Rs. in Lacs							
Sl. No.	Name	Opening Balance	Received during the Month	Utilised during the Month	Invoked during the Month	Released during the Month	Closing Balance
1	2	3	4	5	6	7	8
a)	Government						
b)	Financial Institutions and Banks						
c)	Others						
Total (Rs.)							
5. Statement of Securities							
Sl. No	Description of Security	Opening Balance	Given during the Month	Invoked during the Month	Released during the Month	Closing Balance	
1	2	3	4	5	6	7	
a)	Land						
b)	Buildings						
c)	Others						
Total (Rs.)							

4.7 Investments

4.7.1 Quarterly Inflow and Outflow Statement and Forecast MIS - 26

This report shall be generated by Finance and Accounts Department and shall be submitted as under

- HOD the Finance and Accounts Department
- HOD the Engineering and Works Department
- Additional Secretary/Secretary
- Vice-Chairman

Form for Quarterly Inflow and Outflow Statement and Forecast MIS - 26

As per the section on “Accounting of Investment, Related Revenue and Amortization cost”

4.7.2 Quarterly Report on Investment Proposal and Decision MIS - 27

This report shall be generated by Finance and Accounts Department and shall be submitted to

- HOD the Finance and Accounts Department
- HOD the Engineering and Works Department
- Investment Committee
- Additional Secretary/Secretary
- Vice-Chairman

This report shall be, inter-alia, quantify surplus funds, the period for which such funds are available as supported by quarterly inflow and outflow forecasts and long term forecast as detailed in the Section “Accounting for Investments Related Revenue and Amortization cost”.

Quarter Ending:

Form for Quarterly Report on Investment Proposal and Decision MIS - 27				
Surplus Funds as Estimated	Period for which Surplus Funds shall be Available	Brief Comments on Various Mode Available for Investment	Recommendation of the Investment Committee	Remarks
1	2	3	4	5
Prepared By		Verified By		Approved By

4.7.3 Monthly Investment Maturities Due and Follow-Up Report MIS-28

This report shall be prepared by Finance and Accounts Department in order to monitor Encashment/ Renewal of Investment Maturities following due during the next month.

This report shall be submitted as under:

- HOD the Finance and Accounts Department
- HOD the Engineering and Works Department
- Investment Committee
- Additional Secretary/Secretary
- Vice-Chairman

Form for Monthly Investment Maturities Due and Follow-up Report MIS-28								
Sl.No.	Nature of Investment	Name of Finance Institution /Bank etc.	Date of Investment	Date of Maturity	Initial Investment (Rs.)	Maturity Value/ Expected Surplus	Rating of Investment by CAO/SAO	Remarks
1	2	3	4	5	6	7	8	9
Prepared By			Verified By			Approved By		

4.8 Financial

4.8.1 Monthly Trial Balance Report MIS-29

The Trial Balance shall be prepared on monthly basis by Finance and Accounts Department. It shall be available for inspection and /or taking out copies thereof by all the Departments at all times.

The Trial Balance shall be submitted as under:

- Head of the Finance and Accounts Department
- Secretary /Vice Chairman

Form for Monthly Trial Balance MIS - 29						
Trail Balance at the end of Month						
Sl.No.	Head of A/c	Budget Target for the year	Cumulative Budget /Target Upto the Month	Amt. upto Previous Quarter	Amount for the Month	Amount upto the Month
1	2	3	4	5	6	7
Prepared By		Verified By		Approved By		

Note: Head of Accounts shall be same as per the section on “Charts of Accounts”

4.8.2 Quarterly Income and Expenditure Account MIS-30

The Income and Expenditure shall be prepared on monthly basis by Finance and Accounts Department. It shall be available for inspection and /or taking out copies thereof by all the Departments at all times.

This report shall be submitted as under

- Head of the Finance and Accounts Department
- Secretary/Vice Chairman

Form for Monthly Income and Expenditure Account MIS – 30						
Income and Expenditure Account at the end of Month						
Sl.No.		Head of A/c	Budget / Target for the Year	Budget /Target Upto the Quarter End	Actual for the Quarter	Actual upto the Quarter End
1		2	3	4	5	6
Income / Expenditure Heads: For details please refer Section on “ Final Accounts “						
Prepared By		Verified By		Approved By		

4.8.3 Quarter Inflow & Outflow Report MIS-31

This shall be drawn on quarterly basis as detailed in para 4.7.1 above.

4.8.4 Annual Budget MIS-32

Please refer Section on “Budget and Budgetary Control”

Form of Budget shall be same as given in Section on “**Budget and Budgetary Control**”

4.8.5 Review of Budget MIS - 33 .34 & 35

Please refer Section on “Budget and Budgetary Control”

4.8.6 Balance Sheet -MIS-36

Balance Sheet as at the end of Financial year shall be prepared and it shall be presented within four months from the end of the year to the DA Board by the respective Development Authority.

It shall be the responsibility of Finance and Accounts Department to collect the information/ details from respective Departments and prepare the Balance Sheet based on books of accounts and relevant records at the end of each quarter also and submit the same as under:

4.9 Building Control

4.9.1 Monthly Status of Unauthorized Construction MIS-37

This report shall be prepared by the building control Department and shall be submitted as under:

- HOD Building Control Department
- SE/CE
- SAO/CAD
- Security/Vice Chairman

Form of Monthly Status of Unauthorized Construction MIS-37		
1. Reporting Month		
2. Units till 31 st March of the Previous Year		
a) Action pending u/s 27		Nos
b) Demolition Action taken/pending		Nos
c) Premises sealed u/s 28-A		Nos
Form 1 ST Month of the Current year till.		
The end of last month.....		
d) Cases noted u/s 27		Nos
e) Demolition order issued		Nos
f) Notice Disbursed		Nos
g) Demolition orders pending for action		Nos
h) Demolition orders pending for action		Nos
i) Premises sealed u/s 28-A		Nos
4. During the reporting month.....		Nos
j) Cases noted u/s 27		
k) Demolition order issued		Nos
l) Notice disbursed		Nos
m) Demolition under executed		Nos
n) Demolition order pending for action		Nos
o) Pending demolition action executed		Nos
p) New premises sealed u/s 28-A		Nos
q) Sealed premises released		Nos
Prepared By	Verified By	Approved By

4.9.2 Monthly Status of Building Plan Sanction MIS-38

This report shall be prepared by the Building Control Department and shall be submitted as under:

- HOD Building Control Department
- SE/CE
- SAO/CAO
- Secretary/Vice-Chairman

Form of Monthly Status of Building Plan Sanction MIS-38		
1. Reporting Month		
2. During the F.4..... in the reporting Month		
a) Residential Units		
i) Application Received		Nos
ii) Application disposed		Nos
iii) Applications pending for Disposal		Nos
at the beginning of the month		Nos
iv) Application pending for disposal		
at the end of the month		Nos
b) Group Housing and Commercial units		
i) Applications Received		Nos
ii) Application Disposed		Nos
iii) Application pending for disposal		Nos
at the end of the month		
iv) Applications pending for month as		
three months		Nos
3. Application pending for month as		
three months		Nos
4. Camps organized during the current month		Nos
5. Meetings of the Technical Committee		
During the current month		Nos
6. Last Meeting		
Prepared By	Verified By	Approved By

4.9.3. Monthly Status of Nazool Properties MIS-39

This report shall be prepared by the Nazool Department and shall be submitted as under :

- HOD the Nazool Department
- SE/CE
- SAO/CAO
- Secretary/ Vice-Chairman

Form of Monthly Status of Nazool Properties Mis-39		
1.	Reporting Month	
2.	During the F.Y..... in the Current Month	
	i) Application received	Nos
	ii) Application Disposed	Nos
	iii) Application pending for Disposal at beginning of the month	Nos
	iv) Application pending for Disposal for more than three month	Nos
3.	Application pending for Disposal for more Than three month	Nos
4.	Camps Organised during the Current Month	Nos
<div style="display: flex; justify-content: space-between; width: 100%;"> Prepared By Verified By Approved By </div>		

4.10 Miscellaneous

4.10.1 Monthly Compliance Report on Audit Paras MIS-40

It shall be the responsibility of the Finance and Accounts Department to compile the compliances of the Audit paras given by various Department(s). Finance and Accounts Department should also point out the effect of audit findings on Development Authority.

Form for Monthly Compliance Report on Audit Paras MIS-40							
Type of Audit	Period of Audit	Audit Conducted By	Audit Para No.	Comment o Auditors	Management Comments	Follow-Up Action	Remarks
1	2	3	4	5	6	7	8
<div style="display: flex; justify-content: space-between; width: 100%;"> Prepared By Verified By Approved By </div>							

4.10.2 Monthly Status Report on Litigation, Legal Cases for and against for Properties and others MIS - 41

This report shall be prepared by Law Department or Administrative Department as the case may be.

It shall be submitted as under:

- Head of Department-Law/Administrative
- The Concerned Department
- Secretary /Vice Chairman

The report shall inter-alia specify contingent liabilities on account of legal cases pending against the Development Authority as well as contingent assets of Development Authority's claim on account of legal cases pending against the others.

PART-I							
Monthly Status Report on Litigation Legal Cases on and Against for Properties Matter and others MIS –40							
Sl. No.	Nature of Litigation /Leg of Case	Matter of the Ltigation /Case	Date of Litigation /Case	Financial Implication	Status of each Litigation / Case	Follow-Up Action	<u>Remarks</u>
1	2	3	4	5	6	7	8
Prepared By		Verified By		Approved By			

4.10.3 Monthly status of Infra structure Development Fund Account MIS-42

This report shall be prepared by the Finance and Accounts Department and Engineering and works Department and shall be submitted as under:

- SE/CE
- SA0/CAO
- Secretary

Form of Monthly Status of Infrastructure Development Account MIS-42		
1. Reporting Month		
2. During the F.Y.....in the current month amount deposited		
i)	Change in utilization of Land of low level	[Rs in Lacs]
ii)	Development of Strengthening	[Rs in Lacs]
iii)	Sanction of Map of unauthorized colonies	[Rs in Lacs]
iv)	Shaman Shulk	[Rs in Lacs]
v)	Free Hold	[Rs in Lacs]
vi)	Sale of Properties	[Rs in Lacs]
vii)	Sale Deeds	[Rs in Lacs]
3. During the F.Y.... in the Current Month amount Spent		
i)	Drainage Works	[Rs in Lacs]
ii)	Roads Works	[Rs in Lacs]
iii)	Severage Works	[Rs in Lacs]
iv)	Bridge Works	[Rs in Lacs]
v)	Beautification	[Rs in Lacs]
vi)	Other Works	[Rs in Lacs]
vii)	Revenue Expenses	[Rs in Lacs]
4. Balance out standing in the fund		[Rs in Lacs]
Prepared By		Approved By

4.10.4 Monthly status of Scheme/Project Profitability /Viability, MIS-43

This report shall be prepared Jointly by the Finance and Accounts Department the Property Department and the Engineering and Work Department and shall be submitted as under:

- HOD The Finance and accounts Department/ the Property Department /the
- Engineering and Work Department
- Secretary /Vice- Chairman

Form of Monthly Status of Scheme /Project Profitability /Viability MIS 43		
1. Reporting Month		
2. Name of the Scheme/Project		
3. Cost Statement		[Rs in Lacs]
a) Total Cost as per Estimate/Revised Estimate		
b) Cost incurred till the end of the month		
i) Total cost incurred on actual basis		[Rs in Lacs]
ii) Total cost allocated on account of establishment cost ,administrative cost, miscellaneous cost, interest cost and provisions.		[Rs in Lacs]
Total Cost [(i)+(ii)]		[Rs in Lacs]
c) Cost of Properties sold out /leased out till the end of month		[Rs in Lacs]
d) Cost of Properties remaining unsold at the end of the month		
i) As work in progress		[Rs in Lacs]
ii) Completed Properties		[Rs in Lacs]
iii) Cost of Properties Leased out (unsettled)		[Rs in Lacs]
4. Revenue Statement		
a. Total Revenue Received /Derived till the end of the month		
i) Total revenue received /derived/due on accrual basis excluding lease rent or building rent.		[Rs in Lacs]
5. Cost of Properties Sold Out/Converted into Free Hold Properties		
a) Cost of Properties Sold Out	[Rs in Lacs]	
b) Cost of leased out assets converted to free hold properties		[Rs in Lacs]
6. Profitability Statement		
i) Net Surplus /Deficit (5-6)	[Rs in Lacs]	
ii) Net Viability [(5-6)+3 (a)]	[Rs in Lacs]	
Prepared By	Verified By	Approved By

4.10.5 Monthly Status of Scheme/Project Profitability/Viability, MIS-43

This report shall be prepared jointly by the finance and account dept. the property dept. and the engineering and work dept. and shall be submitted as under:

- HOD the Finance and Account Dept./the Property Dept./the Engineering and Work Dept.
- Secretary/Vice-Chairman

in Lacs

Rs

Form of Monthly Status of Scheme/Project Profitability/Viability, MIS-43

1. Reporting Month		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
2. Name of the Scheme/Project										
3. Cost Statement										
a) Total Cost as per Estimate/Revised Estimate		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
b) Cost incussed till the end of the month		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
i) Total cost incused on actual basis		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
ii) Total cost allocated on account of establishment cost, administrative cost, miscellaneous cost, interest cost and provisions		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
Total Cost [(i)+(ii)]		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
c) Cost of Properties sold out/leased out till the end of the Month		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
d) Cost of Properties remaining unsold at the end of the Month										
i) As work in Progress		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
ii) Completed Properties		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
iii) Cost of Properties Leased out (unsettled)		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
4. Revenue Statement										
a) Total Revenue Received/Derived till the end of the Month		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
b) Total Revenue Received/Derived/Due on accural basis excluding lease rent or building rent		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
5. Cost of Properties Sold Out/ Converted into Free Hold Properties										
a) Cost of Properties Sold out		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
b) Cost of Leased Out assets converted to free Hold Properties		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
6. Profitability Statement										
i) Net Surplus/Deficit (5-6)		<table border="1" style="width: 100%; height: 15px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
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Prepared By

Verified By

Approved By



PART-III : SYSTEMS

SECTION NO. - 12

**INTERNAL CONTROL,
INTERNAL AUDIT, INTERNAL CHECKS
AND
MANAGEMENT AUDIT**

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





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MAIN INDEX

PART-III : SYSTEMS

SECTION NO. - 12

INTERNAL CONTROL, INTERNAL AUDIT, INTERNAL CHECKS AND MANAGEMENT AUDIT

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PART-III : SYSTEMS

SECTION NO. - 12

INTERNAL CONTROL, INTERNAL AUDIT, INTERNAL CHECKS AND MANAGEMENT AUDIT

1. Internal Audit

1.1 Internal Controls and Internal Audit

In any organization there may be foolproof systems and procedures but without a sound internal control and internal audit system, the financial health of the organization, the weaknesses and shortcomings in the policies and procedures and their reflections on the finance and accounts cannot be properly ascertained.

The internal control has been defined as all forms of control in an organization including internal audit. The internal control is often examined, for example, through flowcharts, appraisal of duties, appraisal of systems and procedures and appraisal of questionnaire. Based on these substantive parameters, the adequacy of internal control of an organization is judged.

The internal control procedures ensure, inter alia, the following:

- a. Efficient use and protection of resources
- b. Compliances with policies, procedures and statutes
- c. Accuracy and promptness of Financial Reports
- d. Reporting on any unbudgeted expenses, which may require approval of the Vice-Chairman.
- e. Reporting on any policy change and/ or deviation from the established policies requiring approval of the Vice-Chairman.
- f. Exercising effective budgetary control on all capital expenditure to ensure that actual spending is in line with the capital purchase.
- g. Evaluation of the Management Information System to ensure that the desired information/ statistical and financial data are correctly and promptly reported to the Vice-Chairman/ Board.
- h. Physical verification of fixed assets. Stocks, stamps, cash, etc..

The internal control as well as internal audit systems should provide for well documented policies, guidelines, authorizations and approval procedures. The Development Authorities shall have full-fledged Audit Department which would carry out audits extensively throughout the year. The prime objective of such audits is to test the adequacy and effectiveness of all the internal controls laid down by the management and to suggest improvements including finding out the deficiencies in the existing changes. Pre-audit/ post-audit checks and reviews are carried out which ensures follow-up on the observations made. The Development Authorities would form Audit Committees of the Board under the Chairmanship of Vice-Chairman to review the adequacy of internal controls from time to time based on Internal Audit Reports and feedback received from various departments and take remedial measures wherever necessary. The whole of internal audit would be two-fold, viz. Protective and Creative Audit. The Protective Audit would encompass within its fold detection of irregularities, mistakes and frauds through its concurrent checking of records. The Creative Audit or say the Operative Audit would comprise of constant review of internal control, policies and procedures, financial management and make suggestions for improvement and generating and throwing useful data as an aid to the management decisions.

1.2 Organization of Internal Audit Wing

There would be separate Internal Audit Wing in the Development Authority. It shall be headed by the Audit Officer. He shall be assisted by the Internal Auditors and Assistants as per the requirements. The Internal Audit Wing shall function independently and shall be under the direct charge of the Vice-Chairman. It will report directly to the Vice-Chairman. However excepting the matters which are of sensitive nature and/ or fraudulent acts, the Internal Audit Report may be given to the Finance and Accounts Department and also to the concerned departments.

1.3 Internal Audit Report

The Internal Audit Report shall be submitted to the Vice-Chairman within 10 days from the end of the audit period covered. However, the matters involving frauds, manipulations or leakage of funds shall be reported immediately to the Vice-chairman. While conducting the audit and framing of the report the adherence to the various Sections of the comprehensive Accounts Manual shall be ensured.

The report would be made out in the following parts:

- Part I – Observations of serious nature
- Part II- Observations affecting policies and procedures
- Part-III – Observations of routine nature
- Part-IV - Observations settled during course of audit.
- Part-V – General Observations
- Part-VI- Suggestions for improvement

1.4 Format for Internal Audit Report

The report would be in the format as given under :

Format for Internal Audit Report

Audit Period Covered	Area/ Scope of Audit covered	Name of Department	H.O.D. of the Concerned Department
		Comments of H.O.D	Final comments/ disposal
Part I – Observations of serious nature			
Part II- Observations affecting policies and procedures			
Part-III – Observations of routine nature			
Part-IV - Observations settled during course of audit.			
Part-V – General Observations			
Part-VI- Suggestions for improvement			

In normal course the Internal Audit Report would be made out in five copies and distributed as under:

- Ist Copy → Vice-chairman
- IInd Copy → H.O.D. of Finance and Accounts Department
- IIIrd Copy → H.O.D. of concerned Department
- IVth & Vth Copy → Internal Audit Wing

1.5 Audit Report Compliance

It will be the primary responsibility of the Internal Audit Wing to watch the compliance of the points raised in the Audit Report. To enable this to be done in a systematic manner, an Audit Report Compliance Register would be maintained. The Register shall have columns to indicate the broad headings in the Audit Report and the date of settlement of the points raised.

Nature of Audit		In charge of Audit Team				Report submitted on	
Sl. No. of the Para in the Report	Paragraph headings	Date of Replies Received from concerned office	Whether settled or not	Date of further queries raised, if any	Date of receipt of the reply	Date of final settlement	Initials of concerned authority

2. Internal Checks

The Government of Uttar Pradesh intends from the Development Authorities to maintain an adequate accounting system incorporating various internal checks and controls to the extent appropriate to the size and nature of the business of the same.

The internal check is the system of allocation of responsibility, division of work, and methods of recording transactions, whereby the work of an employee or group of employees is checked continuously by correlating it with the work of others. An essential feature is that no one employee or group of employees has exclusive control over any transaction or group of transactions.

The beauty of the Finance and Accounts Manual is that the various internal checks are inbuilt and form the basic fibres of various operating systems and procedures given in the different sections of the Finance and Accounts Manual. It shall be the duty of the line departments to observe strict compliance of these internal checks and systems which are inbuilt in various sections of Finance and Accounts Manual.

3. Management Audit

“ The Management Audit ” has been defined as an audit to evaluate efficiency aspects of management activities. The Management activities which are generally covered under Management Audit are:

- i) Propriety of
 - a) Objectives pursued and
 - b) Methods used.
- ii) Effectiveness in
 - a) Stating Objectives and
 - b) Attaining Objectives.
- iii) Efficiency of Performance as measured by
 - a) Benefit received and
 - b) Resources utilized.

Thus it encompasses within its fold the appraisal and adherence of Management and Accounting Standards, Governing Policies and General Conduct followed by a report of the findings. In the context of Development Authorities the Management Audit shall, inter alia, report on the following :-

A] Land Acquisition

- i) How much Land has been acquired under each Scheme and how much Land/Plots have remained unused giving reasons therefor.(Report shall be submitted on monthly basis giving a cumulative figure and also on yearly basis).
- ii) Gross amount of Compensation payable under each Scheme (Report shall be submitted on monthly/quarterly/yearly basis).
- iii) Total amount of Compensation paid under each Scheme.(According to point-(i) above).
- iv) Details about transfer of Land to different schemes.
- v) Details about transfer of Land/Plot from one scheme to another and vice versa giving reasons therefor.

B] Land and Property Development

- i) Land developed under each Scheme.
 - ii) Details of Projects approved, Target set under each Scheme and Goals achieved against the Sanctioned Projects. (According to point-(i) above).
 - iii) Scheduled Date of completion of each Scheme / Project. (According to point-(i) above).
 - iv) Status of House constructed/ plot sold etc. and reasons for unsold House/Land/Plot.
- The above information shall be submitted in Physical as well as Financial terms.

C] Loan

- i) Scheme wise / Project wise total amount of Loan Taken from each Financial Institution.
- ii) Payment of Principal Amount and Interest against the Loan taken from each Financial Institution.
- iii) Balance amount of Principal and Interest from each Financial Institution.
- iv) Whether Escrow Account has been maintained to ensure that the Loan along with Interest has been paid from the income generated from the Scheme/Project for which the Loan was taken. If not, which Fund has been utilized for the payment of the Principal as well as the Interest and the reasons therefor and who sanctioned it
- v) Whether the Loan has been utilized for the purpose for which it has been taken?
- vi) Whether the Loan remaining unutilized has been invested/ deposited with Bank in time or the same has been lying idle with the Development Authority.

D] Property Management

- i) Scheme wise / Project wise details of Real/Actual Properties under each category.
- ii) Properties pending Allotment or Disposal under each Scheme/Project for each category.
- iii) Details of balance properties.
- iv) Status of Registration/Agreement of Property Allotted.
- v) Details of Nazool Property on the above pattern.

E] Compounding

- i) Details of cases received for compounding Schemewise/Projectwise.
- ii) Details of cases in which compounding has been done.
- iii) Balance/ Undisposed cases for compounding.
- iv) The above information shall be given in Physical as well as Financial Terms.

F] Establishment

- i) Manpower requirement Employee wise/Officer wise for each Department commensurating with work load.
- ii) Number of Employees/Officers working in each Department.
- iii) Critical Appraisal of Manpower(Employeewise/Officerwise) to identify whether they are in excess or in shortage and its Financial implication.

G] Computerisation

- i) Whether the entire working of Development Authority has been computerised including Accounting, if not, the reason therefor.
- ii) Whether the Software Package introduced has been working efficiently. If not the problems faced by the Development Authorities.

H] Management Information System

- i) Management Audit should ensure that the Section on Management Information System of Finance and Accounts Manual has been strictly adhered to. The non-compliance of Management Information System in any area is to be reported giving reasons therefor.

I] Financial Management

- i) Whether the Surplus Funds have been correctly identified and whether the same have been invested prudently to maximize the yield.
- ii) Status of Bank Reconciliation. Also commenting on each Cheque remaining uncashed/ uncollected.
- iii) Comments on Income & Expenditure Account and Balance Sheet.
- iv) The reasons for the delay and implementation of each Project/Scheme, quantum of Cost overrun and Time overrun and also to quantify the financial losses due to these reasons.
- v) Whether the cash inflow and outflow has been periodically prepared. Any adverse feature shall be suitably commented upon.
- vi) Whether the Grants/Subsidy given by the Government has been truly and correctly utilized.
- vii) Whether the accounts have been maintained for each Project/Scheme as envisaged in the Finance and Accounts Manual.
- viii) What are the Costing Procedures? Whether the same give the desired results? To report on changes in costing of Projects due to efflux of time or any other reason and whether the costing arrived at is prudent and shall ensure profitability to the Authority.
- ix) Whether the Tenders have been accepted as per the Works Manual. If not, the comments may be furnished.
- x) System of maintenance of Provident Fund/ Pension Accounts.
- xi) Whether the Fixed Assets Account have been maintained as envisaged in the Comprehensive Accounts Manual.

Besides the above the Management Audit would ensure that the Development Authority has duly complied with the various sections of Comprehensive Accounts Manual, which concerns the Management. Non-adherence shall be pointed out giving reasons therefor.

ENGAGEMENT OF OUTSIDE AGENCIES FOR INTERNAL AUDIT/ MANAGEMENT AUDIT

The Internal Audit / Management Audit can be assigned to a C.A. Firm also. The purpose of engaging a outside agency is to ensure Integrity, Independence and Unbiased Reports so that the Management can critically examine the findings and take corrective measures. In such cases the responsibilities and duties of C.A. Firms shall be the same as for the Internal Audit / Management Audit Wing.

PART-III : ACCOUNTING METHODOLOGY

SECTION NO. - 13

BOOKS OF ACCOUNTS

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





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1.1 Books of Prime Entries

Entries would be first recorded in the books of prime entries from here posting in the main ledger and subsidiary ledgers shall be made.

1.1.1 Daily Collection Register(s)

There would be separate daily Collection Register for each collection under any of head. This Register will have various columns for each collection head (under which same nature transactions are taking place regularly). These head may include:

- Registration/Earnest money deposits for properties
- Installments from buyers of properties for allotment money or installment payable
- Building rent
- Lease rent
- Levy for non-construction
- Betterment charges
- Compounding charges
- Malwa charges and
- Building plan sanction fee etc.

These Registers will be prepared on the basis of copy of challan received from the Bank or from Collection Counter in case of collection under the above heads. In case of other heads these Registers shall be prepared on the basis of related records

Entries made in the Departmental Daily Collection Register shall be consolidated in the Main Daily Collection Register in the Finance and Accounts Department at such intervals as specified (practically on the date of remittance to Finance and Accounts Department or on deposit with the bank.)

From the Departmental Daily Collection Register posting in the Subsidiary Ledger/Record like Subsidiary Debtors Ledgers, respective Departments shall make deposits Ledger and Demand and Collection Registers.

The day totals of the Main Daily Collection Register would be recorded in the Cash Book or Bank Book as the case may be and the relevant control/group account shall be posted there from, in the General Ledger/Income and Expenditure Account Ledger. Proforma of Daily Collection Register is given at the end of this section

1.1.2 Supplies, Services and Expenses Book

This Book shall be maintained in the Finance and Accounts Department where in all the bills of expenses (cash and credit bills both) excluding the following shall be recorded:

- Bills relating to establishment and personnel
- Bills relating to purchase of materials, stores and fixed assets items
- Bills relating to development or construction works
- Payment to the parties and
- Bills relating to settlement of imprest or employee advances

The bills, which are simultaneously paid for, shall be entered in the cash/bank payment column and credit bills shall be recorded in the credit bill. Relevant amount shall be recorded under the respective expenses head. If an expense bill under consideration does not fall under any expense head for which there is a specific column, the same shall be recorded under the miscellaneous column shall be further classified under the various heads.

Day total of the cash payment column shall be recorded in the Bank Book/Cash Book.

Posting in the Bank Ledger and the Sundry Parties Ledger shall be made from bank or credit bill column.

At the month end Sundry Parties Control Account shall be posted in the General Ledger.

Month totals of the various columns of expenses head shall be posted in the Income and Expenditure Account Ledger.

Proforma of Supplies, Services and Expenses Book is given at the end of this Section.

(Refer Section on “Accounting for Administrative Cost “ for details)

1.1.3 Department Wise Imprest/Advances and Petty Expenses Book

Department wise Imprest/Advances and Petty Expenses Book shall be maintained by each of the Department. Leafs of this Book will be prepared in the duplicate. First copy of the leaf along with supporting vouchers, cashmemo and bills etc shall be forwarded to the Finance and Accounts Department for further processing. The Finance and Accounts Department shall check the bills as per the criteria. If any discrepancy is found, bills along with the covering leaf shall be sent back to the concerned Department. The concerned Department shall rectify the discrepancy. Upon necessary approvals, expenses shall be recorded through the adjustment entry in the Journal Book

Provided further following imprest/advances shall not be routed through the Department Wise Imprest/Advance and Expenses Book viz:

- (i) Imprest/Advance for purchase of materials, stores and fixed assets items (same shall be routed through the Purchase of Materials, stores and Fixed Assets Journal Book) and
- (ii) Imprest/Advance relating to development/construction works (same shall be routed through the Scheme Wise Works Journal Book)

Department Wise Imprest/Advance and Petty Expenses Book shall show opening imprest/advance, imprest/advance given during the month .If imprest/advance is given to more than one employee in the Department; employee wise adjustment sheet shall be enclosed with the Department Wise Imprest/Advance and Petty Expenses Book leaf. Through the adjustment entry individual employee imprest/ imprest account shall be credited with the corresponding debit to relevant expenses heads.

Proforma of Department-Wise Imprest/Advance and Petty Expenses Book is given at the end of this section.

[Refer Section “Accounting for Administrative Cost “ for details)

1.1.4 Daily Payments Book

Payments to the parties and other regular payments shall be recorded in this Book. This register shall be maintained by the Finance and Accounts Department. Posting in the individual party accounts in the Subsidiary Ledgers shall be made on day-to-day basis. Control accounts in the General Ledger shall be posted with the month total.

Posting in the corresponding Bank Account in the Bank Ledger shall be made on day-to-day basis from Bank Column of this Book.

Day total of the cash column shall be entered in the Cash Book. Similarly revenue head, if any, shall be directly posted from this Book in the Income and Expenditure Account Ledger.

Proforma of Daily Payments Book is given at the end of this section.

1.1.5 Cash Book

All transactions relating to the cash would be recorded in the Cash Book either on receipts (credit) side or payments (debit) side as the case may on day-to-day basis. But if there are number of transactions of same nature, taking place regularly, they would be recorded first in the subsidiary primary books as stated in the para 1.1.1 to 1.1.4 above, and then enter the day totals will be entered in the Cash Book. Similarly expense sand Daily Payments shall be first recorded in the Supplies, Services and Expenses Book and Daily Payments Book and the day totals shall be recorded in the Cash Book.

Cash receipts on account of other recurring transactions shall be entered directly in the Cash Book on day-to-day basis.

Payments in cash other than non-recurring nature (for which there is no separate book) shall be entered on individual item basis on day to day.

Cash Book and Cash Balance would be authenticated by one Accounts Officer as per delegation of powers an daily basis.

Cash Book will be maintained by the Finance and Accounts Department.

For the time being consider simple Cash Book.

1.1.6 Bank Book

Only one Bank Book would be maintain for all the Banks in the Journal Book form (Neither columnar Bank nor the separate Bank Book for each Bank Account would be Permitted.) Recurring transactions shall be posted in the Bank Ledger directly from the primary books as stated in above paras. Other non-recurring transactions shall be recorded in Bank Book in the form of Journal entries. All collections deposited directly into the Bank by various parties would be recorded from the Departmental Daily Collection Register. Individual Bank account in the Bank Ledger shall be posted from Departmental

Daily Collection Register and day totals need not be recorded first in the Bank Book and then posted in to the Bank Ledger.

Similarly payments from the following subsidiary books shall be directly posted to the relevant Bank account and day/month totals need not be recorded in the Bank Book.

Such subsidiary records may be;

- -Daily Payments Book
- -Supplies, Services and Expenses Book

For the time being consider simple Bank Book in Journal Book form.

Other cheques and drafts receipts and payments would be recorded in the Bank Book on day to day basis from which individual Bank account will be posted in the Bank Ledger. Bank Book will be maintained by the Finance and Accounts Department.

Balancing would be done in the respective Bank account in the Bank Ledger.

Proforma of Bank Book is given at the end of this section

1.1.7 Establishment and Personnel Cost Journal Book

This Journal Book shall be prepared on the basis of pay roll accounting system. This Book shall be divided into multiple columns designed similar to the pay roll column classifying columns into major heads viz:

Gross pay

- Other personnel costs like pension/family pension, CPF/gratuity and retirement benefit payments
- Statutory contributions
- Recovery of loan installments
- Recovery on account of facilities provided and
- Net payables

Expenses /heads including statutory contribute and revenue recovery heads shall be directly posted from this Journal the Income and Expenditure Account Ledger.

Loan deductions shall be posted to the individual employee loan accounts from the deduction column of this Journal Book.

Statutory deductions shall be posted to the relevant statutory deductions and contribution payable account in the General Ledger.

From the net payable column relevant payable account like salary, family pension /pension CPF or gratuity and other retirement benefits payable shall be posted in the General Ledger.

Payments on account of payable including deposit/remittance of deductions and contribution etc shall be recorded through the Daily Payments Book.

Establishment and Personnel Cost Journal Book shall be maintained by the Finance and Accounts Department.

Payroll bill eateries shall be made in this book from the payroll at the month end. Other transactions relating to family pension/pension/CPF or gratuity and other retirement benefits shall be recorded on day-to-day basis.

Proforma of Establishment and Personnel Cost Journal Book is given at the end of this Section

Individual entries need not be recorded in this Book, paybill with sectional head totals may be recorded in this Book on the basis of monthly journal voucher slip. This process will facilitate posting to be made in the Ledgers.

[Refer Section on “Accounting for Establishment and Personnel Cost” for details]

1.1.8 Purchase of Material Stores and Fixed Assets Journal Book

Entries will be made as and when the bills are approved and passed. Relevant material purchase stock account or fixed assets account would be debited with the month total and credited to sundry suppliers account or employee imprest/advance account in the General Ledger. At the same time individual suppliers account or employee /imprest account will be credited in the Sundry Creditors Ledger and Employees Loans and Advances Ledger respectively.

Relevant stores Record/Ledger will be maintained by the Stores Department.

The Purchase and Supply Department shall also maintain Material/Goods Received Register, which would enable the Finance and Accounts Department to regularly follow Material Inward Note received from the Stores for which bills are yet received from the suppliers. All such receipts for which bills have not yet been received from the suppliers, provisional liability shall be provided at the year-end. All the

bills shall be treated as credit bills except adjusted against employee imprest/ advance and payment to the suppliers shall be recorded through the Daily Payments Book.

The Purchase of Materials, Stores and Fixed Assets Journal Book shall be maintained by the Finance and Accounts Department

Proforma of Purchase of Materials, Stores and Fixed Assets Journal Book is given at the end of this Section.

[Refer for details Section on “Accounting for Materials and Stores” and “Accounting for Fixed Assets and Depreciation Cost”]

For the time being please refer to Section of “Accounting for Material and Stores”.

1.1.9 Material Consumption Journal Book

In this Journal Book issues of materials to various jobs/works /projects etc would be recorded. This Journal Book would facilitate ascertainment of consumption of various types of materials on Jobs/works/project etc at the month end.

The Purchase and Supply Department would workout the monthly material consumption on Jobs/works/project etc head wise and Jobs/works/project wise details shall be forwarded to the Finance and Accounts Department for recording the details in the financial books.

[Refer Section On “Accounting for Materials and Stores” for details]

1.1.10 Works Cost Journal Book

All the expenses and works costs relating to development and construction shall be recorded in Works Journal Book. Works Cost Journal Book will be divided in to sections, one section meant for one scheme /project.

This Journal Book shall be in the columnar form. Each bill shall be classified into (a) bills adjustable against employee imprest /advance and (b) contractors bills. All the bills shall be treated as credit bills except those adjustable against employee imprest /advance and payment to the contractors shall be recorded in the Daily Payments Book.

Debit column shall correspond to the costing heads and credit columns for recoveries, deductions and payables to contractors

The month total of cost heads shall be posted in the Properties Costing Ledger to the respective cost head under the relevant scheme/project under development/construction Account in the General Ledger.

Individual contractors accounts or employee imprest/ advance account will be credited in the Sundry Contractors Ledger and Loans Advances to Employees Ledger respectively, control account of sundry contractors and employees loans and advances shall be credited with the month total with corresponding debit to the relevant cost heads. Similarly recoveries and deduction shall be credited to appropriate revenue head in the Income and Expenditure Account Ledger

Scheme Wise Works Cost Journal Book shall be maintained by the Finance and Accounts Department.

Proforma of Works Cost Journal Book is given at the end of this Section.

[Refer Section on “Accounting for Works” for Details]

For the time being please refer to Section of “Accounting for Works”.

1.1.11 Works Cost Adjustment Journal Book

Allocation of cost like establishment, administrative, miscellaneous, interest, provision for contingencies and for tools &plants and provision for future maintenance of services etc shall be recorded through this Journal Book.

The Journal Book shall be in the columnar form, cost shall be allocated on \and development /property development as per the criteria. Month totals shall be debited to the relevant cost head and in the Properties Costing Ledger under the relevant scheme/project cost for development /construction in the General Ledger and the corresponding cost recovery head under the group/ control recovery of cost from schemes/projects accounts shall be credited in the Income and Expenditure Account Ledger. This Journal Book shall be maintained by the Finance and Accounts Department on the basis of details provided by the Engineering and Works Department. This Journal Book shall be in the section shall be for one scheme /project. This book shall be maintained Finance and Accounts Department in addition to that maintained by the Engineering and Works Department.

Proforma of Works Cost Adjustment Journal Book is given at the end of this Section

[Refer Section On “Accounting Of Works” for details]

For the time being please refer to Section of “Accounting for Works”.

1.1.12 Properties Cost Cum Sale Journal Books

Property Cost Cum Sale Journal Book shall be maintained separately for

- a) Sale of plots/and
- b) Sale of Constructed property
- c) Lease of properties and
- d) Freehold of Property

These Journal Books shall be in the sectional form one section shall contain transaction under one scheme.

These Journal Books shall facilitate determination of cost and sale value/consideration under major categories as stated at (a) to (d) above for each of the scheme project.

Posting in the Subsidiary Ledgers shall be directly made from these Journal Books.

With the month total relevant control accounts in the General Ledger and Properties Costing and Profit and Loss Account Ledger shall be posted.

The Properties Department or Property Accounting Section in the Finance and Accounts Department shall maintain these Journal Books.

[Refer for details in the section "Accounting for Properties and Related Revenue"]

Proforma of these Journal Books is given at the end of this section.

1.1.13 Journal Book

Residual transactions shall be recorded in the Journal Book from where relevant accounts shall be posted in the corresponding ledgers.

Proforma of the Journal Books are given at the end of this section.

2 Ledger

Entries from the Books of Prime Entries would be classified and posted in Main Ledger and the Subsidiary Ledger.

2.1 Type of Ledgers

Ledgers can be classified into:

- -Main Ledgers
- -Subsidiary Ledgers

2.2 Main Ledger

The development Authorities would maintain the following main ledger:

- -General Ledger
- -Properties Profit and Loss Account Ledger
- -Income and Expenditure Account Ledger

2.2.1 General Ledger

The General Ledger would either contain the control / group accounts (assets and liabilities) for subsidiary ledger or miscellaneous assets and liabilities items and Income and Expenditure Account Ledger balances.

This Ledger would be maintained in Finance and Accounts Department. Coded chart of accounts have been given at the end of this section. The General Ledger would be posted from the Cash Book, Bank Book, Journal Book and the others books of Prime Entries. The Balance sheet would be drawn up from this Ledger and Cash Book, Bank Ledger balance. Annexure to the Balance Sheet would be drawn from the concerned subsidiary ledgers.

Proforma of General Ledger is given at the end of this section.

2.2.2 Properties Profit & Loss Account Ledger

This Ledger shall contain the following accounts:

- Cost of properties under development/construction sold out
- Cost of properties sold out/leased out
- Property sale accounts
- Property freehold accounts

Cost of properties sold out shall be debited to the Properties Profit and Loss Account and sale proceeds of properties and freehold properties on free holding shall be credited to this Account.

Cost of properties leased out shall be shown under the Fixed Assets and cost of properties developed or underdevelopment but remaining unsold shown under cost of properties in the Balance Sheet.

A coded chart of accounts is given at end of the section. This ledger would be posted from the Works Cost Journal Book, Works Cost Adjustment Journal Book and Properties Cost cum Sale Journal Books. Properties Profit and Loss Account would be drawn up from this Ledger. Annexure to Properties Profit and Loss Account would also be drawn up from this Ledger. Net balance of Properties Profit and Loss Account will be transferred to the Income and Expenditure Account Ledger. Proforma of this Ledger is given at the end of this section

[Refer Section on “Accounting for Properties and Related Revenue “ for details]

2.2.3 Income and Expenditure Account Ledger

This Ledger would contain income and expenditure individual accounts as well as group/control accounts.

This Ledger would also be prepared in the Finance and Accounts Department. A coded chart of accounts is given at the end of the section. Income and Expenditure Account Ledger would be posted from the Supplies, Services and Expenses Book, Daily Payments Book, Main Daily Collection Register, Purchase of Materials, Stores and Fixed Assets Journal Book, Works Cost Journal Book, Works Cost Adjustment Journal Book, Cash Book, Bank Book and the Journal Book etc. The net balance as per Properties Profit and Loss Account will be transferred to the Income and Expenditure Account. Income/revenues other than relating to properties shall be credited and cost on account of expenditure shall be debited. It may be noted that the establishment, administrative, miscellaneous and interest cost etc allocated on development and construction and deposit works would be shown as recovery of costs from the scheme/properties. Net balance disclosed by Income and Expenditure Account will be transferred to the Balance Sheet. Income and Expenditure Account is drawn up from this Ledger. Annexure to the Income and Expenditure Account would also be drawn up from this Ledger. Proforma of Income and Expenditure Account Ledger is given at the end of the section

2.3 Subsidiary Ledgers

The Development Authorities would maintain the following subsidiary ledgers.

- Bank Ledger
- Properties Costing Ledger
- Deposits Ledger
- Sundry Debtors Ledger
- Sundry Contractors Ledger
- Sundry Supplies Ledger
- Sundry Parties Ledger
- Loans Ledger
- Loans and Advances to Employees Ledger
- Material Stock Ledger
- Fixed Assets Ledger
- Earnest Money and Security Deposit Ledger
- Investment Ledger
- Demand and Collection Registers

Proforma of respective subsidiary ledgers are given at appropriate places in the various section of the Manual.

2.3.1 Fixed Assets Ledger

Item wise and group wise accounts will be opened in this Ledger. This Ledger would be divided into following sections:

- a) Fixed Assets for own use
- b) Fixed Assets for leased out properties to the public
- c) Fixed Assets for land acquired on which no development or construction activities have started yet
- d) Fixed Assets for public utility properties having economic significance like community center, parks etc.

In section (a) individual item accounts as well as group scheme accounts will be opened where in details of purchase, acquisition, depreciation and disposal of each assets would be recorded.

In section (b) individual item accounts as well as group scheme accounts would be opened where in lease hold property and its conversion into free hold property would be recorded.

In section (c) cost of land, land acquired, land put to scheme/project and land put to social, culture, roads, greenbelt etc would be recorded. As soon development/construction activity is started on particular land, cost of corresponding land would be transferred to scheme/project under development/construction account under the group properties development.

In section (d) cost of public utility properties not under own use shall be shown. In case of an appreciable item amortization cost shall be charged to the respective account.

2.3.2 Properties Costing Ledger

This Ledger would contain scheme wise/project wise cost incurred on property development/construction.

This Ledger would be divided into sections for each of scheme/project wherein activity wise and cost head wise accounts will be opened. This Ledger will be maintained in the Finance and Accounts Department. A coded chart of accounts has been given in the later chapter.

Cost incurred would also be parked under group/control accounts in the General Ledger viz

- Cost of land under development
- Cost of developed land
- Cost of properties under construction
- Cost of constructed properties

Whereas individual accounts for cost incurred under each head as well as group/control scheme/project accounts will be opened in this Ledger.

On completion of development/construction, the cost of land development would be ascertained. Unit cost of land for saleable plots as well as cost of land for construction purpose would be ascertained. Such cost would be transferred to cost of developed land for plots (houses, shops, commercial use, educational and institutional) and cost of land under construction account. Corresponding credit would be given to each of cost head under group/control account cost of land under development account.

Similarly upon completion of construction per unit cost of constructed properties viz houses, shops flats, floors, complexes etc would be ascertained. Such cost would be transferred to respective cost of constructed properties account (houses, shops flats, floors, complexes etc) with corresponding debit to each of cost head account under group/control cost of properties under construction account.

Upon sale of plots /constructed properties cost of sold out properties would be transferred to cost of and/ properties sold account under respective scheme/project cost of plots/properties sold account in the Properties Profit and Loss Account Ledger Entries shall be made in the Properties cost cum sales Journal Book. Sale proceeds would be credited to plots/ properties sold account in the Properties Profit and Loss Account Ledger.

In case of lease of properties cost of properties leased out would be transferred to the Fixed Asset Ledger with the corresponding credit to lease margin (lease premium less cost) to be credited in the Properties Profit and Loss Account Ledger and unexpired lease premium to be credited in the Lease Premium and Unexpired Lease Rent Deposit Register.

Procedure for compiling accounts in this and Properties Profit and Loss Account Ledger have been detailed at appropriate places of the Manual.

[Refer for details section on “Accounting for Works” of the Manual]

2.3.3 Investments Ledger (Register)

This Ledger would have individual accounts for each investment in fixed term deposits with Banks/Financial Institutions and government securities. On purchase /investment in deposits etc these Accounts would be debited with cost. The proceeds of sale /encashment of investment would be credited with the face value to these accounts and profit or loss on sale would be transferred to Income and Expenditure Account Ledger. Relevant group /control would be maintained in the General Ledger.

Income earned /received on investment would be marked in the memorandum column of respective investment account. This Ledger will be maintained in the Finance and Accounts Department. Entries in this Ledger will be posted mainly from the Bank Book and Journal Book. Annexure to the Investments as per the Balance Sheet would be drawn up from this Ledger.

2.3.4 Material Stocks Ledger

This Ledger would contain stock account for each material and stores item. Each account would show quantity of receipt, issue and balance as well as price of receipt, issue and balance Consumption of materials for each job/work/project etc would be ascertained through Material Consumption Journal Book. Material Stocks Ledger will be maintained by the Stores Department. Entries in this Ledger will be posted from the Material Inward Note, Material Requisition & Issue Note, Material Return Note etc.

Group /control for each of material purchase stock account would be opened in the General Ledger.

Control account would show debit for purchase and credit for material consumption Control account will be posted from the Purchase of Materials, Stores and Fixed Assets Journal Book. Annexure to stock of Materials in the Balance sheet would be drawn up from the from this Ledger.

2.3.5 Bank Ledger

As bank transactions are voluminous in the Development Authorities, Bank Ledger should be maintained separately wherein Bank wise accounts will be opened. This Ledger would be maintained in the Finance and Accounts Department. A control account for all the banks may be opened in the General Ledger if so desired. This Ledger would be posted from the Daily Collection Register, Daily Payment Book, Supply Services and Expenses Book, Cash Book and Bank Book. Annexure to the Bank as per Balance Sheet would be drawn up from this Ledger.

2.3.6 Loans and Advances to Employees Ledger

Facility wise loan accounts and category wise imprest/advances accounts will be opened in this Ledger. This Ledger shall be divided into the section; each section meant for one loan facility like house loan, vehicle loan and for each category of advances like TE advance, imprest advances etc.

Subgroup for each loan facility and advance category would be maintained in the Finance and Accounts Department. Entries in this Ledger will be made from Cash Book, Bank Book, Establishment Personnel Cost Journal Book, Purchase of Material Stores and Fixed Assets Journal Book and Work Cost Journal Book. Annexure to the Loans and Advances to Employees as per Balance sheet would be drawn up from this Ledger.

2.3.7 Sundry Debtors Ledger

This Ledger would contain individual customers account. The Ledger would be divided into sections for each of scheme/project. Scheme wise/project wise/group/control accounts for sundry debtors would be maintained in the General Ledger. Sundry Debtors will be prepared in the Properties Department / Computer Section in co-ordination with the Finance and Accounts Department: Posting in this Ledger will be made from the Properties Cost cum Sales Journal Books, Daily Collection Register, Cash Book and Bank Book.

Debtors account balance represents either equated installment balance or allotment money, hence in manual system two column debtors account will be operated; one column for equated installment. Under computerized environment separate accounts one for allotment money and other for equated installment amount shall be operated.

Annexure to the Sundry Debtors as per Balance Sheet would be drawn up from this Ledger. Sundry Debtors Control account will be operated in the General Ledger. Reconciliation of control account with the sundry debtors ledger will be carried out on quarterly basis.

2.3.8 Sundry Contractors Ledger

This Ledger would contain individual accounts of contractors. The Ledger would be divided in to sections, one section for each of the scheme/project. Scheme wise /project wise group/control account for sundry contractors will be maintained in the General Ledger. Sundry Contractors Ledger will be maintained in the Finance and Accounts Department. This Ledger in the Finance and Accounts Department. Shall be maintained addition to the record maintained at the end of end of Engineering and Works Department. Posting in this Ledger will be made from the Works Cost Journal Book, Daily Payments Book, Cash Book, Bank Book and Journal Book. Annexure to the Sundry Contractors Account as per Balance sheet would be drawn up from this Ledger.

2.3.9 Sundry Suppliers/Creditors Ledger

This Ledger shall include individual accounts of the suppliers/contractors for the purchase of materials, stores and fixed assets. A control account for sundry suppliers contractors will be maintained in the General Ledger. This Ledger shall be maintained by the Finance and Accounts Department. Posting in this Ledger will be made from Purchase of materials stores and Fixed Assets Journal Book, Daily Payments Book, Bank Book, Cash Book and Journal Book. Annexure to the Suppliers/Contractors as per Balance Sheet would be drawn up from this Ledger.

2.3.10 Loans Received Ledger

Accounts for all the loans received from the Government, HUDCO, Financial Institutions and Banks etc would be maintained in the Ledger. A control/group account for loans would be maintained in the General Ledger. Interest accrued and due would be credited to individual accounts. However installment and interest payable may be transferred to respective loan installment payable account in the said Ledger. This Ledger would be maintained in the Finance and Accounts Department. A coded chart of the accounts is given at the end of section. Entries in the Ledger will be made from the Bank Book, Journal Book and Daily Payment Book etc. Annexure to Loan Received as per Balance Sheet would be drawn up from this Ledger.

2.3.11 Deposits Ledger

This Ledger would contain all the deposits against properties and deposit against works as well as other deposits received under respective group/control account in the General Ledger, This Ledger would be maintained by the Property Accounting section in the Finance and Accounts Department or the Property Department. A coded chart of accounts is given at the end of the section. Entries in this Ledger will be made from the Daily Collection Register Properties Cost cum Sale Journal Book etc. Annexure to the Deposits as per Balance Sheet would be drawn up from this Ledger.

2.3.12 Earnest Money and Security Deposits Ledger

In this Ledger account of earnest money deposits and security deposits received in cash/deducted from bill of suppliers and contractors etc would be opened. This Ledger would be maintained in the Finance and Accounts Department. This Ledger would be posted from Bank Book, Daily Collection Register, Purchase of Materials, Store and Fixed Assets Journal Book Works Journal Book etc. A coded chart of accounts is given at the end of the section. Annexure to the Earnest Money and Security Deposits as per Balance Sheet would be drawn from this Ledger.

2.3.13 Others Parties Ledger

Individual accounts of other parties other than stated at Para 3.4.1 shall be opened in this Ledger. This Ledger will be maintained in the Finance and Accounts Department. This Ledger will be posted from Cash Book, Bank Book, Journal Book, Daily Payments Books and Supply, Services and Expenses Book etc. A coded chart of accounts is given at the end of section. Annexure to the Payable to/ Receivable from Other Parties as per Balance Sheet would be drawn up from this Ledger.

2.3.14 Demand and Collection Registers

Respective Department as per work assigned to each Department shall maintain these Registers /Section Particulars of collections would be noted in these Registers from the Departmental Daily Collection Register. These Registers would indicate the outstanding demand at any particular point of time. Demands due and collected would also be deficated in these Registers.

At the end of each of the quarter, the concerned Department would prepare the list of outstanding at the end of quarter and forward the same to the Finance and Accounts Department to enable it pass the necessary entries.

UTTAR PRADESH DEVELOPMENT AUTHORITIES DAILY COLLECTION REGISTER

Development Charges										
Date	Particulars	Deposits LF	Registration & Earnest Money	Deposits LF	Any Other Deposit From Applicant	Demand & Collection Folio No.	Income From Building Control Department	Damages For Non-Construction	Betterment Charges	Compounding Charges
1	2	3	4	5	6	7	8			

Lease Rent/Rental Income			Public Utilities Head						
Malwa Charges	Ambar Charges	Development Charges	Surveyors License Fee	Demand & Collection Ledger Folio	Lease Rent	Building Rent	Hire Charges of Community Center /Conference Hall/GuestHouse	From Parties For Installment	
9	10	11	12	13	14	15	16	17	

<u>Collection from Properties</u>					
Scheme Name	Plot Property No	Sundry Debtors Ledger Folio No	Allotment Money	Installments	Cash Down Payments
18	19	20	21	22	23

UTTAR PRADESH DEVELOPMENT AUTHORITIES

SUPPLIES, SERVICES AND EXPENSES JOURNAL BOOK

Date	Voucher No	Name of Party and Particulars	Credit Bill Particulars						Cash Bill Particular			
			Total Bill Amount	TDS	Trade Tax /Work Contract Tax	Any Other Deduction	Net Bill Amount	Other Parties Ledger Folio	Cash	Bank	Bank Ledger Folio	Rent
1	2	3	4	5	6	7	8	9	10	11	12	13

Contd. 2

Expenses Heads					Repair & Maintenance				
Rates & Taxes	Electricity & Generator	Communication Telephone /Fax etc.	Stationary & Printing	Advertisement & Publicity	Travel & Conveyance	Entertainment Refreshments & Meetings	Legal Fee	Office Building	Residential Building/ Shop
14	15	16	17	18	19	20	21	22	23

Contd.

Repair & Maintenance						Other Expenses						
Community Centers/ Parks	Furniture's & Fixtures	Plant Machinery & Heavy Equipments	Office Equipment & Computers	Sewerage /Water Supply System	Vehicle Others	Vehicle Running	Functions Inaugurations Welcome/ Farewell	Insurance	Books & Libraries	Miscellaneous	Consul-tancy	Remark
24	25	26	27	28	29	30	31	32	33	34	35	36

UTTAR PRADESH DEVELOPMENT AUTHORITIES

DEPARTMENTWISE IMPREST/PETTY EXPENSES JOURNAL BOOK

Date	Voucher No	Opening Imprest/Advance Balance	Received	Adjustment	Rent
1	2	3	4	5	6

Contd. 2

<u>Expenses Heads</u>					<u>Repair & Maintenance</u>				
Rates & Taxes	Electricity & Generator	Communication Telephone /Fax etc.	Stationary & Printing	Advertisement & Publicity	Travel & Conveyance	Entertainment Refreshments & Meetings	Legal Fee	Office Building	Residential Building/ Shop
7	8	9	10	11	12	13	14	15	16

Contd. 3

<u>Repair & Maintenance</u>						<u>Other Expenses</u>						
Community Centers/ Parks	Furniture's & Fixtures	Plant Machinery & Heavy Equipments	Office Equipment & Computers	Sewerage /Water Supply System	Vehicle Others	Vehicle Running	Functions Inaugurations Welcome/ Farewell	Insurance	Books & Libraries	Miscellaneous	Consultancy	Remark
17	18	19	20	21	22	23	24	25	26	27	28	29

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DAILY PAYMENTS BOOK**

Date	Voucher	Particulars	Amount Paid					Payments To Contractors		Payments To Suppliers	
			Total Paid	Cash	Bank	Cheque No	Bank Ledger Folio	Amount	Contractors Ledger Folio	Amount	Suppliers Ledger Folio
1	2	3	4	5	6	7	8	9	10	11	12

Contd. 2

Payments to the Employees and Departmental Imprest etc				Property Refund			Loan Installment Payment		Land Payments	
Employee Loan Amount	Employee Loans & Advances Ledger Folio	Official Advance & Imprest	Employee Loans & Advances Ledger Folio	Gross Amount Of Refund	Deposits Ledger Folio No	Deductions	Installment Amount Paid	Loans Ledger Folio	Farmers/ Vendors/ Compensation Etc	Other Parties Ledger Folio
13	14	15	16	17	18	19	20	21	22	23

Contd. 3

Payment/Advance to Jal Nigam/Jal Sansthan,Naga Palika Elect. Board etc					Payment of Salary Statutory Deductions / Contributions etc. and Remittances etc					
Amount	Other Parties Ledger Folio	Salary Payable / Unpaid Salary Paid	Retirements Benefit Payable Paid	PF/CPF Development Authority	PF/CPF Deputation	G.I Development Authority	G.I Deputation	EMP Welfare Development Authority	EMP Welfare Deputation	
24	25	26	27	28	29	30	31	32	33	

<u>Payment of Salary Statutory Deductions / Contributions Etc.and Remittances etc</u>				
PF Advance Development Authority	PF Advance Deputation	Loan Installment Remittance	Employees loans &Advances Ledger Folio	Any Other Payment
34	35	36	37	38

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
 ESTABLISHMENT AND PERSONNEL COST JOURNAL BOOK**

Gross Establishment Cost

Date	Voucher No	Name of Employee & Particulars	Basic/Spl/Pay/Person pay/Earnings	D.A/A.DA/Deput All/Hand all	IR-1/IR-2/Spl.Allowance	HRA/CCA/Med. All/Conv.Allowance	Other All/Viklang All/Washings/Earnings	Gross Total of Est. Cost

Retirement Benefits

Med. Claim	Leave Encashment	Ex Gratia	Honorarium	Uniform	Others	CPF/Pension	Gratuity Compensation	Others

Statutory Deductions

P.F (D.A)	P.F Deputation	G.I (D.A)	G.I Deputation	Income Tax Deduction	EMP Welfare Fund (D.A)	EMP Welfare Fund Deputation	P.F. Adv. (D.A)	P.F. Adv. Deputation

Salary Payable/

Deductions for Facilities Provid

Loans Deductions

Benefits Payable

House Rent	Electricity	Telephone	Conveyance	Other Deductions	House Loan	Car/Scooter/Conveyance	Special Adv.	

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
PURCHASE OF MATERIALS , STORES AND FIXED ASSETS JOURNAL BOOK**

Date	Voucher Number	Min No. & Date	Suppliers Name/ Employee Name & Particulars	Gross Amount of Bill				Deductions				
				Employee Imprest		Suppliers Bill		TDS	Liquidate Damage	Damage & Wharefage	Others	Total Deductions
				Employee Advance Ledger Folio	Amount (Rs.)	Suppliers Ledger Folio	Amount (Rs.)					
1	2	3	4	5	6	7	8	9	10	11	12	13

Net Payable				Purchase Heads								
Payable	Amount Withheld	Net Payable	Suppliers Ledger Folio	Materials					Stores Items			
				Cement	Steel	Stones & Marbles	Bitumen	Other Building Materials	Stores/Spares for heavy machine tools	General supplies for maintenance	Tree guard and Barbed Wire	Printing & Stationery
14	15	16	17	18	19	20	21	22	23	24	25	26

PART II – FIXED ASSETS

Fixed Assets				
Computer & Other Office Equipments	Electronic Equipments	Heavy Equipments and Machines	Furniture & Fixtures	Others
27	28	29	30	31

UTTAR PRADESH DEVELOPMENT AUTHORITIES
MATERIAL CONSUMPTION REGISTER

Month:

Sl. No.	Material Requisition Cum Issue, Cum Return, Cum Consumption	Job/Project/Work		Description of Materials				Quantity	Rate	Amount	Remarks
		Name	Code No.	Item	Item Code	Stock A/c Head	Stock A/c Code				

UTTAR PRADESH DEVELOPMENT AUTHORITIES
MATERIAL CONSUMPTION SUMMARY

Month:

To
The Finance and Accounts Department
Dear Sir,
Subject: Material Consumption summary for the month of 2000.
Details of materials consumed alongwith corresponding debit to various Department/ Projects/works etc., for the month of 2000 are given as under:

Material Description					Department/Project/Works etc. to whom material charged									
Sl. No.	Item	Quantity	Value	Purchase A/c Head	1	2	3	4	5	6	7	8	9	10
1														
2														
3														
4														
5														
6														
7														
8														

Kindly make necessary entries in yours books of account and return the duplicate copy of the material consumption summary duly signed.

Received the copy	For Purchase & Supply Department
Signature	Signature
Name	Name
Designation	Designation

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
SCHEME WISE WORKS JOURNAL BOOK**

Date	Voucher No.	Name of Contractor/ Employee Imprest Holder & Particulars of bill	Gross Bill Amount				Deductions							
			Adjustment Against Employee Imprest		Contractors Bill		Trade Tax Work Contract Tax	TDS	Recovery of Cost of Material Issued to be Credited to Relevant Work	Recovery of Roller Charges	Recover y of other Facility Provided	Security Deposit Deduction		Another Deduction
			Employee Imprest A/C Folio	Amount	Individual A/C Folio	Amount						Individual Party Folio	Amount	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Net Amount Payable					Scheme/Project Cost head									
Total Deductions	Amount Payable	Amount Upheld	Net Payable	Individual Party Folio	Land Plotting Scheme									
					Land Dev. Cost	Drainage & Sanitage Dev.	Water Supply Dev. Cost	Electrical Dev. Cost	Arboriculture & Parks Dev. Cost	Village Dev. Cost	Miscellaneous & Contingencies Cost	Any other Cost	Cost of Land	Total Dev. Cost
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30



UTTAR PRADESH DEVELOPMENT AUTHORITIES
SCHEME WISE WORKS ADJUSTMENT JOURNAL BOOK (FOR ALLOCATION OF
ESTABLISHMENT,
ADMINISTRATION, MISCELLANEOUS OVERHEADS, INTEREST AND OTHER CHARGES)

Date	Voucher No.	Particulars	Basis of Allocation	Allocation Date year end or Completion of Scheme Project	Name of the Scheme	Cost Incurred Other Criteria Total Amount Allocated/ Charged/Recovery from the on Which Allocation is Based Scheme/ Project and Recovery Head								
						Cost etc Incurred Up to end of Previous Year	Cost etc. Incurred During the Current Period	Cost etc Incurred Till current Year	Interest Cost			Physical Contingencies and Tools and Plants		
									Up to the Previous Year	During the Current Period	Total Up to Date	Up to the Previous Year	During the Current Period	Total Up to Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Establishment Cost			Administrative Cost			Miscellaneous Charges			Provision for Future Maintenance of Services			Total Cost Allocated		
Up to the Previous Year	During the Current Period	Total Up to Date	Up to the Previous Year	During the Current Period	Total Up to Date	Up to the Previous Year	During the Current Period	Total Up to Date	Up to the Previous Year	During the Current Period	Total Up to Date	Up to the Previous Year	During the Current Period	Total Up to Date
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

UTTAR PRADESH DEVELOPMENT AUTHORITIES

**APPROPRIATION OF MONTHLY/ QUARTERLY COLLECTIONS
AND MODIFICATION OF PAYMENT SCHEDULE**

Date	Voucher No.	Party Name	Type of Property & Size	Sundry Debtors Folio No.	Total Amount Recoverable as per New Option	Actual amount Outstanding	Interest upto date as per New Option	Interest already credited to Revenue on account of Interest Suspense	Penal Interest till date ought to be as per New Option	Penal Interest recovered till date
1	2	3	4	5	6	7	8	9	10	11

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Interest Suspense ought to be as per New Option	Interest Suspense Actual Outstanding as on Date	Net Adjustment (6-7+12-13)	Appropriation of Quarterly Collection			Balance towards Principal Amount Outstanding
			Collection during Interest the Quarter Suspense	Penal Interest		
12	13	14	15	16	17	18

Notes:

- 1 Column No.14 is equivalent to column No. 6-7 + 12-13, presents net adjustment to be credited/ debited to the adjustment account due to rescheduling of Payment at under the “ Group Control Account “ Interest Income (on Installment sale) in Income and Expenditure Account Ledger and corresponding credit/debit to the party in the Sundry Debtors Ledger.
- 2 In the Sundry Debtor Ledger, old outstanding shall be reversed and replaced by new balance (ought to be) The Finance and Accounts Department shall pass adjustment entry in the Sundry Debtors Control Account with the net difference (Column No. 6 and 7) with corresponding Debit and Credit as stated at
Note No. 1 above for Column No. 6-7 component.
- 3 Similarly Individual Suspense Account would be reversed with the old balance replaced by the new balance as stated at column No.13. The Finance and Accounts Department shall pass adjustment entry for the difference in Interest Suspense Column 12-13 by crediting/ debiting Interest Suspense Account with the corresponding Debit and Credit stated at Note No. 1 above for Column 12-13 component.
- 4 Column No. 15 to 19 represents Memorandum Information.
- 5 Individual Party Account shall be debited with the amount as per Column No.16 in the Sundry Debtors Ledger. The Finance and Accounts Department shall debit the Sundry Debtors Account and credit the Penal Interest Account with quarterly total as per the set of entries suggested in chapter no.4 .
- 6 It may be further noted that Penal Interest is recognized on realization basis, to monitor penal interest on due basis, memorandum records for Penal Interest shall be maintain

UTTAR PRADESH DEVELOPMENT AUTHORITIES

JOURNAL BOOK

DATE	VOUCHER NO. & REFERENCE	PARTICULARS	LEDGER FOLIO OF CONTROL ACCOUNT IN MAIN LEDGER	LEDGER FOLIO OF ACCOUNT IN SUBSIDIARY LEDGER	AMOUNT (Rs.) DEBIT	AMOUNT (Rs.) CREDIT	REMARKS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)



UTTAR PRADESH DEVELOPMENT AUTHORITIES

GENERAL LEDGER

Control/Group Account Head and Account Code
Account Head and Account Code

Date	Particulars	Prime Entries Book Folio No	Subsidiary Ledger Folio No.	Amount Debit	Amount Credit	Amount Balance	Remarks
1	2	3	4	5	6	7	8



UTTAR PRADESH DEVELOPMENT AUTHORITIES
PROPERTIES PROFIT AND LOSS ACCOUNT LEDGER

Control/Group Account Head and Account Code
Account Head and Account Code

Date	Particulars	Prime Entries Book Folio No	Subsidiary Ledger Folio No.	Amount Debit	Amount Credit	Amount Balance	Remarks
1	2	3	4	5	6	7	8



UTTAR PRADESH DEVELOPMENT AUTHORITIES
INCOME AND EXPENDITURE ACCOUNT LEDGER

Control/Group Account Head and Account Code
Account Head and Account Code

Date	Particulars	Prime Entries Book Folio No	Amount Debit	Amount Credit	Amount Balance	Remarks
1	2	3	4	5	6	7



PART-III : ACCOUNTING METHODOLOGY

SECTION NO. : 14

CHART OF ACCOUNTS

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**



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3. CHART OF ACCOUNTS

SL No Code	No Head Of Account	Nature of Account and where to be parked	Description of Account
I.	Owned Funds		
1.1.0.0	OWNED FUNDS		
1.1.0.0.0	FUNDS		
1. 1.1.1.0	Development Fund	Individual capital account to be kept under the group control owned funds account in the General Ledger	This account represents the capital contributed by the state government or any sum set apart out of surplus for carrying out the development
1.1.0.2.0	General Fund	Individual capital account to be kept under the group control owned funds account in the General Ledger	This account represents amount set aside for a general purpose whether represented by specifically earmarked assets or not.
1.1.0.3.0	Special Funds		
1.1.0.3.1	Infrastructure Development Fund	Individual capital account to be kept under the group control owned funds account in the General Ledger	This account would be credited with the contribution to this fund out of surplus or contributions received from government and government agencies and shall be debited with the remittance to government/ government agencies and or utilization for infrastructure development. Appropriations out of specified heads as per Govt. go from time to time for infrastructure fund shall also be credited to this account
1.1.0.3.2	Any Other Fund	Individual capital account to be kept	This account represents any other fund created for the welfare of the society. Account shall credited with the contributions made to this the out of surplus / contributions received from remittance agencies and shall be debited with the to government /government agencies and or utilization for that purpose
Free Codes 1.1.1.3.0 to 1.1.1.7.0			
1.1.2.0.0	RESERVES		
1.1.2.1.0	General Reserve Fund	Individual capital account to be kept	This account would represent accumulated surplus after providing for all known liabilities The negative balance under this account would represent net accumulated deficit and would be shown in the assets side of the Balance Sheet
1.1.2.2.0	Statutory Reserve	Individual capital account to be kept under the group/ control owned funds account in the General Ledger	This account represents statutory reserves created out of surplus of the Development Authority.

1.1.2.3.0	Capital Reserve Fund	Individual capital account to be kept under the group /control owned funds account in the General Ledger	This account would be credited with the capital profit on sale of fixed assets.
1.1.2.4.0	Debentures / Bonds /Loans Redemption Fund	Individual capital account to be kept under the group control owned	This account would be credited with the provision for redemption of bonds, debentures and repayment of loans. Upon utilization of funds from this fund this account would be debited and credit would be given to General Reserve Fund Account.
1.1.2.5.0	Revaluation Reserve Fund	Individual capital account to be opened under the group /control owned funds account in the General Ledger	This reserve represents profit on revaluation of fixed assets of the Development Authority.This reserve should be utilized for the purchase / acquisition of the fixed assets
1.1.2.6.0	Other Reserves	Individual capital account to be opened shown under the group /control owned funds account in the General Ledger	Any other kind of reserve created shall be under this reserve.
Free Codes 1.1.2.7.0 to 1.1.2.9.0			

II.	Unutilized Grants/ Contributions		
1.2.0.0.0	UNUTILIZED GRANT FUNDS		
1.2.1.0.0	Specific Purpose Grants/ Contributions		
1.2.1.1.0	Grants/ Contributions for Economically Weaker Sections	These accounts shall be kept under group/ control unutilized grants / contributions account in the General Ledger.	These accounts represent specific purpose grant/ contributions received. Utilization shall charged against these grants/contributions.
1.2.12.0	Grants/ Contributions for Other Development Works On behalf of Government	These accounts shall be kept under group/ control unutilized grants /contributions account in the General Ledger.	These accounts represent specific purpose grant/ contributions received. Utilization shall charged against these grants/contributions.
1.2.1.3.0	Other Grants/Contributions	These accounts shall be kept under group/ control unutilized grants / contributions account in the General Ledger.	These accounts represent specific purpose grant/ contributions received. Utilization shall charged against these grants/contributions.
1.2.2.0.0	General Purpose Grants/ Contributions		
1.2.2.1.0	Grants/ Contributions to meet out establishment cost	This account shall be kept under group/ control unutilized grants /contributions account in the General Ledger.	This account shall be credited with the receipts of grant/ contributions and debited upon appropriation of grants to the revenue upon fulfilment of criteria
1.2.2.2.0	Other Grants/ Contributions	This account shall be kept under group/ control unutilized grants contributions account in the General Ledger.	This account shall represent any other general purpose grant/ contributions received and its utilization.
Free Codes 1.2.2.3.0 To1.2.2.6.0			
III.	Loan Funds		
1.3.0.0.0	LOAN FUNDS		

1.3.1.0.0	SECURED LOANS		
1.3.1.1.0	Bonds and Debentures	Individual bonds and debentures accounts to be kept in the Loans Received Ledger under group/control secured bonds and debentures account in the General Ledger.	These accounts represent bonds and secured debentures raised by Development Authority Upon redemption of bonds, debentures these accounts would be debited
1.3.1.2.0	Secured Loan from State Government	Individual secured loan from state government accounts to be kept in the Loans Received Ledger under group/control secured borrowings from state government account in the General Ledger.	These accounts represent borrowings from the state government against collateral security. Upon repayment or transfer to installment payable account, these accounts would be debited.
1.3.1.3.0	Secured Loan from Financial Institutions and Banks	Individual secured loan from financial institutions and banks accounts to be kept in the Loans Received Ledger under group/ control secured borrowings from financial and banks account in the General Ledger	These accounts represent borrowings from financial institutions and banks secured against collateral security. Upon receipt of release of loans these accounts will be credited and upon repayment or transfer to instalment payable account ,these accounts would be debited
1.3.1.4.0	Secured Loan from Others	Individual secured loan from others account to be kept in the Loans Received Ledger under group/ control secured borrowings from other account in the General Ledger	These accounts represent residual borrowings other than stated above secured against which collateral security has been given. Upon receipt of loan these, accounts will be debited and upon repayment or transfer to installment payment account, these accounts shall be debited.
Free Codes 1.3.1.5.0 to 1.3.1.8.0			
11.3.2.0.0	UNSECURED LOANS (INCLUDING AGAINST STATE GOVERNMENT GUARANTEE)		
1.3.2.1.0	Bonds and Debentures	Individual bonds and debentures accounts to be kept in the Loans Received Ledger under group/control unsecured bonds and debentures account in the General Ledger.	These accounts debentures and unsecured bonds raised by Development Authorities. These accounts would be credited with the proceeds of issue and debited with the amount redeemed
1.3.2.2.0	Unsecured Loan from State Government	Individual unsecured loan from state government to be kept in the Loans Received Ledger under group/Control unsecured borrowings from state government in the General Ledger.	These accounts represent borrowings from the state government without any collateral security.
1.3.2.3.0	Unsecured Loan from Financial Institutions and Banks	Individual unsecured loan from financial institutions and banks to be kept in the Loans Received Ledger under group/ control unsecured borrowings from financial institutions and banks account in the General Ledger.	These accounts represents borrowings from financial institutions and banks where no collateral security has been given. These loans include also loans against state government guarantee
1.3.2.4.0	Unsecured Loan from Others	Individual secured loan from others to be kept in Loans Received Ledger under group/ control unsecured borrowings from others account in the General Ledger.	These accounts represent residual borrowings for which no collateral security has been given. These loans include also loans against bank/state government guarantee.
Free Codes 1.3.2.5.0 TO 1.3.2.8.0			

IV.	Deposits		
1.4.0.0.0	DEPOSITS		
1.4.1.0.0	DEPOSITS AGAINST WORKS		
1.4.1.1.0	Deposits from Government/ Governments Departments	Individual deposits from government/government departments account to be kept in the Other Parties Ledger under group/control deposits against works account in the General Ledger.	These accounts represent deposits received from government and government department for undertaking deposit works against their behalf. Cost of works including centage charges shall be debited to the respective accounts. Centage charges will be credited in the Income and Expenditure Account Ledger.
1.4.1.2.0	Deposits from Institutions and Corporations	Individual Deposits from financial institutions and corporations account to be kept in the Other Parties Ledger works account in General Ledger.	These accounts represents deposits received from institutions and corporations for undertaking deposits works on their behalf. Upon completion of works, cost of works including centage charges would debited to respective accounts .Centage charges recovered shall be credited in the Income and Expenditure Account Ledger.
1.4.1.3.0	Deposits from Public and Others	Individual deposit from public and others account to be kept in the Other Parties Ledger under group/control deposits against works account in the General Ledger.	These accounts represent deposits received from public and others for undertaking deposit on their behalf. Upon completion of works, cost of works and centage charges would be debited to respective accounts.Centage charges recovered shall be credited in the Income and Expenditure Account Ledger.
Free Codes	1.4.1.4.0 to 1.4.1.7.0		
1.4.2.0.0	DEPOSITS AGAINST PROPERTIES		
1.4.2.1.0	Registration and Earnest Money	Individual accounts to be kept in the Deposits Ledger under group/control registration and earnest money deposits account in the General Ledger.	These accounts represent deposit received for registration and earnest money for registration of properties under the various schemes. Upon receipt these accounts will be credited and upon refund to unsuccessful applicants, these accounts shall be debited. Upon allotment, balance in these accounts will be adjusted against the amount payable.
1.4.2.2.0	Allotment Money (Received before allotment)	Individual accounts to be kept in the Deposits Ledger under group/control allotment money deposit in the General Ledger.	These accounts represent amount of allotment money ,if any received before the formal balance in these accounts will be adjusted against the amount payable.
1.4.2.3.0	Deposits Under Self Finance Scheme	Individual accounts to be kept in the Deposits Ledger under group/control deposits against self-finance scheme accounts in the General Ledger.	These accounts show the amount of deposits received against self-finance scheme. Amount on receipt would be credited to these accounts. Interest if any payable on these accounts shall also be credited to the respective deposits account . Upon sale /allotment, balances be

			adjusted against the amount payable.
1.4.2.4.0	Other Deposits	Individual accounts to be kept in the Deposits Ledger under group/control other deposits account in the General Ledger.	These accounts represents other residual deposits, interest bearing or otherwise Balances standing to the credit of these accounts, upon sale/allotment will be adjusted against the amount payable.
Free Codes 1.4.2.5 .0 to 1.4.2.8.0			

V.	Unsettled Lease Deposits		
1.5.0.0.0	UNSETTLED LEASE DEPOSITS		
1.5.1.0.0	Unexpired Lease Premium(unexpired portion till the conversion of leased property in to free hold property)	Individual accounts to be kept in the Lease Deposit Register/Ledger under group/control unexpired lease premium account in General Ledger.	These accounts represent cost equal to the cost to leased property. Amounts over and above is treated as lease margin and credited in the Income and Expenditure Account Ledger. Upon conversion of leased property in to free hold property amounts are transferred to the Property Profit and Loss Account as sale revenue.
1.5.2 0.0	Unexpired Leased Rent(one time)	Individual accounts to be kept in the Lease Deposit. Register /Ledger under group/control unexpired lease rent account in General Ledger.	One time lease rent is recognized as revenue over the period of lease/lease rent.
Free Codes 1.5.3.0.0 TO 1.5.6.0.0			

VI.	Future Development and Maintenance Fund		
1.6.0.0.0	FUTURE DEVELOPMENT AND MAINTENANCE FUND		
1.6.1.0.0.	Future Development Of Completed Scheme	Individual accounts to be opened under group/control future development and maintenance fund account in the General Ledger.	These accounts represent deposit against the further development of completed scheme and cost incurred there against. One account shall be kept for one scheme. Receipts would be credited to these accounts and cost incurred shall debited there against.
1.6.2.0.0	Future Maintenance of Facilities/Services	Individual accounts to be opened under group/control future development and maintenance fund account in the General Ledger.	These accounts represent provisions created for future maintenance of facilities /services in the scheme. Upon remittance of proceeds to the Nagar Nigam /Nagar Palika or any other agencies, these accounts will be debited. If maintenance in any year has been undertaken at own end, cost incurred should be debited to the respective scheme future account
Free Codes 1.6.3.0.0 TO 1.6.5.0.0			

VII.	Suspense Account and Deferred Revenue		
1.7.0.0.0	SUSPENSE ACCOUNT AND DEFERRED REVENUE		
1.7.1.0.0	Interest Suspense on Installment Sale	Individual interest suspense account for each of the scheme is to be kept under group /control Interest suspense account in General Ledger. Party wise details may be kept in Interest Suspense Register.	These accounts represents amount of interest receivable on installment sale over the installment period/balance period. Revenue on account of interest shall be recognized as per repayment schedule containing interest component in the installment.
1.7.2.0.0	Unspent Cost of Semi Finished Properties (sold out)	Individual interest suspense account for each of scheme is to be kept under group/control cost of Semi finished properties suspense account in the General Ledger.	These accounts represents difference between cost as per pricing model and actual cost incurred till date in case of semi finished properties sold out provision shall be credited these accounts and when actual cost is incurred same shall be debited to these accounts.
Free Codes 1.7.3.0.0 To 1.7.5.0.0			

VIII.	Current Liabilities and Provisions		
1.8.0.0.0	CURRENT LIABILITIES AND PROVISIONS		
1.8.1.0.0	Sundry Suppliers	Individual creditors suppliers accounts to be kept in the Sundry Creditors Ledger under group/ control sundry creditors account in the General. Ledger	These accounts are on account of purchase of materials, stores and fixed assets. Creditors on account of others heads shall be treated as other parties and accordingly their account shall be kept in the other parties ledger. Debit balance shall be shown as advances to the creditors/suppliers in the assets side of Balance Sheet.
1.8.2.0.0	Provisional Liability for supplies	Individual Provisional suppliers account to be kept in the Sundry Creditors Ledger under group/control sundry creditors account in Ge ger.	These account represent provision for supplies for which will have not been received. Provisional entries shall be made at the end of each quarter Upon receipt of bills of Suppliers, these entries shall be reversed.
1.8.2.0.0	Sundry Contractors	Individual contractors accounts to be kept in the Sundry Contractors Ledger under group/control sundry contractors account in the Other Parties.	These accounts represents advances to contractors, works bills etc in connection with the property development/construction.
1.8.3.0.0	Other Payable	Individual accounts to be kept in the Others Parties Payables account in the General Ledger.	These accounts represents other payables other than expenses payable, employees statutory dues payable, income tax payable, trade tax/works, contract tax payable.
1.8.4.0.0	Earnest Money and deducted	Individual earnest money and security deposit from	These accounts represent earnest money security

	Security Deposits	suppliers and contractors accounts to be kept in the Earnest Money and Security Deposits Ledger under group/control earnest money and security deposits account in the General Ledger.	deposit received in cash or deducted from bills of the suppliers and contractors.
1.8.5.0.0	Amount withheld Suppliers/ Contractors	Individual account to be kept in the Sundry Creditors and Sundry Contractors Ledger under group/ control amount withheld suppliers/ contractors account in the General Ledger	These accounts represent amount withheld from suppliers / contractors. Upon release, these accounts will be debited.
1.8.6.0.0	Expenses Payable		
1.8.6.1.0	Salary & Wages Payable	Individual expenses payable accounts to be kept under group/control expenses payable account in General Ledger.	These accounts represent unpaid expenses. These accounts shall comprise of salary payable/pension/family pension payable, telephone bill payable/electric bill payable/ TE payable etc. Upon pay- ment of unpaid expenses, these account head shall be debited.
1.8.6.2.0	Retirement Benefits Payable		
1.8.6.3.0	Electricity Expenses Payable		
1.8.6.4.0	Telephone Expenses payable		
1.8.6.5.0	Audit Fees Payable		
1.8.6.6.0	Other Administrative Costs Payable		
1.8.6.7.0	Other Expenses payable		
1.8.7.0.0	Employees Statutory Dues Payable		
1.8.7.1.0	PF/GPF Payable	Individual accounts to be kept under group/ control employees statutory dues payable account In the General Ledger.	These accounts represents payable on account of employees statutory dues like PF/CPF, GI, employees welfare fund etc.
1.8.7.2.0	CPF/Pensionary Contribution Payable		
1.8.7.3.0	G.I.S Payable		
1.8.7.4.0	Employees Welfare Fund payable		
1.8.7.5.0	Any Other Payable		
1.8.8.0.0	T.D.S Payable		
1.8.8.1.0	TDS Salaries	Individual accounts to be kept under group/control T.D.S payable account in General Ledger.	These accounts represent tax deducted at source from salaries, works bills, Suppliers bills, professional payments etc. Upon deposit of tax with the central government, these accounts shall be debited.
1.8.8.2.0	TDS Contractors/Suppliers		
1.8.8.3.0	TDS Professionals		
1.8.8.4.0	TDS Others		
1.8.9.0.0	Trade Tax/Works Contract Tax Payable		
1.8.9.1.0	WCT/TT Contractors	Individual accounts to be kept in the under group/ control WCT/TT payable account in the General Ledger	These accounts represent trade/tax/work contract tax deducted from the suppliers tax and contractor's bills. Upon deposit of with the state government, these accounts shall be debited.
1.8.9.2.0	WCT/TT Suppliers		
1.8.9.3.0	WCT/TT Others		

1.8.10.0.0	Other Parties	Individual accounts to be kept in the Other Parties Ledger under group/control others parties account in the General Ledger.	These accounts represent accounts of all the other residual parties other than suppliers, contractors and sundry debtors account.
1.8.11.1.0	Interest Accrued but not Due	These accounts to be kept under group/control interest accrued but not due account in the General Ledger.	These accounts represent interest accrued but not due. Provisional entries shall be passed at the end of each quarter
1.8.11.1.1	On Debentures		
1.8.11.1.2	On Bonds		
1.8.11.1.3	On Loans from Financial Institutions/ Banks		
1.8.11.1.4	On Other Loans		
1.8.11.1.4	Provision for Interest on Deposits		
1.8.11.2.0	Provisions	Individual accounts to be opened in the General Ledger.	These accounts represents provision for gratuity and other future obligations payable.
1.8.11.2.1	For Gratuity		
1.8.11.2.2	For Pension		
1.8.11.2.3	For Other Retirement Benefits		
1.8.11.2.4	For Contingencies		

IX.	Fixed Assets		
2.1.0.0.0	FIXED ASSETS		
2.1.1.1.0	Fixed Assets for own use	Individual accounts to be kept in the Fixed Assets Ledger under group/ control fixed assets for own use account in the General Ledger.	These asset accounts represents cost of fixed assets held for own use like building, furniture, computer, vehicle, heavy machines, hot mix plants and equipments etc. Each account would show cost, depreciation written down value and depreciation provided till the date.
2.1.1.1.0	Freehold Land		
2.1.1.2.0	Leasehold Land		
2.1.1.3.0	Buildings		
2.1.1.4.0	Vehicles		
2.1.1.5.0	Furniture & Fixtures		
2.1.1.6.0	Plant & Machinery		
2.1.1.7.0	Office Equipments		
2.1.1.8.0	Electrical Equipments		
2.1.1.9.0	Other		
2.1.2.0.0	Fixed Assets for Land Acquired but Not put to use.	Individual accounts to be kept in the Fixed Assets Ledger under group control fixed assets (land) acquired for schemes in the General Ledger.	The land acquired shall be shown as fixed assets. Upon commencement of development/construction activities cost of corresponding land shall be transferred to scheme work in progress account in the Costing Ledger.

2.1.3.0.0	Fixed Assets held under Investments	Individual accounts to be kept in the Fixed Assets Ledger under the group/control fixed assets held under investments account in the General Ledger.	These account represent cost of properties not for own use but held under investments. These assets includes parks, community Centers, bal udhyan, grounds etc. Each account would show cost, amortization , written down value and amortization till the date.
2.1.3.1.0	Parks/Grounds/Lakes		
2.1.3.2.0	Community Centres		
2.1.3.3.0	Bal Udyan		
2.1.3.4.0	Other Public Utilities		
2.1.3.5.0	Building (Rented)		
2.1.4.0.0	Fixed Assets for Properties Leased Out to Customers	Individual accounts to be kept in a separate Fixed Assets Ledger (For Leased Assets) under Group/ out account in the General Ledger.control fixed assets for properties leased	The leased assets shall be shown under the fixed assets till these properties are not converted into the free hold properties.
2.1.5.0.0.	Fixed Assets –Capital Work in Progress	Individual capital work in progress account to be opened under Group/control fixed assets- capital work in progress account in the General Ledger.	These accounts represent fixed assets for own use under construction, if construction is not part of any scheme.
Free Codes 2.1.6.0.0. to 2.1.9.0.0.			

X.	Properties		
2.2.0.0.0	PROPERTIES		
2.2.1.0.0.	Land Under Development	Individual cost head account under the relevant scheme to be kept in the Properties Costing Ledger under the group /control cost of land under development account in the General Ledger.	These accounts represents head wise cost accounts for land development for each of the scheme. Upon completion, development cost shall be transferred to the cost of relevant developed plots accounts in the Properties Costing Ledger.
2.2.2.0.0.	Developed Plots Remaining Unsold	Individual group cost account under the relevant scheme to be kept in the Properties/Costing Ledger under group/control cost of developed Plots account in the General Ledger.	the Individual group cost of developed plots accounts represents cost of developed plots but remaining unsold. Upon sale, cost of relevant plots shall be transferred to the relevant plots shall be transferred to the Properties Profit and Loss Account Ledger.
2.2.3.0.0.	Properties Under Construction	Individual cost head account under the relevant scheme to be kept in the Properties Costing Ledger under the group /control cost of properties under construction account in the General Ledger.	These accounts represents head wise cost accounts for each of the scheme. Upon completion of construction. Cost shall be transferred to the cost of relevant constructed properties accounts in the Properties Costing Ledger.

2.2.4.0.0.	Constructed Properties Remaining unsold.)	Individual group cost account under the relevant scheme to be kept in the Properties Costing Ledger under group/control cost of constructed properties account in the General Ledger.	Individual group cost of constructed properties accounts represents cost of developed properties but remaining unsold.
Free Codes 2.2.5.0.0 To 2.2.7.0.0			

XI.	Investments		
2.3.0.0.0	INVESTMENTS		
2.3.1.0.0	Government Or Trust Securities	Individual investment accounts to be kept in the Investments Ledger under group/control Investments account in the General Ledger.	Individual accounts represent investments, government securities or trust securities, debentures or bonds of public undertaking, units of mutual funds, fixed deposits, post office investment etc.
2.3.2.0.0	Debentures or Bonds Of Public Undertaking		
2.3.3.0.0	Units of Mutual Funds		
2.3.4.0.0	Fixed Deposits(With nationalized Banks, U.P Cooperative Bank, District Cooperative Banks)		
2.3.5.0.0	Post Office investments in NSC'S, KVP'S etc		
Free Codes 2.3.6.0.0. to 2.3.9.0.0.			

XII.	Current Assets, Loans and Advances		
2.4.0.0.0	CURRENT ASSETS, LOANS AND ADVANCES		
2.4.1.0.0	MATERIALS	Individual material purchase stock accounts to be opened in the Stocks Ledger under relevant group/control material purchase stock account in the General ledger.	These accounts represent cost of materials in stocks. Individual account as well group/ control account would show opening stock, purchases, issue and 'closing stocks. &Marble
2.4.1.1.0	Materials Purchase Stock-Cement		
2.4.1.2.0	Materials Purchase Stock-Steel		
2.4.1.3.0	Materials Purchase Stock-Stones		
2.4.1.4.0	Materials Purchase Stock-Bitumen		
2.4.1.5.0	Stores Purchase Stock – Spares for Heavy Machine & tools		

2.4.1.6.0	Stores Purchase Stock- General Supplies & Maintenance		
2.4.1.7.0	Stores Purchase Stock-Tea Guard & Barbed Wire		
2.4.2.0.0	Materials at Sites, Contractors	Individual account to be opened under group/ control material at sites/contractors account in the General Ledger.	These accounts represent cost of materials lying at the sites, contractors etc.
2.4.3.0.0	Obsolete, Damaged and Defective Stocks	Individual account to be opened in the Stocks Ledger under the group/control obsolete, damaged and defective stocks account in the General ledger.	These accounts represent cost of obsolete, damaged and defective materials. Cost of such items upon identification is transferred to these accounts.
2.4.4.0.0	Loans And Advances to Employees		
2.4.4.1.0	Loans		
2.4.4.1.1	Housing Loan	Individual accounts to be opened in the Loans and Advances to Employees Ledger under group/control each of category of loan in the General Ledger.	These accounts represent loans under different categories like housing, conveyance, festival loan etc.
2.4.4.1.2	Vehicle Loan		
2.4.4.1.3	Festival Loan		
2.4.4.1.4	Special Loan		
Free Codes 2.4.4.1.5 to 2.4.4.1.8			
2.4.4.2.0	Advances		
2.4.4.2.1	TE Advances/Imprest	Individual accounts to be opened in the Loans and in the Loans and Advances to Employees Ledger under group/control each of category of advances account in the General Ledger	These accounts represent advance under different categories like TE, material, works, imprest etc.
2.4.4.2.2	Material Advance/Imprest		
2.4.4.2.3	Works Advance/Imprest		
2.4.4.2.4	Expenses Advance/ Imprest		
2.4.4.2.5	LTC Advances/Imprest		
2.4.4.2.6	Departmental Imprest		
Free Codes 2.4.4.2.7 to 2.4.4.2.9			

2.4.5.0.0	OTHER LOANS/ADVANCES
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2.4.5.1.0	(Loan and Advances to Others other than suppliers, contractors and electricity employees)	Individual accounts to be opened in the Other Parties Ledger under the group/control other party's account in the General Ledger	These accounts represent advances made to nagar control nigram, nagars palika, jalnigam, Jalsansthan, electricity board etc. Upon settlement bills these accounts would be adjusted.
	Sundry Suppliers	As per Code No 1.8.1.0.0 on liabilities side.	Referrer Code No1.8.1.0.0on liabilities side.
	Sundry Contractors	As per Code No 1.8.10.0.0 on liabilities side.	Referrer Code No1.8.2.0.0 on liabilities side.
2.4.5.1.0	OTHER PARTIES	As per Code No 1.8.10.0.0 on Liabilities side	Refer Code No. 1.8.10.0.0 on liabilities side
2.4.5.2.0	Other Parties		
Free Codes 2.4.5.2.0 to 2.4.5.6.0			
2.4.6.0.0	SUNDRY DEBTORS		
2.4.6.1.0	Sundry Debtors (Allotment)	Individual sundry debtors account for allotment money to be kept in the Sundry Debtors Ledger under group/control sundry debtors for allotment account in the General Ledger .	These accounts represent allotment money receivable from the allottees.
2.4.6.2.0	Sundry Debtors (Installment)	Individual sundry debtors account for installment money to be kept in the Sundry Debtors Ledger under group/control sundry debtors (installment) account in the General Ledger.	These accounts represent money receivable from the allottees on account of installment money.
2.4.7.0.0	DEVELOPMENT CHARGES ACCRUED AND OTHER INCOME ACCRUED		
2.4.7.1.0	DEVELOPMENT CHARGES ACCRUED	Individual party account to be opened in the control account to be opened under group/ control development charges accrued account in the General Ledger	These accounts represents amount of development charges outstanding under each of the head. In practice it would be difficult to record these due basis(upon ascertainment of demand).
2.4.7.1.2	Leavy for Non-Construction Accrued		
2.4.7.1.3	Compounding Charges Accrued		
2.4.7.1.4	4 Malwa Charges Accrued		
2.4.7.1.5	Development Charges Accrued		
2.4.7.1.6	Other Charges Accrued		
2.4.7.2.0	INCOME FROM INVESTMENTS IN PROPERTIES ACCRUED	Individual party account to be opened in the Demand and Collection Register. Head wise account to be opened under group control income from investment in properties accrued account in the General Ledger.	These accounts represents income accrued and due/outstanding from properties leased out or on rented properties.
2.4.7.2.1	Lease Rent Accrued		

2.4.7.2.2	Building Rent Accrued		
2.4.7.3.0	INCOME FROM INVESTMENTS ACCRUED	Individual accounts to be opened under the group /control other income accrued account in the General Ledger.	These accounts represent income accrued, due and accrued on account of stamp duty, interest/dividends from terms deposits, units, securities and bonds etc.
2.4.7.3.1	Income on Term Deposits Accrued		
2.4.7.3.2	Interest/Dividend Accrued		
2.4.7.3.3	Other Income on Investments Accrued		
2.4.7.4.0	OTHER INCOME ACCRUED	Individual accounts be opened under the group /control other income accrued account in the General Ledger.	These accounts represent income accrued, account of , establishment Charges on items. Nazool transactions and other miscellaneous etc.
2.4.7.4.1	Share in Establishment Charges on Nazool Transactions Accrued		
2.4.7.4.2	Other Miscellaneous Income Accrued		
Free Codes 2.4.7.5.0. to 2.4.7.7.0			
2.4.8.0.0	OTHER CURRENT ASSETS		
2.4.8.0.1	DEPOSITS AND ADVANCES(Other than Banks)	Individual accounts to be kept under group/ control account other current assets in the General Ledger.	These accounts represent deposits (other than Banks) and advances on account of telephone, electricity, water tax/ charges and municipal taxes. Upon settlement of respective advance, these accounts shall be credited.
2.4.8.0.2	Telephone		
2.4.8.0.3	Water-Tax/ Charges		
2.4.8.0.4	Municipal Tax		
2.4.8.0.5	Any Other		
2.4.8.2.0	PREPAID EXPENSES	This account to be kept under group/ control other assets account in the General -142-	This account represent prepaid expenses.At The beginning of the next Financial Year these expenses shall be transferred to the respective expense head.
2.4.8.3.0	OTHER ASSETS	This account to be kept under group/ control other current assets account in the General Ledger.	This account is a residual account.Any account which could not be included in any specific head, shall be routed through this account.
2.4.9.0.0	BALANCES WITH BANKS AND POST OFFICE, CASH AND OTHERS		

2.4.9.1.0	Banks Account	Individual bank account to be opened in the Bank Ledger under the group/control banks, account in the General Ledger.	These accounts represent bank balance lying in saving bank, current accounts with nationalized Banks, U.P., Cooperative Banks, District Cooperative Bank etc. Overdrafts accounts shall be shown in the liabilities side of the Balance Sheet.
2.4.9.2.0	0 Post Office	Individual accounts to be opened in the Banks Ledger under the group /control post office saving account in the General Ledger.	These accounts represents balances lying with the post office saving bank accounts.
2.4.9.3.0	CLOSING BALANCES		
2.4.9.3.1	Cash Account	Cash Balance is ascertained from the Cash Book.	Cash balance represent physical cash lying.
2.4.9.3.2	Petty Cash Account	Petty Cash Balance is ascertained from the petty Cash Book.	Petty cash balance represents physical petty cash balance.
2.4.9.3.3	Postage Stamps Account	Postage stamps balance is ascertained from the Postage register.	Postage stamp balance represent unused postage stamps.
2.4.9.3.4	Stationery Stock Account	Unconsumed stocks of stationery to be ascertained from stationery records preferably at the year-end.	Stationery balance represents unconsumed stocks of stationery.
2.5.0.0.0	MISCELLANEOUS EXPENDITURE		
2.5.1.0.0	Expenses on Issue of Bonds/Debentures	Individual head wise account to be opened under the group /control deferred revenue expenditure account in the General Ledger.	No item of expenditure shall be included under this head and carried forward unless (a) some benefit from expenditure can reasonably be expected to be received in future and (b)carried forward in respect of any item included under the heads shall not exceed the expected future revenue / heads shall not exceed the expected future revenue / benefit related to the expenditure.
2.5.2.0.0	Deferred Revenue Expenditure		
2.5.3.0.0	Deferred Cost Projects		
2.5.4.0.0	Any Other		

XIII.	Sale of Properties		
3.0.0.0.0	SALE OF PROPERTIES	These accounts to be kept under group/ control sale of properties account in the Properties Profit and Loss Account Ledger.	These accounts represent sale consideration received from sale of properties, plots, houses etc.
3.1.1.0.0	Sale of Plots		
3.1.2.0.0	Sale of Plots – Houses		
3.1.3.0.0	Sale of Plots – Shop		
3.1.4.0.0	Sale of Plots – Commercial Use		

3.1.5.0.0	Sale of Plots – Land/ Bulk Sale		
3.1.6.0.0	Sale of Plots – Others		
3.2.0.0.0	Sale of Constructed Properties		
3.2.1.0.0	Sale of Properties – Houses		
3.2.1.1.0	Sale of Houses – H.I.G		
3.2.1.2.0	Sale of Houses – M.I.G		
3.2.1.3.0	Sale of Houses – L.I.G		
3.2.1.4.0	Sale of Houses – EWS		
3.2.1.5.0	Sale of Plots -- Others		
3.2.1.6.0	Sale of Properties – Flats		
3.2.1.7.0	Sale of Properties – Complex/ Floor		
3.2.1.8.0	3.2.4.0.0 Sale of Properties – Others		
3.3.0.0.0	SALE OF LEASED ASSETS AND FREEHOLD CONVERSION INCOME	These accounts to be kept under group/control sale of Leased assets and free hold conversion income in the Properties Profit and Loss Account Ledger.	These accounts represent sale consideration under group /control sale leased assets and money received upon conversion of lease held properties in to freehold Property.
3.3.2.0.0	Sale of Leased Assets		
3.3.2.0.0	Freehold Conversion Income		
3.3.2.0.0	Other Charges on Free hold		

XIV.	Cost of Sales		
4.0.0.0.0	COST OF SALES	These accounts to be kept under group/ control cost of sales account in the Properties Profit & Loss Account Ledger	These accounts represent cost of sale of plots/properties/ leased assets sold out
4.1.0.0.0	Cost of Plots Sold Out		
4.1.1.0.0	Cost of Plots Sold Out – House		
4.1.2.0.0	Cost of Plots Sold Out – Shop		
4.1.3.0.0	Cost of Plots Sold Out – Commercial Use		
4.1.4.0.0	Cost of Plots Sold Out – Educational Institutions		
4.1.5.0.0	Cost of Plots Sold Out – Land/ Bulk Sale		
4.1.6.0.0	Cost of Plots Sold Out – Others		
4.1.0.0.0	Cost of Sale of Constructed Properties		
4.2.0.0.0	Cost of Properties Sold Out – Houses		
4.2.1.0	Cost of Properties Sold Out – H.I.G		
4.2.1.1.0	Cost of Properties Sold Out – M.I.G		
4.2.1.2.0	Cost of Properties Sold Out – L.I.G		
4.2.1.3.0	Cost of Properties Sold Out – EWS		
4.2.1.4.0	Cost of Properties Sold Out – Others		
4.2.1.5.0	Cost of Properties Sold Out – Flats		
4.2.2.0.0	Cost of Properties Sold Out – Complex/ Floor		
4.2.3.0.0	Cost of Properties Sold Out – Others		
4.2.4.0.0	Cost of Properties Leased Out		

4.4.0.0.0	Additional Cost of Properties sold as Work in Progress	These accounts to be kept under group/control additional cost of properties sold out as work in Progress account in the Properties Profit and Loss Account Ledger.	These accounts represent additional cost of properties sold out as semi finished over and above cost considered /provided for at the time of sale /allotment.
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REVENUE HEADS

XV.	Interest Income from Properties		
5.1.0.0.0	INTEREST INCOME FROM PROPERTIES	Individual accounts to be kept under group/control interest income on installment sale account in the Income and Expenditure Account Ledger	installment for the year determined and appropriated from the interest suspense irrespective of the fact that recovery is made at a different point of time. Panel interest and other charges are recorded on the basis of appropriation of installment.
5.1.1.0.0	Interest Income on Installment		
5.1.2.0.0	Panel Interest on Installment		
5.1.3.0.0	Other Charges on Installment		

XVI.	Development Charges and Levies		
5.2.0.0.0	DEVELOPMENT CHARGES AND LEVIES	Individual accounts to be kept under group on properties developed privately and include in the Income and Expenditure Account Ledger.	These accounts represents regulatory and levies other charges. These accounts shall be posted from the Daily Collection Register/Bank Book. In the annual accounts these charges should be at gross amount on and thereafter transfer to infra structure fund should be shown as deduction .Appropriation to infra structure fund shall be Government GO. from time to time
5.2.1.0.0	Levy for Non-Construction		
5.2.2.0.0.	Betterment Charges		
5.2.3.0.0	Compounding Charges		
5.2.4.0.0	Malwa/Staking Charges		
5.2.5.0.0	Development Charges		
5.2.6.0.0	Building Plan Sanction Fee		
5.2.7.0.0	Surveyors License Fee		
5.2.8.0.0	Others		

XVII.	Income from Properties/Public Utilities		
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5.3.0.0.0	INCOME FROM PROPERTIES/ PUBLIC UTILITIES	Individual accounts to be kept under group/control income from properties/ public utilities account in the Income and Expenditure Account Ledger.	These accounts represents income from rented buildings and income from public utilities. These accounts shall be posted
5.3.1.0.0	Lease Rent		
5.3.2.0.0	Building Rent		
5.3.3.0.0	Hire charges/Booking Income from Community Center/Conference Hall		
5.3.4.0.0	License charges/Income from Parks		
5.3.5.0.0	Income from Parks/Lakes/Other Public Utilities Entrance Fee/Booking Income		
5.3.6.0.0	Others		

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XVIII.	Other Income from Sale/Transfer of Properties		
5.4.0.0.0	OTHER INCOME FROM SALE/TRANSFER OF LEASE PROPERTIES	Individual accounts to be kept under group /control other income from sale/transfer of properties account in the Income and Expenditure Account Ledger.	These accounts show other income relating to sale/transfer/lease of properties.
5.4.1.0.0	Margin on Lease of Assets		
5.4.2.0.0	Share of on Transfer/Sale Proceeds		
5.4.3.0.0	Establishment Charges on Nazool Transactions		
5.4.4.0.0	Profit share on Resale/Transfer of Properties		
5.4.5.0.0	Others		

XVIX.	Income from Investments
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5.5.0.0.0	INCOME FROM INVESTMENTS	Individual accounts to be kept under group/control income from investments accounts in the Income and Expenditure Account Ledger.	These accounts represents interest and dividened income from investments.
5.5.1.0.0	Dividend/Interest on Securities		
5.5.2.0.0	Interest on Term Deposit		
5.5.3.0.0	Others		

XX.	Interest on Loans to Employees		
5.6.0.0.0	INTEREST ON LOANS TO	Individual accounts to be opened under group/control account in the Income and Expenditure Account Ledger	These accounts represent interest on loans to employees. shall be recognized on realization basis. Interest may also be recognized on due basis if so decided by the Government.
5.6.1.0.0	Interest on Housing Loan		
5.6.3.0.0	Interest on Specials Loans		
5.6.4.0.0	Interest on Other Loans		

XXI.	Other Incomes		
5.7.0.0.0	OTHER INCOME	Individual accounts to be kept under group/control Other Income Account in the Income and Expenditure Account Ledger.	These accounts show other incomes of the Development Authorities. These incomes are normally accounted for on cash basis.
5.7.1.0.0	Sale of Master Plan Book/Registration Book/Tender Form		
5.7.2.0.0	Registration of Contractors/Suppliers		
5.7.3.0.0	Cycle/Scooter/Car Stand Charges		
5.7.4.0.0	Miscellaneous(like Road Cutting, Roller Charges, Water charges, Penalties, Fines Etc.)		
5.7.5.0.0	Reversal in Reduction in value of Investments		
5.7.6.0.0	Profit on Sale/ Disposal of Fixed Assets/		
5.7.7.0.0	Profit on Sale/Disposal of Investments.		
5.7.8.0.0	Furefieture/Deduction From Deposits/Deposits/Refunds		

	Savings under Future Development Fund		
5.7.9.0.0	Others		

XXII	Recoveries from Employees for Facilities Provided		
5.8.0.0.0	RECOVERIES FROM EMPLOYEES FOR FACILITIES PROVIDED	These accounts to be kept under group/control recoveries from employees for facilities provided account in the Income and Expenditure Account Ledger.	These accounts represent recovery from employees for facilities provided to them as per the criteria.
5.8.1.0.0	Telephone		
5.8.2.0.0	Electricity		
5.8.3.0.0	House rent		
5.8.4.0.0	Vehicle/ Conveyance		
5.8.5.0.0	Others		

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XXIII.	Recoveries of Cost from Project/ Scheme/ Deposit Works		
5.9.0.0.0	RECOVERIES OF COST FROM	Individual accounts to be opened under group/ control recoveries from projects/schemes/ deposits works account in the Income and Expenditure Account Ledger.	These accounts represent allocation of cost/ recovery of establishment, administrative, miscellaneous, interest cost and provisions from the projects/schemes/deposit works.
5.9.1.0.0	Administrative Cost Recovered		
5.9.3.0.0	Miscellaneous Cost Recovered		
5.9.4.0.0	Interest Cost Recovered		
5.9.5.0.0	Contingencies and Provision for Tools and Plants Recovered Provision for Future Maintenance		
5.9.6.0.0	Provision for Future Maintenance of Facilities/Services		
5.9.7.0.0	Cent age Charges		
5.9.8.0.0	Others		


EXPENSES HEADS :

XXIV.	Establishment Cost	Individual accounts will be opened in the Income and Expenditure Account under account.the sub/group establishmer :ount.	These accounts represent establishment and personnel cost relating to permanent/ temporary/deputation/daily wages staff. These
6.1.0.0.0	ESTABLISHMENT COST		

6.1.1.0.0	Establishment Cost (Gross Pay)		accounts shall be directly from the Establishment Cost Journal posted These accounts shall be directly posted Establishment cost shall be accounted for on accrual basis i.e. cost shall be provided for in the period, in which they are irrespective of their payment at different point of time. Payments shall be for through the Daily Payments Book..
6.1.1.1.0	Basic/Special Pay/Pension Pay/ Earnings		
6.1.1.2.0	DA/ADA		
6.1.1.3.0	IR-1/IR-2/Special Allowance		
6.1.1.4.0	HRA/CCA/Medical Allowance/ Conveyance Allowance		
6.1.1.5.0	Other Allowance/Viklang Allowance Washing		
6.1.1.6.0	Allowance/Earnings-2		
6.1.1.7.0	Earnings-3		
6.1.2.0.0	Establishment Cost [contribution]		
6.1.2.1.0	PF/CPF/Pensionary Contribution		
6.1.2.2.0	GI Contribution		
6.1.2.3.0	Employees Welfare Contribution		
6.1.2.4.0	Other Contribution		
6.1.3.0.0	Establishment Cost (other)		
6.1.3.1.0	Ex-Gratia		
6.1.3.2.0	Honorarium		
6.1.3.3.0	Medical Reimbursement		
6.1.3.4.0	Uniform		
6.1.3.5.0	Leave Travel Concession		
6.1.4.0.0	Establishment Cost (Retirement Benefits)		
6.1.4.1.0	Contributory Provident Fund Paid		
6.1.4.2.0	Pension/Family Pension		
6.1.4.3.0	Gratuity		
6.1.4.4.0	Compensation		
6.1.4.5.0	Other Retirement Benefits		

XXV.	Administration Cost		
6.2.0.0.0	ADMINISTRATIVE COST	Individual accounts will be opened in the Income and Expenditure Account Ledger under the sub/group administrative cost.	These accounts represent administrative cost of Development Authorities under the various heads.
6.2.1.0.0	Recurring		
6.2.1.1.0	Rent		
6.2.1.1.1	Rates and Taxes		
6.2.1.1.2	Electricity and Generator		
6.2.1.1.3	Communication		
6.2.1.1.4	Stationary and Printing		
6.2.1.1.5	Advertisement and Publicity		
6.2.1.1.6	Entertainment, Refreshment and Meetings		
6.2.1.1.7	Traveling and Conveyance, Travel Advances		
6.2.1.1.8	Consultancy Fees And Audit Fees		
6.2.1.1.9	Legal Expenses		
6.2.1.2.0	Postage and Telegram		
6.2.1.2.1	Vehicle Running		
6.2.2.0.0	Repair and Maintenance		
6.2.2.1.0	R&M Office Building		
6.2.2.1.1	R&M Residential Buildings/ Shop		
6.2.2.1.2	R&M Furniture & Expenditure		
6.2.2.1.3	R&M Equipments – Construction and Heavy Equipments		
6.2.2.1.4	R&M Sever age /water Supply facilities		
6.2.2.1.5	Others		
6.2.2.0.0	Non Recurring		
6.2.2.1.0	Function, Inaugurations and Welcome Farewell /		
6.2.2.1.1	Insurance		
6.2.2.1.2	Books & Library		

XXVI.	Interest and Other Cost of Loans and Borrowings
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6.3.0.0.0	INTEREST AND OTHER COST OF LOANS AND BORROWINGS	Individual accounts will be opened in the Income and Expenditure Account Ledger under the group/control interest and other cost of loans and borrowings account.	These accounts represent interest and other cost of borrowings viz bonds/debentures and loans.
6.3.1.0.0	Interest Cost of Borrowings		
6.3.1.1.0	Interest Cost of Borrowings – Bonds Debentures		
6.3.1.1.1	Interest Cost of Borrowings- State Government		
6.3.1.1.2	Interest Cost of Borrowings- Financial Institutions, Banks		
6.3.2.0.0	Interest Cost of Borrowings- Others		
6.3.2.0.0	Other Cost of Borrowings		
6.3.2.1.0	Other Cost of Borrowings- Guarantee Commission		
6.3.2.1.1	Other Cost of Borrowings- Commitment Charges		
6.3.2.1.2	Other Cost of Borrowings- Others		

XXVII.	Interest and other Cost of Deposits		
6.4.0.0.0	INTEREST AND OTHER COST OF	These accounts to be kept under group/control interest and other cost of deposits account in the Income and Expenditure Account Ledger.	These accounts represent cost of interest on deposits taken under self-finance schemes and on interest bearing deposits.
6.4.1.0.0	Interest cost on Self Finance Deposits		
6.4.2.0.0	Interest cost on Other Deposits		

XXVIII.	Social Overheads		
6.5.0.0.0	SOCIAL OVERHEADS	These accounts to be opened under group/ control social over heads account in the Income and Expenditure Account Ledger	These cost reflect social obligations of the Development Authorities towards town development and contribution to the society
6.5.1.0.0	Roads		
6.5.2.0.0	Arboriculture/Plantation		


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6.5.3.0.0	Mela and Trade Fair		
6.5.4.0.0	Town Development		
6.5.5.0.0	Others		

XIX.	Other Expenses		
6.6.0.0.0	OTHER EXPENSES		
6.6.1.0.0	Contribution to Awas Bandhu	These accounts to be kept under group/control other expenses account in the Income and Expenditure Account Ledger.	These expenses heads are residual heads which could not be covered above.
6.6.2.0.0	0 Expenses V.C Discretion		
6.6.3.0.0	Survey Work		
6.6.4.0.0	Training and Work Shop		
6.6.5.0.0	Miscellaneous and Contingencies		

XXX.	Depreciation and Administration Cost		
6.7.0.0.0	DEPRECIATION AND ADMINISTRATION COST	Individual accounts to be opened in the Fixed Assets register under group/control depreciation and amortisation cost of fixed assets account in the Income and Expenditure Account Ledger.	These heads reflects provision for depreciation/amortization on fixed for the year under review.
6.7.1.0.0	Depreciation Cost of Fixed Assets for Own use.		
6.7.2.0.0	Amortization Cost of Fixed Assets for Public Utility		

XXXV.	Miscellaneous and Deferred Revenue Expenses Written Off		
6.8.0.0.0	MISCELLANEOUS AND DEFERRED	These accounts to be kept in the Income and Expenditure Account Ledger under group/ control	These heads reflects miscellaneous expenses like expenses on issue of bonds and debentures and

6.8.1.0.0	Miscellaneous Expenses W/O	miscellaneous and deferred revenue expenses written off account.	expenses which result into benefits over the period of more than one year. These expenses are written off over the years as per the accounting policy.
6.8.2.0.0	Deferred Revenue Expenses W/O		

XXXII.	Provision for Future Maintenance Of Facilities /Services		
6.9.0.0.0	PROVISION FOR FUTURE MAINTENANCE OF FACILITIES/SERVICES		
6.9.0.0.0	Future Maintenance Charges Payable to Nagar Nigam /Nagar Palika	This account to be kept in the Income and Expenditure Account Ledger.	This account reflects provision for the maintenance charges payable to the Nagar Nigam/Nagar Palika in the when the respective facilities/services etc is transferred to them.


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6.9.2.0.0	Other Charges		
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XXXIII.	Amounts Written Off and Other Adjustments		
7.0.0.0.0	AMOUNTS WRITTEN OFF & OTHER	These accounts to be kept under group/control amounts written off and other adjustment account in the Income and Expenditure Account Ledger.	These accounts reflect amounts written off on account of bad debts and other adjustments and appropriations etc
7.1.0.0.0	Bad Debts Written off		
7.2.0.0.0	Stock Adjustment		
7.3.0.0.0	Reduction in Carrying Cost of		
7.4.0.0.0	Loss on Sale/Disposal of Fixed Assets/Materials/Stores		
7.5.0.0.0	Loss on Sale/Disposal of Investments		
7.6.0.0.0	Rebate an Pre Payment of Installments		
7.7.0.0.0	Excess Cost incurred under Future Development Fund		
7.8.0.0.0	Other		

XXXIV.	Accumulated Depreciation / Amortization		
8.0.0.0.0	ACCUMULATED DEPRECIATION/ AMORTIZATION	This account would be kept under accumulated depreciation/ amortization account in the General Ledger.	This account represents depreciation provided on fixed assets for the
8.1.0.0.0	Accumulated Depreciation of Fixed Assets – For Own Use		
8.1.1.0.0	Accumulated Depreciation – Leasehold Land		
8.1.2.0.0	Accumulated Depreciation – Buildings		
8.1.3.0.0	Accumulated Depreciation – Vehicles		



8.1.4.0.0	Accumulated Depreciation – Furniture & Fixtures		
8.1.5.0.0	Accumulated Depreciation – Plant & Machinery		
8.1.6.0.0	Accumulated Depreciation – Office Equipments		
8.1.7.0.0	Accumulated Depreciation – Electrical Equipments		
8.1.8.0.0	Accumulated Depreciation -- Others		
8.2.0.0.0	Accumulated Amortization of Fixed Assets – For Own Use		

PART-III : ACCOUNTING MET OLOGY

SECTION NO. - 15

FINAL ACCOUNTS

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**



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Format of Balance Sheet

UTTAR PRADESH DEVELOPMENT AUTHORITIES Format of Balance Sheet As At 31st March...

SOURCES OF FUND	SCHEDULE NO	CURRENT YEAR (Rs)	PREVIOUS YEAR (Rs)
I. Owned Funds	1		
a) DA Funds			
b) Reserves			
II. Unutilized Grant Funds	2		
III. Loan Funds	3		
a) Long Term			
b) Medium Term			
c) Short Term			
IV. Deposits	4		
a) Deposit against Works			
b) Deposit against Properties			
V. Unsettled Lease Deposits	5		
VI. Future Maintenance and Development Fund	6		
VII. Suspense Account and Deferred Revenue	7		
TOTAL (RS)			
<u>APPLICATION OF FUNDS</u>			
I. Fixed Assets	8		
a) Fixed Assets for Own Use (Net Block)			
b) Fixed Assets for land acquired For Schemes but not Put to Use			
c) Fixed Assets held for Public Utility Properties (Net Block)			
d) Fixed Assets Leased to Customers			
II. Properties	9		
a) Land under Development			
b) Developed Plots Remaining Unsold			
c) Properties under Construction			
d) Constructed Properties Remaining Unsold			
III. Investments	10		
IV. Current Assets Less Current Liabilities and Provisions	11		
V. Miscellaneous Expenditures (To the extent not written off or adjusted)	12		
a. Miscellaneous Expenses			
b. Deferred Revenue Expenditure			
VI. Income and Expenditure Account (Accumulated Losses)			
TOTAL (Rs)			

Note: Accounting policies and notes on accounts schedule-39 forming part of the annual accounts.

II. Format of Properties Profit & Loss Account

UTTAR PRADESH DEVELOPMENT AUTHORITIES

FORMAT OF PROPERTIES PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH -----

INCOME FROM PROPERTIES	Schedule No	Current Year (Rs)	Previous Year (Rs)
I - Sale of Plots/Land	13		
II - Sale of Constructed Properties	14		
III- Sale of Leased Assets and Freehold Conversion Income	15		
a) Sale of Leased Assets			
b) Freehold Conversion Income			
IV - Other Property Related Income	16		
TOTAL (RS.)		_____	_____
		_____	_____
 <u>COST OF PROPERTIES</u>			
V - Cost of Plots/Land Sold Out	17		
VI - Cost of Constructed Property Sold Out	18		
VII- Cost of Properties Leased Out	19		
VIII-Additional Cost of Properties Sold as Work in Progress	20		
IX- Other Cost Related to Properties	21		
TOTAL (RS.)		_____	_____
		_____	_____
Gross Profit/Loss Transferred to Income and Expenditure Account		_____	_____

NOTE: Accounting Policies and notes on accounts scheduled – 39 forming part of the Annual Accounts.

III. Format of Income and Expenditure Account

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FORMAT OF INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDING 31st MARCH -----**

Income	Schedule No.	Current Year (Rs)	Previous Year (Rs)
-Gross Profit B/F from Properties Profit And Loss Account			
- Interest Income from Properties	22		
-Development Charges and Levie	23		
- Income from Properties /Public Utilities	24		
- Other Income from Sale/ Transfer of Properties etc.	25		
- Income from Investment	26		
- Interest on Loans to Employees	27		
- Other Income	28		
- Recoveries from Employees for Facilities Provided	29		
-Recovery of Cost from Project/Scheme/ Deposit / Works	30		
Total Income (Rs.)		_____	_____
		_____	_____
<u>Expenditure</u>			
- Gross Profit B/F from Properties Profit And Loss Account			
- Establishment Cost	31		
-Administrative Cost	32		
-Interest and Other Cost of Loans and Borrowings	33		
-Interest and Other Cost of Deposits	34		
-Social Overheads	35		
-Other Expenses	36		
-Depreciation and Amortization Cost	8		
-Bad Debts Written Off and Other Adjustments	37		
-Miscellaneous and Deferred Revenue Expenses Written off	12		
-Provision for Future Maintenance of Facilities/Services	38		
Total Expenditure (Rs.)		_____	_____
Profit/(Loss) for the Year (Rs.)		_____	_____
Add: Brought Forward from the Previous Year Reserves /Funds Provisions Written Back			
Less : Transfer to Development Fund Provision for Bonds/Debentures Loan Redemption Fund Provision for Infra Structure/City Pool Fund			
Surplus /Deficit in Income and Expenditure Account Carried to Balance Sheet			

Accounting Policies and Notes on Accounts schedule 39 forming part of the Annual Accounts.

VI. Schedule to Balance Sheet

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-1 to the Balance Sheet As At 31st March...

Owned Funds	Current Year (Rs)	Previous Year (Rs)
<u>A. Funds</u>		
• Development Fund		
• General Fund		
• Special Funds		
a) Infrastructure Development Fund		
b) Any Other Fund		

Notes:

1. The term funds refer to amount set aside for a general or specific purpose whether represented by specifically earmarked assets or not.
2. The following particulars shall be shown in respect of each fund:
 - a) Balance at the beginning of the year
 - b) Addition during the year
 - c) Deduction/transfer/utilization during the year
 - d) Balance at the end of the year
3. Funds set up by the Development Authorities/Government for specific services provided by Development Authority will be shown under the special services funds.
4. Where the balance in any special services funds as at the end of the year constitutes ten percent or more of the aggregate of special services funds as at the end of the year. The nature and amount of each such fund shall be shown separately and the same shall not be included under the head "Other Special Services Funds"

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-1 to the Balance Sheet As At 31st March...

Owned Funds	Current Year (Rs)	Previous Year (Rs)
<u>B. Reserves</u>		
▪ General Reserve		
▪ Statutory Reserve		
▪ Capital Reserve		
▪ Debenture/Bonds/Loan Redemption Reserve		
▪ Revaluation Reserve		
▪ Other Reserves		

Notes:

1. Where any amount written off or retained by way of depreciation, renewals or diminution in the value of assets or retained by way of providing for any known liability is in excess of the amount, which is considered reasonably necessary for the purpose the excess, shall be treated as reserve and not the provision.
2. The expression "reserve" shall not subject to aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in the value of assets or retained by way of providing for any known liability.

3. The following particulars shall be shown in respect of each reserve:
 - a) Balance at the beginning of the year
 - b) Addition during the year
 - c) Deduction during the year
 - d) Balance at the end of the year
4. Reserves required to be created under any statute shall be included under the head "Statutory Reserve"
5. 'Capital Reserve' represents profit on sale of fixed assets
'Revaluation Reserve' represents increase in the value of fixed assets upon revaluation
6. Where the balance in any reserve as at the end of the year constitutes ten percent or more of the aggregate of the reserves as at the end of the year, the nature and amount of each such reserve shall be shown separately and the same shall not be included under the head "Other Reserves"

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-2 to the Balance Sheet As At 31st March...

	Current Year (Rs)	Previous Year (Rs)
Unutilized Grants Contributions:		
a) Specific purpose grants/contributions		
	<ul style="list-style-type: none"> • Grants/Contribution for economically weaker section • Grants/Contribution for other development works on governments' behalf • Other grants/contributions 	
b) General purpose grants/contributions		
	<ul style="list-style-type: none"> • Grants/Contribution towards to meet out establishment cost • Other grants/contributions 	

Notes:

1. Unspent/unutilized grants represented by specifically earmarked bank balance shall be shown under these heads
2. Each head shall show following particulars:
 - Opening balance at the beginning of the year
 - Received during the year
 - Utilized during the year
 - Unutilized balance at the end of the year
3. Where the balance in any special purpose grants/contributions as at the end of the year constitutes twenty percent of the aggregate of special purpose grants/ contributions as at the end of the year, the nature and amount of each such specific purpose grants/contributions shall be shown separately and shall not be included under the head "Other specific purpose grants/contributions".
4. Grants of revenue nature shall be taken to revenue upon fulfillment of criteria, till then they shall be show under the head "General purpose other grants/ contributions".
5. Where the balance in any general-purpose grants/contributions at the end of the year constitutes twenty percent of the aggregate of general purpose grants /contributions as at the end of the year, the nature and amount of each such general purpose grants/contributions shall be shown separately and shall not be included under the head "Other general purpose grants/contributions".

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-3 to the Balance Sheet As At 31st March...

	Current Year (Rs)	Previous Year (Rs)
Debentures/Loans/Borrowings		
From Government of U.P.		

<u>SL.No.</u>	<u>Description of the Loan</u>	<u>Name of Scheme</u>
1.		
2.		
3.		

Loans from Financial Institutions and Banks

<u>SL.No.</u>	<u>Description of the Loan</u>	<u>Name of Scheme</u>
1.		
2.		
3.		

Loans from Others

<u>SL.No.</u>	<u>Description of the Loan</u>	<u>Name of Scheme</u>
1.		
2.		
3.		

Notes:

1. "Secured loans," mean secured wholly or partly against the assets of the Development Authority.
2. "Unsecured loans," mean loans that are not secured.
3. "Long term loans" mean loans, which fall due for payment beyond a period of five years from the date on which they are obtained.
4. "Medium term loans" mean loans, which fall due for payment for a period of less than five years but more than twelve months from the date on which they are obtained.
5. "Short term loans" for the purposes of this schedule, means loans which fall due for payment in relatively short period normally not more than 12 months from the date on which they are obtained.
6. Under each long, medium and short-term loans category security wise loans shall be shown separately under the secured loans and unsecured loans. Following particulars shall be disclosed:
 - a) The nature of the security,
 - b) Particulars of any guarantees,
 - c) Interest accrued but not due on long term/medium term loans shall be included under the appropriate sub-heads interest accrued but not due on such loans etc.(i.e. shall not be included under the loan) and shall be shown under "current liabilities and provisions".
 - d) Terms of redemption (if any) of bonds/debentures issued shall be stated together with the earliest date of redemption.
 - e) The aggregate amount of long term/medium term loans due for repayment within a period of 12 months from the date of balance sheet shall be disclosed.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-4 to the Balance Sheet As At 31st March...
 Current Year Previous Year
 (Rs) (Rs)

Deposits

a) Deposits against Works

- Deposits from government/ government agencies/departments
 - Deposits from institution and corporations
 - Deposits from public and others
- Total (Rs)

b) Deposits against Properties

- Registration money / earnest money
 - Allotment money (Received before allotment)
 - Deposits under self-finance scheme
 - Other deposits
- Total (Rs)

Notes:

1. Deposits against works shall show under each sub head particulars:
 - Opening balance
 - Deposit received during the year
 - Cost of works during the year
 - Centage charges / establishment charges
 - Closing balance

In case of negative closing balance, it shall be shown either as other advances in the balance sheet or by way of deduction from total deposits against the works.
2. Similarly deposits against works shall show under each sub head following particulars.
 - Opening balance
 - Deposit received during the year
 - Amount adjusted against property sale/allotment
 - Closing balance (refundable)
 - Closing balance (adjustable against property sale/allotment)

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-5 to the Balance Sheet As At 31st March...
 Current Year Previous Year
 (Rs) (Rs)

Unsettled Lease Deposits

Unexpired Lease Premium.

- SL.No. Name of the Scheme
- 1.
 - 2.
 - 3.

Total (Rs)

Unexpired Lease Rent (one time)

- SL.No. Name of the Scheme
- 1.
 - 2.
 - 3.

Total (Rs)

Grand Total (Rs)

Notes:

1. Lease premium received on allotment on leased assets equal to the cost of the assets shall be shown under the head "Unexpired Lease Premium" till the conversion of leased assets into free hold assets. In the year of conversion, entire lease premium shall be treated as sale revenue.
2. Lease rent (one time) received on allotment on leased assets shall be taken to revenue over the lease period on time basis. Inappropriate lease rent (one time) shall be shown under the head "Unexpired Lease Rent (one time)". However in the year of conversion of leased assets into free hold assets, balance lease rent (one time) shall be transferred to revenue.
3. Each head will show the following particulars:
 - Opening balance at the beginning of the year
 - Received during the year
 - Appropriated/transferred to revenue
 - Closing balance at the end of the year

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-6 to the Balance Sheet As At 31st March...
Current Year **Previous Year**
(Rs) **(Rs)**

Future Maintenance and Development Fund

Future development of completed schemes fund

SL.No. Name of the Scheme

- 1.
- 2.
- 3.

Total (Rs)

Future maintenance of facilities and services

SL.No. Name of the Scheme

- 1.
- 2.
- 3.

Total (Rs)

Grand Total (Rs)

Notes:

1. Funds received from the beneficiaries for carrying out further development of completed schemes and development cost incurred shall be shown under the head "future development of completed scheme fund". Upon completion of development excess or underutilization shall be taken to the revenue.
2. Provision for future maintenance of facilities and services payable to the Nagar Nigam/Nagar Palika shall be shown under the head "future maintenance of facilities and services". Any payment to the Nagar Nigam/Nagar Palika or maintenance incurred Development Authorities shall be shown as utilization under this fund.
3. Each head shall show following particulars:
 - Opening balance at the beginning of the year
 - Amount received/provision made during the year
 - Amount utilized during the year
 - Closing balance at the end of the year
 - Surplus / Deficit transferred to Income and Expenditure Account
4. Where there is any under or over utilization under any of the heads, the same shall be transferred to the Income and Expenditure Account.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-7 to the Balance Sheet As At 31st March...

	Current Year	Previous
Year	(Rs)	
(Rs)		
Suspense Account and Deferred Revenue		
<ul style="list-style-type: none"> • Interest suspense on installment sale 		
SL.No.	Name of the Scheme	
1.		
2.		
3.		
	Total (Rs)	
<ul style="list-style-type: none"> • Unspent cost of semi-finished properties sold out 		
SL.No.	Name of the Scheme	
1.		
2.		
3.		
	Total (Rs)	
	Grand Total (Rs)	

Notes:

1. Total interest payable on installment shall be shown under the head "interest suspense on installment sale". Revenue on interest head shall be appropriated on time basis as per repayment schedule. Any adjustment in interest suspense on account of re-scheduling of repayment or down payment etc shall be carried out and adjusted to interest income.
2. In case of semi-finished properties, unspent cost shall be provided for as per the criteria and shall be shown under the head "unspent cost of semi-finished properties". Provision shall include cost under each of the element of cost, head including allocable costs. When actual cost is incurred, it shall be adjusted under this head. Under/over spending shall be separately disclosed in the Properties Profit and Loss Account.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-8 to the Balance Sheet As At 31st March...
Current Year **Previous Year**
(Rs) (Rs)

Fixed Assets

a) Fixed Assets for Own Use

- Land (for own use)
 - Freehold
 - Leasehold
- Buildings
- Plant and Machinery
- Vehicles
- Office Equipments
 - Computers
 - Other electrical equipments
 - Other office equipments
- Furniture, fixtures, fittings and electrical appliances
- Other fixed assets
- Capital work-in-progress

Notes:

1. Land includes areas used for office, gardens, libraries, godowns, meeting halls, conference halls etc.
2. Building includes office and works building, libraries, godowns, meeting halls, conference halls etc.
3. Plant and machinery used for construction of buildings, roads and bridges including earth moving and concrete mixing equipments etc.
4. Advance payments to contractors and suppliers shall not be classified under the specific fixed assets but disclosed as separate items.
5. Gross block and net block under each of the head shall be shown separately.

b) Fixed Assets for Land Acquired for Schemes but not put to Use

Notes:

1. Land acquired for taking up schemes shall be shown under this head. Upon commencement of scheme, cost of corresponding land shall be transferred to the scheme/project work in progress.
2. Following particulars shall be disclosed –
 - Opening balance at the beginning of the year
 - Acquired during the year
 - Transferred scheme/project work in progress
 - Closing balance at the end of year

c) Fixed Assets for Public Utility Properties

- Building let out on rent
- Community centers
- Parks
- Lakes
- Others

Notes:

1. Each of the fixed assets shall show gross block, amortizations, amortizations till date and the net balance.
2. Where the balance in any account constitutes more than twenty percent of the aggregate of the public utility properties, nature and amount shall be shown separately and shall not be included under the head 'others'

d) Fixed Assets Leased to Customers

SL NO. Name of the Scheme

1

2

3

Total (Rs)

Notes:

1. Properties leased out to customers shall be shown under this head till the conversion of leased assets to free hold assets. Upon conversion of leased assets into free hold assets same shall be treated as cost of sale of leased assets.

3. Following particulars shall be shown under the head:

• Opening balance at the beginning of the year	• Leased assets converted into free hold assets during the year.
• Assets leased out during the year	• Closing balance at the end of year

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-9 to the Balance Sheet As At 31st March...

Current Year
(Rs)

Previous Year
(Rs)

Properties

a) Land under the Development

SL NO.	Name of the Scheme
1	
2	
3	
Total (Rs)	

b) Developments Plots Remaining Unsold

SL NO.	Name of the Scheme
1	
2	
3	
Total (Rs)	

c) Properties under the Construction

SL NO.	Name of the Scheme
1	
2	
3	
Total (Rs)	

d) Constructed Properties Remaining Unsold

SL NO.	Name of the Scheme
1	
2	
3	
Total (Rs)	

e) Any Other Property Remaining Unsold

SL NO.	Name of the Scheme
1	
2	
3	
Total (Rs)	

Grand Total (Rs)

Notes:

1. Cost of land under development and properties under construction shall be shown under the head "land under development" and "properties under construction" respectively.
2. Cost of developed plots and constructed properties shall be shown under the head "developed plots " and "constructed properties" respectively.
3. Cost of developed land and constructed properties shall be appropriated over the saleable plots/properties under detailed subheads:

Plots:

- Plots for residence
- Plots for shops/office use
- Plots for other commercial use
- Plots for educational and other institutional purpose
- Land

Constructed Properties:

- Houses
 - HIG
 - MIG
 - LIG
 - EWS
 - Any other
 - Shops
 - Flats/floor
 - Complex /other commercial
 - Any other

4. Cost of plots/properties sold out shall be transferred treated as cost of sales and transferred to the Properties Profit and Loss Account.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-10 to the Balance Sheet As At 31st March...

**Current Year
(Rs)**

**Previous Year
(Rs)**

Investments

- Governments or trust securities
- Debentures/bond of public undertakings
- Term deposits with bank
- Post office deposits
- Others

Notes:

1. "Long term investment" means an investment other than current investment.
2. "Current investment" means an investment that is by its nature realizable and is intended to be held for not more than one year from the date on which such investment is made.
3. Long-term investments shall be shown at cost. The book value of long-term investments shall be reduced to recognize a decline, 'other than temporary, in their fair value. Such reduction shall be determined and made for each investment individually.
4. Current investment shall be shown at the lower of cost and fair value, which shall be determined either on an individual investment basis or by category of investment.
5. Aggregate amount of the 'Development Authorities' long term quoted investments and also the market value thereof shall be shown. Aggregate amount of the 'Developments Authorities' unquoted investments shall be shown.
6. Investments under long term/current investment shall be classified under subhead as detailed above.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-11 to the Balance Sheet As At 31st March...

**Current Year
(Rs)**

**Previous Year
(Rs)**

a) Current Assets Loan and Advances

* Materials and Stores

- Material purchase stock
- Material at sites, contracts
- Obsolete, damaged and defective stocks

* Loans and Advance to Employees

(i) Loans

- Housing Loans
- Vehicle Loan
- Festival Loan
- Special Loan

(ii) Advances/Imprest

- TA Advance/Imprest
- Materials, Stores, Fixed Assets Advance /Imprest
- Works Advance/Imprest
- LTC/Medical Reimbursement Advance /Imprest
- Postage Advance /Imprest
- Departmental Advance /Imprest

* Other Loans and Advances

(Other than employees)

- Sundry Suppliers
- Sundry Contractors
- Other Parties

* Sundry Debtors

- Sundry Debtors (Allotment money)
- Sundry Debtors (Installment sale)

* Development Charges Accrued

- Levy for non-construction accrued
- Betterment charges accrued

- Compounding charges accrued
- Malwa charges accrued
- Development charges accrued
- Others
- * Income from Properties Accrued
 - Lease rent accrued
 - Building rent accrued
- * Income from Investments Accrued
 - Interest on term deposits accrued
 - Interest/dividend accrued
 - Other income on investment accrued
- * Other Incomes Accrued
 - Share in stamp duty
 - Other Miscellaneous income accrued
- * Other Current Assets
 - Deposits & Advances (other than with banks)
 - Telephone
 - Electricity
 - Water Tax/Charges
 - Municipal Tax
 - Others (specify)
 - Prepaid expenses
- * Balances with Banks and Post Offices
 - Bank balances
 - Post office balances
- * Cash and Closing Balances
 - Cash balance
 - Petty cash balance
 - Postage stamp balance
 - Stationary stock balance

Total (Rs)

Less: Current Liabilities

- * Sundry Suppliers
- * Sundry Contractors
- * Other Parties
- * Earnest Money and Security Deposits
- * Amount Withheld Suppliers/Contractors
- * Expense Payable
 - Salary
 - Retirement Benefits
 - Electricity
 - Telephone
 - Audit fee
 - Water Tax
 - Water Charges
 - Home Tax
 - Other Administrative Cost
 - Others

(Specify head wise)
- * Employee Statutory Dues Payable
- * T.D.S Payable
 - T.D.S Salaries
 - T.D.S Contractors/Suppliers
 - T.D.S Professionals
 - T.D.S (Others (Specify))
- * Work Control/Trade Tax Payable
 - WCT/TT Constructors
 - WCT/TT Suppliers
 - WCT/TT Others (Specify)
- * Other Payables
- * Interest Accrued But not Due
 - On Debentures
 - On Bonds
 - On Loans financial institutions/banks
 - On Other Loans
- * Provisions
 - For gratuity

- For pension
 - For other retirement benefits
 - For contingencies
- Total (Rs)

Net Current Assets

Notes:

1. If the net realizable value of any current asset is lower than its book value, the amount to be included in respect of that asset shall be the net realizable value.
2. Materials and stores include materials, stores and spare in hand, those at site and those in transit.
4. Loans and advances shall be shown at principal amount or including interest as per the accounting policy.
5. Under the accrued /receivable heads, where any item constitutes ten percent or more of total receivables, the nature and amount of such item shall be shown separately and the same shall not be included under the head "Others".
6. In respect of bank and post office balances and particulars shall be given of balances lying in current accounts, call accounts, margin money deposits.
6. Cash balance includes cheques, drafts and pay order in hand funds transfer in transit.
7. Where any time constitutes ten percent or more of total loans, advances deposits, prepaid expenses, expenses payable etc., the nature and amount of such item shall be shown separately and the same shall not be include under the head "Others".

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule-12 to the Balance Sheet As At 31st March...

**Current Year
(Rs)**

**Previous Year
(Rs)**

Miscellaneous Expenditure

(To the extent not written off/adjusted)

- Miscellaneous Expenses
 - Expenses on Issue of Bonds / Debentures
 - Any Other
- Deferred Revenue Expenses
 - Deferred Revenue Expenses
 - Deferred Cost of Projects
 - Any Other

Notes:

1. No item shall be included under the above heads and carried forward unless (i) some benefit from expenditure can reasonably be expected to be received in future, and (ii) and the amount of such benefit is reasonably determinable.
2. The amount to be carried forward in respect of any item included under the head shall not exceed the expected future revenue/other benefits related to the expenditure.

UTTAR PRADESH DEVELOPMENT AUTHORITIES

1. Format of Inflow and Outflow Statement As On.....

Head	Annual Budget/Target	Budget/Target for the Previous Quarter	Budget/Target Progressive	Actual for the Month	Actual upto the end of Previous Quarter	Actual Progressive
1	2	3	4	5	6	7

V. Schedule to properties Profit and Loss Account

UTTAR PRADESH DEVELOPMENT AUTHORITIES

Schedule 13 to Properties Profit and Loss Account for the year ending 31st March _____

	Current Year (Rs)	Previous Year (Rs)
SALE OF PLOTS/LAND		
I - Sale of Plots-Houses		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
II - Sale of Plots-Shops		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
III - Sale of Plots-Commercial Use		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
IV - Sale of Plots-Educational Institutions, etc.		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
V- Sale of Plot - Land / Bulk sale		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
VI – Sale of Plot – Any Other		
(Give details)		
TOTAL (RS.)		

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 14 to Properties Profit and Loss Account
for the year ending 31st March _____

	Current Year (Rs)	Previous Year (Rs)
SALE OF CONSTRUCTED PROPERTIES		
a) Sale of Properties-Houses		
I - Sale of Houses-HIG		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
II - Sale of Houses-MIG		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
III - Sale of Houses-LIG		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
IV - Sale of Houses-EWS		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
V - Sale of Houses-Others		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
b) Sale of properties - Shops		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
c) Sale of properties - Complex- Floor		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
d) Sale of properties - Others		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
GRAND TOTAL (RS.)		

UTTAR PRADESH DEVELOPMENT AUTHORITIES

**Schedule 15 to Properties Profit and Loss Account
for the year ending 31st March _____**

	Current Year (Rs)	Previous Year (Rs)
SALE OF LEASED ASSETS AND FREEHOLD CONVERSION INCOME		
a) Sale of Leased Assets		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
b) Freehold Conversion Income		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
c) Other Charges		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
GRAND -TOTAL (RS.)		

UTTAR PRADESH DEVELOPMENT AUTHORITIES

**Schedule 16 to Properties Profit and Loss Account
for the year ending 31st March _____**

	Current Year (Rs)	Previous Year (Rs)
OTHER PROPERTY RELATED INCOME		
1. Sale of Trees		
2. Other Incomes (Give details)		

UTTAR PRADESH DEVELOPMENT AUTHORITIES

**Schedule 17 to Properties Profit and Loss Account
for the year ending 31st March _____**

	Current Year (Rs)	Previous Year (Rs)
<u>COST OF PLOTS/LAND SOLD OUT</u>		
I - Cost of Plots-Houses		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
II - Cost of Plots-Shops		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
III - Cost of Plots-Commercial Use		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
IV - Cost of Plots-Educational Institutions, etc.		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
V - Cost of Plots-Land/Bulk Sale		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
VI - Cost of Plots-Others		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
GRAND-TOTAL (RS.)		

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 18 to Properties Profit and Loss Account
for the year ending 31st March _____

	Current Year (Rs)	Previous Year (Rs)
SALE OF CONSTRUCTED PROPERTIES		
a) Cost of Properties Sold Out-Houses		
I - Cost of Houses-HIG		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
II - Cost of Houses-MIG		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
III - Cost of Houses-LIG		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
IV - Cost of Houses-EWS		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
V - Cost of Houses-Others		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
b) Cost of Properties Sold Out-Shops		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
c) Cost of Properties Sold Out-Complex/Floor		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
d) Cost of Properties Sold Out-Others		
S.No. Name of the Scheme/Project		
1.		
2.		
3.		
TOTAL (RS.)		
GRAND-TOTAL (RS.)		

UTTAR PRADESH DEVELOPMENT AUTHORITIES

**Schedule 19 to Properties Profit and Loss Account
for the year ending 31st March _____**

	Current Year (Rs)	Previous Year (Rs)
<u>COST OF LEASED ASSETS - SOLD OUT</u>		
S.No.	Name of the Scheme/Project	
1.		
2.		
3.		
	TOTAL (RS.)	

NOTES: Cost of Leased Assets carried forward as per the Balance Sheet under the group fixed assets shall be charged under this head upon conversion of Leased Assets into the Freehold Assets.

UTTAR PRADESH DEVELOPMENT AUTHORITIES

**Schedule 20 to Properties Profit and Loss Account
for the year ending 31st March _____**

	Current Year (Rs)	Previous Year (Rs)
ADDITIONAL COST OF PROPERTIES SOLD OUT AS WORK IN PROGRESS		
S.No.	Name of the Scheme/Project	
1.		
2.		
3.		
	TOTAL (RS.)	

NOTES: Cost incurred on projects / schemes over and above the cost considered at the time of sale of properties as work - in - progress, shall be shown under this head. Any additional recovery from customers on this account shall also be shown as separate revenue item in the Properties Profit and Loss Account.

UTTAR PRADESH DEVELOPMENT AUTHORITIES

**Schedule 21 to Properties Profit and Loss Account
for the year ending 31st March _____**

	Current Year (Rs)	Previous Year (Rs)
OTHER COST RELATED TO PROPERTIES		
1.		
2.		
3.		

VI. Schedule to Income and Expenditure Account

UTTAR PRADESH DEVELOPMENT AUTHORITIES

**Schedule 22 to the Income and Expenditure Account For the Year
Ending 31st March-----**

<u>Interest Income from Installment</u>	<u>Current Year</u> (Rs)	<u>Previous Year</u> (Rs)
	SLNo	Name of Scheme
		Amount
1.		
2.		
3.		
Total (Rs)		
Penal Interest on Installment		
	SLNo	Name of Scheme
		Amount
1.		
2.		
3.		
Total (Rs)		
Other Charges on Installment		
	SLNo	Name of Scheme
		Amount
1.		
2.		
3.		
Total (Rs)		
Grand Total (Rs)		

Notes:

1. Interest income on installment shall be recognized on time basis in proportion to the principle amount outstanding. Such Interest shall be appropriated out of the Installment proceeds at the end of quarter .Any adjustment on account on account of rescheduling of installment and consequential change in the carry forward amount of interest shall be effected in the period in which such re-scheduling takes place.
2. Penal Interest shall be recognized on realization of penal interest proceeds from the allottees.
3. Entries for interest, penal interest and other charges shall be passed on the basis of installment appropriation advice received from the Properties Department.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 23 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Developments Charges and Levies</u>	<u>Current Year</u>	<u>Previous Year</u>
	(Rs)	(Rs)
<ul style="list-style-type: none"> • Levy for Non-Construction • Betterment Charges • Compounding Charges • Malwa Charges • Development Charges • Building Plans Sanction Fee • Surveyors License Fee 		

Notes:

1. First five items shall be accounted for on due basis at the time the individual item become due.
2. Item no. six and seven shall be accounted for on cash basis upon realization basis.
3. Continuous scrutiny of outstanding dues shall be carried and adequate provision shall be made to meet the expected loss on turning up the amounts to be unrealized in later periods

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 24 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Income from Properties /Public Utilities</u>	<u>Current Year</u>	<u>Previous Year</u>
	(Rs)	(Rs)
<ul style="list-style-type: none"> • Lease Rent • Building Rent • Hire Charges /Booking Income from Community Centers, Conference Hall etc. • License Charges/Income from Parks • Income from Lakes /Other Public Utilities • Others 		

Notes:

1. Scheme wise details under building rent and lease rent shall be shown.
2. Property wise details of revenue shall be held for income from public utility properties.
3. Where income from any head constitutes ten percent or more of the aggregate of total income under this group, the nature and amount of such head shall be separately shown and shall not be included under the head "others".
4. Lease rent, building rent and license charges shall be accounted for on accrual basis upon respective items accrue or become due.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 25 to the Income and Expenditure Account For the Year
Ending 31st March-----

Other Income from Sale/Transfer of Properties	Current Year (Rs)	Previous Year (Rs)
<ul style="list-style-type: none"> • Margin on Lease of Assets • Share of registration charges on transfer/Sale of Properties • Establishment Charges on Nazool Transaction • Share on Profit on Second Sale • Others 		

Notes:

1. Upon lease of properties revenue to the extent of margin (lease premium less cost of leased assets) shall be recognized to the revenue in the period in which lease transaction has taken place. Upon conversion of leased assets into free hold assets, remaining lease premium shall be recognized as sale revenue.
2. Share of stamp duty on transfer/sale of properties shall be recognized on receipt or due basis.
3. Establishment charges on nazool transaction shall be recognized on accrual basis.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 26 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Income from Investments</u>	Current Year (Rs)	Previous Year (Rs)
<ul style="list-style-type: none"> • Interest / Dividend from Securities • Interest on Term Deposits • Saving Bank Account Interest • Others 		

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 27 to the Income and Expenditure Account For the Year
Ending 31st March-----

Interest on Loans to Employees	(Rs)	Current Year (Rs)	Previous Year (Rs)
<ul style="list-style-type: none"> • Interest on Housing Loan • Interest on Vehicle Loan • Interest on Special Loans • Interest on other Loans 			

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 28 to the Income and Expenditure Account For the Year
Ending 31st March-----

	Current Year (Rs)	Previous Year (Rs)
Other Incomes		
- Sale of Master Plan Book / Registration Book / Tender Form		
- Registration of Contractors / Suppliers		
- Cycle / Scooter / Car Stand Charges		
- Miscellaneous like Road Cutting, Roller Charges , Water Charges , Penalties and Fines etc.		
- Reversal in Reduction in Value of Investments		
- Profit on Sale / Disposal of Fixed Assets / Materials / Stocks		
- Profit on Sale / Disposal of Investments		
- Forfeiture / Deduction from Deposits / Refunds		
- Savings under Future Development Fund		
- Others		

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 29 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Recoveries from Employees for</u>	<u>Current Year</u>	<u>Previous Year</u>
Facilities Provided		
(Rs)	(Rs)	(Rs)
• Telephone		
• Electricity		
• House Rent		
• Vehicle		
• Others		

Notes:

1. Where any item individually constitutes more than ten percent or more of the aggregate of total under the group of such head shall be shown separately, along with the nature and amount and the same shall not be included under the head "others".
2. Recoveries shall be recognized on realization due basis.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 30 to the Income and Expenditure Account For the Year
Ending 31st March-----

Recoveries from Project/Schemes/ Deposits Works	Current Year (Rs)	Previous Year (Rs)
--	------------------------------	-------------------------------

Establishment Charges

	SLNo	Name Of Scheme/Project	Amount
1.			
2.			
3.			
Total (Rs)			

	SLNo	Name Of Scheme/Project	Amount
		<u>Administrative Cost</u>	
1.			
2.			
3.			
Total (Rs)			

<u>SLNo</u>	<u>Name Of Scheme/Project</u>	<u>Miscellaneous Expenses Amount</u>
1.		
2.		
3.		
Total (Rs)		

	SLNo	Name Of Scheme/Project	Amount
		<u>Interest Cost</u>	
1.			
2.			
3.			
Total (Rs)			

	SLNo	Name Of Scheme/Project	Amount
		<u>Contingencies and Provision for Tools and Plants</u>	
1.			
2.			
3.			
Total (Rs)			

	SLNo	Name Of Scheme/Project	Amount
		<u>Provision for Future Maintenance of Facilities/Services</u>	
1.			
2.			
3.			
Total (Rs)			

Centage Charges from Deposit Works

- Government/government agencies
- Institutions/departments
- Others

Total (Rs)

Grand Total (Rs)

NOTES: 1. Establishment Charges, administrative cost, miscellaneous expenses, contingencies and provisions for tools and plants, provision for future maintenance of facilities / services shall be recovered on predetermined (actual time frame) basis based upon past experience.

2. Interest cost shall be recovered on weighted average system.

3. Centage charges on deposit works shall be based upon the rates applicable for the purpose from time to time .

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 31 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Establishment Cost</u>	<u>Current Year</u>	<u>Previous Year</u>
	(Rs)	(Rs)
❖ Establishment Cost (Gross Pay)		
• Basic/Special Pay/Pension /Earnings		
• DA/ADA		
• IR-1/IR-2/Special Allowance		
• HRA/CCA/Medical Allowance		
• Other Allowance/Viklang Allowance/Washing Allowance		
• Allowance/Earnings-2		
• Earnings-3		
❖ Establishment Cost (Contribution)		
• PF/CPF/Pensionary Contribution		
• GI Contribution		
• Employees Welfare Contribution		
• Other Contributors		
❖ Establishment Cost (Other)		
• Ex-Gratia		
• Honorarium		
• Medical Reimbursement		
• Uniform		
• Leave Travel Concession		
• Leave Encashment		
❖ Establishment Cost (Retirement Benefits)		
• Pension/Family Pension		
• Gratuity		
• Compensation		
• Other Retirement Benefits		

Notes:

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 32 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Administrative Cost</u>	<u>Current Year</u>	<u>Previous Year</u>
	(Rs)	(Rs)
▪ Rent		
▪ Rates and Taxes		
▪ Electricity and Generator		
▪ Communication		
▪ Stationary and Printing		
▪ Advertisement and Publicity		
▪ Entertainment Refreshment and Meetings		
▪ Traveling and Conveyance		
▪ Consultancy Fees and Audit Fees		
▪ Legal Expenses		
▪ Postage and Telegraph		
▪ Repair and Maintenance		
○ Office Building		
○ Residential Building/Shops		
○ Furniture and Fixtures		
○ Equipments –Constructions and Heavy Equipments		
○ Sewerage Water Supply Facilities		
○ Others		
▪ Vehicle Running		
▪ Function, Inaugurations and Welcome /Farewell		
▪ Insurance		
▪ Books and Library		

Notes:

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 33 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Interest and Other Cost of Loans</u>	<u>Current Year</u>	<u>Previous Year</u>
<u>and Borrowings</u>	(Rs)	(Rs)
	<u>Interest Cost Of Borrowings</u>	
• Interest Cost of Borrowings Bonds/Debentures		
• Interest Cost of Borrowings –State Government		
• Interest Cost of Borrowings-Financial Institutions, Banks and Others		
	<u>Other Cost of Borrowings</u>	
• Other Cost of Borrowings-Guarantee Commission		
• Other Cost of Borrowings-Commitment Charges		
• Other Cost of Borrowings-Other		

Notes:

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 34 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Interest and Other Cost of Deposits</u>	<u>Current Year</u>	<u>Previous Year</u>
	(Rs)	(Rs)
• Self Finance		
• Deposits		
• Others		

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 35 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Social Overheads</u>	<u>Current Year</u>	<u>Previous Year</u>
	(Rs)	(Rs)
• Roads		
• Agriculture/Plantation		
• Mela & Trade Fair		
• Town Development		
• Other		

Notes:

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 36 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Other Expenses</u>	<u>Current Year</u>	<u>Previous Year</u>
	(Rs)	(Rs)
• Contribution to Awas U.P. Bandhu		
• Expenses on V.C Discretion (as per budget provision)		
• Survey Work		
• Training and Workshop		
• Miscellaneous and Contingencies		

Notes:

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 8 to the Income and Expenditure Account For the Year
Ending 31st March-----

<u>Depreciation and Amortization Cost</u>	<u>Current Year</u>	<u>Previous Year</u>
	(Rs)	(Rs)
• Depreciation Cost of Fixed Assets for Own Use		
• Amortization Cost of Fixed Assets for Public Utilities		

Notes:

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 12 to the Income and Expenditure Account For the Year
Ending 31st March-----

Miscellaneous and Deferred Revenue	Current Year	Previous Year
Expenses Written off	(Rs)	(Rs)

- Miscellaneous Expenses Written off
- Deferred Revenue Expenses Written off

Notes:

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 37 to the Income and Expenditure Account For the Year
Ending 31st March-----

Amounts written off and	Current Year	Previous Year
Other Adjustments	(Rs)	(Rs)

- Bad Debts Written off
- Stock Adjustment
- Reduction in carrying Cost of Investments
- Others

Notes:

UTTAR PRADESH DEVELOPMENT AUTHORITIES
Schedule 38 to the Income and Expenditure Account For the Year
Ending 31st March-----

	Current Year	Previous Year
	(Rs)	(Rs)

**Provision for Future Maintenance
Of Facilities / Services**

a) Plotting Scheme

Sl.No.	Name of the Scheme
--------	--------------------

- 1.
- 2.
- 3.

TOTAL (RS.)

a) Construction Scheme

Sl.No.	Name of the Scheme
--------	--------------------

- 1.
- 2.
- 3.

TOTAL (RS.)

GRAND TOTAL (RS.)

VII Format of Receipts and Payments Account

UTTAR PRADESH DEVELOPMENT AUTHORITIES

Receipts and Payments Account for the Year Ending 31st. March

Head	Annual Budget/Target	Budget/Target For the Previous Quarter	Budget/Target Progressive	Actual for the Month	Actual up to The end of Previous Quarter	Actual Progressive
1	2	3	4	5	6	7

Format heads are same as given in the section on “Budget and Budgetary Control”

VIII Format of Trial Balance

UTTAR PRADESH DEVELOPMENT AUTHORITIES

Trial Balance As On

Code of Accounts	Group/Sub Group/Account Head	Annual Budget/Target	Budget/Target Up to the end Of the Previous Quarter	Budget/Target Progressive	Actual for Month	Actual For Up to the end of Previous Quarter	Actual Progressive
1	2	3	4	5	6	7	

Note:

The Trial shall incorporate Balance Sheet, Properties Profit and Loss Account and Income Expenditure Accounts heads shall be drawn as per Charts of Accounts given in the Section on “Charts of Accounts”.

UTTAR PRADESH DEVELOPMENT AUTHORITIES

VIII. Format of Trial Balance As On

Code of Accounts	Group/Sub-Group/Account Head	Annual Budget/Target	Budget / Target upto the end of the previous quarter	Budget/Target Progressive	Actual for the month	Actual for upto the end of Previous Quarter	Actual Progressive
1	2	3	4	5	6	7	8

Note:

The Trial shall incorporate Balance Sheet, Properties Profit and Loss Account and Income and Expenditure Account heads and shall be drawn as per Chart of Accounts given in the Section on " Charts of Accounts ".

UTTAR PRADESH DEVELOPMENT AUTHORITIES

IX. Tentative Programme for Preparation Of Annual Accounts

The Chief/ Senior Accounts Officer should give fix every year before 31st March target dates for completion of various items of work relating to closing of the annual accounts so that final accounts can be prepared by 31st July. A tentative programme is given herein under:

(i). Reconciliation of Bank Accounts for Balance Sheet purpose and obtaining certificate of bank balances	1 st June
(ii). Review of suspense accounts, unexpired liabilities accounts, unutilized grants/ contributions and future maintenance and development funds	8 th June
(iii). Preparation of schedule of Fixed Assets and calculation of depreciation, amortization	10 th June
(iv) Preparation of Inventories of materials, stores at sites and with the contractors	10 th June
(v) Reconciliation of control accounts in the General Ledger with Subsidiary Ledgers	15 th June
(vi) Preparation of Schedule of Investments	18 th June
(vii) Preparation of Schedule of Sundry Debtors, Sundry Contractors, Sundry Supplies/ Creditors, Loans and Advances given and taken, expenses payable, interest accrued but not due etc.	20 th June
(viii) Obtaining confirmation of balances of advances, depositors, debtors, contractors, suppliers/ contractors, etc.	25 th June
(ix) Posting of all Books of Accounts completed	30 th June
(x) Preparation of Final Trial	10 th July
(xi) Preparation of Balance Sheet, Properties Profit and Loss Account, Income and Expenditure Account and the Inflow and Outflow Statement	15 th July
(xii) Discussion on annual accounts with the Vice-Chairman	20 th July
(xiii) Final Printing/ Typing completed	25 th July
(xiv) Annual Accounts signed	31 st July

PART-III : ACCOUNTING METHODOLOGY

SECTION NO. - 16

**POWERS, DUTIES AND RESPONSIBILITIES
OF
FINANCE AND ACCOUNTS DEPARTMENT**

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**



PART-III : ACCOUNTING METHODOLOGY
SECTION NO. - 16
POWERS, DUTIES AND RESPONSIBILITIES OF FINANCE AND ACCOUNTS DEPARTMENT

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PART-III : ACCOUNTING METHODOLOGY
SECTION NO. - 16
POWERS, DUTIES AND RESPONSIBILITIES OF FINANCE AND ACCOUNTS DEPARTMENT

The head of the Finance and Accounts Department would exercise the following powers and discharge the following duties and responsibilities:

A) Powers Regarding:

- 1) Proper and adequate control over the staff of the Accounts Department and Treasury of the Authority.
- 2) Recommending allocation of duties of Accountants, Assistant Accountants, Accounts Clerk and Other Staff of the Finance, Accounts and Treasury Department of the Authority.
- 3) Proper and adequate control over -
 - a) All moneys received and all payments made by the Development Authority;
 - b) All financial managements of the Development Authority;
 - c) Application of funds in accordance with the Budget estimates, directions of the Board and/or Vice-Chairman and other financial commitments;
 - d) Costing of properties (plots and buildings) and projects if there is no Cost Accountant posted in the Development Authority;
 - e) Viability analysis of projects/schemes;
 - f) Co-ordination in matters of preparation of financial books of account.

B) Duties and Responsibilities:

- 1) To maintain co-ordination in all financial matters of the Development Authority.
- 2) To give comments and offer suggestions in all matters having financial implications and all such proposals moved to the Board of the Development Authority.
- 3) To ensure proper and adequate control over –
 - Utilization of funds borrowed by the Development Authority;
 - Entire activities of the Finance, Accounts and Treasury of the Development Authority;
 - Appraisal of the project-viability reports for taking up new schemes by the Development Authority;
 - Borrowing and repayment arrangements;
 - Implementation of Finance and Accounts Manual;
 - Compliances with the responsibilities assigned to the Finance and Accounts Department in the different Sections of the Finance and Accounts Manual.
- 4) To prepare and submit to the Vice –Chairman/ within the specified time the following:
 - Budget estimates
 - Supplementary budget estimates
 - Revised budget estimates
 - Review of budget
- 5) To ensure proper maintenance of financial books and other accounting records as prescribed in the Finance and Accounts Manual & Works Manual.
- 6) To ensure timely audit of the Accounts of the Development Authority.
- 7) To ensure the due compliance of the Audit Observations/ Objections.
- 8) To ensure that cheque(s) writing is not done by the person below the rank of Assistant/ Accounts Clerk.

To ensure that the operation of all Bank Accounts/ Treasury/ PLA/ Post Office or any other account whatsoever of the Development Authority is done as stated here under :

The Head of Department of Finance and Accounts Department not below the rank of Finance Controller shall have the power to sign and draw the cheque on all the Banks/ PLAs/ Treasury/ Post office or any other account whatsoever of the Development Authority upto the limit of Rs. 50000/= singly. For the amount(s) exceeding Rs. 50000/= the Head of Finance and Accounts Department shall ensure to sign the cheque, etc. jointly with the Vice Chairman or Secretary when so authorized by the Vice Chairman of the Development Authority. Where the Finance and Accounts Department is headed by an Officer below the rank of Finance Controller, all the cheques, etc. shall be signed jointly with the Vice Chairman or the Secretary if so authorized by the Vice Chairman of the Development Authority irrespective of the amount(s).

Writing of cheques

w.e.f. 1- 4 – 02 “to ensure that the cheque(s) preparing official is responsible for safe custody of counter foils of used cheques and also cancelled and unused / blank cheques and related vouchers and proper Cheque Book Register shall be maintained. ”

- 9) To ensure the maintenance of the following:
- Record for receipts, issue and balance of measurement books and keep custody over the used measurement books.
 - Record for receipts, issues and used chequebooks.
 - Record for receipt, issue and custody of receipt books.
- 10) To ensure that there is no diversion of funds earmarked for a Sinking Fund, borrowed/ allocated for the Projects/ Schemes including inter-head diversions. Further it shall be the duty of head of Finance and Accounts Department that only temporary diversion(s) may be made with the specific approval of Vice Chairman and the same has been recouped within six months. To further ensure that Sinking Fund of Development Authority has been invested in Nationalized Bank, U.P.Co-operative Bank and District Co-operative Bank only unless otherwise permitted by the Government of Uttar Pradesh from time to time vide Government Order.
- 11) To ensure timely payment of the statutory dues, for example CPF, Pensionary Contribution, GPF, TDS from contractors and employees etc. and also timely filing of the returns thereof.
- 12) Reconciliation of bank accounts on a quarterly basis.
- 13) To ensure that if expenses on any Budget head exceed the provision made in the Budget, it has been sanctioned by the Vice Chairman has sanctioned it. In case it exceeds 10% then it shall be ensured that the Board in the ensuing meeting has approved it.
- 14) Head of Finance and Accounts Department shall ensure proper maintenance of records relating to accounts in each Department of Development Authority. The accounts staff posted in any section shall be responsible to the Head of Department of Finance and Accounts Department. Besides above the Head of Finance and Accounts Department will discharge any other functions, which the Vice-Chairman/Board/Government of Uttar Pradesh may call him upon to perform. The Head of Finance and Accounts Department may, however, delegate its functions/powers to the subordinates for proper functioning and control with the concurrence of Vice-Chairman.

PART – IV

**ACCOUNTING POLICIES
OPERATING SYSTEMS PROCEDURES
AND
ACCOUNTING PROCEDURES**

SECTION NO. - 17

**ACCOUNTING FOR PROPERTIES AND
RELATED REVENUE**

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**



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CHAPTER I

INTRODUCTION

1.1 Objective of the Section

This section on Accounting for “Properties and Related Revenue” of the Manual for the Development Authorities of Uttar Pradesh aims at establishing effective and uniform policies and procedures in respect to accounting for properties and related revenue.

The specific objectives of this section are:

- To specify policies and procedures for effective control and accounting systems in respect of properties.
- To establish an interface between the Property Department, Computer Section and the Finance and Accounts Department
- To evolve persistent and effective policies and procedures to ensure control and uniformity in practice.
- To evolve and design accounting system and accounting heads to present accounting information in more effective and logical manner.

1.2 Scope of the Section

The scope of the section covers accounting policies, operating system accounting procedures, and internal checks for the accounting for properties and related revenue of the Development Authorities in Uttar Pradesh.

1.3 Deviations

Deviation from the prescribed policies and procedures would not be permitted unless accompanied by justifiable request and reasons for deviations, clearly outlining the following:

- Nature of deviations
- Reasons for deviations
- Time span for which deviation is required
- The procedure that would be followed if deviation is approved.
- Financial implication of deviation

Any deviation from the design system would not be allowed unless permitted by the Government of Uttar Pradesh (Housing Department)

1.4 Responsibility of the Property Department

The Property Department would be responsible to maintain Ledgers and Registers for Individual applicant and allottee in respect of deposits and sale transactions. This Department shall maintain Daily Collection Register, Cost of Sale / Lease cum Sale Journal, Deposit Ledgers, Sundry Debtors Ledgers. It shall be the responsibility of the Department to furnish, provide such details and information to the Finance and Accounts Department at such intervals as specified to facilitate smooth and effective accounting of properties. The Property Department shall be responsible to reconcile the party balances, Sundry Debtors Ledger, Deposit Ledgers, Interest Suspense Ledgers etc. with the Control Account in the General Ledger maintained by the Finance and Accounts Department at such intervals as specified.

1.5 Responsibility of Computer Section

The Development Authorities where property accounting is computerized, accounting related role as given to the Property Department at para 1.4 above shall be of the Computer Section. The Computer Section (so far as property accounting is concerned) would act in complete co-ordination with the Property Department and the Finance and Accounts Department.

1.6 Responsibility of the Finance and Accounts Department

The Finance and Accounts Department shall be responsible to make postings in control accounts up to date and follow the reconciliation of individual party balances as per the Subsidiary Ledger maintained by Property Department. It shall also be responsible for reconciliation of challans with the credit given in the account on account of deposits by the Bank as well as on account of collections deposited by Development Authorities. It would be the responsibility of this Department to guide, coordinate and support the Computerized Property Accounting Section or the Property Department. In other words, Computerized Property Accounting Section and the Property Department shall work in coordination of the Finance and Accounts Department.

CHAPTER -- 2

ACCOUNTING POLICIES

2.1 Revenue Arising from Sale Transactions

Revenue from the sale of properties shall be recognized upon issue of property allotment letters to the allottees and upon fulfillment of any other criteria laid down from time to time.

2.2 Revenue Arising from Lease Transactions

a) Lease Premium

Premium realized from the lessee as reduced by cost of leased property shall be termed as lease margin and shall be recognized as revenue upon issue of lease allotment letter to the lessee and upon fulfillment of any other criteria laid down from time to time. Lease premium equivalent to the cost of leased property shall be treated as lease premium deposits and shown as liability in the Balance Sheet. Similarly cost of leased property shall be shown as leased assets under the head Fixed Assets. However in the year in which leased property is converted to free hold property, as per the policy the lease premium equivalent to cost shall be recognized as revenue along with other charges for conversion of leased property into free hold property. Cost of leased property shall also be charged to the revenue as cost in the year of conversion of leased property into free hold property.

b) One Time Lease Rent

Levies on account of one time lease rent shall be recognized as revenue from year to year over the lease period, unexpired lease rent shall be shown as unexpired lease rent on the liabilities side of Balance Sheet. Provided further, in case leased property is converted into free hold property before the expiry of leased period, the entire outstanding unexpired lease rent shall be treated as revenue for the year.

c) Lease Rent

Lease rent shall be recognized as revenue from year to year over the period the lease rent is payable. Lease rent shall be accounted for on accrual basis unrealized, lease rent shall be shown as accrued revenue on the assets side of Balance Sheet.

2.3 Revenue Arising from Sale on Installment Basis

Revenue attributable to sale price exclusive of interest suspense shall be recognized as revenue at the time of sale/issue of allotment letter.

2.4 Interest Recognition on Installment Sale.

The interest element included in the installment shall be recognized as revenue on accrual basis proportionate to the period falling during the year.

2.5 Interest Payable on Deposits and Refunds

Interest payable on refunds, if any, shall be accounted for on cash basis, as there is difficulty to estimate the interest payable on such deposits. In case of scheme taken on self-finance basis, if it is desired, to charge interest during construction period, and on the other hand allow interest on the deposits made, interest paid on such deposits shall be accounted for on accrual basis.

CHAPTER -- 3 OPERATING SYSTEM AND PROCEDURES

3.1 Registrations, Refund and Cancellation

Opening and closing date of registration under each scheme / project shall be specified through advertisement notice. Registration amount shall be payable through crossed Bankers cheque / demand draft or pay order payable at specified bank (s).

Application for registration shall clearly specify the type of property for which registration is intended. Transfer from another scheme where no allotment has been made may be allowed before lottery / draw of lots. However, the Development Authority may allow priority in transfer cases when initial registration was under another scheme and no allotment was made to the applicant. In case of change from one category of property to another category of property, it shall be allowed before the lottery. However, in case such change is opted after lottery, and if change is permitted, the date of change shall not be considered from the retrospective effect.

Registration amount shall be collected through the designated bank branch (es) and /or through Development Authority's counter (s) as per collection policy from time to time. Refund, cancellation, forfeiture and revival shall be dealt with as provided in the Section on 'Property Management Procedures' of the Manual.

In case of forfeiture, the amount so forfeited shall be treated as income for the period in which such forfeiture took place. Forfeiture shall be accompanied by forfeiture order passed by the appropriate authority. In case of refund the appropriate authority must pass the refund order. The Finance and Accounts Department, before allowing the payment of refund, shall ensure that the refund is as per the rules and deduction required, if any, has been made. The Money Receipt / Money Receipt Challan / Refund order / Cancellation / Forfeiture Order shall form the basis of accounting the transaction pertaining to registration, refund and cancellation etc. In case interest is payable on overdue registration deposit amount specially in case of self finance basis, interest shall be worked out on accrual basis and charged to Income and Expenditure Account. Interest provision shall be parked under 'Provisions for Interest Payable on Registration/ Deposits.'

3.2 Mode of Sale

The Development Authority may adopt one or more marketing modes viz.

- Registration and allotment to select buyers on lottery system.
- Cash down vs. auction sale

In practice first mode is adopted in case of residential plots, houses and shops etc. whereas shops, complex, commercial properties may be disposed through auction sale. Similarly large properties like entire floor of complex, institutional buildings etc. may be sold on cash down basis. However, under second mode minimum / floor price shall be reserved for auction.

In case of first mode, registration shall be done on deposit of registration amount, whereas under second mode, auction bidders shall have to deposit earnest money. Earnest money if taken in the form of deposit (other than FDR, NSC etc.) shall be paid by the bidders through bank demand draft or pay order payable on specified Bank. The earnest money deposits received shall be recorded in books on the basis of Money Receipt/ Money Receipt Challan. The earnest money deposits of unsuccessful bidders shall be refunded immediately after auction date. In case earnest money deposits is received in the form of FDR's etc. such FDR/ STDR shall be in the name of Development Authority. Such earnest money /deposits of unsuccessful bidders shall be released immediately after auction date. Successful bidders shall be asked to deposit allotment money. Allotment letters shall be issued to the buyers as per criteria and procedures laid down.

3.3 Allotment

Upon selection of successful buyer through lottery system, allotment letters shall be issued upon deposit of specified allotment amount or as per the policy from time to time. Amounts received, as allotment money shall be credited to individual buyer account in the Sundry Debtors Ledger.

3.4 Point of Sale Recognition

Theoretically, sale is treated at the point when ownership / title passes from the seller to the buyer. In other words registration of title is the point of sale. However in the case of Development Authorities, as the material ownership interest is created at the point of allotment and it is so recognized in the public. Hence, it is appropriate to treat the sale at this point particularly in case of installment sale.

3.5 Point of Sale Recognition In Case of Leased Property

The Development Authority also leases its properties to the buyers on lease basis. Lease premium and also levies on account of lease rent are realized on one time settlement basis, only the formality relating to conversion of leased property to free hold property remains to be completed.

Theoretically speaking substantially the entire risks and rewards incidental to ownership of the property are transferred to the lessee but technically the ownership rest with the Development Authority (the lessor). Provided further that all the realizations on account of premium and one time lease rent is never refundable to the lessee in any case and at the same time ownership in the property passes to the lessee forever.

Keeping the above in view sale transaction is complete in all respects. However keeping in view further practice being followed currently as well as treatment of lease transaction given by the premier accounting body i.e. Institute of Chartered Accountants of India. Following practice has been devised.

The entire lease premium realized from the lessee as reduced by cost of leased property shall be the income of the Development Authority in the year of the lease transaction and such lease premium shall be shown as income from leased assets in the Income and Expenditure Account. The one time lease rent shall be credited to Income and Expenditure Account on year to year basis over the lease period. The leased property shall be shown as leased assets under the Fixed Assets and the lease premium equivalent to cost of leased property shall be shown as lease premium deposits under the unexpired lease liabilities. Unexpired portion of one time lease rent realized shall be shown as unexpired lease rent under the unexpired liabilities in the balance sheet. In the year in which lease property is converted in to free hold property lease premium deposit, unexpired one time lease rent along with conversion charges shall be recognized as revenue and credited to the Properties Profit and Loss account. The cost of leased property shown under the Fixed Assets shall be debited to Properties Profit and Loss Account. Entries from the Cost of Sale/Lease cum Sale Journal Book are directly posted in the Subsidiary Ledger by the Property Department. Control Accounts are posted from the month total of the Cost of Sale/Lease cum Sale Journal Book

In case lease rent is realized on year-to-year basis it shall be accounted for on accrual basis and unrealized lease rent shall be shown under the accrued revenues in the balance sheet.

3.6 Recording of Sale Transactions

Upon completion of allotment formalities and issue of allotment letter, sale shall be recognized in the books. The Property Department / Computer Section shall record the transaction in the Cost of Sale/Lease cum Sales Journal Book

Total amount payable in respect of each plot / house / shop etc. shall be worked out after deducting the amounts already deposited as registration/ earnest money and allotment money deposit etc if any. The total amount payable shall be:

- Sale price
- Interest payable over the repayment period based upon payment term.
- Any other charges (specify)

It may be noted that interest is calculated on net amount payable excluding allotment money payable. From total amount payable, following shall be deducted to arrive at the net amount payable: by the buyer

- Registration / earnest money deposit
- Other deposits
- Interest payable if any on deposits

To the net amount payable as above interest payable over installment period is added. It may be further noted that amount payable on account of allotment is kept separately in the Sundry Debtors Ledger. For the net amount payable excluding allotment money, equated installments are worked out. It may be noted that Sundry Debtors Ledgers and Deposits Ledger shall be maintained by the Property Department where as control accounts shall be maintained by the Finance and Accounts Department. Individual accounts totals shall be tallied with the control accounts at the quarter end.

3.7 Schemes taken on Self-Finance Basis

In case scheme is taken up on self-finance basis there is uncertainty to collections of installments as proposed under the scheme and there is every possibility of delay on account of unavailability of funds. The Development Authority may have to take scheme through borrowed funds and charge interest cost as an element of cost and in this situation the Development Authority will have to pay interest on deposit amounts also.

Alternatively no interest for construction period is recovered on self-finance basis schemes, in turn no interest is payable on self-finance deposit amounts.

In case first alternative is opted, interest shall be accounted for on accrual basis. Interest provision shall be made on quarterly basis. Interest shall be debited to Income and Expenditure Account under the head Interest Paid on Deposits. Provision amount shall be parked under the General Ledger head 'as

Provisions for Interest on Deposits. Individual interest provision shall be noted in the Deposits Ledger in the memorandum column. Upon allotment, actual interest for the relevant period shall be worked out and adjusted from the sale value by debiting ' Provisions for Interest on Deposits ' and crediting to individual customer account in the Sundry Debtor Ledger. Rate of Interest shall be same as payable on bank FDR's. or as specified from time to time.

3.8 Application of Interest on Installment Sale

In case of installments sale, total interest payable is calculated at the time of the sale. Interest is recovered along with the principal amount in equated installments. It is very important to fix the criteria for recognizing interest suspense to the revenue. Equated installments scheme should specify amount of principal and interest in the schedule of payment and accordingly total collections made shall be appropriated in each case under following heads, viz.

- Principal
- Interest
- Penal interest
- Any other charges

Total amount shall be first credited to individual party accounts. Upon appropriation of collection as above at the month/quarter end following exercise has to be done:

* Interest realized during the month/quarter shall be credited to the Income and Expenditure Account by debiting Interest Suspense Account.

* Penal interest and other charges portion of collection shall be credited to Income and Expenditure Account by debiting individual party account.

* Changes in carry forward of principal amount portion / interest suspense amount portion shall be ascertained at the end of each month/quarter.

* Likewise changes in carry forward amount on account of change in payment schedule shall be ascertained and posted to respective accounts with the net change amount. Similarly if any party offers down payment at later stage actual interest recovery from him for the actual period by taking appropriate rate of interest shall be ascertained .If interest already realized in equated installments is less or more same shall be adjusted against the principal amount payable on settlement of accounts.

Adequate adjustment entries shall be passed for reversal of interest suspense and interest already considered as revenue for difference of interest excess or short recognized .

3.9 Alternative Method of Interest Application in case of Installment Sale

The Development Authority may opt for alternative model of interest application.

Under the alternative model, equated installment shall be calculated by considering appropriate rate of interest in usual manner, but no entries shall be passed for interest suspense. Rather interest shall be applied on actual basis (reducing balance method) at quarterly rests and taken to revenue accordingly.

Similarly penal interest is also applied on overdue amounts at the quarter end on accrual basis. Under this method no adjustment is required to be made for interest suspense, penal interest and other charges etc. However, sale entries and collection entries shall be made in the usual manner as discussed under para 3.5 above.

3.10 Cancellation and Revival

In case of cancellation of allotment, procedure as detailed in the section on 'Pricing Procedures and Costing Procedures' of the Manual shall be followed. Reversal entries shall be passed in the accounts with the net outstanding amount and amount already deposited shall be shown as payable. If any amount is refundable as per policy refund shall be made after adjusting the deductions, if any, to be made. Upon revival sale entries shall be passed in the usual manner with the price determined as per the section on 'Pricing Procedures and Costing Procedures' of the Manual.

3.11 Recovery of Future Development Charges on Sold out Property

In case any development activity or work is undertaken after the sale/ lease of property, the additional development charges shall be recovered from the concerned buyer.

A clause for the recovery of additional development charges, if any, shall be duly incorporated in the allotment/ sale agreement to give legal form to such recovery.

Cost of development activities or works and recovery thereof shall be dealt with as under:

- A.** Recovery shall be taken to Future Development Fund Account opened in the General Ledger and it shall be shown on the liabilities side of the Balance Sheet.
- B.** Cost incurred on such developments shall be debited to the aforesaid account.
- C.** Shortfall or excess if any, upon completion of the development, shall be transferred to Income and Expenditure Account.

3.12 Sale on Lease Basis

Accounting procedure as provided under para3.5 above shall be followed.

CHAPTER -- 4

ACCOUNTING PROCEDURES

4.1 Collection Method

Collection may be made through Bank or through collection counter of the Development Authority. Collection shall be recorded through Daily Collection Register from which individual party accounts in the Subsidiary Ledgers shall be posted in the Property Department. It may be noted that posting in control / group account in the General Ledger shall be made by the Finance and Accounts Department simultaneously from the copy of the challan meant for the Finance and Accounts Department

At the month end monthly collection shall be analyzed with respect to various schemes under the appropriate accounting heads viz.

- (a) Registration deposit
- (b) Earnest money deposit
- (c) Allotment money deposit
- (d) Installment deposits

(i) For item (a) to (c) above, control accounts would appear in the General Ledger for each of the schemes as per the Finance and Accounts Department whereas individual accounts shall be kept in the Deposits Ledger maintained at the Property Department.

The total of balances outstanding in the Deposits Ledger from (a) to (c) above should be tallied with the control accounts in the General Ledger at the month/quarter end.

(ii) The collection stated at (d) above shall further be processed as under:

Principal recovery

- Interest recovery
- Penal interest recovery
- Other charges recovery

The Property Department shall appropriate installment recovery as stated above and work out interest suspense amount recovery to be taken to revenue, and portion of recovery on account of penal interest and other charges. Whereas in the case of interest suspense recovery, amount of revenue to be considered and interest suspense to be carried forward shall be intimated to the Finance and Accounts Department. The Finance and Accounts Department shall; pass appropriate voucher for interest portion by adjusting Interest Suspense Account and Sundry Debtors Control Account in the General Ledger. Penal interest and other charges portion shall be credited to Penal Interest and Other Charges Account and debited to Sundry Debtors Control Account. The individual party account shall also be debited with penal interest and other charges portion.

4.1.1 Collection Of Registration Amount

Entry shall be passed in the Daily Collection Register under this head giving details of property for which registration has been requested and also scheme name. The individual registration deposit account shall be credited in the Deposit Ledger.

Simultaneously the Finance and Accounts Department would record the entry by debiting relevant bank account and crediting control account for registration deposit under the relevant scheme.

It may be noted that Control account in the General Ledger shall be tallied with the individual party balances at the month end.

4.1.2. Earnest Money Deposit

Same procedure shall be adopted as under para 4.1.1 above except that accounting head shall be earnest money deposit in place of registration deposit.

4.1.3 Allotment Money and Other Deposits

Same procedure shall be adopted, as under Para 4.1.1. above except that accounting head shall be allotment money and other deposits. Provided further that if after allotment of property any allotment money remains payable, party account for allotment money due would be debited under the group /control Sundry Debtors Account (for allotment money) in the General Ledger under the relevant scheme

4.2 Collection of Installment

The procedure as specified in para 4.1 shall be adopted. The Property Department shall pass entries in the Daily Collection Register and the posting in individual party accounts shall be made from the Daily Collection Register.

The penal interest and other charges portion as applied shall be intimated to the Finance and Accounts Department by Property Department for debiting to the group /control Sundry Debtors Account under the relevant scheme in the General Ledger.

It may be noted that individual accounts shall be posted by the Property Department or Computerized Property Accounting Section on the basis of Daily Collection Register and Challans shall post individual accounts.

The portion of interest suspense recovery in installment shall be intimated to the Finance and Accounts Department by the Property Department to make appropriate entries for recognizing interest revenue. Similarly panel interest and other charges portion shall be also intimated to the Finance Accounts Department for recognizing revenue and passing necessities entries

Here it is worthwhile to note that in case of modification, rescheduling of payment term and upon cash down payment etc adequate adjustment shall be required to be made in interest suspense carry forward amount.

4.3 Alternative Method of Interest Application in case of Installment Sale

Under this method total interest payable is considered for the calculation of equated installments only and as such no accounting effect is given to such interest at the time of sale/allotment However under this method interest shall be applied at the quarterly rests on reducing balance method and accordingly treated as revenue in the related quarter.

Similarly penal interest and other charges shall be applied on accrual basis under this method and no adjustment on account of appropriation of installment amount is required to be made.

Interest, penal interest etc. as applied to the individual party accounts by the Property Department during the month /quarter shall be intimated to the Finance and Accounts Department for passing entries in the control account and concerned revenue heads.

4.4 Accounting Entries for Collection

(A) Upon Collection

The collection on account of installment shall be recorded in the Daily Collection Register:

**

Debit Side: Banks Account	[To be posted by the Finance and Accounts Department from the challan]	[Group Account Code]
Relevant Scheme Bank Account		[Account Code]
Credit Side: Sundry Debtors Account	[To be posted by the Finance and Accounts Department from the Challan]	[Group Account Code]
Sundry Debtors under the Relevant Scheme Account		[Sub Group Account Code]
Relevant Party Account	[To be posted by the Property Department/ Computerized Property Accounting Section from the Daily Collection Register]	[Account Code]

(B) Upon Appropriation of Panel Interest and Other Charges Portion

Debit Side: Sundry Debtors Account	[To be posted by the Finance and Accounts Department on the advice received the Property Department]	[Group Account Code]
Sundry Debtors under the Relevant Scheme Account		[Sub Group Account Code]
Relevant Party Account	[To be posted by the Property Department/ Computerized Property Accounting Section from the Daily Collection Register]	[Account Code]
Credit Side : Interest Revenue From Properties Accounts	[To be posted by the Finance and Accounts Department on the advice received the Property Department]	[Group Account Code]
Interest Revenue From Properties under the Relevant Scheme Account		[Sub Group Account Code]
Panel Interest and Others Charges Account		[Account Code]

(C) Upon Appropriation of Interest Suspense Portion

Debit Side: Interest Suspense Account	[To be posted by the	[Group Account Code]
Interest Suspense under the	Finance and Accounts	
Relevant Scheme Account	Department on the	[Sub Group Account
	Basis of advice received	Code]
	from the property	
	Department]	
Individual Suspense Account	[To be posted by the	[Account Code]
[If Individual accounts are	property Department/	
maintained]	Computerized Property	
	Accounting Section.]	
Credit Side: Interest Revenue from	[To be posted by the	[Group Account Code]
Properties Accounts.	Finance and Accounts	
	Department from the	
	advice from the	
	Property Department]	
Interest Revenue from	”	[Sub Group Account Code]
Properties under the relevant Account	”	
Interest on Installment	”	[Account Code]
Account		

(D) Changes on Account of Rescheduling of Payment Term

The Property Department shall provide details on carry forward of interest suspense and principal amount at the end of month /quarter from which the Finance and Accounts Department shall pass adjusting entries crediting or debiting the interest suspense account and interest installment account under the relevant scheme.

(E) Alternative Method of Interest Application

Interest /panel interest applied to the individual party account at the end of quarter shall be intimated to the Finance and Accounts Department from which the Finance and Accounts Department shall pass the following entries through the Cost of Sale/Lease cum Sale Journal Book.

Debit Side: Sundry Debtors Account	[To be posted by the	[Group Account Code]
Sundry Debtors under the	Finance and Accounts	
Relevant Scheme Account	Department on the	[Sub Group Account Code]
	basis of interest	
	application sheet	
Relevant Party Account	[Already posted by the	[Account Code]
	Property Department/	
Credit Side: Interest Revenue From	[To be posted by the	[Group Account Code]
Properties Accounts	Finance and Accounts	
	Department on the	
	basis of interest sheet]	
Interest Revenue from		[Sub Group Account Code]
Properties under the.		
Revenue Scheme Account		
Interest on Installment.		[Account Code]
Account , Penal Interest		
and Other Charges Account		

4.5 Accounting of Lease Transactions

(A) Upon Receipt of Lease Premium

Debit side: Banks Account	[To be posted by the Finance	[Group Account Code]
Relevant scheme	and Accounts Department on	[Account Code]
Bank Account	the basis of Challan]	
Credit Side: 1)Income from Properties	[To be posted by the Finance	[Group Account Code]
/Public Utilities Account	and Accounts Department on	
Income from Properties/	the basis of Lease Transaction	
Public Utilities under the	Journal Book.]	
Relevant Scheme Account.		[Sub-Group Account Code]
Lease Margin Account		[Account Code]
(With the premium less		
cost of leased property)		
Lease Rent (One-Time)Account		[Account Code]

(With the amount pertaining to current year)

(2) Unexpired Lease [To be posted by the Finance [Group Account Code]
Liabilities Account and Accounts]

Unexpired Lease
Premium Deposit
Under the Relevant
Scheme Account. [Sub Group Account Code]

Individual Party [To be posted by the Property [Account Code]
[Unexpired Lease Department]
Premium Deposit] Account.

or
Unexpired Lease [Sub Group Account Code]
Rent (one time)
under the relevant
Scheme Account.
Individual Party [Account Code]
[Unexpired Lease Rent
One Time] Account.

(B) Upon Appropriation of Unexpired Lease Rent (One Time) to Income

Debit Side: Unexpired Lease [To be posted by the Finance [Group Account Code]
Liabilities Account. and Accounts Department on
Unexpired Lease Rent the basis of appropriation [Sub Group Account Code]
(One Time) under the advice received from the
Scheme Account Property Department]
Individual Party [To be posted by the [Account Code]
[Unexpired Lease Property Department]
Rent (One Time)
Account.

Credit Side: Income from Properties [To be posted by the Finance [Group Account Code]
/Public Utilities Account and Accounts Department on
Income from Properties the basis of appropriation [Sub Group Account Code]
/Public Utilities under the advice received from the
Relevant Scheme Account Property Department]
Lease Rent (One Time) Account. [Account Code]

(C) Realization of Annual Lease Rent and Accrual of Outstanding Amount at the End of Quarter.

Debit Side: Banks Account [To be posted by the Finance [Group Account Code]
Relevant Scheme Bank and Accounts Department on [Account Code]
Account the basis of Challan]

Credit Side: Income from Properties [To be posted by the Finance [Group Account Code]
/Public Utilities Account. and Accounts Department on
Income from Properties the basis of Challan] [Sub Group Account Code]
/Public Utilities under the
Relevant Scheme Account
Lease Rent (Annual) [Account Code]
Account and

Lease Rent Party [To be posted by the Property [Demand and Collection
Account [In the Demand Department from the Register Account Code]
And Collection Register] Daily Collection Register.]

At the end of the quarter the Property Department shall work out the outstanding lease rent and shall forward the details to the Finance and Accounts Department who shall pass the accrual entry through the Journal Book. Such accrual entry shall be reversed at the beginning of the subsequent quarter.

Note: Please refer to the Section on “Development Charges and Other Income” of the Manual for details.

(D) Upon Conversion of Leased Property into Free Hold Property.

Debit Side: Unexpired Lease [To be posted by the Finance [Group Account Code]
Liabilities Account. and Accounts Department on
Unexpired Lease Premium the basis of advice from [Sub Group
Account Code]
Deposit under the the Property Department]
Relevant Scheme Account

Individual Party [unexpired Lease Premium Deposit] Account	[To be posted by the Property Department]	[Account Code]
Unexpired Lease Rent (One Time) under the Relevant Scheme Account	[To be posted by the Finance and Accounts Department on the basis of details provided by the Property Department]	[Sub Group Account Code]
Individual Party [unexpired Lease Rent (One-Time)] Account	[To be posted by the Property Department]	[Account Code]
Credit Side: Sale/Revenue from settled Leased Properties Account and Accounts Department on Sale/Revenue from Lease Premium Settled Lease Properties under the Relevant Scheme Account	[To be posted by the Finance and Accounts Department on the basis of details provided by the Property Department]	[Group Account Code] [Sub Group Account Code]
Sale/Revenue from Lease Premium Settled Lease Properties Account	[To be posted by the Property Department]	[Account Code]
Or		
Sale/Revenue from Lease (One Time) Settled Lease Properties under the Relevant Scheme Account	[To be posted by the Finance and Accounts Department as per above]	[Sub Group Account Code] Rent
Sale/Revenue from Lease Rent (One Time) Settled Lease Properties Account	[To be posted by the Property Department]	[Account Code]

(E) Upon Receipt of Conversion Charges of Leased Property to Free Hold Property

Debit Side: Banks Account	[To be posted by the Finance and Accounts Department]	[Group Account Code]
Relevant Scheme Bank Account		[Account Code]
Credit Side: Sale/Revenue from Settled Leased Properties Account	[To be posted by the Finance and Accounts Department on the basis of details provided by Property Department]	[Group Account Code]
Sale/Revenue from Conversion Of Leased Properties to Free-Hold Property under the Relevant Scheme Account		[Sub Group Account Code]
Sale/Revenue from Conversion Of Leased Properties to Free-Hold Property Account	[To be posted by the Property Department]	[Account Code]

4.6 Accounting of Sale Transactions

Debit side: (i) Banks Account	[Group Account Code]
Relevant Scheme Bank Account	[Account Code]
(ii) Sundry Debtors Account	[Group Account Code]
Sundry Debtors under the Relevant Account	[Sub Group Account Code]
Individual Party Account	[Account Code]
Credit Side (i) Sale of Developed Plots Account	[Group Account Code]
Sale of Developed Plots under the Relevant Scheme Account	[Sub Group Account Code]
Sale of Plots for Shops Account	[Account Code]
Sale of Plots for House Account	[Account Code]
Sale of Plots for Commercial use of Account	[Account Code]
Sale of Plots for Educational and Other Institutional use Account	[Account Code]
Sale of Other Plots Account	[Account Code]
(ii) Sale of Developed Properties Account	[Group Account Code]
Sale of Developed Properties under	[Sub Group Account Code]

the Relevant Scheme Account	
Sale of HIG Houses Account	[Account Code]
Sale of MIG Houses Account	[Account Code]
Sale of LIG Houses Account	[Account Code]
Sale of EWS Houses Account	[Account Code]
Sale of Flats Account	[Account Code]
Sale of Other Properties Account	[Account Code]
(iii) Registration Deposit Account and /or	[Group Account Code]
Earnest Money Deposit Account and /or	[Group Account Code]
Other Deposits Accounts	[Group Account Code]
Registration /Earnest Money/ Other Deposit under the Relevant Scheme Account	[Sub Group Account Code]
Individual Party Account	[Account Code]
(iv) Interest Suspense Account	[Group Account Code]
Interest Suspense under the Relevant Scheme Account	[Sub Group Account Code]
Individual Party Interest Suspense Account	[Account Code]

Note: It is further noted that Sundry Debtors /Debtors Account for allotment money due portion shall be separately opened

4.7 Accounting for Future Development Charges

a) Upon recovery of Addition Development Charges

Debit Side: Banks Account	[Group Account Code]
Relevant Bank Account	[Account Code]
Credit Side: Future Development Fund	[Group Account Code]
Future Development under The Relevant Scheme Account	[Account Code]

b) When Cost is Incurred

Debit Side: Future Development Fund Account	[Group Account Code]	
Future Development under Code]		[Account
The Relevant Scheme Account		
Credit Side: Banks Account	[Group Account Code]	
Relevant Bank Account	[Account Code]	
or		
Sub Contractors Account		[Group
Account Code]		
Individual Contractors Account	[Account Code]	

Price Category of Plot/ Land and Cost thereof													
Plot for Other Purpose						Land/Bulk Sale of Land							
9						10							
Size	Cost	Sale Consideration					Size	Cost	Sale Consideration				
		Lease Premium			One-Time Lease Rent				Lease Premium			One-Time Lease Rent	
		Margin	Unexpired Liability for Lease Premium		Sundry Party Folio No.	Amount (Rs.)			Margin	Unexpired Liability for Lease Premium		Sundry Party Folio No.	Amount (Rs.)
		Premium less Cost	Sundry Party Folio No.	Amount (Rs.)					Premium less Cost	Sundry Party Folio No.	Amount (Rs.)		

Total Amount Payable	Adjustments for Deposits				Net Payable		Remarks
11	Registration	Earnest Money	Allotment already received	Any Other	Amount	Sundry Party Ledger	18
12	13	14	15	16	17		

Date	Location	Name & Address of Allottee	Price Category of Plot/ Land and Cost thereof																
			Plot for House					Plot for Shop											
1	2	3	4							5									
			Size	Cost	Unexpired Lease Premium Deposit		One-Time Lease Rent		Freehold charges and Other charges			Size	Cost	Unexpired Lease Premium Deposit		One-Time Lease Rent		Freehold charges and Other charges	
					Unexpired Liability for Lease Premium		Sundry Party Folio No.	Amount (Rs.)	Sundry Party Folio No.	Amount (Rs.)	Unexpired Liability for Lease Premium			Sundry Party Folio No.	Amount (Rs.)	Sundry Party Folio No.	Amount (Rs.)		
					Sundry Party Folio No.	Amount (Rs.)					Sundry Party Folio No.							Amount (Rs.)	

Price Category of Plot/ Land and Cost thereof															
Plot for Commercial Use							Plot for Education								
6							7								
Size	Cost	Unexpired Lease Premium Deposit		One-Time Lease Rent		Freehold and Other charges		Size	Cost	Unexpired Lease Premium Deposit		One-Time Lease Rent		Freehold and Other charges	
		Unexpired Liability for Lease Premium		Sundry Party Folio No.	Amount (Rs.)	Sundry Party Folio No.	Amount (Rs.)			Unexpired Liability for Lease Premium		Sundry Party Folio No.	Amount (Rs.)	Sundry Party Folio No.	Amount (Rs.)
		Sundry Party Folio No.	Amount (Rs.)							Sundry Party Folio No.	Amount (Rs.)				

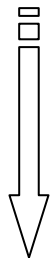
Price Category of Plot/ Land and Cost thereof																
Plot for Other Purpose								Land/Bulk Sale Land							Remarks	
8								9							10	
Size	Cost	Unexpired Lease Premium Deposit		One-Time Lease Rent		Freehold and Other charges		Size	Cost	Unexpired Lease Premium Deposit		One-Time Lease Rent		Freehold and Other charges		
		Unexpired Liability for Lease Premium		Sundry Party Folio No.	Amount (Rs.)	Sundry Party Folio No.	Amount (Rs.)			Unexpired Liability for Lease Premium		Sundry Party Folio No.	Amount (Rs.)	Sundry Party Folio No.	Amount (Rs.)	
		Sundry Party Folio No.	Amount (Rs.)							Sundry Party Folio No.	Amount (Rs.)					

UTTAR PRADESH DEVELOPMENT AUTHORITIES
APPROPRIATION OF MONTHLY/QUARTERLY COLLECTIONS AND MODIFICATION OF PAYMENT SCHEDULE

Date	Voucher No.	Party Name	Type of Property & Size	Sundry Debtors Folio No.	Total Amount Recoverable as per New Option	Actual amount Outstanding	Interest upto date as per New Option	Interest already credited to Revenue on account of Interest Suspense	Penal Interest till date ought to be as per new option	Penal Interest recovered till date
1	2	3	4	5	6	7	8	9	10	11

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Interest Suspense ought to be as per New Option	Interest Suspense Actual Outstanding as on Date	Net Adjustment (6-7+12-13)	Appropriation of Quarterly Collection			Balance Towards Principal Amount Outstanding
			Collection during the Quarter	Penal Interest	Interest Suspense	
12	13	14	15	16	17	18



PART-IV

ACCOUNTING POLICIES OPERATING
SYSTEMS PROCEDURES AND ACCOUNTING
PROCEDURES

SECTION NO. - 18

ACCOUNTING FOR WORKS

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**



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CHAPTER-1 INTRODUCTION

1.1 Objectives of the Section

This section on "Accounting for Works" for Development Authorities of Uttar Pradesh aims at establishing uniform and effective systems and policies for accounting of works and to design internal checks to control and monitor works cost. It also aims to establish an interface between the Engineering and Works Department, the Finance and Accounts Departments, the Purchase and Supply Department and Stores Department.

1.2 Scope of the Section

The section deals with accounting policies, operating systems procedures and accounting procedures relating to works undertaken by the Development Authorities of Uttar Pradesh.

1.3 Deviations

The deviations from the established systems and procedures shall not be permitted unless supported by justified reasons and request for the change. Any request for the change in prescribed systems and procedures would be in writing specifying the following:

- Nature of deviation
 - Reason of deviation
 - Period for which deviation is desired
 - The proposed procedure that would be followed if change is accepted
- Only the Government of Uttar Pradesh shall permit deviation. (Housing Department).

1.4 Provisions of Works Manual

In case of inconsistencies in the provisions of the Accounts Manual and Works Manual for Development Authorities, the provisions of Works Manual shall prevail.

1.5 Responsibility of Engineering and Works Department

This Department shall be responsible for execution of the works, keep Work Wise Cost Register, and maintain record for materials issued to the contractors and facilities provided to them. It shall be also responsible for determination of cost of various properties including cost ascertainment. It would quantify the amount of cost allocable to works on account of establishment, administrative and miscellaneous overheads. This Department shall be responsible for verification of all the bills pertaining to the works. It shall be also responsible for passing of the contractor's bills and other expenses bills including obtaining sanctions for the payment.

1.6 Responsibility of the Finance and Accounts Department

The Finance and Accounts Department shall be responsible to examine that the contractor's bills have been duly verified, sanctioned and passed. It shall ensure that all the relevant supporting documents have been attached and prescribed procedures have been followed. It shall also ensure that the necessary deductions on account of taxes and recoveries on account of facilities provided to the contractors have been made. The Finance and Accounts Department shall record the transactions pertaining to the works. It shall maintain relevant accounts including accounts of the contractors.

1.7 Responsibility of the Purchase and Supply Department

This Department shall maintain record of material consumed on each of the work whether directly purchased for departmental works or issued from the stores.

1.8 Responsibility of the Store Department

This Department shall be responsible to maintain stores records pertaining to the issue of materials to the works. This department shall function in co-ordination with the Finance and Accounts Department and the Purchase and Supply Department.

CHAPTER-2

ACCOUNTING POLICIES

2.1 Basis of Accounting

Works cost shall be accounted for on accrual basis. Bills of contractors or for other expenses relating to works shall be provided for as and when they are due. At the end of each quarter pending bills shall be processed and account for. At the year end pending bills shall be provided for.

2.2 Cost of Materials

In case of material issued to the contractors on priced basis (when recoveries are to be effected from the contractors) cost of issue of material (actual cost) shall be charged to the respective works. Upon passing of the gross bill of contractors, cost of material issue at specified rate shall be shown as deduction from the bill amount. It may be noted that cost of issue of material at specified rate shall also be debited the respective works, corresponding credit shall be given to the relevant work account for the material cost deduction at specified rate to nullify the effect of double debit.

In case materials are issued against departmental works, cost of material shall be charged to the respective works.

2.3 Allocation of Notional Cost

Cost like establishment overheads, administrative and miscellaneous overheads and provision for contingencies for tools and plants and future maintenance charges for services etc. shall be charged to the respective works on predetermined notional basis. Such costs shall be allocated on year-to-year basis. Allocated cost shall be shown in the credit side of Income and Expenditure Account as recovery of establishment, administration, and miscellaneous cost from the schemes/projects.

2.4 Interest Cost

Interest cost shall be charged to the works for the development/construction period at maximum borrowing rate prevailing at the time and shall be treated as recovery of interest cost from the schemes/projects and shown in the credit side of Income and Expenditure Account. It may be noted that actual interest cost of borrowed funds shall be charged to Income and Expenditure Account.

2.5 Treatment of Cost of Land

Cost of land on which development/ construction activities are taken during the year shall be transferred to the respective scheme/ project /cost account.

2.6 Deposit Works

Cost incurred against deposit works shall be charged to the respective deposit works on accrual basis. Supervision charges i.e. centage charges as specified shall be charged to the relevant deposit works at specified rate and corresponding credit would be given to recovery of centage charges in the Income and Expenditure Account.

CHAPTER-3

OPERATING SYSTEM AND PROCEDURES

3.1 Types of Works

- Petty Works
- Minor Works
- Major Works

Petty Works

Petty Works are those costing not more than Rs. 50,000/, these works should be taken up as departmental work or on work order basis.

Minor Works

Minor works are those costing more than Rs. 50,000/ but less than Rs. 1,50,000/, preferably this work should also be taken up as departmental works. In case work order is opted, each work order shall not exceed 50,000/.

Major Works

Major works are those costing more than Rs. 1,50,000/-

3.2 Approvals:

Each work requires three kinds of approvals:

- Administrative Approval
- Expenditure Sanction
- Technical Sanction

It may be noted here that the appropriations and re-appropriations of approvals/sanctions are also permitted, if they are adequately sanctioned by the specified authorities.

3.3 Work Execution Mode

When works are executed as departmental works, then they shall be termed as departmental works. Works taken through the contractors are termed as contract works. Detailed procedures for tendering, selection and award of works to contractors have been dealt with in "Procurement and Works Procedure" of the Manual.

3.4 Departmental Works

In case works are taken as departmental works, procedure would be as under:

3.4.1 Material Component

Material required shall be procured as per procurement procedures and charged to the respective works. In case materials are directly purchased from the market, the relevant entries should be recorded in the stores record as 'Direct Purchases'. It may be further noted that verification of such purchases will be made on the bill as well as stores record. In case materials are issued through stores, entries shall be recorded through the stores. Upon issue of material to the works, Material issue voucher shall be passed on the basis of Material Issue Note prepared by the Purchase and Supply Department. Material consumption shall be ascertained at the month end on the basis of material issue notes and material consumption voucher shall be prepared by the Engineering and Works Department and forwarded to the Finance and Accounts Department. Justification for material consumption shall be established upon completion of work. Balance quantity if any, remaining unused shall be returned back to the stores and necessary entries passed.

3.4.2 Labour Component

Labour can be work charge labour or muster roll labour. In case of muster roll works the concerned Engineer shall prepare muster roll bill on monthly basis and upon approval of the bill along with the daily attendance duly recorded by the concerned JE, the bill shall be forwarded to the Finance and Accounts Department for checking and disbursement of temporary Imprest advance. It may be noted that no temporary imprest shall be disbursed before verification and passing of the bill. Bills shall be approved only after verification of works done; Verification of works done shall also be recorded in the measurement book as well as on bill. Temporary imprest advance shall be recommended by the concerned AE and passed by concerned EE. The Finance and Accounts Department shall on the basis of temporary imprest advance advice, in the name of concerned JE/ AE/ others shall open a temporary imprest advance in the name of concerned JE/ AE or any other person authorised by EE but not below the rank of JE. No temporary imprest advance shall be allowed before settlement of earlier temporary imprest. The concerned JE/AE upon receipt of temporary imprest shall disburse the wages to the muster roll workers and furnish the receipts along with approved bill to the Finance and Accounts Department for settlement of temporary imprest advance. No temporary imprest shall be allowed to remain unadjusted beyond the period of 30 days. While disbursing temporary imprest, the Finance and Accounts Department shall also ensure that all the approvals, sanctions and verifications were taken or carried out.

In case works are taken through work charge labour, bill shall be prepared on monthly basis and further procedure will remain same as in case of muster roll works.

3.5 Contract Works

Upon award of works and signing of contract bond, following procedure would be followed:

3.5.1 Recording of Contract Bond

The Finance and Accounts Department shall record the contract bond in the Contract Bond Register as well as Contractor- Wise Works Register. The Contractor-Wise Works Register shall facilitate to ascertain number of works awarded to each of the contractor under different categories and value thereof.

3.5.2 Billing of Works

- a) Billing of works shall be done as provided in the Section on 'Procurement and Work Procedures' of the Manual.
- b) The periodicity of preparation of bill shall depend upon terms and conditions of the agreement.
- c) Bills shall be sanctioned by appropriate authority as provided in the Section on "Procurement and Woks Procedures" of the Manual.
- d) All the major works are generally carried out through the contractors. Normally material is not issued to them as vertical contract are awarded to them. However in case materials are issued from the stores billing may be required to be done either inclusive of material cost basis or exclusive of material cost basis. In both the cases material consumption shall be accounted for on the basis of monthly material issue summary prepared by the Purchase and Supply Department and charged to the respective works through the Works Cost Journal Book. In case of billing exclusive of material cost basis only net bill (excluding material cost issued from the stores free of cost) is passed as per terms of contract. In case of billing inclusive of material cost basis (when the material issue cost to be recovered from the contractor) gross bill is passed and charged to the works and cost of material issued to the contractors at agreed rate is recovered from the contractors and shown as deduction from the bill amount. In this case the respective works account are debited twice with the actual cost of material issued form the stores and cost of material included in the bill amount. Recovery of the cost of material included in the bill amount is credited to the respective works account (to nullify the effect of double debit).

The justification for material consumption (issued from the stores free of cost or with cost) shall be established upon completion of works through preparation of Material Analysis Report.

3.5.3 Verification and Sanction of Contractors Bill

The contractors running bill shall be prepared, verified, sanctioned and approved as provided in the Section on "Procurement and Works Procedures" of the Manual.

Check list for verification and approval of contractors bill

1. Project / work sanction
2. Administrative and expenditure sanction
3. Technical sanction
4. Budgetary allocation
5. Departmental contractor bill
6. Contract bond
7. Measurement book
8. Report on Verification of work done and quality control
9. Status of security deposit available or to be recovered
10. Material and facilities provided in terms of agreement whether free of cost or with cost with following details:
 - a) Amount of deduction already made in earlier bill (specify running bill no and date)
 - b) Rate of deduction/recovery in terms of agreement
 - c) Amount recovered under current bill
 - d) Progressive deduction/recovery upto the current bill

Note: The said details shall be furnished for each material issue and facility provided.

11. PERT/CPM chart giving the progress against schedule giving further following details:
 - a) Progress of work as per schedule of implementation
 - b) Actual progress made
 - c) In case of progress is below the envisaged, reason thereof
 - d) Action taken for under progress and appropriate authority.
12. Escalation claim if any giving further following details:
 - a) Amount of escalation
 - b) Basis of claiming escalation
 - c) Sanctioning authority & sanction of escalation.
13. Other deduction or recoveries to be made.
 - a) T.D.S., rate and amount of deduction. In case TDS is to be deducted at lower rate, copy of certificate to this effect from I.T. Department held on record. Deduction made till last bill and

progressive deduction upto the current bill should be furnished to facilitate issue of Tax Deduction Certificate.

- b) Trade tax/work contract tax, rate and amount of deduction. In case trade tax/work contract tax is to be deducted at lower rate, copy of certificate to this effect from Sale Tax Department held on record. Deduction made till last bill and progressive deduction upto the current bill should be furnished to facilitate issue of Trade Tax Deduction Certificate.
 - c) Any other recovery or deduction, reasons thereof, recommending authority and action taken thereon.
14. Quality control test check
In case inferior quality of material has been used, recommended action along with recoveries to be made should be reported and action taken by appropriate authority should also be stated.
 15. Completion certificate in case of final bill
 - a) Completion certificate
 - b) Due inspection report
 - c) Quality control report
 - d) Material consumption analysis
 - e) Validity period of contract, action taken/penalty or waiver from the competent authority in case of delay or recovery to be made.
 - f) Farkati
 - g) Physical possession certificate
 16. Certificate of quality of manpower and machines as per terms and conditions of the agreement
 17. Part rate statement
 18. Extra /additional /substitute /item statement
 19. Indenture for secured advances
 20. Passing of bill and payment approval
 21. It may be noted that passing of bill and payment approval shall route from bottom to top.
Recommendation for sanction and payment approval shall also route from bottom to top i.e. JE/ AE to EE/ SE etc.
No bill shall be passed and payment shall be approved in the absence of necessary documents, information and compliance with the prescribed procedures.
 22. Preparation of bill shall be based upon contractors official bill on his letterhead or bill book.
 23. The bill shall be signed as under:
 - Contractor in token of acceptance to the departmental bill
 - The concerned JE, AE & EE

3.5.4 Procedure for Preparation of Contractors Bill and its Recording

The contractor's bills shall be prepared by the Engineering and Works Department and bills duly verified, sanctioned and approved shall be forwarded to the Finance and Accounts Department for further processing. The Finance and Accounts Department shall carry out further checks to ensure arithmetical accuracy, recovery of necessary deductions, compliances with the laid procedures and other requirements.

Checklist for verification and passing of contractors bill in the Finance and Accounts Department

1. Checking of arithmetical accuracy of calculation with the measurement books,
2. Supporting documents as listed under para 3.5.3 above,
3. Compliances with procedures,
4. Sanction of bill, payment sanction and advance sanction advice etc.,
5. Verification of rates charged with the contract bond,
6. Verification of trade tax/TDS/work contract tax deduction,
7. Ensure that necessary deduction/recoveries on account of materials and facilities provided in terms of agreement have been made,
8. Adjustment of advances already made,

In case of any discrepancy in bill, it shall be returned to the Engineering and Works Department, who in turn shall pursue the discrepancy. Upon resolving the discrepancy, under signature of appropriate authority, the bill shall be redirected to the Finance and Accounts Department

If bill is found complete in all respects, the same shall be approved and recorded through the Works Cost Journal Book. Payment to the contractor shall be routed through the contractor's ledger and recorded through Daily Payment Book Bank/Cash Book.

Entries shall also be made in the Works Register where in agreement wise contractors account is kept. Entries shall be also recorded in the Contractors Bills Received Register.

It may be noted that on several occasions approved bill amount and approved payment amount may not be the same, in such cases approved bill amount should be accounted for on accrual basis and payment / should be shown as part payment against the bill in the contractors ledger.

At the year end, there may remain several bills unpassed against which works were taken up during the current financial year, liability for such bills shall be provided for in the financial books in the manner the head of the Finance and Accounts Department deem fit.

3.6 Ascertainment of Cost of Land

Cost ascertainment shall be done for each of the scheme/project under two broad heads:

- a) Plotting
- b) Construction

In both the cases ascertainment of cost of land and land development cost is common. Total cost incurred up to this stage may be ascertained under subheads as detailed below:

- I) Compensation awarded as per the Act
- II) Additional compensation
- III) Solatium
- IV) Interest payable to the farmers or owners of land
- V) Land acquisition cost
- VI) Cost of development works
- VII) Establishment and administrative cost
- VIII) Interest cost
- IX) Cost of development of villages falling under the scheme
- X) Physical contingencies and tools and plants etc.

- 1) At (II) above additional compensation shall be taken from the date of notification till the date of possession or award whichever is earlier. In case additional compensation has not been paid it shall be provided for on accrual basis.
- 2) At (III) above solatium as payable as per the Act shall be provided for on accrual basis if not paid for.
- 3) At (IV) interest paid/payable shall be considered from the date of possession of land till the payment of final dues.
- 4) At (V) acquisition cost shall be considered on actual basis.
- 5) At (VI) cost of development works means cost of development.
- 6) At (VII) establishment and administration charges shall be considered on predetermined notional basis (Based upon past experience).
- 7) At (VIII) interest cost shall be taken on weighted average system. The rate of interest shall be taken at maximum borrowing rate prevailing at the time or as specified from time to time.
- 8) Some times before declaration of compensation, additional compensation, solatium etc. land valuation is desired. In such cases compensation, additional compensation awarded under similar scheme may be considered and provided for. Additional liability on account of tribunal or court case may be provided for on estimate basis. In case estimation for additional liability is not possible, it shall be considered upon actual payment and recovered from the allottees by inserting appropriate clause in lease deed/ sale deed.
- 9) Cost stated at (IX) shall be charged on actual basis.
- 10) Cost stated at (X) above shall be charged on notional basis as per pricing policy for each of the scheme/ project. Cost incurred under aforesaid subheads would be routed through subhead accounts under the group/ control Cost of Land Under Development Account. Till the commencement of the scheme, payments for land acquisition and related expenses shall be routed through the Cost of Land Acquisition Account and shown under the Fixed Assets and upon allocation of land to the scheme, such cost shall be transferred to the respective subhead accounts as stated above. Cost incurred there after shall be debited to respective subheads under group/control Cost of Land Under Development Account. Once cost of developed land is determined, total cost shall be divided over (a) land for plotting and (b) land earmarked for the construction of houses/shops/ complex etc.

At this point net saleable area for plotting shall be ascertained and total cost shall be apportioned to net saleable area to work out the unit rate. Further the cost of net saleable area shall be spread on the basis of pricing model as under:

- (i) Cost of plots for houses
- (ii) Cost of plots for shops
- (iii) Cost of plots for complexes or commercial use
- (iv) Cost of plots for educational and on account of other concessional purposes.

Adequate entries shall be passed in the financial books by debiting cost of land for plotting under subheads as stated at (i) to (iv) above under group/control account Cost of Land for Plotting and crediting Cost of Developed Land Account. Upon sale of plots cost of respective plots shall be credited to respective subhead accounts as stated at (i) to (iv) above and debited to Cost of Plots Sold Out Accounts as under:

- a) Cost of Plots Sold Out - Houses
- b) Cost of Plots Sold Out - Shops

- c) Cost of Plots Sold Out - Complexes
- d) Cost of Plots Sold Out - Education Institutions etc.

Similarly cost of land earmarked for construction scheme shall be spread over net construction area earmarked for construction to find out unit cost.

Total cost of land under construction scheme shall be further spread on the basis of pricing model made as under:

- 1) Cost of Land for Houses Construction
- 2) Cost of Land for Shops Construction
- 3) Cost of Land for Flats, Complex Construction etc.

Necessary entries shall be passed in the financial books by debiting subheads as stated at (1) to (3) above under group/control account - "Cost of Land for Construction" and crediting "Cost of Developed Land Account".

3.7 Ascertainment Cost of Constructed Properties

Cost ascertainment shall be done for each of the activity under each of the construction scheme/project viz.

- a) Houses
 - HIG
 - MIG
 - LIG
 - EWS
 - Any other
- b) Shops
- c) Complexes & other commercial properties

Cost shall be ascertained under following subheads viz.

- (I) Cost of land
- (II) Cost of development works
- (III) Construction cost
- (IV) Physical contingencies and provisions for tools and plants etc.
- (V) Development of villages falling under the scheme/ project
- (VI) Establishment and administrative overheads
- (VII) Interest cost
- (VIII) Future maintenance and repairs of facilities/ services.

Notes

1. Cost of land and development works shall be ascertained as stated at para 3.6 above.
2. Cost of construction shall be ascertained charged on actual basis as detailed under para 3.3 to 3.5 above.
3. Development of villages cost at (v) above shall be charged on actual basis.
4. Procedure for cost ascertainment far (I) to (V) above would be same as stated at para 3.3 To 3.5 above.
5. Interest cost as stated at (vi) above shall be charged on weighted average system at maximum borrowing rate payable on borrowed funds and accounted for on year to year basis.
6. Notional cost as stated at (III), (VI) and (VIII) above would be charged on year-to-year basis.

3.8 Allocation of Notional Costs

Notional cost like establishment, administration and miscellaneous costs, cost of future maintenance of services etc. at the year end or upon ascertainment shall be debited to respective subheads as stated at 3.7 above and credited to respective cost recovered from projects/schemes on notional basis and shown in the income side of Income and Expenditure Account.

3.9 Procedure for charging of Interest cost and Chargeable Notional costs

The ENGINEERING AND Work Department shall prepare details of allocable costs including interest cost upon completion of any work during the year and at the end of year in case of works under execution.

Such report shall show basis of allocation of various components of cost viz.

- Interest cost
- Physical contingencies and provision for tools and plants etc.
- Future maintenance cost of services
- Establishment cost, administrative overheads and miscellaneous cost

Upon establishing justifications and adequate approvals, the details shall be forwarded to the Finance and Accounts Department. The Finance and Accounts Department shall upon receipt of details of cost allocation shall carryout recheck in terms of procedures laid down. In case any discrepancy is noticed, the report shall be sent back to the Engineering and Works Department. The Engineering and Works Department shall then resolve the discrepancy.

The rectified details/bill shall again be forwarded to the Finance and Accounts Department for recording the entries in the financial books.

The cost shall be charged to the concerned subheads under respective scheme/project, group/control account and crediting the respective recovery account.

3.10 Works Against Deposits

In case any work is taken up on deposit basis, cost incurred there upon shall be directly charged to the respective deposit work account. Cost of supervision i.e. centage charges shall also be charged to respective deposit work as specified and shall be credited to centage charges to be shown in the income side of the Income and Expenditure Account.

3.11 Treatment of Cost of Land Upon Commencement of Scheme/Project

The land acquired by the Development Authorities shall be shown under the Fixed Assets. However, the part of land on which any scheme/project has been initiated shall be transferred from the Fixed Assets to the Cost of Land under the relevant scheme/project and treated as cost of scheme/ project under development/ construction.

3.12 Sale of Plots and Properties as Semi Finished

Several times the Development Authority leases or sale the land/property as semi finished on which only partial development/construction activities have been under taken. Concept of pricing for sale price determination would remain same as in case of developed/constructed properties. Accounting procedure is further detailed as under:

a) Determination of Cost

I.	Cost of land	Actual basis
II.	Cost of land development, development works/construction works	As per detailed estimate
III.	Physical contingencies and tools and plants	As per detailed estimate
IV.	Development of villages falling under the scheme/project	As per detailed estimate
V.	Interest Cost	On weighted average system on the funds to be used as per implementation schedule
VI.	Establishment, administrative and miscellaneous overheads	On predetermined notional basis
VII.	Provision for future maintenance of repairs and services	On predetermined notional basis

Upon determination of cost of the semi finished land/property, the Engineering and Works Department shall prepare the amount under each of the component stated at (I) to (VII) above, cost already incurred/ provided under the above component shall be deducted and net amount ascertained. These details shall be forwarded to the Finance and Accounts Department for passing the entries in the financial books. Relevant sub-head accounts stated at (I) to (VII) above shall be debited under the relevant scheme/project account and credited to the relevant accounts under the relevant scheme/project/ cost suspense account these credits shall be shown as cost yet to be incurred on semi finished properties in the liabilities side of the Balance Sheet.

b) Subsequent Steps

The position of notional cost pertaining to the current financial year (as per schedule of implementation) shall be transferred to the Income and Expenditure Account. Components stated at (III), (V), (VI) and (VII) are treated as notional cost accordingly adjustment entries shall be passed.

In the subsequent period/year when cost is incurred, such cost is charged to the scheme/project cost suspense account.

Similarly, portion of notional cost included in the scheme/project cost suspense account shall be transferred to the Income and Expenditure Account.

Cost spent over the cost parked under the suspense account shall be shown separately in the Properties Profit and Loss Account.

CHAPTER-4

ACCOUNTING PROCEDURES

4.1 Land Acquisition Related Expenses

Expenses incurred in connection with land acquisition under the following heads:

- Preliminary preparation and related expenses
- Advertisement and notification cost
- Meetings and follow-up cost
- Legal consultancy charges/fee etc
- Stationery, photocopy
- Conveyance and POL etc.

Upon passing of the bills the payment/adjustment/ reimbursement shall be recorded through Cash Book/Bank Book/ Journal Book as the case maybe:

Debit side	Fixed Assets Account	[Group Account Code]
	Cost of Land Acquisition Account	[Account Code]
Credit side	(i) Banks Account	[Group Account Code]
	Relevant Bank Account or	[Account Code]
	(ii) Cash Account or	[Account Code]
	(iii) Employees Loans & Advances Account	[Group Account Code]
	Relevant Employee Advance Account	[Account Code]

4.2 Payments Towards Land Acquisition Before Scheme Initiation

Upon payment to land acquisition officer as advance following entries shall be recorded through Bank Book:

Debit side	Fixed Assets Account	[Group Account Code]
	Cost of Land Acquisition Account	[Account Code]
Credit side	Banks Account	[Group Account Code]
	Relevant Bank Account	[Account Code]

4.3 Any Other Expenses

Other expenses if incurred shall be charged to cost of land acquisition and accounting entry would be the same as at 4.2 above.

4.4 Upon Initiation of Scheme/Project

Upon initiation and naming of scheme/project, cost incurred till the date and parked under Cost of Land Acquisition Account under the Fixed Assets would be transferred to the relevant Scheme/Project Cost of Land Under Development Account through the Journal Book as under:

Debit side	Cost of Land Under Development Account	[Group Account Code]
	Cost of Land Under Development Under	[Sub-Group Account Code]
	Relevant Scheme/Project Account	
Credit side	Fixed Assets Account	[Group Account Code]
	Cost of Land Acquisition Account	[Account Code]

After initiation of land development other development cost incurred shall be parked under respective subheads under group/control scheme/project Cost of Land Under Development Account.

Debit Side	Cost of Land under Development Account	[Group Account Code]
	Cost of Land under Development under the	[Sub Group Account
	Relevant Scheme/ Project Account	Code]
	Land Development Cost Account	[Account Code]
	Road/Development Cost Account	[Account Code]
	Drainage & Sanitage Development Cost	[Account Code]
	Account	
	Water Supply Development Cost Account	[Account Code]
	Electric Development Cost Account	[Account Code]
	Aboriculture & Park Development Cost Account	[Account Code]
	Miscellaneous & Contingencies Cost Account	[Account Code]
	Villages Development Cost Account	[Account Code]
Credit Side	(l) Sundry Contractors Account	[Group Account Code]
	Sundry Contractors under the	[Sub Group Account
	Relevant Scheme/Project Account	Code]

	Relevant Contractors Account	[Account Code]
	(ii) TDS/Trade Tax Payable Account	[Sub Group Account Code]
	Tax Deducted at Source Account	[Account Code]
	Trade Tax/Works Contract Tax Account	[Account Code]
	(iii) Other Income	[Group Account Code]
	Relevant Recovery Against Facility	[Account Code]
	Provided Account [Like roller charges etc]	[Account Code]
	Penalty Account	[Account Code]
For recovery of cost of material supplied at specified rate	(iv) Cost of Land under Development Account	[Group Account Code]
	Cost of Land under Development under Relevant Scheme/Project Account	[Sub Group Account Code]

4.5 Allocation of Notional Costs

a) In case only land development is to be taken up and no construction activities are proposed under the scheme, following cost shall be charged on notional basis viz.:

- Interest cost [At maximum borrowing interest rate to be charged on weighted system]
- Physical contingencies and tools and plants etc. [As per pricing policy]
- Establishment cost [On predetermined notional basis]
- Administrative cost [On predetermined notional basis]
- Miscellaneous cost [Scheme related cost on actual basis and notional cost on predetermined basis for miscellaneous costs which can not be determined on work to work basis]

b) In case land development as well as construction activities are to be carried in the scheme/project. Cost should be determined on two phases i.e. (a) upto land development (b) construction cost. At both the level notional cost pertaining to the concerned phase should be allocated.

It may further be noted that aforementioned notional cost pertaining to land development and construction phase shall be charged on year-to-year basis.

a) Upon allocation of notional cost pertaining to land development: Following entries shall be recorded through the Works Journal Book.

Debit side	Cost of Land Under Development Account	[Group Account Code]
	Cost of Land Under Development Under Relevant Scheme/Project Account	[Sub-Group Account Code]
	Interest Cost Allocated Account	[Account Code]
	Physical Cont. Cost Allocated Account	[Account Code]
	Establishment Cost Allocated Account	[Account Code]
	Miscellaneous Cost Allocated Account	[Account Code]
	Administration Cost Allocated Account	[Account Code]
	Provision for Future Maintenance Cost Allocated Account	[Account Code]
Credit side	Recovery of Cost from Project/Scheme Account	[Group Account Code]
	Recovery of Cost from Relevant Project/Scheme Account	[Sub Group Account Code]
	Recovery of Interest Cost Account	[Account Code]
	Recovery of Physical Cont. Cost Account	[Account Code]
	Recovery of Establishment Cost Account	[Account Code]
	Recovery of Administrative Cost Account	[Account Code]
	Recovery of Miscellaneous Cost Account	[Account Code]
	Recovery of Provisions for Future Maintenance Cost Account	[Account Code]

4.6 Upon Completion of Land Development

Upon completion of land development, total cost shall be allocated to net saleable area [in the form of plotting and in the form of constructed properties].

Following entries shall be passed through the works Journal Book:

Debit Side	Cost of Developed Land Account	[Group Account Code]
	Cost of Development Land Under Relevant Scheme/Project Account	[Sub-Group Account Code]
Credit Side	Cost of Land Under Development Account	[Group Account Code]
	Cost of Land Under Development Under Relevant Scheme/Project Account	[Sub-Group Account Code]
	Land Development Cost Account	[Account Code]
	Road/Development Cost Account	[Account Code]
	Drainage/Sanitage Development Cost Account	[Account Code]
	Water Supply Development Cost Account	[Account Code]
	Electric Development Cost Account	[Account Code]
	Arboriculture & Parks Development Cost Account	[Account Code]
	Villages Development Cost Account	[Account Code]
	Interest Cost Allocated Account	[Account Code]
	Physical Cont. Tools Plants Cost Allocated Account	[Account Code]
	Establishment Cost Allocated Account	[Account Code]
	Administrative Cost Allocated Account	[Account Code]
	Miscellaneous Cost Allocated Account	[Account Code]
	Provision for Future Maintenance Cost Allocated Account	[Account Code]

Per unit cost so determined shall further be divided in to:

- a) Cost of land for saleable plots
- b) Cost of land for construction

Cost so determined shall further be apportioned under the following heads in terms of pricing policy

viz.:

Debit Side	(i) Cost of Developed Plots Account	[Group Account Code]
	Cost of Development Plots Under Relevant Scheme/Project Account	[Sub-Group Account Code]
	Cost of Plots for Houses Account	[Account Code]
	Cost of Plots for Shops Account	[Account Code]
	Cost of Plots for Complexes Account	[Account Code]
	Cost of Plots for Other Commercial Purpose Account	[Account Code]
	Cost of Plots for Educational Institutions etc. Account	[Account Code]
	(ii) Cost of Developed Lands Under Construction Account	[Group Account Code]
	Cost of Development Lands Under Construction Under Relevant Scheme/Project Account	[Sub-Group Account Code]
	Cost of Land under Construction---Houses Account	[Account Code]
	Cost of Land under Construction- Shops Account	[Account Code]
	Cost of Land under Construction- Complex and other Commercial Properties Account	[Account Code]
	Cost of Land under Construction- Others Account	[Account Code]
Credit Side	Cost of Developed Land Account	[Group Account Code]
	Cost of Development Land Under Relevant Scheme/Project Account	[Sub-Group Account Code]

4.7 Accounting of Construction Activities

4.7.1 Contractor Bills

Passed bills shall be recorded through the Works Journal Books as under:

Debit Side	Cost of Properties Under Construction Account	[Group Account Code]
	Cost of Properties Under Construction Under Relevant Scheme/Project Account	[Sub-Group Account Code]
	Cost of Construction Works Account	[Account Code]
	Road/Development Cost Account	[Account Code]
	Drainage/Sanitage Development Cost Account	[Account Code]
	Water Supply Development Cost Account	[Account Code]
	Electric Development Cost Account	[Account Code]
	Arboriculture & Parks Development Cost Account	[Account Code]
Credit Side	(i) Sundry Contractors Account	[Group Account Code]

	Relevant Contractor Account	[Account Code]
	(ii) TDS/Trade Tax Etc. Account	[Group Account Code]
	Tax Deducted at Source Account	[Account Code]
	Trade Tax/Works Contract Tax Account	[Account Code]
	(iii) Other Income	[Group Account Code]
	Relevant Recovery Against Facility Provided Account	
	[Like roller charges]	[Account Code]
	Penalty Account	[Group Account Code]
	(iv) Other Liabilities	[Group Account Code]
	Security Deposit Account	[Account Code]
For	(v) Cost of Properties Under Construction Account	[Group Account Code]
Recovery of	Cost of Properties Under Construction Under Relevant	[Sub-Group Account
material	Scheme/Project Account	Code]
cost at		
specified		
rate.		

4.7.2 Work Charges/Muster Roll Wages Bills

– If temporary imprest advance is sanctioned following entry shall be passed in the Bank Book:

Debit Side	Loans & Advances to Employees Account	[Group Account Code]
	Relevant Employee Temporary Imprest Account	[Account Code]
Credit Side	(i) Banks Account	[Group Account Code]
	Relevant Bank Account	[Account Code]
	(ii) Cash Account	[Account Code]
	– Upon adjustment	
Debit Side	Cost of Properties Under Construction Account	[Group Account Code]
	Cost of Properties Under Construction Under	
	Relevant Scheme/Project Account	[Sub-Group Account Code]
	Relevant Cost Head Account	[Account Code]
Credit Side	Loan and Advances to Employees Account	[Group Account Code]
	Relevant Employee Temporary Imprest Account	[Account Code]

4.7.3 Material Costs

a) Upon Issue of materials from stores

Debit Side	Cost of Properties Under Construction Account	[Group Account Code]
	Cost of Properties Under Construction Under Relevant	[Sub-Group Account Code]
	Scheme/Project Account	
Credit Side	Material Purchase Stocks Account	[Group Account Code]
	Relevant Material Purchase Stocks Account	[Account Code]

b) **Recovery of Material Cost from the Contractors:**
As per para 4.7.1 above

4.7.4 Other Costs Relating to Construction

Cost of Miscellaneous expenses relating to scheme/project debited to this subhead. The cost incurred through contractors or otherwise under this subhead shall be accounted in the usual manner as per para 4.7.1 to 4.7.3 above for instances.

Debit Side	Cost of Properties Under Construction Account	[Group Account Code]
	Cost of Properties Under Construction Under	[Sub-Group Account Code]
	Relevant Scheme/Project Account	
	Miscellaneous / Contingencies Cost Account	[Account Code]
Credit Side	Relevant Account [as per para 4.7.1 above]	[Group Account Code]

4.7.5 Allocation of Notional Costs

Cost allocable over schemes/projects shall be allocated on year-to-year basis as per advice of the Engineering and Works Department. Following entries shall be passed through the works Journal Book:

Debit Side	Cost of Properties Under Construction Account	[Group Account Code]
	Cost of Properties Under Construction Under	
	Relevant Scheme/Project Account	[Sub-Group Account Code]
	Interest Cost Allocated Account	[Account Code]
	Physical Contingencies Allocated Account	[Account Code]
	Establishment Cost Allocated Account	[Account Code]
	Administrative Cost Allocated Account	[Account Code]
	Future Maintenance Cost Allocated Account	[Account Code]

Credit side	Miscellaneous Costs Allocated Account	[Account Code]
	Recovery of Cost from Project/Scheme Account	[Group Account Code]
	Recovery of Interest Cost Account	[Account Code]
	Recovery of Physical Cont. Cost Account	[Account Code]
	Recovery of Establishment Cost Account	[Account Code]
	Recovery of Administrative Cost Account	[Account Code]
	Recovery of Miscellaneous Cost Account	[Account Code]
	Recovery of Provision for Future Maintenance Cost Account	[Account Code]

4.8 Accounting Upon Completion of Scheme/Project/Work

a) Upon completion of the construction following entries shall be passed through the Works Journal Book:

Debit Side	Cost of Developed Properties Account	[Group Account Code]
	Cost of Developed Properties Under Relevant Scheme/Project Account	[Sub-Group Account Code]
Credit Side	Cost of Properties Under Construction Account	[Group Account Code]
	Cost of Properties Under Construction Under Relevant Scheme/Project Account	[Sub-Group Account Code]
	Cost of Construction Works Account	[Account Code]
	Road/Development Cost Account	[Account Code]
	Drainage/Sanitage Development Cost Account	[Account Code]
	Water Supply Development Cost Account	[Account Code]
	Electric Development Cost Account	[Account Code]
	Arboriculture & Parks Development Cost Account	[Account Code]
	Villages Development Cost Account	[Account Code]
	Miscellaneous & Contingencies Cost Account	[Account Code]
	Interest Cost Allocated Account	[Account Code]
	Physical Contingencies Allocated Account	[Account Code]
	Establishment Cost Allocated Account	[Account Code]
	Administrative Cost Allocated Account	[Account Code]
	Future Maintenance Cost Allocated Account	[Account Code]
	Miscellaneous Costs Allocated Account	[Account Code]

There after, if any cost is incurred regarding scheme/project the same shall be treated as selling & marketing expenses and no debit shall be made to Scheme/Project Cost of Developed Properties Account.

b) Total cost so ascertained shall be apportioned to various categories of properties as per pricing policy and cost appropriation rules viz.:

1. Cost of Houses
 - HIG
 - MIG
 - LIG
 - EWS
 - Any Other
2. Cost of Shops
3. Cost of Complex/Flats etc
4. Cost of any Other Commercial Property

c) Following entries shall be passed through the Works Journal Book:

Debit Side	Cost of Developed Properties Account	[Group Account Code]
	Cost of Developed Properties Under Relevant Scheme/Project Account	[Sub-Group Account Code]
	(i) Cost of House	[Account Code]
	<ul style="list-style-type: none"> • HIG • MIG • LIG • EWS • Any Other 	
	(ii) Cost of Shops	[Account Code]
	(iii) Cost of Complex/Flats etc	[Account Code]
	(iv) Cost of Any Commercial Property Account	[Account Code]
Credit Side	Cost of Developed Properties Account	[Group Account Code]
	Cost of Developed Properties Under Relevant Scheme/Project Account	[Sub-Group Account Code]

[It may be noted that debits under para 4.8 (a) above and credit under para 4.8 (c) above shall be with the same amount.]

4.9 Accounting of Deposit Works

Upon incurring cost upon deposit works accounting would be same as in case of scheme/project as detailed under the para 4.7.1 above except that debit would be given to relevant Deposit Works Account under the group/control Deposit Works Accounts.

4.10 Accounting of Cost of Semi-Finished Properties Sold Out

a) Upon Ascertainment of Cost

Debit Side	Cost of Semi Finished Land Account	[Group Account Code]
	Cost of Semi Finished Land Account under the Relevant Scheme/Project Account	[Sub Group Account Code]
	Or	
	Cost of Semi Finished Property Account	[Group Account Code]
	Cost of Semi Finished Properties under the Relevant Scheme/Project Account	[Sub Group Account Code]
	Cost of Semi Finished Land Account	[Account Code]
	Or	
	Cost of Semi Finished Property Account	[Account Code]
	Development of Villages Account	[Account Code]
	Interest Cost Account	[Account Code]
	Physical Contingencies Account	[Account Code]
	Establishment Cost Account	[Account Code]
	Administrative Cost Account	[Account Code]
	Miscellaneous Cost Account	[Account Code]
	Further Maintenance Cost Account	[Account Code]
Credit Side	Cost of Semi Finished Land/Properties Suspense Account	[Group Account Code]
	Cost of Semi Finished Land Suspense Account	[Account Code]
	Or	
	Cost of Semi Finished Property Suspense Account	[Account Code]
	Interest Cost Suspense Account	[Account Code]
	Development of Villages Cost Suspense Account	[Account Code]
	Physical Contingencies Suspense Account	[Account Code]
	Establishment Cost Suspense Account	[Account Code]
	Administrative Cost Suspense Account	[Account Code]
	Miscellaneous Cost Suspense Account	[Account Code]
	Further Maintenance Cost Suspense Account	[Account Code]

b) Upon Recovery of Notional Cost at the Year End

Debit Side	Cost of Semi Finished Land/Property Suspense Account	[Group Account Code]
	Cost of Semi Finished Land/Properties Suspense Account	[Sub Group Account Code]
	Relevant Scheme Suspense Account	[Account Code]
	Interest Cost Suspense Account	[Account Code]
	Physical Contingencies Suspense Account	[Account Code]
	Establishment Cost Suspense Account	[Account Code]
	Administrative Cost Suspense Account	[Account Code]
	Miscellaneous Cost Suspense Account	[Account Code]
	Further Maintenance Cost Suspense Account	[Account Code]
Credit Side	Recovery of Cost from Scheme/Projects Account	[Group Account Code]
	Recovery of Cost from Relevant Scheme/Project Account	[Sub Group Account Code]
	Recovery of Interest Cost Account	[Account Code]
	Recovery of Physical Contingencies Account	[Account Code]
	Recovery of Establishment Cost Account	[Account Code]
	Recovery of Administrative Cost Account	[Account Code]
	Recovery of Miscellaneous Cost Account	[Account Code]
	Recovery of Provision for Future Maintenance Cost Account	[Account Code]

c) When Future Activities are Taken Up

Debit Side	Cost of Semi Finished Land/Properties Suspense Account	[Group Account Code]
	Cost of Semi Finished Land/Properties under the Relevant Scheme Suspense Account	[Sub Group Account Code]
	Relevant Cost under Suspense Account	[Account Code]
Credit Side	Relevant Account [As per page 4.7.1 above]	[Account Code]

In the subsequent year of the period entries for recovery of notional cost shall be further passed as stated at para 4.10 (b) above.

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
SCHEME WISE WORKS JOURNAL BOOK**

Date	Voucher No.	Name of Contractor/ Employee Imprest Holder & Particulars of bill	Gross Bill Amount				Deductions							
			Adjustment Against Employee Imprest		Contractors Bill		Trade Tax Work Contract Tax	TDS	Recovery of Cost of Material Issued to be Credited to Relevant Work	Recovery of Roller Charges	Recovery of other Facility Provided	Security Deposit Deduction		Another Deduction
			Employee Imprest A/C Folio	Amount	Individual A/C Folio	Amount						Individual Party Folio	Amount	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

	Net Amount Payable				Scheme/Project Cost head									
Total Deductions	Amount Payable	Amount Upheld	Net Payable	Individual Party Folio	Land Plotting Scheme									
					Land Dev. Cost	Drainage & Sanitage Dev.	Water Supply Dev. Cost	Electrical Dev. Cost	Arboriculture & Parks Dev. Cost	Village Dev. Cost	Miscellaneous & Contingencies Cost	Any other Cost	Cost of Land	Total Dev. Cost
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30



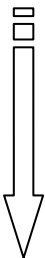
FORM NO: WA-1

Construction Scheme

Works Cost	Drainage & Sanitage Development Cost	Water Supply Development Cost	Electric Development Cost	Agriculture & Parks Development Cost	Village Development Cost	Miscellaneous & Contingencies Cost	Any other Cost	Cost of Land & Land Dev.	Total Construction Cost
31	32	33	34	35	36	37	38	39	40

1. Column No.14 is equivalent to column No. 6-7+12-13, presents net adjustment to be credited/debited to the adjustment account due to rescheduling of Payment at under the “Group Control Account” Interest Income (on Installment sale) in Income and Expenditure Account Ledger and corresponding credit/debit to the party in the Sundry Debtors Ledger.
2. In the Sundry Debtor Ledger, Old outstanding shall be reversed and replaced by new balance (ought to be) The Finance and Accounts Departments shall pass adjustment entry in the Sundry Debtors Control Account with the net difference (Column No. 6 and 7) with corresponding Debit and Credit as state.
Note No.1 above for Column No. 6-7 component.
3. Similarly Individual Suspense Account would be reversed with the old balance replaced by the new balance as stated at column No. 13. The Finance and Accounts Department shall pass adjustment entry for the difference in Interest Suspense Column 12-13 by crediting/debiting Interest Suspense Account with the corresponding Debit and Credit stated at Note No.1 above for Column 12-13 component.
4. Column No. 15f to 19 represents Memorandum Information.
5. Individual Party Account shall be debited with the amount as per Column No. 16 in the Sundry Debtors Ledger. The Finance and Accounts Department shall debit the Sundry Debtors Account and credit the Penal Interest Account with quarterly total as per the set of eateries suggested in chapter no. 4

It may be further noted that Penal Interest is recognized on realization basis, to monitor penal interest on due basis, memorandum records for Penal Inter shall be.



PART- IV

ACCOUNTING PROCEDURES

SECTION NO. - 19

ACCOUNTING FOR MATERIALS AND STORES

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**



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CHAPTER - 1 INTRODUCTION

1.1 Objectives of the Section

This section on Accounting for Material and Stores for the Development Authorities of Uttar Pradesh aims at establishing effective and uniform policies and procedures in material and stores accounting. The specific objectives of the sections are as follows:

- To specify policies and procedures for effective monitoring of and control over, receipt, issue and accounting of materials and stores.
- To establish an interface between Finance and the Accounts Department, the Purchase and Supply Department and the User Department for effective material management.
- To evolve effective and consistent policies and procedure to ensure control and uniformity in practice.

1.2 Scope of the Section

The section covers the operating systems, accounting policies and procedures related to accounting for materials and stores in Development Authorities of Uttar Pradesh.

1.3 Deviations

Deviations from the prescribed policies and procedures would not be permitted unless accompanied by justifiable request and reasons for the deviations, clearly outlining the following:

- Nature of deviation
- Reasons for deviation
- Time-span for which deviation is required
- The procedure that would be followed if deviation is approved
- Financial implication of deviation

Any deviation from the designed system and policies would not be allowed unless permitted by Government. of Uttar Pradesh (Housing Department).

1.4 Responsibility of the User Department

- To prepare indent for procurement
- To obtain sanction of indent and other sanctions
- To arrange sanction for procurement
- To obtain approval for passing of bill and for payment
- To forecast annual demands at the time of preparation of the budget
- To prepare supplementary demands for taking up new works not included in budget demands
- To prepare forecast for material consumption on monthly basis
- To maintain adequate records for issue of materials to individual contractor etc.and ensure recovery from them

1.5 Responsibility of the Purchase and Supply Department

- To arrange procurement of material
- To monitor receipt, issue and storing of materials
- To carry out physical verification of stores at periodic intervals
- To safeguard and insure materials if necessary and
- To verify suppliers bills for passing of bills

1.6 Responsibility of the Accounts and Finance Department

- To verify suppliers bills for payment
- To make payments to suppliers
- To record transactions related to materials in financial books
- To maintain suppliers accounts

1.7 Responsibility of the Stores Department

- To maintain the stores records
- To keep custody of materials
- To keep materials at desired level
- To facilitate issue of materials
- To arrange physical verification when ever desired
- To maintain bin card and keep stocks properly

CHAPTER - 2 ACCOUNTING POLICIES

2.1 Receipts and Issues of Materials

Accounting for materials such as Cement, Iron & Steel, Stores, Consumable etc. would be done in the period in which physical events such as receipts and issues take place.

2.2 Accounting for Receipts

The Purchase and Supply Department would account for the material receipts on acceptance of material.

2.3 Accounting for Issues

Accounting for issues would be carried out as soon as the materials are moved from the stores. Material issues, would be charged to the User Department or to the concerning officer/in charge of the work.

2.4 Physical Verification

The physical verification would be carried out on an annual basis for the balance sheet purpose and on periodic basis (say quarterly) for exercising controls and finding out any discrepancy well in time.

2.5 Pricing of Receipts and Issues of Materials

2.5.1 Pricing of Receipts of Materials

Materials would be priced at

- Basic Price,
- Excise Duty,
- Custom Duty (if any)
- Trade Tax
- Octroi
- Freight
- Other Purchase related direct cost

Sometimes situation arises when the materials have been received but the bill of supplier is not received, in such a situation following basis may be adopted for the valuation of the materials. The basic rate would be taken from the purchase order. The incidental charges such as Trade Tax, Excise Duty, Freight, Transit Insurance and Cartage Inward etc. would be added to the value received.

2.5.2 Pricing of Issue of Materials

The issue of material would be priced at 'weighted average' cost basis.

2.6 Use

The material would be strictly used for the purpose for which it was issued as mentioned in the Material Requisition Note.

2.7 Valuation of Closing Stock

Closing stocks of the materials would be valued at weighted average cost or market price whichever is lower.

2.8 Obsolete, Damaged and Defective Materials

Obsolete, damaged and defective materials and their residual value would be determined by technical assessment. The difference between carrying amount and value of such obsolete, damaged or defective materials would be charged to Income and Expenditure Account in the year in which they are so determined.

Obsolete or damaged materials would be sold through auction and receipt would be credited to Income and Expenditure Account.

2.9 Scrap/Waste

Sale of scrap/waste materials would be accounted for as income for the period in which sale takes place.

CHAPTER - 3

OPERATION SYSTEMS AND PROCEDURES

3.1 Procurement Procedures

While conducting procurement the Purchase and Supply Department would follow procurement principles and procedures as laid down in "Procurement Procedures" of the Manual. Material Indent would be prepared by the User Department and forwarded to the Purchase and Supply Department. Purchase and Supply Department then would proceed for tendering etc. as laid down in 'Procurement Procedures'. Purchase /Supply Order shall be placed by Purchase and Supply Department. It would be the responsibility of this Department to arrange timely supply of requisitioned materials. Triplicate copy of Purchase Order would be prepared and distributed as under:

- Ist copy : The Supplier
- IIInd copy: The Finance and Accounts Department
- IIIrd copy: The Stores Department

The Finance and Accounts Department shall maintain guard file of suppliers bill in which supply order shall be pasted and after passing of the bill payment copy of the purchase order should be crossed with a diagonal line in which "Paid vide Cheque No....Date...." should be written.

3.2 Receipt of Materials

3.2.1 On receipt of the materials the Stores Department would prepare Material Inward Note in triplicate [Form No. MA-1]. The original copy of MIN would be sent to the Purchase and Supply Department. The Stores Department would make necessary arrangements for inspection of the materials. Inspection would be carried out by the Purchase and Supply Department. After the materials have been duly inspected in all respects (i.e., with inspector's remarks and purchase order number), the copies of the MIN along with passed bill would be distributed as under: -

- 1st Copy : The Finance and Accounts Department
- 2nd Copy : The supplier.
- 3rd Copy : The Stores Department.

The material rejected during the inspection and testing would be kept separately and the supplier would be informed about it. The materials would be replaced as per terms and conditions mentioned in the purchase order. The material rejection details would be recorded in the Material Returns and Rejection Register [Form No.MA-2].

For petty cash purchasing, the procedure would be same for all the items that are routed through the stores.

3.2.2 Recording of Material Receipts

The Stores Department would prepare MIN and record the receipts of materials in Material Received/Goods Received Register [Form No.MA-3] and in Stocks Register [Form No. MA-4].

Even if the bill of supplier is not received entries would be recorded as above, pricing of materials would be done on the basis of rates given in purchase order or relevant agreement by adding extra charges such as freight, transit insurance, excise duty trade tax etc. as provided under para 2.3.1 above.

3.3 Verification of Suppliers Bills

3.3.1 The copy of relevant purchase order would be attached with the supplier's bill. The supplier would submit bills in triplicate. As and when the bill is received the same would be entered in the Material Bill Received Register and given a serial number. The serial number of Material Received Bill Register would be noted on all the copies of the suppliers' bill and a reference to this would be given in the Purchase of Materials, Stores and Fixed Assets Journal Book [Form No. MA-5]. Duplicate triplicate copies of the bill would be stamped "Not for Payment".

3.3.2 The Purchase Order together with amendments, Inspection Report (wherever applicable) shall form the basis on which the supplier's bills would be checked and passed.

3.3.3 Supplier's Bills would be checked with a view to ensure that the payment is claimed only for the quantity of material supplied and accepted at the time of inspection. This check is exercised from the particulars given in Material Inward Note.

- 3.3.5 The correctness of claim in regards to rate, taxes insurance delivery conditions (i.e. ex-goods or at site delivery) delivery schedule liquidated damages and penalty clause etc. are to be checked from the particulars given in the Purchase Order. It would be ensured that, in case where the time was the essence of the contract and delivery is delayed beyond the time stipulated in the Purchase Order, the delay has been condoned by the competent authority giving justifiable reasons/grounds. If the delay is not acceptable, it would be seen that the liquidated damages, if any, mentioned in the Purchase Order, are duly deducted from the suppliers bill.
- 3.3.6 As and when any deductions are made from the supplier's bills, a Deduction Advice would be prepared [Form No. MA-6] Provided further that suppliers bill shall be passed accordingly, copy of Deduction Advice would be distributed as under:

Copy	To whom	Purpose
1st Copy	- The Supplier	Along with details of deduction from the bill and reasons of deduction
2 nd Copy	- The Stores Department	For record (along with the copy of MIN and suppliers bill)
3 rd Copy	- The Finance and Accounts Department	For information (along with the copy of MIN and suppliers bill)

3.4 Internal Checks for Passing of Supplier's Bill

- 3.4.1 That the original bill is free from erasures and correction bears the signature of the supplier
- 3.4.2 The pre-receipting and stamping of bill is done on the bill itself, where the supplier has furnished a separate stamped receipt, it may also be accepted.
- 3.4.3 That the description and specifications of materials as stated on the bill tally with relevant details in the Purchase Order and the Challan
- 3.4.5 That the materials have been supplied within stipulated time schedule as noted in the Purchase Order.
- 3.4.6 That the rates in the Purchase Order tally with that of the Supplier's Invoice. If not Dr Note/Cr Note may be issued giving reasons.
- 3.4.7 That the quantity tally with quantity accepted in Material Inward Note. If not, reason shall be recorded. It should be ensured that the rejected quantity has been replaced or returned. In case of return, if the quantity exceeds the limits, the bill amount would be amended and initialed by the competent authority.
- 3.4.8 That extra, charges claimed by the supplier, such as freight, insurance, trade-tax, excise-duty, custom duty and packing and forwarding charges etc., are in accordance with the provisions in Purchase Order or the terms of the concerned agreements.
- 3.4.9 That the inspection of materials has been carried wherever specified in the Purchase Order.
- 3.4.10 That quantity discount, trade discount and cash discount or any other rebate offered by the supplier and incorporated in the Purchase Order, are given effect in the bill.
- 3.4.10** The incidental charges incurred for the return of materials to the suppliers on their request, would be deducted from the suppliers.
- 3.4.11 If the Developmental Authority incurs any demurrage or wharf age on account of receipt/late receipt of the RR's or a dispatch advice from the supplier, necessary recoveries on account of demurrage or wharfage would be made from the suppliers bills.
- 3.4.12 That liquidated damage, if any, imposed on the suppliers' are deducted from the payment.
- 3.4.13 If the materials are received after the expiry of the delivery date prescribed in the Purchase Order. It shall be ensured that delivery period has been extended. If not, then the suppliers bills duly accepted

would be forwarded to the Purchase and Supply Department for issue of formal amendment to the Purchase Order for extension of delivery date. While doing so the Purchase and Supply Department would also indicate whether any inconvenience or loss was caused due to delivery and if so to determine the quantum of liquidated damages, if any, to be recovered from the suppliers bill or make suitable deduction from the bill where the predetermined liquidated damage clause has been inserted in the Purchase Order or in the terms and conditions of the contract.

3.5 Passing to the Suppliers Bills

3.5.5 Having been exercised the above-mentioned checks; the supplier(s) bills along with relevant documents would be forwarded to the prescribed authority for the passing of the bill. The prescribed authority would also be responsible for passing of the bill for payment by affixing rubber stamp on the back of the supplier's bill. The duplicate and triplicate copy of the bill would be clearly endorsed with "copy not for payment."

3.6 Recording of Suppliers Bills and Payment to Suppliers

3.6.1 On receipt of the supplier's bill from the Purchase and Supply Department as duly passed, the Finance and Accounts Department would prepare the suppliers bill voucher by debiting and crediting the relevant head of account. Competent Accounts Officer as prescribed would sign the voucher for approval.

3.6.2 The suppliers bills, which are complete in all respects, would be entered in the Purchase Journal and liability created. In case bills of suppliers are not received, all such MIN in Materials Received Register which are pending would be entered in the Register for Provisional Liability [Form No.MA-7] at the month end.

3.6.3 The Finance and Accounts Department would be responsible to ensure that necessary documents,/ details have been attached with the passed bill. It would also ensure that necessary deductions have been made from the bill and bill is complete in all respects.

3.6.4 The Finance and Accounts Department would make payment to Suppliers in accordance with the term and conditions of the Purchase Order and/or Agreement. The HOD in Finance and Accounts Department would be responsible to ensure that the advances already made to the suppliers and any other deduction if any have been duly adjusted in suppliers account before making the payment.

3.7 Advance Payment to the Suppliers

Generally advances to the suppliers would not be permissible. However advances can be made if terms and conditions of the Purchase Order/Agreement so provide/or against the supply of material. The HOD in Finance and Account Department shall pass advance payment only after obtaining proper sanction from the prescribed authority and such advance payment would be first recommended by the Purchase and Supply Department.

3.8 Issue of Materials

The User Department would prepare Material Requisition Note [MRN] [Form No.MA-8] and forward the same to the Stores Department.

In case MRN is found deficient, in any respect. The same would be returned to the User Department. Once the MRN received is complete, materials would be issued by the Stores Department after getting approval from the competent authority Acknowledgement of the User Department with regards to receipt of the materials would be obtained on MRN.

The Stores Department would record the transactions pertaining to issue of materials in stores record:

The copies of MRN would be distributed as under:

- 1st Copy : The Stores Department (For passing entries in the Stores Record)
- 2nd Copy : The Purchase and Supply Department (For preparing Material Consumption journal)
- 3rd Copy : The user Department

3.9 Physical Verification of Stocks

The Purchase and Supply Department would conduct physical verification of the stores at the year-end. In case of any, inconsistency, the competent authority would be informed. The recoveries against the discrepancies highlighted would be made against the employee responsible for stores or it would be written off.

A copy of Stores Verification [Form No MA-9] would be forwarded to the Finance and Accounts Department. The Finance and Accounts Department would re-evaluate stores to ensure that closing stocks of stores is shown at fair value i.e. weighted average cost or market price whichever is lower in the Annual Accounts.

Besides annual verification, physical verification on periodic basis (say quarterly) for exercising controls would also be carried out by the Purchase and Supply Department.

3.10 Return of Materials to Stores

Material Return Note [Form No MA-10] would indicate reference to the Materials Issue/Requisition Note [Form No MA-8] against which the materials were originally issued. The quantity returned would be valued at the same rate as shown in the corresponding Material Issue Requisition Note. The materials returned would be posted in the Stocks Register and Material Consumption Journal. The Material Return Note would be prepared by the Stores Department in triplicate and distributed as under:

1st Copy	:	The Stores Department [For making entries in Stocks Record]
2 nd Copy	:	The Purchase and Supply Department [For making reversal entries in Material Consumption Journal.]
3 rd Copy	:	The User Department

3.11 Transfer of Materials from One Job to Another

For every transfer of material, Material Transfer Advice, [Form No MA-11] would be prepared. A Material Transfer Note [Form No MA-12] would be prepared by the Stores Department at the month end. The entries would be made in the Material Consumption Journal for reversal of consumption entry made earlier.

Material Transfer Note would be prepared in triplicate and distributed as under:

1st Copy	:	The Purchase and Supply Department
2nd Copy	:	The Transfer Department.
3 rd Copy	:	The Transferee Department

Note: No entries are required to be made in the financial books as adjustment entries are made in the Material Consumption Journal and monthly consumption net of adjustment is recorded in the Finance and Accounts Department. Like wise no entries are required to be made in the store record.

3.12 Material Consumption Journal

The Purchase and Supply Department would maintain a Material Consumption Journal/Register [Form MA-13]. It would prepare summary of material consumption at the month end and send it to the Finance and Accounts Department for recording the consumption of materials by giving debit to various sites, jobs and expenses heads and credit to corresponding material purchase head. Material Consumption Summary would be prepared [Form MA-14] in duplicate and distributed as under:

1st Copy	:	The Finance and Accounts Department
2nd Copy	:	The Purchase and Supply Department.

3.13 Obsolete Damaged and Defective Materials

Primarily the Purchase and Supply Department shall be responsible for identification of obsolete and damaged and defective materials while conducting physical verification of materials. After such identification the committee as constituted by the Vice Chairman and comprising of one Engineer other than Development Authority, concerned Engineer and SE\CE shall re-evaluate and finalize such materials and recommend for their disposal.

The Purchase and Supply Department would prepare a Obsolete Defective and Damaged Materials Requisition (Form No MA-15) for such Materials to be sold discarded or scrapped. The requisition would be prepared in triplicate, 2 copies would be sent to the committee .The Committee would hold the discussion and record its decision on the Obsolete and Damaged Materials Disposal Requisition. One copy of this requisition slip will be sent to the Purchase and Supply Department and other to the Finance and Accounts Department.

The Purchase and Supply Department would invite tenders for sale of the materials. On receipt of the tenders from the potential buyers, the committee would select the most appropriate buyer through analysis of all the tenders. Such materials can also be sold through auction.

The selected buyers would be issued a Delivery Challan (Form No 16) prepared by the Purchase and Supply Department in duplicate. The Finance and Accounts Department would prepare a Material and

Stores Sale Invoice (Form MA-17) on the basis of Delivery Challan in triplicate. The copy of Delivery Challan and Sale Invoices would be distributed as under:

- Ist Copy : The Buying Party.
- 2nd Copy : The Stores Department.
- 3rd Copy : The Finance and Accounts Department.

The buyer would make payment against the Invoice raised. On receipt of the money, the Finance and Accounts Department would prepare Money Receipt in triplicate.

- Ist Copy : The Buying Party.
- 2nd Copy : The Finance and Accounts Department.
- 3rd Copy : The Financial and Accounts Department (File Copy).

3.14 Scrap and Waste

The scrap and waste materials after proper identification by the User Department and the Purchase and Supply Department and its re-evaluation by the committee as mentioned at Point No.3.13 above shall be disposed off by auction and the further procedure as mentioned at Point No.3.13 above shall be followed.

3.15 Insurance of Stores

Adequate insurance cover would be taken for stores items. In this regard the Vice-Chairman would take final decision.

3.16 Bin Card System

The Stores Department will maintain Bin Cards for each of the stores items on which following details shall be recorded :

- Opening Balance
- Receipt of Material
- Issue of Material
- Closing Balance
- Physical Verification
- Reorder Level
- Remarks

Entries shall be recorded immediately after receipt and issue of material on Bin Card (FORM No.18)

3.17 Supplier Ledger:

Entry in the supplier ledger [Form No. MA-19] shall be posted from Purchase of Materials, Stores and Fixed Assets Journal Book, Daily Payment Book and Bank Book etc.

CHAPTER - 4 ACCOUNTING PROCEDURES

4.1 Accounting for Receipts of Materials

4.1.1 The Stores Department would prepare Material Inward Note and record the details of receipt in Material Bills Receipt Register/Goods Receipt Register and in Stocks Record.

4.1.2 Finance and Accounts Department upon receipt of the passed bills would prepare a material purchase voucher and after obtaining necessary approval record the entries in the Purchase of Materials, Stores and Fixed Assets Journal Book:

Debit:	Material Purchase Stock Account	[Group Account Code]
	Relevant Material Purchase Stock Account	[Account Code]
Credit:		
i)	Supplier Account	[Group Account Code]
	Relevant Supplier Account	[Account Code]
ii)	Stores Adjustment Account	[Group Account Code]
	Demurrage/wharefage Account	[Account Code]
	Penalty/Fine Account	[Account Code]
	Other Stores Adjustment Account	[Account Code]
iii)	Other Deductions Account	
	like Trade-Tax\Income-Tax etc. if applicable	[Account Code]

4.1.3 In case suppliers bill is not received, the MIN is valued by the Purchase and Supply Department on the basis of rates given in the Purchase Order/relevant Agreement and by adding extra charges like trade tax, excise-duty, custom-duty transit insurance and freight & cartage etc.

The Finance and Accounts Department, would prepare a voucher for estimated liability and after obtaining necessary approval record the entries in the provisional liability for material purchase in the Purchase of Materials, Stores and Fixed Assets Journal Book:

Debit:	Material Purchase Stock Account	[Group Account Code]
	Relevant Material Purchase Stock Account	[Account Code]
Credit:		
I)	Provisional Liability for Material Purchase Account	[Group Account Code]
ii)	Relevant Suppliers Provisional Liability Account	[Account Code]

Upon receipt of suppliers bill following entries would be made in the Journal Book.

Debit:	i) Provisional Liability for Material Purchase Account	[Group Account Code]
	Relevant Suppliers Provisional Liability Account	[Account Code]
ii)	Stores Adjustment Account	[Group Account Code]
	Other Stores Adjustment Account	[Account Code]
	[If actual liability exceeds the provisional liability]	
Credit:		
i)	Supplier Account	[Group Account Code]
	Relevant Supplier Account	[Account Code]
ii)	Stores Adjustment Account	[Group Account Code]
	Other Stores Adjustment Account	[Account Code]
	[If actual liability falls shore the provisional liability]	

4.2 Accounting for Issue and Consumption of Materials

On receipt of Material Requisition Note and corresponding details of material issues, the Stores Department would enter the details of material issues in Stocks Record. Approval of competent authority for issue of materials would be obtained. Only after approval, issue of materials to the User Department would be affected. The Purchase and Supply Department upon receipt of copy of Material Issue Note would record details of issue of materials in the Material Consumption Journal. Monthly Consumption details would be sent to the Finance and Accounts Department for recording transactions in the financial books. The Finance and Accounts Department would pass following entries in the works Journal Books as under:

Debit Side:	(i)Scheme\Project and Development	[Group Account Code]
	Relevant Scheme \Project Work in Progress Account	[Account Code]
	(ii)Administrative or Other Charges Head Account	[Group Account Code]

	[Account Code]
Credit Side : Relevant Expenses or Head Account	
Material Purchase Stock Account	[Group Account Code]
Relevant Material Purchase Stock Account	[Account Code]

4.3 Accounting for Return of Materials to Stores

The Stores Department, on the basis of Material Return Note would record the entries in the priced Stocks Record. In the Material Consumption Journal reversal entry would be passed by the Purchase and Supply Department.

4.4 Accounting for Transfer of Materials

The Purchase and Supply Department, on the basis of Material Transfer Note would record the adjustment entries in Material Consumption Journal.

4.5 Accounting for Obsolete Defective and Damaged Materials

On the basis of identification sheet for obsolete and damaged materials, the Stores Department would transfer the entries from Stocks Record to Obsolete, Defective and Damaged Material Stocks Register and would forward the advice to the Finance and Accounts Department who would pass the following adjustment entry in the Journal Book.

Debit: i) Material Purchase Stock Account	[Group Account Code]
Obsolete Defective and Damaged	
Material Stock Account (At reduced price)	[Account Code]
ii) Store Adjustment Account	[Group Account Code]
Other Stores Adjustment Account	[Account Code]
(Difference of stock value as stated in Stocks Register and at amount revalued)	
Credit: Material Purchase Stock Account	[Group Account Code]
Relevant Material Purchase Stock Account	[Account Code]

Upon sale/disposal of obsolete defective and damaged material, entry would be made upon receipt of money, in the Cash/Bank Book as under:

Debit: i) Cash Account	[Account Code]
ii) Banks Account	[Group Account Code]
Relevant Bank Account	[Account Code]
iii) Stores Adjustment Account	[Group Account Code]
Other Stores Adjustment Account	[Account Code]
(In case of loss on sale/disposal)	
Credit: i) Material Purchase Stock Account	[Group Account Code]
Obsolete Defective and Damaged Material	
Stock Account	[Account Code]
ii) Store Adjustment Account	[Group Account Code]
Other Stores Adjustment Account	[Account Code]
(In case of profit on sale/disposal)	

In case of upward revision of stocks value:

Debit: Material Purchase Stock Account	[Group Account Code]
Other Stores Adjustment Account	[Account Code]
Credit: Material Purchase Stock Account	[Group Account Code]
Relevant Material Purchase Stock Account	[Account Code]

In case of downward revision of stocks value:

Debit: Stores Adjustment Account	[Group Account Code]
Other Stores Adjustment Account	[Account Code]
Credit: Material Purchase Stock Account	[Group Account Code]
Relevant Material Purchase Stock Account	[Account Code]

4.6 Accounting of Stocks at Sites Jobs and Contractors

Following entries, on the basis of details of stocks at sites etc, would be made in the Works Cost Journal Book.

Debit: i) Material Purchase Stock Account	[Group Account Code]
Stocks at sites, Works/jobs and Processes &	
Contractors etc, Account	[Account Code]
Credit: i) Scheme/Project under Development Account	[Group Account Code]

- | | |
|--|----------------------|
| ii) Relevant Scheme/Project-work in Progress Account | [Account Code] |
| Administration Expenses Account | [Group Account Code] |
| Relevant Expenses Account | [Account Code] |

At the beginning of the next year, reversal entries would be made in the Journal Book.

4.7 Accounting for Scrap and Waste

Waste and scrap are accounted for at the time of their sale. Upon receipt of money, entry would be made in the Cash Book/Bank Book as under:

Debit:	i) Cash Account	[Account Code]
	ii) Banks Account	[Group Account Code]
	Relevant Bank Account	[Account Code]
Credit:	Other Income	[Group Account Code]
	Sale of Scrap/Waste	[Account Code]

4.8 Deduction from Contractors for Supply of Materials

It may be noted that incase material is provided to the contractor as per terms and conditions of agreement free of cost, cost of material issued to the contractor would be charged to the works/jobs under the relevant Scheme\Project. In case material is provided to the contractor at price. Costs of such material is included in the contractors running bill itself and debit is given to works/job etc under the relevant scheme/project. It may further be noted that while recording monthly consumption voucher as para 4.2 above further works/job under the relevant scheme/project is again debit. Reversal of letter entry is given when recording deduction from suppliers on account of material works/job under relevant Scheme/Project shall be credited.

Debit Side:	Contractors Control Account	[Group Account Code]
	Relevant Contractors Account	[Account Code]
Credit Side:	Scheme/Project Cost	[Group Account Code]
	Development Account Relevant Scheme (Project of work in progress Account)	[Account Code]

4.9 Accounting for Year End Adjustments

For discrepancy in Closing Stock

Entry would be made in the Journal Book by crediting or debiting Material Purchase Stocks Account and by giving corresponding debit or credit to Other Stores Adjustment Account.

FORM MA-1

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
 MATERIAL INWARD NOTE**

Material Inward Note No.:

Name of the Supplier:

Bill No. & Date:

Amount of Bill

S.N o.	Item Description	Quantity	Rate	Purchase Order Reference			Value of Material Receipt			Stock Ledger Folio No.
				No.	Quantity	Rate	Basis	Rate for Quantity Accepted	Value	
1										
2										
3										
4										
5										
6										
7										
Other Cost										
Sales Tax & Surcharge										
Freight Insurance etc.										
			Total							
			Add: Extras Freight							
			Any Other items							

Material Received
By

Material Inspected
By

Material Received
Approved by

FORM MA-2

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
 MATERIAL RETURN AND
 REJECTION REGISTER**

Challan No	Date	MIN No	Item Date	Quantity Rejected	Mode Of Dispatch	Date	MRN No	Date	Quantity	Value	S Stock Ledger Folio	Replacement			Value	Stock Ledger Folio	Name of Supplier	Purchase Reference	Remarks
												MIN No	Date	Quantity					

FORM MA-3

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
 MATERIAL BILLS RECEIVED REGISTER**

S.No.	Date	Name of the Supplier	Bill No & Date	Amount of Bill	MIN	Reference to Purchase Journal	Date of Passing/ Payment	Remarks

FORM MA-4

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
 STOCK REGISTER**

Name of the Item:
 Item Code:

Maximum Level
 Order level
 Minimum level

Receipts					Issues						Balance		
Date	MIN No Bill No	Quantity	Rate	Amt.	Date	MRN No	Name of User Department/ Incharge User Department/ Expenses Head	Quantity	Rate	Amt.	Quantity	Rate	Amt.

UTTAR PRADESH DEVELOPMENT AUTHORITIES PURCHASE OF MATERIALS , STORES AND FIXED ASSETS JOURNAL BOOK

Date	Voucher Number	Min No. & Date	Suppliers Name/ Employee Name & Particulars	Gross Amount of Bill				Deductions				
				Employee Imprest	Suppliers Bill	TDS	Liquidate Damage	Damage & Wharefage	Others			
				Employee Advance Ledger Folio	Amount (Rs.)	Suppliers Ledger Folio	Amount (Rs.)					
1	2	3	4	5	6	7	8	9	10	11	12	13

et Payable				Purchase Heads								
Payable	Amount Withheld	Net Payable	Suppliers Ledger Folio	Materials					Stores Items			
				Cement	Steel	Stones & Marbles	Bitumen	Other Building Materials	Stores/Spares for heavy machine tools	General supplies for maintenance	Tree guard and Barbed Wire	Printing & Stationery
14	15	16	17	18	19	20	21	22	23	24	25	26

ASSETS

Fixed Assets				
Computer & Other Office Equipments	Electronic Equipments	Heavy Equipments and Machines	Furniture & Fixtures	Others
27	28	29	30	31

PART II – FIXED

FORM MA-6

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DEDUCTION ADVICE/ DEBIT NOTE**

Date:

.....

A sum of Rs. has been deducted against your bills as detailed below.

Bill No & Date	Purchase Order No. & Date	Amount of Deduction	Reasons for Deduction

Please make a note of the same and oblige.

For Development Authority
Name
Designation

FORM MA-7

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
REGISTER FOR PROVISIONAL LIABILITY**

Reference No. of Material Bills Received Register & Date		Name of the Supplier	Debit	Credit	Head of A/cs
Reference No. of Material Bills Received Register	Date				
					Dr.: Purchase Heads Cr.: Deductions Cr.: Provisional liability For Material Purchase

FORM MA-8

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DEPARTMENTWISE MATERIAL REQUISITION REGISTER FOR ISSUE OF
MATERIAL**

Name of the User Department

Date
MRN No.
(To be numbered by
Procurement & Stores
Department.)

Sl. No.	Items Required	The Project/works/ Others for which Materials needed	Quantity Desired	Issue of Materials		Price Of Issue	Remarks
				Quantity Issued	Approved By		

FORM MA-9

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
STATEMENT OF PHYSICAL VERIFICATION**

Date:

Sl. No.	Item	Inventory As Per			Difference (Surplus/ Deficit)	Remarks
		Stock Register	Physical Verification			
			At Stores	At Sites			Total

FORM MA-10

UTTAR PRADESH DEVELOPMENT AUTHORITIES

MATERIAL RETURN NOTE

Name of the User Department

Date

MRN No.

(To be numbered by Procurement & Stores Department.)

S. No.	Items Returned	The Project/ Works/ Others for which Material was Issued	Quantity Returned		Price of Returned Material	Stock Ledger Folio No.	Remarks
			Quantity Returned	Approved By			

FORM MA-11

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
MATERIAL TRANSFER ADVICE**

To
The Stores Department/ Purchase & Supply Department

Dear Sir,

Subject: Material Transfer to Other Department/ Projects/ Schemes

The following materials have been transferred to the other Department Project/ Schemes during the month as detailed below:

Sl.No.	Date	Item	Quantity	Transferee Department Project etc.	Acceptance Of Transfer	Remarks

The copy of transfer duly accepted by the transferee Department is forwarded to you for making necessary entries in your records.

For Transferor Department

Signature

Name

Designation



FORM MA-15

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DEFECTIVE / DAMAGED MATERIAL/ STORES DISPOSAL REQUISITION**

To
The Approving Authority

Date:

.....
.....

The following Material/ Stores are sought to be sold/ discarded/ scraped/ destroyed.
We request you to consider the same and do the needful in this regard.

S No.	Description of Items	Book Value	Remark(s)
-------	----------------------	------------	-----------

Signature of Head of Department
Procurement & Stores

FORM MA-16

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DELIVERY CHALLAN**

Challan No.

Date :

M/S		No. of Cases/ Qty. Weight	
Dispatched	Mode of Dispatch	No. of RR/LR	
From	To	Freight	Invoice No.
Insured by us	To	Pay	Paid
Yes	No		
Sno.	Description	Quantity	Remarks

For Development Authority
Authorised Signatory

FORM MA-17

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
MATERIAL & STORES SALE INVOICE**

Challan No.

Date :

S No.	Description	Quantity	Rate	Amount (in Rs.)	Remark(s)
-------	-------------	----------	------	-----------------	-----------

TOTAL IN Rs.

For Development Authority
Authorised Signatory

FORM MA-18

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
BIN CARD**

Name of Material
Code No.

Date	Opening Balance	Receipt of Material	Issue of Material	Closing Balance	Initial	Physical Verification	Remarks
1	2	3	4	5	6	7	8

FORM MA-19

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
SUPPLIER'S LEDGER**

Name of the Supplier

Date	Voucher No.	Particulars	Folio	Amount		Balance
				Debit	Credit	



PART-IV : ACCOUNTING POLICIES

**OPERATING SYSTEMS PROCEDURES
AND
ACCOUNTING PROCEDURE**

SECTION NO. - 20

**ACCOUNTING FOR FIXED ASSETS AND
DEPRECIATION COST**



PART-IV : ACCOUNTING POLICIES

OPERATING SYSTEMS PROCEDURES AND ACCOUNTING PROCEDURE

SECTION NO. - 20

ACCOUNTING FOR FIXED ASSETS AND DEPRECIATION COST

20

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CHAPTER - 1

INTRODUCTION

1.1 Objectives of The Section

The Accounting for Fixed Assets and Depreciation Cost Section for Development Authorities in Uttar Pradesh aim at establishing effective controls and conform to policies and procedures.

1.2 Scope of Section

This section covers the operating systems policies and procedures and Accounting Standards as issued by Institute of Chartered Accountants of India (1) for Depreciation Accounting (AS-6) and (2) for Accounting for Fixed Assets (AS-10) relating to acquisition, disposal and depreciation on Fixed Assets. Fixed Assets can be classified as the items like Land, Building, Furniture's, Fixtures and Fittings, Electric Installations, Plant & Machinery, Office Equipments, Motor Vehicles, Tools & Implements which are of enduring nature and would have useful life for beyond 2 years. These Fixed Assets except the Land have been termed as depreciable Fixed Assets and are liable for depreciation on yearly basis.

Besides the Fixed Assets for own use, following assets shall also be shown under the Fixed Assets:

- Land acquired for scheme/projects on which no activity has yet started
- Leased properties to the public till such assets are not converted into free hold assets and
- Properties held as investment like public utilities, parks, community centers and open grounds etc.

1.3 Deviations

The deviations from the prescribed policies and procedures would not be permitted unless accompanied by justifiable reasons and requests for the deviation, clearly outlining the following:

- Nature of deviation
- Reasons for deviation
- Time span for which deviation is required
- Procedure that would be followed if deviation is accepted.
- Financial implication of the deviation.

Any deviation from the designed systems and policies would not be permitted unless permitted by Government of Uttar Pradesh (Housing Department).

1.4 Responsibility of the Finance and Accounts Department

The Finance and Accounts would be responsible for the following:

- To record transactions relating to acquisition, disposal of fixed assets and depreciation there on the basis of supporting documents.
- Payment of bills for purchase/acquisition of fixed assets including construction of fixed assets.

1.5 Responsibility of the Purchase and Supply Department

This Department would be responsible for the following:

- To authorize purchase/acquisition of fixed assets.
- To carry out purchase/acquisition/constructor of fixed assets.
- To authorize maintenance and disposal of fixed assets.

1.6 Responsibility of the User Department

- To indent for the fixed assets.
- To obtain expenditure sanction and approval for payment
- To safeguard the assets items under its use and control

CHAPTER – 2 ACCOUNTING POLICIES

2.1 Disclosure of Historical Cost

The 'Fixed Assets' of the Development Authorities in Uttar Pradesh would be disclosed at historical cost in the Annual Accounts, Revaluation of fixed assets would not be permitted unless felt necessary and accordingly approved by the Board after obtaining permission of the Government. In case of revaluation suitable disclosure would be made in the Notes on Accounts to the Annual Accounts. Fixed Assets incase of depreciable assets would be disclosed on written down value in the Annual accounts.

2.2 Cost of Fixed Assets

The cost of the various items of fixed assets would include costs incurred till putting the fixed assets to their use. Such cost would include, to the extent applicable, the acquisition cost, direct costs like freight, taxes, and labour charges, installation charges, professional fees and other expenses that could be directly attributed to purchase/acquisition of the concerned assets. In case properties are transferred from any scheme for own use or assets leased out to the public and properties held as investments, cost of such properties shall be determined as per costing procedures for pricing of the properties for sale.

In accordance with these norms, the expenditure on specific types of assets would include the following:

a) Land and Land Rights

i) Free hold Land

- Acquisition cost/price of land
- Site preparation
- Compensation paid for acquisition
- Cost of other facilities surrendered by the seller
- Registration charges including stamp duty, legal charges etc.

ii) Leasehold Land

- Lease premium payable
- Cost of other facilities surrendered by the seller
- Cost of site development including cost like leveling charges, filling charges etc.
- Registration charges including stamp duty, legal charges etc.

b) Building

The cost of building would be determined in a manner similar to the one adopted for the cost of land and land rights.

c) Vehicles

- Purchase price
- Registration charges, including tax if any
- Fabrication charges, if applicable
- Initial Insurance charges

d) Furniture, Fixtures, Office Equipment, Plant & Machinery and others

- Purchase price
- Freight & cartage
- Installation charges, if any.

e) Leased Out Fixed Assets

- Acquisition cost
- Land development cost
- Compensation
- Cost of other facilities surrendered by the vendor
- Other development cost including provisions for services and maintenance facilities.

f) Fixed Assets held as Investment

Cost shall be determined as per costing procedures for pricing of properties for sale.

2.3 Classification Of Fixed Assets

The Fixed Assets of the Development Authorities shall be broadly classified in to four major categories Viz

- a. Fixed assets for own use.
- b. Fixed assets leased out to the public
- c. Fixed assets not for own use or sale i.e. held as investment and

- d. Land acquired for schemes on which no development or construction activity has yet started

While fixed assets for own use shall include items stated at (a) to (d) under Para 2.2 above, fixed assets leased out to the public shall include cost of assets leased to public. These assets shall continue to be shown as assets of the Development Authorities until the leased assets are converted in to freehold assets.

Fixed assets not for own use or sale but held, as investment in properties shall include open grounds, parks, community centers, and other public utilities having economic significance. Fixed assets as stated at (a) and (c) above are subject to depreciation. Where as fixed assets stated at (b) are usually plots and or land and are not depreciable, hence no depreciation is required to be charged on these assets. Fixed assets as stated at (d) above shall include land acquired on which no development /construction activity has been started till the end of year. Upon commencement of scheme/project cost of corresponding land shall be transferred to the "Scheme/Project Works in Progress" and dealt with as provided in the Section on "Accounting for Works."

2.4 Revaluation of Fixed Assets

The assets would be revalued, after the approval from the Government of Uttar Pradesh (Housing Department), as and when required, after a technical evaluation by a committee constituted by Vice Chairman of Development Authority. The increase/decrease in the value of the assets on account of such revaluation would be debited/credited to a Fixed Assets Revaluation Account."

The method adopted, the frequency and quantum of such revaluation, would be disclosed separately in the Notes to Annual Accounts.

2.5 Improvements to the Fixed Assets

The value of fixed assets would be increased if a substantial improvement, alteration or renovation to the existing assets, results in any of the following

- Estimated useful life of the assets is enhanced
- Enhancement to the utility, capacity or performance of the concerned assets to a substantial degree.
- Enhancement in the future benefits from the existing assets.

If the improvement, modification does not yield in either of these benefits, the expenses would be charged in the year in which it was incurred and accordingly any extensive repairs to the assets would not be capitalized.

2.6 Point of Capitalization

An asset would be capitalized on the date of its first use. The value of capitalization would be the aggregate of all concerned costs incurred on assets up to the time the asset would be first put to use, in accordance with the policies stated in this section.

2.7 Depreciation

Depreciation would be charged on depreciable fixed assets on yearly basis from the year of capitalization in accordance with the provisions of the Companies Act, 1956 following written down value method. The useful life of major depreciable fixed assets or classes of depreciable assets may be evaluated where there is a revision of the estimated useful life of an asset, the unamortised depreciable amount will be charged over the revised remaining useful life. In case of revaluation of depreciable fixed assets the provision for depreciation shall be based on the revalued amount and on the estimate of the remaining useful life of the assets.

Properties held as investment are subject to amortization and shall be amortized over the useful life of such assets. Rate of amortization shall be same as depreciation rate in the case of depreciable assets. Leased assets are usually plots and /or lands and hence are not subject to depreciation.

2.8 Profit/Loss on the Sale/Disposal of Fixed Assets

Any profit or loss from the sale/auction/disposal of an asset would be accounted for and recorded in the Income and Expenditure Account under separate head of Account.

2.9 Capital Work-in Progress

The expenditure incurred on assets, which are yet to be commissioned/completed, would be disclosed in the Balance Sheet as "Fixed Assets Capital work in Progress."

2.10 Physical Verification of Fixed Assets

Annual physical verification shall be carried out by the Department /Division as specified as per the order of Vice -Chairman. Periodic physical verification shall be carried out by the Purchase and Supply Department

CHAPTER – 3

OPERATING SYSTEMS AND PROCEDURES

The Purchase and Supply Department would authorize the acquisition maintenance and disposal of fixed assets. The Stores Department, would co-ordinate the purchase receipt, issue of fixed assets to the user and the subsequent disposal of the asset. The Finance and Accounts Department would maintain relevant books and records and accounts with regards to fixed asset

3.1 Purchase/Acquisition of the Fixed Assets

3.1.1 Requisition for an Asset

Purchase/Acquisition of fixed assets would be carried out by the Purchase and Supply Department as and when the user department raises the requisition for the same. The policies and procedures laid down in the Section on “ Procurement Procedures “of the Manual would be followed.

3.1.2 Advance Payment to Supplier

The Purchase and Supply Department would forward a payment advice to the Finance and Accounts Department duly authorized by the competent authority only if the contract has an advance payment clause.

The Finance and Accounts Department would make advance payment after checking the purchase order payment advice of the Purchase and Supply Department and obtaining approval of the Finance Controller/Chief Accounts Officer/H.O.D of Finance and Account Department.

3.1.3 Receipts of the Material

The Stores Department would prepare Material Inward Note (MIN) on receipt of fixed assets and after inspection, testing and acceptance of the fixed assets MIN along with challan and bills would be processed by Purchase and Supply Department for approval and payment. Second copy of MIN, challan and bill would be retained by the Stores Department for making entries in the Fixed Assets Register (Form No FA-1). All the items shall be entered with locations & no. for proper identification.

3.1.4 Payment of Bills

On receipt of the bill the Purchase and Supply Department would process the bill and forward the approved bill to the Finance and Accounts Department who would check MIN, Challans with Purchase Order, bills of contractors with MB and terms of contract and if it is found in order, payment vouchers would be prepared. Payment would be made on approval of the Head of the Finance and Accounts Department. However if the bill is not in order, then it would be referred back to the Purchase and Supply Department for clarifications and/or necessary amendment.

3.2 Physical Verification

The Purchase and Supply Department would conduct periodic physical verification of fixed assets. The annual physical verification shall however be carried out by the Division/ Department as per the order of the Vice Chairman. In case of any discrepancy, a separate report highlighting the nature of discrepancies and its financial implication shall be communicated to the appropriate authority for necessary action. Physical Verification Report shall be prepared in (Form No FA-2).

3.3 Insurance of Fixed Assets

The fixed assets of the Development Authorities would be insured adequately.

3.4 Improvement/Alteration to Fixed Assets

The expenses incurred in increasing the future benefits from an asset beyond the previously assessed life or performance standard shall also be capitalized.

3.5 Sale/Disposal of Fixed Assets

For effective control over disposal / sale of fixed assets, the Vice-Chairman would constitute a committee as provided under Para 3.13 of Section on “Accounting for Materials and Stores” of the Manual.

The concerned User Department would prepare a Fixed Assets Disposal Requisition (Form No FA-3) for the fixed asset that are required to be sold, discarded or scrapped. The requisition would be

prepared in triplicate, 2 copies would be sent to the Purchase and Supply Department. The Purchase and Supply Department shall put the matter before the committee.

The committee would indicate the decision on the Fixed Assets Disposal Requisition. One copy of the Fixed Asset Disposal Requisition would be sent to the concerned/User Department and other to the Finance and Accounts Department.

As advised by the committee the Purchase and Supply Department would invite tenders for sale of the assets. The tender invitation procedure would be same as laid down in "Procurement Procedures". On receipt of the tenders from the potential buyers, the committee would select the most appropriate buyer through the analysis of all the tenders. The asset can also be sold through auction. The selected buyers would be issued a Delivery Challan (Form No FA-4) prepared by the Purchase and Supply Department in duplicate. The Finance and Accounts Department would prepare a Sale Invoice (Form No-FA-5) on the basis of delivery challan in triplicate

1st Copy - Buying Party
2nd Copy - The Purchase and Supply Department
3rd Copy - The Finance and Accounts Department

The buyer would make payment against the invoice raised. On receipt of the money, the Finance and Accounts Department would prepare Money Receipts in triplicate.

1st Copy - Buying Party
2nd Copy - The Finance & Accounts Department
3rd Copy - File Copy

3.6 Depreciation

The Finance and Accounts Department shall calculate the depreciation on items of depreciable Fixed Assets at the prescribed rates and will duly enter in the fixed assets Register under each head of fixed assets at the end of the year and work out the net written down value of asset. The depreciation so provided shall be recorded in Schedule of Fixed Assets (Form No FA-6) after passing the necessary entries in the Books of Accounts.

3.7 Revaluation of Fixed Assets

On revaluation of the fixed assets the increase/decrease in value shall be duly recorded under the respective head in the Fixed Asset Register by the Finance and Accounts Department.

3.8 Transfer of Properties from Scheme /Project and Vice-Versa

3.8.1 Cost of Land Acquired for the Schemes

As stated earlier cost of land and land acquisition cost shall be shown under the head fixed assets till any development construction activity is not started on such land. Upon commencement of scheme, cost of corresponding land shall be transferred to scheme work in progress. Accounting entries for this item has been suggested in the Section on "Accounting for Works".

3.8.2 Constructed Property taken to Own Use

Pricing of the property developed or constructed under any scheme shall be done as per the costing procedures for the pricing of properties. Cost of such properties shall be transferred by way of adjustment entries passed through the Journal Book.

3.8.3 Properties Leased Out

As per the policy of Government, assets leased to the public shall be treated as the assets owned by the Development Authorities till such properties are converted into free hold property. Accounting treatment for leased assets have been dealt with in the Section on "Accounting for Properties and Related Revenue".

3.8.4 Properties held as Investment

The Development Authorities are fulfilling their social obligations by building /developing social / cultural infrastructures. Provision for open group, parks, community centers and other utilities are made in the scheme. Some of the assets like community centers; parks etc have economic significance as well. Assets having economic significance shall be shown as properties held as investment under the head fixed assets.

Costing of such properties shall be done as per pricing policy under the scheme. Cost of such properties shall be transferred to fixed assets by way of adjustment entries passed through the Journal Book.

3.9 Fixed Assets Journal

The Prime entries shall be made in the Fixed Assets Journal [Form No-FA-7].

CHAPTER - 4

ACCOUNTING PROCEDURES

The Fixed Assets Register and the related records would be maintained by the Finance and Accounts Department.

4.1 Fixed Assets Register

The Fixed Asset Register shall be maintained in the prescribed format (Form No FA-1) for each class of Assets e.g. Land, Building, Furniture & Fixture, Electric Installation, Vehicle and Plant & Machinery etc as well as for different major groups viz (1) Fixed assets for own use (2) Fixed assets leased out to the public and (3) Fixed Assets held as investment and (4) Land acquired but not put to use.

4.2 Accounting for Purchase/Acquisition of Fixed Asset

4.2.1 Purchase

The Finance and Accounts Department would credit the concerned supplier account in the General Ledger based on purchase bill and other record. The Following entry would be made in the Purchase of Materials, Store and Fixed Assets Journal Book (Performa given in the Section on "Accounting of Materials and Stores" of the Manual).

Debit	Fixed Asset Account	[Group Account Code]
	Fixed Assets Under Own Use Account	[Sub Group Account Code]
	Individual Asset Account	[Account Code]
Credit	Sundry Creditors	[Group Account Code]
	Individual Party Account	[Account Code]

4.2.2 Acquisition/Construction

on receipt of the bill from the contractor

Debit:	Fixed Asset Account	[Group Account Code]
	Fixed Assets Under Own Use Account	[Sub Group Account Code]
	Fixed Assets Capital Work in Progress Account	[Account Code]
Credit:	Contractors Account	[Group Account Code]
	Individual Party A/c	[Account Code]
	TDS/Trade Tax /Work Contract Tax Payable Account	[Sub Group Code]
	Relevant Account	[Account Code]

Upon completion of construction/acquisition and handing over of possession, amount held in Capital Work in Progress would be transferred to the respective fixed asset account by passing following entry

Debit:	Fixed Asset Account	[Group Account Code]
	Fixed Assets Under Own Use Account	[Sub Group Account Code]
	Individual Asset Account	[Account Code]
Credit:	Fixed Assets Account	[Group Account Code]
	Fixed Assets Under Own Use Account	[Sub Group Account Code]
	Fixed Assets Capital Work in Progress Account	[Account Code]

4.2.3 Payments

The Finance and Accounts Department upon receipt of bill along with supporting duly verified and passed for payment, would prepare payment voucher. After obtaining approval of the Finance Controller/Chief Accounts Officer, the cheque would be prepared and sent to the party. The entry would be recorded in the Bank Book.

Debit:	Sundry Creditors Account	[Group Account Code]
	Individual Party Account	[Account Code]
Debit:	Contractors Account	[Group Account Code]
	Individual Party Account	[Account Code]
Credit:	Banks Account	[Group Account Code]
	Relevant Bank Account	[Account Code]

4.3 Accounting for Sale/Disposal of Fixed Assets

The Finance and Accounts Department on receiving an approved intimation from the 'Committee' in respect of sale of the scrapped asset prepare the 'Asset Sale Invoice' and record the transaction in the Fixed Assets Register.

4.3.1 Sale of Fixed Asset

The entry would be passed in the journal Book by the Finance and Accounts Department.

Debit: Sundry Party Account	[Group Account Code]
Individual Party Account	[Account Code]
Credit: Fixed Assets Account	[Group Account Code]
Fixed Assets Under Own Use Account	[Sub Group Account Code]
Fixed Asset Disposal Account	[Account Code]

4.3.2 Receipt of Payment

On receipt of payment from the buying party, the entry would be recorded in the Cash Book/Bank Book.

Debit: i) Cash Account	[Account Code]
ii) Banks Accounts	[Group Account Code]
Relevant Bank Account	[Account Code]
Credit: Sundry Party Account	[Group Account Code]
Individual Party Account	[Account Code]

4.3.3. Adjustment of Fixed Assets Account and Accumulated Depreciation Account

The Finance and Accounts Department would compute the depreciation written off and following details would be computed from the Fixed Assets Register [Form FA - 1]

- Original Cost
- Depreciation Written off

The following entry would be recorded in the Journal Book.

i) For Transferring Accumulated Depreciation to Fixed Assets Disposal Account

Debit: Accumulated Depreciation Account	[Group Account Code]
Accumulated Depreciation on Individual Asset Account	[Account Code]
Credit: Fixed Assets Account	[Group Account Code]
Fixed Assets Under Own Use Account	[Sub Group Account Code]
Fixed Assets Disposal Account	[Account Code]

ii) For transferring value of the asset to Fixed Assets Disposal Account

Debit: Fixed Assets Account	[Group Account Code]
Fixed Assets Under Own Use Account	[Sub Group Account Code]
Fixed Asset Disposal Account	[Account Code]
Credit: Fixed Assets Account	[Group Account Code]
Fixed Assets Under Own Use Account	[Sub Group Account Code]
Individual Asset Account	[Account Code]

Note: However, Fixed Assets would be shown at written down value in the Annual Accounts

4.3.4 Profit/Loss on Sale

Entries would be made in the Journal Book

Profit	Debit: Fixed Assets Account	[Group Account Code]
	Fixed Assets Under Own Use Account	[Sub Group Account Code]
	Fixed Asset Disposal Account	[Account Code]
	Credit: Profit on Sale of Fixed Asset	[Account Code]
Loss:	Debit: Loss on Sale of Fixed Asset	[Group Account Code]
	Credit: Fixed Assets Account	[Group Account Code]
	Fixed Assets Under Own Use Account	[Sub Group Account Code]
	Fixed Asset Disposal Account	[Account Code]

4.4 Accounting for Provision of Depreciation on Fixed Assets

The Fixed Assets would be depreciated annually, based on the rates provided under the Companies Act, 1956 on written down value method.

In case of leasehold assets the value of lease would be written off equally over the period of lease or the useful life of the asset, whichever is less.

The depreciation provided would be recorded in the Fixed Assets Register by the Administration Department and a statement of Gross Block, Depreciation Block and Net Block would be prepared [Form FA - 6]

The Finance and Accounts Department would on the basis of Depreciation statement for each block, record the following entry in the Journal Book.'

Debit: Depreciation Account	[Group Account Code]
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Depreciation on Individual Asset Account	[Account Code]
Credit: Accumulated Depreciation Account	[Group Account Code]
Accumulated Depreciation on Individual Asset Account	[Account Code]

4.5 Accounting for Revaluation of Fixed Assets

The Finance and Accounts Department on receiving the permission of competent Authority would record the following entry in the Journal book, regarding revaluation of an asset after technical evaluation

Debit: Fixed Assets Account	[Group Account Code]
Individual Asset Account	[Account Code]
Credit: Fixed Asset Revaluation Reserve Account	[Group Account Code]
Individual Assets Revaluation Reserve Account	[Account Code]

In case the depreciation asset is revalued, the provision for depreciation would be based upon the revalued amount and estimate of the remaining useful life of the asset. The amount standing to the credit of Revaluation Reserve Account would be credited equally to the Income and Expenditure Account over the period of life of concerned revalued assets. The revaluation remaining useful, which would have material effect, would be disclosed in the Notes to Annual Account in the year in which revaluation has been carried out.

4.6 Accounting for Acquisition of Leasehold Assets [For Own Use]

The details of assets taken on lease, would be recorded in the 'Lease Assets Register [Form FA - 5] to be maintained by the Finance and Accounts Department.'

The Finance and Accounts Department would record the following entries

i) On Acquisition of Lease Hold Asset

The entry would be recorded in the Journal Book

Debit: Fixed Assets Account	[Group Account Code]
Fixed Assets Under Own Use Account	[Sub Group Account Code]
Leasehold Asset Account	[Account Code]
Credit: Sundry Parties	[Group Account Code]
Lease Premium - Fixed Assets Payable A/c	[Account Code]

ii) On payment of Lease Premium, Lease Rental

Lease Premium

The entry would be recorded in the Bank Book

Debit: Sundry Parties Account	[Group Account Code]
Individual Party Account	[Account Code]
Credit: Banks Account	[Group Account Code]
Bank Account	[Account Code]

Lease Rent

Debit: Lease Rental on Individual Assets Account	[Account Code]
Credit: Banks Account	[Group Account Code]
Bank Account	[Account Code]

4.7 Accounting for Improvement to Fixed Assets

Expenses (including salaries, wages and Administration cost incurred in increasing the future benefits of an existing asset beyond its previously assessed standard of performance would be capitalized to the value of the asset.

The Administration Department would inform to the Finance and Accounts Department regarding expenses incurred on improvements and alterations to fixed assets. The Finance and Accounts Department would capitalize the expenses in the Journal Book by passing the following entry

Debit: Fixed Assets Account	[Group Account Code]
Fixed Assets Under Relevant Group Account	[Sub Group Account Code]
Individual Asset Account	[Account Code]
Credit: Establishment Cost Capitalized Account	[Account Code]
(With the amount allocated)	
Administration Cost Capitalized Account	[Account Code]
(With the amount allocated)	

4.8 Accounting for Capital Work-in Progress and Capitalization of Capital Work-in-Progress

In case of an assets not yet commissioned or under construction (to the extent of bills submitted), amount would be parked under Fixed Assets-capital-work-in-Progress Account, and upon commissioning/completion of construction amount so held would be capitalized to respective Fixed Asset Account. The Finance and Accounts Department would on Capitalization, make the following entry in the Journal Book.'

Debit: Fixed Assets Account	[Group Account Code]
Fixed Assets Under Own Use Account	[Sub Group Account Code]
Individual Asset Account	[Account Code]
Credit: Fixed Assets Account	[Group Account Code]
Fixed Assets-Capital Work-in-Progress Account	[Account Code]

4.9 Accounting for Advance given to Contractors for Contracts under Progress

The advances made to contractors for work and/or for supply of items of fixed assets, shall be treated as advance payments until the contract is complete. On the completion of the contract, the entire advance shall be adjusted against the final contract price, the same shall be disclosed in the Balance Sheet as a separate item under the heading Fixed Capital Expenditure. Following entry may be passed in the Journal Book.

Debit: Fixed Capital Expenditure	[Group Account Code]
Individual Party Account	[Account Code]
Credit: Bank Account	[Group Account Code]
Individual Bank Account	[Account Code]
(Advance given to Contractor for work/material)	

On completion of the work and/or supply of item of Fixed Assets

Debit: Fixed Asset Account	[Group Account Code]
Individual Asset Account	[Account Code]
Credit: Fixed Capital Expenditure	[Group Account Code]
Individual Party Account	[Account Code]

4.10 Accounting Special Transactions

4.10.1 Land Acquired for Scheme

Cost of land on which no development / construction activities have yet started shall be shown as fixed assets. Upon commencement of scheme cost of corresponding land shall be transferred to the scheme work in progress.

Note: For accounting entries please refer to Section on "Accounting for Works " of the Manual.

4.10.2 Accounting of Leased Assets

Accounting entries have been suggested in the Section on "Accounting for Properties and Related Revenue " of the Manual.

4.10.3 Other Important Entries

Transfer of Property Constructed to Fixed Assets

Following assets upon completion of construction are converted to fixed assets viz

- a. Transfer of constructed building for own use.
- b. Transfer of Land /plots on leasing out them and,
- c. Transfer of public utility property.

Transfer entries shall be made from the Properties Journal Book as under:

For own use

Debit Side	Fixed Assets Account	[Group Account Code]
	Fixed Assets for Own Use Account	[Sub Group Account Code]
	Relevant Fixed Assets Account	[Account Code]
Credit Side	Cost of Constructed Properties Account	[Group Account Code]
	Cost of Constructed Properties under Sale of Relevant Property Account	[Sub Group Account Code]

For leased assets

Debit Side	Fixed Assets Account	[Group Account Code]
	Fixed Assets Leased Out Account	[Sub Group Account Code]
	Relevant Leased Property Account	[Account Code]
Credit Side	Cost of Developed Plots Account	[Group Account Code]

Cost of Developed Plots under the
Relevant Property Leased Account [Sub Group Account Code]

For assets held as investment

Debit Side	Fixed Assets Account	[Group Account Code]
	Fixed Assets held as Investment Account	[Sub Group Account Code]
	Relevant Fixed Assets Account	[Account Code]
Credit Side	Cost of Developed Plots Account	[Group Account Code]
	Cost of Developed Plots under the Relevant Scheme Account	[Sub Group Account Code]
	Sale of Relevant Plot Account	[Account Code]
	Or	
	Cost of Constructed Properties Account	[Group Account Code]
	Cost of Constructed Properties under the Relevant Scheme Account	[Sub Group Account Code]
	Sale of Relevant Property Account	[Account Code]

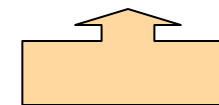
4.10.4 Amortization of Cost of Properties held as Investment

Properties held, as investment shall be amortized in the same manner as depreciation. Such properties shall be disclosed in Annual Accounts separately.

4.10.5 Reflection of Fixed Assets in the Annual Accounts

4.10.6

Particulars	Amount	Amount
Gross Block of Fixed Assets		
A: Land Acquired for Schemes		
B: Assets for Own Use		
C: Assets Leased to the Public		
D: Properties held as Investment In Public Utilities		
Less: Depreciation/Amortisation Block of Fixed Assets		
A: Depreciation on Assets for Own Use		
B: Amortization of Properties held as Investment In Public Utilities		
Net Block of Fixed Assets		



FORM FA-1

UTTAR PRADESH DEVELOPMENT AUTHORITIES FIXED ASSETS REGISTER

Name of Asset and Asset Code

Block of Asset and Block Code

Date of Installation

Date on which put to use

Purchase Details

Voucher

No. Date

Particulars

Name of Supplier

MIN

Value

F.Y. 2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2010-11 2011-12 2012-13 2013-14 2014-15

Freight

Erection Cost

MIS Expenses

Total

Physical Verification

Date

Name

Designation

Signature

Remarks

Depreciation

Rate

Depreciation

Up to pr. year

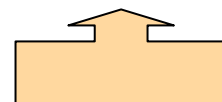
Depreciation

for the year

Total Depreciation

Net Value

Insurance Details



FORM FA-2

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FIXED ASSETS DISPOSAL REQUISITION**

To
The Approving Authority
.....
.....

Date:

The following assets are sought to be sold/discarded/scrapped/destroyed.
We request you to consider the same and do the needful in this regard.

S.No.	Assets	Particular	Location	Gross Value W/o	Dep.	W.D.V.	Remark(s)
-------	--------	------------	----------	--------------------	------	--------	-----------

1 Signature of
Concerned Head of Department

FORM FA-3

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DELIVERY CHALLAN**

Challan No.

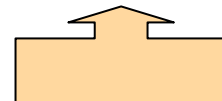
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Date

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M/S			No. of Cases/Qty. Weight
Dispatched		Mode of Dispatch	No. of RR/LR
From	To	Freight	Invoice Number
Insured by us		To Pay	Paid
Yes	No		
S.No	Description	Quantity	Remarks

For Development Authority
Authorised Signatory



FORM FA-4

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FIXED ASSETS SALE INVOICE**

Challan
No.

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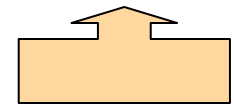
Date

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S.No.	Description	Qty.	Rate	Amount	Amount
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For Development Authority

Authorised Signatory



FORM FA-5

UTTAR PRADESH DEVELOPMENT AUTHORITIES
PART-1: LEASED ASSETS REGISTER

Name of Asset and Asset Code
Block of the Asset and Block Code
Date of Acquisition/Installation
Date of which put to use
Lease Agreement No.

Situation of Fixed Asset
Transfer to other places

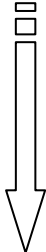
Lease Period

Voucher No. Date	Insurance Details													
Particulars														
Name of Supplier														
MIN														
Value	F.Y.													
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2010-11	2011-12	2012-13	2013-14	2014-15
Freight														
Erection Cost														
MIS Expenses														
Total														
Physical Verification														
Date														
Name														
Designation														
Signature														
Remarks														
Depreciation														
Rate														
Depreciation Up to pr. year														
Depreciation for the year														
Total Depreciation														
Net Value														



PART II – FIXED ASSET

Net Payable				Fixed Assets				
Payable	Amount Withheld	Net Payable	Suppliers Ledger Folio	Computer & Other Office Equipments	Electronic Equipments	Heavy Equipments and Machines	Furniture & Fixtures	Others
27	28	29	30	31	32	33	34	35



PART-IV : ACCOUNTING POLICIES

**OPERATING SYSTEMS PROCEDURES
AND
ACCOUNTING PROCEDURES**

SECTION . - 21

**ACCOUNTING FOR INVESTMENTS,
RELATED
INCOME AND AMORTISATION COST**



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CHAPTER-1 INTRODUCTION

1. Objectives of the Section:

This section on 'Accounting for Investments, Related Income and Amortization Cost' for the Development Authorities in Uttar Pradesh aims at establishing effective and uniform policies and procedures for investment of surplus funds and accounting thereof. The specific objectives of the section are as follows:

- (i) To specify policies, rules and procedures for effective monitoring of surplus funds generated from operation of Development Authorities including their investment and disposal.
- (ii) To develop strategies for the investment and determination of mode of investment.
- (iii) To develop investment plan for gaining optimum yield including design of investment plan for ensuring smooth funds management.
- (iv) To chalk out strategies for investment of borrowed funds if remaining unutilized.
- (v) To develop strategies for investment in properties including public utilities etc held as fixed assets and determination of tariff / rentals etc. of these properties

1.2 Scope of the Section:

The section covers operating systems, procedures, accounting policies and procedures related to the 'Accounting for Investments Related Income and Amortization Cost' in Development Authorities in Uttar Pradesh. The section also includes accounting for investment, recognition of interest/income earned on investments and other receipts from investment. However, the section does not deal with investment of retirement benefit plans.

1.3 Mode of Investment:

Modes of investment as elucidated in the following chapters of this Section of Manual are illustrative and suggestive in nature. Investments shall however be made as per the modes prescribed by Government of Uttar Pradesh through Government Orders from time to time which at present is for Fixed Deposits with Nationalized Bank(s), Uttar Pradesh Co-operative Bank Ltd. and District Urban Co-operative Banks.

1.4 Deviations:

Under no circumstances deviation from the designed systems and policies would be allowed unless permitted by Government of Uttar Pradesh (Housing Department).

1.5 Responsibility of the Finance and Accounts Department:

The basic responsibility of Finance and Account Department would be to record the transactions pertaining to funds investment, their disposal and to ensure timely realization of interest/income and other receipts. The Finance and Accounts Department would also be responsible for maintaining investment records and generating reports for MIS and Audit.

1.6 Responsibility of Investment Committee:

The investment committee would be responsible for fruitful and judicious investment of surplus funds and shall strictly follow the modes of investments prescribed by Government of Uttar Pradesh from time to time .

1.7 Responsibility of the Audit:

The basic responsibility of the Audit shall lie with the Local Fund Audit and /or AG Audit; they shall examine, interlia, whether the investments have been made in fruitful and judicious manner as per the criteria laid down. Any suggestion and/or comments of Audit would be duly considered and implemented by the Finance and Accounts Department .

CHAPTER-2

ACCOUNTING POLICIES

2.1 Classification of Investment:

2.1.1 The Development Authorities in Uttar Pradesh would classify current and long term investment distinctly broadly under the following categories

- a- Investment in Debentures, Bonds Units and Fixed Deposits etc.
 - Government or Trust Securities
 - Debentures or Bonds of Public Sector Undertakings
 - Fixed Deposits with Nationalized Bank/U.P. Co-operative Bank Ltd./District Urban Co-operative Bank Ltd.
 - Other Securities like N.S.C's, K.V.P's

- b- Investment in Properties not for Sale or Own Use.
 - Public Utilities like Parks, Community Centers, Open land, and Building for P&T etc.These assets shall be shown under the head Fixed Assets viz. with Sub head as Investments in public utility properties

2.1.2 Disclosure in the notes on Accounts to the Annual Accounts would include classification of investment as per para 2.1.1 above.

2.2 Cost of Investments:

2.2.1 Investment in Debentures, Bonds, Units and Fixed Deposits.

The cost of investments would include acquisition charges such as brokerage charges, fees and duties etc.

2.2.2 Investment in Properties:

Cost of properties not for sale and own use would be treated as long term investments and shown under the head Fixed Assets. Cost of such properties would be determined on commercial basis i.e. cost of land, cost of construction, other direct cost such as interest on borrowed funds and establishment and administration cost on predetermined basis.

2.3 Changes in Carrying Amounts of Investments:

Any reduction in carrying amount and every reversal of such reduction would be charged or credited to Income and Expenditure Account as the case would be.

2.4 Disposal of Investment:

On disposal of investment, the difference between the carrying cost and net disposal proceeds would be charged or credited to Income and Expenditure Account.

2.5 Recognition of Revenue from Investments:

2.5.1 Dividend and Interest on Debentures, Bonds and Units of Mutual Funds.

- a- Under the cash income plan revenue on account of dividend / interest on debentures, bonds and units would be recognized in the year of receipt .
- b- Under the re investment of income plan revenue on account of dividend /interest on debentures, bonds would be recognized in the year in which credit for such income is given on respective investment.

- c- Under the growth plan, profit or loss on sale/encashment of investments would be recognized in the year of sale / encashment of respective investment.

2.5.2 Interest on Term Deposits with Nationalized Bank(s), UP Co-operative Bank Ltd and District Urban Co-operative Bank and others.

Revenue on account of interest on term deposits would be recognized on accrual basis.

2.5.3 Income from Properties other than for Sale /Lease or Own Use:

Revenue on account of sale of park tickets, booking of property, entrance fee etc. would be recognized in the year of receipt on receipt basis. Revenue on account of rent, lease rent license fee etc. would be recognized in the year in which such income accrues on accrual basis.

2.6 Amortization of Cost of Properties not for Sale or Own Use:

Cost of investments in properties not for Sale or Own Use (like public utilities) would be amortized over the expected useful life of the asset. In case of investments in play grounds, parks etc. unless land acquired is on lease basis, amortization would not be required. However temporary structures and facilities provided at parks, playgrounds etc. would be amortized over the expected useful life of such structure or facility.

CHAPTER-3

OPERATING SYSTEM AND PROCEDURES

3.1 Investment Policy:

Main object of Development Authorities is to develop properties and provide them to the public at reasonable cost. Investment policy would aim at supplementing the said object. Design and framework of investment policy would include:

- I- Identification of surplus funds generated from the operation including borrowed funds remaining unutilized.
- II- How long surplus funds would remain idle (justified by projected inflow and outflow statement and long term projections).
- III- What would be source of financing an activity arising in between (i.e. before maturity of earmarked investment), whether it may be financed through some other means say short term investment (un earmarked) design of investment plan should take care when liquidity of invested money is desired or alternative arrangements if any to be made.
- IV- The investment decision would be based on considerations like optimum yield, uninterrupted funds inflow and outflow, liquidity, security and diversification of investment portfolio.
- V- The investment plan would comprise and would be in conformity of investment strategies and procedures and criteria and investment pattern.
- VI- Mode of investment would be decided on case-to-case basis.
- VII- In no circumstances lapses in procedures and criteria would be allowed.
- VIII- Maintenance of adequate records to provide input to MIS for taking decision.
- IX- A committee comprising Vice Chairman, Secretary and HOD Finance and Accounts Department would take all the decisions regarding investments of funds and disposal of investments. The committee would record its decisions in writing.
- X- Nature of investment i.e. short term or long term would be determined on the basis of criteria at (II) and (III) above.
- XI- Investment decision would be taken on the basis of comparative study of investment opportunities, expected yield and risk attached to each of the alternative.
- XII- Funds/loan received from HUDCO or any other financial institution shall invariably be entered in Bank book and Loan Register and would be put to short term fixed deposits account with Bank till these funds are not put to use.
- XIII Criteria would be adhered to while making investments.
However investment shall be as per G.O.'s issued by Housing Department, Government of Uttar Pradesh from time to time.

Type of Securities	Investment Criteria
Debentures /Bonds	Government Corporations, Financial Institutions having AAA track and good track record.
Post Office and :Government Securities	N.S.C's,K.V.P.'s, Post Office Deposits and Government Securities.
Term Deposits	Nationalized Bank , UP Cooperative Bank, District Urban Co-operative Bank, Financial Institutions and Government Corporations having AAA rating.
Properties	Investment in properties not for Sale or Own Use (Like public utilities including commercial use properties etc). Investment decision would be justified by cost benefit analysis when public utilities are developed with in a project/scheme avenues of revenue generation would not be disregarded in any case.

3.2 Investment Strategies:

Investment strategies would be directed to achieve the following objectives:

- Identification of surplus /idle funds.
- Determination of best course of action under given situation.
- Short term and long term investment management
- Investment portfolio management
- Review of existing investments

3.2.1 Identification of Surplus /Idle Funds:

Identification of surplus /idle funds would be done at end of each quarter as under:

3.2.1.1 Surplus funds would be determined on quarterly basis by preparing projected /estimated inflow outflow statement for the following quarter and remaining quarters of the financial year:

3.2.1.2 Determination of Funds Requirements

S.No	Head	Next Quarter	Remaining Quarters Of Financial Year	Basis
1.	Establishment cost:			Annual Budget (i.e.1/4 th of Budget for one quarter)
2.	Administration cost:			Annual Budget (i.e.1/4 th of Budget for one Quarter)
3.	Property development cost:			Demand Raised By Engineering Department: Funds Demand as raised by Engineering Department would be further broken into quarterly figures by said Department based upon schedule of Implementation. Such demand is raised for each of the works. Supplementary demands for new works taken up during the year would be determined on same lines.
4.	Loan repayments including payment of interest.			Repayment schedule
5.	Decrease in current liabilities and outstanding Expenses			Estimates
6.	Increase in current assets sundry debtors and other receivables.			Estimates
7.	Acquisition of fixed asset			Annual Budget
8.	Loans and advances to employees			Annual Budget
9.	Others.			Estimates
	Total (Rs.)			

3.2.1.3 Determination of Availability of Funds:

S.No	Head	Next Quarter	Remaining Quarter	Basis
1.	Lump sum/cash sales			Annual Budget (1/4 th of Annual Budget for one quarter)
2.	Collection from properties sold/ leased out (other than 1 above)			Collection Target achieved against demand Upto previous quarter
3.	Income on Investment			Average earning to Investment
4.	Interest on loans and advances			Based upon previous quarters figure
5.	Other income /receipts(excluding 1 to 4 above)			Annual Budget Estimate (1/4 th of Annual Budget for one quarter)
6.	Loans from HUDCO, banks & financial institutions etc.			Expected Releases
7.	Sale/disposal of investments			Scheduled Maturity
8.	Others			Estimates
	Total (Rs.)			

3.2.1.4 Determination of Surplus Funds:

Surplus Funds would be determined as under:

Particulars	Next Quarter	Remaining Quarters
Opening Cash and Bank Balances:		
Add: Projected Availability of Funds		
	Total (Rs)	
Less: Projected Funds Requirements		
Closing Cash Bank and Balances		
Less: Contingencies Say 10%		
Surplus Funds Available		

3.2.2 Short Term and Long Term Investment Management:

Investments, maturity/disposal of which is scheduled within 12 months period would be termed as short term investments and investments whose maturity/disposal is scheduled beyond 12 months period would be termed as long term investments. Short term investments decision would be taken based on the basis of result of working under 3.2.1.4 above. Every Development Authority should also invest not less than 10% of its net surplus as per Income and Expenditure Account in long-term investments to strengthen its capital base.

3.2.3 Investment Portfolio Management:

(i) Surplus available for ≤3 months period would be invested in bank FDR'S, rate of interest would depend upon actual number of days, the amount remaining deposited with the bank.

(ii) Other short term investments for more than 3 months but less than 12 months would be made as the investment committee thinks fit recording the reasons of its decision.

(iii) Long term investments would be decided on case to case basis as per criteria given under para 3.1 above.

3.3 Authorization of Investment Decisions:

The Head of Finance and Accounts Department would prepare the case for fresh investment and disposal of existing investment duly supported by projected inflow outflow statement, disposal details. Proposal would be put in front of the investment committee. The committee would decide the matter. Decision taken by the committee would be recorded in writing. In case of investments in properties appropriate authority would take decisions at the time of Sanction of Scheme/ Project. The investment committee would decide the mode/portfolio of investment.

3.4 Classification of Investments:

Investments would be classified into short term and long-term investments based upon criteria given under para 2.1.1 above. Investments in properties would be treated as long-term investments. Investments would be disclosed in the Annual Accounts as suggested under para 2.1.2 above.

3.5 Determination of Cost of Investments:

Cost of investments would be determined as suggested under para 2.2. above.

3.6 Carrying Amount of Investments

3.6.1 The carrying amount for short term/current investments is the lower of cost and fair value. In respect of investments for which an active market exists, market value provides the best evidence of fair value. Valuation of short term/current investments at lower of cost and fair value is the prudent method of determining the carrying amount. Lower of cost and fair value would be determined for individual item of investment and not for group of items under the same category. Any reduction to fair value than cost and any reversal of such reduction would be recognized and recorded.

3.6.2 Long term investments would be carried at cost. However, when there is decline, other than temporary, in the value of long term investment, the carrying amount is reduced to recognize the decline. Indicator of the value of investments would be obtained by reference to its market value, the assets and results and expected cash flows from the investments. The carrying amount of long-term investments would be determined on individual investment basis. Where there is a decline, other than temporary, in the carrying amounts of long term investments, the resultant reduction in the carrying amount would be charged to Income and Expenditure Account. The reduction in carrying amount would be reversed when there is rise in the value of investment, or if reasons of reduction no longer exist. Carrying amount of investments in properties would be determined by reducing the amount of amortization from the cost of property (cost of property like building would be amortized in each year as

per the depreciation rates given in schedule XIV of the Companies Act, 1956 on W.D.V method into). Cost of improvement (which results into enhancement in the useful life of the assets or it enhances earning capacity of the asset) would be capitalized and added to the carrying amount of the investment in properties.

3.7 Accounting of Investment Acquisition:

- 3.7.1** Upon authorization of investment proposal by investment committee under para 3.3 above, it would be forwarded to the Finance and Accounts Department. The Finance and Accounts Department would complete the relevant formalities. Upon completion of all the formalities cheque would be prepared in the name of concerned Bank /Corporation/ Post Office etc.
- 3.7.2** Entries would be made in the Bank Book on the basis of payment voucher, copy of authorization and deposit slip. Entries would also be made in the Investment Ledger. [Form No.I-1] commission, brokerage would also be charged to investment.
- 3.7.3** Investment would be made in the name of vice chairman of the Development Authority.
- 3.7.4** Changes in carrying amounts of investments at the year-end based upon valuation of investment as determined under para 3.6 above would be worked out. Entries would be made in the Journal Book on the basis of valuation statement duly authorized by the investment committee. Changes in the carrying amount of investments would also be recorded in relevant investment account in the Investment Ledger.
- 3.7.5** Individual investment accounts would be controlled under control/group account in the General Ledger as per classification norms as per para 3.4 above. In case of investments in properties, upon completion of development cost of individual property as determined under para 3.5 above would be transferred in the Investment Ledger by passing entries in the Journal Book and concerned ledgers.

3.8 Accounting of Revenue from Investments:

- 3.8.1** In case of cash income plan entries would be recorded in the Bank Book on receipt of dividend/interest on Debentures, Bonds and Units etc. Details of receipt would also be recorded in the memorandum column in the investment account in the Investment Ledger.
- 3.8.2** In case of reinvestment of growth income plan, entries would be made in the Journal Book in the year of credit given for such revenue on account of income on Debentures, Bonds and Units etc. Individual investment account in the Investment Ledger would be posted from the Journal Book.
- 3.8.3** In case of interest on term deposits, K.V.P.' s, N.S.C.' s etc entries would be recorded on accrual basis in the Journal Book, individual account in the Investment Ledger would be posted from the Journal Book.
- 3.8.4** In case of growth plan profit/loss on disposal of investments entries would be recorded in the Bank Book/and Journal Book as the case be and posted to the concerned individual account in the Investment Ledger.
- 3.8.5** In case of investment in properties, revenue on account of sale of ticket, booking etc., entries would be recorded on receipt, in the Cash Book/Bank Book, on the basis of summary of collection (Form No I-2& I-3). The details of monthly collection (Form NoI-3) would also be recorded in the memorandum column in the concerned property account in the Investment Ledger. Cost incurred during the month would also be recorded in the monthly summary as advised by the concerned property in charge/care taker.
- 3.8.6** In case of rental income/lease rent, license fee from properties etc. revenue would be recognized on accrual basis and recorded accordingly in the Journal Book. Details of accrual and its realization would also be recorded in the memorandum column of the investment account in the Investment Ledger.
- 3.8.7** It may be noted that revenue would be posted in the Income and Expenditure Account Ledger under the following heads:
- Income From Short Term Investments and
 - Income From Long Term Investments
- In case of long term investments the head would further provide access to Income from Investment in Properties (Property wise).
- 3.8.8** The Accounting entries would be authorized by HOD Finance and Accounts Department.

3.9 Disposal of Investments:

- 3.9.1** On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, would be recognized in the Income and Expenditure Account and accordingly

entries would be recorded in the Journal Book/Bank Book as the case may be and posting would be done in the individual investment account in Investment Ledger.

3.9.2 The individual disposal entries would also be posted under relevant control/group account in the General Ledger.

3.9.3 Each disposal would be authorized by the investment committee as specified under para 3.3 above would authorize each disposal.

3.10 Reclassification of Investments:

3.10.1 Where long term investment are reclassified as short term/current investments, transfer would be made at the value stated in the individual investment account in the Investment Ledger. Adjustment entries would be passed for transfer through the Journal Book.

3.10.2 Likewise where investment are reclassified as short term/current to long term, transfer would be made at value stated in the individual investment account on the date of transfer. Adjustment entries for transfer would be made through the Journal Book.

3.11 Review of the Existing Investments:

3.11.1 The investment committee at least twice in the year, would review the existing investments with respect to risk, earning, security and liquidity and take appropriate decision to determine the future course of action.

3.11.2 The investment committee would record its findings and its decisions.

3.12 Custody of Investments:

Certificates, scripts, instruments, title deeds etc would be kept under safe custody of one Accounts officer and one Accountant as nominated by the HOD Finance and Accounts Department.

3.13 Physical Verification of Investments:

3.13.1 An Officer not below the rank of Assistant Accounts Officer would physically verify the investment certificates, scripts, instruments and title deeds etc at least twice during the financial year. He shall furnish his report to the HOD Finance and Accounts Department.

3.13.2 In case if any discrepancy is found on physical verification, the HOD Finance and Accounts Department would authorize the appropriate action. In case of an abnormal discrepancy, the HOD Finance and Accounts Department would refer the matter to the investment committee, which would resolve the matter and direct appropriate action.

3.14 Amortization of Cost of Investments in Property not for Sale or Own Use:

Cost of investments in long term properties not for sale or own use would be amortized on yearly basis as per the depreciation rates given in Schedule XIV of Companies Act 1956 on w.d.v. method over the expected life of the property. The Finance and Accounts Department would calculate the amount of amortization at the end of each year. The investments committee would review amortization policy at the end of each year. Amortization policy would be reviewed by the investment committee at the end of each year. Change if suggested by the said committee, would be adopted based upon the decision taken by the committee in writing.

3.15 Audit of Investment:

The Finance and Accounts Department would facilitate the audit of investments (pre-audit or post audit) as per the programme given by the auditors.

CHAPTER 4

ACCOUNTING PROCEDURES

4.1 Investments:

Upon purchase/acquisition/construction, entries to be passed are detailed as under:

4.1.1 Investments in Securities:

Debit Side:	Investments Account	[Group Account Code]
	Investments in Securities Short Term	[Sub Group Account Code]
	Investments in Securities Long Term	[Sub Group Account Code]
	Relevant Investment Account	[Account Code]
Credit Side:	(i) Banks Account	[Group Account Code]
	Relevant Bank Account	[Account Code]
	(ii) Cash Account	[Account Code]

4.1.2 Investments in Properties not for Sale or Own Use:

Upon completion of construction and hand over of charge, cost of such property would be transferred from Property Costing Ledger to Investment Ledger. Following entries would be passed in the Cost cum sale/Lease Journal Book:

Debit Side:	Fixed Asset Account	[Group Account Code]
	Fixed Asset for Properties held as Investment Account	[Sub Group Account Code]
	Relevant Asset Account	[Account Code]
Credit Side:	Cost of Developed Properties	[Group Account Code]
	Cost of Developed Properties under the relevant Scheme Project Account	[Sub Group Account Code]
	Relevant Head of Property-Plot/Constructed Property Account	[Account Code]

4.2 Changes in Carrying Amount of Investments: Upon reduction from face value (at year end):

Following entry would be passed in the Journal Book:

Debit Side:	Amounts Written off and other Adjustment Account	[Group Account Code]
	Reduction in Carrying Amount of Investments Account	[Account Code]
Credit Side:	Investments Account	[Group Account Code]
	Investments in Securities Short Term	[Sub Group Account Code]
	Investments in Securities Long Term	[Sub Group Account Code]
	Relevant Investment Account	[Account Code]

Upon reversal of reduction:

Following entry would be passed in the Journal Book:

Debit Side:	Investments Account	[Group Account Code]
	Investments in Securities Short Term	[Sub Group Account Code]
	Investments in Securities Long Term	[Sub Group Account Code]
Credit Side:	Other Income	[Group Account Code]
	Reversal in Reduction of Value of Investments	[Account Code]

4.3 Disposals of Investments:

Upon disposals of Investments following entries would be passed through Bank Book, Cash Book /Journal Book:

Debit Side:	(i) Banks Account	[Group Account Code]
	Relevant Bank Account	[Account Code]
	(ii) Cash Account	[Account Code]

Credit Side : Investments Account [Group Account Code]
 Investments in Securities Short Term [Sub Group Account Code]
 Investments in Securities Long Term [Sub Group Account Code]
 Relevant Investment Account [Account Code]

Profit or Loss on Disposal:

Incase of Loss:

Entry would be passed in the Journal Book

Debit Side: Amounts Written off and other Adjustment Account [Group Account Code]

Credit Side : Profit/Loss on Sale of Investment Account [Account Code]
 Investments Account [Group Account Code]
 Investments in Securities Short Term [Sub Group Account Code]
 Investments in Securities Long Term [Sub Group Account Code]
 Relevant Investment Account [Account Code]

In case of profit, opposite entry would be passed by crediting Profit/Loss Account under the Control/Group Other Income Account.

4.4 Recognition of Revenue from Investments:

4.4.1 Incase of Dividend/Interest on Debentures, Bonds and Units.

Under the Cash Income Plan:

Debit Side: Banks Account [Group Account Code]
 Relevant Bank Account [Account Code]
Credit Side: Income from Investments [Group Account Code]
 Dividend /Interest on Securities [Account Code]

4.4.2 Interest on Term Deposit with Banks, Financial Institutions:

Under Cash Plan :

Debit Side: Banks Account [Group Account Code]
 Relevant Bank Account [Account Code]
Credit Side: Income from Investments [Group Account Code]
 Interest on Term Deposit [Account Code]

Under Reinvestment Plan:

Upon Accrual of interest entry would be passed in the Journal Book

Debit Side: Investments Account [Group Account Code]
 Investments in Terms Deposits [Account Code]
Credit Side: Income from Investments [Group Account Code]
 Interest on Term Deposit [Account Code]

4.4.3 Revenue from Properties Other than for Sale or Own Use:

Revenue on account of Rent, Lease Rent etc.

Entry would be passed on accrual basis in the Journal Book/Daily Collection Register

Debit Side : Banks Account [Group Account Code]
 Relevant Bank Account [Account Code]
 Cash Account [Account Code]

Credit Side : Income from Investments [Group Account Code]
 Rent/Lease Rent from [Account Code]

Properties not for Sale

At the end of each quarter list of outstanding dues would be prepared and following entry shall be passed in the Journal book.

Debit Side : Income from Investments in [Group Account Code]
 Properties Account
 Lease Rent Accrued [Account Code]
 Building Rent Accrued [Account Code]
Credit Side: Income from Investments in [Group Account Code]
 Properties Account
 Lease Rent [Account Code]

Building Rent [Account Code]

In the beginning of the next quarter the said entry will be reversed.

Revenue on account of Entrance Fees, Booking Income etc.:

Entry on receipt on income would be passed in the Bank book/Cash Book.

Debit Side: (i) Banks Account [Group Account Code]
 Relevant Bank Account [Account Code]

Credit Side: (ii) Cash Account [Account Code]
 Account from Investments in [Group Account Code]
 Properties Account
 Entrance Fee/Booking Income [Account Code]
 from Properties not for Sale

4.5 Amortization of Cost of Properties not for Sale or Own Use (Public Utilities):

Upon allocation /charging of such cost to the revenue at the year end the entry would be passed in the Journal Book.

Debit Side: Amortization in Cost of Fixed Asset [Account Code]
 for Public Utility

Credit Side: Fixed Asset Account [Group Account Code]
 Fixed Asset for Properties [Sub Group Account Code]
 held as Investment Account
 Relevant Asset Account [Account Code]

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
INVESTMENT LEDGER
Part I- Investment in Securities**

Name of the Investment Account:

Name of the Institution/Investee :

Nature of Investment:

Classification of Investment:

Date	Voucher No &Reference	Particulars	<u>AMOUNT</u>		Authorized By	Revenue Details	
			Debit |Balance	Credit		Income Accrued	Income Received | And | Accounted

Note: 1 Separate Account shall be opened for each investment under relevant Group/Control account as per classification norm.

2. Control/ Group Account shall also be opened.

3.Revenue accrued, received would be recorded in the memorandum column

4. The investment shall be shown at purchase value including Brochures etc paid thereon

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
INVESTMENT LEDGER
Part II- Investment in Properties**

Nature of Investment:

Location:

Classification of Investment:

Date	Voucher No & Reference	Particulars	Cost of Investment	Authorized By	Cost Incurred		Revenue Realization
					Month Incurred	Cost	Month | Realized

Note: Details of revenue and maintenance cost incurred would be recorded from the Monthly Summary as per Form No I-3

UTTAR PRADESH DEVELOPMENT AUTHORITIES SUMMARY OF DAILY RECEIPT FROM INVESTMENT IN PROPERTIES

Month

Date:

S.No	Name Of The Property	Amount Collected 'B'	Amount Collected up to last Date 'B'	Accounting Head	Remarks

Prepared By

Verified By

Authorized By

Note : Daily Summary shall be prepared /cross checked with remittance advice from the concerned property can taker.

UTTAR PRADESH DEVELOPMENT AUTHORITIES SUMMARY OF MONTHLY RECEIPT / COLLECTION FROM PROPERTIES AND COST INCURRED

Month:

S.No	Name of the Property	Amount Collected/Cost Incurred Up to Previous Month Income | Maintenance Cost	Amount Collected/Cost Incurred During the month Income | Maintenance Cost	Total amount Collected/Cost Incurred Up to the Month Income | Maintenance Cost	Remarks

Prepared By

Verified By

Approved By

Note: 1-The said summary shall be prepared from the summary of daily Receipts/Collection from Properties
 2-The In charge/care taker of the consented property shall be responsible for submitting details of maintenance other cost on monthly basis to Finance & Accounts Department
 3-From the monthly summary of collection, details would be recorded in the memorandum column in the restrictive Investment Monthly Account in Investment Ledger.
 From the advice Maintenance cost column shall be filled by Finance and Accounts Department.



PART-IV : ACCOUNTING POLICIES

**OPERATING SYSTEMS PROCEDURES
AND
ACCOUNTING PROCEDURES**

SECTION NO. - 22

**ACCOUNTING FOR LOANS AND ADVANCES
TO EMPLOYEES AND INTEREST INCOME**



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CHAPTER - 1

INTRODUCTION

1.1 Objectives of the Section:

This section on “Accounting for Loans and Advances to Employees and Interest Income” for the Development Authorities of Uttar Pradesh aims at establishing effective and uniform policies and procedures in Loans and Advances to Employees Accounting. The specific objectives of the section are as follows:

- To specify policies and procedures for effective monitoring and control over sanctioning of loans and advances to employees. Recovery of principal amount and interest and settlement of advances accounts.
- To establish an interface between Administration and Finance and Accounts Department.(Employees Advance Section)and Establishment Department [Pay Roll Section] for monitoring of recovery of advances .
- To evolve effective and consistent policies and procedures to ensure control and uniformity in practice.

1.2 Scope of the Section:

The Section covers the operating systems, accounting policies and procedures related to Loans and Advances to Employees Accounting in Uttar Pradesh Development Authorities.

1.3 Deviation:

Deviation from the prescribed policies and procedures would not be permitted unless accompanied by justifiable request and reasons for the deviations, clearly outlining the following :

- Nature of Deviation
- Reasons for deviation
- Time-span for which deviation is required.
- The procedure that would be followed if deviation is approved.
- Financial implication of deviation.

However, any deviation from the designed systems and policies would not be allowed unless permitted by the Government of Uttar Pradesh (Housing Department)

1.4 Responsibility of the Finance and Accounts Department:

The basic responsibility of the Finance and Accounts Department would be to record the transactions and ensure recovery / settlement of advances. The Finance and Accounts Department would also be responsible for maintaining the employees Loans and Advances records and generate reports for MIS and Audit.

1.5 Responsibility of Pay Roll Section/Establishment Department:

The basic responsibility of Pay Roll Section/ Establishment Department would be to deduct the recovery of principal and interest from pay on the basis of deductions / details received from the Finance and Accounts Department.

1.6 Responsibility of Audit :

The basic responsibility of the Audit is to verify that the loans and advances to employees have been given as per prescribed rules and established criteria and to see that principal and interest is recovered as per terms of sanction of advances.

CHAPTER - 2

ACCOUNTING POLICIES

2.1 **Accounting for Loans and Advances to Employees:**

Loans and Advances to Employees would be shown at principal amount outstanding.

2.2 **Accounting for Interest on Loans to Employees:**

Interest income on Loans and Advances to employees would be recognized as revenue in the period in which such interest is realized [Alternatively the interest may be accounted for in the year on accrual basis following mercantile system of accounting].

[As per the practice presently prevailing, interest is recovered after repayment of principal amount and revenue is accordingly considered at the time of realization of interest]

CHAPTER - 3

OPERATING SYSTEMS AND PROCEDURES

The Finance and Accounts Department would be responsible for accounting of all the transactions pertaining to loans and advances to employees. To enable smooth operations, close interactions between following would be required.

- The Finance and Accounts Department, which would perform the function of monitoring of Loans and Advances to Employees and the related records.
- The Pay Roll Section, which would perform the function of making deductions for recovery of principal and interest on the basis of Recovery/Deductions Record maintained by the Finance and Accounts Department.

This chapter provides an insight into the systems and procedures regarding/to loans and Advances to Employees.

3.1 Types of Employees Loans and Advance:

Employees Loans and Advances would be classified according to the nature of loans and advances as under:

3.1.1 Sundry Advances – Official: These advances would include:

- Permanent Imprest Advance
- Temporary Advance
- Travel Advance
- POL Advance
- Postage Advance and
- Medical Advance
- Other Advances

3.1.2 Personal Advances:

Personal Advances would include House Building Advance, Car/Scooter/Conveyance Advance and other Advances, recoveries to be made from salary as per terms of sanction.

3.1.3 Provident Fund Advance:

Provident Fund Advance would include Provident Fund Advance against own share of provident fund. It may be non-refundable or refundable, in case recoveries are to be made from salary as per terms of sanction.

3.2 Limits for Various Category of Advances, Criteria and Sanctioning Authority:

The Government would fix limits from time to time for various category of advances, lay down criteria and also specify sanctioning authority for various types of advances.

3.3 Receipt of Application for the Loans and Advances:

Employee would submit application for the loans and advances, through the concerned Departmental Head to the Establishment Department.

The application would contain employee details, nature of advance sought, amount of advance and repayment period. The application would also contain status of existing loans along with documentary evidence thereof.

3.4 Verification of Application with the Prescribed Criteria:

The Establishment Department shall verify the application with the laid down criteria.

3.5 Approval of Application:

The Establishment Department, after verification would approve the application.

3.6 Sanction, Disbursement and Recording:

3.6.1 Approved application would be forwarded to the appropriate authority for sanction of the advance.

3.6.2 A copy of the sanction order would be forwarded to the Finance and Accounts Department who would be responsible for making payment / disbursement of loans / advances.

3.6.3 The Finance and Accounts Department would enter the advance in the Employees Advances Ledger. Control Accounts for each type and category of advance would also be maintained in the General Ledger. The totals of each type of advance given to employees as per Subsidiary Ledger would tally with the respective control accounts in the General Ledger.

3.6.4 The Recovery Instructions would be noted in Recoveries/Deductions Register.

3.7 Recovery of Loans and Advances:

The details of deduction would also be sent to the Pay Roll Section, who in turn would make deductions while preparing payrolls.

Details of deduction to be made would be recorded in the sanction and disbursement letter. Details of deductions to be made would also be kept by the Finance and Accounts Department. Respective details would be recorded in the individual loan account of the employee in the Loans and Advances to Employees Ledger. The Finance and Accounts Department would verify payroll whether the respective deductions have been made or not. Installments recovered would be recorded in the Employee Advance Account in the Subsidiary Ledger. It may be noted that credit to respective Employees Advance Control Accounts in the General Ledger would be given through Pay Roll Bill.

3.8 Recovery of Interest on Loans and Advance to Employees:

As per practice prevailing presently interest is recovered after repayment of principal amount. The Finance and Accounts Department would calculate interest recoverable. This interest calculation would be done on the date of full repayment of principal amount. The Interest would be noted in the Employees Advance Account in the Subsidiary Ledger for the Employees Advances. On the full repayment of advance, total interest accrued and payable would be recovered in such number of installments as prescribed in the sanction letter. Procedure for recovery and recording would be same as per para 3.7 above.

3.9 Adjustment of Employee Advances – Official

3.9.1 In case of Permanent Imprest, adjustment of expenses would be made at the month end. The concerned employee would submit details of expenses, cash memo and bills etc. to the Finance and Accounts Department, who in turn would verify the expenses from the details. Adjustment would be made after approval of the sanctioning authority.

3.9.2 In case of Temporary Imprest Advance, adjustment would be made as per terms of sanction (not later than by one month). The concerned employee would submit details of expenses, payments, cash memo, bills etc. to the Finance and Accounts Department. The Finance and Accounts Department would be responsible for verifying the expenses with bills and payment details. The expenses would be adjusted after approval of appropriate authority.

3.9.3 In case of Travel Advance, employee upon completion of journey would submit the bill through Departmental head. Upon approval, the Finance and Accounts Department would adjust the advance against the TA bill.

3.9.4 In case of POL Advance, the bills would be submitted fortnightly. Upon approval of the POL bills, the Finance and Accounts Department would adjust the advance against the POL bills.

3.9.5 In case of Postage Advance, adjustment would be made at the month end. Upon approval of postage expenses, the Finance and Accounts Department would adjust the advance against the expenses.

3.9.6 In case of Medical Advance, adjustment would be made timely (not later than by three months). The Finance and Accounts Department, upon approval of the medical reimbursement claim by the competent authority would adjust the advance.

3.10 Remittance of Loans Installments in case of Palika and Employees on Deputation

In case of loan installment recovery for Nagar Palika and Employees on deputation remittance shall be ensured by the Finance and Accounts Department. Deduction from the salary will be routed through Loans and Advance Control Account in the General Ledger. Upon remittance of installment to the parent organization, entries shall be reversed in the General Ledger. Similarly in case of employees on deputation whom advance was sanctioned, it shall be responsibility of the Finance and Accounts Department to ensure the receipt of recovery from the concerned agency/authority.

CHAPTER - 4

ACCOUNTS PROCEDURES

4.1 Accounting of Disbursement of Loans and Advances to Employees:-

Entry for disbursement of Employee Advance would be made in the Cash/Bank Book, on the basis of voucher and sanction, as follows :

Debit: Loans and Advance to Employees A/C	[Group Account Code]
Type of Employee Advance Account	[Sub Group Account Code]
Relevant Employee Advance Account	[Account Code]
Credit: i) Banks Account	[Group Account Code]
Relevant Bank Account	[Account Code]
ii) Cash Account	[Account Code]

4.2 Accounting of Recovery of Principal Amount of Loans and Advances to Employees:

On recovery of advance installment entry would be done on the basis of pay bill in the Journal Book by crediting respective advance account.

4.3 Accounting of Recovery of Interest on Loans and Advances to Employees:

On recovery of Interest on employees advances entry would be done on the basis of pay bill and would be same as under para 4.2 above. Thereafter amount of interest on employee's advance would be transferred to revenue account by passing the following entry in the Journal Book.

Debit : Loans and Advance to Employees Account	
Account	[Group Account Code]
Type of Employee Advance Account	[Sub Group Account Code]
Relevant Employee Advance Account	[Account Code]
Credit: Interest on Loans and Advance to Employees [Group Account Code]	
Interest on Relevant Loans and Advance to Employees Account	[Account Code]

In case of Loans and Advances of outside agencies/Other DA's entry for remittance would be passed in the Bank Book by debiting respective loan account.

4.4 Accounting of Recovery of Principal and Interest amount in case of Employees transferred to other Development Authorities/on Deputation.

On receipt of remittance of principal and interest amount from other Development Authorities, entry would be recorded in Bank Book as under :

Debit : Banks Accounts	
Relevant Bank Account	[Group Account Code]
	[Account Code]
Credit: Loans and Advance to Employees Account	
Type of Employees Advance Account	[Subgroup Account Code]
Relevant Advance to Employee Account	[Account Code]

Interest portion from amount received would be transferred to relevant revenue heads by passing entry in Journal Book.

Debit : Loans and Advance to Employees	
Type of Employees Advance Account	[Group Account Code]
	[Sub Group Account Code]
Relevant Employee Advance A/C	[Account Code]
Credit: Interest on Loans and Advance to Employee	
Interest on Relevant Loans and Advance to Employees Account	[Group Account Code]
	[Account Code]

4.5 Accounting for Sundry Advances-Official:

Accounting procedure is detailed as under:

4.5.1 Sanction

Employees Advance-Official would be properly sanctioned before disbursement in terms of delegation of powers.

4.5.2 Entries to be made at the time of disbursement

Entry for disbursement of Employees Advance – Official would be made in Cash/Bank Book as under:

Debit : Loans and Advance to Employees	
Account	[Group Account Code]
Type of Sundry Advance – Official	[Sub Group Account Code]
Relevant Employee Advance A/c	[Account Code]
Credit: Banks Accounts	[Group Account Code]
Relevant Bank Account	[Account Code]
Or	
Cash Account	[Account Code]

At the time of submission of expenses:

Entry for adjustment of advance would be made in the journal Book as under:

Debit: Relevant Expenses/Stock/Works A/c with	
Respective Name Head	[Account Code]
Credit: Loans and Advance to Employees	[Group Account Code]
Employees Advance – Official (PI)	[Sub Group Account Code]
Employee Advance – Official (Temp)	[Sub Group Account Code]
Relevant Employee Advance A/C	[Account Code]

The entry would be accompanied with voucher, expenses bills, details and sanction.

4.6 Accounting of PF Advance to Employees:

PF Advance Account DA/PF Advance Account Deputation would be maintained in a Memorandum Register/Ledger.

Entries to be made:

At the time of Sanction

As per prevailing practice at present PF Advance is allowed through drawing from the individual PF Bank A/c. For sanction/disbursement of advance no accounting entries are required to be made in the financial books. However, advance allowed would be posted in the Memorandum Register/Ledger.

At the time of recovery of Installment

Recoveries are made from salary; details of recoveries to be made would be furnished to the Pay Roll section.

The Pay Roll Section would affect recovery of PF Advance from the salary and would forward list of recovery made to the Finance and Accounts Department.

It may be noted that credit to PF Advance Account in the General Ledger would be given through Pay Bill voucher [Please refer Para 5.1 of Section of this Manual].

However, posting in the individual account would be made in the Memorandum Register/Ledger.

Upon remittance/deposit of PF Advance

Entry would be made in the Bank Book on the basis of voucher and accompanying list, as under:

Debit: Loans and Advance to Employees	[Group Account Code]
PF Advance Account DA	[Sub Group Account Code]
PF Advance Account Deputation	[Sub Group Account Code]
Credit: Banks Accounts	[Group Account Code]
Relevant Bank Account	[Account Code]

Entry to be made in case of transfer of Employee:

In case of transfer of employee to other Development Authority/Organisation recovery of installment would be made through remittance from other Development Authority/Organization and entry would be passed in the Bank Book by crediting PF Advance Account DA/s'. Entry for deposit/remittance of PF Advance would be same as above.

4.7 Recovery of Installment in case of Palika and Employees on Deputation and Remittance thereof

Upon Recovery:

Debit: Salary and Wages Payable	[Sub Group Account Code]
Salary and Wages Payable	[Account Code]

(Palika / Deputation)

Credit: Other Liabilities Payable	[Sub Group Account Code]
--	--------------------------

 Loan Recovery Palika/

 Deputation Employees [Sub Group Account Code]

Upon Remittance:

Debit: Other Liabilities Payable	[Sub Group Account Code]
---	--------------------------

Credit: Banks Account	[Group Account Code]
------------------------------	----------------------

Relevant Bank Account	[Account Code]
-----------------------	----------------

CHAPTER - 5

INTERNAL CONTROLS AND AUDIT CHECKS

5.1 Pre-Disbursement Checks:

Accounting of disbursement of Loans and Advances to Employees, entry for disbursement of employee advance would be done in the Cash / Bank Book on the basis of voucher and sanction.

5.2 Post Disbursement Checks and Management Follow Up:

5.2.1 Employee Advance – Official

Report on Unadjusted – Employee Advances – Official:

Report on Unadjusted Employee Advances – Official would be generated at quarter end. The report would include date since the advance is pending for adjustment and reasons of non-adjustment.

Management Follow-Up:

Management follow-up note would be included against each Unadjusted Employee Advance – Official beyond specified time.

5.2.2 Loans and Advances to Employees

Report on Non-Recovery/Receipt of Installment:

Report on Non-Recovery/Receipt of Installment would be generated for each month. Reasons of non-recovery/receipt of installment would be incorporated in the report.

In case of transfer of employee to other Development Authority /Other Organization, recovery of installment would be effected through remittance from other Development Authority /Organization.

Management Follow-Up

Management follow-up note would be included against each unadjusted advance account of exceptional nature such as death of employee, suspension/ termination of service etc.

5.2.3 PF Advance to Employees:

Report on Non-Recovery/Receipt of Installment and other exceptional matter would be generated at month end and report would include reasons of non-recovery/receipts of installment.

Management Follow-Up:

Management follow-up note would be included against each unadjusted advance on account of death, suspension and termination etc and on other exceptional matters.

CHAPTER - 6

LIMITS FOR THE ADVANCES TO THE EMPLOYEES DELEGATION OF POWERS AND SANCTIONING AUTHORITIES INTERNAL CONTROLS AND AUDIT CHECKS

6.1 Limits for the Advances to the Employees & Procedures:

The Government of Uttar Pradesh shall determine the limit for advances to employees and sanction procedures from time to time. These limits would stand revised from time to time as resolved by Government The Awas Anubhag, Government of Uttar Pradesh, would communicate revised limits to the Development Authorities within 15 days of passing of the resolution.

6.2 Delegation of Powers:

All the powers for the sanctioning of loans and advances to the employees stands in the hands of Government of Uttar Pradesh. These powers are delegated in various posts in the Management of the Development Authorities. Loans and advances to employees shall be sanctioned by the Development Authorities as per delegation of powers in various posts.

6.3 Sanctioning Authorities:

The sanctioning authority for various types of advances and sanctioning limit by such Authority shall be as per delegation of powers.

These limits and sanctioning powers would stand revised from time to time as resolved by Government of Uttar Pradesh. The Awas Anubhag, Government of Uttar Pradesh, would communicate the revised sanctioning powers and procedures etc to the Development Authorities within 15 days of passing of the resolution.

FORM NO.L&A-1

UTTAR PRADESH DEVELOPMENT AUTHORITIES EMPLOYEES ADVANCES (OFFICIAL)

Type of Advance:
 Name of Employee:
 Designation:
 Accounting Instruction:

Date	Particulars	Amount debit	Amount Credit	Balance	Remark

Note:- Separate Account shall be opened for each categories of Employees Advance Official viz. Permanent Imprest Advance, Temporary Imprest Advance, Travel Advance ,POL Advance, Postage Advance and Medical Advance etc.

FORM NO.L&A-2

UTTAR PRADESH DEVELOPMENT AUTHORITIES LOANS AND ADVANCES (PERSONNEL)

Name	Employee Code
Designation	Nature of Advance
Recovery Institutions	Amount Sanctioned
	Mode of Repayment
	Interest Rate

Date	Particulars	Amount Debit	Amount Credit	Balance	Remark

NOTE -: Separate Account shall be opened for each category of Employees Advance-Personnel viz. House Building Advance, Car/Scooter/Conveyance Advance, Festival Advance and Special Advance etc.

FORM NO.L&A-3

UTTAR PRADESH DEVELOPMENT AUTHORITIES PF ADVANCE TO EMPLOYEES MEMORANDUM REGISTER / LEDGER

Name	Employee Code
Designation	Amount Sanctioned
Recovery Instructions	Mode of Recovery

Date	Particulars	Amount Debit	Amount Credit	Balance	Remark

NOTE: Separate Account shall be opened to each category of Employees Advance-PF Advance (refundable), PF Advance (non-refundable).



PART-IV

**ACCOUNTING POLICIES OPERATING
SYSTEMS
PROCEDURES AND ACCOUNTING
PROCEDURES**

SECTION NO. – 23

**ACCOUNTING OF DEVELOPMENT CHARGES
AND OTHER INCOMES**



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CHAPTER –1 INTRODUCTION

1.1 Objectives of the Section

The “Accounting for Development Charges and Other Incomes” for Development Authorities in Uttar Pradesh aims at establishing effective controls to ensure timely realization of revenue of the Development Authority. It also aims at establishing effective and uniform operating systems and procedures to conform to polices.

1.2 Scope of the Section

This section covers the accounting policies, operating systems and procedures for development charges and other revenues of the Development Authorities. The revenue of the Development Authorities may be classified under the following major heads:

- a) Receipt from Sale/Lease of Properties
- b) Receipt of Grants and Loans
- c) Receipt of Development Charges and Levies
- d) Receipt of Income from Investments in Public Utilities and Properties
- e) Receipt of Share of Registration Charges on Transfer/Sale of Properties
- f) Receipt of other Incomes
- g) Receipt from Employees for Use of Facilities Provided
- h) Other Receipts of Incomes.

This Section deals with receipts stated at (c) to (g) above, and receipts stated at (a), (b) and (h) above have been dealt with in other sections of the manual.

1.3 Responsibility of the Finance and Accounts Department

The Finance and Accounts Department would be responsible for the following:

- Record the transactions relating to realizations, accrual of revenue based upon collection/accrual advice from the concerned Department/Section.
- Co-ordinate with other Departments/Sections in maintenance of Demand and Collection Register
- Co-ordinate with the other Departments/Sections in timely realization of dues and also co-ordinate recoding of dues in the Demand and Collection Register.

1.4 Responsibility of the Concerned Departments/Sections

Each of the concerned Department/Section shall be responsible for the following:

- Recording of dues in time in Demands and Collection Register.
- Recovery/Realization of dues and deposit thereof with the Bank as specified and sending advice to the Finance and Accounts Department for collection effected by the Department/Section.
- Ascertain outstanding demands on quarterly basis and provide the figure to the Finance and Accounts Department for recording the demands in the financial books.
- Reconcile Demand and Collection Register with the financial books on quarterly basis.

1.5 Deviations

The deviations from the prescribed policies and procedures would not be permitted unless accompanied by justifiable reasons and request for the deviation, clearly stating the following:

- Nature of deviation
- Reasons for deviation
- Time span for which the deviation is required
- Procedure that would be followed if deviation is accepted
- Financial implication of the deviation

Any deviation from the designed systems and policies would not be allowed unless permitted by Government of Uttar Pradesh (Housing Department).

CHAPTER-2

ACCOUNTING POLICIES

2.1 Basis of Accounting

Revenue dealt with in this section are accounted for on accrual basis / cash basis as detailed under:

- | | | |
|------------|--|--|
| i | Development Charges | |
| | a) Levy for Non-Construction, Betterment Charges, Compounding Charges, Malwa Charges, etc. | Due Basis (On ascertainment of demand) |
| | b) Building Plans Sanction Fee (Map Charges), Surveyors License Fee | Cash Basis (On actual receipt) |
| ii | Income from Investment in Public Utilities and Properties | |
| | a) Lease Rent | Accrual Basis |
| | b) Building Rent | Accrual Basis |
| | c) Hire Charges from Community Center, Conference Hall etc. | Cash Basis |
| | d) Income from Parks etc. | Cash Basis |
| iii | Stamp Duty on Transfer/Sale of Properties | Accrual Basis |
| iv | Other Income | |
| | a) Sale of Master Plan Book, Sale of Registration Book, Sale of Tender Form | Cash Basis |
| | c) Registration of Contractors/Suppliers Fee | Cash Basis |
| | d) Cycle/Scooter/Car Stand Charges | Due Basis (After auction) |
| | e) Miscellaneous (Like Road Cutting Charges, Roller Charges, Water Charges, Penalties, Fines etc). | Accrual Basis |
| v | Recoveries from Employees for Facilities Provided (Like Telephone, Electricity, Conveyance, Rent etc) | Cash Basis |
| vi | Income on account of Establishment Charges on Conversion of Nazool Property to Free Hold Property | Due Basis |
| vii | Income from Conversion of Lease Hold Property to Free Hold Property. | Due Basis |

2.2 Ascertainment of Demands Due

Demands outstanding at the end of quarter shall be ascertained from the Demand and Collection Register and shall be credited to respective revenue heads in the Income and Expenditure Account Ledger with corresponding debit to relevant income accrual account in the General Ledger. The entry shall be reversed at the beginning of the next quarter in the financial books. All the recoveries shall be credited to the respective revenue heads under relevant group/control account in the Income and Expenditure Account Ledger.

2.3 Accounting of Demand and Collection

Demands as and when due shall be recorded in the Demand and Collection Register. Recoveries affected shall be credited in Demands and Collection Register maintained by the respective Departments and shall also be credited to the respective revenue heads in the Income and Expenditure Account Ledger by the Finance and Accounts Department. Further procedure for the accrual of outstanding demand at the end of the quarter and reversal of outstanding demand at the beginning of the next quarter in the financial books shall be same as stated under para 2-2 above.

CHAPTER-3

OPERATING SYSTEMS AND PROCEDURES

3.1 Collection Procedure for Development Charges

Collection shall be effected by the specified Department/Section in the manner as prescribed either directly through Bank or by the respective Department/Section. In both the cases, collection shall be first recorded in the Demand and Collection Register with the collection advice to the Finance and Accounts Department along with their copy of challan.

Procedure for collection from public utility properties has been dealt with in the section on 'Accounting of Investments, Related Income and Amortization Cost' of the manual.

In case of stamp duty from sale/transfer of properties, it shall be responsibility of the Finance and Accounts Departments to realize the stamp duty (Development Authority's share) from the Government. Recoveries from employees on account of use of facilities shall be made from the pay bill of the employees, upon determination of deduction amount by the Finance and Accounts Department.

3.2 Procedure for Ascertaining and Recording Demand

Demand shall be ascertained by the respective Department/Section and shall be recorded in the Demand and Collection Register. Revenue heads shall be credited upon realization of dues in the financial books as well as credit will be given to the individual party account in the Demand and Collection Register. At the end of each quarter outstanding amounts shall be ascertained from the Demand and Collection Register and same shall be forwarded to the Finance and Accounts Department under each of the revenue head. The Finance and Accounts Department shall record the entries by crediting respective Revenue Accounts in the Income and Expenditure Account Ledger with corresponding debit to respective Revenue Accrued Account under group control respective Incomes Accrued Account in the General Ledger. Accrual entries shall be reversed at the beginning of the next quarter. It may further be noted that Demand and Collection Registers shall act as Subsidiary Ledger to Revenue Accrued Accounts in the General Ledger.

3.3 Accounting Procedure

Accounting procedure is elaborated as under:

3.3.1 Development Charges

The Finance and Accounts Department records development charges on the basis of collection advice and the copy of challan. Upon receipt of collection advice/copy of challan, relevant Revenue Account shall be credited under group/control Development Charges Account in the Income and Expenditure Account Ledger. Outstanding demand at the end of each quarter, as ascertained from the Demand and Collection Registers is credited to the relevant Revenue Account with corresponding debit to Development Charges Accrued Account under group/control Development Charges Accrued Account in the General Ledger. At the beginning of the next quarter this entry (accrual) would be reversed.

a) Levy for Non Construction

This is the amount chargeable from the allottees of the plots as levy for non-construction from the date of allotment/sale specified date till the date of completion of construction. This account will be opened in the Income and Expenditure Account Ledger. This account is credited with the realization of levy for non-construction. At the end of quarter outstanding demand as ascertained from the Demand and Collection Register shall be credited to this account with corresponding debit to Levy for Non-Construction Accrued Account under group/control Development Charges Accrued Account in the General Ledger. The levy for non-construction is recovered through Property Sales Department or any other Department as specified. The Accrual entry would be reversed at the beginning of the next quarter.

b) Betterment Charges

These charges are levied on owners of the properties who have been benefited by the development works undertaken by the Development Authority. This account will be opened in the Income and Expenditure Account Ledger. This account is credited with the realization amount under group/control Development Charges Account. At the end of the quarter, demands outstanding are ascertained from the Demand and Collection Register and credited to this account with corresponding debit to Betterment Charge Accrued Account under group/control Development Charge Accrued Account in the General Ledger. Betterment charges are recovered through Planning (Services) Department or any other Department as specified. The Accrual entry would be reversed at the beginning of the next quarter.

c) Building Plans Sanction Fee (MAP Charges)

These charges are levied as map sanction charges. These charges are accounted for as and when deposit is made under this head. This account is opened in the Income and Expenditure Account Ledger. The recovery is affected through the Building Section. On the basis of collection advice from the Building Section, this account will be credited with corresponding debit to relevant Bank Account where deposit has been made.

d) Compounding Charges

These charges are levied on account of two reasons viz-

- Construction without obtaining sanction for construction from the Development Authority or
- When construction deviates from the sanction

This account is opened in the Income and Expenditure Account Ledger. This account will be credited with the compounding charges collected from the parties for unauthorized construction. The outstanding compounding charges due/unrealized at the end of quarter shall be determined from the Demand and Collection Register and credited to this account with corresponding debit to Compounding Charges Accrued Account under group/control Development Charges Accrued Account in the General Ledger. These charges are recovered through Property Enforcement Department or any other Department as specified. The Accrual entry would be reversed at the beginning of the next quarter.

e) Malwa/ Staking Charges

These charges are recovered as staking of material charges on the road. This account is opened in the Income and Expenditure Account Ledger. Upon recovery of such charges from the parties, this accounts is credited. Malwa charges outstanding at the end of quarter shall be ascertained from the Demand and Collection Register and credited to this account with corresponding debit to Malwa Charges Accrued Account under group control Development Charges Accrued Account. These charges are recovered through Property Enforcement Departments or any other Department as specified

f) Surveyor License Fee

These charges are taken as fee for registration of approved surveyors with the Development Authority. The fee is collected from surveyors through Building Section on grant of the surveyor's license. This account is opened in the Income and Expenditure Account Ledger. Upon collection advice received from the Building Section, this account is credited with the corresponding debit to relevant Bank Account where deposit has been made. These charge are recovered through Building Section.

3.3.2 Income from Investments in Public Utilities and Properties

These incomes comprise of the following:-

- Lease Rent from all the schemes
- Building Rent
- Hire Charges of Community Center, Conference Hall, Guest House and Bal Udyan Fee etc.
- Income from Parks etc.

This topic has separately been dealt with in the section on "Accounting for Investments, Related Income and Amortization Cost" of the Manual. Procedure prescribed in that section shall apply. Accounting procedures in addition to those detailed in the aforesaid section are given as under.

a) Lease Rent

On realization of annual lease rent payable by the leases during the period of lease, this account is credited under group/control Income from Investments in Properties Account in the Income and Expenditure Account Ledger. The outstanding lease rent at the end of quarter will be determined from the Demand and Collection Register and credited to this account with corresponding debit to Lease Rent Accrued Account under group/control Income from Investments in Properties Accrued Accounts in the General Ledger. It may be noted that the provision/accrual entry so made would be reversed at the beginning of the next quarter.

b) Property Rent

The rent from buildings is accounted far as and when it accrues upon realization of building rent, this account is credited under group/control Income from Investments in Properties Account in the Income and Expenditure Account Ledger. Outstanding building rent from the Demand and Collection Register at the end of quarter is credited to this account with corresponding debit to Income from Investments in Properties Accrued Account in the General Ledger. The accrual entry will be reversed at the beginning of the next quarter.

c) One Time Lease Rent

If Lease Rent is recovered under the one time settlement scheme, income there from shall be recognized over the lease period/ lease rent period on accrual basis. Revenue shall be spread over the entire lease period/lease rent period. Entry for appropriation shall be made on quarterly basis for lease rents falling due during the quarter.

d) Hire Charges From Community Center Conference Hall, Guest House and Bal Udyan Fee etc.

These charges are accounted for on receipt basis. Upon receipt of collection advice from the concerned Department/Section, realization is credited to these accounts under group/control Income from Investments in Properties Account in the Income and Expenditure Account Ledger.

e) Income from Parks etc

Accounting would be done on the same lines as stated 3.3.2 (d) above.

3.3.3 Share of Registration Charges on Transfer/Sale of Properties

Share of Registration Charges on transfer/sale of properties is recoverable from the Government on the properties transferred/sold equal to 1/3 of 2% of registration charges. Demand should be ascertained on quarterly basis. The Finance and Accounts Department shall prepare demand advice and raise the demand before the concerned Government Department at the end of each quarter. With the recovery amount this account is credited in the Income and Expenditures Account Ledger. With the outstanding demand at the end of quarter, this account will be credited with the corresponding debit to Share of Registration Charges Accrued Account in the General Ledger. It may be noted that the accrual entry passed at the end of quarter shall be reversed at the beginning of the next quarter.

3.3.4 Other Incomes

Other incomes mainly comprise of the following:

- Sale of Master Plan Book
- Sale of Registration Book
- Sale of Tender Form
- Registration of Contractors/Suppliers Fee
- Cycle/Scooter/Car Stand Charges
- Sundry Income like Copy and No Objection Fee, Draftsman Registration Fee and
- Miscellaneous Income like Road Cutting Charges, Roller Charges, Water Charges, Penalties and Fines etc.
- Establishment charges on conversion of Nazool Property into Freehold Property.
- Any Other Income.

a) Sale of Forms and Stationery Items

These include sale of master plan book, registration book/form, sale of tender form etc. The specified Section/Division in makes the collection, and the same is deposited in Bank or with the Finance and Accounts Department at the specified intervals with adequate advice to the Finance and Accounts Department. The Finance and Accounts Department, shall on the basis of collection and deposit/remittance advice record the entries in the financial books by crediting Sale of Master Plan Book/Sale of Registration Book/Form/Sale of Tender Form Account under group/control Other Incomes Account in the Income and Expenditure Account Ledger with the corresponding debit to the Bank/Cash as the collection has been deposited with Bank/the Finance and Accounts Department.

b) Registration of Contractors/Suppliers Fee

This fee is recovered by the Engineering and Works Department upon registration of contractor / supplier with the Development Authority. The collection so made shall either be remitted to the Finance and Accounts Department who in turn shall deposit the amount in the Bank or the amount may be deposited directly in the Bank by the Engineering and Works Department. The Finance and Accounts Department, based upon collection advice received from the Engineering and Works Department shall pass entries in the books by crediting this account under group/control other Incomes Account in the Income and Expenditure Account Ledger with the corresponding debit to the relevant Bank Account or Cash Account as the case may be.

c) Cycle/Scooter/Car Stand Charges

These charges shall be recovered in advance from the contractor whom stand contract has been awarded. It shall be the responsibility of the Concerned Department to realize the dues in time. Upon receipt of dues this account shall be credited under group/control other Incomes Accounts in the Income and Expenditure Account Ledger.

In case of auction of stand, auction proceeds shall be realized in one installment. In case payment is agreed in parts, unpaid balance shall be recognized as revenue on due basis with the due amount, this account will be credited and the corresponding debit would be given to the Other Incomes Accrued Account in the General Ledger. Upon recovery of unpaid Other Incomes Accrued Account will be credited.

d) Sundry Income

Sundry Income like copy & no objection fee, draftsman registration fee etc shall be accounted for on receipt basis. On receipt of such charges this account will be credited under group/control Other Incomes Account in the Income and Expenditure Account Ledger.

e) Miscellaneous Income

Miscellaneous Incomes like road cutting charges, roller chargers, water charges, penalties and fines etc shall be recognized as revenue as and when they are realized. Upon recovery, this account is credited under group/control Other Income Account in the Income and Expenditure Account Ledger.

f) Establishment charges on conversing of Nazool Property to Free Hold Property

Establishment charges as per scheme shall be recovered by the Development Authority and credited to Income from Conversion of Nazool Property to Free Hold Property Account in the Income and Expenditure Account Ledger. Share of U. P. Government shall be transferred to the concerned Government Department. Recovery shall be effected through Nazool Department under due intimation to the Finance and Accounts Department.

3.3.5 Recoveries from Employees for Facilities Provided

Such recoveries include, house rent, telephone and electricity bills, conveyance etc. above the specified limit, use of car charges (for personal element) etc. as specified are recovered from the employees. Such recoveries shall be affected by way of deduction from the pay bill/or in cash as specified from time to time. Upon recovery/recovery such charges shall be credited under group/control Other Incomes Account in the Income and Expenditure Account Ledger.

3.3.6 Conversion of Lease Hold Property to Free Hold Property

Charges as per scheme shall be recovered by the Development Authority and credited to Income from Conversion of Lease Hold Property to Free Hold Property Account in the Properties Profit and Loss Account Ledger. Recovery shall be effected through the specified Department under due intimation to the Finance and Accounts Department.

3.4 Demand and Collection Register and Investment in Properties Register

Demand and Collection Register shall be maintained for the following heads viz.

(i) For Development Charges

- | | | |
|----|---------------------------|------------------|
| a. | Levy for Non-Construction | [Form No. D&O-1] |
| b. | Betterment Charges | [Form No. D&O-2] |
| c. | Compounding Charges | [Form No. D&O-3] |
| d. | Malwa charges | [Form No. D&O-4] |

(ii) For Investments in Properties

- | | | |
|----|---------------|------------------|
| a. | Lease Rent | [Form No. D&O-5] |
| b. | Building Rent | [Form No. D&O-6] |

Demands shall be recorded in the Demand and Collection Registers as and when it accrues. Individual party account shall be opened in these Registers under each of the head. Recoveries shall be credited to individual accounts on the basis of copy of challan. The Finance and Accounts Department shall credit respective revenue heads on the basis of collection advice and copy of challan meant for the Finance and Accounts Department. Outstanding demands shall be worked out from Demand and Collection Registers under each of the head and the same shall be forwarded to the Finance and Accounts Department for recording accrual entries in the financial books. The Finance and Accounts Department shall reverse the accrual entry at the beginning of the next quarter. The Demand and Collection Registers shall act as Subsidiary Ledger to the Revenue Accrued Accounts in the General Ledger. Entries in the Demand and Collection Register shall be supported by relevant document, challan maintained in the form of guard file for each of the head.

CHAPTER –4

ACCOUNTING PROCEDURES

4.1 Development Charges and Levies

- a) Upon receipt/recovery of development charges/levy the Finance and Accounts Department on the basis of advice received from the concerned Department along with copy of challan meant for the Finance and Accounts Department shall record the following entries in the Main Daily Collection Register

Debit Side	(i)	Banks Account	[Group Account Code]
		Relevant Bank Account	[Account Code]
	(ii)	Cash Account	[Account Code]
Credit		Development Charges Account	[Group Account Code]
		Levy for Non-Construction Account	[Account Code]
		Betterment Charges Account	[Account Code]
		Compounding Charges Account	[Account Code]
		Malwa Charges Account	[Account Code]
		Surveyors License Fee Account	[Account Code]
	Building Plan Sanction [Map Fee] Account	[Account Code]	

- b) Upon ascertaining outstanding demand due at the end of quarter, the following entries shall be recorded in the Journal Book:

Debit Side		Development Charges Accrued Account	[Group Account Code]
		Levy for Non-Construction Accrued Account	[Account Code]
		Betterment Charges Accrued Account	[Account Code]
		Compounding Charges Accrued Account	[Account Code]
		Malwa Charges Accrued Account	[Account Code]
Credit Side		Development Charges Account	[Group Account Code]
		Levy for Non-Construction Account	[Account Code]
		Betterment Charges Account	[Account Code]
		Compounding Charges Account	[Account Code]
		Malwa Charges Account	[Account Code]

- c) At the beginning of the quarter, entry stated at (b) above shall be reversed

4.2 Income from Properties and Public Utilities.

- a) Upon realization/receipt

<u>Debit Side</u>	(i)	Banks Account	[Group Account Code]
		Relevant Bank Account	[Account Code]
	(ii)	Cash Account	[Account Code]
Credit Side		Income from Properties/Public Utilities Account	[Group Account Code]
		Lease Rent Account	[Account Code]
		Building Rent Account	[Account Code]
		Hire Charges from Community Center Account	[Account Code]
		Hire Charges from Conference/Meeting Hall Account	[Account Code]
		Entrance Fee/Income from Parks Account	[Account Code]

- b) Upon Accrual of Demand at the End of Quarter

Debit side		Income from Properties/Public Utilities Accrued Account	[Group Account Code]
		Lease Rent Accrued Account	[Account Code]
		Building Rent Accrued Account	[Account Code]
Credit side		Income from Properties/Public Utilities Account	[Group Account Code]
		Lease Rent Account	[Account Code]
		Building Rent Account	[Account Code]

- c) At the beginning of the quarter, enter stated at (b) above shall be reversed.

4.3 Stamp Duty on Transfer/Sale of Properties

a) Upon receipt

Debit Side	Banks Account Relevant Bank Account	[Group Account Code] [Account Code]
Credit Side	Share of Registration Charges on Transfer/Sale of Properties Account	[Account Code]

b) Upon raising of demand at the end of quarter (including outstanding balance)

Section: Balance Sheet

Debit Side	Other Income Accrued Account Share of Registration Charges on Transfer/Sale of Properties	[Group Account Code] [Account Code]
Credit Side	Share of Registration Charges on Transfer/Sale of Properties Account	[Account Code]

4.4 Other Incomes Upon receipt/recovery

	(ii) Cash Account Other Income Account	[Account Code]
Credit Side	Sale of Master Plan Book Account Sale of Registration Book/Form Account Sale of Tender Form Account Registration of Contractors/ Suppliers Fee Account Cycle/Scooter/Car Stand Charges Account Sundry Income Account Miscellaneous Income Account	[Account Code] [Account Code] [Account Code] [Account Code] [Account Code] [Account Code] [Account Code]

4.5 Recoveries from Employees for Facilities Provided

Debit Side	(i) Banks Account Relevant Bank Account (ii) Cash Account (iii) Establishment Cost (Please refer Section on Accounting for Establishment & Personnel Costs)	[Group Account Code] [Account Code] [Account Code] [Group Account Code]
Credit Side	Recoveries from Employees Facilities Provided Account Recovery of Telephone Charges Account Recovery of Electricity Charges Account Recovery of House Rent Account Recovery of Car Charges Account	[Group Account Code] [Account Code] [Account Code] [Account Code] [Account Code]

4.6 Income from Conversion Lease Hold Property to Free Hold Property Upon receipt of charges

Debit Side	Banks Account Relevant Bank Account	[Group Account Code] [Account Code]
Credit Side	Income from Conversion of Lease Hold Property to Free Hold Property Account	[Account Code]

4.7 Others

a) Share in Nazool Transactions

Upon recovery/realization of establishment charges on Nazool transactions following shall be made in the Bank Books:

Debit Side	Banks Account Relevant Bank Account	[Group Account Code] [Account Code]
Credit Side	Other Income from sale/Transfer Of Properties Account Establishment Charges on Nazool Transaction Account	[Group Account Code] [Account Code]

One Time Lease Rent

Refer to Section on "Accounting for Properties Related Income and Amortization Cost " of the Manua.

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DEMAND AND COLLECTION REGISTER
LEVY FOR NON-CONSTRUCTION**

Name and Address of the Lessee/Allottee	Code No.	Date of Registration/ Allotment	Due Date for Completion of Construction	Value of Land	Date of Completion of Construction	Rate of Levy	Amount Payable		Amount Received			Balance
							Previous Year	Current Year	Receipt/ Challan No and Date	Against Previous Year	Against Current Year	
1	2	3	4	5	6	7	8	9	10	11	12	13

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DEMAND AND COLLECTION REGISTER
BETTERMENT CHARGES**

Scheme Name:

Date	Name and Address of the Party	Amount Payable	Amount Received				Remarks
			Receipt/Challan No	Date	Amount	Balance	
1	2	3	4	5	6	7	8

FROM NO D & O-3

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DEMAND AND COLLECTION REGISTER
COMPOUNDING CHARGES**

Date	Name and Address of the Party	Compounding Charges Payable	Amount Received				Remarks
			Receipt/Challan No	Date	Amount	Balance	
1	2	3	4	5	6	7	8

UTTAR PRADESH DEVELOPMENT AUTHORITIES
DEMAND AND COLLECTION REGISTER
STAKING/MALWA CHARGES

Date	Name and Address of the Owner/Lessee	Code No.	Total Plinth Area	Rate of Staking Charges	Amount Payable	Amount Received			Balance	Remarks
						Receipt / Challan No	Date	Amount		
1	2	3	4	5	6	7	8	9	10	11

UTTAR PRADESH DEVELOPMENT AUTHORITIES
DEMAND AND COLLECTION REGISTER
LEASE RENT

Name of Scheme Block No/Plot No	Date of Registration/ Allotment	Name of the Lessee	Period of Lease	Amount of Lease Rent	Record for the Year			Balance	
					Receipt/ Challan No	Date	Amount	Opening	Closing
1	2	3	4	5	6	7	8	9	10

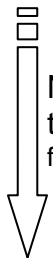
Note Lease Rent Register should be maintained scheme wise and year wise .

UTTAR PRADESH DEVELOPMENT AUTHORITIES DEMAND AND COLLECTION REGISTER BUILDING RENT

Zone No.:
Colony Name :

Name and Address of Tenant	Code No	Quarterly/Monthly Rent Payable	Dates of Realization												Summary for the Year			
			April	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	Opening Balance	Due during the Year	Realized During the Year	Balance
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19

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Note: This register will be maintained colony-wise for each zone to record the building rents payable and the monthly collections thereof from the tenants. Separate register will be maintained for year to year.

PART-IV : ACCOUNTING POLICIES

**OPERATING SYSTEMS PROCEDURES AND
ACCOUNTING POLICIES**

SECTION NO. - 24

**ACCOUNTING FOR PERSONNEL AND
ESTABLISHMENT COST**





PART-IV : ACCOUNTING POLICIES
OPERATING SYSTEMS PROCEDURES AND ACCOUNTING POLICIES
SECTION NO. - 24
ACCOUNTING FOR PERSONNEL AND ESTABLISHMENT COST

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CHAPTER – 1

INTRODUCTION

1.1 Objective of the Section

The objective of this section is to establish consistent and effective systems, policies and procedures to ensure uniform practices in administration and accounting of salaries, wages, provident fund, superannuation, contributory provident fund/ pensioner contribution fund and other personnel related payments in Development Authorities in Uttar Pradesh.

1.2 Scope of the Section

This section covers the operating systems accounting policies and procedures relating to personnel cost accounting system in Development Authorities in Uttar Pradesh.

1.3 Deviations

Deviation from the prescribed policies and procedures shall not be allowed unless permitted by the Government of Uttar Pradesh (Housing Department). Government of Uttar Pradesh (Housing Department) would not permit deviation from the prescribed policies and procedures.

1.4 Responsibility of Pay Roll Section

The Pay Roll Section would be responsible for preparing payroll and making recoveries and deductions from pay as advised by the Finance and Accounts Department/Establishment Department where this function is undertaken by the Establishment Department or the Finance and Accounts Department in any Development Authority, then the respective Department shall be responsible for the functions assigned to Payroll Section in this Section.

1.5 Responsibility of the Establishment Department:

The Establishment Department would be responsible for maintaining employees personnel records like service books, leave record, employee allocation or delegation of employees to various line departments .It would also keep the records of increment, promotion, appointment, transfer, retirement, resignation, termination, suspension etc. The Establishment Department would be responsible for authorization and approval of the Pay Bill. The Establishment Department would be in charge of the delegating employees to the various Departments

1.6 Responsibility of the Finance and Accounts Department

It would be the responsibility of this Department to ensure proper disbursement of salaries and other employees dues. It shall also be responsible for preparation of Employees Loans and Advances Accounts, PF Deduction and CPF/Pensionary Contribution Accounts. This Department shall furnish details of recoveries and deductions to be made from the Playbills in case of each of the employees. The Finance and Accounts Department would also ensure that the statutory remittances (PF, GI, ESI, TDS, etc) are made with in the time limit. The Finance and Accounts Department would be responsible for the disbursement of personnel cost, claims and verification of payments.

1.7 Responsibility of Other Departments:

Each of the concerned Department would furnish the details of leaves/absentee statement before the 20th of the next month to the Establishment Department. It would also be the responsibility of the concerned Department to authorize applications for loans and advances sought by the employees; claims for leave encashment, leave travel concession and medical claim reimbursement etc. The concerned Department would be also responsible to attend and response to the queries raised regarding employees posted with their respective line departments.

Note:

Where the function of the Payroll preparation is discharged by the Establishment Department or the Finance and Accounts Department, the responsibilities assigned in this section to the Payroll Section shall be those of the Establishment Department or the Finance and Accounts Department, as the case be.

CHAPTER - 2

ACCOUNTING POLICIES

2.1 Salaries, Wages, Ex-Gratia and Contributory Provident Fund Contribution etc.

Liability towards Salaries, Wages, Ex-Gratia, if any and CPF Contribution/ Pensionary Contribution etc. would be provided for in the period in which such charges occur.

2.2 Other Personnel Related Costs

Other personnel related costs such as medical reimbursement, encashment of earned leave and leave travel, the incidence and quantum of which can not be estimated with certainty, would be accounted for as and when such payments are made.

2.3 Interest Incomes on Advances to Employees

Interest income on advances given to employees would be treated as income in the period in which such interest is realised. If in the future it is intended to recognize the interest on accrual basis same shall be recognized on accrual basis

2.4 C.P.F./Pension/Family Pension Payments

In case payments are made out of C.P.F./Pension Fund or C.P.F. Pension Trust Fund no liability arise upon Development Authorities for C.P.F./Pension/Family Pension etc at the time of payment so long as any shortfall in C.P.F. /Pension Fund or C.P.F. /Pension Trust Fund is not to be met by the Development Authorities as the liability is accrued and provided for on year to year basis in the form of CPF/Pensionary Contribution. Upon payment to meet out any shortfall in CPF/Pension Fund liability would be accounted for in the period in which such payment is made and accordingly such cost would be accounted for.

In case payments are made other than as above and or for payments made towards CPF/Pensionary Fund (to the extent CPF/Pensionary Contribution Employer Share falls short), pension/family pension would be treated as cost in the period in which such payments are made.

2.5 Gratuity/ Superannuation and Other Retirement Benefits

The present policy in this regard shall be continued till any modification or changes notified by Awas Anubhag in connection with gratuity payment. The following accounting policies shall be adopted depending upon the option opted by the Development Authority viz

- i) If the Development Authority has chosen to fund the scheme through the creation of Trust. Appropriate contribution for the year would be made through a provision for the accruing liability. The accruing liability would be calculated according to actuarial valuation or on some other rational basis based upon the assumption that such benefits are payable to all employees at the end of accounting year.
- ii) In case Development Authority has chosen to make payment for retirement benefits out of its own funds. Cost would be accounted for in the period in which payments for such retirement benefits are made.

2.6 Recoveries Against Facilities Provided To The Employees:

Recoveries against facilities provided like House, Telephone, Electricity and Conveyance would be recognized as revenue in the period in which such recoveries are realized.

CHAPTER - 3

OPERATION SYSTEMS AND PROCEDURES

3.1 Employees Categories and General Procedures

Employees in Development Authorities would be broadly classified to:

- DA Employees – Centralized and Non-centralized
- Employees on Deputation
- Workers on Daily wages / Contract basis

The accounting for personnel cost under each of these classification would be done under single head of account i.e. Establishment Cost with differentiation being done as per above classification.

For employees on deputation from other Departments and Government, separate Leave Record and P.F Deduction Register (Form No. PR-1) would be maintained.

Besides the above, following other general procedures would be followed:

3.1.1 Appointment/Transfer from Other Organizations

On appointment of person to the services of Development Authority, details of appointment letter with respect to salary wages and date of joining would be forwarded to the Establishment Department and to the Finance and Accounts Department. If an employee is transferred from any other Development Authority/Organization or from Government, a copy of Transfer Order and Last Pay Certificate [Form PR 2] would be forwarded to the Establishment Department and the Finance and Accounts Department.

The Establishment Department would update the individual Employee Personnel Register [Form No.PR-3] on the basis of the Appointment Letter or the Transfer Order and LPC, which would contain details of name of post, the name of the employee, period of incumbency, place of posting, reference to appointment/transfer, incumbent's pay details etc.

The said register would be maintained in addition to the service books of the employees.

The said register would be maintained separately for the following category of employees viz.

- Non-Centralized
- Centralized
- Deputation

3.1.2 Personnel Allocation

The Establishment Department would be responsible for informing the concerned Department as well as to the Finance and Accounts Department about the grades/designation of the employees.

The Establishment Department would be responsible for verifying and approving personnel related activities like preparation of pay roll and claims etc. in case of all categories of employees.

3.2 Transfer, Promotion, Increment, Resignation, Retirement etc.

3.2.1 Transfer

On transfer of an employee, a copy of the Transfer Order shall be forwarded to the Establishment Department and to the Finance and Accounts Department.

Last Pay Certificate [Form No. PR-2] will be prepared by Establishment Department. The Finance and Accounts Department would prepare advances outstanding status as well details of PF etc. deducted and CPF/Pensionary contribution made up to date. Such details would be recorded in LPC.

3.2.2 Promotion and Increment

A copy of the Promotion Order would be forwarded to the Establishment Department as well as to the Finance and Accounts Department. The details of increments would be recorded in Increment Control Register (Form No. PR-4).

3.2.3 Resignation

If the resignation has been accepted, a copy of the order passed would be forwarded to the Establishment Department and the Finance and Accounts Department.

Once such information (i.e. resignation/transfer back to parent Organization) would be received by Finance and Accounts Department, calculation of all dues would be determined against the concerned employee, Necessary arrangement would be made to get all his/her dues, as soon as possible, cleared.

3.2.4 Retirement

The retirement age would be as per prescribed rules. Retirement date would be communicated to the Finance and Accounts Department, the Establishment Department, the concerned Department and the employee concerned by giving such notice and seeking such information as required, so as to proceed with the retirement procedures. Similar proceedings taken in case of resignation would be taken as outlined under para 3.2.3 above.

3.2.5 Suspension

(a) Suspension:

Once the suspension order has been passed, copy of order would be forwarded to the Establishment Department, the Finance and Accounts Department as well as to the Payroll Section. In case suspension, the Pay Roll Section would be responsible to see that pay bill of such employee is prepared in term of suspension order or as per applicable rules. The Finance and Accounts Department would ensure that pay to such employee is disbursed accordingly.

(b) Dismissal:

The copy of Dismissal order would be forwarded to Establishment Department, the Finance and Accounts Department as well as to the Payroll section. In case of dismissal, proceeding would be same as in the case of resignation and termination as outlined above under para 3.2.3 and 3.2.4 above. Final Statement of dues of such employees would be made as per rules applicable in this regard.

3.3 Leave and Attendance Records

3.3.1 Leave

The concerned Department would send to the Establishment Department the details of leaves exceeded the limit prescribed or if the leave has not been sanctioned. The Pay Roll would be prepared based upon leave details as mentioned above, after making appropriate deductions wherever applicable.

3.3.2 Leave and Attendance Register

Leave & Attendance Register would be maintained with the concerned Department and would contain the following information in respect of each employee

- Signature of the employee
- No. of days present
- Leave taken, with its analysis (i.e. earned leave, half pay leave, medical leave, leave without allowance, casual leave etc)
- The Form of Leave and Attendance Record shall be the same as already in practice.

3.4 Pay Bill Preparation and Pay Disbursement

3.4.1 Pay Fixation, Revision and Increment

Pay fixation/revision as applicable from time to time would be authorized by the relevant orders passed by the appropriate authority. The relevant orders passed for pay fixation/ revision etc would specify the employee's name, his/her present pay, date of increment, date of promotion etc, post to which promoted and the pay fixed / revised in the new post / revised scale of pay. Copy of order would be forwarded to the Establishment Department, the Finance and Accounts Department, Pay Roll Section; entries would be recorded in Increment Control Register, Individual Employee Register, and Service Book etc.

Pay Roll Section wherein the details of increment would be recorded would maintain Increment Control Register. The Register would be updated with details of promotion scale revision and cessation of employment, etc due to transfer, retirement or suspension.

3.4.2 Recoveries and Deductions

Recoveries and Deductions Register (Form No PR .5) of employees would be maintained by the Finance and Accounts Department wherein details of various recoveries and deductions to be made from salaries would be recorded employee wise. Pay Roll Section would rely on Register at the time of payroll preparation.

3.4.3 Advances

The types of loans and advances that the employee of the Development Authority would be entitled, can be classified broadly into categories detailed below:

i) Advances not bearing interest

- Pay Advances
- Advance taken against Provident Fund

Advance application as authorized by the concerned Head of Department would be forwarded to the Establishment Department such Application would be sanctioned by the competent authority. A copy of sanction order would be forwarded to the Finance and Accounts Department who would be responsible to make verification. The Finance and Accounts Department would disburse such loans and advances on the approval of Head of the Finance and Accounts Department and record the details of employees advance sanctioned and the recovery instructions.

The Finance and Accounts Department would maintain Employee Advance Ledgers (as detailed in Loans and Advances to Employees Section of this Manual). These Ledgers will show details of advance given, recovery made, and balance outstanding employee wise. (Form No-PR-6)

The Recovery instructions would be noted in Recoveries/Deduction Register in the Finance and Accounts Department.

ii) Advances Bearing Interest

This category of advances includes Housing, Car, Scooter, Conveyance etc. Government from time to time would decide the type of advance and entitlement.

On sanction being accorded by the competent authority, a copy of sanction order would be sent to the Finance and Accounts Department for advance disbursement. In case of any discrepancy, the order would be returned to concerned Department who would be responsible to make appropriate rectification.

The Finance and Accounts Department would disburse the advance to the employee on the basis of sanction order and after approval from Head of Finance and Accounts Department.

The Finance and Accounts Department would maintain Employees Advance Registers/Ledgers wherein details of advance given, recovery made and balance outstanding are recorded employee wise.(FormNo-PR-6)

The recovery instructions would be noted in the Recovery/Deduction Register in the Finance and Accounts Department.

The Finance and Accounts Department would calculate the interest on the advance given to the employees at the prescribed rate on the principal. This interest calculation would be done on the date of full repayment of principal amount. The interest would be recorded in the Employees Advance Register/Ledgers mentioning the period of interest. On the full repayment of principal amount of advance, total interest accrued would be recovered in such number of installments as prescribed in the sanction letter.

(iii) **Advance from other organization** in case of employees coming on transfer/ deputation from such other Organizations.

The details of such advances and the recovery instructions would be recorded in the Recoveries/Deductions Register on the basis of communication from the other bodies or from the Last pay Certificate in case of employees who would be transferred from other Organizations.

[Refer for details Section on Loans and Advances to Employees]

(iv) Advance for Travel, Imprest Advance and Other Office Expenses Advance

For details please refer section on "Accounting for Loans and Advances to the Employees and Interest Income" of the Manual.

3.4.4 Deductions

Deductions would be made from salaries on various accounts like

- Provident Fund
- Medical Insurance Scheme
- Income Tax as per provisions of Income Tax Act, 1961.
- Advances
- Facilities Provided
- Others

Details of such deductions would be recorded in the Recovery/Deduction Register. Deductions would be made accordingly while preparing Pay Bill.

Income tax would be deducted every month, unless the employee gives an undertaking that he would invest in tax-deductible securities/investments. Further, the employee would also substantiate that such investments would be made before the 15th December, failing which the tax for the year would be deducted from the salary of the month of February.

Income Tax Deducted would be recorded in Income Tax Deduction Register [Form-No-PR 8] and a certificate in (Form 16) issued to the employee for the total tax deducted during the year.

The Payroll Section/Establishment Department shall issue form No.16 to the concerned employees before the 30th April.

Form No.24 will be prepared before 31st May and submitted with the Income Tax Authorities as prescribed by the Income Tax Act, 1961.

3.4.5 Pay Roll Preparation

Pay Roll Section would prepare the pay roll for all the employees on the basis of the following information provided by the Establishment Department and Finance and Accounts Department.

Following records shall be considered: -

- Increment Control Register
- Recovery/Deduction Register
- Employees Advance Registers/Ledgers
- Deductions details against Facilities Provided

The pay roll has to be authorized by the Establishment Department as well as by the Finance and Accounts Department.

The Pay Roll/Pay Bill will be prepared in the format as given in [Form PR -8].

3.4.6 Pay Disbursement

The Finance and Accounts Department would verify the pay rolls for accuracy. After obtaining the approval of the Head of Establishment Department and Finance and Accounts Department, payment of net salary would be made to the employees. The salary would be transferred directly in the bank accounts of the concerned employee in case there is Bank Account.

In case of delayed payment any salary disbursement would be effected after such identification as may be necessary and proper endorsement made in the Unpaid Salary Register.[From-No-PR-9]

3.4.7 Recording of Payment of Deductions/Recoveries

The Finance and Accounts Department would record the various deductions/recoveries from salaries and make deposits and remittance towards the same.

The Finance and Accounts Department would deposit / prepare cheques for the amount of deduction payable to each of the outside Organizations (for employees on deputation etc.) and forward the same to the concerned organization.

3.4.8 Payment of Arrears of Salaries

As and when arrears of salaries and wages, arising out of pay scale revisions etc. payment would be made, a statement of computation of arrear salary would be prepared by Pay Roll Section, the statement would disclose:

- a) Salaries payable as per revised scale of pay, under various heads of gross salary and deductions for the period under revision.
- b) Amount already paid to the employees as per pay bill under the various heads of gross salary and deductions for the period under revision.
- c) Difference between (a) and (b) above, under the various heads.

The difference in salary would be recorded in pay bill and thereafter the procedure for preparation of payroll and disbursement of pay would be followed.

While paying the arrear salary, care would be exercised to deduct statutory deductions as applicable and income tax under the Income Tax Act, 1961.

3.4.9 Records for Provident Fund Deduction

The Finance and Accounts Department would maintain records for PF Deduction. The details of PF Deduction would be entered in the PF Deduction Register [Form No. PR-10]

3.5 Other Personnel/Related Costs

3.5.1 Ex-Gratia

The Finance and Accounts Department would prepare an Ex-Gratia Register (Form PR-11) showing Gross Earnings eligible for Ex-Gratia. Procedure for Ex-Gratia disbursement would be similar to those for pay disbursement an Ex-Gratia statement would be issued to all the employees receiving it.

3.5.2. Medical Claim Reimbursement

Claims for medical reimbursement would be supported by such documents/cash memos/bill etc. as may be necessary under the rules applicable. Establishment Department would authorize the claim and get sanction from the appropriate authority. The copy would be forwarded to the Finance and Accounts Department. On receipt of such claim the Finance and Accounts Department would check the claim for arithmetical accuracy and for other parameters like availability of documents, admissibility of the claim, including any monetary limit thereof, with reference to the relevant rules and payments already made for the same. In case any discrepancy, the sanction order along with supporting documents will be returned to the concerned employee to make appropriate modifications and rectifications. After the approval of the

competent authority, payment would be made to the concerned employee and details would be recorded in Medical Claims Reimbursement Register (Form No-PR-12)

3.5.3. Encashment of Leave

Application for the leave encashment would be forwarded to Head of Establishment Department. The application would be checked to ensure that

- The employee would be entitled for leave encashment
- The number of days of leave encashment
- The number of days of leave as stated in the application would be approved for payment by appropriate authority. The Finance and Accounts Department would calculate all the dues against the concerned employees. Payment would be made only after deducting the unsettled dues from the claim. Disbursement of net payment would be made after sanction of the claim and the details would be recorded in the Retirement Benefit Payment Register (Form PR-16).

On approval of application, it would then be forwarded to the Finance and Accounts Department for further processing. The Finance and Accounts Department would verify the claim with respect to arithmetical accuracy and cross-examine the records with leave record. In case, any discrepancy, the application would be returned to the Establishment Department who would be responsible to make appropriate modifications and rectification. Upon approval of the application, payment proceedings can be initiated. Payment would be made to the concerned employee after approval of Head of the Finance and Accounts Department and details would be recorded in the Leave Encashment Register [Form PR 13].

3.5.4 Contribution Provided Fund /Pensionary Contribution

Contributory Provided Fund /Pensionary Contributions would be made on rates as prescribed in this regard from time to time.

The Pay Roll Section would calculate the contribution from month to month basis and record the details in the pay bill.

The Finance and Accounts Department would deposit/remit the said contribution to the Bank/ Trust as prescribed. The Details would be recorded in the CPF/Pensionary Contribution Register (Form No PR-14)

3.5.5 Pension /Family Pension Payments

The Finance and Accounts Department would maintain records for Pension Payments. At present pension is generally being paid by Development Authorities out of common kitty or Pension Fund. Upon sanction of pension/family pension, a copy of sanction order would be forwarded to the Finance and Accounts Department. Pension bill would be prepared at month end and after approval of Head of Finance and Accounts Department, disbursement of pension /family pension would be made to the concerned employee. It may be noted that income tax, if applicable would be deducted from the pension payable.

In case of computation of pension, the details of pension computed would be recorded in the Pension Book of the Employees. Details of pension paid, pension computed would be recorded in the Pension Family Pension Payment Register [Form No-PR –15]. In case Trust for CPF/ Pensionary Payments is created all the above records would be maintained at Trust end However Pension Book of the employees would be maintained by the Finance and Accounts Department or Establishment Department.

3.5.6 Gratuity, Superannuation and Other Retirement Benefits

As and when these cost arise, would be paid. The employee with the application would attach a statement of computation of gratuity, superannuation, and other retirement benefits request . The application would be forwarded through concerned Department. The Establishment Department would cross-examine the application with respect to period of continuous service. The application would be approved for payment by appropriate authority. On the approval, it would then be forwarded to the Finance and Accounts Department. The Finance and Accounts Department would verify the claim with respect to arithmetical accuracy and other parameters, rules etc. In case of any discrepancy, the application would be returned to Establishment Department who would be responsible to make appropriate modifications and rectifications. Upon approval of the application, payment proceeding can be initiated.

In case Trust for Gratuity & Other Retirement Benefits is created procedure are the same except that disbursement would be made from the Trust Fund. Annual contributions to Fund would be made based upon actuarial valuation method (Presuming that all the employees would retire on 31st March of the concerned year]. Liability at the year-end is calculated. Annual contribution is ascertained as under: -

Total Liability at year-end[Presuming that all the employees would retire on 31st March]

Less : Funds Available at the year end [i.e. Total Funds Less contribution made if any for the year on lump sum basis]

Net Contribution for the year

The details of gratuity superannuation and other retirement benefit payment would be recorded in the Gratuity Superannuation and Other Retirement Benefits Payment Register [Form No-PR16].

3.5.7 Honorarium and Ex –gratia

The bills for payments on account of honorarium and ex-gratia shall be checked, examined and accounted for in the manner as provided. These expenses shall be routed through the payroll accounting as prescribed above.

3.5.8 Uniform

The bills of uniform /uniform/allowances shall be forwarded to the Finance and Accounts Department for payment through the head of the Section/Department. The bills shall be verified with laid down criteria/eligibility.

It shall be responsibility of the concerned Department /Section to obtain the necessary approval and sanction from the competent authority.

If the Finance and Accounts Department notice any deficiency, the issue shall be pursued with the concerned .Once the deficiency is sorted out ,the bill would be passed for the payment

As the uniform expenses are part of Establishment Cost it shall be routed through the Establishment Cost Journal as prescribed.

3.5.9 Establishment and Personnel Cost Journal Book

Entries would be first recorded in this Journal Book. Postings in the Ledgers shall be directly made on this Journal Book to be recorded by Finance and Accounts Department (Form No. PR-17

CHAPTER - 4

PAY ROLL SYSTEM

4.1 Category of Employees

Employee would be classified for each of the Line Department as under:

- Development Authority Employee
- Deputation Employee
- Daily Wage Earner/Contract Basis.
-

4.2 Permanent Data Bank of Employees

Pay Roll would contain the following permanent data

- Employee Name
- Father's Name/Husband Name
- Date of Birth
- Date of Joining
- Date of Joining with Development Authority
- Employee Bank A/c No. For Pay
- Employee Bank A/c No. For PF
- Employee Code
- Grade
- Pay Scale
- Date of Increment
-

4.3 Gross Pay

Pay Roll would contain details of Gross Pay as under :

4.3.1 Basic Pay and Special Allowances

This sub head would contain

- Basic Pay : Applicable basic pay as per pay scale.
- Special Increment : Instead of modifying the basic pay, special increment sanctioned on account of performance would be shown under this sub head.
- Personal Pay: -----
- Earnings – 3: -----

Note :

Subsistence Allowance: Subsistence allowance paid in case of suspension will be shown under basic pay (duly modified on the basis of criteria)

4.3.2 DA, ADA, Deputation Allowance and Handicapped Allowance.

This sub head would contain:

DA : Dearness allowances applicable from time to time would be shown under this item.

ADA : Additional dearness allowance as applicable from time to time would be shown under this item.

Deputation Allowance: The allowance paid to employees on deputation from other organization would be shown under this item.

Handicapped Allowance: The allowance paid to handicapped employee upon fulfillment of criteria prescribed would be shown under this item.

4.3.3 Increment & Special Allowance

This sub head would contain:

- IR – 1
- IR –2
- IR-3
- Special Allowance

4.3.4 Facility Allowances

This sub head would contain

- H.R.A. : House rent allowance would be shown under this item
- C.C.A. : City compensatory allowance payable would be shown under this item.
- Medical Allowance : Medical allowance if any payable would be shown under this item
- Conveyance Allowanc : Conveyance allowance if any payable would be shown under this item

4.3.5 Other Allowances

Under this residual allowance head, any other allowance not included above would be shown like

- Washing Allowance
- Other Allowance

Summation of Gross Pay

The Pay Roll System would generate details of gross pay under sub heads as detailed under para 4.3.1 to 4.3.5 Employee wise/Department wise and Employee classification wise.

The Pay Roll System would also provide totals for each subhead detailed under para 4.3.1 to 4.3.5, Employee wise / department wise and Employee classification wise

4.4 Deductions

Pay Roll would contain details of deductions detailed as under:

4.4.1 Statutory

This subhead would contain:

- 4.4.1.1 Provident Fund : Provident Fund is deducted at specified rate on pay (basic) (and on DA if PF rules so provide). Pay for the purpose of PF means basic pay (including DA if PF rules provide so).
- 4.4.1.2 Group Insurance : G.I. is deducted at specified rates based upon grades of the employees.
- 4.4.1.3 Income Tax : Income Tax is deducted as per provision of the Income Tax Act, 1961
- 4.4.1.4 Employees Welfare Fund : Deduction for Employees Welfare Fund is made at specified rates based upon grade of employee.
- 4.4.1.5 PF Advance (Refundable) : PF advances (Refundable) would be shown under this item Deductions are made as per terms of sanction.

4.4.2 Facility Deduction

This subhead would contain:

- 4.4.2.1 - House Rent : This deduction would be made as per rule ,if the Development Authority has provide house facility to the employee.
- 4.4.2.2 – Electricity : This deduction would be made if the Development Authority pays electric bill of residential colony. Deduction would be made as specified in the rules.
- 4.4.2.3 – Telephone : In case telephone facility is provided to the employees and bill amount paid by the Development Authority exceeds the specified limit, excess amount paid would be deducted unless employee concerned pays it in cash.
- 4.4.2.4 – Conveyance : Conveyance facility like car provided to the employees, deduction would be made on account of element of personal use as specified in the rules unless the employee concerned pays it in cash.
- 4.4.2.5 – Other Deductions Say Deduction – 1 -----
- 4.4.2.6 – Other Deductions Say Deduction – 2 -----

4.4.3 Loans and Advance Deduction

This sub head would contain

4.4.3.1–House Loan (1) Deductions	Deduction would be made as per terms of sanction.
4.4.3.2- House Loan (2) Deductions	Deduction would be made as per terms of sanction.
4.4.3.3- Car/Scooter/Conveyance Loan	Deduction would be made as per terms of sanction.
4.4.3.4 - Special Loan Deductions	Deduction would be made as per terms of sanction.
4.4.3.5 –Loans Deductions Deputation Employees	Deduction would be made as intimated by parent organization

Summation of Deductions

The Pay Roll System would provide details of deductions under sub-heads as detailed under para 4.4.1 to 4.4.3 Employee wise/ Department wise and Employees classification wise

The Pay Roll system would also provide totals for each sub-head detailed under para 4.4.1 to 4.4.3 Employee wise/Department wise and Employees classification wise.

The Pay Roll System would also generate analysis of deductions made against Loans and Advances to Employee under para 4.4.3 above into recovery of principle amount and interest amount.

4.5 Contribution:

Contribution is the obligation of Development Authorities towards their employees and included under the head Establishment Cost.

This sub-head would contain:

4.5.1 PF/CPF /Pensionary Contribution: PF / CPF/ Pensionary Contribution as applicable

(i). PF Contribution is the amount of PF contribution. Incase of employees on deputation PF contribution would be calculated on pay (pay means basic pay or pay as applicable in parent organization) or taken equal to amount of PF deduction as the case may be.

(ii). CPF Contribution is amount of CPF Contribution in case of employees of Development Authority.

CPF contribution would be calculated as per applicable rules

Or

In case pensionary contribution is made in case of employees on deputation / employees of Development Authority pensionary contribution as per rules would be shown under this item.

4.5.2 G.I Contribution Employer:

Contribution towards G.I. would be shown under this item.

4.5.3 Employee Welfare :

Any contribution made to the welfare of Employee would be shown under this item.

4.5.4 Other Contributions :

Other contribution if any would be shown under this item.

4.6 Net Pay :

The Pay Roll system would provide details of net pay Employee wise/ Department wise and Employees classification wise. The Pay Roll system would also provide total under this sub head employee wise/Department wise and Employees classification wise.

4.7 Signature and Stamp:

If passed by Authority this sub head would include signature of employees on revenue stamp. If payment is not made by it then Employees Payment be made by the Bank on the basis of Statement furnished to the Bank, signature of the employee may be taken on Payment Advice List sent to the Bank

4.8 Authentication and Approval of Pay Roll:

The Pay Bill would be authenticated and approved by Head of Establishment Department and checked by the Finance and Accounts Department.

4.9 Maintenance of Pay Bills Records:

Monthly Pay Bills would be kept in guard file and year wise guard files would be preserved as per rules.

CHAPTER - 5

ACCOUNTING PROCEDURES

5.1 Salaries and Recoveries/Deductions:

Accounting of Salaries and wages would be done in the journal by passing journal book voucher as follows, on the basis of pay bills:

Debit Side	Establishment Cost (Gross Pay)	[Head 4.3]	[Group
	Basic/SplPay/Person Pay/Earning	[Sub head 4.3.1]	[Account Code]
	DA/A.DA/Deput All/Hand All	[Sub head 4.3.2]	[Account Code]
	IR-1/IR-2/Spl. Allowance	[Sub head 4.3.3]	[Account Code]
	HRA/CCA/MedAll/ConvAllowance	[Sub-head 4.3.4]	[Account Code]
	Other All/Viklang All/Washing/Earnings Earning – 3	[Sub-head 4.3.5]	[Account Code]
Credit	i Statutory Deductions Payable		[Group Account Code]
	Provident Fund DA Payable	[Sub head 4.4.1.1]	[Account Code]
	Provident Fund Deputation Payable	[Sub head 4.4.1.1]	[Account Code]
	G.I. DA Payable	[Sub head 4.4.1.2]	[Account Code]
	G.I. Deputation Payable	[Sub head 4.4.1.2]	[Account Code]
	Income Tax Deduction Salaries	[Sub head 4.4.1.3]	[Account Code]
	Employee Welfare Fund DA	[Sub head 4.4.1.4]	[Account Code]
	Employee Welfare Fund Deputation	[Sub head 4.4.1.5]	[Account Code]
	PF Advance DA	[Sub head 4.4.1.5]	[Account Code]
	PF Advance Deputation	[Sub head 4.4.1.5]	[Account Code]
	ii Revenue from Facility Deductions		[Group Account Code]
	House Rent	[Sub head 4.4.2.1]	[Account Code]
	Electricity	[Sub head 4.4.2.2]	[Account Code]
	Telephone	[Sub head 4.4.2.3]	[Account Code]
	Conveyance	[Sub head 4.4.2.4]	[Account Code]
	Other Deductions – 1	[Sub head 4.4.2.5]	[Account Code]
	Other Deductions – 2	[Sub head 4.4.2.6]	[Account Code]
	iii Loans and Advances to Employees		[Group Account Code]
	House Loan (1)	[Sub head 4.4.3.1]	[Account Code]
	House Loan (2)	[Sub head 4.4.3.2]	[Account Code]
	Car/Scooter/Conveyance	[Sub head 4.4.3.3]	[Account Code]
	Special Advance	[Sub head 4.4.3.4]	[Account Code]
	iv Loans and Advances Deputation	[Sub head 4.4.3.5]	[Account Code]
v Expenses Payable		[Group Account Code]	
Salary Payable		[Account Code]	

Note: DA (Development Authority)

5.2 Salary Disbursement:

On disbursement of Salary, the entry would be done in the Cash Book/Bank Book on the basis of Cash paid/cheques issued as under :

Debit Side :	Expenses Payable	[Group Account Code]
	Salary Payable	[Account Code]
Credit Side:	i Banks Account	[Group Account Code]
	Bank Account – 1	[Account Code]
	Bank Account – 2	[Account Code]
	Bank Account – Nth	[Account Code]
	ii Cash Account	[Account Code]

5.3 Undisbursed Salaries:

The amount of unpaid Salaries would be recorded under the head unpaid Salaries on the basis of unpaid. Salaries Register, Entry would be done in the Journal Book as under :

Debit Side :	Expenses Payable	[Group Account Code]
	Salary Payable	[Account Code]
Credit Side:	i) Expenses Pivable	[Group Account Code]
	Unpaid Salaries	[Account Code]

5.4 Payment of Unpaid Salaries:

When unpaid salaries are paid later, the same would be recorded in the Cash Book/Bank Book on the basis of Voucher as under:

Debit Side :	Expenses Payable Unpaid Salaries	[Group Account Code] [Account Code]
Credit Side:	i Banks Account Bank Account-1 Bank Account-2 Bank Account-Nth	[Group Account Code] [Account Code] [Account Code] [Account Code]
	ii Cash Account	[Account Code]

5.5 Remittance of Recoveries/Deductions to Outside Agencies

Payments of recoveries and deductions to outside agencies would be recorded in the cash book/bank book on the basis of cash paid/cheques paid under the relevant liabilities account. Entries would be passed on the basis of voucher as under:

Debit Side :	i Statutory Deductions Provident Fund Deputation Payable G.I. Deputation Payable Employees Welfare Fund Deputation PF Advance Deputation	[Group Account Code] [Account Code] [Account Code] [Account Code]
	ii Loans and Advances to Employees Loans and Advance Deputation	[Group Account Code] [Account Code]
Credit Side:	i Banks Account Bank Account-1 Bank Account-2 Bank Account-Nth	[Group Account Code] [Account Code] [Account Code] [Account Code]
	ii Cash Account	[Account Code]

5.6 Payment of Statutory Deductions and other Recoveries Development Authority Employees:

Payment of statutory deductions Development Authority Employees would be recorded in the Cash Book/Bank Book on basis of Cheques issued/transfer advice. Entry would be passed on the basis of voucher as under :

Debit Side :	i Statutory Deductions Payable Provident Fund DA Payable G.I. DA Payable Employees Welfare Fund DA PF Advance DA	[Group Account Code] [Account Code] [Account Code] [Account Code]
	ii Loans and Advances to Employees/For	[Group Account Code]
Credit Side:	i Banks Accounts Bank Account-1 Bank Account-2 Bank Account-Nth	[Group Account Code] [Account Code] [Account Code] [Account Code]
	ii Cash Account	[Account Code]

5.7 Statutory Contribution:

Accounting of Statutory Contributions would be done in the journal by passing journal voucher, as follows, on the basis of pay bills [para 4.4]:

Debit Side :	Establishment Cost PF/CPF/Pensionary Contribution G.I. Contribution Employees Welfare Contribution Other Contributions	[Group Account Code] [Account Code] [Account Code] [Account Code]
Credit Side:	Expenses Payable Statutory Contributions DA Payable Statutory Contribution Deputation Payable	[Group Account Code] [Account Code] [Account Code]

5.8 On Payment of Statutory Contributions:

On remittance payment of statutory contributions, following entries would be passed in the Cash Book/Bank Book on the basis of voucher and documents attached.

Debit	Expenses Payable Statutory Contributions DA Payable Statutory Contributions Deputation Payable	[Group Account [Account Code] Account Code]
Credit	i Banks Accounts	[Group Account [Account Code] [Account Code] [Account Code]
	Bank Account-1 Bank Account-2 Bank Account-Nth	[Account Code] [Account Code] [Account Code]
	ii Cash Account	[Account Code]

5.9 Ex-Gratia and Honorarium and Uniform

For Ex-Gratia payable, the following entry would be recorded in the Journal Book

Debit	Establishment Cost Ex-Gratia	[Group Account [Account Code]
Credit	Expenses Payable Ex-Gratia Payable Honorarium Payable Uniform Payable	[Group Account [Group Account Code]

On payment of Ex-Gratia entry would be passed in the Cash Book/Bank Book by debiting Ex-Gratia Payable and Crediting Concerned Bank/Cash Account.

Debit Side :	Expenses Payable Ex-Gratia Payable	[Group Account [Account Code]
Credit Side:	i Banks Account Bank Account-1 Bank Account-2 Bank Account-Nth	[Group Account [Account Code] [Account Code] [Account Code]
	ii Cash Account	[Account Code]

5.10 Loans and Advances Given:

Advance disbursed to employees would be recorded in the Cash Book/Bank Book, under the relevant head of account [Account code] on the basis of the cheques issued.

Debit Side :	Loans and Advances to Employees Relevant Employee Advance Account	[Group Account [Account Code]
Credit Side:	Banks Account Relevant Bank Account	[Group Account [Account Code]

5.11 Interest on Loans and Advances Realized:

Total interest on the basis of employee's loan accounts would be recorded in the journal book as follows (Please refer summarization of deductions Para 4.4 above):

Debit Side:	Loans and Advances to Employees Relevant Employee Advance Account	[Group Account [Account Code]
Credit Side:	Interest on Loans and Advances to Employees Interest on Relevant Loans and Advances to	[Group Account [Account Code]

5.12 Medical Claim Reimbursement:

On Payment of Medical Reimbursement claims it would be recorded in the Cash/Bank Book under Employees Medical Reimbursement Account [Account Code] under the Group Establishment Cost.

Debit Side:	Establishment Cost Medical Claim Reimbursement	[Group Account [Account Code]
Credit Side:	i Banks Account Relevant Bank Account	[Group Account [Account Code]
	ii Cash Account	[Account Code]

5.13 Encashment of Leave:

On payments of leave encashed, the same would be recorded in the Cash/Bank Book under the head Leave Salary Account (Account Code) under the Group Establishment Cost.

Debit Side:	Establishment Cost Encashment of Leave	[Group Account [Account Code]
Credit Side:	i Banks Account Relevant Bank Account	[Group Account [Account Code]
	ii Cash Account	[Account Code]

5.14 Payment of Arrears of Salaries/Wages:

On the payment of salaries in arrears, the same would be recorded in the Cash/Bank Book under the head Arrears Salaries Account [Account Code] under the Group Establishment cost, on the basis of cheques issued and the arrears pay bill :[Please Refer Pay Fixation, Revision and Increment Para 3.4.1 above]. Accounting entries would be made on the lines of para 5.1 above

5.15 CPF/Pension/Family Pension Payments:

CPF/ Pensionary Contribution, Contribution is accounted for as detailed under para 5.7 above Upon Payment of CPF/Pension/Family Pension Upon payment of CPF and payment of Pension/Family Pension out of Pension Fund, CPF/Pension Trust Fund, no accounting entries are required to be made in the financial books, only memorandum entries would be made in the CPF/Pension Payment Register. In case of payment of shortfall in CPF and Pension Fund, CPF/Pension Trust Fund, entry would be made in the Bank Book as under :

Debit Side:	Establishment Cost Account Contribution to CPF/ Pensionary Contribution	[Group Account [Account Code]
Credit Side:	Banks Account Relevant Bank Account	[Group Account [Account Code]

In case of CPF/Pension/Family Pension is paid out of funds Of Development Authority, following entries would be passed in the Cash Book/Bank Book as under:

Debit Side:	Establishment Cost Pension/Family Pension	[Group Account [Account Code]
Credit Side:	i Banks Account Relevant Bank Account	[Group Account [Account Code]
	ii Cash Account	[Account Code]

5.16 Gratuity Superannuating and other Retirement Benefits:

i) In case of creation Of Fund/Trust Provision for liability at year end

The entry would be made in the journal Book as under:

Debit Side:	Establishment Costs Gratuity/ Cont. towards Gratuity & other Benefits	[Group Account [Account Code]
Credit Side:	Expenses Payable Gratuity/Cont.towards Gratuity & other Retirement Benefits Account	[Group Account [Account Code]

(Please Refer Para 3.5.6 above)

Upon Payment of Contribution Amount:

Upon payment/deposit of contribution with the Trust, entry would be made in the Bank Book/ Cash Book as under:

Debit Side:	Expenses Payable Gratuity/Cont.towards Gratuity & other Retirement Benefits	[Group Account [Account Code]
Credit Side:	i Banks Account	[Group Account
	ii Relevant Bank Account	[Account Code]
	Cash Account	[Account Code]

Upon payment of Liability:

(i) Liability for Gratuity Super annuation and other Retirement Benefits are met from the Trust Fund, and no entry is required to be made in the financial books, only memorandum entries would be made in the Retirement Benefit Payment Register.

ii) In case of Liability is paid out of own funds of Development Authority:

Liability for Gratuity, Superannuating and other Retirement Benefits would be provided for in the period in which such liability is paid. Entry would be passed in the Bank Book on the basis of voucher and sanction for the payment.

Debit Side:	Establishment Cost Account Gratuity/ Cont. towards Gratuity & other Retirement Benefits Account	[Group Account Code] [Account Code]
Credit Side:	i Banks Account	[Group Account Code]
	Relevant Bank Account	[Account Code]
	ii Cash Account	[Account Code]

CHAPTER - 6

FORMS AND FORMATS

6.1	Form No.PR-1	Statutory Deduction & Contribution on Register for Deputation Employees
6.2	Form No.PR-2	Employees Personnel Register
6.3	Form No.PR-3	Last Pay Certificate
6.4	Form No.PR-4	Increment Control Register
6.5	Form No.PR-5	Recoveries / Deduction Control Register
6.6	Form No.PR-6	Loans and Advances to Employees
6.7	Form No.PR-7	Income Tax Deduction Register
6.8	Form No.PR-8	Pay Roll / Pay Bill
6.9	Form No.PR-9	Undisbursed Salaries Register
6.10	Form No.PR-10	Provident Fund Deduction Register
6.11	Form No.PR-11	Ex-Gratia Register
6.12	Form No.PR-12	Medical Reimbursement Register
6.13	Form No.PR-13	Leave Encashment Register
6.14	Form No.PR-14	CPF/ Pensionary Contribution Register
6.15	Form No.PR-15	Pension/ Family Pension Payment Register
6.16	Form No.PR-16	Gratuity, Superannuation and other Retirement Benefits Payment Register
6.17	Form No.PR-17	Establishment and Personnel Cost Journal Book



FORM No PR-1

UTTAR PRADESH DEVELOPMENT AUTHORITIES

STATUTORY DEDUCTIONS DEPUTATION EMPLOYEES REGISTER

Date	Voucher No & Reference	Particulars of Deductions	PF	ESI	GI	Any Other (specify)	Total	Amount Remitted	Date of Remittance	Voucher No. of Reference/ Remittance	Remarks
<hr/>											
<hr/>											

UTTAR PRADESH DEVELOPMENT AUTHORITYS EMPLOYEES PERSONAL REGISTER

Name		Category			
Employees Code		PF A/c No and Bank:			
Designation:		Salary A/c No and Bank			
Period	Designation	Loans Record			
.....	.....	Types of Loans	Sanctioned	Date of Sanction and	Date of Final
.....	.....		Amount	Sanctioning	
				Authority	
Stettlement	.....	.....	.....	.....	.....
.....
.....
.....
.....
		
		
		
	Department of	Other Details	.....	.....	.....
	Posting	Suspension/Dismissal	.....	.....	.....
	.....	Etc.	..	.....	.....

Appointment Letter No. Details of Transfer Order

.....

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
LAST PAY CERTIFICATE**

1. This is to certify that Shri/Smt. has been transferred to
from this office vide order nodated.....
2. He/She has been paid salaries upto..... of the following scale/scales

Particulars	Rate/Amount
i) Basic, Special Increment/Spl . Pay, Personal Pay/Earnings.	
ii) Deputation Allowance, Handicapped Allowance D.O.A, A.D.A	
iii) IR-1, IR-2, IR-3, Special Allowance	
iv) H.R.A, C.C.A, Medical, Conveyance	
v) Other Allowances, specify	
TOTAL	
3. His/Her Increment is due onRs.....
4. His/Her P.F. A/c No.is.....
5. He/She has handed over the charge of office on
And has been relieved on
6. The following are the recoveries/deductions to be made from his/her salaries:-
 - a) P.F. subscription Rs..... P.M or % of
 - b) S.I subscription Rs..... P.M or % of
 - c) G.I subscription Rs..... P.M or % of
 - d) Any Other (Specify)
 - e) Income Tax (Please see point no.7 below)
 - f) Loans and Advances outstanding/Loan recoveries to be made[Details appended on separate page
7. The Salaries paid to him/her in the financial year is as under gross salary other than

H.R.A	Rs.....
Others	Rs.....
Others	Rs.....
Total	Rs.....

Rs..... Has been deducted/deposited in tax saving schemes as detailed below:

P.F	Rs.....
G.I./E.S.I.	Rs.....
OTHERS(SPECIFY)	Rs.....
DEPOSITS	Rs.....
N.S.C.	Rs.....
P.P.F.	Rs.....
OTHERS(SPECIFY)	Rs.....

RS.....has been deducted/deposited towards Income Tax
Till date..... with respect to previous year...../
Assessment year.....
8. His/Her has availed.....days casual leave during the year.
9. His/Her service book duly completed is enclosed herewith.
10. The Applicable C.P.F./Pensionary .ESI/GI etc Contributions Rates[employment]are as under.

C.P.F./Pensionary Contribution	Rate	On .....pay and on.....
ESI/GI Contribution		
Others(specify)		
11. His/Her Statutory Deductions for the Incumbency period from.....to.....are as under.

Head of Deduction	Principal Amount	Interest Earned /Accrued	Total Amount	Kept with DA in PF A/c No.	Remitted to concerned DA its Name & Amount	Remitted to concerned organisation /Agency & Amount
PF Deduction						
ESI						
GSI						
Any						
Other(specify)						

Transfer department would be responsible for making Deductions on the rate given at para 6 above and Remitting the same on monthly basis as under:

.....	<p style="text-align: center;">Where to be Remitted Head</p> PF Deduction ESI Deduction GI Deduction ANY OTHER (SPECIFY)
----------------------------------	--

12.CPF/Pensionary ESI/GI contribution of the incumbent for the incumbency period from.....toare as under.

Head of Contribution	Principal Amount	Interest Earned /Accrued	Total Amount	Kept with DA in Individual A/c or Consolidated fund A/c	Remitted to Corpus/Trust Fund & Amount	Remitt to concerned organization /Agency & Amount
CPF/Pensionary						
ESI						
GSI						
Any Other (Specify)						

Details of remittance if any are given as under:

Transferee Department would be responsible for making contributions as per para 10 above and remitting the same on the monthly basis .
 As under contribution.

.....	<p style="text-align: center;">Where to be Remitted Head</p> PF Pensionary Contribution ESI Contribution GI Contribution for..... ANY OTHER (SPECIFY)
----------------------------------	---

Date
Place

Authorised Signature
Designation
Department/Organisation

Signature of the Employee Concerned
Name
Designation
Remarks if any:

NOTE: Each page of this Certificate would be initialed by the Authorised Signatory

13. Details of Loans

Scale	Nature of Leave	Amount of Loan	Monthly Installment	Amount Recovered till Date	Amount Recovered	Remittance to be made

FORM No PR-4

UTTAR PRADESH DEVELOPMENT AUTHORITIES
INCREMENT CONTROL REGISTER

Month:

S.No.	Employs Name	Emp. Code	Designation	Present Pay	Pay Scale	Rate of Increment	Enhanced Pay after Increment	Revised Pay Scale	W.E.F	Remarks

FORM No PR-5

UTTAR PRADESH DEVELOPMENT AUTHORITIES
RECOVERIES/DEDUCTION REGISTER

Department:

Name of the

Employee.....Designation.....

Employee Code:

A. ADVANCE

PARTICULARS	AMOUNT	NO.OF INSTALLMENTS	DATE	MONTHLY INSTALLMENT	PAYMENT/ ACCOUNTING INSTRUCTION	REFERENCE DOCUMENT	REMARKS

B. OTHER RECOVERIES:

DATE	PARTICULARS	AMOUNT	NO.OF INSTALLMENTS	MONTHLY INSTALLMENTS	PAYMENT/ ACCOUNTING INSTRUCTION	REFERENCE DOCUMENT	REMARKS

C. STATUTORY DEDUCTIONS:

S.NO	HEAD	AMOUNT	REMARKS
A.	PF Subscription	Rs.....pm or @% of.....	
B.	ESI Subscription	Rs.....pm or @% of.....	
C.	GI Subscription	Rs.....pm or @% of.....	
D.	Any Other(Specify)	Rs.....pm or @% of.....	

FORM No PR-6A

UTTAR PRADESH DEVELOPMENT AUTHORITIES
EMPLOYEES ADVANCE OFFICIAL REGISTER/LEDGER

Type of Advance:
 Name of Employee:
 Designation:
 Accounting Instruction:

DATE	PARTICULARS	AMOUNT DEBIT	AMOUNT CREDIT	BALANCE	REMARKS

FORM No PR-6B

UTTAR PRADESH DEVELOPMENT AUTHORITIES
**LOANS AND ADVANCE TO EMPLOYEES PERSONAL REGISTER
 PERSONAL LEDGER**

Name:	Employee Code
Designation:	Nature of Advance
Recovery	Amount Sanctioned
Instruction:	Sanctioned By
	Mode of Repayment
	Interest Rate

DATE	PARTICULARS	AMOUNT DEBIT	AMOUNT CREDIT	BALANCE	REMARKS

FORM No PR-6C

UTTAR PRADESH DEVELOPMENT AUTHORITIES
LOANS AND ADVANCE TO EMPLOYEES/REGISTER LEDGER

Name:	Employee Code
Designation:	Amount Sanctioned
Recovery	Sanctioned By:
Instruction:	Mode of Recovery

DATE	PARTICULARS	AMOUNT DEBIT	AMOUNT CREDIT	BALANCE	REMARKS

UTTAR PRADESH DEVELOPMENT AUTHORITIES

INCOME TAX DEDUCTION REGISTER

Name of Employee
Employee Code

Designation
Previous Year
Assessment Year

Month	Basic & Spl All	DA/ADA All Hand All	Spl All	HRA	Med All	Conv All	Edu All	Other All & Pay	Ex-Gratia	Gross Pay	PF Ded	ESI/GI	Loan Ded	Income Tax	Tod. Ded	Net Pay	Remarks	Tot. Ded	Net Pay	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21

330

Tax Deduction Certificate No.....[Form No 16/.....]dated

Issued on.....

Details of Investments Made:

For

Authorised Signatory

Name

Designation

Date:

Place:

Note : The above register shall be maintained by Establishment / Payroll Department.

UTTAR PRADESH DEVELOPMENT AUTHORITIES

PAY ROLL BILL

DEPARTMENT

YEAR	ALLOWANCE									
DEDUCTIONS MONTH										
S.No	Emp	Employee	Basic Pays	DA/ADA/	Increments	Facilities	Other All	Statutory	Facility	
Advances	Contri	Sig&	All	All						
Code	Name	Designation								
Stamp										

A/c No	Basic	DA	IR-1	HRC	Washing All	P.F				
House Rent House1	PF									
PF A/c No	Slp Incr	A.D.A	IR-2	CCA	Billing All	GI	Electricity			
House2 CPF										
Car/scoo/ Pension	Spl Pay	Hand All	IR-3	Med All	Earnings 1	I.Tax	Telephone			
Conveyance Conveyance GI	Persl Pay		Spl All	Con All	Earnings 2	Ewf				
Spl Loan1 Ewf						Pf Adv	Ded-1			
Spl Loan 2	Earnings						Ded-2			
								Any other		

FORM No PR-9

UTTAR PRADESH DEVELOPMENT AUTHORITIES
UNDISBURSED SALARY REGISTER

Month:

Department:

S,NO	E.CODE	NAME OF EMPLOYEE	DESIGNATION	SALARY DETAILS Gross| Deductions|Net pay	Date of Payment	Signature of Employees	Remarks

FORM No PR-10

UTTAR PRADESH DEVELOPMENT AUTHORITIES
PF/CPF CONTRIUTION REGISTER

Employee Name:

Department:

Employee Code:

PF bank A/c No.:

DATE (1)	VOUCHER NO. (2)	PARTICULARS (3)	PF CONTRIBUTION EMPLOYER SHARE (4)	INTEREST (5)	ADVANCE TAKEN (6)	ADVANCE RECOVERED (7)	BALANCE [4+5+6+7] (8)	REMARKS (9)

FORM No PR-11

UTTAR PRADESH DEVELOPMENT AUTHORITIES
EX-GRATIA REGISTER

Employee Name:

Department:

Employee Code:

PF bank A/c No.:

S.NO	Code	Particulars of Employee	Designation	Calculation Formula	Salary Qualified for calculation	Amount Calculated	Amount Paid	Signature of Remarks the Employee	Remarks

FORM No PR-12

UTTAR PRADESH DEVELOPMENT AUTHORITIES
EMPLOYEES MEDICAL CLAIM REIMBURSEMENT REGISTER

Employee Name:
 Department:
 Entitlement:

Employee's Code:
 Grade & Pay Scale:

DATE	VOUCHER NO.	Relationship With Patient	Illness	Amount Claimed & Passed	Cumulative for the Year	Remarks

FORM No PR-13

UTTAR PRADESH DEVELOPMENT AUTHORITIES
LEAVE ENCASHMENT REGISTER

Employee Name:
 Department:

Employee Code:
 Grade & Pay Scale:

DATE	VOUCHER NO.	Leave Encashment Period	Cheque no. & Date	Amount	Remarks

FORM No PR-14

UTTAR PRADESH DEVELOPMENT AUTHORITIES
CPF/PENSIONERY CONTRIBUTION REGISTER

Employee Name:
 Department:
 No.

Employee Code:
 CPF/Pensionary A/c

DATE (1)	VOUCHER NO. (2)	Particulars (3)	CPF/Pensionery Contribution Employer Share (4)	Interest (5)	Balance [(4)+(5)] (6)	Remarks (7)

NOTE: Incase of Corpus Fund this register would be prepared by Trust F

FORM No PR-15

UTTAR PRADESH DEVELOPMENT AUTHORITIES

PENSION/FAMILY PENSION PAYMENT REGISTER

Employee Name:
Department:

Employee Code:
Pension Period:

Pension Factor:

Date	Month	Pay Scale	Other Details	Voucher No.	Amount	Remarks

NOTE: In case Pension/Family Pension is paid at the end of Corpus Fund. This Register would be maintained by Trust.

FORM No PR-16

UTTAR PRADESH DEVELOPMENT AUTHORITIES

**GRATUITY, SUPERANNUATING &
OTHER RETIREMENT BENEFITS REGISTER**

Employee Name:
Department:

Employee Code:
Designation:

Voucher No	Particulars	Amount	Deductions if any	Net Payment	Cheque No.	Signature of the Employee/Recipient	Remarks

NOTE: In case these retirement benefits are met at the end of Fund created for the purpose. This register would be maintained at the end of the fund.

UTTAR PRADESH DEVELOPMENT AUTHORITIES ESTABLISHMENT AND PERSONNEL COST JOURNAL BOOK

Date	Voucher No	Name of Employee & Particulars	<u>Gross Establishment Cost</u>					Gross Total of Est. Cost
			Basic/Spl/Pay/Person pay/Earnings	D.A/A.DA/Deptt All/Hand all	IR-1/IR-2/Spl.Allowance	HRA/CCA/Med. All/Conv.Allowance	Other All/Viklang All/Washings/Earnings	
1	2	3	4	5	6	7	8	9

Contd. 2

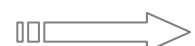
<u>Other Costs</u>					<u>Retirement Benefits</u>			
Med. Claim	Leave Encashment	Ex Gratia	Honorarium	Uniform	Others	CPF/Pension	Gratuity Compensation	Others
10	11	12	13	14	15	16	17	18

Contd. 3

<u>Statutory Deductions</u>								
P.F (D.A)	P.F Deputation	G.I (D.A)	G.I Deputation	Income Tax Deduction	EMP Welfare Fund (D.A)	EMP Welfare Fund Deputation	P.F. Adv. (D.A)	P.F. Adv. Deputation
19	20	21	22	23	24	25	26	27

Contd. 4

<u>Deductions for Facilities Provided</u>					<u>Loans Deductions</u>			<u>Salary Payable/Retirement Benefits and Other Payable</u>		
House Rent	Electricity	Telephone	Conveyance	Other Deductions	House Loan	Car/Scooter/Conveyance	Special Adv.	Salary	Others	Retirement Benefits
28	29	30	31	32	33	34	35	36	37	38



PART-IV : ACCOUNTING POLICIES

**OPERATING SYSTEMS PROCEDURES
AND
ACCOUNTING PROCEDURES**

SECTION NO. - 25

**ACCOUNTING FOR
ADMINISTRATIVE COST**

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





PART-IV : ACCOUNTING POLICIES
OPERATING SYSTEMS PROCEDURES AND ACCOUNTING PROCEDURES
SECTION NO. - 25
ACCOUNTING FOR ADMINISTRATIVE COST

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CHAPTER – 1

INTRODUCTION

- 1.1** The Section on Accounting for Administrative Cost for Development Authorities in Uttar Pradesh aims at establishing effective and uniform policies and procedures in the Administrative Cost Accounting. The specific objectives of this section are:
- To Specify policies and procedures for effective monitoring of and control over the Administrative Cost .
 - To establish an interface between Administration and Finance and Accounts Department.
 - To evolve persistent and effective policies and procedure to ensure control and uniformity in practice.
- 1.2** **Scope of the Section**
The Scope of the section is to cover the Accounting Policies, Operating System and Procedures, Internal Controls and Internal Checks for the Administrative Cost Accounting System of Development Authorities in Uttar Pradesh.
- 1.3** **Responsibility of Finance and Accounts Department**
The Finance and Accounts Department would be responsible for facilitating prompt payments that may arise against the administrative cost of Uttar Pradesh Development Authorities. It would be the responsibility of the Department to ensure that all related books are maintained as per the provision of Accounts Manual.
- 1.4** **Responsibility of the Administration Department**
The Administration Department would be responsible for the verification and examination of claims received from the User Department for payments, ensure that the claim is duly authenticated by the User Department and also duly supported by necessary documents/ invoices etc. and that the expenses were having prior approval if so required and is as per Budgetary Provision.
- 1.5** **Responsibility of the User Department**
It shall be the responsibility of the User Department to obtain prior sanction of the expenses from the Sanctioning Authority and mark the Bill when received in its office and ensure its correctness. It would further be responsible to vouch safe that the supply of goods and/or services against such Bills for payments have been duly received. On due verification of Bill at its end, the same shall be forwarded to Administration Department for approval.
- 1.6** **Deviations**
Deviation from the prescribed policies and procedures would not be allowed unless permitted by Government of Uttar Pradesh (Housing Department).

CHAPTER - 2

ACCOUNTING POLICIES

2.1 **Types of Administrative Expenditure**

2.1.1 **Administrative Expenses of Revenue Nature**

All the Administrative Expenses of revenue nature would be provided for in the period in which they arise.

2.1.2 **Administrative Expenditure of Deferred Revenue Nature**

i) **Deferred Revenue Expenses not pertaining to Projects**

Deferred Revenue Expenses would be amortized over a period during which benefits from such expenditures are expected to arise.

ii) **Deferred Revenue Expenses pertaining to Works/Projects**

All cost and expenses incurred and allocable to Works/Projects which are yet/not under execution, would be allocated and parked under this head.

On the commencement of Works/Projects these deferred costs would be allocated over the Works/Projects on rational basis.

2.1.3 **Administrative cost directly relating to Works/Projects would be allocated over the Works/Projects:**

Allocation of Administrative Cost would be treated as recovery against the Works/Projects taken up and would be credited to Income and Expenditure Account in the period in which they occur. This follows that all the Administrative Cost shall be first charged to the Income and Account.

CHAPTER - 3

OPERATION SYSTEMS AND PROCEDURES

3.1 Receipt of Bills by the User Department

The User Department would receive the bills of administrative expenses borne by their respective Departments. The Concerned user would cross check the bills submitted on the following parameters:

- Particulars given in the bills are in conformity with the corresponding books, records maintained by Development Authority.
- The bills have to be verified with respect to propriety.
- Any personal expenses need to be identified and segregated.
- The rates being charged are standard, as per terms or conditions or as applicable rates/contracted rates.

In case the User Department detects any discrepancy then it would sent the bills back to its source along with its remarks.

3.2 Sanction of Expenditures:

It would be the responsibility of the concerned User Department to obtain necessary sanction/ approval of expenditures from the appropriate authority in the Administrative Department.

3.3 Forwarding of bills to Finance Department

On approval of bills from Administrative Departments, bills would be forwarded to Finance and Accounts Department for further processing.

3.4 Checking of Bills in the Finance and Accounts Department

The bills on receipt by the Finance and Accounts Department would first be classified in the following categories :

- Rent
- Rates and Taxes
- Electricity and Generator
- Communication
- Stationery and Printing
- Advertisement and Publicity
- Entertainment Refreshment and Meetings
- Traveling and Conveyance, Travel Advances
- Consultancy Fees and Audit Fees
- Legal Expenses
- Postage and Telegram
- Repair and Maintenance
 - Office Building
 - Residential Buildings/Shops
 - Community Centers and Parks
 - Vehicle
 - Furniture & Fixtures
 - Equipments- Construction and Heavy Equipments
 - Equipments- Official and including Computers
 - Sewerage/Water Supply Facilities
 - Others
- Vehicle Running
- Functions, Inaugurations and Welcome/Farewell
- Insurance
- Books and Library
- Other Adjustment bills

The checks for each category are essentially different.

The bills in each category, however, would be checked with respect to Budgetary Limit and the contract agreement if any for the concerned expenses and it should be arithmetically correct. The checks given herein have been built in for safeguarding funds of the Development Authorities. Under no circumstances, would the bill be affected for payment, before it has been thoroughly processed.

3.4.1 Rent

The bills for rent of any office, premises would be checked with corresponding agreement. The details of payment would be recorded in Rent Payment Register [Form No. AD-1].

In case of any discrepancy, the Finance and Accounts Department would return the bill to the User Department, who in turn would get the bill corrected from the originating source.

Once the bill is found complete, it would be forwarded for payment. The entries would be made in the concerned Books of Accounts and the Rent Payment Register.

3.4.2 Rates and Taxes

The bills for Rates and Taxes would be for Water Charges, Water Tax and House Taxes. The bills of Water charges and Water Tax would be recorded in the Rates and Taxes Log Book Register to be maintained at Administration Department. This department would verify the details of the bill from Rates and Taxes Log Book with respect to units consumed and period of bill.

The Finance and Accounts Department would check the bills with the corresponding entries in the Rates and Taxes Log Book Register. It would check that the rates being charged are as per applicable tariff and arithmetical accuracy of calculation.

In case of any discrepancy, the Finance and Accounts Department would inform the concerned Department to follow the bills with the concerned organization and get the rectification of the detected error. Once, the matter is resolved, the bills would be again forwarded to the Finance and Accounts Department wherein another check would be conducted.

Once the bill is found complete, it would be forwarded for payment. The entries would be made in concerned Books of Accounts and Rates and Taxes Log Book Register [Form AD-2].

3.4.3 Electricity and Generator Running

The bills for Electricity and Generator Running Cost would be first categorized into

- For Official Use
- For Projects/Jobs
- For Residence/Residential Colonies and
- For others

For each of the category, separate Log Book for Electricity/Generator Running [Form AD-3 & 4] would be maintained, wherein metered readings /hours run would be recorded and verified by concerned JE Electricals/ Concerned Officer [in case of Generator].

The Finance and Accounts Department would verify the bills with the corresponding Log Books for unit's consumed/hours run and rates and arithmetical accuracy of calculation in same.

In case of any discrepancy, the Finance and Accounts Department would inform the Concerned/Officer Department to follow the bills with the originating source and get rectification done of detected error. Once the matter is resolved, the bills would be again forwarded to the Finance and Accounts Department, wherein another check would be conducted. Once the bills are found complete, the bills would be forwarded for payment.

Further checks and procedures

- i) In case of bills for official use, the payment would be made after completing the above checks. The entries would be recorded in concerned Books and Accounts and Log Books and charged to Electricity and Generator Cost under Administration Expenses.
- ii) In case of bills for Projects and Jobs, the payment would be made after completing the above checks. The Entries would be recorded in concerned Books and Accounts and Log Book and booked to concerned Projects and Jobs under the concerned scheme.
- iii) In case of bills for Public Utilities like Parks, Community Centers etc., the payment would be made after carrying other necessary checks and recorded in concerned Books and Accounts Log Book. The cost would be booked as maintenance and upkeep of concerned Public Utility to justify the tariff rates say Entrance Fee at Parks etc.
- iv) In case of bills for Residence/Colony etc. the payment would further be re-examined with respect to the eligibility criteria and ceiling. In no case payment would be allowed, before ensuring recovery of amount/excess amount from the concerned employee/officer as per the applicable rules.

The payment would be made after completion of formalities and entry would be recorded in the concerned Books of Accounts and Log Book and charged to Electricity and Generator Running Cost under the Group/ Control Administrative Cost .

3.4.4 Communication

The bills would be for Telephone, Telex and Fax payments.

The bills would be first categorized into

- For Office
- For Residence

Concerned Receptionist/ Employee would record each of these in the communication Log Books maintained. In case of STD/ISD calls, call wise entries would be made in Communication Log Book.

The Finance and Accounts Department would initially check the bill with the corresponding entries in the Communication Log Book. It would also check the rates being charged and arithmetical accuracy of calculation in the same.

In case of any, discrepancy, the Finance and Accounts Department, would inform the Concerned Department. It would be responsibility of the User Department to follow the bills with its originating source and get rectification done of the detected errors. Once the matter is resolved, the bills would again be forwarded to the Finance and Accounts Department, wherein another check would be conducted.

Further checks and procedures

i) In case of bills for Office

The payment would be made after completing above checks. The entries would be recorded in concerned Books and Accounts and Log Book by debiting communication cost under Administrative Cost.

ii) In case of bills for Residence

The payment would further be re-examined with respect to eligibility criteria, propriety and monetary ceiling. In no case payment would be allowed beyond the monetary ceiling/criteria before ensuring recovery of amount/excess amount from the concerned employee/officer as per rules.

The payment would be made after completion of formalities and entry would be recorded in the concerned Books of Accounts and Communication Log Book [Form No. AD-5]. Recoveries to be effected if any from the concerned employee/officer would be credited to recovery on account of Telephone under the head Other Income-Recoveries from Employees.

3.4.5 Stationery and Printing

The bills received for stationery and printing items purchased/cost incurred on these items would be verified by the User Department with respect to Monetary Ceiling if any as per parameters mentioned under para 3.1 above. Once approved, the bills would be forwarded to the Finance and Accounts Department.

On the receipt of the bills the Finance and Accounts Department would check the bill with the Material Inward Note issued by the Purchase and Supply Department. The bill would be cross checked with the purchase order and GR/MR for the item under consideration. In case the MIN has not been issued by Purchase and Supply Department for a particular item, then the check with the Indent of the User Department would be done.

In case of any discrepancy detected, the bill would be sent back to the Purchase and Supply Department/User Department, who would be responsible for all the rectification required in the bill. Once all the necessary changes, rectifications have been effected; the bill would be re-forwarded to the Finance and Accounts Department.

On the receipt of the bills, a check would be done to ensure all changes as required earlier have been incorporated and bill under consideration is complete in all respect. The bill would be forwarded for the payment. The entries would be made in the concerned Books of Accounts Printing and Stationery Register [Form No.AD-6]. Closing stocks at the year-end would be valued and shown in the Balance Sheet.

3.4.6 Advertisement and Publicity

The bills raised on this account would be routed through Administration Department, wherein preliminary check is made and bill would be forwarded to Finance and Accounts Department.

After routine check of bills in the Administration Department, the bills would be forwarded to the Finance and Accounts Department. Here, the bill would be checked to ensure, it is in accordance with the terms and conditions and also the rates stated are standard, (In case of hoardings, sign boards, banners, pamphlets etc. rates are according to the work order/tender order etc.) In no, case advertisement bills on account of welcome/ farewell etc. of VIP's like Ministers, Administrative Officers etc. would be routed under this head.

Panel of Advertisement Agencies for Category A to C shall be maintained and advertisement shall be made through the empanelled agencies. Advertisement in magazines and publication having restricted circulation would also be avoided. If there is a necessity monetary limit as well as overall monetary limit as specified would be adhered to in case of advertisements, in publications having restricted circulations.

	Post\Category of Development Authority (Annual Ceiling)	Overall Monetary Ceiling and Category of Development authority
	Restricted Circulation and Category of Development Authority	
	A B C D E	A B C D E

- | | | |
|----|---|--|
| 1. | Public Relation Officer | |
| 2. | Chief Accounts Officer/Financial Controller | |
| 3. | Chief Engineer | |
| 4. | Secretary | |
| 5. | Vice-Chairman | |

NOTE:

- i) There would be overall monetary ceiling for Advertisement and Publicity for the Officers designated above.
- ii) The above limits would stand revised/modified from time to time as per standing order of the competent authority.

Upon verification, if any discrepancy is noticed in the bill, it would be sent back to Administration Department. It would be responsibility of the Administration Department to take the matter with concerned.

Once the discrepancy is resolved, the bills would be redirected to the Finance and Accounts Department where a recheck would be initiated. If the bill is complete with respect to all the requirements, the payment proceeding would be initiated.

The entries would be made in the concerned Books of Accounts and Publicity Ceiling Register [Form No. AD-7].

3.4.7 Entertainment Refreshment and Meeting

The bills for Entertainment would include cost of tea and snacks, lunch, dinner to official guests etc. incurred during the course of performing official duties to promote the objects of the Development Authority. This head would also include expenses on meetings etc. The bills of Entertainment would be routed through the Administration Department wherein a preliminary check is made and bill would be forwarded to the Finance and Accounts Department. Individual monetary limits as well as overall monetary limit would be adhered to in case of Entertainment Expenses.

Post\Category of Development Authority [Annual Ceiling]

	A	B	C	D	E
1.					
2.					
3.					
4.					
5.					
6.					
7.					

Note: These limits would stand revised/modified from time to time as per standing orders of the competent authority.

Upon receipt of the bill, the Finance and Accounts Department would verify the bills with the monetary ceiling and budget provision. If any, discrepancy is found the bill would be sent back to the Administration Department. It would be responsibility of the Administration Department to take the matter with the concerned to resolve it. The entries would be made in the Books of Accounts and Entertainment Register (Form No.AD-8)

3.4.8 Traveling and Conveyance

The bills received from the employee would be checked on the basis if:

- Travel order along with the details of Travelling Expenses.
- Duly approved by the competent authority.
- The admissible limit for the particular grade as outlined in TE Rules.
- The arithmetical accuracy of the submitted bills.

The employee through the head of Section/ Department would submit the TE bill. [FormNo AD-9]

If the Finance and Accounts Department determines a discrepancy, it would co-ordinate with the concerned employee for rectification of the mistake. The Department would check the bill and document, if satisfied, the bill would be forwarded for further processing i.e., payment or receipt in accordance with the travel advance taken by the concerned employee.

In case the employee has exceeded a limit against a particular head, then the exceeded amount would be deducted from the bill submitted from the pay of the concerned employee.

All such transactions would be recorded in concerned Books of Accounts and Travelling Expenses Register [Form No. AD-10].

All vouchers for local transport would be submitted through the Concerned Department, who after processing of the bill forward the same to the Finance and Accounts Department. Expenses would be reimbursed as per rules to concerned employee. All such transactions would be recorded in the concerned Books of Accounts and Local Conveyance Register [Form No. AD-11].

3.4.9 Travel Advance

The Sundry Advance Form submitted to the Finance and Accounts Department by the concerned employee would be recommended by the concerned Department Head and sanctioned by concerned Department Head.

On receipt of the Sundry Advance Form, the Finance and Accounts Department would check with the Sundry Advance Ledger [Form No. AD-12] whether any previous advance is lying pending against the employee for adjustment. In case, an amount is pending against the employee, then either the Finance and Accounts Department would withhold the payment and the employee would be expected to furnish the details of the previous advance or the Finance and Accounts Department would deduct the amount pending from the amount requested and make the required payments. The decision of the Head of Finance and Accounts Department would be final in this matter.

In case of any discrepancy, the Form would be followed with the employee wherein the required changes would have to be made. After, all the changes have been made; the Form would be forwarded to the Finance and Accounts Department, where a re-check of the Advance Form would be made. Once, it is considered complete by the Finance and Accounts Department, it would be passed and sent to the Cashier for the payment.

The entries would be made in the Concerned Books of Accounts and Sundry Advance Ledger.

3.4.10 Consultancy and Audit Fees

The bills would be forwarded through the Concerned User Department wherein preliminary check would be carried as per the parameters mentioned under para 3.1 above. Once, approved the bills would be forwarded to the Finance and Accounts Department.

On the receipt of the bill, the Finance and Accounts Department would check the bill to ensure whether it is in accordance with agreement/appointment and supporting documents etc. for the completion of work/assignment in terms of agreement/appointment. If any discrepancy would be noticed in the bill, it would be sent back to the Concerned User Department. It would be the responsibility of the User Department to take the matter with the concerned agency/firm/party and sort out the discrepancy.

Once the discrepancy has been resolved, the bill would be forwarded back to the Finance and Accounts Department. If the bill is complete to the requirements of the Finance and Accounts Department, the payment proceedings would be initiated.

The entries would be made in the Concerned Books of Accounts.

3.4.11 Legal Expenses

The bills would be forwarded through the Legal Department wherein the preliminary check would be carried out as per the parameters mentioned under para 3.1 above. Once approved the bills would be forwarded to the Finance and Accounts Department.

On receipt of the bill the Finance and Accounts Department would check the bill to ensure whether it is in accordance with the agreement/appointment and other supporting documents. If any discrepancy is noticed in the bill, it would be referred back to the Legal Department. The Legal Department would follow the matter with the Concerned User Department or the party concerned.

Once the matter has been resolved it would be again forwarded to the Finance and Accounts Department. If the bill is complete to the requirements of the Finance and Accounts Department, the payment proceeding would be initiated.

Legal bills received would be entered in the Legal Cases Follow-Up Register [Form No. AD-13] by the Legal Department.

Upon completion of the formalities, entries would be made in the Concerned Books of Accounts.

3.4.12 Postage and Telegram

Bills of Postage and Telegram include, consumption of stamps and courier bills.

In case of Postage:

A monthly advance would be sanctioned to the Centralized Dispatch Department who in turn would record the details of postage advance and postage consumption in the Centralized Postage Register. The Centralized Dispatch Section would issue postage tickets to the Centralized Dispatch clerk or other User Department as the practice may be, who in turn would submit monthly details to the Centralized Dispatch Section in the following format:

Month	Postage Stamps			Closing Balance at month end	Remarks
	Opening Balance	Postage received/ Purchased	Consumption During the month		
1	2	3	4	5	6

The Centralized Dispatch Section would prepare monthly Summary of Postage (including consumption at own level) and record details in the Centralized Postage Register [Form No. AD-14]. Each User Department would also record the transaction in their Postage Register [Form No. AD-15].

In case of Courier Bill:

Dak would be sent through the approved courier agencies and would be recorded in the Courier Dispatch Register [Form No. AD-16] wherein dispatch receipt given by the courier agency would also be entered.

The Centralized Dispatch Section would forward monthly bills of Postage Consumption and Courier Agencies to the Administration Department wherein preliminary check would be carried out with the respect to completeness of bill and other formalities. There after bill would forward to the Finance and Accounts Department. The Finance and Accounts Department would verify the bill with the Centralized Postage Register and Courier Dispatch Register Maintained by the Centralized Section. Bill would be checked for rates being charged by courier agencies, arithmetical accuracy of calculation. If any discrepancy is noticed the bill would be redirected to the Administration Department. It would be responsibility of the Administration Department to follow the matter and get rectified discrepancy noticed.

Once the matter is resolved, the bill would again be forwarded to the Finance and Accounts Department where re-check is made. If the bill is complete in all respect it would be forwarded for payment/adjustment and recording.

The entries would be recorded in the concerned Books of Accounts. Postage stamps shall be physically verified on monthly basis by the Finance and Accounts Department.

3.4.13 Repair and Maintenance

For every repair the bills would be forwarded through the Concerned User Department to the Finance and Accounts Department for recording and payment.

The Repair and Maintenance bills on receipt by the Finance and Accounts Department would first be classified under following categories viz.

- Repair and Maintenance
 - Buildings
- a) Office
- b) Residential/Shops
 - Furniture and Fixtures
 - Plant and Machinery and Hot Mix Plant
 - Office Equipments and Computers
 - Vehicles
 - Utilities like Parks, Community Centers etc.
 - Sewerage/Water Supply facilities
 - Others

The Finance and Accounts Department would verify the bills on the basis of

- Requisition of the concerned Department viz Building Maintenance, House Keeping and Engineering Department etc..
- Duly approved by the concerned Department Officer.
- Arithmetical accuracy of the bills with respect to appropriate rates approved by Engineering and Works Department, Tender/Quotation/works orders, etc..

In case of repair of vehicles in emergency, the drivers would be allowed to get repairs done, with the permission of the officer using the vehicle needs to be obtained. Vice-Chairman would prescribe overall maintenance expenses limit per vehicle based upon age of the vehicle and expenses shall be kept within the specified limit, vehicle wise separate file shall also be kept.

In case, the Finance and Accounts Department requires some additional documents/rectification to the submitted bills, the bills would be sent back to the Concerned User Department. It would be the responsibility of the Concerned User Department and necessary changes made to the bills in accordance with the requirements stated by the Finance and Accounts Department.

Once all the rectifications have been effected, the bills would again be submitted to the Finance and Accounts Department wherein a re-check is made. On satisfaction with the bill submitted, the bills would be forwarded for effecting the payment with no further delay.

The Finance and Accounts Department would also examine the bill with respect to classification, documentation and for necessary approvals and sanctions.

The entries would be made in the Books of Accounts and Vehicle Log Books [Form No. AD-17], Vehicle Maintenance (Running and Maintenance) Register [Form No. AD-18] Office Equipments Maintenance Register [Form No. AD-21], Plant and Machinery and Equipments Maintenance Register [Form AD-22] Public/ Utilities Maintenance Register [Form No. AD-23].

The procedure of maintenance of above said register is detailed in the concerned proforma itself.

3.4.14 Vehicle Running

POL bills would be passed on fortnightly basis. The Finance and Accounts Department would sanction Permanent Imprest/Temporary Advances to the concerned Officer for making payment of POL bills. The concerned Officer would forward the POL bills under his/her signature. The concerned Driver would record the details of POL bills in the Vehicle Log Book [Form No. AD-17]. The User Department would after carrying preliminary checks would forward the bills to the Finance and Accounts Department. The Finance and Accounts Department would verify the bills with the concerned Log Book. If any discrepancy were noticed in the bill, the same would be redirected to the User Department. It would be the responsibility of the User Department to follow the bill with concern.

Once the matter is resolved the bills would again be forwarded to the Finance and Accounts Department. The Finance and Accounts Department would adjust the bills against Permanent Imprest/Temporary Advance taken by the Officer by passing the entries in the concerned Books of Accounts.

The Finance and Accounts Department would not except in emergency, sanction next advance unless the previous advance has been settled.

The details of monthly POL consumed and hours run as per Vehicle Log Book would also be recorded in the Vehicle Running and Maintenance Register [Form No. AD-18]

3.4.15 Functions, Inaugurations and Welcome/Farewell

These expenditure would include expenses on functions like Independence Day, Republican Day, Inaugurations of Projects and on Welcome Functions of Administration Officers, VIP's and VVIP's etc.

Expenditures under the above head would not be of luxury nature rather they ought to be that of necessity.

While incurring expenditures on above heads individual monetary limits as specified by the Vice-Chairman would have to be adhered to and overall expenditures shall be kept within the budgetary limit.

The bills would first be sent to the Administration Department wherein preliminary check would be done with regards pre-sanction and preparation of contingent bill. Upon completion of necessary formalities bill would be recorded in the Monetary Ceiling Register (Functions, Inaugurations and Welcome/Farewell) [Form No. AD- 24].

The Finance and Accounts Department would verify the bill with the respect to pre-sanction advice, expenditures in conformity with the contingent bill and monetary ceiling as laid down above, propriety and the arithmetical accuracy of the calculations. If there were any, inconsistency, the bill would be directed to Administration Department to follow the inconsistency. Upon removal of the inconsistency noticed, the bill would again be forwarded to the Finance and Accounts Department.

If bill were complete in all respect it would be passed. Entries would be recorded in the concerned Books of Accounts and Concerned Monetary Ceiling Register[Form No AD-24].

3.4.16 Insurance

Insurance would include insurance of Cash, Stores, Assets and the Vehicle of the Development Authorities. Each of the User Department shall forward their insurance requirements to the Administration Department to proceed with the matter.

It would be the responsibility of the Administration Department to ensure that the Cash, Stores, Assets and Vehicles of the Development Authority have been insured adequately.

The Finance and Accounts Department would pre-audit the proposed insurance along with list of the items to be covered with respect to type of risk covered, items covered and value thereof. In case of under/over valuation of items covered. The Finance and Accounts Department would advice accordingly to the Administration Department. The proposed insurance would be finalized after consultation with the concerned Department.

The approved bill would be forwarded to the Finance and Accounts Department for payment. The bill would be checked with the respect to laid down criteria and arithmetical accuracy. If bill is found complete in all respects, the payment would be made to the concerned Insurance Company.

The cover note received would be verified by the Administration Department with respect to terms and conditions and risk covered. In case there is any inconsistency, the same would be followed with the Insurance Company. One copy of the cover note would be sent to the Finance and Accounts Department for completing the payment voucher.

The second copy of the cover note would be sent to the User Department to be retained by the Concerned User Department for recording the details in the Insurance Register [Form No. AD-25].

3.4.17 Books and Library

Expenses under this head include cost of newspapers, magazines, books and library. Expenses under this head shall be kept within the monetary ceiling as specified. The bills shall be first processed at the end of User Department and after Obtaining necessary approvals and sanctions from the competent authority bills shall be forwarded to the Finance and Accounts Department. The Finance and Accounts Department shall carry out necessary checks with respect top monetary Ceiling, calculations and propriety of expenses. If any discrepancy is noticed, the bill shall be sent back to the concerned User Department to settle the discrepancy. Upon resolving the discrepancy bills shall be again redirected to the Finance and Accounts Department. If bill is found complete in all respect it shall be passed for recording and payment.

3.4.18 Other Bills

Other bills may comprise of the following categories:

- (i) Expenses against settlement of temporary advance/temporary imprest.
- (ii) Expenses against settlement of permanent advance/permanent imprest.
- (iii) Settlement of expenses against advance to Jal Nigam, Jal Sansthan, Electricity Board, Nagar Palika, etc..
- (iv) T.E. and other expenses settlement against advances.
- (v) Work charges/muster roll and other works related expenses bill settlement against temporary imprest to JE/AE.
- (vi) Materials and stores purchase settlement against temporary imprest/ advance
- (vii) Settlement of maintenance charges payable to the Nagar Nigam/Nagar Palika on handing over the charge for maintenance of facilities.
- (viii) Settlement of contribution payable to the Awas Bandhu against running payments made to the Awas Bandhu
- (ix) Allocation of establishment, administrative, miscellaneous and interest cost etc. on schemes/projects/deposit works.
- (x) Bills relating to acquisition of fixed assets and
- (xi) Credit bills for services, supplies and expenses heads item stated at (v), (vi), (vii), (viii), (ix),(x) above have been covered by the separate provisions made in the corresponding sections of the Manual as detailed below.

	ITEM NO.	Settlement through
a)	Work charge, muster roll and other work Wise related expenses against temporary Imprest to JE/AE	Through the Scheme Works Cost Journal Book
b)	Allocation of establishment, administration miscellaneous, interest cost and provision for contingencies and tools and plants and for future maintenance of services.	Through the Scheme Wise works cost, Works Cost Adjustment Journal Book
	Materials and stores purchase bills	Through the Purchase of Materials, Stores And Fixed Assets Journal Book
	Bills relating to acquisition of fixed assets	Through the Purchase of Materials ,Stores And Fixed Assets Journal Book
	Maintenance Charges payable to the Nagar Nigam / Nagar Palika	Through the running account of Nagar Nigam /Nagar Palika to be opened in the General Ledger
	Contribution payable to Awas Bandhu	Through the running account of Awas Bandhu opened in the General Ledger.
c) For other items settlement will be done through the following books of accounts:		
	i)Expenses against temporary/permanent Imprest or employee advance	Through the Department Wise Imprest /Advance & Petty expenses Journal Book and respective imprest/ advance Account in the Employee Sundry Advances Ledger under Group/Control account in the General Ledger
	ii)Expenses against advances to Jal Nigam, Jal Sansthan, Electricity Board, Nagar Palika etc.	Through the Supplies Services & Expenses Journal Book and individual accounts opened in the Other Parties Ledger.
	iii)Credit bills for services, supplies and Expenses heads	Through the Supplies and Services and Expenses Journal Book and Individual account opened in the Other Parties Ledger.

3.4.19 Amortization of Deferred Revenue Expenses

Deferred revenue expenses would be amortized /written off over the period of there expected benefits.

3.4.20 Provision for Outstanding Expenses at the end of the year

At the year end provision for outstanding expenses shall be made for electricity, telephone water tax water changes, house tax , audit fees etc and all other expenses incurred but not paid till the end of financial year.

3.5 Payment Procedures

After all the above bills have been processed, verified and ascertained in all respects, the Finance and Accounts Department would approve them. The Finance and Accounts Department would prepare a payment voucher, giving details of payments to be made. The approval of the Head of Finance and Accounts Department or account officers, as the case may be, would be taken before effecting any payment.

After the approval of the payment, mode of the payment would be ascertained from the payment advice forwarded by the Concerned User Department.

Once the Finance and Accounts Department is ready for the payment, the cheque/cash would either be forwarded to the Concerned User Department or the payment would directly be made to the authorized representative of the concerned party/concerned after taking proper acknowledgement receipt.

The expenses that have been segregated as personal have to be accounted for and would be charged against the concerned employee's salary a sundry advance and appropriate entries would be made in the Sundry Advance Ledger and other accounting records.

The expenses those are directly attributable to the projects/ deferred or future projects or if they are deferred revenue nature would be accounted for accordingly.

3.6 Proforma of Journal Books

Proforma for Supplies Services and Expenses Journal Book and DepartmentWise Imprest Petty Expenses Journal Book are given at the end of this as Form No AD-26 and form No AD-27 respectively.

Notes

1.Honorarium and Ex-gratia

The bills for payments on account of honorarium and ex-gratia shall be checked, examined and accounted for in the manner as provided in the section on “Accounting of Establishment and Personnel Cost” of the Manual. These expenses shall be routed through the payroll accounting as prescribed above.

2. Uniform

The bills of Uniform/Uniform Allowance shall be forwarded to the Finance and Accounts Department for payment through the head of the Section/Department. The bills shall be verified with laid down criteria/eligibility. It shall be the responsibility of the concerned Department /Section to obtain the necessary approval and sanction from the competent authority. If the Finance and Accounts Department notice any deficiency, the issue shall be pursued with the concerned. Once the deficiency is sorted out, the bill would be passed for the payment. As the Uniform expenses are part of the Establishment Cost, same shall be routed through the Establishment Cost Journal as prescribed in the Section on “Accounting of Establishment and Personnel Cost” of the Manual. These expenses shall be parked under the group/control Establishment Cost Account.

CHAPTER - 4

ACCOUNTS PROCEDURES

4.1 Bill Payments

On payments of bills, the same would be recorded in the Cash Book/Bank Book, Supplies, Services and Expenses Book under the relevant head of account (if liability has not been provided earlier) on the basis of the cheque issued/cash paid, payment voucher along with bill and supporting voucher.

Debit:	Administrative Cost Account	[Group Account Code]
	Relevant Expense Account	[Account code]
Credit:	i) Cash Account	[Account Code]
	ii) Bank Accounts	[Group Account Code]
	Relevant Bank Account	[Account Code]
	iii) Tax Deducted at Source Payable Account	[Group Account Code]
	Tax Deducted at Source Account	[Account Code]
	(if tax is required to be deducted)	[Consultancy Fee, etc.]

Note

- i) Debit would also be recorded in Memoranda Registers.
- iii) Acknowledgement of receipt of payment wherever required would be obtained and attached to Payment Voucher.

4.2 Provision for liability of the bills

The bills which are received but not paid specially at the year end would be provided in the Books of Accounts by making entries in the Journal Book on the basis of bill amount/bill and other supporting documents. The following entry would be passed:

Debit:	Administrative Cost Account	[Group Account Code]
	Relevant Expense Account	[Account code]
Credit:	i) Other Creditors Account	[Group Account Code]
	Expenses Payable Account Or	[Account Code]
	Relevant Party Account	[Account Code]
	ii) Tax Deducted at Source Payable	[Group Account Code]
	Account Tax Deducted at Source	[Account Code]
	[type]Account	

Note

- i) Debit would also be recorded in Memoranda Register.
- iii) Upon payment of liability, mention of it would be given in the Memoranda Register.

4.3 Payment of Provision for Liability of the Bills

The payment would be recorded in the Cash book/Bank Book under the relevant head of liability account, on the basis of cheque issued/cash paid. The following entry would be passed.

Debit:	Other Creditors Account	[Group Account Code]
	Expenses Payable Account Or	[Account code]
	Relevant of Party Account	[Account Code]
Credit:	i) Cash Account	[Account Code]
	ii) Banks Account	[Group Account Code]
	Relevant Bank Account	[Account Code]

4.4 Payment of Tax Deducted at Source

Tax deducted at Source is required is to be paid to the credit of Central Government before the 7th day of the next month. Upon payment following entries would be passed in the Cash Book/Bank Book.

Debit:	Tax Deducted at Source Payable Account	[Group Account Code]
	Tax Deducted at Source Account	[Account code]
Credit:	i) Cash Account	[Account Code]
	ii) Banks Account	[Group Account Code]
	Relevant of Bank Account	[Account Code]

4.5 Sundry Advances

- Permanent Imprest Advance:** For meeting out expenses under the head Entertainment and miscellaneous office items adjustment against submission of bills at the end of the month. Upon submission of Bills.
- Temporary Advance:** For meeting out expenses against Works, etc, on the basis of contingent bills adjustment against submission of bills at the month end.
- Travel Advance:** For meeting out travel cost, to be adjusted after completion of journey.
- POL Advance:** For the meeting out cost of POL for official vehicles, to be adjusted fortnightly.
- Postage Advance:** For meeting out cost of postal stamps and telegrams etc. to be adjusted at month end upon submission of Bills.
- Medical Advance:** For meeting out cost of medical treatment, to be adjusted at the month end upon submission of Bills.

The procedures for sanctioning of advance, their adjustment and accounting procedures have been detailed in section on Loans and advances to employees of the manual and also at appropriate places in this section.

4.6 Adjustment of Sundry Advances

On submission of the bill and details by the employees their approval and subsequent passing by the Finance and Accounts Department, the entries would be passed in the Journal Book on the basis of bill amount passed. The following entries would be passed.

Debit:

Administrative Cost Account	[Group Account Code]
Relevant Expenses Account viz.	[Account Code]
Entertainment or	[Under Respective Account Code]
Miscellaneous Expenses	[Under Respective Account Code]
Vehicle Running	[Under Respective Account Code]
Postage & Telegram Or	[Under Respective Account Code]
Material Purchase Account	[Under Respective Account Code]
Works/Project Account	[Under Respective Account Code]
Medical Reimbursement	[Under Respective Account Code]
Credit: Loan and Advances to the Employees A/c	[Group Account Code]
Sundry Advance Account	[Sub Group Account Code]
Relevant Employee Advance Account	[Account Code]

UTTAR PRADESH DEVELOPMENT AUTHORITIES RENT PAYMENT REGISTER

Name of the Land Lord	:	In charge/Authority under whose control
Date of Tenancy Agreement	:	Address of the Building
Monthly Rent	:	Use of Building: Office/Residence/Other
Period of Tenancy Agreement	:	Department/Name of Tenant:
Date of Expiry of Tenancy of Agreement	:	Advance/Security
Details of Annual Increment if any:		Deductions

Month	Amount	Payment Particulars Cheque			Amount if any Recoverable from any employee/officer etc.	Payment Authorized By	Remarks
		Number	Date	Amount			
April							
May							
June							
July							
Aug.							
Sep.							
Oct.							
Nov.							
Dec.							
Jan.							
Feb.							
March							

1. Separate folio would be allotted for each Building/Property
2. The Incharge of the property would maintain this Register.

FORM NO.AD-2

UTTAR PRADESH DEVELOPMENT AUTHORITIES RATES AND TAXES LOG BOOK REGISTER

Nature of the Tax :
Name of the Building/Property :

Address of the Building/Property:
Use of the Building/Office/Residence/Other:
Specific User:

Date/ Month/ Year	Basis of Assessment	Amount Assessed	Payment Particulars Cheque			Amount if any Recoverable from any employee etc.	Payment Authorized By	Remarks And Referenc e to File No.
			Number	Date	Amount			

1. Separate folio would be allotted for each Property/Building.
2. This Register would be maintained by the Incharge of the Property.

FORM NO.AD-3

UTTAR PRADESH DEVELOPMENT AUTHORITIES ELECTRIC BILL LOG BOOK

Name of the Building/Property/Site/Project etc. :

Address:
Use : Office/Residence/Projects
Specify User:
Meter No.:

In charge/Authority under who's Control:
Meter Installed on:
Metered Capacity:
Security Deposit:

Date/ Month/ Year	Voucher No	Op Reading	Closing Reading	Units Consumed	Period From to	Tariff Rate	Amount Assessed	Payment Particulars Cheque			Amount Recoverable if any from employee etc.	Payment Authorized By	Remarks and Reference to File No.
								Number	Date	Cheque			

1. Separate Folio would be allotted for each Building/Property/Site/Project Utility Center.
2. This Register would be maintained at Incharge.

FORM NO.AD-4

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
GENERATOR RUNNING LOG BOOK**

Name of the Building/Property/Site/Project etc.:
Address:
Use: Office/Residence/Projects:
Specify User:

Authority under whose Control:
Genset Installed/Operating on:

Date/ Month/ Year	Voucher No	Op Reading At the Month Beginning	Purchase Diesel	Lts consumed during the last month	Hrs. Run During the last Month	Repair & Maintenance			Per Hour Running Cost During The last month	Payment Particulars Cheque/Cash			Amount Recoverable If any from employee/ Officer etc.	Payment Authorized By	Remarks and Reference to File No.
						Up to the last Month	Current Exp.	Cum. Exp. Up to Date		Number	Date	Amount			

1. Separate Folio would be allotted for each Building/Property/Site/Project Utility Center.
2. Separate Generator wise Log Book would be prepared by Generator Operator wherein Generator Running Cost per Hour would be calculated at the month end.
3. This Register would be compiled on monthly basis from the individual Log Books maintained by User Department.

FORM NO. AD-5

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
COMMUNICATION EXPENSES PAID REGISTER**

TELEPHONE NUMBER	STD FACILITY (YES/NO)				INSTALLED AT OFFICE/RESIDENCE	OFFICER-IN-CHARGE	TELE NUMBER	FAX NUMBER	
1.									
2.									
3.									
4.									
MONTH	TELEPHONE NUMBER				TELE TOTAL	FAX	PERIOD OF BILL	AMOUNT IF ANY RECOVERABLE FROM EMPLOYEE	REMARK (S) AND REFERENCE TO FILE NUMBER
	1	2	3	4					
April									
May									
June									
July									
Aug.									
Sep.									
Oct.									
Nov.									
Dec.									
Jan.									
Feb.									
March									

1. Separate Folio would be allotted for each Department/Authority where Telephone/Fax is installed.
2. This Register would be maintained by each of the User Department.

FORM NO.AD.6

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
STATIONERY STOCK REGISTER**

Saleable Stationery Code/Non Saleable Stationery Code:
Stationery Item Code:

Date	MIN	MRN	Particulars	Opening Qty.	Receipt	Issue	Closing Stock	Remarks and Reference to File No.

Note:

- 1) Closing Stocks of Stationery items at the year-end would be valued on FIFO basis and shown in the Balance Sheet under the head Stationery Stock non-Saleable and Stationery Stock Saleable.
- 2) Saleable Stationery would be kept under safe custody of an employee who would prepare a monthly summary of Stationery-saleable sold. Quantity issued would tally with the Amount Collected (Rate x Quantity).
- 3) This Registration would be maintained by Purchase and Supply Department.

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
PUBLICITY CEILING REGISTER- RESTRICTED CIRCULATION**

Date	Voucher No	Particulars	Payment Particulars														Payment Authorized by	Remarks and Reference to File No.
			No Monetary Ceiling Budget Rs.		Monetary Ceiling													
					1 Budget Rs.		2 Budget Rs.		3 Budget Rs.		4 Budget Rs.		5 Budget Rs.		6 Budget Rs.			
			Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount		

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1. Public Relation Officer
2. Chief Accounts Officer
3. Finance Controller
4. Suptd. Engineer
5. Chief Engineer
6. Secretary
7. Vice-Chairman

Note:

1. Separate Folio would be opened for each of the Authority/Officer.
2. This Report would be generated at the quarter end and send to corresponding Authority/Officer.
3. This Register/Report would be prepared by Finance and Accounts Department.

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
PUBLICITY OVER ALL CEILING REPORT/REGISTER**

Date	Voucher No.	Particulars	Payment Particulars														Authorized by	Remarks and Reference to File No.		
			Monetary Ceiling Limits																	
			1 Budget Rs.		2 Budget Rs.		3 Budget Rs.		4 Budget Rs.		5 Budget Rs.		6 Budget Rs.		7 Budget Rs.		Others Rs.			
			Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount	Current Amount	Prog. Amount		

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- 1.Public Relation Officer
- 2.Sr.Accounts Officer
- 3.Finance Controller
- 4.Suptd.Engineer
- 5.Chief Engineer
- 6.Secretary
- 7.Vice-Chairman

Note:

4. Separate Folio would be opened for each of the Authority/Officer.
5. This Report would be generated at the quarter end and send to corresponding Authority/Officer.
6. This Register/Report would be prepared by Finance and Accounts Department.

UTTAR PRADESH DEVELOPMENT AUTHORITIES
MONETARY CEILING REGISTER- FOR REFERESHMENT
MEETING AND ENTERTAINMENT

Name of the Officer/Authority:

Financial Year:

Monetary Ceiling:

Date	Voucher No./ Reference No.	Particulars	Amount	Processing Amount	Payment Authorized by	Remarks and Reference to File No.

- 1 Separate Folio would be opened for each of the Authority Officer.
- 2 This Register would be prepared by Finance and Accounts Department.

FORM NO. AD-9

UTTAR PRADESH DEVELOPMENT AUTHORITIES
TRAVELLING EXPENSES BILL

1. Individual employee concerned would prepare the traveling bill as per the existing form

FORM NO.AD-10

UTTAR PRADESH DEVELOPMENT AUTHORITIES
TRAVELLING EXPENSES REGISTER

Name of the Department:

Department Code:

S.No.	Date of Bill Submission	Emp. Code	Name of the Employee	Period Of Bill	Amount Claimed	Journey Authorized by	Amount Passed	Payment Authorized by	Adjustment of Advance Amount	Net Payable Voucher Amount	Remarks and Reference to File No.

- 1 This Register would be divided into sections each meant for one Department where there are large number of employees.
- 2 This register would be maintained by the Finance and the Accounts Department.

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
CONVEYANCE REGISTER**

Name of the Employee
Employee Code:
Designation:

Department:

Month	Total Entitlement	Amount Actual Reimbursed	Voucher Number	Remark(s) and Reference to File No.
April				
May				
June				
July				
August				
September				
October				
November				
December				
January				
February				
March				

- 1 This register would be divided into Sections each meant for one Department where there are large numbers of employees.
- 2 This register would be maintained by the Finance and Accounts Department

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
SUNDRY ADVANCE LEDGER**

Employee Name:
Employee Code:
Type of Advance: TE

Department Name:
Department Code:

Date	Voucher No.	Particulars	Folio Reference	Amount		Balance	Remarks
				Debit	Credit		

- 1 Either separate ledger would be maintained for each category of Sundry Advance or this ledger may be divided into Sections each meant for one Category of Sundry Advance.
- 2 Procedure of its maintenance has been detailed in the Section on Loans & Advances to the Employees.
- 3 This ledger/ledgers would be maintained by the Finance Accounts Department.

FORM NO. AD-13

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
LEGAL CASES FOLLOW-UP REGISTER**

Case Number:
Case Particulars
Monetary involvement:

Court/Authority Where case is pending

Date	Voucher Follow-Up Reference/ Other Ref.	Follow-Up Action	Next Date of Hearing	Council/ Advocate Appointed	Bill of Council Received	Bill Passed for Payment	Advance Amount	Adjusted Amount	Net Paid	Remarks and Reference to File No.

1. Separate folio would be opened for each case.
2. This register would be maintained in the Legal Department

FORM NO. AD-14

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
CENTRALISED POSTAGE REGISTER**

Date	Voucher No.	Particulars	Details of Stamps				Remarks
			Opening Balance	Purchase	Issues to the dept.	Closing Balance	

Summary at the end of Month:

Department Name	Op.Bal.	Received From Central Dispatch/Purchase	Issue to Other Departments	Consumption	Closing Bal.	Remarks
Centralized Dispatch						
Department User Department-1 User Department-2 User Department-3 Details as per Postage Register of User Department Sub total Add: Courier Charges as per Form No AD-16 Grand Total						

Prepared by

Checked by

Verified by

1. This register would be maintained at Centralized Dispatch Section

FORM NO.AD-15

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
POSTAGE REGISTER**

Date	Receipt	Particulars of Dispatch	Cost of Ticket	Remarks

Summary at the month end

Opening Balance of Tickets
 Received from Centralized
 Dispatch Section during the month
 Purchase during the month
 Total
 Less: Consumption during the month
 Closing Balance at the month end

Prepared by

Checked by

Verified by

1. Each User Department would maintain separate Register.
2. Centralized Dispatch Section would also maintain its own Register (consumption at own level)

FORM NO.AD-16

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
COURIER DISPATCH REGISTER**

Date	Dispatch No.	Particulars Of Dispatch	Receipt No. Of Courier Agency	Amount as per Receipt				Payment Details
				Name of the Courier Agency				
				1	2	3	4	

Periodic / Monthly Total
 1. Name of the Agency
 2.
 3.
 4.

Prepared by

Checked by

Verified by

- 1 This Register would be maintained by Centralized dispatch Section.

FORM NO.AD-18

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
VEHICLE RUNNING AND MAINTENANCE REGISTER**

VEHICLE NUMBER

NAME OF OFFICER
WHOSE CONTROL:

Voucher		Particular(s)	Amount			Authorized By	Mileage Report	Remarks
No	Monthly Date		Petrol	Repairs	Others			
								and Reference to File No.
							<p style="text-align: center;">Month end</p> Kms run during The Month POL Consumed Dr. the month Repair & Maint. Dr. the month Total Cost Mileage = Cost for the For the month/kms. Month run dr. the Month Progressive- Progressive Mileage : cost till the Month/Prog.Km. Is run Till the month End [These details would recorded from the Vehicle Log Book]	

- 1 This Register would be compiled on the monthly basis from individual vehicle Log Book.
- 2 This Register would be maintained at Finance and Accounts Department.
- 3 Monthly petrol/diesel consumption shall be taken as per vehicle Log Book.

FORM NO.AD-19

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
BUILDING MAINTENANCE REGISTER/FILE**

Name of the Building/Property/Control A/c
Address:

Authority who Authorize
the Maintenance

Date	Voucher Number	Particulars	Amount	Payment Authorized By	Remarks and Reference to File No.

1. Separate folio would be allotted to the different building/Property.
2. A folio would also be allotted for Building Maintenance Control Account.
3. Incharge of House Keeping and Up Keeping would maintain this Register.

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FURNITURE MAINTENANCE REGISTER/FILE**

Name of the Department:
In charge of Furniture

Authority who authorize
the Repair

Date	Voucher Number	Particulars	Amount	Payment Authorized By	Remarks and Reference to File No.

1. Separate folio would be allotted for each Department under whose control/possession the Furniture is lying.
2. A folio would also be allotted for Furniture Maintenance Control Account.
3. This Register would be maintained by In charge of House Keep in guard upkeeps.

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
OFFICE EQUIPMENT REPAIR AND MAINTENANCE REGISTER**

Name of the Equipment
Equipment Code

Authority who authorize
the Repair

Date	Voucher Number	Particulars	Amount	Payment Authorized By	Remarks and Reference to File No.

1. Separate folio would be allotted for each major item & Misc. item.
2. A folio would also be allotted for Machinery Office Equipment Repair Maintenance Control Account.
3. This Register would be maintained by In charge of Maintenance and Upkeeps.

FORM NO. AD-22

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
PLANT AND MACHINERY AND EQUIPMENTS MAINTENANCE REGISTER**

Name of the Machinery/Equipment
The Department under whose jurisdiction

Authority who authorize
the Repair

Date	Voucher Number	Particulars	Amount	Payment Authorized By	Remarks and Reference to File No.

1. Separate folio would be allotted for each major item and one folio for Misc. item.
2. A folio would also be allotted for Plant & Machinery and Equipments maintenance Control Account.
3. This Register would be maintained by Engineering and Works Department.

FORM NO. AD-23

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
PUBLIC UTILITIES MAINTENANCE REGISTER/FILE**

Name of the Building/Property/Control A/c
Address:

Authority who Authorize
the Maintenance

Date	Voucher Number	Particulars	Amount	Payment Authorized By	Remarks and Reference to File No.

1. Separate folio would be allotted to the different building/property.
2. A folio would also be allotted for Building Maintenance Control Account.
3. In charge of House Keeping and Up Keeping would maintain this Register.

FORM NO.AD-24

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
MONETARY CEILING REGISTER FUNCTIONS ETC.**

Head: Functions, Inaugurations, Welcome/Farewell etc.

Name of the Authority/Officer

Financial year:

Monetary ceiling

Date	Voucher Reference Number	Particulars	Amount	Progressive Amount	Payment Authorized By	Remarks and Reference to File No.

- 1 Separate Folio would be allotted for each Authority/Officer.
- 2 This Register would be maintained by Finance and Accounts Department.

ORM NO.AD-25

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
INSURANCE REGISTER**

Nature: Cash/Stores/Plant & Machinery/Equipment/Vehicles/Others

Item Name:

Item Code:

Date	Voucher Reference Number	Date of Purchase	W.D.V.	Total Cost	Amount Insured	Premium Amount	Cover Note Number	Period Of Cover	Insurance Authorized By	Loss on A/c Of Fire/ Accident Etc.	Follow-up	Remarks and Reference to File No.

Note: 1) Separate section in the Register would be allotted for

- Cash
- Stores
- Plant & Machinery
- Equipments
- Vehicles

2) Separate folio would be allotted under the concerned section for each major items and one folio would be allotted for miscellaneous items.

3) This Register would be maintained at Finance and Accounts Department.

FORM NO.AD-26

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
SUPPLIES, SERVICES AND EXPENSES JOURNAL BOOK**

Date	Voucher No	Name of Party and Particulars	Credit Bill Particulars						Cash Bill Particulars			
			Total Other Bill Parties Amount Ledger Folio	TDS	Trade Tax/Work Contract Tax	Any Other Deduction	Net Bill Amount	Cash Rent	Bank	Bank Ledger Folio		
1	2	3	4	5	6	7	8	9	10	11	12	13

Contd. 2

Expenses Heads						Repair & Maintenance			
Rate s & Taxes	Electricity & Generator	Communication Telephone /Fax etc.	Stationary & Printing	Advertisement & Publicity	Travel & Conveyance	Entertainment Refreshment & Meetings	Legal Fee	Office Building	Residential Building/Shop
14	15	16	17	18	19	20	21	22	23

Contd.3

Repair & Maintenance						Other Expenses						
Community Centers/ Parties	Furniture & Fixtures	Plant Machinery & Heavy Equipments	Office Equipments & Computers	Sewerage/Water Supply System	Vehicle Others	Vehicle Running	Inaugurations Welcome/ Farewell	Insurance	Books & Libraries	Miscellaneous	Consultancy	Remark
24	25	26	27	28	29	30	31	32	33	34	35	36

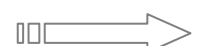
**UTTAR PRADESH DEVELOPMENT AUTHORITIES
DEPARTMENTWISE IMPREST/PETTY EXPENSES JOURNAL BOOK**

Date	Voucher No.	Opening Imprest/ Advance Balance	Received	Adjustment	Rent
1	2	3	4	5	6

Expenses Heads							Repair		
&Maintenance									
Rates & Taxes	Electricity & Generator	Communication Telephone /Fax etc.	Stationary & Printing	Advertisement & Publicity	Travel & Conveyance	Entertainment Refreshment & Meetings	Legal Fee	Office Building	Residential Building/Shop
7	8	9	10	11	12	13	14	15	16

Contd.3

Repair & Maintenance								Other Expenses					
Community Centers/ Parties	Furniture & Fixtures	Plant Machinery & Heavy Equipments	Office Equipments & Computers	Sewerage/Water Supply System	Vehicle Others	Vehicle Running	Function Inaugurations Welcome/ Farewell	Fuel	Insurance	Books & Libraries	Miscellaneous	Consultancy	Remark
17	18	19	20	21	22	23	24	25	26	27	28	29	



PART-IV : ACCOUNTING POLICIES
**OPERATING SYSTEMS PROCEDURES AND
ACCOUNTING PROCEDURES**

SECTION NO. - 26

ACCOUNTING FOR BORROWINGS

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
FINANCE AND ACCOUNTS MANUAL, 2004**





Click here for
MAIN INDEX

**PART-IV : ACCOUNTING POLICIES
OPERATING SYSTEMS PROCEDURES AND ACCOUNTING PROCEDURES
SECTION NO. - 26
ACCOUNTING FOR BORROWINGS**

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CHAPTER –1

INTRODUCTION

1.1 Objectives of the Section

This section on Accounting for Borrowings for the Development Authorities in Uttar Pradesh aims at establishing effective controls to ensure ascertainment of viability of the projects/schemes before taking any project or scheme, time management for timely completion of projects/schemes and procurement of funds in an effective manner to ensure minimum cost. It also aims at establishing effective and uniform operating systems and procedures to conform to policies.

1.2 Scope of the Section

This section covers the accounting policies, operating systems and procedures for the accounting of borrowings and interest cost thereon.

1.3 Responsibility of the Finance and Accounts Department

The Finance and Accounts Department would be responsible for the following:

- Record the transactions relating to loans, projects/schemes
- Co-ordinate with the Engineering and Works Departments in viability analysis and procurement of loans/funds.

1.4 Responsibility of the Engineering and Works Departments

The Engineering and Works Department shall be responsible for the following:

- Project/scheme analysis by preparing detailed projects reports
- Ensure timely completion of projects/schemes
- Preparation of funds requirements including phase wise requirement
- Determination of schedule of sale/allotment including ascertainment of realization schedule which shall be prepared in coordination with Property Department.

1.5 Deviations

The deviations from the prescribed policies and procedures would not be permitted unless accompanied by justifiable reasons and request for the deviation, clearly stating the following:

- Nature of deviation
- Reasons for deviation
- Time span for which the deviation is required
- Procedure that would be followed if deviation is accepted
- Financial implication of the deviation

Any deviation from the designed systems and policies would not be allowed unless permitted by Government of Uttar Pradesh through Secretary Awas (Housing Department)

CHAPTER – 2

ACCOUNTING POLICIES

2.1 Evaluation of Project/ Scheme

Each of the project/ scheme would be evaluated on the basis of detailed Project /Viability Report based upon predetermined/prevalent evaluation criteria. Entire running cost of the Development Authorities is ultimately to be recovered from the projects/schemes undertaken by the Development Authorities hence while evaluating project/scheme investment decision care should be taken that the adequate provision for the establishment, administration and other cost of the Development Authority has been made in the project/ scheme viability analysis.

2.2 Interest Cost of Borrowings

While the interest cost of borrowings shall continue to be charged to Income and Expenditure Account, but at the same time the interest costs shall be charged to the projects/schemes at the maximum prevalent borrowing rate (to ensure uniformity in pricing) and the same shall be credited to Income and Expenditure Account to be shown as Recovery of Interest Costs from the Projects/Schemes.

2.3 Loans and Borrowings

Loan amount shall be opened for individual loan accounts under group/control account interest due on respective loans shall also be credited to respective loan accounts. Interest accrued but not due shall be shown under the current liabilities. Installment amount due along with interest due for repayment shall be transferred respective loan installment due accounts.

2.4 Guarantee Commission and Commitment Charges

Guarantee Commission shall be charged to the revenue in the proportion of guarantee outstanding during the period.

CHAPTER – 3 OPERATING SYSTEMS AND PROCEDURES

3.1 Accounting of Borrowed Funds

For the purpose of accounting, borrowed funds can be classified as under :

1. Bonds/Debentures
2. Other borrowed funds
 - Loans from State Government
 - Loans from Financial Institutions and Banks.

Separate Ledger shall be maintained for the Bonds/Debentures where in individual accounts shall be opened with control/group Bonds/Debentures Account in the General Ledger. Similarly for borrowed funds stated at (2) above a separate Loans Ledger will be maintained with control of the group Loans from State Government or Loans from Financial Institutions and Banks Account in the General Ledger. Under each head installments accruing due shall be transferred to respective Installment Due Account under relevant group/control Account in the General Ledger. Interest portion due for repayment shall also be parked under respective Installment Due Account. Where as interest portion which is not yet due for payment shall be kept under respective Loan Account. Proforma of Bonds/Debentures Ledger and Loans Ledger is given as per

[Form No BC- 1 & Form No BC- 2].

3.2 Accounting of Interest Cost of Borrowed Funds

As stated above interest shall be credited first to the respective loan account. At the end of the year, interest accrued but not due shall also be credited interest accrued but not due under current liabilities. On due date of installment principal and due interest portion shall be transferred to the respective Installment Due Account.

Interest cost shall be charged to the revenue for the year in the Income and Expenditure Account. Interest Paid Account shall be opened in the Income and Expenditure Account Ledger for each of the borrowing head viz.

- Interest paid on bonds/debentures
- Interest paid on loans from state government
- Interest paid on loan from financial institution and banks

Interest cost charged to the projects/schemes shall be credited to the Income and Expenditure Account and shown as Interest Cost Recovery from the Projects/Schemes. This topic has been covered in the section on " Accounting for Works "

3.3 Accounting of Bank and Government Guarantee Commission and Commitment Charges

The officer(s) authorized to arrange the guarantee from the bank/ government shall prepare the case wherein nature of guarantee required ,amount and period of guarantee etc. would be clearly stated. He shall also indicate the prospective bankers / financial institutions / government whom guarantee can be arranged. Commission /brokerage to be charged and margin requirement, if any, shall be stated under each of the prospective source of guarantee.

The matter shall be put before the committee as constituted by the Vice-chairman. The committee will carry out discussions with the prospective bankers etc. to negotiate the matter to suit the Development Authority and also to negotiate commission to be charged to the advantage of the Development Authority. Guarantee shall be arranged from the selected bankers/financial institutions / State Government as required. As guarantee commission is apportion-able over the period of the guarantee in proportion of the guarantee outstanding during the concerned period, upon payment of guarantee commission these charges shall be routed through the Pre-paid Guarantee Commission Account in the General Ledger. Guarantee Commission falling due for each quarter shall be worked out on the basis of amount of guarantee remaining outstanding during the period and the charges so worked out shall be debited to the Bank/ Government Guarantee Commission in the Income and Expenditure Account Ledger. While allocating interest cost of borrowed funds over the scheme/project during the construction period, rate shall be adjusted for the guarantee commission and also to ensure the recovery of guarantee commission from the schemes/projects. In the Annual Accounts Bank/ Government Guarantee Commission shall be shown as a separate item in the Income and Expenditure Account.

CHAPTER-4

ACCOUNTING PROCEDURES

4.1 Accounting of Borrowings

(a) Upon receipt of borrowed funds by floating of bonds/debentures the entry shall be recorded in the Bank Book :

Debit side	: Banks Account	(Group Account code)
	Relevant Bank Account	(Account code)
Credit side	: Borrowings Bonds/Debentures Account	(Group Account code)
	Individual Bonds Holders Account	(Account code)

(b) Upon receipt of borrowed funds- others

Debit Side	: Banks Account	(Group Account code)
	Relevant Bank Account	(Account code)
Credit side	: (i) Borrowings from State Government Account	(Group Account code)
	Relevant Loan Account under the relevant Scheme/Project Account	(Account code)
	(ii) Borrowings from Financial institutions and Banks Account	(Group Account code)
	Relevant Loan Account under the relevant Scheme/Project Account	(Account code)

4.2 Accounting of Interest Cost of Borrowing

The entry shall be recorded in the Journal Book :

Debit side :	Interest cost of Borrowings Accounts	(Group Account code)
	Interest Cost of Borrowings Bonds/ Debentures Account	(Account Code)
	Interest Cost of Borrowings State Government Account	(Account Code)
	Interest Cost of Borrowings Financial Institutions & Banks and Other Account	(Account code)
Credit side :	(i) Borrowings Bonds/Debentures Account	(Group Account code)
	(ii) Borrowing from State Government Account	(Group Account Code)
	Relevant Loan Account under the relevant Scheme/Project Account	(Account Code)
	(iii) Borrowings from Financial institutions Banks and other Account	(Group Account Code)
	Relevant Loan Account under the relevant Scheme/Project Account	(Account Code)

4.3 Accounting for Installment/Repayment Due

Installment/Loan fallen due shall be transferred to the Installment/Repayment Due Account through the Journal Book:

Debit Side :	(i) Borrowings Bonds/Debentures Account	(Group Account code)
	(ii) Borrowings from State Government Account	(Group Account code)
	Relevant Loan Account under the	(Account code)

relevant Scheme/Project Account
 (iii) Borrowings from Financial Institutions/Bank/Other Account (Group Account code)
 Relevant Loan Account under the relevant Scheme/Project Account (Account code)

Credit side:

(i) Borrowings Due for Repayment Bonds & Debentures Accounts (Group Account Code)
 (ii) Borrowings Due Installment from State Government Account (Group Account code)
 Relevant Loan Installment Due under the relevant Scheme/Project Account (Account Code)
 (iii) Borrowings Due Installment from Financial Institution , Banks and Other Account (Group Account code)
 Relevant Loan Installment Due under the relevant Scheme/Project Account (Account code)

4.4 Recovery of Borrowing Cost from the Scheme/Projects/Deposit Works

Following entry shall be made in the Works Journal Book:

Debit Side :

(i) Cost of Land under Development Account (Group Account Code)
 Relevant Cost of Land under Development under the scheme Account (Account Code)
 (ii) Cost of Properties under Construction Account (Group Account Code)
 Relevant Cost of Property under Construction under the Scheme Account (Account Code)
 (iii) Deposit Works Account (Group Account Code)
 (iv) Relevant Deposit Works Account (Account Code)

4.5 Accounting of Guarantee Commission and Commitment Charges

(a) Upon payment of Guarantee Commission and Commitment Charges:

Debit side : Prepaid Expenses [Group Account code]
 Prepaid Guarantee Commission Account (Account code)
Credit side : Banks Account (Group Account code)
 Relevant Bank Account (Account code)

(b) Upon appropriation of Guarantee Commission at the Quarter-End :

Debit Side : Other Borrowing Cost (Group Account code)
 Guarantee Commission and Commitment Charges (Account code)
Credit side : Prepaid Expenses (Group Account code)
 Prepaid Guarantee Commission Account (Account code)

FORM NO BC-1

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
BONDS/DEBENTURES LEDGER**

Name of the Bond/Debenture Holder :

Address:

Date	Particulars	Folio No	Date of Allotment / Transfer	No. of bonds held	Distinctive No	Face Value per Bond/Debenture	Date of maturity	Total Amount	Remarks
1	2	3	4	5	6	7	8	9	10

FORM NO BC-2

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
LOANS LEDGER**

**Type of Loan : State Government/ Financial Institution
/Bank/Other**

Name of the Scheme:

Total Sanction: Rs

Date of Sanction

Disbursement Schedule

Repayment Term :

Date

Amount

Repayment Instalments

Security Offered

Part I : Loan Accounts

Date	Particulars	Folio No	Amount		
			Debit	Credit	Balance
1	2	3	4	5	6

Part II : Installment Due Accounts

Date of Transfer to installment Due Account	Particulars	Folio No	Amount			Remarks
			Debit	Credit	Balance	
7	8	9	10	11	12	13

PART-IV

**ACCOUNTING POLICIES OPERATING
SYSTEMS
PROCEDURES AND ACCOUNTING
PROCEDURES**

SECTION NO. - 27

**ACCOUNTING FOR TRANSACTIONS ON
MOVEMENT OF CASH/FUNDS AND ACCRUAL
OF FUNDS**

[MISCELLANEOUS TOPICS]





PART-IV
ACCOUNTING POLICIES OPERATING SYSTEMS PROCEDURES AND ACCOUNTING PROCEDURES
SECTION NO. – 27
ACCOUNTING FOR TRANSACTIONS ON MOVEMENT OF CASH/FUNDS AND ACCRUAL OF FUNDS
[MISCELLANEOUS TOPICS]

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CHAPTER-1

INTRODUCTION

1.1 Objectives of the Section

This section on “Accounting for Transactions on movement of Cash Funds and Accrual of Funds” for the Developments Authorities in Uttar Pradesh aims at establishing effective and uniform policies and procedures in accounting for transactions on movement of cash funds and accrual of funds. The specific/objectives of this Section are as follows:

- To specify policies and procedures for effective monitoring and recording of transactions on movement of cash fund and accrual of funds based on accounting under Double Entry System.
- To establish an interface between the Finance and Accounts Department, the Property Department and Other Related Departments.
- To evolve effective and consistence policies and procedures to ensure control and uniformity in practice

1.2 Scope of the Section

This section covers the accounting policies, operating system, procedures and accounting procedures related to “Accounting for Transactions on Movement of Cash Funds Accrual of Funds” for the Development Authorities in Uttar Pradesh.

1.3 Deviations

Deviations from the prescribed policies and procedures would not be permitted unless accompanied by justifiable reasons and request for the deviation, clearly stating the following:

- -Nature of deviation
- -Reason for deviation
- -Time span for which the deviation is required
- -Procedure that would be followed if deviation were approved
- -Financial implication of the deviation

Any deviation from the designed system and policies would not be allowed unless permitted by Government of Uttar Pradesh (Housing Department).

1.4 Responsibility of the Finance and Accounts Department

The responsibilities of the Finance and Accounts Departments would be to ensure timely processing and recording of the financial information at various levels. It would also help/assist the Other Department in processing and maintaining accounting information at their end

1.5 Responsibility of the Other Departments

The responsibility of the Other Departments would be to ensure providing of various input/information to the Finance and Accounts Department and other Concerned Departments and processing of the accounting information at their end. All concerned Departments would act in coordinated manner.

CHAPTER - 2

ACCOUNTING POLICIES

2.1 Movement of Accounting Information Having Financial Involvement Like Cash Funds, Accrual of Funds.

2.1.1 Accounting of cash funds of the Development Authorities in Uttar Pradesh would be done on a daily basis and their balances determined at the day's end. The procedure for this is detailed in the subsequent chapter.

2.1.2 Movement of Accrual of Funds

Under accrual basis of accounting liability for costs would be created as and when it accrued, and revenue or receipt would be recognized when the receipts accrues whether paid or received at a later or earlier point of time.

2.2 Recording of the Transactions

All the transactions would be entered in the relevant books of accounts on a daily basis involving receipts and payments in cash or through bank would be recorded in the concerned books of accounts. The payments not made immediately on receipt of the bills or claims would be recorded in the concerned books of a accounts likewise receipts not received immediately on being due would be recorded in the concerned books of accounts.

OPERATING SYSTEMS AND PROCEDURES

3.1 Introduction

This chapter specifies the procedures to be followed by Development Authorities in Uttar Pradesh

The Accounting transactions may be segregated as under:

Part I: Transactions Involving Movement of Cash/Bank Transaction

- -Cash/funds receipts transactions
- -Cash/funds payments transactions

Important Internal Checks:

- All payments (other than request for imprest cash, petty expenses) would be made by cheque.
- All receipts would be deposited in the banks as soon as possible after collection
- Petty cash payments would be controlled through imprest system and made by the cashier of the Development Authority.
- All cheques/demand draft/pay orders received would be payable to Development Authorities.
- Blank chequebooks, money receipt books should be kept in the dual custody of Assistant Accounts Officer and Concerned Accountant.
- The Accountant who are preparing cheques and receiving and disbursing cash should not maintain cash/bank books.
- The Chief/Senior Accounts Officer would carryout surprise physical verification of cash.

Part-II: Delegation of Powers for Signing of Cheques

The cheque shall be signed as per delegation of power as specified from time to time.

3.2 Receipts

3.2.1 Cash Receipts

3.2.1.1 Types of Cash Receipts

(a) Cash receipt on sale of Properties

- Cash collection from properties sold on installment or cash down sale
- Cash withdrawal from banks
- Settlement of advances (by employees in cash)
- Other receipts

(b) Cash Withdrawals

In respect of withdrawal to be made from the bank, the Finance and Accounts Department would prepare a Bank Payment Voucher (Form No AT-1) to be attached with supporting documents. The voucher would be authorized by the specified Accounts Officer and forwarded to the Accountant concerned for the preparation of the cheque. The Accountant would prepare the cheque, record the detail in cheque counterfoil and Cheque Issue Register maintained for the bank account. The cheque would be got signed; upon signature cheque would be forwarded to the Accountant maintaining Cash Book Cash Withdrawals need not to be recorded in the BankBook [Format-2]. On encashment of the cheque the details would be recorded in the CashBook (Form No-AT-3) maintained by him.

The Cashier designated would be responsible for encashing the cheques. The cash withdrawal would be based on the requirements projected, while there are no specific time intervals for withdrawing cash, as a matter of policy cash withdrawals would be made on an average twice in a week to optimize utilization of funds.

Cash Receipt Voucher (Form No.AT-4) would not be prepared for cash withdrawals, as these would be recorded through the Bank Payment Voucher (In computerized system). In manual system a Cash Receipt Voucher would also be prepared. However no entry is required to be made in the BankBook, as bank account would be directly posted from the CashBook.

C. Settlement of Advances

Cash advances taken by employees for expenses would be settled within the time limit specified while making advance. The unutilized advance would be, as a matter of policy would be returned to the cashier.

The employee would submit expense details along with the supporting cash memos and bills, etc and refund unspent cash to the concerned cashier. The concerned Accountant would prepare a Cash Receipt Voucher based upon money receipt.

D. Other Receipts

On receiving the cash on any other account, the cashier would issue money receipt in

The concerned Accountant would prepare Cash Receipt Voucher

3.2.1.2 Issue and Custody of Money Receipt Books

The Money Receipt Book would be pre-numbered and bound in books of 100 money receipts. The unused Money Receipt Book would be kept in the custody of Assistant Accountant Officer. Once the Money Receipt Book is fully used, the same would be forwarded to the Assistant Accounts Officer. He would issue a fresh Money Receipt Book after ensuring that all the money receipts of the previous book have been utilized and that all the three copies of cancelled money receipts have been retained in the said Money Receipt Book. The used Money Receipt Books would be preserved for each year stitched to each other. If the Money Receipt were to be cancelled, all the three copies of it would be retained in the Money Receipt Book. They would be defaced with the CANCELLED stamp

Money receipts would prepared and distributed as under:

- Original for the Depositor
- One copy would be retained with Cashier
- Other copy to be attached with Cash Receipt Voucher (for entry to be made in the Cash Book)

Note: Money Receipt should be printed in different colors.

3.2.1.3. Issue and Custody of Money Receipt Challan:

Money Receipt Challan unlikely to money receipt would not be pre-numbered. Money Receipt Challan would be kept at the Properties Department from where issues would be made to collecting Banks and collection counters. Each collecting Banks and collection counter would make however scrolling of Money Receipt Challans. The copy of the Money Receipt Challan of the Finance and Accounts Department shall be preserved in the form of guard file and Properties Department copy would be kept in individual party file by the Properties Department

3.2.2.1 Type of Bank Receipts

Bank receipts of Development Authority would include

- Receipts from properties
- Receipts from tenderers
- Receipts from suppliers in the form of Security Deposit or Earnest Money Deposits (other than FDRI'S, NSCI'S etc)
- Receipts of loans from Government and Financial Institutions other receipts

The Department whom the Job is assigned shall make collection under various heads.

All other collections that are not designated to any Other Department would be directly carried out by the Finance and Accounts Department.

The Finance and Accounts Department would check the authenticity of information regarding collections by Other Departments with respect to classification of collection with the details, supportings and point out the inconsistency if any. The Bank Collection would be recorded through Bank Receipt Voucher (Form No TA-5). Entries would be recorded in the BankBook or in the Daily Collection Register

3.2.2.2 Procedures for Collection and Routing of Cheques/Drafts Important Internal Checks

- I. The person involved in dispatch within the Administration Department, who would prepare a List of Cheques/ Received in duplicate, would open cheques received by post. He would forward the cheques along with covering letter and the copy of list of cheques/received draft receipt. It would be the responsibility of the Finance and Accounts Department to prepare Money Receipt for the amount received and send it to the concerned party.

Provided further that postal receipt specifically in the name of Chief Accounts Officer/Senior Accounts officer will not be opened by the person involved in dispatch. It should be provided in the Registration Booklet that remittance envelope from outstation should be addressed in person i.e. Chief Accounts Officer/Senior Accounts Officer.

- II On receipt of cheques or demand draft in person, the Finance and Accounts Department would issue a Money Receipt in acknowledgement thereof.
- III The Finance and Accounts Department would enter the details of cheques/drafts in Cheque/Demand Draft Received Register or (Form No-AT -6)
- IV Cheques/demand draft would be sent to the Bank for collection.
- V On receiving cheques/demand draft deposit receipt from the Bank, the Finance and Accounts Department would record the deposit in Bank Book.

a) Cheque/Draft Receipts from Tenderers, Suppliers and Contractors

In case of Earnest Money Deposit or Security Deposit is taken in cash. The Purchase and Supply Department and Engineering and Works Department would be responsible for the documentation with the suppliers and the contractors in respect of transactions relating to the Earnest Money Deposit (EMD) and Security Deposit. They would then forward a summary of collections along with demand drafts/cheques to the Finance and Accounts Department. The Finance and Accounts Department would cross check the cheques/demand draft with the summary. It would also maintain the accounting record of these transactions.

At the time of selection of suppliers, the concerned Department regarding refund of Earnest Money Deposit amount to the parties not selected would notify the Finance and Accounts Department. For the parties selected, their EMD would be transferred to Security Deposit (SD) account when the concerned party provides for the balance amount of Security Deposit.

Note: The concerned Department shall collect collection on account of sale of tender forms, Earnest Money Deposit and Security Deposit etc and the amount so collected shall be deposited in the Bank with the adequate advice to the Finance and Accounts Department.

b) Cheques and Draft Receipts-Properties

Cheques and demand draft received on account of properties would be collected either through the collecting Banker or through the collection counter. The details of the receipt along with the one copy of Money Receipt Challan would be forwarded to the Property Department. Receipt would be recorded in the BankBook on the basis of classification provided by the Properties Department. Second Copy of Money Receipt Challan shall be forwarded to the Finance and Accounts Department.

c) Receipt on account of Loans from Government and other Financial Institutions etc.

Release of loan installment would be kept deposited in terms of loan agreement. Loan receipt would be acknowledged to the concerned agency/institution.

d) Other Receipts

Other Receipts would include receipts of employee's loan Installments and other remittance from other Development Authorities/Agencies etc.

As outlined above on receipt of "List of Cheques/Draft Received" from Dispatch Section, Money Receipt would be issued for loan installments and other remittance from other Development Authorities.

e) Income form Sale of Scrap, Waste and Fixed Assets

The Purchase and Supply Department would dispose scrap and waste on periodic basis. It would prepare three copies of Delivery Challans of which one would be retained by Purchase and Supply Department.

The Finance and Accounts Department would prepare Sales Invoice. It would collect the payment from the buyer and issue the invoice and money receipt which would also act as a gate pass for the waste, scrap and other sold items taken out of Development Authority premises.

3.2.2.3. Depositing of Receipts into Bank Accounts

At the end of each day the Finance and Accounts Department would prepare pay-in-slip in respect of the cash. Demand Drafts and cheques to be deposited separate slips would be prepared for different Bank Accounts. High-value cheques and demand drafts would be deposited on priority basis. Bank Receipt Voucher will accompany deposit.

Subsequently deposit pay-in-slips along with cheques and demand drafts would be forwarded to the designated Cashier/Accountant liasoning with the Bank for deposit in the Banks for making necessary entries in the books

3.2.2.4 Dishonor of Cheques

When a cheque sent to Bank for collection, gets dishonored, it would be recorded in the statement of Cheques Dishonored Advice in duplicate. The first copy would be forwarded to the concerned

Department. They would inform to payer the fact of dishonor. Until the cheque has been received from the party, the Finance and Accounts Department would reverse the initial debit entry in the BankBook passed at the time of initial deposit.

3.3 Payments

3.3.1 Preparation of Payment Vouchers

In case of payments to be made, the concerned Department would initiate a payment advice. It would be authorized by the H.O.D. of concerned Department. It would furnish details regarding the purpose of the payment and the other related references including the bill received from this concerned party/agency. It would be the responsibility of the concerned/User Department to obtain the approval of the competent authority for the expenditure/payment. The User Department would carry out preliminary check(s). Thereafter the bill would be forwarded to the Finance and Accounts Department. The Finance and Accounts Department would check the bills as per laid criteria. If the bill were complete in all respects, the Accountant responsible for the processing of the bill would prepare the Payment Voucher based upon payment advice.

The payment voucher prepared by the Accountant on the basis of payment voucher would need to be approved by Accounts Officer as per delegation of powers.

3.3.2 Preparation Cheques and Demand Draft

On the basis of authorised Payment Voucher along with the attachments and on finding the documents in order, the cheque /draft would be prepared for the passed amount, details would be recorded on the attached Bank Payment Voucher, in the Cheque Book Counter folio and Cheque Issue Register [Form No-AT-7]

All the cheques issued would be crossed 'Account Payee Only'.

The cheque along with the Voucher and Cheque Issue Register would be sent to the designated Accounts Officer as per delegation of power for signing of the cheque. Cheque signatories would, after verifying the amount of cheque with documents, sign the cheque and the initial the voucher and the Cheque Issue Register. Thereafter the second signatory would sign the cheque.

The specified Accounts Officer would, after verifying the amount of the cheque the documents sign the cheque and initial the voucher and Cheque Issue Register. Thereafter the second signatory would sign the cheque.

In case the payment is required to be made through a demand draft, the same would be requested/advised by the Concerned Department in the payment advice itself. On receiving the payment advice and Voucher, a crossed cheque would be issued in favour of the Bank that would issue the demand draft. The details of cheque/demand draft would be recorded in the Bank Payment Voucher, ChequeBook Counterfoil and the Cheque Issue Register. Authorized signatory, as specified above, would sign the Cheque for demand draft issue.

On receipt of the signed cheque, the Accountant would forward the same to the concerned Bank and arrange to obtain the demand draft, on receipt of the demand draft Bank Payment Voucher would be entered in the Bank Book.

Acknowledgement of receipts received would also be attached with the Bank Payment Voucher.

3.2.3 Outstanding Cheques

Cheques issued by the Development Authority but not presented by the payee, the Accountant handling the bank transactions would cross check the entries in the Bank Statement with the Cheque Issue Register, and date of clearing would be marked. In case of cheque sent for collection entry would be reversed if cheque were not replaced on being followup with the party. In case of cheque issued but not presented within a period of six months, the entry would be transferred to a Stale Cheque Account. Details would be recorded in the Stale Cheque Register [Form No-AT-8]. On the basis of the request from the claimant and after the verification of the outstanding payment, the Accountant would issue the fresh cheque (as per procedure given in para 3.4.2 cheque number would be cross-referred with the original cheque in the Cheque Issued Register. The Stale Cheque would be taken back from the party.

3.2.4 Cash Payment

Cash payment would be made towards

- Petty Cash expenses incurred not paid through imprest money
- Advances given to employees for expenses like material purchase, works, etc.
- Other cash payments.

Cash payments would be made through a Cash Payment Voucher [Form No-AT-9].

a) Cash Expenses

In case of payments to be made by cash, the concerned Department would prepare a payment advice, get it authorized and forward it to the Finance and Accounts Department for effecting payment to claimant.

Only petty expenses not exceeding Rs.2000 shall be allowed in cash. Even payment of work charge staff and daily wages workers should be made through cheque only in unavoidable circumstances cash payment would be allowed.

The procedure as mentioned in para 3.4 should be followed with respect to the disbursement of payment and defacing the supporting documents.

b) Disbursement to Employees

The payment made to the employees would include the following

- Advances
- Imprest
- Advances for Expenses

In respect of disbursement and settlement of each of the above, the procedures as mentioned in the section on “Accounting of Personnel and Establishment Cost”, Section on “Accounting of Administrative Cost “and Section on ‘Accounting of Loan and Advances to Employees “ would be followed.

3.2.5 Bank Payments

Bank Payments would comprise of the following

- Payment for land acquisition
- Payment for development and construction works including payments to the contractors
- Payment to suppliers
- Payment for expenses including establishment cost, administrative cost and miscellaneous cost
- Payment for repayment of loans taken and interest thereon
- Payment of refunds for non-allotment of property etc or cancellation of allotments.
- Refund of earnest money deposit/security -366- (in cash)
- Cash transfer and withdrawal of funds from
- Loans & advances to employees
- Others

In respect of disbursement of each of the above, the procedures have been detailed at appropriate places in the various Sections of the Manual.

3.2.6 Payment Procedures

Payments through cash (subject to the limits on such payments) or cheques would be made to the claimant or his representative, who has been duly authorized by the claimant. The representative authorization would be carefully verified Acknowledgement would be obtained through signatures on cash payment vouchers Cheque Issued Register and on letterhead of the claimant as the case may be.

In case where the payment has been dispatched through post, a covering letter would be attached to the cheque/demand draft to be posted and also the dispatch reference would be noted in the Cheque Issued Register.

On Issue of cheque/cash payment to the claimant, the corresponding documents would be defaced by marking it with rubber stamp in such form and format, as the Development Authority may deem fit.

Payment Vouchers should be cancelled with two diagonal lines “Paid and cancelled.”

3.2.7 Recording of Transactions

Cash transactions would be recorded in the Daily Collection Register, Daily Payment Book, CashBook on the basis of Cash Receipt Vouchers (CRVs) and Cash Payment Vouchers (CPVs) on a daily basis.

Bank transaction would be recorded in Daily Payments Book, BankBook on the basis of Bank Receipt Vouchers (BRVs) and Bank Payment Vouchers (BPVs) day-to-day basis.

The CashBook would be balanced at the end of the day to ascertain the cash balance. The Cash balance as per CashBook would be compared with the physical cash. The Bank Account posting in the Bank Ledger shall be kept up to date to facilitate ascertainment of Bank Balances on day-to-day basis.

On deposit of cash, demand draft and cheques with the Banks the concerned employee would return the acknowledged pay-in-slip to the Finance and Accounts Department where it would be

recorded in the Bank Book/ Cash Book as the case may be. Cash withdrawals and cash deposits would only be recorded in the CashBook from where the posting to individual Bank Account in the Bank Ledger would be made.

On issue of cheque and demand draft and its handing over to the claimant entry would be made in the BankBook.

Formats on Daily Collection Register and Daily Payments Book are given in the section on "Books of Accounts of the Manual ".

3.2.8 Custody of Cash

Cash (Varying Imprest Cash) would be kept under double lock and key of concerned Cashier and one Accounts Officer. Cashier would be rotated at three months interval.

3.2.9 Physical Verification of Cash

Chief Accounts Officer or an officer designated by him would physically verify cash on surprise and at periodic intervals. If any deviation is found necessary the head of the Finance and Accounts Department shall take action with the intimation to the Vice- Chairman.

3.2.10 Insurance of Cash

The Development Authority would take appropriate insurance cover for cash in safe, cash in transit and employee fidelity. Transactions shall be operated in such a manner that the cash in hand be kept well with in the insured limit. The cash in transit would also be insured.

3.2.11 Cash Limits

The management of the Development Authority would fix cash retention limit and cash in transit limit, beyond which transactions would not be permitted.

PART – II TRANSACTION INVOLVING ACCRUAL OF FUNDS

- **ACCRUAL OF LIABILITIES AND PAYABLES**
- **ACCRUAL OF ASSETS AND RECOVERABLES**

3.2.12 Accrual Transactions

Revenues and costs are accrued, that is, recognized as they are earned or incurred (and not as money is received or paid) and recorded in the accounts of the period to which they relate (based upon consideration of matching costs with revenues under the accrual basis of accounting).

3.2.13 Type of Accrual Transactions

Transactions would (not involving immediate money receipt or payment) include.

- Liabilities for suppliers and contractors bills not actually paid for,
- Liability for expenses not actually paid before the, end of year/quarter end.
- Material consumption,
- Depreciation on fixed assets,
- Liability for interest payable on loans taken and land compensation payable to the vendor's of land
- Property allotment/sale
- Revenue recognition for interest receivable on properties, lease rent/rent due etc,
- Other transactions not involving immediate cash outlay (inflow or outflow) and
- Adjustment entries

Procedures

In respect of each of the items stated above procedures have been detailed at appropriate places in various Sections of the Manual.

3.2.14 Accrual of Expenses, Liabilities and Payables

Procedures for processing of credit bills are same as in case of bank payment and cash payments i.e.

- Processing would be initiated by the concerned User Department
- The HOD of the concerned User Department would authorize the bills
- The bills would be got approved from the appropriate authority and forwarded to the Finance and Accounts Department for processing and recording the transaction.

Some times bill pertaining to period are received much later than by Balance Sheet date, in such cases bills are processed in ordinary course, while the Finance and Accounts Department provides the corresponding liability in the accounts of relevant period (if the balance sheet has not been finalized). In case Balance Sheet of the said year has already been finalized such bills would be debited to prior period items in subsequent accounting period.

Provisions for expenses at the year end would be made with reference to actual payment for the expenses in the next accounting period (like Establishment cost including provisions per P.F/ Pension Contribution, Electricity, Telephone & Fax, Rent & Rates Taxes and Audit Fee.) etc

3.2.15 Accrual of Revenue Assets and Receivables

Procedures for accrual of revenue and assets receivables have been detailed at the appropriate places in various Sections of the Manual.

Revenue and receivables would be recognized and accounted for in the period in which they accrue irrespective of fact whether they have actually been received or not before the year-end.

3.2.16 Journal Book

All the transactions other than cash or bank would be recorded through Journal Books.

3.2.17 Accounting Policies for Accrual Transactions

While giving effect to accrual of funds based upon accrual basis of accounting on double entry system, the relevant accounting policies would be adhered to. Such accounting policies have been discussed in details in various Sections of the Manual.

CHAPTER –4

ACCOUNTING PROCEDURES

4.1 Books to be Maintained

For recording collection and payment and accrual of funds, the Finance and Accounts Department would maintain the following books

- Cash Book
- Bank Book
- Daily Collection Register
- Daily Payments Book
- Journal Books
-

4.2 Procedures of Maintaining the Accounts Books

Procedures for maintaining accounts books have been detailed in the various Sections of the Manual.

4.3. Accounting for Receipts

Receipts would be recorded in the Daily Collection Register, Daily Payments Book, CashBook or the BankBook on the basis of voucher against respective accounts heads. Separate vouchers would be prepared for cash and cheque/draft and accordingly entered separately in the Daily Collection Register, CashBook, BankBook and Daily Payments Book etc. The Finance and Accounts Department would account for the receipt in the following manner:

a) Receipts through Cheques and Demand Drafts

The transactions taking place regularly or collections directly deposited in to the Bank by the parties would be recorded on the basis of day total as per Daily Collection Register/ Bank Statement/Scroll annexed to Daily Collection Register.

Other cheques/demand drafts received would be recorded on deposit of cheques/demand drafts into the Banks

b) Receipts in Cash

The transactions of the same nature-taking place regularly would be recorded first in the Daily Collection Register, and day total would be recorded in the CashBook.

4.4 Accounting for Payments in Cash

Payments would be recorded in the CashBook, Daily Payments Book and Departmental Imprest Book etc on the basis of vouchers against the account head mentioned in the voucher.

Payment would be made through any of the following modes:

- cheque/demand drafts
- Imprests
- Cash

The mode of making payment would depend on concerned User Department's instructions in the payment advice, claimant's request and the policy of the Development Authority as regards the limits on cash payments.

4.5 Accounting for the Banking Transactions

a) Deposit of Cash into the Bank

On deposit of amount with the Bank an entry would be made in the CashBook and the concerned Bank Account would be debited for the amount deposited.

c) Withdrawals from the Bank

In respect of cash withdrawn from the Bank, an entry would be made in the CashBook and the concerned Bank Account would be credited for the amount withdrawn.

d) Disbursement to Employees

On preparation of the Pay Roll, the Finance and Accounts Departments would pass entry for disbursement of pay in the concerned Book

4.6 Balancing of Cash Book

At the end of each day the CashBook would be balanced.

4.7 Accounting for Returned Cheques

Cheques deposit and returned would not be recorded until the cheque is replaced with the fresh cheque. The concerned Department would be intimated regarding the dishonor of cheque to initiate further action.

4.8 Accounting for Stale Cheques

In case of cheque issued but not presented for a period of six months, would be transferred to Stale Cheque /Account by passing following entry in the bank book:

Debit	Banks Account	(Group Account Code)
	Stale Cheque Account	(Account Code)
Credit	Banks Account	(Group Account Code)
	Relevant Bank Account	(Account Code)

4.9 Balancing of Bank Accounts

Balancing of each Bank Account would be done in the Bank Ledger and kept up to date.

4.10 Bank Reconciliation

Each Bank Account would be reconciled with the statement of account or pass book given by the Bank on monthly basis. Corrective steps would be taken in case of discrepancies between Bank Account and the Bank Statement.

4.11 Custody of Cash

Cash would be kept in under double lock and key as a policy matter in accordance with the standing instructions issued by the appropriate authority from time to time.

4.12 Physical Verification of Cash

Physical Verification of Cash would be carried out on surprise basis and at periodic intervals as prescribed.

4.13 Cash Insurance

Cash in safe, cash in transit and employee-handling cash would be covered by an appropriate insurance policy

4.14 Cash limits

Cash retention limit and cash in transit limit would be fixed by the Head of Finance of Accounts Department and adhered to.

4.15 Accounting For Accrual Transactions

Accounting procedures and accounting entries to be made have been detailed at appropriate places in other Sections of the Manual.

FORM NO: AT-1

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
BANK PAYMENT VOUCHER**

Voucher No.....		Rs	P	Rs	P
Date.....					
Debit _____ _____ _____					
Credit _____ _____ _____					
Total Rupees in Words _____					
Prepared By _____	Checked By _____	Approved By _____			

FORM NO: AT-2

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
CASH BOOK**

For Form No AT-2 Cash Book, Please refer to Section on “Books of Accounts”

FORM NO: AT-3

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
BANK BOOK**

For Form No AT-3 Bank Book, Please refer to Section on “Books of Accounts”

FORM NO: AT-4

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
CASH RECEIPT VOUCHER**

Voucher No.....		Rs	P	Rs	P
Date.....					
Debit _____ _____ _____					
Total Rupees(In Words) _____					
Prepared By _____	Checked By _____	Approved By _____			

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
BANK PAYMENT VOUCHER**

	Rs	P	Rs	P
Voucher No..... Debit _____ _____ _____ _____ _____ _____				
Credit _____ _____ _____ _____ _____ _____				
Total Rupees in Words _____ _____				
Prepared By	Checked By		Approved By	

FORM NO: AT-6

UTTAR PRADESH DEVELOPMENT AUTHORITIES
CHEQUE/DRAFT RECEIVED REGISTER

Date	Name of Person /Party etc	Cheque/Draft no	Drawn on Bank	Head of Account		Deposited with Bank		Deposited on	Clearing on	Return on	Reason of Return	Action taken	Initials
				Major Head	Sub Head	Bank Name	Account No.						
1	2	3	4	5		6	7	8	9	10	11	12	13

FORM NO: AT-7

UTTAR PRADESH DEVELOPMENT AUTHORITIES
CHEQUE RECEIVED REGISTER

Date	Name of Person /Party etc	Cheque No	Issued on Bank	Head of Account		Clearing on	Return on	Reason of Return	Action Taken	Initials
				Major Head	Sub Head					
1	2	3	4	5		6	7	8	9	10

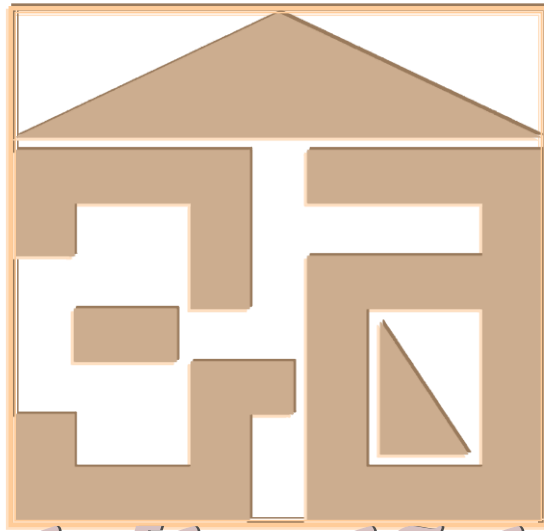
FORM NO: AT-8

UTTAR PRADESH DEVELOPMENT AUTHORITIES
STALE CHEQUE REGISTER

Date	Name of Person /Party etc	Cheque No	Issued on Bank	Head of Account		Fresh Cheque Issued	Approving Authority	Initials
				Major Head	Sub Head			
1	2	3	4	5		6	7	8

**UTTAR PRADESH DEVELOPMENT AUTHORITIES
CASH PAYMENT VOUCHER**

	Rs	P	Rs	P
Voucher No.....				
Date.....				
Debit _____ _____ _____ _____				
Credit _____ _____ _____ _____				
Total Rupees in Words _____				
Prepared By	Checked By		Approved By	



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