

## CHAPTER XVI

### MISCELLANEOUS EXPENDITURE

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## CHAPTER XVI MISCELLANEOUS EXPENDITURE

1601. **Check of Cash Imprest Account - *Cash Imprest Account.*** - An imprest is a standing advance of a fixed sum of money placed at the disposal of an official to meet petty office expenses and emergent charges of small amounts which cannot be foreseen. An emergent petty advance may also be made on the responsibility of the Imprest holder, out of the imprest money placed at his disposal. The amount of imprest must not be larger than is absolutely necessary. It should be reckoned at the lowest possible figure calculated to suffice for meeting charges of the nature referred to above. In all cases including those for works and surveys, an imprest required must be specifically sanctioned as such by the General Manager or by the Heads of Departments or by any other authority to whom the powers in this regard may be delegated by the competent authority. Imprest holders are not authorised to increase or decrease the amount of their imprest without the sanction of the competent authority and this should be seen when checking the imprest account submitted to the Accounts Office.

1602. The Imprest Account should be kept in duplicate and the original supported by necessary vouchers should be forwarded to the Accounts Officer before the end of each month or oftener if necessary, for check and recoupment. The accounts should ordinarily be closed by the end of the month and recouped before the end of the month so as to ensure, as many as possible of the month's transactions being included in the accounts. If there is surplus money at the end of each month, as noticed from time to time or if there is delay of several months in sending the account for recoupment it is evident that the amount of imprest held is in excess of the monthly requirements and the matter should be brought to the notice of the authority who sanctioned the imprest with a view to reducing the amount of the imprest.

1603. Before recoupment is made, the Imprest Account should be scrutinised to see:

- (i) that it is arithmetically correct;
- (ii) that the balance brought forward is correct, i.e. the opening balance should be checked with the closing balance of the previous account;
- (iii) that all recoupments have been properly taken into account;
- (iv) that payments made are of a nature which could be passed through imprest i.e. they are not irregular or unauthorised ;
- (v) that the charges which normally require pre-check by Accounts are not included in the Imprest Account;
- (vi) that all receipts are in proper form and signed by the persons in whose favour the bill is drawn or by his agents and if the amount of the bill is over Rs. 20/- revenue stamp is affixed.
- (vii) that the sum acknowledged is written in words as well as in figures;
- (viii) that the rates are not extravagant ;
- (ix) that in case of special charges which require sanction of higher

- authority or are regulated by a scale the requisite sanction has been obtained and the scale fixed is not exceeded.
- (x) he amounts shown as remitted have been received by the Chief Cashier and accounted for in the books, Verification of the remittances should be obtained from Traffic Accounts Branch ;
  - (xi) he certificate of actual amount of balance in hand is recorded under the signature of Executive Officers in-charge ;
  - (xii) iscellaneous receipts are remitted to the stations or the cashier and not used by imprest holders for payment of bills;
  - (xiii) Proper acknowledgments in respect of moneys advanced are being obtained;
  - (xiv) In case of purchase of stock items a certificate is furnished that the stock items purchased were not made available by the Stores Department. The closing balance and the amount recouped during the month should be noted in a manuscript register wherein the amount of imprest held by each officer should also be recorded as soon as it is sanctioned.

**1604. Departmental Receipts.** - All transactions to which a railway servant in his official capacity is party, must without any reservation, be brought to account, and all moneys received should be paid in full, without undue delay, into the Treasury or the Bank, or in the case of railway servants employed on open lines of Railways, in to the Railway Cash Office or to the nearest railway station, to be credited to the appropriate head of account.

**1605. Transmission of Departmental Receipts to stations** :- The amounts forwarded by Departmental Officers to Station Masters for remittance must be accompanied by a Miscellaneous Receipts Transmit Note in Form No. A. 1605 which consists of a note giving full particulars of the remittance and a receipt in duplicate.

[Form No. A.1605](#)

**1606. Acceptance of local cheques in payment of Government dues.** - Stations should not ordinarily accept cheques in payment of passenger fares. In the case of goods and parcels traffic cheques on banks which have clearing accounts with the Reserve Bank or a Scheduled bank may be accepted in payment of railway freight at the discretion of the General Manager, from well known firms subject to the condition that the firm concerned deposits with Government, as security, a sum equivalent to an amount not less than a month's freight transactions with the railway. The security deposit may be made in cash, Government Promissory Notes or a Guarantee bond executed by a Scheduled Bank of India. The deposit should be made for each booking or receiving point where a firm desires to pay by cheques. Cheques may also be accepted in payment of other dues to the railway or in settlement of other transactions.

1607. Such cheques should, in all cases, be crossed. Until, however, a cheque has been cleared, the Railway Administration cannot admit that payment has been received and consequential final receipts will not be granted when a cheque is tendered. A receipt for the cheque (only) will be given in the first instance, but if the person making payment so desires, a formal payment receipt should be sent by post to his address after the cheque has been cleared.

1608. In the event of such a cheque being dishonoured by the bank concerned on presentation, the fact will be intimated at once to the tenderer, but Railway cannot accept any liability for loss or damage which may possibly occur as a result of delay in intimating that the cheque has been dishonoured.

1609. **Erasures, Over-writing etc. in Accounts Records** .- Erasures and over writings in any account records, bill, Abstract of bills, voucher, cheque, cash book etc. are absolutely forbidden. If any correction becomes necessary, the incorrect entry should be cancelled neatly in red ink and the correct entry recorded there under. Each such correction or interpolation deemed necessary should be authenticated by the Officer-in-charge setting his dated initials against each.

1610. **Responsibility for overcharges**. - Officers drawing bills, pay orders etc., are responsible for the correctness of the amounts charged therein. In the case of bills and pay orders which are not checked by the Accounts Officer before payment, the responsibility for any overpayment which may result from an erroneous charge, also devolves upon the drawing officers.

1611. **Duplicates or Copies**. - Accounts Officer may not issue duplicates or copies of receipts granted for money received, or duplicates or copies of bills or other documents for the payment of money which has already been paid, on the ground that the originals have been lost. If any necessity arises for such a document, a certificate may be given that on a specified day, a certain sum on a certain account, was received from or paid to a certain person. This prohibition extends only to the issue of duplicates on the ground that the originals have been lost, and does not apply to cases in which by existing rules, duplicates are prepared and tendered with the originals. In the case of a bill or other payment voucher lost before payment, a duplicate may be issued by the officer who drew the original bill or voucher, on a certificate by the Accounts Officer that payment has not been made on the original and will not be made if found later on. The duplicate bill or voucher should bear distinctly on its face the word "duplicate" written in red ink. The Accounts Officer should keep a proper record of all duplicate bills and vouchers passed for payment, to guard against a double claim being passed on the same account.

1612. **Grants-in-aid, Contributions etc.** - The grants-in-aid or contributions are generally sanctioned to the following Institutions viz.-

- (i) The Educational and Medical institutions:
- (ii) the Railway Institutes and Sports Clubs :
- (iii) the Railway Co-operative Societies & Stores : and

- (iv) other local bodies e.g., Chambers of Commerce, etc.

The power to sanctioning grants-in-aid or contributions is exercised by the authorities to whom such powers may have been delegated by the President from time to time. The following instructions may be followed by the sanctioning authorities in the matter of according sanctions for grants-in-aid.

1613. (a) Every order sanctioning the grant should specify clearly the object for which it is given, the recurring or the non-recurring nature of the grants and the conditions attached.

(b) Before a grant is paid to the Railway Institute or Sports Club or the Railway Cooperative Stores or Societies, the sanctioning authority should see that an audited statement of accounts of the Institution concerned has been received and that the grant-in-aid is justified by the financial position of the Institution concerned, and that any previous grant was spent for the purpose for which it was intended.

(c) (1) In the case of non-railway Schools, the proposals for the grants-in-aid to be made for the first time should take into account the following factors viz. :-

- (i) the total number of students in the School ;
- (ii) the number of wards of railway employees studying in the School
- (iii) whether the School is running at a loss;
- (iv) the actual deficit and the reasons for it ;
- (v) whether the School is fully recognised for all purposes by the State Government in accordance with their Education Code ;
- (vi) whether full grant-in-aid from the State Government as admissible under the Education Code. Etc. is being received by the Schools ;
- (vii) whether efforts have been made by the School to obtain additional assistance from the State Government and if so, with what results ;
- (viii) the financial position of the School;
- (ix) amount hitherto granted from the Railway Revenues and the basis for it ; and
- (x) amount now proposed to be granted from the Railway Revenues and the basis for it.

(2) In the case of grants to Medical Institutions, the sanctioning authority should take into account the average number of railway patients getting benefits from that Institution in a year, the per capita cost of medicines based on the actual expenditure of the Institutions over all the patients concerned and the amount proposed to be recovered from the Railway Administration.

(3) In the case of Railway Institutes and Clubs, the grant should be based on the financial position of the Institute, as certified by the Accounts authorities.

(4) In the case of Railway Co-operative societies and Stores, the grant shall not be

more than half the Administrative and the Establishment charges for the first three years subject to the condition that the subsidy will be paid only if the Cooperative department concerned certifies that the Stores is working properly.

1614. Grants may be sanctioned to meet the requirements of a year even extending beyond the financial year ; but only so much of the grant should be paid during the financial year as is likely to be expended during that year. The amount remaining unspent at the end of the year in such cases need not be refunded at the close of the financial year. In such cases sanctions should be so drafted that they may not lapse at the close of the financial year. Immediately on the expiry of one year from the date of the sanction, any unspent balance thereof should be duly surrendered to the sanctioning authority as required in para 1617 (ii). However, in respect of sanctions which require the grant to be utilized during a financial year, the unspent balance thereof should nevertheless be surrendered to the sanctioning authority at the end of the financial year or may be adjusted by the sanctioning authority against the next year's grant, if any, It should be clearly stated in each sanction letter that the unspent balance of the previous grant has either been surrendered to Government or that it has been taken into account in sanctioning the subsequent grant.

1615. Grants-in-aid to small institutions which are entirely mainly fed by recurring grants and which are likely to utilize the entire grant by the close of the financial year and would not thus have sufficient funds to cover their expenses at the beginning of the next financial year, pending receipt of fresh grants, should be paid, during the financial year, if necessary, in three instalments viz., first one in April itself, the second one sometimes during May to September and the final one during October or later so as to ensure even flow of funds at their disposal during the year. In the case of these institutions, submission of audited statements of accounts required in terms of para 1613(b) need not be insisted upon for sanctioning payment of the first two instalments of the grant if such statements are not ready. However, such statements of accounts in respect of the previous financial year should, as required in para 1613(b) be called for while sanctioning the final instalment unless the institution concerned has been specifically exempted from furnishing them.

1616. The sanctioning authority should certify that the conditions precedent to the grant have been fulfilled. For this purpose, target dates should be prescribed for submission of audited statements of accounts by the grantee institutions etc. to the sanctioning authority. In every case of grant made for specific purposes, a certificate of its actual utilization should be furnished by the sanctioning authority to the Financial Adviser and Chief Accounts Officer within a date stipulated for the purpose.

1617. Unless it is otherwise ordered by the Railway Board, every grant made for a specific object is subject to the implied conditions:

- (i) that the grant will be spent upon the object within a reasonable time if no time limit has been fixed by the sanctioning authority ;
- (ii) that any portion of the grant which is not ultimately required for

expenditure upon that object should be duly surrendered to Government, and

- (iii) that the authority sanctioning the grant reserves the right to arrange for the Inspection of the records of the recipient Institution.

Note: The expression "reasonable time" occurring in item (I) above should in actual practice ordinarily be interpreted to mean "one year from the date of issue of the letter sanctioning the grant".

1618. Recurring grants exceeding Rs. 1 lakh per annum and non-recurring grants exceeding Rs. 5 lakhs should be sanctioned subject to the specific condition that the accounts of the Institution receiving the grants will be subject to test check by the Railway Accounts Department and the Comptroller and Auditor General will also have the right to test audit, at his discretion, the accounts of the Institutions to ensure that the grants are utilized for the purpose for which they are sanctioned.

1619. **Internal check of Grants-in-Aid.** - The internal check of sanctions to grants-in-aid should be conducted with reference to the provisions in the rules laid down in the preceding paras. In addition the following points should be seen.

(1) *Utilization of the Grants for the purpose for which sanctioned.* - The Accounts Officer should satisfy himself either at the time of scrutinizing the proposal for the sanction to the grants-in-aid or at the time of internal check of the sanctions as the case may be, that the sanctioning authority has satisfied itself that the funds will be utilized for the purpose for which these were sanctioned and that the sanctioning authority has also laid down specifically the conditions attached to the grants. A certificate of actual utilization of the grant should be obtained from the sanctioning authority by the Financial Adviser and Chief Accounts Officer in every case of grant made for specific purposes, within the prescribed target date.

(2) *Refund of Unspent Balances.* - At the time of inspection of the offices of the sanctioning authority it may also be examined that certificates regarding unspent balances for grants are obtained from the institution together with reasons for not spending the amount so sanctioned and that the unspent balances remitted by the latter are promptly remitted to stations or case office.

(3) *Extent of check at Local Inspections.* - The quantum and extent of check during local inspection may be decided by the Financial Adviser and Chief Accounts officer. The Accounts of the institutions receiving grants Rs. 1 lakh (recurring) per annum and Rs. 5 lakhs (non-recurring) should be subjected to test check by the Accounts Department.

(4) *Audit of Accounts of Private Institutions, Receiving Grants-in-Aid.* - Whereas it is not necessary for the Financial Adviser and Chief Accounts Officer to conduct the audit of the transactions of the private bodies receiving grants he should ensure that the sanctions for the grants are made by the competent authority after referring to statements

of account of the institutions duly audited by registered auditors wherever the amount of the grant is more than Rs. 1,000 at a time.

**1620. Buildings and Rent** - Preparation of Rent Return Account of residential buildings. - With a view to enable the Railway administration as well as Railway Board to see that the return of rents obtained on residential buildings does not fall below 6 per cent of the total outlay incurred thereon, a proforma Rent Return Account should be compiled in the Accounts Office. A separate Rent Return Account should be compiled for each class of buildings, the rent of which is pooled for the purpose of obtaining the 6 per cent return.

The Capital outlay on the residential buildings will be obtained from the list of buildings grouped separately for each pool of staff quarters and the total amount of recovery made from the Staff will be ascertained from the booked actuals under the sub classifications of Abstracts Z-210 prescribed for each pool of residential buildings.

**1621. Rent Rolls.** - Departmental officers are primarily responsible for the recovery of the rent of rent-returning buildings under their charge. Rent Rolls in Form A. 1621 showing the following particulars should be prepared by each departmental officer in respect of all buildings under his charge.

Form A. 1621

- (i) Locality.
- (ii) No. of building.
- (iii) No. of units in the building.
- (iv) Whether the building is electrified.
- (v) Name of occupant.
- (vi) Designation of occupant.
- (vii) Rate of emoluments of occupant and date of appointment.
- (viii) No. of days occupied.
- (ix) Assessed rent.
- (x) Rent recoverable.
- (xi) Remarks.

A copy of the Rent Rolls (A. 1621) should be submitted to the Accounts Officer together with the pay bills of the staff concerned only for one month in the year (say April paid in May). In the Rent Rolls the amount of rent actually recovered through the pay bills should be indicated.

**1622. Check of Rent rolls.** - The Rent Rolls (A. 1621) received in the Accounts Office should be checked so as to ensure that :

(i)	rent has been correctly recovered ; and
(ii)	there are no omissions of rent-returning buildings in the Rent Rolls received

1623. For the subsequent eleven months only a Statement of Variation in the recovery of rent (in Form A.1623) will be submitted with the pay bills. In this Form only those cases in which recovery of rent for a particular building varies from that in the previous months will be itemised. The total of this Statement of Variations should tally with the difference between the house rent column of the pay bill for that bill unit in the previous and the current month.

Form No. A 1623

1624. New buildings added during the course of the year (whether occupied by staff free of rent or paying rent) would also be shown in the Variation Statement for the month of first occupation, even though no change in the recovery if rent is involved in the case of buildings occupied rent free.

1625. In order to check whether the recoveries from the individuals are correctly made the complete Rent Roll, for the initial month will be checked with the pay bills. In the subsequent months, the items in the statement of Variations will be checked with the Memorandum of Difference-G3, received with the pay bill or with the increment Statements and other notifications where these statements are not sent with the pay bills. Where increases in emoluments appearing in the Memorandum of Difference etc. are not reflected in increases in rent recoveries in the Statement of Variations, a check will be made with the list of buildings to see whether the rent recovered in the pay bill is equal to the full assessed rent. Variations in the recoveries due to causes other than changes in emoluments will be checked with the list of buildings or advises of allotment or vacation of existing or new buildings, or changes in tenancy, general revision of assessed rent, last pay certificate etc.

1626. The initial Rent Roll of the year will be checked with the list of buildings to make sure that all residential buildings are included in the Rent Rolls. Items of new buildings added and occupied during the course of the year appearing in the Statements of Variation will also be checked into the list of buildings the same month.

1627. **Classification of Recoveries.** - In order to arrive at the figures of rent recovered for each pool of residential buildings, sub-classification under the Accounts Head Abstract Z-210 has been introduced to segregate and identify recoveries of rent relating to each pool. For example, if there is one pool for Gazetted Officers, recoveries of rent from Gazetted Officers have been classified on the pay bill itself every month as "credit Z-211". If Gazetted Officers' quarters, are divided into three pools, one for Administrative Officers, one for Senior Scale Officers and one for Junior Scale and Assistant Officers, the recoveries will be allocated in the bill itself as credits to Z-211, Z-212, Z-213 respectively. Similarly, subclassifications of Abstracts Z-210 have been prescribed to identify separately rent recoveries pertaining to each pool of residential buildings for Class III and IV staff. A separate sub-classification has been laid down for

rent recovery of quarters let out to outsiders. In this way the accounts automatically throw up the actual recovery of rent for each pool of residential buildings.

Note. - Since the number of pools varies from Railway to Railway. It is not proposed to lay down the subclassification of Z-210 uniformly, but to leave it to the discretion of the individual Railway Administration to do so in such a way that recoveries for each pool are separately sub-classified.

1628. Proforma recoveries of rent from those entitled to occupy quarters rent free as a personal privilege are worked out once every year from the complete Rent Roll prepared for one month in a year and multiplied by 12 to estimate the annual figure of proforma recoveries.

1629. **Check of List of Buildings.** - In order to ensure that the list of buildings is current and up-to-date and the capital outlay for each pool is also correct, there should be a tally at the end of each year to ascertain that the total capital cost at the commencement of the year plus expenditure on residential buildings booked during the year under the relevant heads of capital and other works classification is equal to the capital cost of all the pools taken together at the end of the year. Expenditure incurred on Rest Houses, out buildings, wells, fences and other works required in connection therewith should be excluded. This will ensure that new buildings constructed during the year and their capital cost have been added on the list of buildings, that additional expenditure incurred in existing buildings has similarly been added on, and buildings condemned and abandoned have been taken off the list of buildings.

It is responsibility of the Engineering Department to maintain the list of buildings, grouped separately for each pool of residential buildings and tallied with the capital outlay in the manner stated above.

1630. **Compilation of the Accounts.** - The Annual Rent Return Account of residential buildings as also the periodical review of assessed rents and rent recoveries against the prescribed return on capital outlay will thus be compiled straightaway by the Accounts Office from the list of buildings and the financial Accounts.

While compiling the Rent Return Account it should be seen that the quarters let out to out-siders i.e. other than Railway employees should not be included therein. Such quarters should be kept in a separate category in the list of buildings and the recoveries in respect of the same allocated to a separate subclassification under Abstract Z-210 as in the case of other Railway quarters.

An abstract of the Rent Return Account showing the capital outlay, proforma rent recovered and the percentage rent return should be submitted as soon after the close of the financial accounts of a year as possible, to the Railway Board.

1631. **Rent Recoverable from outsiders .** - The recovery of rent from other than railway employees will be watched by the Accounts Office. For this purpose, a register, preferably loose leaf, of buildings rented to non-railway departments and outsiders should

be maintained by the Accounts Office in the following form. In order that this register may be kept up to date the executive officers concerned should keep the Accounts Office advised of all changes, affecting the rent of tenancy of such buildings. From this register necessary bills for the recovery of rent should be prepared and sent to the parties concerned.

Form A.1631

1632. **Witnessing Payments to Labour by Accounts Staff.** - The Accounts Officer should arrange to have the payments to labour witnessed occasionally by Accounts office staff. This should be done without warning to either the subordinate or pay clerk. The check should be directed more towards witnessing of payments to temporary staff and payments from station earnings. The extent and detailed procedure for such checks may be prescribed by the Financial Adviser and Chief Accounts Officer.

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