

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No. FA & CAO/Gen (1)/2013-14

O/o the VC & MD, TA Section
Musheerabad: Hyderabad

ACCOUNTS CIRCULAR No.16/2013-14. DATED 19.02.2014

Sub: Guidelines on handling of Miscellaneous Receipts and precautions to be taken in

writing cheques – Reg

Ref: 1. Accounts Manual - 2004

2. Letter no. B&F/F4/5(294)/2005-06-FD issued by FA, Dt.15.09.2005

3. Letter no. B&F/F4/5(294)/2005-06-FD issued by FA, Dt.05.11.2005

4. Accounts Circular No.6/2008, Dt.07.08.2008

5. Letter no. FA&CAO/Gen(I)/2013-14 issued by VC & MD, dated 07.12.2013

6. Letter no. PA/30(BRS)/2013 -AD issued by FA & CAO, dated 24.12.2013

7. Letter no. B&F/AMF(42)/NETBANK/2013-14 by FA & CAO, dated 27.12.2013

8. Report on Midhani & Ranigunj-1 depot by Committee consisting of Director (V&S), ED (GHZ & HZ) and FA & CAO.

In view of the recent frauds at Midhani and Ranigunj -1 depot, the VC & MD has constituted a committee consisting of Director (V&S), ED (GHZ & HZ) and FA & CAO to strengthen the system and eradicate such misappropriation or frauds in future. The following are the guidelines in existence for ready reference and now issued in addition to the existing at above references.

A. MISCELLANEOUS RECEIPTS AT DEPOTS:

I. EXISTING GUIDELINES IN BRIEF:

As per Chapter 12 of Accounts Manual 2004, the following instructions are to be ensured while maintaining the Cash Book.

1. The preparation and maintenance of primary books i.e MTA 51B - Cash Book and MTA 51C-CIR should be done by JA(F) /SA(F) and counter checked by the Accounts Supervisor.

2. In no case, the JA(F) /SA(F) preparing and maintaining the primary books i.e MTA 51B – Cash Book and MTA 51C-CIR shall check and certify the correctness of the transactions recorded therein.

3. In MTA 51B Cash Book all Receipts of Cash, Cheques, Demand Drafts and Postal Orders etc., are recorded as and when transactions take place instantaneously.

4. All the amounts received before banking hours are remitted into Bank to the credit of the Current Account of the Depot or Unit on the same day through Pay-in-Slips. No payment should be made there from to any party. The golden rule that is followed is to remit all "receipts" into Bank and draw cash from bank for all "disbursements" at Depot or Unit level.

5. Amounts received after banking hours are remitted into the Bank on the very next working day. If any extraordinary events or untoward incidents like Bundhs etc. prevent remittance into Bank, details should be recorded on the Cash Book under the signature of the Unit Officer.
6. Money Receipts (MTD 427 or MTD 427 A):
 - (i) Receipt of all amounts from Outsiders shall invariably be acknowledged by issuing type numbered Money Receipts.
 - (ii) Money Receipt Books shall be carefully preserved in the safe custody of the Supervisor.
 - (iii) Two-side carbons should be used for writing the Money Receipts.
 - (iv) The Payers' signatures should be obtained on the reverse of Money Receipts.
 - (v) Amounts should be written legibly and without any alterations in figures and words on Money Receipts.
 - (vi) Cross-reference of relevant Letter or Case number should be appended on the Money Receipts
 - (vii) Money Receipts should be signed by Unit: Officer or concerned Supervisor only.
 - (viii) Cash Book Voucher number shall be recorded on the Office copy of the Money Receipt to facilitate verification of accountal in Cash Book.
7. Closure of MTA 51B Cash Book.
 - (i) The Cash Book shall be closed at the end of each working day. Custodian shall reconcile physical balance of Cash on hand with the balance as struck in Cash Book and write his initial in token of having done so. Specifications of Balance Cash shall be furnished.
 - (ii) Once Cash Book is closed, under no circumstances, it shall be reopened except with the written permission of the Unit Officer and reasons for reopening the Cash Book shall invariably be recorded.
 - (iii) The Controlling Officer shall sign the Cash Book daily after satisfying himself of transactions recorded therein. He shall carry out physical verification of Cash Balance, at least once in a month as a surprise check.
 - (iv) Closing Balance at the end of every day should be carried forward as Opening Balance for the succeeding CALENDAR day. If there are no transactions on a particular day, write "No Transactions" for the calendar day and carry forward Closing Balance as Opening Balance for the succeeding calendar day. In case of Sunday or Holiday etc., also, follow the same procedure duly writing "Sunday" or "Holiday due to___" as the case may be.
8. While signing the Cash Book, the following precautions have to be ensured.
 - (a) The Opening Balance is in conformity with Closing Balance of previous day,

(b) Ali Receipts are accounted for on the day of receipt only by verifying the MR counter foils.

(c) Verify correctness of amounts and dates of remittances with Pay-in-Slips acknowledged by the Bank. In case of even slightest doubt, fact of remittance should be got confirmed with the Bank. Prime responsibility for ensuring this lies on the Accounts' Supervisor.

(d) The Closing Balance is in conformity with physical balance of cash as per specifications and Cheques or Drafts on hand recorded in the Cash Book

(e) The Custodian has to sign Cash Book in full with date.

9. All receipts accounted for in the MTA 51B Cash Book shall be verified by the Accounts Supervisor with the MR counter foils and cash book vouchers. The Cash Book Vouchers shall be maintained serially starting from 1st April of every financial year.

10. The Internal Audit under the control of AO of region has to ensure 100% verification of MRs with Cash Book as part of revenue audit.

11. IN ADDITION TO THE EXISTING GUIDELINES, THE FOLLOWING ARE ADDITIONAL GUIDELINES TO BE ENSURED WHILE HANDLING MISC. RECEIPTS.

1. In order to lay effective internal control systems, it is necessary to segregate the cash dealing transactions away from the Depot Accounts Section who are the authorities responsible to reconcile the Cash / Banking Transactions with that of the depot accounts. Hence vide letter no.

FA&CAO/Gen(I)/2013-14 issued by VC & MD, dated 07.12.2013, all the cash receipt transactions are assigned to the Depot DC (E) Section

2. The stall rents and miscellaneous receipts shall be collected at Depot earnings section only instead of at Accounts Section at DMs office.

3. PD Supervisor shall provide a note on monthly due list of .Stall rents and other receipts to DC(E) on first day of every month and also mark one copy to the Accounts Supervisor.

4. The Stall Licensee has to get the Cash Remittance Form (newly proposed) endorsed by the PD Supervisor & verified by the Accounts Supervisor for ensuring the Account Heads i.e AH 2317, AH6792, AH9202, AH0605, AH9226 etc & correctness of the stall rents with agreement conditions and authorizing the remitter to pay cash at DC(E) Section.

5. All miscellaneous cash receipts like penalties & fines, cost of damages, tender forms, recruitment applications, Id cards, departmental dues etc shall be received at DC(E) Section based on the Cash Remittance Form (newly proposed) authorized by concerned supervisor which shall also be endorsed by the Accounts Supervisor.

6. The DC(E) section i.e Cash Receiving ADC shall accept the cash and issue MR only after receiving authorization by the PD and AD Supervisor for misc. receipts routed through DM Office and misc. receipts of Traffic Section authorized by Traffic Incharge through Cash Remittance Form.

7. The Accounts Supervisor has to record the details of proposed remittance in a register and confirm cash remittance on the same / following day duly verifying the CR Note, MR Statement with Bank Statement. The remittance particulars like nature of receipt, remitter details, amount, MR number, date etc to be entered in the register.
8. The Depot Manager shall ensure that the miscellaneous amount received, including rents are remitted to the Regional Office bank account on the following day along with the bus earnings.
9. The Accounts Supervisor shall cross check the Stall Rents Register with realizable amount through DC summary / Traffic Revenue Register / Account Current.
10. The Stall Rents periodical being submitted by the Personnel Wing of DM's Office to PO of the region must be certified by the Accounts Supervisor and Depot Manager.
11. The Accounts Supervisor & Depot Manager has to ensure that the amounts deposited by DC(E) through CR Note & MTA 51B Cash Book are verified with credits in Bank Statement & Payments through CIR with debits in Bank Statement.
12. The unpaid amounts statement shall be submitted to the depot accounts section and after verification by the accounts section, the DC(E) shall deposit the amount in the bank and submit the "pay-in-slip" to the Accounts Supervisor. The depot accounts section shall account the same in the MTA 51B Cash book.
13. MR Wise statement is now available in the OLTAS ADC Cash book in order to enable audit of Money Receipts by the Accounts Supervisor.
14. Daily MR Statement copy shall be submitted by the DC(E) to the Accounts¹ Section, to audit whether the MRs stationary are used in seriatim or not, invalid/cancelled MRs if any are available at DC(E) or not, only authorized receipts are received or not, etc.
15. The MRs issued by the DC (E) section shall be audited by the Accounts Supervisor on daily basis & also ensure the miscellaneous receipts are correctly accounted in the TRR.
16. As all Banks are computerized, every Depot shall avail the "net banking with view-facility only' of the Bank Account, to ensure checking of the correctness of deposits and withdrawals. AO of the Region to coordinate with Depots / Banks to ensure User ID and Password is allotted to every Depot. The Depot Manager & Accounts Supervisor shall verify all the remittances through CR Note & MTA 51B Cash book duly viewing the transactions daily in the system through net banking.

B. PAYMENTS FROM CORPORATION FUNDS:

I. EXISTING GUIDELINES IN BRIEF:

1. As per Chapter 12 of Accounts Manual 2004, the following precautions are to be ensured while signing the Cheque Issue Register by the Unit Officer.

- a) Serial Numbers of Cheques are maintained in the CIR
- b) Date of drawal is recorded properly. .
- c) Drawee's name as per vouchers is correctly entered.
- d) Brief particulars of amount drawn are recorded in the "Particulars" column.
- e) Total is correctly arrived at.
- f) Allocation of payments is correctly made.
- g) The Accounts supervisor has signed with date.
- h) Voucher references are furnished for each drawal.

Note:

- The DM has to sign the Pay Order, Enfacement on reverse of the Pay Order, CIR, Counterfoil as well as main foil of cheque simultaneously at one point of time only duly ensuring agreement of figures on all the documents.
- It was found from experience that piecemeal signing of documents / registers is fraught with danger of misappropriation.
- The preparation of primary entries should be done at lower level & counter checked by the supervisor, In no case, one person should prepare the primary documents all by himself.
- Signing of blank Pay Orders, Cheques, CIR or DD Requisition form should be avoided.

2. As per Chapter 12 of Accounts Manual 2004 & Accounts Circular No. 6/2008, dated 07.08.2008,

the following precautions are to be ensured while signing the Cheques by the Unit Officer.

- a) All the Cheques should be affixed with "A/C Payee and not negotiable" rubber stamp.
- b) Verify the cheque with counter foils and CIR and ensure that all entries i.e Date. Amount and Payee name are the same.
- c) Verify whether the amount has been written in "figures" and "words" similarly and such wordings started leaving no prefixing and suffixing spaces in the relevant columns.
- d) Verify whether the cancellations of crossings are for withdrawal of cash for disbursements only in respect self Cheque.
- e) No over writings and alterations in the name of the payee and the amounts are to be made in Cheques. In case any alterations are required then such Cheques shall be cancelled by affixing CANCELLED stamp and a fresh Cheque shall be written incorporating the required modifications. Such cancelled Cheques must be firmly stapled to the counter foils.
- f) Good quality transparent celluloid sticking tape should be pasted on the name of the payee and also on the figures, so that no alteration / over writing can be made.

- g) Reverse carbon may be used while writing Cheques, so that the details of the payee and the amount would be recorded on the back side of the Cheque.
- h) While writing "yourselves" Cheques; to pay column should be written as follows: Yourselves (as per challans)
Yourselves (as per DD Requisition)
Yourselves (as per Bank intimation letter)
- i) The challans, DD Requisition and Bank intimation letter invariably enclosed to the Cheques and must be signed by the drawing officer only. This aspect should be given utmost care, since it is noticed that some of the Unit Officers are not taking care while signing yourselves Cheques.
- j) Enfacement is to be crossed to signify drawal of cheque to avoid double drawal.
- k) All the drawing officers shall ensure to get the paid vouchers post audited regularly without allowing them into arrears duly maintaining the vouchers serially numbered/giving cheque number reference on the pay order of bills, obtaining acquaintances and ensuring filing of vouchers and receipts along with pay orders further, action is also required to be taken on the irregularities pointed out in the Audit Reports.
- l) It is also reported that the Depot Managers are resorting to cancellation of "Account Payee Crossings" indiscriminately which shall be avoided.
- m) Depot- Managers shall not cancel the "Account payee" crossing under any circumstances except for "self cheques". Such self cheques should be drawn by the D.C. authorized in this behalf.
- n) Unit Officers shall also ensure scrutiny of Bank scrolls and Bank Reconciliation Statements periodically to ensure that no omissions, irregularities/unconnected debits / credits shall exist.

Note:-

- i. Amount could be drawn unauthorized by inserting figures either prefixing or suffixing the one already written in the space available in the relevant columns.
 - ii. Amount could be drawn-by writing the Payee's Names differently in the counterfoils and main foils etc.
 - iii. Amount can be drawn if blank Cheques are signed in urgency and without regard to the instructions.
3. The unit officer shall surprise check the demand drafts obtained from the Bank is in favour of the payee it is intended for This important check is prescribed because even if the Unit Officer signs the Demand Draft Requisition Form, possibility of obtaining Demand Draft in favour of a wrong person cannot be altogether ruled out. Hence on receipt of the Demand Draft from the Bank, correctness of the Payee's name must be verified.

II. ADDITION TO THE EXISTING GUIDELINES VIDE CHAPTER 12 OF ACCOUNTS MANUAL - 2004, AND CIRCULARS LETTERS AT REFERENCE CITED, THE FOLLOWING ARE ADDITIONAL GUIDELINES TO BE ENSURED WHILE ISSUING CHEQUES.

1. Good quality transparent celluloid sticking tape should be pasted on the name of the payee and also on the amount in figures vides circular no. 6/2008. Now it is proposed to paste the

transparent celluloid sticking tape on the amount in words also, so that no alterations or over writing can be made.

2. The initials of the cheque writing clerk and accounts supervisor shall be made under the unit officer signature on the cheque apart from CIR.
3. At present some Pay Orders are prepared by the Depot Accounts Section for payments like NDRs, unpaid Amounts etc. Writing of Pay Order by the Depot Accounts Section should be discarded in total as the auditing aspect is missing in this system. No Pay Order shall be written by the Depot Accounts Section. The PD section shall henceforth write the Pay Orders on obtaining sanctions in all respects and then be audited by the Depot Accounts Section / Regional Accounts Office as the case may be. The accounts section shall arrange cheques to the PD section for disbursement thereof and submission of acquaintances to the Accounts wing.
4. The pay order & cheque drawn particulars stamping shall invariably done on the note file continuation page only, but not on a fresh page.
- 5; A separate register shall be maintained by the, Depot Accounts; Section for recording the DD Requisition Forms, Challans, BankIntimation Letters. The JA(F) / SA(F) ,shall write the forms and record the details in the register. The accounts supervisor shall verify both the forms and register & then get signed by the Depot Manager.
6. Releasing of unpaid amounts, shall be made only on specific application of the employee & sanction by the competent authority through a/c payee cheque only. Cash payments shall not be made
7. It is proposed to disburse monthly incentives through the Bank only.
8. Any "Self" cheque issued shall be handed over to the DC(E) for drawing the amount' from the bank & disbursement of miscellaneous payments shall be made through Concerned DC / Supervisor.
9. The Accounts Supervisor & Depot Manager has to ensure that the amounts deposited by DC(E) through CR Note & MTA 51B Cash Book are verified With credits in Bank Statement & Payments through CIR with debits in-Bank Statement"
- 10.Viewing of depot bank account through net banking .shall be availed by the Regional Accounts Officer, in order to review the bank balance of all depots of the region.
- 11.Any JE reversal / rectification with respect to Bank Account Heads and drawing heads AH 2527 & 2827 made by the Depot Accounts section shall be reviewed by the Regional Accounts Office also apart from the Depot Manager.
- 12.Signing of blank Pay Orders, Cheques or DD Requisition form should be avoided & violation will be viewed seriously and the Unit Officer shall be held responsible.
13. While post audit of the paid vouchers, the amounts shall also be verified with the bank statement for ensuring correctness

C. FUNDS:

I. As per Chapter 12 of Accounts Manual 2004, the Funds Register has to be maintained as below.

(I) Purpose: Idling of funds at any level has several complications leading to increase in expenditure towards Interest on loans availed from Banks; and Financial Institutions,, higher: cost of procurement of stores materials, foregoing cash discounts offered by Suppliers and the like Accounts; are closed once in a month. So it is not possible to know the extent of funds held at the individual Units with reference to financial accounts on a day-to-day basis. Hence Accounts Wings 'of all Depots shall maintain the Daily Funds Register with columns for the following:

(ii) Format:

Date, Opening Balance

Receipts-51B CB, Tfr. From RO, PF etc., Adjustments, Total Receipts

Payments- CIR, Tfr. To RO, Adjustments, Total Payments & Closing Balance

Five sub-columns under Receipts and four sub-columns under Payments are provided as stated above. All the columns are self explanatory. The columns for 'Adjustments' under Receipts as Well as Payments are intended to record the value of Cheques cancelled or Bank Charges and the like which are routed through Journal Register

Funds Registers are maintained in Regional Offices and Zonal Offices also with columns suitable

to their requirements

(iii) Precautions:

(a) Journal Entries for cancellation of all Cheques or Drafts for any reason may be passed at one time before closing accounts every month instead of passing saperate JEs as and when cheques

or Drafts are cancelled during the. course of the month. However, the amounts involved in cancellation should be posted under Receipts on respective dates of cancellation instead of waiting for passing a JE for all the cancelled Cheques/Drafts at the month-end. At the time of actually passing cancellation JE, ensure that there is no duplication of entry in the Funds Register.

(b) Cheques, and Demand Drafts are normally routed through, MTA 51-B Cash Book. In stray cases where, Cheques or Drafts are remitted into the Current Account directly without routing them through MTA 51-B Cash Book, it should be ensured that all such deposits into Bank are recorded on Receipts side of the Funds Register on a day-to-day basis.

(c) Ensure that all amounts deposited into Bank and value of Cheques issued as well as effect of any JEs passed are recorded correctly on a day-to-day basis in respective columns of the Funds Register

(d) Check correctness of month totals in Funds Register with reference to Deposits into and withdrawals from Bank after closing monthly accounts and also compiling the BRS.

(iv) .Other Points:

(a) Funds should not be held beyond minimum balance as specified by the Bank at Depots and

Rs.10000 at Regional Offices and Zonal Offices for more than three consecutive working
days

(except when funds are accumulated for disbursement of salaries and other mass payments on specific instructions from the Head Office).

(b) Miscellaneous Income towards Stall rents etc., received at DM's Office and accounted through MJA 51 B Cash Book should be transferred to Regional Office without utilization of any part thereof for Depot use. For this purpose, it should be treated as sacrosanct as Bus Cash.

II. IN ADDITION TO THE EXISTING GUIDELINES VIDE CHAPTER 12 OF ACCOUNTS MANUAL -2004 AND CIRCULARS / LETTERS AT REFERENCE CITED, THE FOLLOWING ARE ADDITIONAL GUIDELINES TO BE ENSURED WHILE REQUISITION OF FUNDS:

1. The Depot Manager has to ensure while placing requisition for funds, only necessary amounts i.e for sanctioned or pre-audited cases only are requisitioned.
2. Funds requisitions shall not be made more than once for which already requisitioned. For any duplicate requisitions if made, the Depot Manager shall be held responsible.
3. Sanctioned Case Copies & audit enforcement copies are to be enclosed with the Funds Requisition.
4. Along with the Funds Requisition Letter, the Depot Manager has to submit the certified "FUNDS UTILIZATION STATEMENT" for the funds taken previously ensuring that the funds are utilized for the purpose for which they are requisitioned and all miscellaneous receipts are transferred to the Regional Office.
5. The "FUNDS REQUISITION LETTER" & "FUNDS UTILIZATION STATEMENT" shall invariably be signed by Depot Manager only.
6. The FUNDS UTILIZATION STATEMENT shall be verified with respective FUNDS REQUISITION LETTER by the Regional Accounts Office. In case of any discrepancy found, clarification shall be called from the Depot Manager. The Depot Manager shall be held responsible if funds are used for purpose other than requisitioned.
7. The Regional Accounts Office shall scrutinize the Funds Requisitions with reference to the connected records before releasing the amounts to the depots. No funds shall be released against oral requests of the Depot Manager.
8. Monthly, Cash Flow Statement showing the previous month's actual expenditures against the funds received from the Regional Office and projected cash flows for the proposed month shall be submitted to the Regional Accounts Office by the Depot Manager.

D. BANK RECONCILIATION STATEMENT:

1. The JA(F) / SA(F) shall compile the BRS which shall be cross checked by the Accounts Supervisor with MTA 51B Cash Book, MTA 51C CIR, FACTIS Cash Book Transaction Checklist, FACTIS CIR Transaction Checklist, Paid Vouchers, MR Books, CB Vouchers, JE Register with JE vouchers, Bank AH General Ledger and monthly Bank Statement etc. The Depot Manager shall sign the BRS after satisfying himself with the correctness of the BRS.
2. The Depot Manager Shall submit the Depot BRS to the Regional Accounts Officer by 7th of every month & the Regional Accounts wing shall do 100% audit of the BRS with the MTA 51B Cash Book, MTA 51C CIR, FACTIS Cash Book Transaction Checklist, FACTIS CIR Transaction Checklist, Paid Vouchers, MR Books, CB Vouchers, JE Register with JE vouchers, Bank AH General Ledger and monthly Bank Statement etc
3. The responsibility of correctness of the BRS shall also be ensured by the Regional AO through BRS audit, failing which shall be held responsible along with the Depot Manager'.
4. The audited Depot BRS shall be sent to the Test Audit Section/HQ along with the monthly periodical by 15th of every month.
5. As existing the Regional / Zonal BRS shall be submitted to the B&F Section/HO by 10th of every month.

All the unit officers are advised to adhere to the above guidelines in addition to the instructions contained in the references cited.

- Enclosures :
1. Funds Requisition Letter
 2. Funds Utilization Statement
 3. Cash Remittance Form


FINANCIAL ADVISOR & CHIEF ACCOUNTS OFFICER

To

All Depot Managers,
All ATMs of Bus Stations,
All Accounts Officers.

Copy to:

Director (V&S) / ED(0,MIS &AM), ED(E&IT), ED(A&P) & ED(HRD & MEDICAL) & Sec. to Corp. for info. All ED(Zones), RMs,CA, CFM, CM(A&S) and HODs for information. CE(IT) with an advise to modify, the Depot Incentive Software for generating bank file & enabling payment of monthly incentive through Bank.
All Dy.CTMs, EEs, Dy.CAOs for information & necessary action.
PO (Training) to include in the Monthly index of circulars.

DEPOT MANAGER,
DEPOT

Cash Remittance Form



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION
CASH REMITTANCE FORM

Depot: _____

Date: _____

Remitter Name : _____

Staff No(In case of RTC employee) : _____

Desig: _____

Payment Towards : _____

Amount **₹** _____

Amount in words : _____

DENOMINATION OF NOTES

1000 x	
500 x	
100 x	
50 x	
20 x	
10 x	
5 x	
COINS	
TOTAL	

Remitter Signature

Authorized to remit cash at DC(E) Section & obtain MR

System Code:

PD Supervisor
charge

AD Supervisor

Traffic In-

For Stall rent remittance bifurcation

AH 2317 License Fee

AH 6792 Elec & Water

AH 9202 Penalty & Int:

AH 0605 Security Deposit

AH 9226 Other Charge: ₹

Note: Authorization by the PD & AD Supervisor for all cash receipts routed through DM Office and miscellaneous receipts Traffic Section shall be authorized by Traffic Incharge only.