FINANCIAL CODE

CODES & MANUALS

- Constitution of India
- District Office Manual
- Govt. Servants Conduct Rules
- A.P.C.S. (Classification Control & Appeal Rules)
- Fundamental Rules
- A.P. State & Sub Service Rules
- Concerned Department
- A.P (Service Rules)
- A.P (Ministerial Service Rules)
- A.P. General Sub Service Rules
- A.P. Last Grade Service Rules
- A.P. Budget Manual
- A.P.T.A. Rules
- A.P. Financial Code
- A.P. Treasury Code
- A.P. Account Code
- A.P. Pension Rules
- Departmental Manuals
Financial Accountability

- Every item of expenditure should be prima-facie necessary.
- It should be covered by adequate budget sanctioned for the purpose.
- There should be competent administrative sanction.
Sources of Sanction

- Article 93 of A.P. Financial Code
- Apex. 7 A.P.F.C. Volume II
Article- 5: Every Govt. servant should see that proper accounts are maintained for all transactions with which he is concerned.

- Render accurately & Promptly all accounts & returns.
- Check the accounts as frequently as possible to see that subordinates do not commit fraud, misappropriation or any other irregularities.
■ Held responsible for any loss that may be found due to neglect of his duties

■ The fact that he is mislead by subordinates will not mitigate responsibility

■ Ignorance of rules, No excuse
- Book adjustment is a financial transaction which does not include any actual receipt or disbursement of cash but books entries.

- Head of an office is specifically declared by head of the Department.
Responsibilities of Heads of Offices in Management

- Article- 5: A demand for receipts should be raised after proper assessment
- Article- 9: Controlling Officers should monitor- D.C.B should be obtained
- Article-13: Rents of residential buildings should be recovered at 10% of standard rent
- Article- 22: A: Auctions- usufruct; unserviceable; conveniences; Notified in newspapers if anticipated value exceeds Rs.5000.00
■ Article - 26: Fine collection – monitoring

■ Article – 32: Refunds of Revenue- Appendix Two lays down authorities Competent to order refund

■ Article – 35: Exgratia refunds to be sought within 3 months; statutory within one year

■ Article – 38: Inevitable payments to be settled without delay

■ Article -39: Budget lapses by close of fiscal year
Article - 42: Sanction to be in conformity with sanction and statutes

Article – 45: Formal – communicated to Accountant General; Finance Departments concurrence for Govt Sanction

Article – 49: Takes effect from date of issue unless otherwise specific

Article – 50: Sanction lapses at close of financial year if specified otherwise after one year

Article – 51: Contracts – formats standardized in codes & manuals. New contracts changes need legal opinion
Article – 52: Arrear claims – one year from due date allowed by drawing officer. If exceeds one year pre audit by A.G. required.

Individual claims upto Rs. 500 May be paid without pre audit up to period of 3 years

G.O. Ms. No. 161, F&P. dt : 27.04.1991, stipulates A.Gs pre audit for claims upto a period of six years. If it exceeds 6 years Head of the department my order sanction without need of pre-audit.

Date of sanction is reckoned as due date of each claim for purpose of arrear claims
Article – 54 : T.A claims within 3 months, L.T.C, within one month to be preferred.

- Claim for T.A. entertained by controlling officer if received within 3 months of performance of tour.
- L.T.C within one month. Delayed presentation will result in a 15% cut over total claims. This is allowed only up to one year.
- T.A claims not settled within three years whether due to administrative reasons or otherwise not permissible.
- Article – 56: Over charges & audit objections to be recovered immediately

- Article – 57: Recoveries from the salary of Government servants not to be made at a rate exceeding one third of pay except in cases of misuse of advances

Article - 60: Administrative authority not to consider any representation against a recovery ordered by Accountant General
Article – 62: Govt. alone are competent to create new posts & fix pay scales
Treasury officer will admit pay bills for staff in a temporary scheme only up to a period of 3 months beyond sanction on certification by head of the office that further continuance is applied for.
Article - 65: In the case of establishments divided into different units carrying different scales of the authority competent may make excess appointments in a lower scale against vacant higher posts.

Article – 72: Due date of pay is first working day of month – exceptions are – transfer to another audit circle: retirement: ousting resignation, transfer of among PWD circles.
- Article – 73: Grants in aid bills need counter signature by department

- Article – 85: Deduction of provident fund: postal life insurance & other mandatory funds made from salary

- Article – 86: Deduction of income tax at source to be made from salaries & annual return sent to I.T. Authorities
- Article – 87: court Attachments
  
  \[X-Y-1000/3 \quad X=\text{Gross pay}
  \]
  
  \[Y=\text{Allowances}\]

- Article – 88: Cooperative dues to be recovered from salaries of employees

- If notice received after retirement recovery effected from gratuity after issuing show cause notice as per appendix of revised pension rules
Article – 90: Fines imposed on subordinates for neglect of duties to be recovered (only last grade employees)

Article – 91: Contingencies – mean expenditure incidental to running of any orgn. E.g., Furniture, books, machinery & equipment diet money etc.

Article – 93: Heads of offices may sanction of a routine nature for their offices they may delegate powers to subordinates

Article – 94: Permanent advance for initial payment of office expenses advance to be recouped at least twice in a month.

Initial sanction of permanent advance & its increase require Govt. Sanction
Article – 98: 15th of April permanent advance acknowledgement to be sent to HOD & Certificate enclosed to pay bill of April of drawing Officer

Article -100: Advances for contingent expenditure on tour allowed

Article – 102: Contingent expenditure grouped as counter signed & non counter signed

Article – 103: Contingent register to be maintained, Head of account wise expenditure noted & attested by head of office
Article – 108: D.C. Bill for A.C. Bills to be furnished to DTO Directly

Article – 115: Inter departmental adjustments made by book transfer

Article – 120: Municipal & local taxes on buildings not occupied as residences

✓ The occupant dept to pay taxes
✓ If more than one dept – revenue dept.
✓ If revenue dept is not in occupation the dept in major occupation
✓ No municipal tax is payable on a public building situated in a cantonment
The term stores is used to indicate all articles & materials like furniture, chemicals, scientific instruments, appliances, stationery diet in hospitals, jails, material for construction of buildings, departmentally manufactured stores, tools & plant but exclude books, publications periodicals etc in a library. (Article 122 F.C)

Article – 123: Competent authorities are as directed by Government from time to time
Price Preference

- Indigenous products over imported products up to 15%
- Cottage & small scale industries 10 % price preference
- Co-operatives 5% preference (Article:123)
- Foreign Goods: As far as possible to be placed through local representatives of manufacturers preferring those who have after sale service and holding stock sufficient spares (Govt. MEMO No. 41990) Acts (60-10 F.DD 24-2-1961)
- Goods manufactured with in state allowed 5% price preferred

- Preference to the products manufactured outside state (Govt. MEMO No.8410/Accts/62-UFD282/62)

- Purchasing officer to keep a list of reputed dealers in the trade well in advance so that communications are sent directly also besides advertisement in newspapers
Article – 127: Tenders scrutinized by a committee after opening tenders, rates to be notified a brief statement prepared & signatures of tenderers obtained in the note.

Library Books: Heads of department may purchase books from reputed & standard book sellers on prevalent terms & conditions, tenders need not be called for this purpose.

Article – 139: NO STORES should be kept in excess of requirement.
- Unserviceable stores to be written off as if it is due to fair wear & tear otherwise money value to be written off (Article: 140)

- Stores to be verified periodically by competent person (Article: 144)

- Discrepancies – incorrect accounting – theft, fraud, wastage, driage (Article: 145)
211 grants in aid - criteria for sanction
Interest Bearing

✓ House Building
a) For purchase of ready built houses
b) For ready built house
c) For repairs extensions, Enlargements, improvements
d) For purchase of house site & construction
e) For purchase of flats
✓ Motor car advances
✓ Motor cycle/ scooter moped advances
✓ Bicycle advances
✓ Marriage advances
✓ Computer advance

Not Bearing Interest

✓ Festival advances
✓ APCO Festival advances
✓ Educational advances
✓ Pay TA advances
- Article – 274: Scale of establishment for cash carriage
- Article – 294: Reports of losses
- Article – 302 Prosecution of persons responsible
- Art – 326 – Period of retention of accounts records