

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

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
- G.O. Ms. No. 490, G.A, AR&T, dt: 28.09.1994
- G.O. Ms. No. 389, G.A, AR&T, dt: 04.09.1994
- G.O. Ms. No. 148, FRP dt: 21.10.2000

- 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 upto 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 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

$X - Y - 1000/3$ $X = \text{Gross pay}$

$Y = \text{Allowances}$

- 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

Stores

- 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 out side 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 news papers

- 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 other wise 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