

CHAPTER 2

PRE-CHECK PAYMENT PROCEDURE IN THE CENTRAL CIVIL ACCOUNTS OFFICES WHERE SCHEME OF MERGED DRAWING AND DISBURSING OFFICERS HAS NOT BEEN INTRODUCED.

2.1 General

The following procedures will be observed in the presentation, processing and passing of claims against Government presented to Pay and Accounts Offices for payment.

2.1.1 The payment procedures will be subject to provisions contained in the Central Government Account (Receipts & Payments Rules) 1983, particularly Rules 29 to 36 that lay down the general procedures relating to presentation of claims for withdrawal from Government account. The bills should only be in the form of claims and not acknowledgements. The bills may be submitted by the claimants either in person or through a messenger, or through a bank or other authorised agent, or by post. Subject to the instructions contained in paras 1.5.1 to 1.5.3 of Chapter I, every bill should bear an endorsement showing:

- a. The party, person, bank or the authorised agent in whose favour the cheque or demand draft is to be drawn;
- b. Whether the cheque/demand draft required is crossed or open. (In case of open cheques they will not be sent by post).

2.1.2 Note (a) under Rule 64 of C.G.A.- R & P Rules, 1983, provides that monthly salary bills should reach Pay and Accounts Offices by the 20th of the month to which they relate. During the last week of the month bills other than monthly salary bills should not be submitted to Pay and Accounts Offices except those that are unavoidable and urgent.

2.2 TOKENS

2.2.1 The 'counter clerk' is authorised to receive the bills in the Pay and Accounts Office. Except in the case of bills received by post, a number bearing metal token/slip is to be given by him against each bill, to the person who presents it. If the bills are processed through COMPACT (accounting software package), the token numbers will be given through a slip and will be system generated. He has to note the token number on the bill before sending it to the concerned pre-check payment section through a Bill Diary (CAM 4). After the bill is passed, the token number recorded on each bill will also be noted on the counterfoil of the cheque prepared for payment. The 'Counter clerk' will hand over the cheque to the person who presents the metal token/slip after verifying the details of the amount and the payee of the bill. If any bill is required to be returned on account of observations, the token/slip will be taken back from the messenger while handing over the bill. A Register of Tokens (CAM 5) is to be used to record the receipt and issue of tokens/slips. The counter clerk should verify the tokens/slips that are yet to be redeemed after taking into account the stock of tokens in-hand, on a daily basis. This verification enables a numerical check of the bills that exist in the office that should be equal to the number of tokens that are NOT in-hand. A certificate of such verification should be recorded and put up to the Jr. Accounts Officer/ Asstt. Accounts Officer in the Register of Tokens.

2.2.2 The Assistant /Junior Accounts Officer should verify on a daily basis that all the

corresponding tokens/slips for the bills paid during the day by cheques as well as bills returned are received back, and record a certificate to this effect in Form CAM 6, for submitting to the Pay and Accounts Officer in-charge.

2.2.3 On the 20th of each month, the Assistant/Junior Accounts Officer shall undertake a detailed verification/count of all tokens in hand in Form CAM 7 after making necessary enquiries from the Payment Section, in Form CAM 8, and report the result to the Pay and Accounts Officer.

2.2.4 In the cases where the metal token/slip issued to the presenter of a bill is lost, the procedure that is to be followed for updating the stock position of tokens and issue of cheques will be as follows:

(a) A note of the loss of token(s)/acknowledgement slip should be recorded in the Token Register showing the Number of the token/slip that has been lost, under the attestation of the Pay and Accounts Officer.

(b) The cost of metal token to be recovered may be decided upon by the Ministry/Department concerned and the number of tokens lost should be deducted from the total number of tokens in stock.

(c) The following precautions should be taken while handing over cheques in cases where the token is not produced:-

(i) Where the payment is due to a DDO by cheques "Not Transferable" or "Creditable to Government Account only", the request for issue of the cheque(s) should come from the DDO concerned in writing and his signature should be verified before delivering the cheque(s) to the DDO or his messenger.

(ii) Where 'Negotiable' cheques are to be issued on account of personal claims or claims of contractors/ suppliers etc., the same should be crossed and marked 'Account Payee'. Open cheque should not be issued under this category if the token has been lost. In all cases of lost tokens, the written request from the DDO for the issue of cheque(s) should clearly indicate the fact of loss of token(s) and the cheque(s) should be delivered only after verification of the signature of the DDO or his messenger.

2.3 SCRUTINY AND PAYMENT PROCEDURES

2.3.1 Bills should be passed for payment and cheques issued within a maximum of seven working days of their receipt. Effort should be towards passing the bills and making payments within a shorter period and the Pr.CCA/CCA/CA should lay down norms in this regard as well as personally monitor their compliance. In addition the bills indicated as 'Immediate' by a D.D.O. should be attended to urgently, so that the cheques are issued on either the same or the next day. The checks that are to be exercised on the bills by the payment section have been indicated in Chapter 4 dealing exclusively with this aspect.

2.3.2 The Pay and Accounts Officer should obtain the specimen signatures of the officers drawing pay, contingent, grants-in-aid bills etc. He should paste it on the pages of the payment register set apart for the purpose, duly attested in ink. The Senior Accountant/Accountant concerned with reference to the relevant specimen signature should verify the signature on each bill.

2.3.3 After duly examining the bills on all aspects and recording pay order for the payment in

words and figures on each bill, the Senior Accountant/Accountant should submit them to the Pay and Accounts Officer through his Assistant/Junior Accounts Officer for his scrutiny. This should be done along with the concerned 'DDO wise Bill Passing-cum-Expenditure Control Register' in Form CAM 9. The Pay and Accounts Officer will examine the bills, compare the signature of the drawing officer with his specimen signature and satisfy himself of the correctness of the charges. Thereafter, he will tick off the relevant entry, affix his initials in the ECR and approve the pay orders over his full dated signature. After this, the bills so passed will be made over immediately to the cheque section.

2.3.4 Payments in respect of outstation establishments will be done through bank drafts, or alternatively through direct credit to the account of the payee through banking channels by following the approved e-payment procedure. The provisions of paras 1.6.1 to 1.6.3 of Chapter 1 are relevant for the purpose of payments through bank drafts. The required bank drafts should be obtained from the relevant branch of the bank with which the Pay and Accounts Office is in account, by sending a requisition in Form SY 288 available with the bank. Requisition for cancellation of the bank drafts obtained earlier or issue of fresh drafts in lieu of the cancelled one should be sent separately to the banks and should not be included in the requisition Statement of fresh demand drafts. Every requisition sent to the bank shall be entered in the Register of Bank Drafts (Form CAM 12) and the PAO/Cheque drawing DDO, should watch their receipt from the bank and dispatch to the payees concerned through this Register. The bank will return one copy of the requisition Statement to the PAO while issuing bank drafts. The bank draft should be dispatched with a forwarding letter in Form CAM 13 to the party concerned by Registered Post, and the receipt of acknowledgement should be watched. The details of cancellation or corrections in Demand Draft will be noted against the original entry in CAM 12.

2.3.5 The cheque writer shall prepare a cheque for the net amount. When two or more bills are payable to the same person, a single cheque can be issued for the total amount and the particulars of each bill entered separately in the register of cheques delivered. The cheque writer will note the number of the cheque prominently on the bill, enter its details in the Register of the Cheques Drawn (Form CAM 10) and submit the cheque along with the bill to the Pay and Accounts Officer (and also to the second officer authorised to sign the cheque for payments of Rs. ten lakhs and above), through the Assistant/Junior Accounts Officer. The Pay and Accounts Officer signing the cheque will tick the cheque number, see that the amount of cheque agrees with the amount passed for payment and then sign the cheque after cancelling the pay order given earlier. The passed bill together with the cheque will be returned to the Cheque Section. At the time of its delivery the cheque section will affix the date on the cheque. If the acknowledgement is received by the time of delivery/dispatch of the cheque, the Cheque Section will immediately attach the payee's acknowledgement to the bill, stamp it as paid and write the Voucher Number on the upper right hand corner of the bill. The details of payments for each day should be entered in the Register of Cheques Delivered (Form CAM 11) on a separate page for each day. The register may be prepared with second and third perforated copies for each page for making two carbon copies required as "Daily Memorandum of Pre-check Payments by the PAO". The acknowledgement receipt should be watched in every case and should be in the following form.

"Received by cheque Rs.....from thein payment of Bill No.....dated.....on account of"

If the crossed cheque/demand draft is required to be sent by post, the Cheque Section will dispatch the instrument/valuable by Registered Post along with the covering memo (Form CAM 13) and a copy of the 'printed acknowledgement'. The acknowledgement form is to be returned by the payee to the PAO on receiving the payment, and the PAO is required to keep a watch on the same.

2.4 PROCEDURE FOR ISSUE OF A FRESH CHEQUE IN LIEU OF A LOST ONE

2.4.1 If the Pay and Accounts Officer of a departmentalized accounts office is approached with the request for a fresh cheque in lieu of the one issued by him earlier on the grounds that it has been lost, the Pay and Accounts Officer shall proceed with such request in the manner stated below :

(i) The Pay and Accounts Office should send an intimation regarding the reported loss of cheque to the bank/branch on which the cheque was drawn by registered post (Acknowledgement Due), and advise it to 'stop payment' if it is presented thereafter. If the currency of such a cheque has not expired in terms of Rule 45 of the C.G.A. (R & P) Rules, 1983, at the time of sending of intimation, the bank shall acknowledge in writing that it has kept a note of the 'Stop Payment Order', in the following form -

"We acknowledge receipt of your letter No.....dated.....and advise having noted to stop payment of cheque No..... dated..... for Rs..... favouring..... In this connection, it is certified that cheque No..... dated.....for Rs.....reported by the drawing officer to have been drawn by him on this bank in favour ofwill not be paid, if presented thereafter".

In case the currency of the cheque reported to have been lost has expired at the time of intimation to the bank, the acknowledgement of the 'Stop Payment Order' from the bank may not be insisted. The postal acknowledgement in such cases may be treated as sufficient for the record of the Pay & Accounts Office.

(ii) The Pay and Accounts Officer should satisfy himself that the payment of the cheque in question has not been made from the records maintained in his office viz. the payment / error scrolls received from the paying bank, Register of Cheques Delivered, etc. If the currency of the lost cheque expires on Saturday, the Pay and Accounts officer shall also verify the payment scroll for the subsequent working day of the bank.

(iii) The party requesting for the issue of fresh cheque in place of the lost one should execute an indemnity bond in the Form 'GAR 12'. The execution of such an indemnity bond is not necessary in the case of a Government department/Public Undertaking wholly owned by Government or the bank. In these cases a fresh cheque can be issued on receipt of a certificate that the cheque alleged to have been lost was not received by them or it was lost after receiving and that it will be returned to the Pay and Accounts Office, if found afterwards.

(iv) The Pay and Accounts Officer may issue a fresh cheque in lieu of the lost one under intimation to the DDO and /or payee on completion of the requirements in clauses (i) to (iii) above. He should also keep a suitable note regarding the issue of a fresh cheque in lieu of the lost one on the spare leaf provided in M.I.C.R. cheque book, and on the counterfoil where MICR cheques have not so far been introduced, as well as on the paid vouchers and against the relevant entries in the register of cheques delivered.

2.4.2 If it is found afterwards that the original cheque has been paid, the P.A.O. will telegraphically/by fax take up the matter with the paying branch and place the paid amount under the head "8658-Suspense Accounts-102-Suspense Account(Civil)- Cheques cancelled but paid", till the matter is investigated and the amount either recovered or written off. The paid cheque till that time will be removed from the payment scroll and kept in the personal custody of the P.A.O. In case D.D.O. notices such fact of payment, he will immediately report the matter by telegram/fax to the paying branch and inform the P.A.O. for further action. For the detailed procedure to be followed by cheque drawing D.D.Os Para 3.5.1(xii) of Chapter 3 may be referred to.

2.5 Procedure for issue of fresh cheque in lieu of cancelled/ time barred cheque

2.5.1 Revalidation of time-barred cheque by PAO/ cheque drawing DDO is not permissible irrespective of the date of its drawing, and fresh cheques will be issued in all such cases.

The time barred cheque received back by the PAO should be cancelled under his signature and not destroyed. The cancelled cheque should be treated as a voucher/ sub-voucher for issuing fresh cheque in lieu thereof and the fact of issuing fresh cheque should be noted on it. The amount of the time barred cheque (i.e. voucher) should be classified as (-) credit below the head "8670-Cheques & Bills-PAO Cheques" in terms of para 5.1.1 (i) of C.A.M. Entries regarding cancellation of old cheque with voucher number of the fresh cheque etc. should also be noted on the counterfoil/ record slip of the old cheque book.

2.6 PROCEDURE FOR RETURNING BILLS UNPASSED

2.6.1 If for any reason it becomes necessary to return a bill without passing, it should be returned to the bill counter with a Half Margin Memorandum (Form CAM 14) stating the reasons for return of the bill. The drawer of the bill will be separately informed to collect the bill from the Bill Counter after surrendering the token. In the case of bills received through post, the same should be returned by registered post along with the half margin memorandum.

2.6.2 The bill will be passed for the admissible amount with the amounts considered inadmissible being disallowed, in case minor omissions/inaccuracies are noticed. Simultaneously the drawer of the bill should be intimated regarding the amount disallowed and the reasons for the disallowance.

2.7 CLOSING OF THE DAY'S /YEAR'S TRANSACTIONS

2.7.1 The Pay and Accounts Officer, at the end of the day should take up the register of cheques drawn along with the chequebook and verify that the number of the cheques is serially entered in the register and that cheques other than those accounted for in the register have not been removed. He should also initial the spare leaf of the cheque book/counterfoil of the next unused cheque (the first to be used on the next day). Turning back to the last initial will enable him to ascertain the number of cheque forms that have been actually used during the day. At the end of the financial year he should also intimate his Pr.A.O. regarding the total number of cheques issued on the last day, total amount thereof and the number and amount of the last cheque, under each category. This intimation should reach telegraphically/by fax from outstation Pay & Accounts Officers to the Principal Accounts Officer by the 1st working day of the next financial year.

2.7.2 The entries in the register of cheques delivered should be added up at the end of each day and the vouchers transmitted to the Accounts Section for detailed compilation, along with the second and third perforated carbon copies of the relevant day's page of the register.

2.7.3 On receipt of payment scrolls from the Bank regarding the cheques encashed, the corresponding cheque numbers should be ticked off in the Register of Cheques Delivered. A list of outstanding cheques should also be prepared in the Pay and Accounts Office every month from the un-ticked entries in the register of cheques delivered. The total amount of such outstanding cheques at the end of the month should be reconciled with the balance outstanding under the suspense head "PAO Cheques".

Note:- If any cheque appears to be outstanding for an unduly long period, necessary enquiries should be made regarding its non-encashment. If the same cannot be traced, the payment should be stopped and the charge representing it cancelled and revise suitably the entries in the accounts against it.

2.7.4 The following particulars of the cheques outstanding/remaining un-encashed for more than three months should be noted in a separate register and pursued at once for tracing it.

1. Cheque number and date;
2. Voucher number and date;
3. Drawee's name;
4. To whom delivered / dispatched;
5. Date of delivery / number and date of forwarding letter;
6. Particulars of payment (HBA, GPF, Contingency, salary etc.); and
7. Remarks, if any.

The cheques pending shall be referred to the concerned authority/ person etc. for finding out whether the cheque has been got encashed and if so, they shall be asked to furnish the date of encashment along with other requisite particulars.

(i) In cases, where the party / person concerned intimates non-receipt / loss of cheque the PAO shall issue duplicate cheque after following the procedure laid down in para 2.4.

(ii) In case efforts of the PAO to trace the cheque after one year has failed, it shall be reported to Pr.CCA/CCA /CA with full facts and the amount shall be written back in the accounts.

(iii) In case, where the cheque was issued to another Accounts Officer in inter-departmental settlement for clearance of the balance under 'PAO Suspense' etc. the matter shall be investigated to ascertain whether it would lead to missing credit/ debits of GPF, HBA etc. In such cases, the matter shall be pursued with the concerned Accounts Officer at a higher level to find out the whereabouts of the cheque. In case, the efforts taken in this regard do not work out, the amount shall be written off to the MH-8680-Misc. Govt. Accounts after following the procedure laid down in Rule 38 of Govt. Accounting Rules, 1990, with the approval of the competent authority.
(Authority- No.1(2)/94/TA/110 dated 10-4-95.)

2.7.5 The "Accounts Officer's Check Register" (Form CAM 15) will be maintained personally by the Pay and Accounts Officer, showing the total daily issue and encashment of cheques and the balance of unpaid cheques at the end of each month. This should be compared with the total of the cheques outstanding as per the list of outstanding cheques, and the balance at the end of each month independently tallied with the amount outstanding under the suspense head "PAO-Cheques".
