

CHAPTER 8

Important General Orders Governing Classification

Pay & Allowances (Other than Travelling Allowances) of Government Servants

66. (1) Following the provisions of Rule 28 of the Government Accounting Rules relating to Form of Accounts of Union and State Govts. the pay and allowances of a Government servant should be classified in accounts as part of scheme, activity or organisation (sub-head) under a programme (minor head) below a function (Major Head) to which the services of the Government servant closely relate. Where, however, the duties of a Government servant extend to several activities, programmes, functions etc. and it is not possible to classify *ab initio* his pay and allowances under the appropriate sub-heads, the charges may be classified as part of the scheme or activity or organisation to which the major portion of the work of the Government servant relates.

(2) The transit pay and allowances of a Government servant proceeding to join an office whether on first appointment, or on transfer from one department to another either permanently or as a temporary measure, or proceeding on deputation to another Deptt./Govt. or reverting therefrom should in absence of special orders to the contrary, be borne by the Deptt./Govt. to which the Govt. Servant is proceeding.

NOTE 1 :—The transit pay and allowances both ways of a government servant transferred on foreign service will be borne by the foreign employer.

NOTE 2 :—The transit pay & allowances both in respect of the forward and return journeys of Government servant transferred to or from Missions and Offices abroad will be borne by the Ministry which plans the transfer of the official. However, the transit pay and allowances of the officers belonging to Indian Foreign Service (A) and Indian Foreign Service (B) in respect of their return journeys from abroad shall be debited to the Budget grant of the Ministry of External Affairs or the Ministry of Commerce and Industry where the official reports for duty.

Travelling Expenses

67. The travelling expenses of a Government servant should on whatever duty he may be employed be debited under the same major/minor/subhead as his pay. However, in the following cases the travelling expenses of a Government servant may be debited to a major/minor etc. head different from that to which his pay is debited :

- (i) in cases where a Government servant is required to travel on duty connected with an outside body or fund;
- (ii) When Government considers it necessary to show separately the cost of a special service in connection with which the tour is undertaken, and
- (iii) in cases covered by general or special orders of the Government authorising a deviation from the general rule.

Contributions made by or to Government

68.(1) Contributions made by the Central or the State Government to district boards, Municipalities, etc. or *vice versa* should be debited as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus, a grant for the construction of a school should be debited to "2202—General Education", grant for construction of a drainage system to "2205—Water Supply and Sanitation" and a grant for the construction of a road to "3054—Roads and Bridges" and grant given for general purposes, such as grant to make good a deficit or a compensation for revenue resumed, shall be classified under "3604—Compensation and Assignments to Local Bodies and Panchayati Raj Institutions".

NOTE 1 :—If the financial assistance given by the Central or State Government to a local body does not take the

form of a grant of cash, but of expenditure in the Public Works Department equivalent to the whole or part of the cost of a work constructed by that department on behalf of the local body concerned, the contribution thus made should be debited as expenditure under the detailed head 'Contributions' below the relevant minor/major head corresponding to the programme/function closely connected with the object of the assistance.

NOTE 2 :—Contribution paid by a local body or private party with the express object of meeting the whole or a part of the cost of construction by the Public Works Department of a specific work which is eventually to be the property of Government should be credited as revenue receipt of the Government relevant to the function/Programme closely connected with the object for which the contribution is made.

(2) Article 282 of the Constitution provides that the Union or a State may make any grants for any public purpose, notwithstanding that the purpose is not one with respect to which Parliament or the Legislature of the State, as the case may be, may make laws. The word 'Grant' used here should be taken to mean not merely 'Grant-in-aid' but also other direct expenditure.

Classification of transactions under "Civil Advances"

69.(1) Moneys advanced for miscellaneous purposes under special authority and recoverable in cash and sums overpaid in vouchers other than those for service payments should be adjusted under the head "8550-Civil Advances". This head should cover items which are from their inception, debts due to Government recoverable either in cash or by deduction from other claims of the party concerned. (In this connection footnotes under the major head may be referred to). Payment made on account of government expenditure should not be held under "Civil Advances" on the ground that further proceedings in audit etc. are necessary for their final admission. Pay and Allowances in respect of an assignable period, paid before they are due shall be debited to same head to which they are debitable had they been paid after they were due.

Classification of advances of Pay and Travelling Allowance on transfer

(2) Advances of Pay and Travelling Allowances should be debited to the final head of account and not to 'Civil Advances'. Such advances should be finally adjusted as a revenue expenditure in the books of the Government which makes the advances irrespective of the fact whether the officer is proceeding to or reverting back from another Government.

Settlement of such advances by way of net payment/net recovery through adjustment bills will be accounted for in the books of the Government where the adjustment bills are preferred.

(3) In case of transfer of a government servant from one Department/Government to another, the debits representing advances of pay and transfer travelling allowance should be finally adjusted as revenue expenditure in the books of the Department/Government which makes the advance irrespective of the fact whether the Officer is proceeding to or reverting back from another Department/Government. Settlement of such advances by way of net payment/net recovery through adjustment bills will be accounted for in the books of the Deptt./Govt. where the adjustment bills are preferred.

Advances for Law suits

(4) Advance for law suits should be debited to the functional expenditure head concerned. Refunds of amounts remaining unspent out of these advances should be dealt with as cash recoveries.

Classification of transactions under 'Suspense'

70. Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.

NOTE:- No sums should ordinarily be credited to Government by debit to a suspense head credit must follow and not precede actual realisation.

Sale-proceeds of Government land and Buildings

71. The classification of the sale-proceeds of Government land and buildings should be regulated in accordance with the schedules given below:

Schedule I

Sale proceeds of land etc.	Heads to which creditable
1	2
*(i) When the cost of the land was originally debited to, or remains at the debit of the Capital Account of any Project or Undertaking for which regular Capital and Revenue Accounts are kept or was originally met from the revenue account of such Project or Undertaking.	The Capital or Revenue account of the project, as the case may be, according to the allocation rules applicable to the department concerned.
(ii) When the cost was originally debited to a capital expenditure head outside the Revenue Accounts, even though no regular Capital and Revenue Accounts are kept for the work covered by the Capital expenditure.	The Capital expenditure head originally debited.
(iii) When the cost was originally debited, within the Revenue Section of the accounts, to any service or revenue department for which no capital and Revenue Accounts are kept.	The receipt head relating to the department concerned or, in the case of department not having a corresponding receipt head '0075 Miscellaneous General Services-Sale of land and Property'.
(iv) When cost was not so debited.	
(a) The right of the Government in agricultural land not covered by clause (b),	'0401-Crop. Husbandry Other Receipts.
(b) Nazul lands in Uttar Pradesh, Punjab and Madhya Pradesh or elsewhere and lands in Punjab equipped at the cost of State revenues for re-sale for building purposes;	'0075- Miscellaneous General Services—sale of land and property'.
(c) In all other cases;—	
(i) If sold in the Public Works Department.	The functional receipt major head concerned or the head '0059-Public Works'.
(ii) If sold in the Defence	The major heads "0076-Defence Services-Army". "0077—Defence Services—Navy", and "0078-Defence Services-Air Force" as the case may be.
(iii) if sold by civil agency.	The functional receipt—major head concerned or '0075-Miscellaneous General Services'.

• In the case of land acquired by Government on payment for Companies, Railways, or of Government land made over to such Railways by other Government Departments or Railways, where the cost was originally debited to '3001-Indian Railways etc. Subsidised Companies—Land' the sale proceeds are creditable to '1001-Indian Railways etc-sale of Land Subsidised Companies (3)' on the receipt side.

Schedule II

Sale proceeds of buildings (including the actual area occupied by or auxiliary to a building).	Heads to which creditable.
1	2
(i) When the cost of the building was originally debited, to, or remains at the debit of the capital account of a Project or Undertaking for which regular Capital and Revenue Accounts are kept or was originally met from the revenue account of such project or undertaking.	The capital or Revenue Account of the Project as the case may be, according to the allocation rules applicable to the department concerned.
(ii) When the cost of the building was originally debited to a Capital expenditure head outside the Revenue account, even though no regular Capital and Revenue accounts are kept for the work covered by the capital expenditure.	The capital expenditure head original debited
(iii) When the sale affects Irrigation, Navigation, Embankment and Drainage works for which capital accounts are not kept.	"0701-Major and Medium Irrigation 02—Major Irrigation (Non- Commercial) — Sale of Water for Irrigation purposes — or Navigation Receipts" or '0702—Minor Irrigation-Flood Control - Drainage Project' as the case may be.
(iv) When the sale of buildings, the cost of which was originally debited, within the revenue Section of the accounts, to any service or revenue department for which no Capital and Revenue Accounts are kept.	"The receipt head relating to the function to which the cost of the building was initially debited or in cases where there is no corresponding receipt head to the head "0075-Misc. General Services—Sale of land and Property".
(v) In all other cases :—	
(i) if sold in the Public Works Department,	The functional receipt major head concerned or the head "0059-Public Works".
(ii) If sold in the Defence Department,	The major heads "0076-Defence Services-Army", "0077-Defence Services-Navy" or "0078-Defence Services-Air Force" as the case may be.
(iii) if sold by civil agency.	The functional receipt 'major head concerned or 0075-Misc. General Services'.

Municipal rates and taxes

72. Municipal rates and taxes on Government Buildings should be adjusted as follows :

- (i) As a general rule, municipal rates and taxes on a non-residential building utilised for functional purposes, such as for schools, colleges or hospitals, if paid by the relevant departments dealing with those functions, should be adjusted in accounts as part of the sub-heads, minor heads concerned relating to the function, under the detailed head "Rent, Rates and Taxes". Where, however, the whole or a part of the tax is paid by the Public Works Department in administrative control of the building, the payments may be debited to the maintenance estimates of the buildings concerned, viz. "2059-Public Works-Maintenance and Repairs".
- (ii) Taxes on non-residential buildings occupied by Departments other than the Defence Department, if paid by a department nominated by Government in this behalf and not passed on to the occupying department, should be debited to "2070-Other Administrative Services-Other Expenditure".

(iii) Taxes on residential buildings, if payable by Government should be debited to the maintenance estimates of the buildings under the head "2216—Housing—Government Residential Buildings—Maintenance and Repairs" or "2059-Public Works", in case the Government has decided to debit maintenance expenditure to the latter head.

NOTE:—In cases where the whole or any portion of the taxes which by local rule or by custom are ordinarily leviable from the tenant, is paid by a department of the Government such payments are treated as part of the contingent expenditure of the department.

(iv) Taxes both on residential or non-residential buildings owned or occupied by the Defence Department should be debited to the Defence Service Estimates.

Cost of Survey of India and other Scientific parties accompanying a Military Expedition

73. The cost of Survey of India and other scientific parties which may accompany a military expedition should be adjusted as follows:-

(i) All extra expenditure connected with Survey of India unit which would not have been incurred but for field operation should be borne by the Defence Estimates, provided the Survey of India unit accompanies the expedition at the request of the Defence Department.

(ii) The cost of the pay, allowances and contingencies of other scientific parties should be borne by the respective Civil Departments concerned, while the expenditure incurred on special transport arrangements made by the Defence Services should be debited to the Defence Estimates. These directions do not, however, apply to the classification of the cost of units of the Survey of India or of other scientific parties mobilized for service with the Army on general mobilization. The whole cost of these units except (in the case of the Survey of India) that of the initial supply of all technical equipments, material and stores, should be debited to the Defence Estimates under special rules.

74. Interpretation

Where any doubt arises as to the interpretation of any of these rules, the matter shall be referred to Ministry of Finance, Department of Expenditure, Controller General of Accounts for its decision, on the advice of the Comptroller and Auditor General.

75. Repeal

With the issue of these rules, the provisions of Accounts Code Vol. I & Form of Accounts of the Union and States (Basic) Rules are hereby repealed.