

**GENERAL
FINANCIAL
RULES
(GFR)**

PREFACE

Compilation of General Financial Rules was first published during the British rule. In Pakistan, the compilation was revised in 1951 incorporating all orders issued by the Government of Pakistan after 14th August 1947. In addition to the Compilation of General Financial Rules which was applicable to erstwhile Central Government, there was also a compilation of East Pakistan Financial Rules applicable to the then East Pakistan.

None of the compilations were statutory rules, but were essentially executive orders of the President/Governor-General in the case of Central Government and executive orders of the Governor in the case of the Provincial Government.

Two sets of financial rules are not required since there is no provincial Government in Bangladesh. Moreover, substantial and fundamental reforms in financial management carried out in Bangladesh since independence have neither been incorporated in the above rules nor the inapplicable ones deleted.

Incorporation of the post-liberation reforms in the financial rules is too comprehensive, time-consuming and arduous job to be performed within the normal set up of the Finance Division. The task of updating all financial regulations, i.e., Account Code, Financial Rules and Treasury and Subsidiary Rules was therefore assigned to Reforms in Budgeting & Expenditure Control Project of the Finance Division which is a major project for implementing reforms in Government budgeting, accounting, expenditure control and financial management system. As part of the terms of reference of the Project, Account Code has already been updated. The Compilation of General Financial Rules has been revised and the Treasury Rules are also in the process of revision.

One of the salient features of the revised Compilation of General Financial Rules is that it amalgamates the above mentioned two sets of rules in a single document. This Compilation incorporates main provisions of all orders, memoranda and circulars relating to financial matters issued by the Government since independence.

The present Compilation has been approved by the President. With the publication of this approved Compilation of General Financial Rules, the two sets of rules now in operation i.e., the existing Compilation of General Financial Rules and Bangladesh Financial Rules will become inoperative and shall have no effect. All departments and Government functionaries will henceforth use and follow this revised version of the Compilation of General Financial Rules. Departmental authorities should observe these rules, supplemented by the special orders and instructions, if any, contained in their departmental regulations. The rules contained in this Compilation are in addition to the Account Code and Treasury Rules which will continue to be operative in their respective spheres.

All efforts have been made to make the rules comprehensive. If during application of these rules, any omission is detected, the matter may be immediately referred to the Finance Division.

Dhaka
7th June, 1998

Dr. Akbar Ali Khan
Secretary
Ministry of Finance
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COMPILATION OF THE GENERAL FINANCIAL RULES OF THE GOVERNMENT

CHAPTER I - INTRODUCTION

I – INTRODUCTORY

1. The rules contained in this volume, which are essentially executive orders of the President, describe primarily the financial powers of different authorities subordinate to the Government and the procedure prescribed by the President, which should be followed by them in the securing and spending of the funds necessary for the discharge of the functions entrusted to them. Departmental authorities should follow these rules, supplemented or modified by the special rules and instructions, if any, contained in their departmental regulations and other special orders applicable to them.

II – DEFINITIONS

2. Unless there be anything repugnant in the subject or context, the terms defined in this Chapter are used in these rules in the sense hereby explained--

- (i) **Accounts Officer-** means The Controller General of Accounts and an Accounts Officer subordinate to the Controller General of Accounts and includes Thana Accounts officer, District Accounts Officer, Regional Accounts Officer and Chief Accounts Officer.
- (ii) **Appropriation-** means the assignment to meet specified expenditure of funds at the disposal of the assigning authority.
- (iii) **Auditor General-** means the Comptroller and Auditor General of Bangladesh.
- (iv) **Bank-** means the Bangladesh Bank or any of its offices or branches and includes any Branch of Sonali Bank acting as an agent of Bangladesh Bank in accordance with the provision of Bangladesh Bank order, 1972.
- (v) **Competent Authority-** means the Government or any other authority to which the relevant powers may be delegated by the Government.
- (vi) **Controlling Officer-** means the head of a department or other departmental officer who is entrusted with the responsibility of controlling the incurring of expenditure and/or the collection of revenue by the authorities subordinate to the department.
- (vii) **Constitution-** means the Constitution of the People's Republic of Bangladesh.
- (viii) **Controller General of Accounts-** means the Controller General of Accounts of Bangladesh.
- (ix) **Drawing Officer-** means a Government Servant who has been authorised to draw bills to pay for services rendered or supplies made to Government.
- (x) **Finance Division-** means the Finance Division of the Ministry of Finance.
- (xi) **Financial Year-** means the year beginning on the 1st of July and ending on the 30th June following.
- (xii) **Government-** means the Government of the People's Republic of Bangladesh.
- (xiii) **Head of a Department-** (1) means any authority declared to be such with reference to Rule 2(10) of the Supplementary Rules, if the declaration is made in general terms and not with reference to certain specified rules only, and (2) includes any other officer declared to be such by the competent authority.
- (xiv) **Non-recurring expenditure-** means expenditure sanctioned as a lump sum charge, whether the money be paid as a lump sum or by instalments.

- (xv) **Primary unit of appropriation-** means a lump sum of money placed by the Government at the disposal of a subordinate authority.
- (xvi) **Principal Accounting Officer -** means the Secretary or the Secretary-in-charge of a Ministry or Division.
- (xvii) **Public Accounts -** means the Consolidated Fund and the Public Account of the Republic as defined in Article 84 and 86 of the Constitution.
- (xviii) **Public Works -** means Civil Works including Roads and Highways, Housing and Settlement and Public Health Engineering.
- (xix) **Public Works Department-** means the Department of the Government in specific administrative charge of public works.
- (xx) **Re-appropriation -** means the transfer of funds from one unit of appropriation to another such unit.
- (xxi) **Recurring Expenditure -** means all expenditure which is not non-recurring.
- (xxii) **Subordinate Authority -** means a Department of the Government or any authority subordinate to the President.
- (xxiii) **Treasury Rules -** means the Treasury Rules of the Government.

3. Heads of departments have been authorised to declare any Gazetted officer subordinate to them to be the 'head of an office' for the purpose of these and other financial rules of Government.

CHAPTER 2

GENERAL SYSTEM OF FINANCIAL MANAGEMENT AND CONTROL

I – RECEIPT OF MONEY

GENERAL

4. All transactions to which any officer of the Government is a party in his official capacity must be brought to account without delay.
5. Moneys received as dues of Government or for deposit in the custody of Government should be credited into the Public Accounts in accordance with the Treasury Rules.
6. If a Government officer receives in his official capacity moneys which are not Government dues or the deposit of which in the custody of Government has not been authorised by Government, he must open an account for their deposit with a Branch of Sonali Bank or a Post Office Savings Bank. The prior approval of Government is required to their deposit in any other Bank. The Government officer receiving such moneys is personally responsible for seeing that they are disbursed in strict conformity with the rules, regulations or orders governing the fund to which the moneys appertain, that a precise record of all the transactions is kept in a form complying with the regulations of the fund concerned and that the accounts are subjected to proper audit checks.

WITHDRAWAL OF MONEYS FROM THE PUBLIC ACCOUNTS

7. Unless otherwise expressly authorised by any law or rule or order having the force of law, moneys may not be removed from the Public Accounts for investment or deposit elsewhere without the consent of the Finance Division.

ASSESSMENT, COLLECTION AND CHECK OF REVENUES

8. Subject to such general or specific instructions as may be issued by Government in this behalf, it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed, collected and paid into the Bank. Detailed instructions on the subject are contained in Chapter 3.

II EXPENDITURE AND PAYMENT OF MONEYS.

ESSENTIAL CONDITIONS GOVERNING EXPENDITURE FROM PUBLIC FUNDS

9. As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by general or special orders of the Government or by an authority to which power has been duly delegated in this behalf and the expenditure has been provided for in the authorised grants and appropriations for the year.

STANDARDS OF FINANCIAL PROPRIETY

10. Every officer incurring or authorising expenditure from public funds should be guided by high standards of financial propriety. Among the principles on which emphasis is generally laid are the following:

- I. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- II. The expenditure should not be *prima facie* more than the occasion demands.
- III. No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- IV. Public moneys should not be utilised for the benefit of a particular person or section of the community unless –
 - (1) the amount of expenditure involved is insignificant, or
 - (2) a claim for the amount could be enforced in a court of law, or
 - (3) the expenditure is in pursuance of a recognized policy or custom.
- V. The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.

CONTROL OF EXPENDITURE

11. Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

12. A Controlling officer must see not only that the total expenditure is kept within the limits of the authorised appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. In order to maintain a proper control, he should arrange to be kept informed, not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it. He must be in a position to assume before Government and the Public Accounts Committee, if necessary, complete responsibility for departmental expenditure and to explain or justify any instance of excess or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise.

INTERNAL CHECK AGAINST IRREGULARITIES, WASTE AND FRAUD

13. In the discharge of his ultimate responsibilities for the administration of an appropriation or part of an appropriation placed at his disposal, every Controlling Officer must satisfy himself not only that adequate provisions exist within the departmental organisation for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores, but also that the prescribed checks are effectively applied.

DELAYS IN PAYMENT

14. Delay in the payment of money indisputably due by Government is contrary to all rules and budgetary principles and should be avoided vide also paras. 109 and 110.

III- DUTIES AS REGARDS ACCOUNTS

MAINTENANCE OF ACCOUNTS

15. Every officer whose duty is to prepare and render any accounts or returns in respect of public money or stores is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date.

16. An officer who signs or countersigns a certificate is personally responsible for the facts certified to, so far as it is his duty to know or to the extent to which he may reasonably be expected to be aware of them. The fact that a certificate is printed is no justification for his signing it unless it represents the facts of the case. If in its printed form it does not represent the facts, it is his duty to make any necessary amendment which will call attention to the deviation and so to give the authority concerned the opportunity of deciding whether the amendments cover requirements.

RESPONSIBILITY FOR OVERCHARGES AND DEMAND FOR INFORMATION BY AUDIT

17. (1) A drawer of pay, abstracts or bills for pay, allowances or contingent expenses will be held responsible for any overcharge.

(2) The responsibility of countersigning officers will be that which attaches to all controlling officers.

(3) The Accounts Officer will be responsible for checking any palpable errors, and (in the case of change of office, or of rate of pay of Gazetted Government servants) for passing the new rate with reference to the orders directing the change. He is also required to examine the accuracy of the arithmetical computations in a bill.

(4) The responsibility will thus rest primarily with the drawer of the bill and (failing recovery from him) the overcharge will be recovered from the Accounts Officer, or the countersigning officer, only in the event of culpable negligence on the part of either of them.

18. Every Government servant, entrusted with the duty of making payments on behalf of Government, should attend promptly to all objections and orders communicated to him by the Auditor General, either direct, or through the Audit Officer, by letters, audit memoranda, etc., and return the audit memoranda or reply to objections within a fortnight or send letters explaining the cause of delay.

19. It is the duty of every departmental and controlling officer to see that the Auditor General is afforded all reasonable facilities in the discharge of his functions and furnished with the fullest possible information for which he may ask, for the preparation of any reports which it is his duty to prepare. No such information nor any books or other documents to which Auditor General has a statutory right of access shall be withheld from him.

IV- CONTRACTS

GENERAL PRINCIPLES

20. No contracts may be entered into by any authority which has not been empowered to do so by or under the orders of the Government. The Ministry of Law, Justice and Parliamentary Affairs is authorised to issue instructions for the making of contracts on behalf of the President and the execution of such contracts and all assurances of property vide Rule 5(iv) of Rules of Business 1975 (revised upto December, 1989). Subsidiary orders of Government as to the limitation upon the powers of subordinate authorities, the conditions under which such powers should be exercised and the general procedure prescribed with regard to such contracts, such as calling for and acceptance of tenders, etc., are laid down in the appropriate departmental regulations.

21. The following general principles have been laid down for the guidance of authorities which have to enter into contracts or agreements involving expenditure from public funds:-

- (i) The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.
- (ii) As far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into.
- (iii) Standard forms of contracts should be adopted wherever possible, the terms to be subject to adequate prior scrutiny.
- (iv) The terms of a contract once entered into should not be materially varied without the previous consent of the authority competent to enter into the contract as so varied. No payments to contractors by way of compensation, or otherwise, outside the strict terms of the contract or in excess of the contract rates, may be authorized without the previous approval of the competent authority.
- (v) No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the competent authority.
- (vi) Whenever practicable and advantageous, contracts should be placed only after tenders have been openly invited and, in cases where the lowest tender is not accepted, reasons should be recorded.
- (vii) In selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.
- (viii) Even in cases where a formal written contract is not made, no order for supplies, etc., should be placed without at least a written agreement as to the price.
- (ix) Provision must be made in contracts for safeguarding Government property entrusted to a contractor.
- (x) The Auditor General and, under his direction, other audit authorities have the power to examine contracts and to bring before the Public Accounts Committee any cases where competitive tenders have not been sought or high tenders have been accepted or where other irregularities have come to light.
- (xi) When a contract is likely to endure for a period of more than 5 years, it should, wherever feasible, include a provision for an unconditional power of revocation or cancellation by Government at any time on the expiry of six months' notice to that effect.

V- DEFALCATIONS, LOSSES, ETC.

REPORT OF LOSSES

22. (1) With the exceptions noted below, any loss of public money, departmental revenue or receipts, stamps, opium, stores or other property held by or on behalf of Government, caused by defalcation or otherwise, which is discovered in a treasury or other office or department, should be immediately reported by the officer concerned to his immediate official superior as well as to the Chief Accounts Officer concerned even when such loss has been made good by the party responsible for it. Such reports must be submitted as soon as a suspicion arises that there has been a loss; they must not be delayed while detailed inquiries are made. When the matter has been fully investigated, a further and complete report should be submitted of the nature and extent of the loss, showing the errors or neglect of rules by which such loss was rendered possible, and the prospects of effecting a recovery.

(2) If the irregularity be detected by Audit in the first instance, the Audit Officer will report it immediately to the administrative authority concerned, and if he considers necessary, to Government as well.

Exception 1. - In the case of Customs, Excise and VAT Revenue, (a) mistakes in assessments which are discovered too late to permit of a supplementary claim being made, and (b) under-assessments which are due to the interpretation of the law by the local Customs authority being overruled by higher authority more than three months after the assessment was made, need not be reported to the Accounts Officer. A record should, however, be kept of such cases for examination by the Auditor General at the time of Audit.

Exception 2. - Petty cases, that is, cases involving losses not exceeding amounts prescribed by the Government in each case need not be reported to the Chief Accounts Officer unless there are, in any case, important features which merit detailed investigation and consideration.

23. The officers receiving a report submitted to him under Para 22 must forward it forthwith to Government through the usual channel with such comments as may be considered necessary. He should also submit a detailed report, after completing such departmental investigations as may be necessary or expedient on the causes or circumstances which led to the defalcation or loss, the steps taken to prevent its recurrence and the disciplinary or any other action proposed as regards the persons responsible.

ACCIDENTS

24. Any serious loss of immovable property, such as buildings, communications, or other works, caused by fire, flood, cyclone, earthquake or any other natural cause, should be reported at once by the departmental officer to the head of the department and by the latter to Government. When a full inquiry as to the cause and extent of the loss has been made, the detailed report should be sent by the departmental officer concerned to the head of the department, a copy of the report or an abstract thereof being simultaneously forwarded to the Chief Accounts Officer concerned.

RESPONSIBILITY FOR LOSSES, ETC.

25. Every Government officer should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence. Detailed instructions for regulating the enforcement of such responsibility are embodied in Appendix-1.

WRITE OFF OF LOSSES ETC.

26. The powers delegated to different authorities to write off the irrecoverable value of public money or stores lost through fraud or negligence of individuals or other causes are indicated in Chapter 4. Provision for losses should not ordinarily be made in the budget. If, however, the nature of the work of a department is such that some losses must be regarded as inevitable each year, provision may be made with the special sanction of the Finance Division in each case.

VI - DEPARTMENTAL REGULATIONS

27. All Departmental regulations in so far as they embody orders or instructions of a financial character or have important financial bearing should be made by, or with the approval of, the Finance Division.

CHAPTER 3

REVENUE AND RECEIPTS

I – GENERAL

28. Subject to any special arrangement that may be authorised by competent authority with respect to any particular class of receipts, it is the duty of the departmental controlling officers to see that all sums due to Government are regularly and promptly assessed, realised and duly credited in the Public Accounts. They should accordingly arrange to obtain from their subordinates monthly accounts and returns in suitable form claiming credit for so much paid into the Bank or otherwise accounted for and compare them with the statements of credits furnished by the Accounts Officer to see that the amounts reported as collected have been duly credited in the Public Accounts.

If wrong credits thus come to the notice of the Controlling Officer, he should at once inform the Accounts Officer with a view to the correction of the accounts. If any credits are claimed but not found in the accounts, inquiries should be made first of the responsible departmental officer concerned.

Note 1: For this purpose each Accounts Officer will send to the departmental controlling officer extract from his account showing the amounts brought to credit in them in each month.

Note 2: It is essential that the departmental accounts of revenue should not be compiled from the returns prepared by the Accounts Office. But the Accounts Officer may be required, where necessary, to verify the returns prepared for submission to the departmental controlling authority.

Note 3: In order to minimise the differences between the figures of Accounts Office and the departmental figures, it is essential that the chalangis with which money is remitted to the Bank should bear full and correct accounts classification.

29. Detailed rules and procedure regarding assessment, collection, remission etc., of revenue should be laid down in the departmental regulations of the revenue and collecting departments concerned.

Note : In departments in which officers are required to receive moneys on behalf of Government and issue receipts therefor in Form T.R. 5, the departmental regulations should prescribe the procedure and rules for the maintenance of a proper account of the receipt, and issue of the receipt books, the number of receipt books to be issued at a time to each Officer and check with the Officer's accounts of the used books when returned.

30. No amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

31. Unless specially authorised by any rule or order made by competent authority, no sums may be credited as revenue by debit to a suspense head; the credit must follow and not precede actual realisation.

32. Heads of departments in charge of important sources of revenue should keep the Internal Resources Division and the Finance Division fully informed of the progress of collection of revenue under their control and of all important variations in such collections as compared with the Budget estimates.

II - SPECIAL RULES FOR PARTICULAR CLASSES OF RECEIPT

RENTS OF GOVERNMENT BUILDINGS, LAND ETC.

33. The detailed rules and procedure regarding the demand and recovery of rents of Government buildings and lands are contained in the departmental regulations of the departments in charge of those buildings.

When the maintenance of any rentable building is entrusted to a civil department other than the Public Works Department, the head of the department concerned will be responsible for the due recovery of the rents thereof. The procedure for the assessment and recovery of the rents of such buildings will be regulated generally by the rules applicable to residences under the direct charge of the Public Works Department.

FINES

34. It is the duty of every court or authority having the power to fine to see that the money realised reaches the Bank and that adequate precautions are taken against double refunds of fines or refunds of fines not actually paid into the Bank.

35. The duty of realizing fines and of checking the receipts and refunds rests with the departmental officers. Each court, civil or criminal, is required to submit to the District Judge or to the District Magistrate as the case may be, on the last working day of each calendar month, a statement in the prescribed form showing the demand, collection and balance of fines levied and written off by it as well as of the refunds therefrom, the statement being made up for the account month of the District Accounts Officer or Thana Accounts Officer with which the court deals. The District Judge and the District Magistrate should each consolidate these returns into a monthly fines statement for the courts under him and for his own and forward it to the Accounts Officer as soon as possible after the beginning of the month, for verification of the amounts shown as remitted into the Bank with the credit appearing in the account of the Accounts Officer. The Accounts Officer should certify to the correctness or otherwise of these amounts. Where there is any discrepancy between a consolidated statement and the accounts of the Accounts Office, the Accounts Officer may, if necessary, before giving his certificate, request the District Judge or the District Magistrate, as the case may be, to explain the discrepancy.

Note 1: The statement should exhibit the amounts under relevant classification codes. Compensation fines due to an injured party which are creditable to deposits and fines which under the orders of competent authority are creditable to a Municipal or Local fund, should be excluded from this statement.

Note 2: When fines are received in another district, an intimation should be given by the recovering officer to the officer concerned, who should note the fact in his monthly fine statements.

MISCELLANEOUS DEMANDS

36. Realisation of miscellaneous demands of Government not falling under the ordinary revenue administration will be watched by the Chief Accounts Officers concerned. Such are contributions from Local Funds, Contractors and others towards Establishment charges; etc.

III - REMISSIONS OF, AND ABANDONMENT OF CLAIMS TO, REVENUE

37. The sanction of the competent authority is necessary for the remission of, and abandonment of claims to revenue. All proposals affecting receipt of the Government are to be referred to the Finance Division.

Note: The powers of subordinate authorities to sanction the write-off of loss of revenue are indicated in the Delegation of Financial Powers.

38. Heads of departments should submit annually on the first of September to the Chief Accounts Officer concerned statements showing the remissions of revenue and abandonment of claims to revenue sanctioned during the preceding year by competent authorities. For inclusion in these statements remissions and abandonments should be classified broadly with reference to the grounds on which they were sanctioned and a total figure should be given for each class. A brief explanation of the circumstances leading to the remission should be added in the case of each class.

Subject to any general or special order issued by Government, individual remissions below any amount prescribed by the Government need not be included in this statement.

Note: This rule does not apply to Railways, Postal Department and Telegraph and Telephone Board.

IV - AUDIT OF RECEIPTS

39. When the audit of the receipts of any department of Government is entrusted to the Auditor General, it will be conducted in accordance with regulations reproduced in Appendix 2.

Note 1: The procedure in respect of particular classes of receipts, e.g., stamps, opium, foreign service contributions etc., will be governed by special orders issued by Government.

Note 2: The audit of receipts accruing under Debt and Remittance and those included in the subsidiary accounts of Government commercial undertakings devolves on the Auditor General and is conducted in such manner and to such extent as may be prescribed by him.

CHAPTER 4

POWERS OF SANCTION

I- POWERS OF VARIOUS AUTHORITIES IN THE MATTER OF SANCTIONING EXPENDITURE

GENERAL

40. The responsibility for financial operations of the Government as also for the exercise of all executive authorities rests on the President whose sanction, given either directly or by persons to whom the necessary power has been delegated, is necessary to all expenditure from the revenues of the Government. The extent to which powers to sanction expenditure have been delegated to various authorities is indicated in the following paras.

The financial powers of subordinate authorities in certain departments e.g. Railway etc. are regulated by schedules of powers relating to these departments and by general orders issued with the concurrence of the Finance Division which are embodied in the respective departmental regulations.

POWERS OF SUBORDINATE AUTHORITIES IN BANGLADESH

41. The Government has delegated financial powers in respect of non-development expenditure to the Ministries and Divisions so that they can carry out their responsibilities in financial matters with minimum references to the Finance Division. The Government has also prescribed specific financial matters (non-development) which have to be referred to the Finance Division by the various Ministries/Divisions. All other financial matters can be disposed of by Administrative Ministries/Divisions themselves according to the provisions laid down in various codal rules, instructions and orders issued from time to time subject to the availability of funds in the relevant sanctioned budget. Office memorandum No. MF (EC-1) DP-6/83/378 issued on 15 August 1983 by the Finance Division provides delegation of financial powers, subject to amendments issued from time to time.

42. The Government has prescribed a Model of Sub-delegation of Financial Power (Non-development) to ensure uniformity of sub-delegation of financial power by Ministries/ Divisions to their attached Departments and subordinate offices. The Administrative Ministries/Divisions are responsible for issuing necessary orders on sub-delegation of financial power on the basis of this Model. Keeping in view the special needs of certain attached departments of some Ministries/Divisions financial powers in excess of what have been prescribed in the Model may be delegated to them under special orders of the Finance Division. Office memorandum No. MF (EC-1) DP – 4/85/158 issued on 29 July 1985 by Finance Division provides the Model subject to amendment from time to time.

43. The Government prescribes from time to time separate schedules of delegation of financial power to Ministries/Divisions, Heads of Departments and Project Directors of different categories of development projects to ensure smooth project implementation. The Government also determines list of items of development expenditure which requires concurrence of the Finance Division. Ministries/Divisions/Heads of Departments/Project Directors are empowered to delegate financial powers vested in them to their subordinate authorities/officers under intimation to the Finance Division. Office memorandum No. FM/FD/DEV/Research Section/94/339 issued on 12 April 1994 by Finance Division provides delegation of financial powers for development projects subject to amendment from time to time.

44. Unless otherwise provided by any special rule or order of Government, a higher authority may exercise the powers delegated to an authority subordinate to it.

II - POWERS IN REGARD TO CERTAIN SPECIAL MATTERS

GRANTS OF LAND, ASSIGNMENTS OF REVENUE AND OTHER CONCESSIONS ETC.

45. No department or authority may, without previous consent of the Finance Division issue any orders (other than orders in pursuance of general delegation made by or with the approval of the Finance Division) which –

- (1) involve any grant of land, or assignment of revenue, or concession, grant, lease, or license of mineral or forest rights or right to water, power, or any easement or privilege in respect of such concessions; or
- (2) in any way involve any relinquishment of revenue.

Note : The powers to execute instruments are governed by the Rules of Business and other departmental orders on the subject.

WRITE - OFF OF LOSSES

Note : The orders in the following paras do not apply to the Defence and the Railway Departments whose powers in the matter of write off of losses are regulated by special orders incorporated in the departmental regulations.

46. (1) Subject to the limits and conditions specified in the Delegation of Financial Powers, a competent authority may sanction the writing off finally of the irrecoverable value of stores or public money lost by fraud, negligence of individuals or other causes, provided that –

- (i) the loss does not disclose a defect of system the amendment of which requires the orders of higher authority; and
- (ii) there has not been any serious negligence on the part of some individual Government officer or officers which may possibly call for disciplinary action requiring the orders of any higher authority.

These orders apply also to the writing off of losses of revenue, irrecoverable loans and advances and of deficiencies, depreciation etc., in the value of stores included in the stock and other accounts. (See also Para. 172)

Note 1: The question of writing off will arise only when the value of stores or public money lost by fraud or negligence of individuals etc., is found ultimately to be irrecoverable. The first step should always be to fix responsibility for the loss with a view to recovering from the persons responsible, the value of the stores etc., lost.

Note 2: The expression 'Value of Stores' used in this sub-para should be interpreted as meaning 'Book Value' where priced accounts are maintained and 'Replacement Value' in other cases.

(2) All sanctions to write off should be communicated to the concerned Chief Accounts Officer for scrutiny in each case and for bringing to notice any defect of system which requires attention.

Note: Sanctions to the writing off of irrecoverable balances of income-tax demands accorded by competent authorities need not be communicated to the Accounts Officer concerned.

Irrecoverable balances of income-tax demands written-off by competent authorities should, however, be included in the statement required to be submitted to the Chief Accounts Officer under Para 38.

47. The orders contained in the last preceding para, do not apply to loss of cash in banks whether in the course of remittance or out of cash balance, small coin depot or currency chest. Individual cases of such losses should be reported to the Finance Division and its specific approval obtained before any item can be written-off in the accounts of the Government.

Note: It has been decided with the concurrence of the Auditor General, that, in general, losses sustained by the Government through the negligence or culpability of the staff paid for by the Government should be borne by the Government.

In cases where recoveries are made in cash, e.g., by deductions from pay or otherwise, from the persons responsible for a loss, the entire amount recovered should be credited to the Government. Recoveries made indirectly, e.g. by stoppage of increment or promotion as a measure of punishment, should not be treated as recoveries made in cash.

REMISSION OF DISALLOWANCES BY AUDIT AND WRITING-OFF OF OVERPAYMENTS MADE TO GOVERNMENT SERVANTS

48. (1) Ministries and Divisions of the Government, may, for reasons to be recorded, waive the recovery of an amount disallowed by an Audit Officer or otherwise found to have been overpaid to a Government servant, if —

- (a) the amount disallowed has been drawn by the Government servant concerned under a reasonable belief that he was entitled to it;
- (b) the enforcement of the recovery will, in the opinion of the competent authority, cause undue hardship, or it will be physically impossible to effect the recovery; and
- (c) in the case of disallowance of emoluments of the nature of pay as defined in Fundamental Rule 9 (21), made within one year of the date of payment —
 - (i) the Government servant is not in receipt of pay exceeding amounts to be determined by the Government or, in the case of others, the overdrawal has not the effect of raising the Government servant's pay beyond prescribed amount; and
 - (ii) the overdrawal has not been occasioned by delay in notifying a promotion or reversion.

These powers may be exercised by the authorities to which the powers may be specially delegated by Government, provided that the yearly pay limit referred to in sub-clause (i) above does not exceed the prescribed amount in individual case.

(2) all sanctions to forego recovery under these orders should be communicated to the concerned Chief Accounts Officer. It is open to the Chief Accounts Officer to require that the action taken in any case should be reported to the Finance Division for orders.

49. The powers delegated to Audit Officers to waive objection to, or to forego recovery of, irregular expenditure in individual cases are laid down in paras. 248 to 250 of the Audit Code.

III- COMMUNICATION OF SANCTIONS

50. Financial sanctions and orders of competent authorities under these or any other authorised rules, e.g., the Fundamental and Supplementary Rules, the Civil Service Regulations, the Provident Fund Rules, the Pensions Rules, the Treasury Rules, the Public Works Department Code, the Public Works Account Code etc., will be communicated to the Chief Accounts Officer concerned in accordance with the procedure set out below: –

- (i) All financial sanctions and orders issued by a Ministry or Division within its own financial powers as a Ministry or Division of the Government will be communicated direct to the relevant Accounts Officers by the Ministry or Division concerned. All other orders involving financial sanctions, which may be issued by Ministry or Division of the Government, i.e., sanctions beyond their financial powers will be communicated to the Accounts officer concerned through the Finance Division.
- (ii) Sanctions and orders of any other authority to which the power of sanction has been delegated will be communicated to the Accounts officer by that authority.
- (iii) In cases referred to in clause (i) above, if an order sanctioning expenditure is sent to the Accounts officer direct by a Ministry or Division and that Ministry or Division is not competent to sanction the expenditure, the Accounts Officer will request the Ministry or Division that the sanction be communicated to him through the Finance Division.
- (iv) If an order or sanction has been issued with the concurrence of the Auditor General, the fact should be mentioned in the endorsement to the Accounts officer.
- (v) In all orders conveying sanctions to expenditure of a definite amount or up to a specified limit, the amount of sanction should always be expressed both in words and in figures.
- (vi) all letters or orders conveying sanctions to expenditure, appointment, etc., must be signed by an authorised gazetted officer.

Note : In cases in which the documents relating to any sanction or order are deemed secret, the Accounts Officer will accept a statement of fact signed by an authorised official in lieu of those documents.

51. All orders conveying sanction to the grant of additions to pay, such as special pay and compensatory allowance, should contain a brief but clear summary of the reasons for the grant of the addition so as to enable the Accounts officer to see that it is correctly classified as special pay or compensatory allowance, as the case may be. In cases in which an official record in an open letter is considered undesirable, the reasons for the grant of such additions to pay should be communicated confidentially to the Accounts officer. A similar procedure should also be followed in all other cases in which the rules require that reasons for the grant of special concessions or allowances should be recorded.

52. Sanctions accorded by competent authority to grants of land and alienation of land revenue, other than those in which assignments of land revenue are treated as cash payments, should be communicated to the Accounts officer in a consolidated monthly return giving the necessary details to enable him to examine the sanctions accorded.

53. When proposals for a new grant-in-aid are placed, details should be furnished showing the purpose of the grant and the exact nature of the conditions on which it is proposed to be made. The Accounts Officer shall compare such proposals and conditions with those enumerated by the sanctioning authority in its subsequent orders of sanction.

IV- INDICATION OF THE SOURCE OF APPROPRIATIONS IN THE SANCTION TO EXPENDITURE

54. In all applications for sanction to expenditure it should be distinctly stated whether provision for the proposed charge has, or has not, been made in the budget estimates of the year, and, if it has not been made, whether the funds can be found by valid re-appropriation.

55. Authorities which sanction new expenditure after the appropriation of funds have been communicated, should be careful to indicate the source of appropriation.

Where it is desired to sanction expenditure before the appropriation of funds have been communicated, as may be necessary in order to avoid delay in starting work at the beginning of a new financial year (*vide* Para 95), or to prevent duplication of orders, the authority which does so should be careful to add the words "subject to the appropriation of funds being communicated in the budget of the year".

Note: Vague expressions, such as, "subject to budget provision" should be carefully avoided in conveying sanctions to expenditure.

V- DATE OF EFFECT OF SANCTION

56. Unless otherwise indicated specifically in the order conveying the sanction, a sanction issued by a competent authority has effect from the date of orders conveying the sanction.

In all cases, these orders are subject to the general order contained in the Delegation of Financial Powers regarding appropriation of funds and to any special provisions as to the date of effect in the rules, orders or sanctions themselves.

Note: Orders sanctioning the creation of temporary posts should, in addition to the sanctioned duration of the post, invariably specify the date from which it is to run whether it be the date of entertainment or otherwise.

VI- RETROSPECTIVE SANCTION

57. (1) All authorities which are competent to sanction revision of pay or the grant of concessions to Government servants should bear in mind that retrospective effect should not be given to financial sanctions, except in exceptional circumstances, without the special approval of Government.

(2) In the absence of special reasons to the contrary, concessions regarding rates of pay for any class of Government servants should take effect as from the first of July and not from some date in the middle of a financial year.

VII - LAPSE OF SANCTION

58. A sanction for any fresh charge which has not been acted on for a year must be held to have lapsed, unless it is specifically renewed.

Note : This order does not apply to a case where an allowance sanctioned for a post or a class of Government servants has not been drawn by a particular incumbent or incumbents, nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by competent authority.

VIII- SPECIAL RULES FOR WORKS EXPENDITURE

59. Special rules for regulating administrative approvals and sanctions to expenditure on works are contained in the Public Works Department Code and other departmental regulations (See also Chapter 9).

CHAPTER 5

BUDGET, GRANTS AND APPROPRIATIONS

I - PROCEDURE FOR PREPARATION AND SUBMISSION OF BUDGET ESTIMATE. (NON-DEVELOPMENT BUDGET)

GENERAL PROCEDURE

60. Under Article 87 of the Constitution, a statement of the estimated receipts and expenditure of the Government for each financial year has to be laid before the Parliament. The Constitution refers to this statement as "the Annual Financial Statement", and in common parlance it is called "the Budget".

61. The Annual Financial Statement consists of two main parts - the "Consolidated Fund" and the "Public Account of the Republic". Under Article 84(1) of the Constitution, the Consolidated Fund comprises all revenues received and loans raised by Government as well as all moneys received by it in repayment of any loan. All other public moneys received by Government or on behalf of the Government are credited to the "Public Account of the Republic".

PREPARATION OF THE BUDGET

62. The Finance Division prepares the Budget and for this purpose other Ministries/Divisions/Departments are required to furnish materials on which the estimates are to be based. Most of the Ministries/Divisions/Departments depend for these materials on local officers who collect the revenue or incur expenditure.

BUDGET MONITORING AND RESOURCE COMMITTEE

63. There exists a Budget Monitoring and Resource Committee in the Finance Division headed by the Finance Minister. All the relevant Ministries/Divisions are represented in the Committee. The Committee monitors the budget on the basis of review of progress of revenue collection, inflow of foreign assistance, expenditure trend against the budget and all other pertinent issues. It also examines the economic and fiscal impact of new measures for resource mobilisation and takes corrective actions. A Technical Committee in the Finance Division provides technical support to the Budget Monitoring and Resource Committee.

DATES OF SUBMISSION OF BUDGET ESTIMATES

64. (1) The time schedule for the preparation of Revised and Budget Estimates is given in appendix 3.

(2) The authorities by whom the different Revised and Budget Estimates are to be prepared, the authorities by whom these Estimates are to be submitted to the Finance Division and to the Accounts Officers concerned, and the authorities responsible for watching the progress of collection and of expenditure against appropriation are indicated in two separate publications of the Finance Division entitled "List of Authorities responsible for Watching the Progress of Collection" and "List of Authorities responsible for Control over Expenditure in each Demand for Grant".

(3) The Chief Accounts Officers will actively assist the Ministries/Divisions/Departments concerned in the preparation of the Budget and will intimate appropriate action, without waiting for a request for estimate from the Finance Division. Lump sum provisions in the Budget will not be proposed or made except in the most exceptional circumstances, the reasons for which will be recorded in writing.

METHOD OF DRAWING UP ESTIMATES

65. The estimates of receipts and of ordinary charges prepared in district and departmental offices in October are checked and consolidated in the offices of the Accounts Officers concerned in November. They are then considered by the Finance Division in December and January. In March, the Finance Division hold discussion with administrative Ministries/Divisions and, on consideration of their points of view, finalize the first edition of the Revised and Budget Estimates. By 22nd January each year the administrative Ministries/Divisions submit Schedules of New Expenditure (i.e., expenditure on items not included in the current budget) for inclusion in the next year's budget. Subsequently, Government decide for what new expenditure provisions will be made in the budget of the ensuing financial year, the amounts being determined by a review of the funds available and of the proposals either initiated in the Secretariat or put forward by Heads of Departments in their Schedules of New Expenditure.

NEED FOR PUNCTUAL SUBMISSION OF BUDGET ESTIMATES

66. It is of utmost importance that all officers will transmit their estimates on the dates prescribed in the aforesaid schedule. It should be borne in mind that this programme allows only the minimum period necessary for scrutiny in the various controlling offices.

ESTIMATES OF REVENUE AND RECEIPTS

67. The estimates will be prepared in quadruplicate. One copy will be kept for record in the office of origin, the remaining copies being sent simultaneously to (a) the Accounts Officer concerned, (b) Finance Division, (c) the administrative Ministry/Division concerned. Where the administrative Ministry/Division is itself responsible for the preparation of the estimates, only three copies will be required, one copy being kept for record in the Ministry/Division and the duplicate and triplicate copies being sent simultaneously to the Accounts Officer concerned and the Finance Division.

REVISED ESTIMATES

68. (1) These estimates are intended to be the best possible forecasts of what the actual receipts of the current year will be. A very important guide to their preparation will, therefore, ordinarily be found in the actual receipts of those months of the year which have already elapsed by the time when the estimates are being prepared. If an officer observes that the actual receipts from a particular source of revenue reveal a growth or a diminution compared with those of the corresponding period of the previous year, he will, other things remaining unchanged, be justified in tentatively assuming a continuance of the growth or decline at the same rate during the remaining months. The proportionate estimate based on this assumption must, however, be modified by an intensive scrutiny of other known factors which affect the yield of the tax or receipt under consideration. For example, an anticipated increase or decrease in the volume of dutiable imports, excisable manufactures, or overall economic activity in the remaining months of the year may suggest that the rate of growth or decline in the relevant receipts will be accelerated or retarded. Seasonal variations, if any, in the collection of specific receipts will also be borne in mind while using actuals for part of the year as a basis for the preparation of the revised estimate for the whole year. The proportionate estimate will, therefore, only be used by the estimating officer as one (albeit a very important one) among a number of factors which influence his estimate. It must be noted, however, that it is rarely suitable for use in estimating land revenue and similar receipts, for which the demand is fixed, or such income as those from the sale of land and houses, which necessarily fluctuate widely from year to year.

(2) Sanctioned budget estimates will not be used as a guide to the revised estimates, because in most cases these are somewhat out-of-date by the time the revised estimates are being prepared.

(3) There will ordinarily be little difficulty in arriving at an accurate estimate of the expenditure of the year, when the experience of the earlier months is available as a guide. However, as in the case of revenue estimates, known special factors which have a bearing on the expenditure under consideration have also to be taken into consideration in order to arrive at the revised estimate for the year.

PURPOSE AND BASIS OF THE REVISED ESTIMATES

69. The revised estimates of expenditure are merely forecasts, based on the latest information, of what the actual outlay of the year will be; they do not operate either to increase or to reduce the grants which have been placed at the disposal of officers in the sanctioned budget. This is as true of revised estimates of Civil Works expenditure as of those of expenditure of other categories.

70. The actuals of previous years ordinarily afford an important guide in framing the budget estimates, and a continuance of any trend of growth or decline in income indicated by them may, in the absence of definite reasons to the contrary, properly be assumed in all cases in which the proportionate estimate can be usefully employed.

71. In all cases and specially in dealing with important revenue estimates, the reasons underlying the proposed estimates will be briefly but clearly explained. This explanation will recount the particular circumstances which, in the opinion of the estimating officers, have led to a recorded increase or decrease in the revenue of the earlier months, and the grounds on which they expect to collect the balance of the estimates in the later part of the year. This explanation will not, however, be merely mechanical. A statement, for instance, that the revised estimate is based on the income to date plus that anticipated during the remaining months of the year is merely an arithmetical explanation and is of no assistance to the controlling officers in deciding whether the estimate is reasonable.

PURPOSE OF BUDGET ESTIMATES

72. (1) The Budget estimates serve two purposes :

- (a) their primary function is to forecast the expenditure of the ensuing year, and thus to enable Government to make the necessary arrangements for financing the charges which it will be called upon to meet; and
- (b) as finally passed, they fix the allotments at the disposal of officers for expenditure in the ensuing year.

(2) An over-estimate of expenditure under one item reduces the amount which can be treated as available for other items while an under-estimate of expenditure or the omission of items of outlay which are likely to be incurred can be remedied later only by postponement of other items of expenditure for which provision has been duly made. It is consequently of great importance that expenditure estimates should be accurately framed, programmes involving new expenditure should be carefully worked out before the Budget Estimates are forwarded and no admissible charges which are likely to be incurred should be omitted.

ESTIMATES OF EXPENDITURE TO BE IN TWO PARTS

73. In the preliminary stages with which heads of offices and of Ministries/Divisions are concerned, the expenditure estimates are divided into two parts, viz.:

- (a) the estimates of ordinary charges which are transmitted to the Finance Division, the Accounts Officer concerned and the administrative Ministry/Division in prescribed forms; and
- (b) the estimates of new expenditure, i.e., expenditure on items which do not appear in the current budget.

PREPARATION OF ESTIMATES OF EXPENDITURE

74. (1) The budget estimates of expenditure to be prepared in district and departmental offices must be rigidly confined to ordinary charges and to charges which, although not yet being incurred, have been approved for introduction in the ensuing financial year. They must not include provision for any new unsanctioned item which it is desired to be introduced in the ensuing financial year.

(2) Proposals for new expenditure on items which it is desired to introduce in the ensuing financial year should be submitted by the administrative Ministries /Divisions to the Finance Division in the form of Schedules. The preparation of these schedules is governed by the procedures contained in Para 75 to 78.

(3) Article 87 (2) (a) of the Constitution requires that the estimates of expenditure embodied in the Annual Financial Statement will show separately the sums required to meet expenditure charged upon the consolidated Fund. A list of expenditure charged upon the Consolidated Fund is given in Appendix 4.

(4) Provision is made in the estimates of ordinary charges for sanctioned charges only including those for which direct budget provision has been authorised by the Finance Division.

(5) In justification of the estimates under "Pay of Officers" and "Pay of Establishments" full details of the number of officers and their pay together with the number and pay of the permanent and temporary establishments will be separately supplied with the estimates in the Form G.F.R 1. In the case of temporary establishments, the last Government order will also be quoted.

(6) The budget estimate of charges, such as travel expenses, the amount of which tends to vary from year to year, will be based on the actual of previous years; and, in default of reasons to the contrary, it is ordinarily advisable to assume a continuance of any growth or decline which is indicated by these figures.

(7) The estimates of ordinary charges will exclude the value of stores proposed to be obtained from abroad for which an indent has already been submitted to the Government.

SCHEDULES FOR NEW EXPENDITURE PROPOSED FOR INCLUSION IN THE BUDGET

75. (1) In the first week of December each year, reminders will be issued by the Budget Wing of the Finance Division to all the Administrative Ministries/Divisions of the Secretariat, pointing out that their Schedules are due, in triplicate, by the 22nd January. No schedules will be received by the Finance Division after that date except under special orders of the Finance Minister.

(2) The Schedule prepared by the Administrative Ministries/Divisions in the Form shown in Form G.F.R.2 will be approved by the Secretary of each Ministry/Division and will be sent to the Finance Division in triplicate arranged in order of urgency, under the orders of the Minister.

(3) Against each item in the consolidated schedule, the Administrative Ministry/Division will record, in the appropriate column, the number and date of the Government letter approving the scheme and a very brief note indicating the exact stage of the proposed scheme to enable the Finance Division to judge whether the scheme is so far advanced as to render it probable that the whole or any part of the expenditure proposed can actually be incurred in the ensuing year. The note will state the background of the case and also whether it cannot be postponed or dropped without creating any serious inconvenience to the Administration.

(4) On receipt of the Schedules, the Budget Wing will examine them at once to see if any of the instructions issued with regard to their preparation have been contravened. Those found in order will be accepted. Defective Schedules requiring modification will be corrected where possible or will be returned to the office of origin with a brief note over the signature of Deputy Secretary or Assistant Secretary, indicating the exact nature of the defect, with a request to return them after necessary amendment.

(5) As soon as possible after the preliminary scrutiny contemplated in clause (4), one copy of the Consolidated Schedule will be sent to the press to be set up in type and the other copy will be examined by office which will confine its note to the probability of the proposed expenditure being incurred in full in the ensuing year.

(6) It is of great importance that all schedules returned to the office of origin under clause (4) above will be received back by the Finance Division by the due date. After the Consolidated Schedules have been duly corrected those will be printed by the Finance Division for consideration by the Cabinet/Council of Ministers.

(7) To ensure that all items of new expenditures for which it is desired to make provision in the Budget are included in the schedules prepared by the Administrative Ministries/Divisions, Assistant Secretaries of these Ministries/Divisions will maintain registers in which they will enter, at the time of receipt, all proposals which may involve new expenditure in the following year, irrespective of whether the proposals have been received unofficially, demi-officially or officially. When a proposal has been rejected, the entry relating to it will be struck out.

SCHEDULES OF NEW WORKS PROPOSED FOR INCLUSION IN THE CIVIL WORKS BUDGET

76. (1) By the 31st August each year the Ministry of Housing and Public Works will obtain from the Administrative Ministries/Divisions lists of works that have been administratively approved and for which the office concerned desires that provision should be made in the estimates of the next financial year. The works in each list will be arranged in order of urgency. Where some time has elapsed since administrative approval was accorded to a work, the administrative Ministry/Division will consider whether fresh approval is likely to be necessary owing to increased costs or for other reasons and, if necessary, steps will be taken in the meantime to have the work re-approved. The Ministry of Housing and Public Works will prepare detailed estimates for the schemes. The cost as determined by the detailed estimates as well as the probable expenditure on each scheme in the ensuing year will be furnished in triplicate to the Finance Division by the Ministry of Works not later than the 22nd January.

(2) It will be remembered that works already included in the estimates of the year are treated, for the purposes of the estimates of the ensuing year, as works in progress, even if construction has not been taken up, that provision for them is made by the Ministry of Housing and Public Works in their departmental estimates, and that consequently they must not be included in any list of new works.

ESTIMATES OF NEW EXPENDITURE ON WORKS

77. The estimates of new expenditure on works are submitted by the administrative Ministries/Divisions in lists as shown in the Form GFR-3. They will reach the Finance Division not later than the 22nd January in each year, and the orders with regard to their preparation are as follows:

- (a) The lists will be submitted in triplicate;

(b) No work will be included in the list for which provision has been made in the budget for civil works for the current year, even if construction has not begun at the time of the submission of the list or is not likely to be taken in hand during the year. Provision for such works will be made, if necessary, by the Ministry of Housing and Public Works in their estimates as for works in progress;

(c) No work will be included in the lists of works which have not received administrative sanction;

(d) No important work will be included in the list of works unless detailed plans and estimates have already been technically sanctioned in the Ministry of Housing and Public Works, or are so far advanced as to ensure that they will be technically sanctioned before the commencement of the next financial year;

(e) No proposal regarding a work, which has not been included in the list of works submitted by the 22nd January, or which does not fulfil either or both of the conditions under sub-paragraphs (c) and (d), will be accepted after the end January, in each year, unless it is shown that the work is of such extreme urgency that it cannot possibly wait for inclusion in the subsequent year's budget; and

(f) Care will be taken to see that all works are entered in order of urgency. In determining the projects to which the available funds will be allotted, Government will be guided by the recommendations of Heads of Ministries/Divisions in this matter provided there is reasonable probability of the projects being commenced in the ensuing financial year.

ESTIMATES OF OTHER NEW EXPENDITURE

78. The estimates of other new expenditure are submitted in the Form GFR-2 in accordance with the following orders:

(a) The Schedules are submitted in triplicate by the Administrative Ministry/Division to the Finance Division not later than the 22nd January in each year. They will contain all new charges for which it is desired to provide funds in the ensuing years, other entries in the schedules will be confined to measures which have, after examination by the Finance Division, been approved by Government and no item will be entered, unless proposals for its introduction have been sent to Government in the Administrative Ministry/Division in good time to enable them to send in their recommendations to the Finance Division for examination prior to the 22nd January;

(b) No proposal for new expenditure, which has not been included in the Schedule of New Expenditure, will be accepted after the 22nd January in each year unless it is shown that the scheme is of such importance that it cannot possibly wait for inclusion in the subsequent year's budget; and

(c) The schedules are prepared in the Form GFR-2. The items will be entered in order of urgency, and in the last column of the form a reference will invariably be given to the number and date of the latest communication to or from Government relating to the proposals.

79. No schedules need be prepared for individual minor works for which lump provisions are made in the Civil Works budget. If an administrative Ministry/Division is of the opinion that the lump sum allotted each year for minor works is inadequate, a schedule in the Form GFR-2 showing the proposed increase in the lump provision, will be sent to the Ministry of Finance not later than the 22nd January each year.

PREPARATION OF CIVIL WORKS ESTIMATES

80. (1) The estimates will be submitted in sample form GFR 4.

(2) Supporting the entries against "Works in Progress" in the form GFR 5, a statement in the form shown in GFR 4 will be forwarded to the Finance Division. The information to be given in this form will be obtained from the reports of Executive and Superintending Engineers, and it will be seen that the instructions for filling up the Form are clearly understood by them and are exactly followed.

(3) On the 15th February each year, a similar Form based on reports from Executive and Superintending Engineers, and containing up-to-date information then available as to the amount likely to be spent on works in the current financial year, will be submitted to Government through the Accounts Officer. The date for the submission of this supplementary statement will be most carefully observed, since it will be of no use unless it is received in good time.

(4) In issuing these and any subsidiary instructions to Executive and Superintending Engineers, it will be pointed out to them that the revised estimates which they submit of the expenditure they are likely to incur on works, do not operate to reduce the sanctioned grant for those works. It is their duty to assist the Financial Officers of Government by giving as accurate an estimate as possible, not of the amounts which they want to spend but of the amounts which they can actually spend in the current year, taking into consideration the pace at which work is going forward, the difficulty or otherwise in respect of labour, materials, etc.

(5) In framing the revised estimate of repairs, the remarks made in instructions at Para 68 should be borne in mind. For the budget estimate of repairs, the revised estimate with necessary additions for repairs to new works executed in the course of the year will ordinarily be the safest guide.

(6) Past actuals will ordinarily be the best guide for the revised estimate of establishment charges; and past actuals and the revised estimates will ordinarily be the best guide for the budget estimate. In both the cases, allowances will be made for any increase or reduction in the charges due to any revision of the number or pay of the establishment which may have taken place in the year to which the revised estimate relates.

DISPOSAL OF BUDGET REFERENCE

81. (1) Immediately on receiving from the Accounts Officer concerned, the form containing the actual and the estimates proposed by the local officers, the Finance Division will send to the press a copy of it to be set up in types and utilise another copy for framing the revised and budget estimates. All relevant papers will be placed on the file, these being obtained, if necessary, from the Administrative Ministries/Divisions concerned.

(2) A copy of the estimates as framed by the Finance Division together with the relevant notes, where necessary, will be sent as soon as possible to the Administrative Ministry/Division concerned for their comments on specific points raised in the notes. They will also be required to point out errors and omissions, if any, in the estimates framed by the Finance Division.

(3) On receipt of these references, the Administrative Ministry/Division will supply the information required by the Finance Division and also point out errors and omissions, if any, the references of the Finance Division being returned without fail within three days from the date of their receipt in the Administrative Ministry/Division. It should be clearly understood that no general criticism of the references from the Finance Division is necessary and that the notes of the Administrative Ministry/Division should be confined to really important issues.

(4) If the references are not received back within the time allotted, which must be regarded as the maximum, the Finance Division will at once proceed to decide the doubtful points, as it is of paramount importance that the time-table drawn up for the compilation of the Budget Estimate will be rigidly followed.

DISCUSSION WITH ADMINISTRATIVE MINISTRIES

82. The estimates framed by the Finance Division are discussed with representatives of the Administrative Ministries/Divisions/Departments at a round of meetings held in the Finance Division in the month of March. At these meetings, the estimates are reviewed in the light of the latest available facts and data, including the latest figures of actual expenditure and receipt, which the representatives of the Administrative Ministries/Divisions/ Departments are expected to furnish. These meetings thus afford them an opportunity for making a coherent presentation of the reasons in favour of budgetary provisions which they consider to be necessary. The authority for modifying, if necessary, the estimates earlier framed, however, rests with the Finance Division.

83. The estimates of expenditure embodied in the Annual Financial Statement laid before the Parliament under Article 87 of the Constitution are understood to represent Government's full requirements for the financial year, and nothing but pressing emergencies that cannot be accommodated within the provision available will occasion the presentation to the Parliament of demands for further funds or of estimates of further charged expenditure.

84. Demands for Supplementary Grants will not be made, except in extraordinary circumstances, for which full justification will be furnished to Finance Division including an explanation for the failure to foresee the additional expenditure at the time of submitting proposals for budget provision. No expenditure will be incurred in anticipation of the authorisation of a Supplementary Grant, without the prior concurrence of the Finance Division. The procedure in the Parliament in connection with Supplementary Estimate will be the same as in the case of the Budget proper.

85. The responsibility in regard to proposals for Supplementary Estimates rests in the first place on the Principal Accounting Officer of every Ministry/Division (i.e., the Secretary of the Ministry/Division) who will be in a position to explain clearly not only why a supplementary appropriation is required but also why the need for funds was not foreseen when the original estimates were framed. The greatest care will be taken by the Administrative Ministries/Divisions in submitting proposals for Supplementary Estimates. If, on the closing of the accounts, any supplementary appropriations actually obtained are found to have been unnecessary or excessive, the Audit Office will draw attention to the fact in the Audit Report on the Appropriation Accounts and the action of the Ministry/ Division will attract the criticism of the Public Accounts Committee.

86. When an unavoidable need for additional funds arises in the midst of the year for a purpose not provided for in the current Budget, or a purpose for which the existing Budget provision has been exhausted, the Administrative Ministry/Division will send a self-contained proposal to the Finance Division well in time. In this proposal, besides giving justification for the proposed additional expenditure and the reason why it could not be foreseen earlier and provided for in the original Budget, the administrative Ministry/ Division will also give (a) the recurrent expenditure, if any, that will have to be admitted in future years if the proposal is accepted and (b) an analysis of the Budget Grant to which the expenditure is debitable indicating, *inter alia*, the expenditure already incurred under the various items and the reasons why the proposed expenditure cannot be partly or wholly accommodated within the balance of the provisions under these items by effecting appropriate economy. The Finance Division will, in the first place, examine the proposal in respect of its justification and magnitude and thereafter allocate the additional funds considered admissible and feasible. While communicating their decision to the Administrative Ministry/Division, the Finance Division will indicate whether the funds are being allocated from the budget provision for

“Unexpected Expenditure” or whether they will in due course be provided either by re-appropriation or by Supplementary Grant. The Administrative Ministry/Division will thereafter issue the requisite expenditure sanction with the concurrence of the Finance Division by whom a copy thereof is to be endorsed to the Chief Accounts Officer concerned.

II- PROCEDURE FOR PREPARATION AND SUBMISSION OF BUDGET ESTIMATE (DEVELOPMENT BUDGET)

GENERAL PROCEDURE

87. The preparation of the Annual Development Programme depends on cooperation from all Ministries and specially the executing agencies. Each one involved should be aware of what is wanted to be achieved by the development programme and should know how to go about it. Every year the Planning Commission issues guidelines for preparation of the proposed and revised Annual Development Programme.

88. A Programming committee constituted in the Planning Commission with participation of Finance Division, Economic Relations Division and Implementation, Monitoring and Evaluation Division examines development project proposals, fix their priorities and determine the allocations to be provided in the Annual Development Programme. The committee undertakes a review of the Annual Development Programme beginning the middle of November each year to finalise the revised Annual Development Programme and make the first projection of the Annual Development Programme for the following year. The committee finalises its recommendations for Annual Development Programme in the month of April each year for consideration by the Planning Commission and presentation to the National Economic Council. Project proposals for inclusion in the Annual Development Programme are formulated, processed and approved in accordance with procedures prescribed by the Planning Commission from time to time.

REVISED ESTIMATE

89. On completion of discussion on the Revised Annual Development Programme in the Planning Commission with representatives of the Administrative Ministries/Divisions and the Finance Division, the Estimates are finalised. Particulars of each approved project/ scheme included in the Revised Annual Development Programme, showing Revenue and Capital components with the breakdown and estimated receipts, if any are furnished to the Finance Division for incorporation in the Budget.

BUDGET ESTIMATE

90. After the Annual Development Programme is finalised, particulars of each development project/scheme included in the Programme, showing the Revenue and Capital components and receipts, if any, are furnished to the Finance Division by the respective Administrative Ministries/Divisions for incorporation in the Budget.

91. The Finance Division then classify the allocation for the project/scheme according to the Classification Chart for incorporation in the Budget and submission before the Parliament.

92. The project-wise estimates of expenditure of projects/schemes completed during the last fiscal year are also furnished to the Finance Division by the respective Ministries/Divisions for making necessary budget provision in the non-development budget.

III - COMMUNICATION AND DISTRIBUTION OF GRANTS

93. (1) The grants voted by the Parliament, together with any sums sanctioned for non- votable (charged) expenditure will be communicated by the Finance Division to the Administrative Ministries and the Chief Accounts Officers concerned in the shapes of lump sums known as primary units of appropriation. The Administrative Ministry will then make arrangements for distributing the sanctioned funds, where necessary, among the controlling and disbursing officers subordinate to them in accordance with instructions laid down in clause (2) of paragraph 98. The Chief Accounts Officer will render such assistance in the distribution of grants as may be settled in each case.

(2) Subject to any special rules or orders of Government, the distribution of grants should usually be effected as under :-

- (i) The whole or part of the appropriation for an operating unit may be placed at the disposal of a controlling or a disbursing officer or the operating unit may be broken up into a number of secondary units and the appropriation for any of these, wholly or in part, may be placed at his disposal.
- (ii) A controlling officer at whose disposal an appropriation for an operating unit or a secondary unit has been placed, may out of it, allot funds for expenditure on a specific item or on group of items.
- (iii) Any distribution of appropriation among specific items or groups of items, which may be made by disbursing officer for purposes of his control over the expenditure, will not be recognised by the Accounts Officer and should not be intimated to him.

94. An appropriation is intended to cover all the charges including the liabilities, if any, of past years, to be paid during the year or to be adjusted in the accounts of it. It can be authorised by competent authority at any time before, but not after the expiry of the financial year. Any unspent balance lapses and is not available for utilisation in the following years, except in so far as it has been anticipated and re-included in the estimates.

IV-INCURRING OF EXPENDITURE IN ANTICIPATION OF FUNDS

95. In the event of the orders communicating the allotment of funds under paragraph 93 not being received before the commencement of the financial year, disbursing officers may authorise expenditure in anticipation of funds on pay and other charges on the basis of that incurred in the last month of the preceding year.

Note.- Appendix 6 to the Public Works Account Code lays down the rules for incurring expenditure in the Public Works Department in anticipation of funds. These rules will apply *mutatis mutandis* to the expenditure on works executed by other departments, except where the controlling authority directs otherwise.

V- CONTROL OF EXPENDITURE

96. (1) The Secretary (which term shall be deemed to include the Secretary-in-charge) of Ministry/Division shall continue to be the Principal Accounting Officer of his Ministry/Division, its attached Departments and subordinate offices in respect of receipts as well as expenditure incurred from the budget grants controlled by his Ministry/Division.

He shall be responsible for ensuring that -

- (a) funds allocated to his Ministry/Division, its attached Departments or subordinate offices are spent for the purpose for which they are allocated ;

(b) the funds are spent strictly in accordance with the rules and regulations, and the expenditure is not, *prima-facie*, more than the occasion demands and that every Government servant exercises the same vigilance in respect of expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of expenditure of his own money ;

(c) actual expenditure does not exceed the sanctioned budget allocation made for the respective items/operating units, etc. ;

(d) no expenditure is incurred in anticipation of authorisation of an annual Budget/Supplementary grants, without the prior concurrence of the Finance Division ;

(e) all payments and receipts are correctly classified under appropriate codes of the Classification Chart and the departmental accounts are reconciled every month with the figures communicated by the CGA and the Chief Accounts Officer.

(f) audit objections are promptly settled.

(2) The powers and responsibilities of the Principal Accounting Officer of a Ministry/Division in respect of the autonomous bodies/corporations/organisations under his Ministry/Division shall be prescribed by the special/general orders of the Finance Division.

97. The authority administering a grant is responsible for watching the progress of expenditure on public services under its control and for keeping the expenditure within the grant. In order that the control of departments over such expenditure may be effective and real and that the controlling officer should be in a position from month to month to estimate the likelihood of savings in and excesses over grants and appropriations, the procedure laid down in the following rules should be observed by all departments and controlling and disbursing officers subordinate to them except where the Finance Division has agreed in writing to some other procedure.

98. (1) The head of each department will be responsible for controlling expenditure from the grant or grants at his disposal, and will exercise his control through the controlling officers, if any, and the disbursing officers subordinate to him.

(2) Control over expenditure must be exercised with reference to the grant as it stands from time to time. It is the duty of the head of the department to distribute the grant as voted by the Parliament or, in the case of non-voted (charged) appropriation, as sanctioned by the Government among the various controlling and disbursing officers subordinate to him, so far as this has not been done by the Finance Division. In so doing he must take into account lump sum cuts made by the sanctioning authority. He must similarly distribute any increases or reductions subsequently made in the grant or in any part of it by the competent authority, whether the alteration is due to a supplementary grant, to a lump reduction or to a re-appropriation. When making his distributions, he must invariably communicate to the officer concerned the complete accounts classification of each item distributed. Such distribution is however, not essential in the case of provision for pay of officers and of establishments. In making a distribution, it is always open to the head of a department to keep a portion of the grant as an undistributed reserve in his own hands.

(3) The following procedure must be followed by every disbursing officer in submitting claims for money :-

(i) He must attach to each bill a slip in Form G. F. R.6, which will be returned by the Accounts Officer, with the cash or cheque, after noting thereon the voucher number and the date assigned to the bill.

(ii) He must enter on each bill the complete classification code of the proposed expenditure. When a single bill includes charges falling under two or more economic classification codes the charges must be distributed accurately over the respective economic classification codes.

(iii) Except in the case of bills for the pay of officers or of establishments and for allowances drawn with pay, he must enter on each bill and on each slip in form G.F.R.6, the progressive total of expenditure up- to- date under the classification code to which the bill relates, including the amount of the bill on which the entry is made.

(4) In order to enable all concerned to watch expenditure against those portions of grants which are particularly liable to fluctuation, the following procedure must be followed in respect of all bills other than those for pay of officers or of establishments and for allowances drawn with pay :-

- (i) Every disbursing officer and, in respect of his own expenditure from portions of the grant retained in his own hands, every controlling officer and head of department must maintain a separate register in Form G. F. R. 7 for such operating unit with which he is concerned. In this must be entered the necessary particulars of the charges drawn on each bill under the appropriate classification code.
- (ii) On the third day of each month, a copy of the entries in this register, so far as these recorded sums actually drawn from the Bank during the proceeding month, must be sent in full detail by the officer maintaining it to the head of the department or other controlling Officer. As certain of the entries in each month will represent bills which were not actually cashed before the end of that month, the copy sent will include a few entries of a previous month and exclude a few made in the month for which the return is submitted. With the copy must be forwarded all the slips in Form G. F. R. 6 which relate to the bills entered in it. If there be no entries in the register in any month, a "nil" statement must invariably be sent.
- (iii) In order to watch the receipt of the returns prescribed in the foregoing sub- clause, the controlling officer must maintain a broad sheet in Form G. F. R. 8, in which a serial number will be allotted to each individual disbursing officer. This broad sheet must be carefully watched and reminders sent if any returns are not received by the 7th of the month, since the accuracy of the controlling officer's accounts will depend upon the receipt of complete returns. The serial number allotted to each disbursing officer must be communicated to the Accounts Officer.
- (iv) On receipt of the returns from disbursing officers, the controlling officer must carefully examine them and must satisfy himself -
 - (1) that progressive expenditure has been properly noted on the slips and the available balances worked out ;
 - (2) that the accounts classification has been properly given;
 - (3) that expenditure up to date is within the grant;
 - (4) that the returns have been signed by the disbursing officers; and
 - (5) that all relevant slips in Form G.F.R.6 have been attached. If he finds any defects in them, he must take immediate steps to rectify them.
- (v) When all disbursing officers' returns for a particular month have been received and found to be in order the controlling officer must prepare a statement in Form G.F.R.9, in which he will incorporate-
 - (1) the totals of the figures supplied by disbursing officers;
 - (2) the totals taken from his own registers in Form G.F.R.7; and
 - (3) the totals of adjustments under the various economic classification codes which will be communicated to him by the Accounts Officer on account of transfer entries and expenditure debited to the grant through accounts current.

If the controlling officer be not the head of the department, he must forward to the latter authority a copy of this statement supporting it by the slips in Form G.F.R.6, and the copies of Form G.F.R.7, submitted by disbursing officers and by a copy of the month's entries in the register in Form G.F.R.6.

If any adjustment communicated by the Accounts Officer affects the appropriation at the disposal of a subordinate disbursing officer, the fact that it has been made must be communicated by the controlling officer to the disbursing officer concerned.

- (vi) On the receipt of all the necessary returns, the head of the department must prepare an account in Form G.F.R.10, showing the complete expenditure from the grant at his disposal up to the end of the preceding month. The figures of expenditure upon pay of officers and establishments and upon allowances drawn with pay will be communicated to him by the Chief Accounts Officer as prescribed in sub-paragraph (5) below.
- (vii) In August of each year, the Head of the Department must forward to the Accounts officer a copy of his account for July in Form G.F.R.10. Subsequent to this, it will suffice to send an abstract of the expenditure upto date under the various classification codes of disbursements in three columns, showing –
 - (1) expenditure up to the end of the preceding month;
 - (2) expenditure during the month just concluded; and
 - (3) total expenditure up-to-date, being the total of (1) and (2).

The subsidiary records in Forms G.F.R.7 and 9 will be retained by the head of the department in his own office, unless in any case the Chief Accounts Officer requires that the whole or any part of them should be sent to him with the statement.

- (viii) The head of the department and the Accounts Officer will be jointly responsible for the reconciliation of the figures given in the accounts maintained by the head of the department with those that appear in the Accounts Officer's books. Unless in any case there are special rules or orders to the contrary, the reconciliation should be made monthly, the initial responsibility resting with the Accounts Officer. The reconciliation need not be very close; its extent should be determined by the following considerations:-
 - (1) that the account figures finally published will be those maintained by Accounts officer, and
 - (2) that the main object of the reconciliation is to ensure that the departmental accounts are sufficiently accurate to render possible an efficient departmental control of expenditure.

(5) Expenditure on the pay of officers and establishments is not, as a rule, liable to violent fluctuations. Moreover, the provision for such expenditure is frequently not distributed among disbursing officers. It is therefore unnecessary to watch such expenditure through the forms and registers prescribed in sub-paragraph (4) above. The figures of such expenditure will be communicated monthly by the Chief Accounts Officer to the head of the department, who must enter them in his account Form G.F.R.10 and watch the progress of expenditure against the grant.

(6) The head of the department and his controlling officers must further take steps to maintain a careful watch over expenditure incurred from time to time on important non-recurring objects, such as grants and contributions, purchase of rations and purchase of uniforms. It is necessary to deal with such items separately from the accounts of ordinary monthly expenditure since they occur once or twice only in the course of a year. The head of the department or controlling officer must decide for himself what method of watching such expenditure he will adopt. In some cases he may prefer to keep the entire grant under his own control and to order disbursing officers who wish to spend money against it to apply to him for a special allotment. In other cases, he may prefer to distribute the

grant and to order his disbursing officers to report expenditure against it as soon as they incur such expenditure, separately from their ordinary monthly accounts. Whatever method he adopts, it is essential that he should keep himself informed, not only of actual expenditure against such grants, but also of liabilities which have been incurred and must ultimately be met from them. Without such information, no adequate control over expenditure can be exercised.

(7) Under the procedure prescribed in these rules, a head of the department or controlling officer should be in a position from month to month to estimate the likelihood of savings or excesses and to regularise them in accordance with the instructions laid down in paragraph 101 et seq.

Note 1: Special rules for the control of expenditure under Public Works are laid down in Appendix 6 to the Public Works Account Code.

Note 2: Special rules for the control of expenditure in other departments to which the procedural rules in subparagraphs (3) to (5) do not apply, will be contained in the departmental Regulations and Manuals.

99. The Chief Accounts Officer will warn the department concerned immediately of the first appearance of any excessive proportionate outlay under any grant or under any operating unit. It must be clearly understood, however, that the authority administering a grant and not the Accounts Officer is ultimately responsible for the control of expenditure against the grant.

VI- PROVISION OF FUNDS FOR WORKS EXECUTED THROUGH A DIFFERENT AUTHORITY

100. In order to ensure that a department undertaking a work on behalf of another does not exceed the sanctioned estimates without the authority of the employing department, the department responsible for providing the funds should intimate to the department undertaking the work the sanctioned grant within which the expenditure is to be incurred. The department incurring the expenditure shall be responsible not only for seeing that the allotment placed at its disposal is not exceeded but also that any anticipated savings are notified and surrendered in time. In cases where an excess is anticipated, the department incurring the expenditure shall be responsible for obtaining the additional allotment in proper time through the employing department.

VII- SURRENDER OF ANTICIPATED SAVINGS

101. A department or disbursing officer may find in the course of the year that the expenditure under some items or operating units is likely to be less than the provision in the Budget. The saving may be due to one or more of the following causes:-

- (i) actual postponement of expenditure;
- (ii) real savings due to economy; and
- (iii) normal savings due either -
 - (1) to original over- estimating ; or
 - (2) to the usual administrative causes, e .g., casualties, etc.

Savings due to cause (i) should in no circumstances be used for reappropriation to meet new items of expenditure without the sanction of Government. Unless savings due to cause (ii) have been made deliberately to provide for an unforeseen emergency, they should not ordinarily be utilised in the course of the year for new items of expenditure, as it is desirable that all such new items should be considered together at the time of the preparation of the Budget.

102. All anticipated savings should be surrendered to Government immediately they are foreseen without waiting till the end of the year, unless they are required to meet excesses under some other unit or units (see paragraph 105) which are definitely foreseen at the time. No savings should be held in reserve for possible future excesses .

103. It is contrary to the interest of the State that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. In the public interest, grants that cannot be profitably utilised should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items of expenditure which might wait till next year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity.

VIII - EXPENDITURE NOT PROVIDED FOR RE- APPROPRIATIONS AND SUPPLEMENTARY GRANTS.

GENERAL RULES FOR SUPPLEMENTARY GRANTS

104. Expenditure for which no provision has been made in the original budget estimate of the current financial year should rarely, if ever, be incurred.

105. (1) It may, however, be found that an excess is likely owing to either (a) an unforeseen emergency or, (b) underestimating or insufficient allowance for factors leading to the growth of expenditure. In the case of an excess of either type, the head of the department or controlling officer concerned should proceed as follows :-

(i) He should in the first place examine the allotments given to other disbursing officers under the same classification code inside the unit of appropriation, and transfer to the disbursing officer who requires an additional allotment such sums as can be permanently or temporarily spared. Since appropriation audit will ordinarily be conducted against total allotments for a unit there is no question of re-appropriation in the technical sense of the word. The process amounts to nothing more than redistribution, which the controlling officer can ordinarily effect without reference to any other authority.

(ii) Should he find such redistribution impossible, he should examine the allotments against other classification codes inside the primary units of appropriation, with the object of discovering probable savings and effecting a transfer. Where such redistribution is feasible, he should, if he has been invested with the necessary powers, carry it out. Otherwise, he should obtain the sanction of the competent authority.

(iii) If provision of funds from within the primary unit proves to be impossible, an examination of the whole grant should be undertaken to see whether there are likely to be savings under any of the other units of appropriation due to cause (iii) described in paragraph 101, which can be utilised to meet it. If so, he should proceed as indicated in clause (ii) above.

(iv) If such savings are not available, it should be seen whether special economies can be effected under other items of expenditure. If funds cannot be provided by either of these methods, it will have to be considered whether the excess should be met by postponement of expenditure or whether an application for a supplementary grant should be made. In either case, application will have to be made to the Finance Division through the Administrative Department concerned and the course recommended by the latter stated. Normally, an application for a supplementary grant will not be entertained by Government unless the anticipated excess is due to a cause beyond the control of the authority concerned and funds cannot be found by any legitimate postponement of expenditure for which provision already exists. All application for supplementary grants should be accompanied by a full explanation of the reason for the excess and of the impossibility of providing funds to meet it.

(2) All applications for supplementary grants under paragraph (1) should normally be submitted to Government so as to reach the Finance Division as far as possible, by the middle of December at the latest or by such other date as may be prescribed by the Finance Division from time

to time. Administrative Departments should not, however, hold up the applications till that date, but forward each application to the Finance Division as soon as they become convinced that a supplementary grant will be necessary.

(3) On receipt of an application for a supplementary grant, the Finance Division will review the position of the grant as a whole with reference to the known actuals of the year to date and actuals and estimates for previous years. If after this examination the Finance Division comes to the conclusion that it should be possible for the Administrative Department to meet the expenditure within the sanctioned grant, either from normal savings or by special economies or in the last resort by judicious postponements of other expenditure, the Administrative Department will be so informed and no supplementary demand will be presented to the Parliament. If, on the other hand, the Finance Division considers that a supplementary grant will be necessary a demand will be placed before the Parliament as soon as possible.

(4) The supplementary grants and appropriations referred to in the preceding paragraphs are such as are required by extra expenditure on the normal activities of the department. Expenditure on a new service, in the technical sense, and on new items, such as, new buildings, new roads, etc, for which no provision exists in the budget, may be incurred in the middle of the year only in exceptional cases. Government is averse, on general principle, to admitting such demands in the course of year. In case, however, the necessity to incur such expenditure is urgent, the Administrative Department should explain clearly why it was not provided for in the original Budget and it cannot be postponed for consideration in connection with the next Budget. The Finance Division, if satisfied on these points, will consider whether it would not be reasonable to ask the department concerned to curtail its other expenditure so as to keep the total within the grant. Ordinarily, no new service or item will be accepted by the Finance Division unless the department concerned can guarantee that the extra expenditure will be met from normal savings or by special economies within the grant. Cases which involve a supplementary grant will normally be accepted by the Finance Division only if they relate to matters of real imperative necessity, or to the earning or safe-guarding of revenue. In such cases the demand for a supplementary grant, or for a token grant in respect of a 'new service' if the expenditure can be met by re-appropriation, will be presented to the Parliament as soon as practicable after the need arises.

REAPPROPRIATION OF FUNDS

106. Reappropriation, which implies the transfer of funds from one primary unit of appropriation to another such unit within a grant, can be sanctioned under formal orders of a competent authority, only when it is known or anticipated that the appropriation for the unit from which funds are to be diverted will not be utilised in full, or that savings can be effected in the appropriation for that unit in the manner indicated in paragraph 101. In no case it is permissible to reappropriate from a unit with the intention of restoring the diverted appropriations to that unit when savings become available under other units later in the year. Any allotment or reappropriation within a grant or appropriation may be authorised at any time before but not after the expiry of the financial year to which such grant or appropriation relates.

107. The different kinds of re-appropriations that may arise and the authorities competent to sanction the re-appropriations are detailed below :-

(1) From a voted item to another voted item within a grant—

(a) The Finance Division can sanction reappropriation from one voted item to another voted item within a grant;

b) Ministers can sanction reappropriation between operating units which does not involve undertaking a recurring liability.

(2) From a voted item to another voted item involving re-appropriation from one grant to another:- Supplementary grants should be voted by the Parliament in such cases, as no authority subordinate to it has power to reappropriate.

(3) From one charged item to another charged item:- Ministers may sanction reappropriation from one operating unit to another. The Finance Division should sanction any other formal reappropriation that may be necessary from one charged item to another.

(4) From a charged item to a voted item:- No reappropriation is admissible as the voted grant cannot be increased except by the Parliament.

(5) No re-appropriation from a voted to a charged item is admissible, but the Finance Division can sanction supplementary funds for any charged service against earmarked savings under specified voted grants, provided that executive orders are issued to the authority controlling the specified voted grant to restrict the expenditure within the reduced figure.

Note: The powers of reappropriation conferred upon subordinate authorities are also subject to the condition specified therein and such other general or specific restriction as may be imposed by Government in this behalf.

108. An application for additional appropriation of funds should ordinarily be supported by a statement in Form G.F.R.11 (or other special form as may be authorised by departmental regulations) showing how the excess is proposed to be met. In all orders sanctioning re-appropriation, the reasons for savings and excess and the primary units (and secondary units, where necessary) affected should be invariably stated. The authority sanctioning the appropriation should endorse a copy of the order to the Chief Accounts Officer concerned.

INEVITABLE PAYMENTS

109. It is an important financial principle that money indisputably payable should not, as far as possible, be left unpaid, and that money paid should under no circumstances be kept out of accounts a day longer than is absolutely necessary even though the payment is not covered by proper sanction. It is no economy to postpone inevitable payments even for the purpose of avoiding an excess over a grant or appropriation and it is very important to ascertain, liquidate and record the payment of all actual obligations at the earliest possible date. It must be borne in mind that if an inevitable payment is required to be made in the absence of funds, the error lies not so much in the payment as in the entering into of the relevant liability.

Note. When demands (original or supplementary) are placed before the Parliament, suitable provision should always be made for anticipated liabilities; and the provision in the Note below paragraph 299(2) that adjustment should not be made in the previous year's accounts in certain circumstances should not be used as a cloak to cancel the results of defective budgeting. The onus of providing that the disbursement could not have reasonably been anticipated should lie on the controlling officer.

110. A disbursing officer may not on his own authority authorise any payment in excess of the funds placed at his disposal; but absence of funds should not necessarily prevent the payment of any sums really due by Government. If the disbursing officer is called upon to honour a claim which is certain to produce an excess over the allotment or appropriation at his disposal, he should take the orders of the administrative authority to which he is subordinate before authorising payment of the claim in question.

IX- RELEASE AND USE OF FUNDS FOR DEVELOPMENT PROJECTS

INTRODUCTORY

111. External assistance is presently required in Bangladesh to meet both balance of payments and investment gap. Generally four kinds of assistance are obtained from external sources. There is food aid to meet the gap between consumption and stock requirement on the one hand and domestic production on the other. Commodity aid seeks to meet the import needs for various inputs, raw materials and spares which cannot be financed with own resources. Project aid which is tied to projects essentially provide capital assistance and often finance a part of local currency expenditure on projects. The last kind of external assistance is technical assistance which provides, inter alia, services of experts & equipment that improve skills and provide for training. The need for and likely availability of all these kinds of external assistance are carefully considered by the Government through interministerial consultations before finalising the Annual Development Programme. The Government prescribes from time to time guidelines for processing, approval, implementation and monitoring of projects involving external assistance.

112. The local currency requirement of development projects is met by domestic resources allocated in the development budget, counterpart funds generated by food and commodity assistance and local currency support provided by Development Partners.

PROCEDURE FOR RELEASE OF LOCAL CURRENCY FOR DEVELOPMENT PROJECTS

113. Procedure for release of local currency funds provided for in the ADP for project implementation depends on the approval status of the project. All ADP provisions must first be rendered into budget grant which is now done before the budget is presented to Parliament. Releases of funds are made on quarterly basis according to procedures prescribed by the Finance Division from time to time. The Finance Division also lays down procedures for release and payment of Customs Duties and Value Added Tax relating to development projects. Finance Division's OM No. MF/FD/DEV-1/MISC-46/95/401 (3000) dated 28 December 1995 contains detailed procedures subject to modifications made from time to time.

UTILIZATION OF REIMBURSABLE PROJECT AID

114. (1) Project aid usually covers payment of goods and services in foreign exchange. Different Development Partners follow various procedures for disbursement of project aid required for payment of goods and services in foreign exchange. They also follow different procedures for reimbursable project aid covering both foreign exchange and local currency. Once local currency financing is negotiated for a project it has to be ensured that such a project follows the stipulated implementation schedule very closely. Local currency reimbursements must be claimed promptly and systematically. In few cases advances are provided for local currency expenditure by Development Partners. In such cases, it is important to submit accounts of expenditure promptly.

(2) In respect of projects financed by the International Development Association (IDA), Government of Bangladesh and the World Bank have agreed to set up Convertible Taka Special Account (CONTASA) for development projects under the Government Departments/Autonomous/Semi-Autonomous bodies. All project expenditure eligible for IDA financing in local currency and any expenditure in foreign exchange up to US\$ 50000 equivalent or less can be met from CONTASA. All expenditure/payment under CONTASA shall be incurred/made as per approved Project Proforma (PP) and terms and conditions of Development Credit Agreement and Project Agreement. Special Account in Foreign Exchange (SAFE), the forerunner of CONTASA, which have been in operation for IDA financed projects since 1985 shall not however come under the preview of CONTASA until a review has been completed jointly by the Government and IDA. Detailed procedures for operation of CONTASA and SAFE are contained in Finance Division's O.M. MF/FD/DRS/3/91/444(20) dated May 4, 1992 and No. MFD-1/BT-1/IA-26/84-85/376/1(100) dated 29 May, 1985, respectively.

(3) For projects financed by the Asian Development Bank (ADB), the Government and the ADB have agreed to institute an Imprest Account Facility similar to the World Bank's SAFE for reimbursable project aid. Such Imprest Facility covers all loan categories (except for unallocated and service charge during construction), both foreign and local expenditure. Ceiling of Imprest fund, whenever possible, is stated in the Loan Agreement or in the Minute of Loan Negotiations. Otherwise, the amount of the initial advance (3 to 6 month's requirement) establishes a ceiling. Executing agencies can make (i) all local payments from the Second Stage Imprest Account and (ii) foreign exchange (limit US \$ 50,000 equivalent per payment) from Imprest Fund held at Bangladesh Bank. Operational procedure prescribed for this facility are elaborated in Finance Division's O.M. No. MF/FD/DRS/25/92(p-I)/141/(200) dated 25 April, 1993.

(4) With regard to IDA technical assistance project, Government and IDA have recently agreed to set up a Dollar Special Account (DOSA) in the Bangladesh Bank the operational procedure of which has been detailed in Finance Division's O.M. No.MF/FD/DEV.RESEARCH SECTION/10/92/84 (100) dated 5 June, 1993.

(5) The procedure for release and use of funds for development projects laid down in these rules will be applicable subject to revisions that may be made by the Government from time to time.

X- APPROPRIATION ACCOUNTS

115. The Appropriation Accounts mainly depend on explanation furnished by heads of departments etc., to the Chief Accounts Officer as to the cause of variations between the appropriations and the expenditure. It is most important, therefore, that all references from the chief Accounts Officer in connection with the Appropriation Accounts should be dealt with as promptly as possible. The explanation furnished of variations between appropriation and expenditure or of any apparent failures to exercise adequate financial control over expenditure should be concise, accurate and fully informative, and such vaguely worded phrases as "due to over estimating", "covered by reappropriation" or "reappropriations proved unnecessary or inadequate" should be avoided. The questions in which the Public Accounts Committee are ordinarily interested are (1) whether the variation was inevitable, and (2) whether it could not have been foreseen. If the explanations indicate, with sufficient clearness, the answers to both of these questions the number of points on which additional information may be required would be very materially reduced. The same principle applies also to cases of financial irregularities proposed for inclusion in the Appropriation Accounts or the Report thereon.

CHAPTER 6

ESTABLISHMENT

I - ALTERATIONS OF ESTABLISHMENT

116. The powers of sanction of various subordinate authorities in the Civil Departments in the matter of creation of permanent or temporary posts are specified in the Delegation of Financial Powers. The powers of subordinate authorities in the Railway Department are laid down in the Financial Codes and Regulations of that Department.

All proposals for additions to establishment, whether permanent or temporary, or for any increase in the emoluments of existing posts, should be scrutinised with the greatest care by heads of departments and other authorities concerned. In submitting such proposals, the instructions contained in the following paragraphs should be carefully observed.

117. When the entertainment of a new establishment or a change, temporary or permanent, is proposed in an office, a letter fully explaining the proposal and the conditions which have given rise to them, together with the proposition statement, if necessary under Para. 119, should be submitted to the competent authority. In this letter should be set out *inter alia* :-

- (i) the present cost, either of the section or sections affected, or of the total establishment as the circumstances of the case may indicate to be necessary;
- (ii) details of the pay of the post or posts and the number of posts which it is proposed to add or modify; and
- (iii) as accurate an estimate as possible of the extra cost involved.

Note 1: In determining the extra cost, allowance, whether fixed or variable, should be included.

Note 2: The authorities submitting the proposals should take into account any claims to pensions that may arise in consequence of their proposals with reference to Article 429 of the Civil Service Regulations and certify to their having done so in their proposals.

118. If the expenditure is proposed to be incurred in the current year, the proposals should show clearly whether it can be met within the grant or appropriation of the year. If the expenditure can be met by reappropriation, a reappropriation statement prescribed in Para 108 should be submitted with the proposals.

119. Whenever any large scale or complicated proposals are made for the revision of existing or the creation of new establishments (including all proposals which require the sanction of Government), the letter explaining the proposal should be accompanied by a proposition statement in Form G.F.R.12 and submitted through the Accounts Officer who will verify the correctness of the statement.

120. The details to be shown in proposition statements should be determined by the following principles:-

- (i) The proposition statement should relate strictly to the section or part of the office affected by the proposals. As regards the other parts or sections of the office neither details nor figures of total cost need be included.

- (ii) Where a section consists of both class IV and superior Government servants, details need be given only of class affected, if a saving of labour will result from the adoption of this procedure.
- (iii) Where the pay of any post, existing or proposed, rises from a minimum to a maximum by periodical increments, the average monthly cost, and not the actual or the commencing cost, must be given.
- (iv) The fixed allowance referred to in Note 1 below Para. 117 should be entered in the proposition statement but the variable allowances need not be included therein.

II - VARIATION IN SANCTIONED PAY OF A POST

121. The head of an office is not at liberty to re-adjust the pay of Government servants by giving one Government servant more and another less than the sanctioned pay of his post; nor may he distribute the pay of an absentee otherwise than as provided in the rules governing the service to which the Government servant belongs.

III – TRANSFER OF OFFICE

122. Every transfer of charge of a Gazetted officer should be reported to the Accounts Officer. The report should be made in Form TR. I unless any other form has been duly authorised, and should simultaneously be sent to the head of the department or other controlling authority concerned.

123. In cases in which the transfer of charge involves assumption of responsibility for cash, stores, etc., the following instructions should be observed:-

- (i) The cash book or imprest account should be closed on the date of transfer and a note recorded in it over the signature of both the relieved and the relieving officers, showing the cash and imprest balances, and the number of unused cheques, if any, made over and received by them respectively.
- (ii) The relieving officer in reporting that the transfer has been completed should bring to notice anything irregular or objectionable in the conduct of business that may have come officially to his notice. He should examine the accounts, count the cash, inspect the stores, count, weigh and measure certain selected articles in order to test the accuracy of the returns. He should also describe the state of the account records.
- (iii) In the case of any sudden casualty occurring or any emergent necessity arising for an officer to quit his charge, the next senior officer of the department present will take charge. When the person who takes charge is not a Gazetted officer, he must at once report the circumstances to his nearest departmental supervisor, and obtain orders as to the cash in hand, if any.

Note: The special procedure to be followed when there is a change in the incumbency of independent charge of the treasury is laid down in SR. 6(e) of the Treasury Rules.

IV - DATE OF BIRTH

124. Every person newly appointed to a service or a post under Government should at the time of the appointment declare the date of his birth by the Christian era with as far as possible confirmatory documentary evidence, such as, Matriculation Certificate, Secondary School Certificate, Municipal Birth Certificate and so on. If the exact date is not known, an approximate date may be given. The actual date or the assumed date determined under Para 125 should be recorded in the history of

service, service book, or any other record that may be kept in respect of the Government servant's service under Government and once recorded, it cannot be altered, except in the case of a clerical error, without the previous orders of the competent authority.

125. (1) If a Government servant is unable to state his exact date of birth but can state the year, or year and month of birth, the 1st July or the 16th of the month, respectively, may be treated as the date of his birth.

(2) If he is only able to state his approximate age, his date of birth may be assumed to be the corresponding date after deducting the number of years representing his age from his date of appointment.

(3) When a person who first entered military employ is subsequently employed in a Civil department, the date of birth for the purpose of the civil employment should be the date stated by him at the time of attestation, or if at the time of attestation he stated only his age, the date of birth should be deduced with reference to that age according to the method indicated in sub-para. (2) above.

Note: Cases in which the date of birth has been deduced from the age at appointment or attestation by any other method, need not be reopened.

V - LEAVE APPLICATIONS

126. Subject to any special rules or orders issued by the competent authority, all applications for leave should be submitted to the sanctioning authority concerned on Form G.F.R.13.

VI - ANNUAL RETURNS OF NON- GAZETTED ESTABLISHMENTS

127. Early in July each year, a detailed statement of the permanent establishment existing on the 1st July should be prepared by each head of office and transmitted to the Accounts Officer direct, as soon as possible, not later than the 15th August. The directions given by the Auditor General with regard to the form, preparation and submission of these returns are contained in Appendix 5.

Note: The detailed statement should be prepared in two parts, one for permanent establishment including permanent and officiating incumbents of permanent posts and the other covering all temporary posts in existence on the first of July.

VII - SERVICE BOOKS

128. The detailed rules regarding the maintenance of Service Books are contained in the Supplementary Rules 197 to 203 and in Articles 188 and 189 of the Audit Code.

129. (1) At a fixed time early in the year the service books should be taken up for verification by the head of the office who, after satisfying himself that the services of the Government servant concerned are correctly recorded in each service book, should record in it a certificate in the following form over his signature: " service verified up to (date) from (the record from which the verification is made.)

Note: The verification of service referred to above should be in respect of all service qualifying for pension whether permanent, temporary or officiating.

(2) The head of the office in recording the annual certificate of verification should, in the case of any portion of service that cannot be verified from office records, distinctly state that for the said periods (naming them) a statement in writing by the Government servant, as well as a record of the evidence of his contemporaries, is attached to the book.

When, however, a non-Gazetted Government servant is transferred from one office to another, the head of the office under whom he was originally employed should record in the service book under his signature the result of the verification of service, with reference to pay bills and acquittance rolls, in respect of the whole period during which the Government servant was employed under him, before forwarding the service book to the office where the services are transferred.

(3) When non-Gazetted Government servants are officiating in Gazetted posts, their service books should be kept by the head of the office to which each such Government servant permanently belongs, but when they are confirmed in such posts, their service books should be forwarded to the concerned Account Officer for record.

VIII - SERVICE ROLLS

130. Service rolls for Government servants, when they are maintained under Supplementary Rules 204 and 205, should be taken up every year for verification of service and record of necessary certificate in the manner laid down in Para. 129.

IX - ARREAR CLAIMS

131. Powers of investigation of arrears claims of Government Servants as delegated by the Government are mentioned in the Delegation of Financial Powers issued by the Government from time to time under Para 41, 42 and 43.

Note: For the purpose of this investigation, the date on which the claim is presented at any office of disbursement should be considered to be the date on which it is preferred.

132. Claims against Government, which are barred by time under the provisions contained in Section 3 read with the First Schedule of the Limitation Act of 1908 or under any other provisions of law relating to limitation, should ordinarily be refused and no claim on account of such a time barred item should be paid without the sanction of Government. The onus is upon the claimant to establish a claim to special treatment for a time barred item, and it is the duty of the authority against which such a claim is made to refuse the claim until a case for other treatment is made out. All petty time barred claims are to be rejected forthwith and only important claims of this nature considered.

It is the duty of the authority against which a claim is made to consider in the first instance the question of a time-bar before submitting it to the relevant authority for the issue of authority for payment. The Accounts Officer will refuse payment of all claims found to be time barred until the sanction of Government has been obtained.

133. All petty claims of a Government servant more than three years old, other than those that affect his pension, and all such claims for whose delayed submission an adequate explanation is not forthcoming, should be rejected forthwith. In considering old claims recommended for sanction, the authority concerned will also take into account the fact that it is normally not possible owing to the limited period of preservation of records to audit claims more than six years old.

134. The authority competent to authorise the investigation of a belated claim should be told why the claim was not submitted when it became due.

In respect of non-Gazetted Government servants whose pay and allowances are drawn on establishment bills by the Heads of Offices, the responsibility for making claims rests on the latter and they should invariably see that all claims are presented within six months of their falling due.

The time limits prescribed in these instructions should be calculated from the date on which the charge becomes payable. In the case of sanction accorded with retrospective effect, the charge does not become payable before it is sanctioned; the time limits, should, therefore, be calculated from the date of sanction and not from the date from which the sanction takes effect.

CHAPTER 7

EXPENDITURE ON SUPPLIES & SERVICES AND REPAIRS & MAINTENANCE

I- INTRODUCTORY

135. The rules in this Chapter are supplementary to the general rules of procedure prescribed in Section V of Chapter IV of the Treasury Rules and have to be applied, where necessary, in conjunction with them.

Special rules applicable to particular departments are contained in the Manuals, Codes, etc., of the departments concerned.

136. The different classes into which expenditure on supplies & services and repairs & maintenance incurred on the public service are divided, and the conditions governing them, are laid down in Section V of Chapter IV of the Treasury Rules. The classification to be adopted in each department or office is regulated by general or special orders of Government.

Note- Expenditure on supplies & services and repairs & maintenance are to be recorded and treated in the accounts as expenditure of the month in which they are actually disbursed.

137. The financial powers to sanction expenditure, in respect of supplies & services and repairs & maintenance of offices are regulated by orders issued by the Finance Division regarding Delegation of Financial Powers from time to time.

II-POWERS OF SUBORDINATE AUTHORITIES TO SANCTION EXPENDITURE ON SUPPLIES & SERVICES AND REPAIRS & MAINTENANCE

138. (1) The financial powers of subordinate authorities to sanction expenditure on supplies & services and repairs & maintenance are regulated generally by such general or special orders as may be issued by Government in this behalf under paragraphs 41, 42 and 43 of these rules.

Subject as aforesaid, the head of an office may incur or sanction expenditure on supplies & services and repairs & maintenance within the amount of appropriation placed at his disposal for the purpose, provided that:

- (i) In cases where any special rule, restriction, limit or scale has been prescribed by competent authority regarding any particular item or class of expenditure on supplies & services and repairs & maintenance, it should be strictly observed;
- (ii) Expenditure on supplies & services and repairs & maintenance of an unusual character or involving departure from any general or special rule or order made by Government should not be incurred, nor should any liability be undertaken in connection therewith, without the previous sanction of Government.

(2) In respect of expenditure on contract on account of supplies & services and repairs & maintenance for which a lump sum is placed annually at the disposal of a disbursing officer, no formal sanction will be required for expenditure incurred within the annual allotment, except in so far as the authority fixing the contract allotment issues directions to the contrary.

(3) The head of an office may authorise any Gazetted officer serving under him to incur expenditure under sub-para (i) above, subject to the conditions specified in SR. 66 of the Treasury Rules.

139. In the case of non- recurring expenditure on supplies & services and repairs & maintenance , the competent authority may, where this course is more convenient, accord sanction by signing or countersigning the bill or voucher, whether before or after the money is drawn, instead of by a separate sanction.

III- PERMANENT ADVANCES

140. Permanent advances may be granted to officers who may have to make payments before they can place themselves in funds by drawing bills on the Accounts Offices. They are subject to the following rules:-

- (i) The amount of the advance will be fixed by Government, except in cases falling under clause (ii).
- (ii) Heads of departments may, unless Government or the competent authority otherwise directs, sanction the grant of permanent advances for offices subordinate to them, up to the amount advised as appropriate by the Chief Accounts Officer concerned. Permanent advances for offices of heads of departments must, however, be sanctioned by the next superior administrative authority.
- (iii) Applications for the grant or revision of a permanent advance must be submitted to the sanctioning authority through the Chief Accounts Officer concerned who will advise as to the appropriate amount of the advance. In cases falling under clause (ii) above, if there is any difference of opinion between the Chief Accounts Officer and the sanctioning authority on this point, the matter should be referred for the orders of Government.

Note: The applications for permanent advances should be accompanied by a statement showing expenditure on supplies & services and repairs & maintenance month by month for the preceding twelve months.

- (iv) As these advances involve the permanent retention of money outside the Government accounts, they must not be larger than what is absolutely essential.
- (v) These advances should not be multiplied unnecessarily. An officer's advance should meet the needs of every branch of his office. If he has subordinates who require petty sums, he should spare a small portion of his own advance for their use rather than apply for separate advances for them, taking acknowledgements from them in the same way as he himself furnishes acknowledgements to the Accounts Officer, and retaining them in his office.
- (vi) The advance is intended to provide, on the responsibility of the officer entrusted with it, for emergent petty advances of all kinds, though it is seldom that they will be needed for other than petty charges on supplies & services and repairs & maintenance ; thus, if a class IV servant is required to travel by rail, his fare must sometimes necessarily be advanced from his amount.
- (vii) The holder of a permanent advance is responsible for the safe custody of the money placed in his hands and he must at all times be ready to account for the total amount of the money.
- (viii) In the case of transfer of charges and yearly on the 15th July, each officer holding a permanent advance must send an acknowledgement to the Accounts Officer of the amount due from and accountable for by himself as on the 30th June preceding.

Note 1: The cost of service books required for office establishment should be met, in the first instance, from the permanent advance of the office concerned; the permanent advance being subsequently recouped from the amount realised by the sale of the books to Government servants.

Note 2: Advances may be made of the actual railway fare or/ and road mileage to all non- gazetted police officers, but such advances and their repayment need not appear in Government accounts. Travel expense bills may be made out for the full claims admissible as soon as the journeys are completed and any advances made out of the permanent advance may be recovered out of the amounts drawn from the Bank on such travel expense bills.

IV- CONTROL OF EXPENDITURE

141. For purposes of control and audit, Government will issue orders specifying the nature or object of expenditure on supplies & services and repairs & maintenance of particular disbursing officers which should be classed as countersigned expenditure on supplies & services and repairs & maintenance to be drawn and accounted for in accordance with the procedure prescribed in Section V of Chapter IV of the Treasury Rules.

Expenditure incurred by a disbursing officer on objects classed as countersigned expenditure on supplies & services and repairs & maintenance must come under the direct supervision and scrutiny of the head of the department or the controlling officer who will sign the detailed bills relating to them. Monthly detailed bills in respect of countersigned expenditure on supplies & services and repairs & maintenance incurred by each officer should be submitted to the Controlling authority concerned for detailed scrutiny and transmission after countersignature to the Accounts Officer. Full details of such expenditure need not be entered in the abstract of bills presented for payment. A competent authority may in respect of specified items of countersigned expenditure on supplies & services and repairs & maintenance require the detailed bills to be sent to the controlling authority for scrutiny and countersignature before it is presented for payment.

Note: The provisions of this para, do not apply to expenditure on supplies & services and repairs & maintenance of heads of departments and other controlling authorities, which will be drawn and accounted for in accordance with the procedure laid down in the following para.

142. No detailed bills need be submitted to a higher authority for expenditure on supplies & services and repairs & maintenance which are not classed as countersigned expenditure on supplies & services and repairs & maintenance, each bill presented at an Accounts Office should, therefore, contain full details of the expenditure, supported by necessary sub- vouchers for individual payments included in the bill.

143. The duties and responsibilities of disbursing and controlling officers with regard to expenditure on supplies & services and repairs & maintenance incurred on the public service are defined in SR. 172 and 173 of the Treasury Rules. The head of each department should issue such subsidiary instructions as may be necessary for the guidance of controlling and disbursing officers subordinate to him.

144. Chapter 5 of these rules contains detailed instructions as to the general procedure for the control of expenditure against appropriation. The following special instructions are laid down for the control of expenditure on supplies & services and repairs & maintenance:-

- (i) Where the appropriation for supplies & services and repairs & maintenance covers expenditure on a number of distinct and individually important objects or class of expenditure, such appropriation should be distributed by the controlling authority among the important items comprised in it. If some of the items are not important, those items taken as a whole may be treated as a single important item for this purpose. The expenditure on each important item should be watched and controlled separately against the allotment for it, especially when the charges are of a fluctuating nature. The register for supplies & services and repairs & maintenance prescribed in SR. 176 of the Treasury Rules should be so designed that this can be done conveniently.

- (ii) For non-countersigned expenditure on supplies & services and repairs & maintenance, the controlling authority should obtain the information required by the controlling authority for checking the expenditure against the appropriation. If, in any month, the expenditure exceeds the monthly proportion of the appropriation for the year, the disbursing officer should send a report to the controlling authority along with the detailed bill, furnishing special reasons for incurring the excess expenditure.
- (iii) For non-countersigned expenditure on supplies & services and repairs & maintenance, the controlling authority should get periodical statements from each disbursing officer (monthly or at least quarterly) of the progressive expenditure compared with the allotment under each item for which there is a specific appropriation or allotment. If the expenditure is progressing too rapidly, he should instruct the disbursing officer to curtail it to the necessary extent. He should also, during his local inspections, scrutinise the supplies & services and repairs & maintenance registers of the offices under his control and satisfy himself generally that the charges are necessary and not excessive, the rates correct, the sanction obtained adequate, etc.

V- SPECIAL RULES RELATING TO PARTICULAR KINDS OF EXPENDITURE ON SUPPLIES & SERVICES AND REPAIRS & MAINTENANCE

EXPENDITURE ON CONTRACT ON ACCOUNT OF SUPPLIES & SERVICES AND REPAIRS & MAINTENANCE

145. When under any special order of competent authority a lump sum is placed annually at the disposal of a disbursing officer for expenditure on specified items of supplies & services and repairs & maintenance without further restrictions, the officer incurring expenditure against the lump sum allotment should be held entirely responsible for the regularity of such expenditure, and for any expenditure in excess of such allotment until the excess is sanctioned by competent authority.

EXPENDITURE ON SUPPLIES & SERVICES AND REPAIRS & MAINTENANCE REGULATED BY SCALES

146. Expenditure on supplies & services and repairs & maintenance regulated by scales include such charges as liveries to class IV servants, rewards for destruction of wild animals, *bata* to witnesses and the like. The authority prescribing the scale should lay down the conditions precedent to the application of the scale, making it clear whether the bills must be countersigned before or after payment and what certificate should support the bills. It should be the duty of the controlling officers to see that the expenditure incurred are in accordance with the prescribed scales and the conditions which govern them.

VI- EXPENDITURE FOR OTHER OFFICERS

147. The conditions under which a department of Government may make charges for services rendered or articles supplied by it and the procedure to be observed in dealing with such charges are laid in the Account Code, Volume I. When a Government officer makes purchases or incurs expenditure through an officer in another district and the amount to be paid on account of expenditure on supplies & services and repairs & maintenance incurred in this way is not less than the amount prescribed by the Government, payment may be made by Government drafts, but otherwise every public officer who incurs expenditure in this way must treat it as expenditure of his own office, and not demand re-couplement from the officer at whose request he, as an agent, incurs the expenditure. The charge must, however, be taken as expenditure of the department to which the officer requiring the expenditure is attached and therefore an officer should address his application for any service to the principal officer of his department in the district indented on *e.g.*, a police officer should ask the

Superintendent of Police, and not the Deputy Commissioner, to purchase blankets for him. The Deputy Commissioner in such a case would pass on the indent, or the voucher if he has supplied any articles to the police officer, would deal with the charge if it is less than the prescribed amount as a final one of his own office, applying to the proper authority for an extra appropriation if his own should fall short before the end of the year. The responsibility for obtaining proper sanction should always rest with the originating officer.

Note 1: This rule is not applicable when purchases are effected in the Capital.

Note 2: The rule does not also apply to expenditure chargeable to local funds, which should always be recovered.

CHAPTER 8

STORES

INTRODUCTORY

148. The chapter contains the general rules applicable to all departments, regarding stores required for use in the public service. Detailed rules and instructions relating to the various departments, e.g., the Defence, Railways, Posts and Telegraph, Public Works, Directorate of Supply and Inspection, Survey of Bangladesh, Stationery and Printing, and other departments responsible for or concerned in large purchases, manufactures or consumption of stores, are contained in the departmental regulations relating to the departments concerned.

Note: The term 'stores' used in this chapter applies generally to all articles and materials purchased or otherwise acquired for the use of Government, including not only expendable and issuable articles in use or accumulated for specific purposes, but also articles of dead stock of the nature of plant, machinery, instruments, furniture, equipment, fixtures, etc.

149. Expenditure on stores incurred in the civil departments is included under expenditure on supplies & services and repairs & maintenance (except where it is treated otherwise, e.g., stores relating to development projects and works), and subject to what is provided in the following rules, is governed generally by the rules which apply to such expenditure.

II- PURCHASE AND ACQUISITION OF STORES

AUTHORITIES COMPETENT TO PURCHASE STORES

150. Subject to any special rule or order applying to any particular department, an authority which is competent to incur expenditure on supplies & services and repairs & maintenance may sanction the purchase of stores required for use in the public service in accordance with the provisions contained in the following paras. Such purchases are also subject to the usual restrictions regarding the existence of necessary appropriation and to any monetary limits and other conditions prescribed generally or in regard to specific articles or classes of articles. The powers of subordinate authorities in the matter of purchase of stores both for non- development and development purposes are laid down in the Delegation of Financial Powers issued by the Government from time to time under Para 41, 42 and 43.

Special powers delegated to purchasing officers of the Directorate of Supply and Inspection, Defence, Railways, Post and Telegraph Departments, Public Works Departments, Controller of Printing & Stationery etc. are laid down in the respective departmental regulations.

RULES AND INSTRUCTIONS GOVERNING THE PURCHASE OF STORES

151. Save as provided below, all purchases of stores for use in the public service should be regulated in strict conformity with the detailed rules and instructions contained in the respective departmental regulations.

- (i) Manual of Office Procedure (Purchase), compiled by the Department of Supply and Inspection, Ministry of Commerce in consultation with the Finance Division, should be generally followed *mutatis mutandis* by all public sector purchase organisations.

- (ii) For procurement of goods and works financed under project aid the Guidelines issued by the Economic Relations Division on May 26, 1992 (ERD/Coordination 1/Misc-013) should be followed. Procurement financed under project aid is also governed by the provisions of aid agreements and the procurement procedures of the relevant development partners. In cases of inconsistencies between the provisions of the guidelines and those provided in the aid agreements or by the development partners, the provisions of the latter will prevail unless modified or relaxed.
- (iii) Special Rules relating to the purchase of stationery and printing stores, including office machinery and appliances etc., as contained in Appendix 6 would be followed.
- (iv) The procurement of stores required on mobilisation or during the continuance of military operations will be regulated by special rules and orders issued by Government in this behalf.

152. Purchases must be made in the most economical manner in accordance with the definite requirement of the public service. Stores should not be purchased in small quantities. Periodical indents should be prepared and as many articles as possible obtained by means of such indents. At the same time, care should be taken not to purchase stores much in advance of actual requirements, if such purchase is likely to prove unprofitable to Government.

Where scales of consumption or limits of stores have been laid down by competent authority, the officer ordering a supply should certify on the purchase order that the prescribed scales or limits are not exceeded.

153. Purchase Orders should not be split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

154. (1) All indents should state clearly and accurately the grant and the classification code to which the cost of the stores is debitable, the amount of appropriation provided and an estimate of cost of each item. The indents should be prepared in such form and in accordance with such general or special instructions as may be issued by Government in this behalf.

(2) Indents should not be sent out so late in the financial year that they cannot possibly be complied with and paid for within that year.

RECEIPT OF STORES

155. All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register.

ISSUE OF STORES

156. When materials are issued from stock for departmental use, manufacture, sale, etc., the officer in charge of the stores should see that an indent in the prescribed form has been made by a properly authorised person, examine it carefully with reference to the orders or instructions for the issue of stores and sign it, after making suitable alterations under his dated initials in the description and quality of material, if he is unable to comply with the requisition in full. He should then prepare and sign the form of the invoice attached to the indent according to the supply actually made. The indent should be returned at once to the requisitioning officer for signature. When materials are issued, a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or despatched, or from his duly authorised agent.

In case of stores issued to a contractor, the cost of which is recoverable from him, the acknowledgement should give full particulars of the materials issued, including the recovery rates and the total value chargeable to the contractor.

TRANSFER OF CHARGE OF STORES

157. In cases of transfers, the officer in charge of stores should see that the stores in his custody are made over correctly to his successor and a proper receipt taken from him.

Every departmental officer is bound to take over charge of departmental stores which from the death or departure of the person lately in charge or from any other cause, may be left at or near his station without adequate protection. For detailed instruction see Para 123.

III- CUSTODY AND ACCOUNTS OF STORES

GENERAL

158. The head of an office or any other officer entrusted with stores of any kind should take special care for arranging for their safe custody, for keeping them in good and efficient condition and for protecting them from loss, damage or deterioration. Suitable accommodation should be provided more particularly for valuable and combustible stores. He should maintain suitable accounts and inventories and prepare correct returns in respect of the stores in his charge with a view to preventing losses through theft, accident, fraud or otherwise and to making it possible at any time to check the actual balances with the book balances and the payment to suppliers, etc.

159. The form of stock accounts mentioned in the preceding para should be determined with reference to the nature of the stores, the frequency of the transaction and the official requirements of each department or office in which they are used. The general and essential principles in accordance with which such accounts are to be kept are laid down in the following paras.

It is not, however, intended that these rules should replace the detailed store accounting rules prescribed in the departmental regulations of various departments or in any special orders which apply to any particular department, unless a competent authority has held that the existing rules are defective and should be brought into harmony with the general principles laid down below. Where audit of the accounts of stores and stock has been undertaken by the Auditor General, the Chief Accounts Officer concerned will bring to notice cases in which there is a hiatus to be filled in by the application of these rules and in which losses to Government could have been avoided by the use of these rules.

160. Separate accounts should be kept of-

- (i) "Dead Stock" such as plant, machinery, furniture, equipment, fixture; and
- (ii) Other stores.

DEAD STOCK

161. An inventory of the dead stock should be maintained in all Government offices in a form prescribed by competent authority, showing the number received, the number disposed of (by transfer, sale, loss etc.), and the balance in hand for each kind of article. The instructions given below should be carefully observed by all concerned.

- (i) The inventory should be priced whenever the items have to enter into the block account maintained for a Government commercial undertaking or the value of the items is necessary in order to enable Government to calculate the charge to be levied upon private persons or bodies. As regards other items, a numerical inventory would suffice except for articles costing in excess of the amount determined by the Government.

Note: For the purpose of numerical inventory, articles of a similar description such as tables, carpets, etc., should be put into separate categories, each category comprising articles of the same measurement and make and manufactured with the same metal or wood or other material.

- (ii) The inventory should ordinarily be maintained at the site of the dead-stock. Whether it is desirable, in any particular case, to depart from this general principle or to maintain additional consolidated inventories elsewhere should be decided on the merits of each case.
- (iii) The inventory should be checked by the competent administrative authority once a year and a certificate of the result of check recorded.
- (iv) Articles of dead stock should be verified at least once a year and the result of verification recorded on the inventory. All discrepancies noticed must be properly investigated and brought to account immediately so that the inventory may present the true account.
- (v) When articles of dead stock, *e.g.*, tools and plant are lent to local bodies, contractors and others, the hire and other charges as determined under rules prescribed by competent authority should be recovered regularly.
- (vi) Government libraries and museums should maintain up to date catalogues as well as prescribed stock accounts and inventories.

OTHER STORES

162. A reliable list, inventory or account of all stores in the custody of Government officers should be maintained, in a form prescribed by competent authority, to enable a ready verification of stores and check of accounts at any time; and transactions must be recorded in it as they occur.

Price lists, recording both quantities and values should be maintained in cases where the stores are intended to be converted into money, or where it is desired to distribute their cost over the works, items or objects on which they are actually used.

In such cases, the expenditure on stores must be charged to a appropriate classification code.

163. Purely numerical inventories, *i.e.*, recording quantities only, will suffice for articles not costing above prescribed amount when the articles are intended solely for the service of the department keeping them and it is not desired to distribute their cost. In such cases the expenditure on stores must be charged off finally to the service concerned.

Note: In some cases it may be found necessary to show prices and measurements, etc., vide note below para. 161 (i) against some articles, say, when for facility of identification or other reason, it is desirable to distinguish costly articles from cheap articles bearing the same general description otherwise.

164. The lists, inventories or accounts of stores should in all cases be subject to such internal check as may be prescribed by competent authority, whether or not they are subject to any check by the Chief Accounts Officer concerned.

165. A physical verification of all stores should be made at least once in every year under rules prescribed by competent authority, and subject to the condition that the verification is not entrusted to a person –

- (i) who is the custodian, the ledger keeper, or the accountant of the stores to be verified, or who is a nominee of, or is employed under the custodian, the ledger keeper or the accountant; or

- (ii) who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified.

The verification should never be left to low paid subordinates and, in the case of large and important stores, it should be, as far as possible, entrusted to a responsible officer who is independent of the superior executive officer in charge of the stores.

166. A certificate of verification of stores with its results should be recorded on the list, inventory or account, as the case may be, where such a verification is carried out.

167. In making a physical verification, the following instructions should invariably be observed:-

- (i) verification must always be made in the presence of the officer responsible for the custody of the stores or of a responsible person deputed by him;
- (ii) all discrepancies noticed should be brought to account immediately, so that the stores account may represent the true state of the stores; and
- (iii) shortages and damages, as well as unserviceable stores, should be reported immediately to the authority competent to write off the loss.

168. Balances of stores should not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. In order to ensure the observance of this rule, a periodical inspection should be made by a responsible officer, who must submit a report of surplus and obsolete stores to the authority competent to issue stores for their disposal (See para. 172). The inspection should, unless there be good reason to the contrary, be made six monthly in the case of perishable stores and once a year in the case of other stores. Stores remaining in stock for over a year should be considered surplus unless there is any good reason to treat them otherwise.

169. Where a priced inventory is maintained, it is essential that the values recorded therein shall not be materially in excess of the market value of the stores. The head of the department concerned must issue instructions to govern --

- (i) the fixation of prices with reasonable accuracy;
- (ii) the periodical review and revision of rates; and
- (iii) the agency to be employed in periodical revaluation.

Note: The 'market value' of an article, for this purpose, means the cost per unit at which the article, or an article of a similar description, can be procured at a given time at the Stores Godown, from some suitable public markets.

170. All profits and losses due to revaluation, stock-taking or other causes should be duly recorded and adjusted where necessary. Formal sanction of competent authority should be obtained in respect of losses, even though no formal correction or adjustment in the accounts is involved.

171. (1) Losses due to depreciation should be analysed, and recorded under following heads, according as they are due to-

- (i) normal fluctuation of market prices;
- (ii) fair wear and tear;
- (iii) lack of foresight in regulating purchases;
- (iv) neglect after purchase.

- (2) Losses not due to depreciation should be grouped under the following heads-
- (i) losses due to theft or fraud;
 - (ii) losses due to neglect;
 - (iii) losses due to an act of God and other calamities such as fire, enemy action, etc.;
 - (iv) anticipated losses on account of obsolescence of obsolete stores or of purchases in excess of requirements;
 - (v) other losses due to damage, etc.

SALE AND DISPOSAL OF STORES AND WRITE OFF OF STORES

172. The previous sanction of competent authority should be obtained to the writing off of all losses, deficiencies or depreciation in the value of stores in accordance with the Delegation of Financial Powers issued by the Government from time to time under Para 42.

173. Subject to any special rules or orders applicable to any particular department, stores which are reported to be obsolete, surplus or unserviceable may be disposed of by sale or otherwise under the orders of the authority competent to sanction the writing off of a loss caused by deficiencies and depreciation equivalent to their value in accordance with the Delegation of Financial Powers issued by the Government from time to time under Para 41, 42 and 43.

Each order declaring stores as unserviceable should record the full reasons for condemning them and how the condemned stores are to be disposed of i.e., whether by sale, public auction or otherwise. The head of the office should record full particulars regarding all condemned stores in suitable list from which their disposal can be watched.

Note: These instruction do not apply to the Defence, Railways, Posts and Telegraphs and other special departments whose procedure in this regard is regulated by separate orders contained in the departmental regulations.

174. (1) Sales to private persons of stores other than those which are found to have become obsolete or unserviceable are regulated by special rules and orders applicable to particular departments. When stock materials are sold to the public or any other department or authority at their full value, a suitable percentage as determined by competent authority should be added to the book value to cover charges on account of supervision, storage and other related expenses. This addition may, however, be waived by the officer empowered to sanction the sale in the case of surplus stock which in his opinion would otherwise be unsaleable.

(2) The opium, if any, in store must be kept in treasury strong room and not elsewhere and all receipts into and issues from stock should be entered in a stock register maintained for the purpose over the initials of the treasury officer.

IV- AUDIT OF STORES AND STOCK ACCOUNTS

175. When audit of the accounts of stores and stock kept in any office or department is undertaken by the Auditor General, it will be conducted in accordance with the regulations embodied in Appendix 7.

V - PURCHASE FOR LOCAL BODIES

176. In the absence of special orders to the contrary the cost of all stores, purchased for Local Bodies, must be prepaid.

CHAPTER 9

WORKS

I - INTRODUCTORY

177. For purposes of administration and control, buildings and other works are divided broadly into the following classes:

1. Military works – i.e., buildings, defence works and ancillary services intended for different branches of the Defence Services, which are carried out by or on behalf of the Military Engineer Services; and
2. Public works – i.e., Works under the administrative control of the Public Works, Housing and Settlement, Roads and Highways and Public Health Engineering Departments.
3. Buildings and other works under the administrative control of departments using or requiring them. These comprise *Inter alia* –
 - (i) all works pertaining to the Railways, Posts and Telegraph, Forest, Local Government, Facilities Department etc. and other *quasi-commercial* departments and undertakings;
 - (ii) Archaeological works in connection with conservation of ancient monuments;
 - (iii) any other works or class of works allotted under orders of Government to the departments using or requiring them.

Note: Subject to any general or special rule or order of Government to the contrary the term, 'administrative control' as applied to works implies *inter alia* the assumption of full responsibility for the construction, maintenance and upkeep of buildings and other works and the provision of funds for the execution of those functions.

178. Subject to the observance of the following general rules, the initiation, authorisation and execution of works allotted to particular departments should be regulated by detailed rules and orders contained in the respective departmental regulations and by other special orders applicable to them.

II - GENERAL RULES

179. Except in cases covered by any special rules or orders of Government, no work should be commenced or liability incurred in connection with it until –

- (i) administrative approval has been obtained from the authority appropriate in each case;
- (ii) sanction, either special or general, of competent authority has been obtained authorising the expenditure;
- (iii) a properly detailed design and estimate has been sanctioned; and
- (iv) funds to cover the charge during the year have been provided by competent authority, (see also para 100).

If, in any case, whether on grounds of urgency or otherwise, an executive officer is required by superior authority to carry out a work or incur a liability which involves an infringement of these fundamental rules, the orders of such authority should be conveyed in writing. On receipt of such written orders or, in cases of emergency, on his own responsibility, the officer may proceed to carry out the necessary work, subject to the condition that he immediately intimates to the Chief Accounts Officer concerned that he is incurring an unauthorised liability and states approximately the amount of the liability which he is likely to incur.

180. (1) The powers delegated to various subordinate authorities to accord administrative approval and sanction to expenditure upon, and to appropriate and re-appropriate funds for, works are regulated by the orders contained in the Delegation of Financial Powers (Para 41, 42 and 43) and other special orders contained in the respective departmental regulations.

(2) For purposes of approval and sanctions, a group of works which forms one project should be considered as one work, and the necessity for obtaining the approval or sanction of higher authority to a project which consists of such a group of works is not avoided by the fact that the cost of each particular work in the project is within the powers of approval or sanction of any authority subordinate thereto.

Note: While no officer may sanction any estimate for a work which cannot be fully efficient unless other works are also sanctioned if the cost of all such works collectively exceeds his powers of sanction, it is not the intention that two or more works should be regarded as forming part of a group of work merely because they are of the same nature, if they are otherwise mutually independent.

181. The authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project should not, without special authority, be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

182. Any development of project thought necessary while a work is in progress, which is not fairly contingent on the proper execution of the work as first sanctioned, should be covered by a supplementary estimate.

183. To facilitate the preparation of estimates, as also to serve as a guide in settling rates in connection with contract agreements, a schedule of rates for each kind of work commonly executed should be maintained in each locality and kept up to date. The rates entered in the estimates should generally agree with the scheduled rates but where, from any cause, these are considered insufficient, or in excess, a detailed statement must be given in the report accompanying the estimate, showing the manner in which the rates used in the estimate are arrived at.

184. When the works are given out on contract, the general principles laid down in paras. 20 and 21 should be carefully borne in mind. For execution of works under project aid the guidelines issued by the Government from time to time should be followed.

III - WORKS UNDER THE ADMINISTRATIVE CONTROL OF THE PUBLIC WORKS DEPARTMENT

185. Subject as provided in para 177, provision for expenditure on all buildings, communications and other works required by civil departments, which Government has not specifically allotted to such departments, should be included in the Grant for "Civil Works", to be administered and accounted for by the Public Works Department. No such work may be financed partly from funds provided in a departmental budget and partly from the budget for civil works.

186. The rules and instructions contained in Appendix 6 to the Public Works Account Code should be strictly observed by all authorities responsible for the preparation of budget estimates and administration of funds allotted for Public Works.

187. The financial powers of different authorities responsible for or concerned in the execution of Public Works and of appropriating and re-appropriating funds allotted for expenditure upon such works are laid down in the Public Works Department Code, the Public Works Account Code, Delegation of Financial Powers and other special rules made by Government for application to special classes of works.

188. Similarly, when Public Works are entrusted to the agency of the Military Engineer Service for extension or maintenance, administrative approval and expenditure sanction will be accorded and funds allotted, by the authority concerned under the rules contained in the Public Works Department Code; the Military Engineer Services will then be responsible for design, specification and execution in accordance with the rules and procedure prescribed in the Regulations for those services. (See Appendix C to Regulations for the Military Engineer Service).

189. In areas in which the Public Works Department operates, Public Works will be executed by the Public Works Department unless in any particular case such works have been entrusted under special orders of Government to any other agency.

Provided that where for administrative or economic reasons the maintenance of any building in charge of the Public Works Department is entrusted to any other civil department, original works and special repairs costing amounts to be determined by the Government from time to time and all ordinary repairs, irrespective of cost, in respect of such buildings may be carried out by the head of the department concerned in accordance with such special instructions as may be issued to him by the Public Works Department. Provision for expenditure on such works should be made in the Budget for repairs and maintenance from which allotments will be made by the Public Works Department to heads of civil departments carrying out the works and while full budgetary and financial control in respect of such works will remain with the Public Works Department, the charges incurred by the civil departments may be drawn under the rules and procedure governing expenditure on supplies & services and repairs & maintenance. (See also para 310 of the Public Works Account Code.)

190. In areas where the Public Works Department does not operate, a competent authority may subject to such restrictions as it may think necessary to impose, assign to heads of civil departments, the execution of petty works and repairs costing amounts to be determined by the Government from time to time relating to buildings under the administrative control of the Public Works Department, provided that such works do not form part of a bigger programme. When such assignment has been made, the charges incurred by the civil department may be drawn and accounted for as expenditure on supplies & services and repairs & maintenance of the department concerned.

191. In all other cases in which a civil department is entrusted with the execution of Public Works, the departmental officer carrying out the works should act as a Public Works disbursing officer and be guided generally by the rules and procedure which apply when works are carried out by the Public Works Department.

IV - WORKS UNDER THE ADMINISTRATIVE CONTROL OF OTHER CIVIL DEPARTMENTS

192. (1) Save where any particular department has been authorised by Government to execute all or specified classes of departmental works without reference to the Public Works Department or the Military Engineer Services and subject to any special rule or order issued by Government to apply to special classes of works, all original works and special repairs costing more than amounts determined by the Government relating to buildings and other works, the administrative control of which vests in other civil departments, should be executed through the agency of the Public Works Department, or through the Military Engineer Services where it is not convenient for the Public Works Department to undertake the work. In exceptional cases in which the Public Works Department or the Military Engineer Services is not employed for the execution of such works or repairs, the Chief Accounts Officer concerned should invariably be consulted at the initial stage. i.e., prior to an agreement being entered into with an architect or contractor, so that suitable provision may be made as far as possible for normal audit and financial control.

(2) The provisions of paras 187 and 188 will apply *mutatis mutandis*, when such works are executed through the Public Works Department or any other department or authority.

193. When works allotted to a civil department other than the Public Works Department are executed departmentally, whether direct or through contractors, the form and procedure relating to expenditure on such works should be prescribed by departmental regulations framed in consultation with the Chief Accounts Officer concerned generally on the principles underlying the financial and accounting rules prescribed for similar works carried out by the Public Works Department. The guiding principles laid down in this regard are reproduced in Appendix 8.

Note: Expenditure on works of petty constructions and repairs costing amounts determined by the Government relating to buildings under the administrative control of a civil department, other than the Public Works Department, may be drawn and charged as expenditure on supplies & services and repairs & maintenance of the department concerned, provided that where any individual item of such petty works forms part of a bigger programme, the expenditure should be treated as 'Works expenditure' of the department carrying out the work.

V - SPECIAL RULES FOR SANITARY, WATER SUPPLY AND ELECTRIC

INSTALLATION TO GOVERNMENT BUILDINGS, ETC.

194. (1) Subject as hereinafter provided, all works and repairs in connection with sanitary, water supply and electric installations to Government buildings, where such buildings are not in charge of the Military Engineer Services or of Railways, should be carried out by or through the agency of the Public Works Department, except in special cases under the orders of Government.

(2) At places where the Public Works Department operates (See para. 189), and where there is no staff of that department, the procedure for the execution of works and repairs in connection with sanitary, water supply and electric installations in Government buildings under the administrative control of civil departments should be as follows:

- (i) all works and repairs costing amounts to be determined by the Government for electric, sanitary and water supply installations should be executed departmentally;
- (ii) all estimates for such works and repairs to be carried out locally should be submitted for prior scrutiny to the Chief Engineer, Public Works Department; and
- (iii) all installations costing amounts to be determined by the Government should be inspected annually and the remainder biennially by an officer of the Public Works Department.

195. The provision and maintenance of sanitary, water supply and electric installations in Military and Railway buildings and other works and such provisions in civil buildings in charge of the Military Engineer Services are governed by special rules prescribed in the departmental regulations.

196. Expenditure incurred by civil departments in connection with these installations, where it does not exceed amounts prescribed by the Government from time to time, may be charged as expenditure on supplies & services and repairs & maintenance of the department carrying out the work.

VI - MISCELLANEOUS RULES

197. No authority lower than the head of a Ministry/Division is competent to authorise the acquisition of a building by purchase even though the purchase of the required accommodation may have been sanctioned by competent authority. In all such cases, a survey and valuation report by the Public Works Divisional Officer should be submitted to the Head of the Ministry/Division.

198. No public building, which is not a purely temporary structure may be sold or dismantled without the sanction previously obtained of Government.

199. Expenditure upto a limit prescribed by Government may be sanctioned on ceremonies connected with the inauguration of important public works, e.g., the laying of foundation stones of public buildings, opening of bridges, etc.

200. The preparatory stages of a major work may take anything from three months to a year and attempts to expedite the execution of works contrary to Code rules lead to bad estimating and computing and to actual losses of money. These unfortunate results have been commented upon adversely by the Public Accounts Committee on various occasions, and it is desirable that the tendency to rush at the preparatory stages for works should be checked. The Chief Engineer and his subordinate officers should accordingly take, in all cases, such time as is considered necessary for the preparation of proper estimates, the grant of technical sanction, and the invitation and examination of tenders and refrain from entertaining requests from administrative departments for special treatment. In emergent cases, however, where circumstances warrant a departure from methods laid down by the Codes, the Public Works Department may issue special instructions on a reference received from the administrative department concerned.

CHAPTER 10

MISCELLANEOUS EXPENDITURE

I- GENERAL

201. The term 'miscellaneous expenditure' applies generally to all expenditure in the civil departments, which does not fall under the category of pay and allowances of Government servants, pensions, supplies & services and repairs & maintenance, grants-in-aid, contributions, stores or works.

The powers delegated to subordinate authorities to sanction items of miscellaneous expenditure as defined above, for which no special power, scale or limit has been prescribed by any rule, code or order are specified in the Delegation of Financial Power.

Note: Grants-in-aid and contributions have, however, been dealt with in this Chapter for the sake of convenience.

202. Miscellaneous expenditure is subject generally to the rules of procedure which apply to expenditure on supplies & services and repairs & maintenance, except in so far as it may be governed by any special rules or orders made by competent authority.

II- REFUNDS OF REVENUE

203. Refunds of revenue are broadly classified as –

- (i) refunds to which the claimants are legally entitled, and
- (ii) refunds which are made *ex gratia*, Government being under no legal obligation to make them.

Note 1: Refunds of revenues are not regarded as expenditure for purposes of grants or appropriations.

Note 2: Remissions of revenue allowed before collection are to be treated as reduction of demands and not as refunds.

204. Subject to the provisions of the relevant rules, the sanction necessary for refunds of revenue will be regulated by the orders of the competent authority and by departmental rules and orders contained in the departmental manuals, etc.

The sanction may either be given on the voucher itself or quoted in it, a certified copy being attached when such orders are not separately communicated to the Accounts Officer concerned.

205. Before a refund of any kind, otherwise in order, is allowed, the original demand or realisation as the case may be, must be traced and a reference to the refund should be so recorded against the original entry in the cash book or other documents as to make the entertainment of a double or erroneous claim impossible. Any acknowledgement previously granted should, if possible, be taken back and destroyed and a note of the repayment recorded on the counterfoil of the receipt.

III- GRANTS-IN-AID, CONTRIBUTIONS, ETC.

GRANTS TO PUBLIC BODIES, INSTITUTIONS, ETC.

206. The sanction necessary for payment of grants-in-aid or contributions to educational and other institutions, local bodies and Co-operative Societies, and of educational scholarships is regulated by the orders contained in the Delegation of Financial Powers and detailed rules made by competent authority under the powers vested in them. The following instructions are issued for the guidance of sanctioning authorities in the matter of according sanctions for grants-in-aid.

207. (1) Unless in any case Government directs otherwise, every order sanctioning a grant should specify clearly the object for which it is given and the conditions, if any, attached to the grant. In the case of non-recurring grants for specified objects, the order should also specify the time limit within which the grant or each instalment of it is to be spent.

(2) Only so much of the grant should be paid during any financial year as is likely to be expended during that year. In the case of grants for specific works or services such as buildings, water supply schemes and the like, the sanctioning authority should use its discretion in authorising payments according to the needs of the work. The authority signing or countersigning a bill for grant-in-aid under SR. 256 of the Treasury Rules should see that money is not drawn in advance of requirements. There should be no occasion for a rush for payment of these grants in the month of June.

(3) Before a grant is paid to any public body or institution, the sanctioning authority should as far as possible insist on obtaining an audited statement of the account of the body or institution concerned in order to see that the grant-in-aid is justified by the financial position of the grantee and to ensure that any previous grant was spent for the purpose for which it was intended. Unless specifically required under provisions of the relevant Act, it is not essential for this purpose, however, that the accounts should be audited in every case by the office of the Comptroller & Auditor General and it will be sufficient therefore if the accounts are certified as correct by a chartered accountant or other recognised body of auditors. In the case of small institutions, which cannot afford to obtain the services of a chartered accountant or other registered body of auditors, the sanctioning authority may exercise its discretion of exempting any such institution from the submission of accounts audited in this fashion.

The authority sanctioning a grant, while communicating the sanction to the Chief Accounts Officer concerned should state whether the audited statement of accounts has been received when required, or whether the grantee has been exempted from submitting the statement.

Note: This order applies both to non-official institutions and to semi-official ones, such as Public Clubs, etc.

208. In cases in which conditions are attached to the utilization of a grant in the form of specification of particular objects of expenditure or the time within which the money must be spent, or otherwise, the departmental officer on whose signature or counter-signature the grant-in-aid bill was drawn should be primarily responsible for certifying to the Accounts Officer, where necessary, the fulfillment of the conditions attaching to the grant, unless there is any special rule or order to the contrary. The certificate should be furnished in such form and at such intervals as may be agreed between the Chief Accounts Officer and the head of the department concerned. Before recording the certificate, the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. For this purpose he may require the submission to him at suitable intervals of such reports, statements, etc., in respect of the expenditure from the grant as may be considered necessary. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report, as the case may be, will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of those conditions.

209. Unless it is otherwise ordered by Government, every grant made for a specific object is subject to the implied conditions:-

- (i) that the grant will be spent upon the object within a reasonable time, if no time limit has been fixed by the sanctioning authority; and
- (ii) that any portion of the amount which is not ultimately required for expenditure upon that object should be duly surrendered to Government.

EXPENDITURE FROM DISCRETIONARY GRANTS

210. When under orders of competent authority, an allotment for discretionary grants is placed at the disposal of a particular official, the expenditure from such grants will be regulated by general or special orders of the Government, specifying the objects for which the grants can be made and any other condition that should apply to them. Such grants must be non-recurring, i.e., not involving any future commitments.

OTHER GRANTS

211. Grants, Subventions, etc., other than those dealt with in the foregoing paras, can be made only under special orders of Government.

IV- COMPENSATION TO CIVIL OFFICERS FOR LOSS OF PROPERTY

212. (1) All cases in which it is proposed to grant compensation to any civil officer for the accidental loss of his property should be referred to Government for orders through the Administrative Department concerned.

(2) Compensation will not ordinarily be granted to a Government servant for any loss to his property, which is caused by an act of God as, earthquake, floods, etc., or which is due to ordinary accident, which may occur to any citizen, e.g., loss by theft, or as the result of a railway accident, fire, etc. The mere fact that, at the time of the accident, the Government servant is technically on duty or is living in Government quarters in which he is forced to reside for the performance of his duties will not be considered as a sufficient ground for the grant of compensation. These points should be borne in mind while submitting proposals to Government.

V- SPECIAL POLITICAL EXPENDITURE

213. The following rules have been prescribed for the regulation of expenditure incurred in connection with special political missions and, subject to such special orders as may be issued by Government in particular cases, these rules should be observed by all officers placed in charge of such missions.

(1) For the purposes of account and audit the expenditure should be broadly divided into two classes:-

Class I- Charges requiring the sanction of Government, either specific or general such as Pay and Allowances;

Class II- Charges which may be incurred by the officer-in-charge at his discretion within the amount of sanctioned appropriation such as initial and recurring charges for purchase of tents, camp furniture, stationery etc.

(2)(i) Officers entrusted with the expenditure under Class I are required to submit, as early as possible, detailed estimates of probable expenditure classified under 'Pay and Allowances'. No expenditure should be incurred under Class I in excess of the amount sanctioned.

(ii) As regards expenditure under Class II, a fairly approximate estimate should be prepared. Expenditure under Class II may be incurred up to the limit of the estimates under concerned classification code when those have been approved and appropriations for recurring charges may be transferred from one classification code to another, provided the total amount is not exceeded.

(3) An officer-in-charge of a special political mission should supply himself with funds as laid down in clause (i) of SR.264 of the Treasury Rules and accounts of expenditure incurred by him should be rendered to the Chief Accounts Officer concerned in accordance with the procedure laid down in clauses (ii) to (iv) of that rule.

(4) Supply of stationery as well as of pay, travel expenses and supplies & services and repairs & maintenance bill forms should be obtained from the Controller of Printing, Stationery, Forms & Publications, and all charges should be drawn on the regular forms.

(5) Advances made for political expenditure will be held under objection until a detailed account duly supported by vouchers is furnished in adjustment of them.

(6) A store Account in form G.F.R. 16 should be kept of the articles purchased for the Toshakhana, which at the close of mission should be submitted through Government to the Accounts Officer concerned.

CHAPTER 11

DEBT AND MISCELLANEOUS OBLIGATIONS OF GOVERNMENT

I - TAKA DEBT

214. The management of Public debt in Bangladesh and the maintenance of accounts relating thereto are vested in the Bangladesh Bank.

215. The procedure to be followed in dealing with securities of Taka loans issued by Government and in making payment of interest in respect thereof is regulated by the provisions of the Securities Act (Act X of 1920), as amended from time to time, and the statutory rules (Securities Rules) issued thereunder. Detailed rules, based mostly on the statutory rules referred to above, and the supplementary orders issued by Government from time to time are to be found in the Government Securities Manual issued under the authority of Government.

Note: Unless there be anything repugnant in the subject or context, and without prejudice to the provisions of the law and the statutory rules mentioned above, the rules in the Government Securities Manual in so far as they deal with the procedure relating to disbursement of money from, and payment of money into, the Public Accounts are to be regarded as rules framed under Article 85 of the Constitution of the Peoples Republic of Bangladesh. Likewise, the rules in the manual which prescribe the form of initial accounts to be kept at Accounts offices in respect of payment of interest of Government Securities, repayment of principal of terminable loans, receipt of subscriptions to new loans and of other allied transactions and the form in which the account of such transactions are to be rendered to the Accounts Offices, should be regarded as directions given by the Auditor General with the approval of the President and will be subject to any directions contained in this behalf in Volume II of the Account Code.

216. Treasury Bills, National Savings Certificates and Post Office Cash Certificates etc. are special forms of Government Securities, which are issued and repaid under special rules and orders made by Government in this behalf. (See also SR. 313, 314 and 318 of the Treasury Rules).

II - PROVIDENT FUNDS

217. The term 'Provident Funds' is strictly applicable to the 'Provident Funds', within the meaning of 'The General Provident Fund Rules, 1979'. The procedure relating to the recovery of subscriptions to, and withdrawals from The Provident Fund will be regulated strictly in accordance with The General Provident Fund Rules.

218. The following instructions should be carefully observed by heads of offices with a view to the correct preparation of the Fund Schedules referred to in SR 322 of the Treasury Rules :

- (i) A complete list of subscribers to each fund should be maintained in each disbursing office in the form of the schedule.
- (ii) Each new subscriber should be brought on this list and any subsequent changes resulting from his transfer or in the rate of subscription, etc., clearly indicated.
- (iii) When a subscriber dies, quits the service or is transferred to another office, full particulars should be duly recorded in the list.
- (iv) In the case of the transfer of a subscriber to another office, the necessary note of transfer should be made in the list of both the offices.

- (v) From this list the monthly schedule to be appended to the pay bill should be prepared and agreed with the recoveries made before the submission of the bill to the Accounts Officer for payment.

**III - SERVICE, BENEVOLENT, INSURANCE AND
ANY OTHER FUND CREATED BY THE GOVERNMENT**

219. Subscriptions, donations etc. recoverable and benefits payable in respect of the Funds specified above will be regulated in accordance with the Rules of the respective funds.

220. Subscriptions to funds not under Government management may not be received in cash or by deduction from pay or pension bills.

221. A detailed list of the subscriptions realised on behalf of each fund showing the date and amount of each receipt and the name of the person on whose behalf it is paid should be maintained in the Accounts Offices in respective registers. Accounts Officers must ensure that accurate, complete and timely entries are made in the registers each month.

222. The deposit accounts of these funds on the Government book will be credited with interest at such rates and at such intervals as may be prescribed by Government in each case.

CHAPTER 12

LOCAL FUNDS

I - INTRODUCTORY

223. (1) The transactions of local funds are not included as such in the Public Accounts.

Note: The expression 'Local Fund' denotes :-

- (i) revenues administered by bodies which by law or rule having the force of law come under the control of the Government, whether in regard to the proceedings generally or to specific matters, such as, the sanctioning of their budgets, sanction to the creation or filling-up of particular appointments, the encashment of leave, pension for similar rules;
 - (ii) the revenues of any body which may be especially notified by the Government as such.
- (2) The main classes of local funds are:-
- (i) District Council Funds
 - (ii) Municipal Corporations and Pourashava Funds
 - (iii) Other miscellaneous Funds.

Note: The expression 'local body' as used in this Chapter means the authority legally entitled, or specially empowered by Government, to administer a local fund.

224. The financial transactions between Government and local bodies will be regulated by the following rules and by such other general and special orders as may be issued by Government in this behalf.

II - GRANTS TO LOCAL BODIES

225. The payment of the various classes of grants to local bodies will be governed by general instructions contained in paras 206 to 209 and by such special orders as may be issued by Government in regard to each class of grant.

III - LOANS TO LOCAL BODIES

226. The detailed procedure to be followed in connection with the grant of loans to local bodies will be regulated by the provisions of the Local Authorities' Loans Act and other special Acts and by rules made thereunder (see also para 236).

IV - CHARGES RECOVERABLE FROM LOCAL BODIES

227. Unless any of the following arrangements have been authorised by Government, a local fund should be required to pay in advance the estimated amount of charges to be incurred or cost of services to be rendered by Government on account of the Fund:-

- (i) payments as made by Government may be debited to the balances of the deposits of the local fund in Government books;
- (ii) recovery from the local fund may be postponed till the time when Government has to make payment for the charges;
- (iii) payments may be made as advances from Government funds in the first instance, pending recovery from the local fund.

228. Any amount due to Government by a local body, including any amount overdue for payment in respect of loan, is subject to recovery by adjustment from any non-statutory grant sanctioned for payment to it. The authority signing or countersigning a bill for such a grant should see that this rule is observed as far as practicable.

V - REVENUE COLLECTED ON BEHALF OF LOCAL BODIES

229. Unless it be expressly authorised by law, proceeds of taxes, fines or other revenues levied or collected by Government may not be appropriated direct to a local fund without passing them through the general revenue account of Government, whether or not such taxes, fines, etc. are earmarked from the start for the purposes of the fund.

230. Subject to the provisions of relevant Acts and rules made thereunder, adjustments with local bodies in respect of revenue and other moneys raised or received by Government on their behalf will be made in such manner and on such dates as may be authorised by general or special orders of Government.

VI - USE OF SERVICE POSTAGE STAMPS

231. Service Postage stamps may not be used by a local fund officer or any Government officer acting in a capacity connected with a local fund (such as, President or Secretary of a local fund committee), but they may be used on the correspondence of a public officer acting as such, even though the correspondence relates to the affairs of a local body.

Note: Telegraphic messages, the charges for which are to be borne by local funds, should be classified as 'Private' and not as 'State'.

VII - AUDIT OF ACCOUNTS

232. Subject to the provisions of any law or rule having the force of law, the accounts of local bodies will be audited by the office of the Comptroller & Auditor General under general agreement reached between Government and the Auditor General. The agreement extends also to the accounts of other non-Government bodies or institutions which, under any general or special order of Government have to be audited through Government agency.

233. Audit fees on the basis of daily rates prescribed by Government from time to time will be charged for the audit by Comptroller & Auditor General of the accounts of local and other non-Government funds.

Nothing contained in this para shall be held to override any special instructions of Government exempting any particular local body or institutions wholly or partially from the payment of audit fees.

CHAPTER 13

LOANS AND ADVANCES

I - INTRODUCTORY

234. Loans and advances made by Government fall under the following main heads:-

A. Loans and advance bearing interest –

(1) Loans to Autonomous and Semi Autonomous bodies and Public Sector Corporations

(2) Loans to Local Funds, Private individuals, etc. These comprise

(i) Loans to Paurashabhas and City Corporations;

(ii) Loans to District and other Local Fund Committees;

(iii) Loans to Land-holders and other Notabilities;

(iv) Advances to cultivators under various Acts;

(v) Advances under special laws;

(vi) Miscellaneous loans and advances.

(3) Advances to Government servants for building houses and for purchase of conveyances, etc.

B. Interest-free Advances

(1) Advances repayable -comprising mostly miscellaneous advances to Government servants for various public purposes.

(2) Permanent advances.

235. The rules in this chapter should be observed generally by all Departments/Directorates in making loans and advances of public money, unless there be any special rules or order of Government to the contrary.

II - GENERAL RULES

SANCTION

236. (1) The grant of loans and advances in cases mentioned in clauses (i) and (ii) of Paragraph 234 A (2) will require the sanction of Government.

(2) The powers delegated to subordinate authorities to sanction loans and advances to Government servants are regulated by the rules contained in Part III of this chapter. Detailed rules relating to permanent advances are contained in para 140.

ESTIMATES

237. Provision should be made in the Budget for all loans and advances which can be foreseen. All estimating authorities should, therefore, make a timely estimate both of the gross advances and recoveries of the coming year and should communicate it to the Accounts Officer concerned for inclusion in his estimates.

CONDITIONS OF REPAYMENTS

238. The debt-servicing procedure in respect of both foreign and local currency loans to Autonomous and Semi-Autonomous Bodies and Public Sector Corporations for investment in ongoing or completed development projects are prescribed by the Government from time to time.

The debt service budget relating to payments to foreign creditors is required by the Finance Division to make appropriate provision in the budget. The estimate of debt service liability resulting from development credit is arrived at on the basis of study of individual loan profiles irrespective of whether the loan is official development assistance or export credit or suppliers' credit or commercial loan.

239. The process and condition of repayment of external loans and credit by the Government are different from those involving recovery of principal and interest charges from loan receiving agencies. Some executing agencies receive foreign credits on terms on which they are borrowed by the Government; but in most cases funds borrowed from external sources or even received as grant by the Government are passed on to executing agencies on different relending terms set either in a subsidiary loan agreement or under the standard relending terms. Recoveries from agencies not only relate to funds borrowed from abroad and relend to them but also cover local resources lent to them on terms specified for the ADP provisions or under some other financial plan applicable to an agency. All agencies are required to pay the debt service liability of their completed development projects through their own income. The Government may, however, in exceptional cases decide to reschedule recovery of debt service liability or even waive recovery after thorough review of proposals in this regard.

Recovery of the amounts advanced to Government servants is governed by the detailed instructions laid down in Paragraph 255 and other provisions of this Chapter.

240. The following general instructions apply to all loans and advances to local bodies, etc., other than advances to cultivators, etc., which are governed by special rules, and subject to the provisions of relevant Acts or rules made thereunder, the conditions under which the loans are granted should be regulated accordingly: -

- (i) A specific term should be fixed which should be as short as possible within which each loan or advance should be fully repaid with interest due. The term may in very special cases extend to 30 years.
- (ii) The term is to be calculated from the date on which the loan is completely taken up or declared by competent authority to be closed.
- (iii) The repayment of loan should be effected by installments, which should ordinarily be fixed on a half-yearly basis, due dates for payment being specially prescribed.
- (iv) Instalments paid before the due date will be taken entirely to principal unless, of course, any interest for a preceding period is overdue.

241. When a loan of public money is taken out in instalments, the first half-yearly repayment should not be demanded until six months after the last instalment is taken; meanwhile simple interest only should be realised. But should it appear that there is an undue delay on the part of the debtor in taking out the last instalment of a loan, the authority sanctioning the loan may at any time declare the loan closed, and order repayment of capital to begin. The Chief Accounts Officer will bring to notice any delay that appears to him to require this remedy and he will take this step whether there are any dates fixed for taking of instalments or not.

Note 1: If, in any case particular dates have been fixed for the payment of interest or the repayment of instalments of a loan, then such repayments should not, begin until the second of the half-yearly dates so fixed, after the loan has been completely taken up, simple interest only being recovered on the first half-yearly date after the completion of the loan. For example, supposing a loan the interest on which is recoverable half-yearly to be completely taken up on 30th June and the interest to be payable on 30th September and 31st March, the first half-yearly instalment in repayment of principal will not be due until 31st March following, simple interest only will be due on the intermediate 30th September.

Note 2: These instructions are applicable *mutatis mutandis*, to loans the repayments of which are made by other than half-yearly instalments.

Note 3: It must be remembered that the calculation fixing the amount of equal periodical instalments, by which an advance is repaid with interest, presupposes punctual payment of the instalments, and that, if any instalment is not punctually repaid, the fixed instalment will not in the end discharge the loan.

242. Borrowers should be required to adhere strictly to the terms settled for the loans made to them. Modifications of these terms in their favour can be made subsequently only for very special reasons.

INTEREST

243. (1) Interest should be charged at the rate prescribed by Government for any particular loan or for the class of loans concerned.

(2) A loan bears interest for the day of advance, but not for the day of repayment. Interest for any shorter period than complete half-year should be calculated as

$$\frac{\text{number of days} \times \text{yearly rate of interest}}{365}$$

unless any other method of calculation is prescribed in any particular case or class of cases.

DEFAULTS IN PAYMENT

244. (1) Any default in the payment of interest upon a loan or advance, or in the repayment of the principal, will be promptly reported by Accounts Officer to the authority which sanctioned the loan and the advance. On receipt of such report, the authority concerned should immediately take steps to get the default remedied.

Note: The responsibility of the Accounts Officer under this rule refers only to the loans the detailed accounts for which are kept up by him. (See para. 247).

(2) The authority which sanctions a loan may, in so far as the law allows, enforce a penal rate of compound interest upon all overdue instalment of interest or principal and interest.

IRRECOVERABLE LOANS AND ADVANCES

245. A competent authority may remit or write off any loans or advances owing to their irrecoverability or otherwise. (See para. 46).

246. In respect of revenue and other advances, for the detailed control, accounting and supervision of which departmental officers are responsible, it is the duty of the departmental authorities concerned, as soon as any such advance is ascertained to be irrecoverable, to take the necessary steps to get it written off the accounts under the sanction of competent authority, and to advise the Accounts officer, in order that he may make the necessary adjustment in the accounts. Irrecoverable advances written off should nevertheless be registered by the Departmental authorities in a separate account or record, in order that any possible eventual recovery may be made.

ACCOUNTS AND CONTROL

247. Subject to such general or specific directions as may be given by the Auditor General in this behalf, detailed accounts of individual loans and advances other than those mentioned below will be maintained by the Chief Accounts Officer concerned who will watch their recovery and see that the conditions attached to each loan or advance are fulfilled.

In the case of advances mentioned in SR 369 and 370 of the Treasury Rules, the responsibility for supervision, account and control devolves upon the departmental authorities and detailed rules and instructions governing them are contained in the departmental regulations.

ANNUAL RETURNS

248. Each Chief Accounts Officer will submit to Government an annual statement showing the details of outstanding loans and advances borne on his books. The statement will be submitted in form G.F.R. 17 not later than the 31st December of the following year. Bangladesh Bank will furnish quarterly report on receipts of debt charges from agencies to the Finance Division.

III - LOANS AND ADVANCES TO GOVERNMENT SERVANTS

GENERAL

249. It is not permissible to sanction a loan or advance to a Government servant which involves a breach of any of the basic principles laid down in para 10. In any case in which a cash grant would be within the powers of sanction of a particular authority, the grant of an advance not exceeding the cash grant will not require the sanction of a higher authority.

250. The Finance Division, at the beginning of the financial year, circulates allocation letters informing administrative Ministries/Divisions their respective budget provisions for loans and advances to Government servants under their control. The Administrative Ministries are authorised to process and approve loans and advances subject to observance of applicable rules within the budget provision and also to delegate these powers to Heads of Departments under their respective jurisdictions.

251. Temporary Government servants who have not completed 5 years of service will not be eligible to obtain loans. On completion of 5 years of service temporary Government servants seeking loans will have to provide security bond, along with application for advance, from two permanent employees.

Note 1: A permanent Government servant who is a debtor should not be allowed to stand security for another debtor and one Government servant should not be allowed to stand security for more than one debtor, especially in case of Motor Car and House Building Advances.

Note 2: In case of House Building Advance no security bond is required to be obtained from temporary Government servants who possess land and mortgage the same to Government before drawal of any portion of the advance.

252. Government officers belonging to cadre services shall draw advances from the allocations of Ministries/Divisions where they are posted. In these cases, however, the orders sanctioning advance must be endorsed to the Ministries/Divisions controlling the relevant cadres of the officers to whom advances are sanctioned. Ministry of Establishment will issue letters sanctioning advances to Administration Cadre Officers.

253. Government servants on deputation may draw advances from the Ministries/Organisations where they are posted; but in this case clearance of their respective controlling authorities will have to be obtained. The letters sanctioning advance will also have to be endorsed to the controlling authorities. Government servants on deputation to autonomous bodies can draw advances from those organisations if their existing rules provide for grant of such advances to Government servants on deputation.

254. Simple interest at the rate fixed by Government for the purpose should be charged on advances granted to Government servants for building houses and for the purchase of conveyances. The interest should be calculated on balances outstanding on the last day of each month. In case of failure to repay advances in accordance with instalments, interest at compound rate to be fixed by the Government shall be charged. In the event of failure to mortgage the land for house building advance in favour of the Government the advance drawn as first instalment will have to be repaid along with interest in lump at a time.

Note 1: In cases, where pay bills for a month are disbursed before the end of the month, an instalment in repayment of an advance received through the pay bill will be taken as having been refunded on the first of the following month, the normal date of the disbursement of pay.

Note 2: If in any particular case any advance is drawn in more than one instalment, the rate of interest recoverable should be determined with reference to the date on which the first instalment is drawn.

255. All advances are subject to adjustment by the Government servants receiving them in accordance with the rules applicable to each case. When an advance is adjustable by recovery, the amount to be recovered monthly should not be affected by the fact of the borrowing Government servant going on leave of any kind with leave salary or his drawing subsistence grant. The sanctioning authority may in exceptional cases order a reduction in the amount of the monthly instalment, provided that in the case of interest bearing advances to Government servants, the whole amount due should be completely recovered within the period originally fixed.

256. In the case of interest-bearing advances to Government servants, an authority empowered to deal with an application for an advance should not issue an order of sanction until the Accounts Officer concerned has certified that funds are available in the year in which the payment of the advance will be made.

IV - INTEREST BEARING ADVANCES

HOUSE BUILDING ADVANCES

257. Advances to Government servants for the construction of houses are regulated by the following rules:

(1) Advances may be made to Government servants who desire to build or buy houses or purchase land and build houses, at the places where they are actually serving, for occupation by themselves. Government servants who have reached 45 years of age or have completed 20 years of service may, however, be granted house-building advance for building houses at places where they decide to reside after retirement.

All such advances must be *bona fide* required for the purpose of building suitable houses for the personal residence of the officers concerned, and if more is advanced than shall be actually expended for the purpose, the surplus shall be refunded to Government.

(2) No Government servant will be entitled to more than one house-building advance during his service life. The house-building advance shall not exceed thirty six months' pay of the

officer to whom it is made subject to the maximum of Tk. 1,20,000 or an amount as may be determined by the Government from time to time, or prefixed value of the constructed house, or estimated construction cost of the house to be built whichever is less.

(3) Recovery of house-building advance will be made from the pay bill of the officer in maximum of 120 monthly instalments. Repayment of the advance commences from the twelfth issue of pay after the first instalment is taken. This is subject to the condition that the full amount including interest is recovered before the Government servant attains the age of superannuation. Otherwise the rate of monthly recovery should be suitably increased so that repayment is completed before superannuation.

(4) The authority sanctioning an advance may permit recovery to be made in smaller number of instalments, if the officer receiving the advance so desires. The amount of interest calculated in accordance with para 254 will be recovered in one or more instalments, each such instalment being not appreciably greater than the instalments by which the principal was recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

Note: – The instalments should be recovered in cash during the periods of leave without pay. If the Government servant fails to pay any such instalments in cash, the arrears of instalments falling due during periods of leave without pay should be recovered in lump sum from the first disbursement of pay or allowances which may become due to the Government servant at the end of that leave.

(5) In order to secure Government from loss consequent on an officer dying or quitting the service before complete repayment of the advance with interest accrued thereon in accordance with para 254, the house so built, together with the land it stands upon, must be mortgaged to Government, by whom the mortgage will be released on liquidation of the full amount due.

Note: The mortgage bond will be prepared in Form G.F.R. 18 and the reconveyance in Form G.F.R. 19.

(6) The house-building advance granted shall be paid in two instalments and the amount of first installment shall not exceed sixty percent of the total sanctioned amount. The Government servant shall have to execute a Mortgage Deed of the land in favour of the Government before the second instalment of the advance is released. The expenditure statement of the first instalment will have to be provided along with the application for the second instalment.

(7) The officer must satisfy the sanctioning authority regarding his title to the land upon which the house is or is proposed to be built.

Note 1: This rule does not preclude the grant of an advance to a person who does not possess full proprietary rights in the land upon which he intends to build, provided the sanctioning authority is satisfied that the applicant has a lease of which the unexpired portion is of a term and value sufficient to justify the grant of the advance and that there is no danger of the lease lapsing or of Government being unable to dispose of it, should it become necessary to foreclose the mortgage. In examining the mortgagor's title, care should be taken to see that the lease does not prevent any sub-demise by the lessee (the mortgagor). The mortgage bond in such cases will be prepared in Form G.F.R. 20.

In cases in which ground rent, municipal taxes and similar dues are payable to local authorities on account of land taken on lease, the sanctioning authority may, at its discretion, ask the Government servant taking the advance to produce for inspection receipts for these payments within fifteen days of their falling due. If the sanctioning authority finds that such dues have not been paid by the borrower, steps may be taken to recover the said dues including interest thereon, if any, from the pay of the Government servant concerned for payment to the parties concerned.

Note 2: The applicant's title to the property should be examined by the sanctioning authority before the advance is actually paid, and in cases where there is any doubt as to the validity of that title, the revenue and registration authorities or, if technical legal advice is necessary, the law officers of Government, should be consulted. It should be seen that, in the case of a house-building advance, he has undisputed title to the land on which it is proposed to build and that, in the case of an advance for the purchase of a house, he will obtain such title as soon as the purchase price is paid; that there will be no legal obstacle in either case to the property being mortgaged to Government; and that Government will have the right of foreclosing on the conditions mentioned in the mortgage bond.

Note 3: This rule does not also preclude the grant of advances for the purpose of building houses on plots of land taken on lease from Government. The grant of an advance in such cases is, however, subject to the condition that the applicant executes an agreement in Form G.F.R. 21, undertaking to repay the advance and to execute a mortgage of the land and buildings immediately he obtains a lease. Advances sanctioned under this note will be made in instalments, the first instalment not exceeding the amount of the premium paid for the site and subsequent instalments being based on the progress of work.

Note 4: The head of the office in the case of a non-gazetted Government servant and the controlling officer in the case of a gazetted Government servant should, when asking for the authority for payment (vide S.R.365 of the Treasury Rules), send to the Accounts Officer a certificate either in the bill in which the advance is drawn, or separately, to the effect that the mortgage bond in Form G.F.R. 18 has been executed by the Government servant taking the advance and that it has been duly registered.

(8) An officer quitting or removed from the station where he has built a house, before the whole amount due has been liquidated, will continue to be liable to the deduction of his monthly instalment until the advance with interest accrued thereon has been repaid; but, with the special sanction of Government, he may be allowed to dispose of the house, provided he is thereby enabled to clear off at once the whole amount due; or to transfer it to any officer of his own or higher rank, the future deductions being made from the pay of such officer.

(9) Applications for advances must be made through the applicant's departmental superior, who will record his opinion as to the necessity for the assistance solicited. The applicant must certify that the sum is to be expended in building only, and pledge himself that, should there be any surplus funds after the house is completed, they will be at once refunded to Government.

(10) The last-pay certificate granted to officers with advances outstanding must specify the original amount of such advance, the amount repaid and the balance together with interest accrued remaining due.

Note: – Advances may also be given, where considered necessary, for the purchase of land on which to construct a house, if the other conditions laid down in this rule are satisfied and the total amount of the advance for the purchase of the land and the construction of the house does not exceed thirty six months pay of the officer concerned.

The officer should sign an agreement in Form G.F.R. 22 at the time of taking an advance for the purchase of land and the amount should not exceed what is required for the purpose. A mortgage deed in Form G.F.R. 23 should be executed before any further advance is drawn for the purpose of constructing the house. The mortgage deed must be registered within four months of its execution.

In order to save Government from loss, the applicant's title to the property should be carefully examined by the sanctioning authority and the instructions laid down in Appendix 9 should be followed.

(11) An advance may be made to an officer for the purchase of a house; the general principles mentioned above being applicable and the officer being required, in addition to a mortgage-deed, to deposit with Government satisfactory evidence of a clear title to the house.

Note 1: An advance drawn under this rule may include provision not only for the cost of the house purchased, but also for the cost of any repairs or improvements which the purchaser of the house may desire to make.

Note 2: When asking for the authority for payment of the advance (vide S.R. 365 of the Treasury Rules) the controlling officer should record on the bill a certificate to the effect that he has secured and retained with him an agreement in Form G.F.R. 22 signed by the applicant pending execution of the final mortgage bond in Form G.F.R. 18 after the house is actually purchased. The fact of execution and registration of the latter bond should also be intimated to the Accounts Officer as soon as possible.

(12) An advance may be made under the following rules to an officer to enable him to effect repairs to his house:

- i) An advance may be made only if (1) the repairs are required to make the house habitable, (2) they are not in the nature of ordinary repairs and (3) they involve an outlay large in comparison with the value of the house.
- ii) Not more than one advance is admissible in respect of the same house.
- iii) The advance for repair of the house shall not exceed eighteen months' pay subject to the maximum of Tk. 60,000 or an amount as may be determined by the Government from time to time, or the estimated cost of repair, whichever is less.
- iv) An advance may be made to an officer to repair a house which he has built or purchased with a previous advance, but unless Government permits otherwise, at least five years must lapse since the previous advance was drawn.

Note: Instructions laying down the procedure to be followed in dealing with applications for advances for the construction, purchase or repair of houses are contained in Appendix No. 9.

- v) Advance for repair of house can be granted after full repayment of house building advance along with interest. A certificate from the Accounts Officer concerned in support of repayment of advance and interest will have to be obtained by the Government servant. No advance for repair of house will be granted unless the previous house building advance along with interest is completely recovered.
- vi) Recovery of advance for repair of house will be made from the pay bill of the officer in maximum of 60 monthly instalments. Repayment of the advance commences from the first issue of pay after the advance is drawn.

ADVANCES FOR PURCHASE OF CONVEYANCES

258. Sanction of Government is necessary to the grant of an advance to an officer for the purchase of a motor car subject to the following conditions:

- (1) An advance will be given only when Government consider that it is in the interest of the public service that the officer should use a car in the discharge of his duties.
- (2) The total amount to be advanced to an officer shall not exceed twelve months' pay subject to the maximum of Tk. 60,000 or an amount as may be determined by the Government from time to time, or the estimated or pre-fixed price of the motor car. If the actual price paid is less than the advance taken, the balance should be refunded forthwith to the Government. Government officers whose monthly pay is less than Tk. 6,000 shall not be entitled to motor car advance.
- (3) Recovery will be made in sixty monthly instalments starting from the first issue of pay after the advance is drawn. The amount of interest will be recovered in one or more instalments, each such instalment being not appreciably greater than the instalments by which the principal was recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

(4) Except when an officer proceeds on leave other than leave on average pay not exceeding four months, or retires from the service, or is transferred to an appointment the duties of which do not render the possession of a motor car necessary, the previous sanction of Government is necessary to the sale by him of a car purchased with the aid of an advance which with interest accrued has not been fully repaid. If an officer wishes to transfer such a car to another officer who performs the duties of a kind that renders the possession of a motor car necessary, Government may permit the transfer of the liability attaching to the car to the latter officer, provided that he records a declaration that he is aware that the car transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.

(5) In all cases in which a car is sold before the advance received for its purchase from Government with interest accrued has been fully repaid, the sale-proceeds must be applied, so far as may be necessary, towards the repayment of such outstanding balance;

Provided that when the car is sold only in order that another car may be purchased, Government may permit an officer to apply the sale-proceeds towards such purchase, subject to the following conditions:

- (a) the amount outstanding shall not be permitted to exceed the cost of the new car;
- (b) the amount outstanding shall continue to be repaid at the rate previously fixed;
- (c) the new car must be insured and hypothecated to Government as required by these rules.

Note 1: An officer may be allowed advances to purchase more than one car at a time if it can be shown that such action is clearly desirable in the public interest and provided that the total amount outstanding at any one time by way of such advances against a particular officer does not exceed the limit within which advances may be given.

Note 2: At the time of drawing the advance, the Government servant will be required to execute an agreement in Form GFR 24 and, on completing the purchase, he will further be required to execute a mortgage bond in Form GFR 25, hypothecating the car to the Government as security for the advance. The cost price of the car purchased should be entered in the schedule of specifications attached to the mortgage bond.

When an advance is drawn, the sanctioning authority will furnish to the Accounts Officer a certificate that the agreement in GFR 24 has been signed by the officer drawing the advance and that it has been examined and found to be in order. The sanctioning authority should see that the car is purchased within one month from the date on which the advance is drawn and should submit every mortgage bond promptly to the Accounts Officer for examination before final record.

Note 3: The form of mortgage bond executed by a Government servant drawing an advance for the purchase of a motor car provides for insurance against full loss by fire or accident. Insurance on owner-driven or other similar qualified terms is not sufficient for the purpose of this rule. Such insurance should be effected within one month from the date of purchase of the car. Contravention of these orders will render the officer liable to refund the whole of the amount advanced with interest accrued unless good reason is shown to the contrary. The amount for which the car is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount due is completely repaid. If, at any time and for any reason, the amount insured under a current policy is less than the outstanding balance of the advance, including interest already accrued, the officer should refund the difference to Government. The amount to be refunded must be recovered in not more than three monthly instalments.

259. Government may sanction an advance to an officer for the purchase of a motor cycle subject to the following conditions:

- (1) That the advance is given only when Government consider that it is in the interest of the public service that the officer should use a motor cycle in the discharge of his duties.
- (2) That the basic pay of the applicant should not be less than Tk. 2,000 a month.

(3) That the amount of the advance does not exceed Tk. 25,000, or an amount as may be determined by the Government from time to time, or the anticipated price of the cycle, whichever is less. If the actual price paid is less than the advance taken, the balance should be forthwith refunded to Government.

(4) That the advance is recoverable in forty eight monthly instalments from the pay bill of the officer concerned, and that the amount of interest is recovered.

(5) That, except when an officer proceeds on leave other than leave on average pay not exceeding four months, or retires from the service, or is transferred to an appointment the duties of which do not render the possession of a motor cycle necessary, the previous sanction of Government is necessary to the sale by him of a cycle purchased with the aid of an advance which with interest accrued has not been fully repaid. If an officer wishes to transfer such a cycle to another officer who performs duties of a kind that renders the possession of a motor cycle necessary, Government may permit the transfer of the liability attaching to the cycle to the latter officer, provided that he records a declaration that he is aware that the cycle transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.

(6) That in all cases in which a cycle is sold before the advance received for its purchase from Government with interest accrued has been fully repaid, the sale-proceeds must be applied, so far as may be necessary, towards the repayment of such outstanding balance;

Provided that when the cycle is sold only in order that another cycle may be purchased, Government may permit an officer to apply the sale-proceeds towards such purchase, subject to the following conditions:

- (a) the amount outstanding shall not be permitted to exceed the cost of the new cycle;
- (b) the amount outstanding shall continue to be repaid at the rate previously fixed;
- (c) the new cycle must be insured and mortgaged to Government as required by these rules.

Note: Notes 1 to 3 under para 258 apply to case coming under this rule also.

260. Advances for the purchase of bicycles may be allowed to Government servants subject to the following conditions;

(1) The amount of advance shall not exceed Tk. 3,000, or an amount as may be determined by the Government from time to time.

(2) The advance is recoverable in thirty monthly instalments from the pay bill of the Government servant concerned and the amount of interest is recovered.

V - INTEREST-FREE ADVANCES

ADVANCES TO GOVERNMENT SERVANTS ON TRANSFER

261. Advances may be made to a Government servant under orders of transfer, up to an amount not exceeding one month's substantive pay plus the expenses to which he may be entitled under the rules in consequence of the transfer. Such advances may be sanctioned by the head of the office or by any other subordinate officer to whom the power may be delegated.

The advances should be recorded on the Government servant's last pay certificate. The advance of pay should be recovered from the pay of the Government servant in not more than three monthly instalments, the recovery commencing from the month in which the Government servant concerned draws a full month's pay or/and leave salary on joining his new appointment. The advance of transfer expenses should be recovered in full on submission of the Government servant's transfer expenses bill.

Note 1: Authorities competent to sanction advances under this rule may sanction such advances for themselves also.

Note 2: An advance under this rule is also admissible to a Government servant who receives orders of transfer during leave.

Note 3: This rule does not preclude the grant of a second advance to a Government servant to cover transfer the expenses of any member of his family who follows him within six months from the date of his transfer and in respect of whom an advance of transfer expenses has not already been drawn.

Note 4: When a single lump sum advance is drawn to cover the transfer expenses both of the Government servant himself and of his family, it may be adjusted by the submission of more than one bill if it so happens that the members of the Government servants' family do not actually make or complete the journey with him. In such a case further bill in respect of transfer expenses of the members of his family (to be specified) who have not yet completed the journey will be submitted in due course and is expected to include an amount not less than the balance of the advance left unadjusted in this bill.

Note 5: The advance of pay under this rule may be allowed to be drawn at the new station soon after the arrival of the Government servant there on production of the last pay certificate showing that no advance was drawn at the old station.

ADVANCE TO SURVEY OFFICERS TO JOIN FIRST APPOINTMENT

262. Advances may be made to a Survey Officer to enable him to join his first appointment, on the requisition of the Director General, Survey of Bangladesh. The requisition and the Government servant's receipt must be submitted in support of the charge.

ADVANCES FOR JOURNEYS ON TOUR

263. Advances may be made under the rules specified below:-

- (i) To a Government servant, other than an inspecting officer, proceeding on tour up to an amount sufficient to cover for a month his expenditure on travel, subsistence and other incidental expenses such as those for the hire of conveyances, subject to adjustment upon the Government servant's return to headquarters or 30th June, whichever is earlier.

Note: Advances under this sub-clause may be granted by heads of offices but they should not be applied to the expenditure of any Gazetted Government servant, except that of a Government servant of the Forest Department, which is meant to be covered by his fixed travelling allowance.

- (ii) To non-gazetted Government servants or class IV Government servants accompanying officers on tour or proceeding on inspection or other special work, by the head of the office, of an amount sufficient to cover their personal travel expenses for a month, subject to adjustment on return to headquarters or 30th June, whichever is earlier.
- (iii) To Gazetted Government servants, when proceeding on long and expensive tours, of an amount sufficient to cover their personal travel expenses for a month, subject to adjustment on completion of their tours or on 30th June, whichever is earlier. Such advances are not to be granted as a matter of course, but only on occasions when the cost of travelling is so heavy as to be a serious tax on a Government servant's private resources.

Note: Advances under this sub-clause may be granted by heads of departments who may exercise the power for sanctioning advances for themselves as well.

- (iv) To Government servants of the Archaeological Department by the head of an office of that Department subject to the conditions prescribed in sub-clause (iii) above. In case of urgency, such advances may be paid from the permanent advance of the head of the office.

Note 1: A second advance can not be made to a Government servant under this rule until an account has been given of the first.

A Government servant who has taken an advance under this rule for any particular journey may not take payment in travel expense or other bills drawn in respect of the same journeys while the advance or any portion of it still remains unadjusted.

Note 2: Subject to the restrictions specified above, advances under this rule may be granted in all cases of journeys in respect of which travel expense is admissible as for a journey on tour. Amount unspent out of the advances must be refunded to the Government either by cash or by deductions from pay bills.

OTHER ADVANCES

264. Advances may be granted--

- (i) by the head of an office, for law-suits to which Government is a party;
- (ii) by the Director General of Archaeology, to officers of the Archaeological Survey for the purchase of antiquities costing amounts determined by the Government.

Note: The advances mentioned in para 263 and in this para are treated as final charges, not as advances recoverable, and are to be drawn and accounted for as travel expenses of establishments.

SPECIAL ADVANCES

265. Interest-free advances to Government officers and others for special departmental purposes will be regulated by special orders issued by Government in each case.

CHAPTER 14

MISCELLANEOUS SUBJECTS

I - SECURITY DEPOSITS

266. Whenever a private person or a firm contracts with Government to supply stores or execute a work, he or it should, unless exempted by competent authority, be required to give security for the due fulfilment of the contract and suitable provisions regarding the security should be incorporated in the agreement.

267. Rules regarding the security of treasurers in the treasury and the form of security bond to be executed are given in SR. 9 of the Treasury Rules. The following instructions apply generally to securities to be taken from other officials entrusted with the custody of cash or stores.

268. Subject to any special rule or order made by Government in this behalf every cashier, storekeeper and other subordinate who is entrusted with the custody of cash or stores should be required to furnish security, the amount being determined by competent authority, and to execute a security bond setting forth the conditions under which Government will hold the security and may ultimately refund or appropriate it.

269. When an officer who has furnished security takes regular leave or is deputed to other duty, the officer who is appointed to officiate for him should be required to furnish the full amount of security prescribed for the post, unless a competent authority has authorised a relaxation of the rules regarding security applicable to his case.

270. The security taken from a Government officer or a contractor should be in one of the following forms subject to the conditions noted against each, or partly in one and partly in another of these forms, when this is specially permitted by the departmental authority authorised to accept the security:

| Forms | Conditions |
|--|---|
| (i) Cash/Demand Draft | : Government will not pay any interest on any deposit held in the form of cash. |
| (ii) Government promissory notes, debentures or bonds acceptable to the Government | : These securities should be accepted at 5 percent below the market value or at the face value and should be dealt with in accordance with the rules in Chapter IX of the Government Securities Manual. |
| (iii) Post Office Savings Bank Pass Books. | : A pass book for a deposit made under the Post Office Savings Bank Rules may be accepted as security, provided that it is supported by copy of Security Deposit form lodged with the Post Master and attested by him |

| Forms | Conditions |
|--|---|
| <p>(iv) Deposit receipts of recognised banks approved by Government for the purpose.</p> | <p>(1) The deposit receipt should be made out in the name of the pledgee or, if it is made out in the name of the pledger, the bank should certify on it that the deposit can be withdrawn only on the demand or with the sanction of the pledgee;</p> <p>(2) The depositor should agree in writing to undertake any risks involved in the investment;</p> <p>(3) The bank should agree that, on receiving a signed chalan and a withdrawal order from the pledgee in respect of the deposit or any part thereof, it will at once remit the amount specified into the nearest Bank for credit to Government accounts along with the chalan and send the receipt to the pledgee.</p> <p>(4) The responsibility of the pledgee in connection with the deposit and the interest on it will cease when he issues a final withdrawal order to the depositor and sends an intimation to the bank that he has done so.</p> |
| <p>(v) Fidelity bonds from Insurance Companies of reasonable financial standing in forms prescribed by Government.</p> | <p>: A fidelity bond may be accepted as security from a Government officer but not from a private party.</p> |
| <p>(vi) Other forms of security specifically approved by Government for acceptance in any particular department, e.g., mortgages on real property, personal security, etc.</p> | <p>: Security in any such form may be accepted only in accordance with the rules and conditions laid down in the relevant departmental regulations or by special order of Government.</p> |

271. Security furnished in cash by a Government officer or a contractor may be converted, at the cost of the depositor, into any of the interest bearing forms of security mentioned in items (ii) to (v) of the preceding para, provided:

- (i) that the depositor has expressly requested in writing that this be done, and
- (ii) that the acceptance of the new form or forms of security is permissible under the rules and under the terms of the agreement or bond.

Note 1: Cash actually received or recovered may be converted into an interest bearing form of security even when it forms a part of a deposit which is being paid in instalments and has not yet been realised in full.

Note 2: Percentage deductions made from a contractor's bills held as security for the due fulfilment of a contract should not be converted into any other form of security unless there is special rule or order for such conversion.

272. When a Government servant has furnished security in the form of a fidelity bond, the departmental authority receiving the bond should see that the Government servant pays the premia

necessary to keep it alive on the due dates and continues to do so until a period of six months has elapsed since he vacated his office. If the Government servant fails to deliver the premium receipt to the departmental authority in time, he should be removed from his post at once.

273. Subject to any rule or order made by Government in this behalf, the form of the security bond to be executed at the time of furnishing security should be determined under orders of the head of the department according to the kind of security furnished. When a Government officer is specially permitted to furnish security specified in para 270 he should execute separate bonds for the different kinds of security.

274. (1) Post Office Savings Bank pass books, deposit receipts of banks, fidelity bonds and security bonds or agreements should be kept in the safe custody of the departmental authority which takes the security.

Note 1: All the Post Office Savings Bank pass books, should be sent to the Post Office as soon as possible after the 15th September of each year, so that the necessary entries on account of interest may be made in them. In the case of deposit receipts of banks, the depositor should receive the interest, when due, direct from the bank on a letter from the pledgee authorizing the bank to pay it to him.

Note 2: The security bonds of Government officers employed in treasuries should be kept in a locked box in the double-lock strong room of the district treasury. The Treasury Officer will be responsible for the safe custody of the bonds and should keep the key of the box in his personal custody.

(2) Government promissory notes, debentures and bonds deposited as security should be lodged for safe custody with the Manager of the Bank at places where there are offices of that Bank and with the District Treasury in other places in accordance with the rules in chapter IX of the Government Securities Manual.

275. A security deposit taken from a Government officer should be retained for at least six months from the date when he vacates his post, but a security bond should be retained permanently or until it is certain that there is no further necessity for keeping it.

276. Without the special orders of the competent authority, no security deposit should be repaid or re-transferred to the depositor, or otherwise disposed of, except in accordance with the terms of his security bond or agreement. A departmental authority on returning any security to the depositor should invariably obtain his acknowledgement duly signed and witnessed. When an interest bearing security is returned or transferred, the acknowledgement should set forth full particulars of the security.

277. The percentage deductions from bills held as security in connection with contracts to execute works should not be refunded till the final bill has been prepared and passed.

278. Subject to any special rule or order made by Government in this behalf, Ministries/Divisions are authorised to exercise full powers under the provisions of paras 266 to 277 as regards security deposits of Government officers and others employed under them.

II- TRANSFER OF GOVERNMENT LAND AND BUILDINGS

279. Except as expressly provided otherwise in any rule or order made by Government, no land belonging to Government may be sold or made over to a local authority, private party or institution for public, religious, educational or any other purpose, except with the previous sanction of Government.

280. (1) When any land or building is transferred from one department of Government to another, the transfer should be free of all charge. When, however, the property is transferred to or from a commercial department (other than the Railway Department) or the Defence Department, the transfer will be effected on the following basis:-

(A) In the case of transfers to or from a commercial department (other than the Railway Department):

- (i) no charge where the property is borne in the books at no value and
- (ii) book value or market value, whichever is less, where the property is valued in the books.

(B) In the case of transfers to or from the Defence Department:

- (i) half market value where the property is borne on the books at no value, and
- (ii) book value or market value, whichever is less, subject to a minimum of half market value, where the property is valued in the books.

(2) In the case of transfers to and from the Railway Department, the full market value will be charged in each case.

Note: Market value when applied to land may be defined as the price which the land would fetch if sold in the open market subject to the ground-rent or assessment shown against it in the revenue registers, or, if no ground-rent or assessment is shown against it in the revenue registers, subject to a ground-rent or assessment levied at the rate at which ground-rent, or assessment is usually being levied on similar lands in the neighbourhood excluding all cases in which such similar lands in the neighbourhood are held free of ground-rent or assessment at favourable or unfavourable rates of ground-rent or assessment. This is the market value which has to be credited or debited as the case may be in the case of all transactions between Departments of Government.

(3) In case of transfer of landing grounds in Army or Bangladesh Air Force charge to the Civil Aviation Authority, the arrangement stated in sub-para (I) will be the basis of settlement but every case will be treated on its merits and the amount of compensation to be paid to the Defence Department will be settled by negotiation between the Defence Department and the civil Aviation Authority and in no case will the compensation to be paid exceed that which should be payable under the arrangement prescribed in sub-para (I).

(4) If any dispute arises in the application of this rule, the matter should be referred to the Finance Division.

III- INSURANCE OF GOVERNMENT PROPERTY

281. The normal policy of Government is not to insure its properties and no expenditure should be incurred without the prior consent of the Finance Division on the insurance of any Government property.

IV- MISCELLANEOUS

PAYMENT OF ARREAR CLAIMS TO PERSONS NOT IN GOVERNMENT SERVICE

282. (1) The provisions of paras 131 to 134 apply *mutatis mutandis* to old claims preferred against Government by persons not in Government service.

(2) Claims of Government departments against Railways for overcharges and claims of Railways against Government departments for undercharges will be recognised and admitted if they are preferred within six months--

- (i) in the case of cash payment--from the date of payment.
- (ii) in the case of warrant and credit notes--from the date of presentation of bill by the Railway Administration;

Explanation-- The terms 'overcharges' and 'undercharges' mean overcharges and undercharges of railway freight and fares only. They refer to shortages and excesses in the items included in a bill which has already been rendered. The omission of an item in a bill is not an 'undercharge' nor is the erroneous inclusion of an item an 'overcharge'

SUPPLY OF FORMS

283. The Controller of Printing, Stationery, Forms and Publications maintains stocks of the standard forms which are prescribed for use by the Government offices, and which are to be printed and supplied by Government. Heads of offices and other Government officers should send their indents to him, subject to the observance of the procedure prescribed by him.

DESTRUCTION OF OFFICIAL RECORDS CONNECTED WITH ACCOUNTS

284. The general rules on the subject are contained in Appendix 10. Special rules applicable to particular departments are prescribed in the respective departmental manuals.

SUPPLY OF FURNITURE IN RESIDENCES OF HIGH OFFICIALS

285. The general rules on the subject are issued by the Government from time to time.

CHAPTER 15

GOVERNMENT ACCOUNTS

I - GENERAL

FORM OF ACCOUNTS

286. The form in which and the general principles and methods according to which the accounts of Government should be kept have been prescribed by the Auditor General with the approval of the President and the main directions in respect thereof are contained in Volume I of the Account Code. Volumes II and III of that Code embody the directions of the Auditor General regarding the form of initial and subsidiary accounts to be kept in District and Thana Accounts Offices and by officers of the Public Works and the Forest Departments. Detailed rules and instructions relating to the forms of the initial and subsidiary accounts to be kept and rendered by officers of the Defence, Railways, Posts and Telegraph and other technical departments whose accounts are not finally settled through the District and Thana Accounts Offices, are laid down in the Accounts Manuals or in the departmental regulations relating to the departments concerned.

CLASSIFICATION IN GOVERNMENT ACCOUNTS

287. The structure of accounts has been designed to reflect the organisational structure of the Government and their requirements for financial reporting. This structure consists of coding all transactions in 13 digits which are broken down into a number of distinct components, enabling the analysis of data in different ways and different levels. The table below illustrates the structure:

Classification Structure

| Component | Number of digits | Description |
|-----------|------------------|---|
| Level 1 | 1 | Legal Code |
| Level 2 | 2 2 | Ministry/Division Major subdivision of Ministry/Division/Department /Directorate and group of activities. |
| Level 3 | 4 | Operational units/Development Projects |
| Level 4 | 2 2 | Economic group Economic detail within a group |

288. Classification Chart is given in Appendix 1 to the Account Code. Vol 1. The introduction of any new classification code as well as the abolition or change of any of the existing codes requires the approval of the Auditor General. Proposal for such changes should be routed through the Finance Division.

289. In the matter of budget and accounting and for control of expenditure, the nomenclature of the items as laid down in the Classification Chart should be strictly followed by the departmental officers. Whenever provision made in the budget estimates or in any order of appropriation does not conform to the Classification Chart, the corresponding receipt or expenditure should be accounted for against the particular classification code under which the provision has been made or the appropriation has been communicated by competent authority, unless there be strong reasons for contrary course, *e.g.*, when such accounting would be contrary to law. All such cases should be brought to the notice of the Finance Division, so that in the estimates of the following year the error may be rectified, unless the Finance Division agrees to give effect to the correct classification in the

accounts of the current year because of the magnitude of the amounts involved, or because the misclassification affects the accounts of commercial departments or allocation between Capital and Revenue items.

Note: This rule does not, however, apply to Railways, in which case appropriate classification should be followed in accounts, irrespective of whether the provision in the budget has been made under the correct classification code or not.

290. No changes in the classification code of receipts or expenditure will be introduced in the course of a financial year except under special order of the Government.

RESPONSIBILITY OF DEPARTMENTAL OFFICERS

291. Every officer responsible for the collection of Government dues or expenditure of Government money should see that proper accounts are maintained in such form as may have been prescribed for all financial transactions of Government with which he is concerned and render accurately all such accounts and returns relating to them as may be required by Government, the Accounts Officer or the controlling authority concerned. It is essential that all accounts should be so kept and the details so fully recorded and that the initial records of payments, measurement and transactions in general are so clear, explicit and self-contained as to be produceable where necessary as satisfactory and convincing evidence of facts.

Note 1: The classification code on bills should be recorded by the drawing officers; similarly, the classification code on chalangans should be recorded by the officers responsible for the collection of Government dues and making the remittance to the Bank. In case of doubt, the classification in the accounts may at the outset follow the budget, but the matter should be referred to Government for orders in any case of doubt.

Note 2: The responsibilities of disbursing officers, controlling officers, and heads of departments in regard to the control over expenditure incurred against the grants allotted to them are laid down in paras 96 to 99. (see also Appendix 6 to the Public Works Account Code).

II- CAPITAL AND REVENUE

GENERAL RULES

292. Expenditure of a capital nature is broadly defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character, or of extinguishing or reducing recurring liabilities. Expenditure on a temporary asset cannot ordinarily be considered as expenditure of a capital nature.

293. Expenditure of a capital nature as defined above, incurred upon a scheme or project may not, however, be classed as capital expenditure in the Government account unless the classification has been expressly authorised by general or special orders of Government. Ordinarily, such classification will not be permitted unless :

- (i) it is essential for the exhibition of financial results of any special service or undertaking on the basis of generally accepted commercial principles, or in some other conventional manner either that the cost of the service or under-taking may be ascertained or that the full implications of any policy may be clearly demonstrated; or
- (ii) the expenditure involved is so large that it cannot reasonably be met from ordinary revenues.

Note: The term 'ordinary revenues' is applied to revenues derived from taxes, duties, fees, fines and similar items of current Government income including extraordinary receipts, if any, as distinct from receipts that are of a capital, or debt, deposits and banking character.

294. When it has been decided by Government that the expenditure on a scheme for the creation of a new or additional asset should be classed as capital expenditure, and that separate capital and revenue accounts should be kept of such a scheme, the allocation of expenditure to capital and revenue should be determined in accordance with such detailed rules as may be prescribed by Government according to the circumstances of the department or undertaking in which the expenditure is incurred. The following are the main principles applicable to the treatment of the expenditure in the estimates and accounts:

- (i) Capital bears all charges for the first construction and equipment of a project as well as charges for intermediate maintenance of the work while not yet opened for service and bears also charges for such further additions and improvements as may be sanctioned under rules made by competent authority.
- (ii) Subject to clause (iii), revenue should bear all subsequent charges for maintenance and all working expenses. These embrace all expenditure on the working and upkeep of the project and also on such renewals and replacements and such additions, improvements or extensions as under rules made by Government are debitable to the revenue account.
- (iii) In the case of works of renewal and replacement, which partake both of a capital and revenue nature, the allocation of expenditure should be regulated by the broad principle that Revenue should pay or provide a fund for the adequate replacement of all wastage or depreciation of property originally provided out of capital grants and that only the cost of genuine improvements, whether determined by prescribed rules or formulae, or under special orders of Government, may be debited to Capital. Where under special orders of Government, a Depreciation or Renewals Reserve Fund is established for renewing assets of any commercial department or undertaking, the distribution of expenditure on renewals and replacements between Capital and the Fund should be so regulated as to guard against over capitalization on the one hand and excessive withdrawals from the Fund on the other.

Expenditure on account of reparation of damage caused by extraordinary calamities, such as flood, fire, earthquake, enemy action, etc., should be charged to Capital, or to Revenue, or divided between them, in such a way as may be determined by Government according to the circumstances of each case.

- (iv) Capital receipts in so far as they relate to expenditure previously debited to Capital, accruing during the process of construction of a project should be utilized in reduction of capital expenditure. Thereafter their treatment in the accounts will depend on circumstances, but except under special rule or order of Government they should never be credited to the ordinary revenue account of the department or undertaking.

295. Expenditure debitable to Capital will be booked under the appropriate classification code according as the funds required to meet such expenditure are provided from ordinary revenues or from other sources including borrowed money. As a general rule, the capital cost of all comparatively small schemes will be met from ordinary revenues. Borrowed money and other resources will not ordinarily be spent for unproductive purposes unless the following conditions are fulfilled. *viz :-* firstly that the objects for which the money is wanted are so urgent and vital that the expenditure can be neither avoided, postponed nor distributed over a series of years, and secondly that the amount is too large to be met from ordinary revenues.

Except under special orders of Government, no expenditure previously met from ordinary revenue may be transferred to capital.

Note: A productive work is one which produces sufficient revenue to afford a surplus over the charges relevant to its functioning - See Appendix 2 to the Public Works Account Code.

INTEREST ON CAPITAL

296. Except in special cases regulated by special orders of Government, interest at the rates prescribed by the Government from time to time should be charged in the accounts of all commercial departments or undertakings for which separate capital and revenue accounts are maintained within the Government accounts. The charge should be calculated on the direct capital outlay to end of the previous year plus half the outlay of the year itself, irrespective of whether such outlay has been met from ordinary revenues or from other sources.

For capital outlay met out of specific loans raised by Government, rate of interest may be prescribed by Government, having regard to the rate of interest actually paid on such loans and the incidental charges incurred in raising and managing them.

Note: By specific loans are meant loans that are raised in the open market for one specific purpose which is clearly specified in the prospectus and in regard to which definite intimation is given at the time of the raising of the loans that for the purposes of accounts they are to be regarded as specific loans.

297. When under any special order of Government, charges for interest during the process of construction of a project are temporarily met from capital, the writing back of capitalized interest should form the first charge on any capital receipts or surplus revenue derived from the project when opened for working.

ADJUSTMENTS WITH FOREIGN GOVERNMENTS, OUTSIDE BODIES, ETC.

298. Payment must be required in all cases in respect of services rendered to any Foreign Government, or non- Government body or institution, or to a separate fund constituted as such inside the Public Accounts, unless Government by general or special order gives directions to the contrary. Relief in respect of payment for services rendered or supplies made to any outside body or fund should ordinarily be given through a grant-in-aid rather than by remission of dues.

III. INTER- DEPARTMENTAL ADJUSTMENTS

299. (1) The conditions under which a department of Government may make charge for services rendered or articles supplied by it and the procedure to be observed for the settlement of such charges are regulated by the directions contained in chapter 4 of the Account Code, Volume I.

(2) Except in regard to transactions affecting the accounts of commercial departments and undertakings or allocation to capital items, adjustments between different departments of Government should be restricted to the narrowest limits. Such adjustments, when they are essential, should as far as possible, be based on lump sum figures fixed for a period of years with reference to some suitable formula easy of application and maintained for a series of years. Elaborate or meticulous calculations should be avoided as a general rule.

Note: Under the directions contained in the Account Code, Vol. IV, inter-departmental and other adjustments are not to be made in the accounts of the past year, if they could not have been reasonably anticipated in times for funds being obtained from the proper authority. In all cases, where the adjustment could have reasonably been anticipated as for example, recurring payments to another department, and payments which, though not of fixed amount, are of a fixed character, etc., the Controller General of Accounts will automatically make the adjustment in the accounts before they are finally closed. The onus of proving that the adjustments could not have been reasonably anticipated should lie with the controlling officer.

IV- PRO-FORMA ACCOUNTS

SUBSIDIARY ACCOUNTS OF GOVERNMENT

COMMERCIAL UNDERTAKINGS

300. When the operations of a department include undertaking of a commercial or *quasi*-commercial character, and the nature and scope of the activities of the undertaking are such as cannot suitably be brought within the normal system of Government accounts, the head of the undertaking should be required to maintain such subsidiary and *pro-forma* accounts in commercial form as may be agreed between Government and the Auditor General. The methods and principles in accordance with which such accounts are to be kept, including *inter alia* the basis to be adopted for valuation of assets and for allocation of expenditure between capital and revenue accounts and the extent to which provision should be made in those accounts for bad debts, depreciation and other forms of indirect charges, *e.g.*, cost of management and supervision, audit charges, interest on capital expenditure, etc., will be regulated by orders and instructions issued by Government in each case. Where the commercial accounts are maintained for the purpose of assessment of the cost of an article or service, the head of the undertaking should see that adequate regulations are framed with the approval of Government in order to ensure that the cost deduced from the accounts is the accurate and true cost. He should also arrange to obtain orders of Government regarding the nature and form of subsidiary account and statements, if any, which should be appended to the Appropriation Accounts of each year, and submit such accounts and statements to the concerned Chief Accounts Officer on such date as may be required by him.

OTHER PRO-FORMA ACCOUNTS

301. Pro-forma accounts of regular Government Workshops and Factories will be kept in accordance with the detailed rules and procedure prescribed in the departmental regulations.

V- ANNUAL ACCOUNTS

302. The annual accounts of receipts and disbursements of the Government are submitted to Government by the Auditor General in the form of the Finance Accounts and Report thereon. These, together with the Appropriation Accounts and Reports thereon, constitute the published accounts of Government.

The Finance accounts and Report thereon deal with the accounts of Government as a whole, including transactions relating to debt, deposits, advances, suspense and remittance accounts which do not strictly fall within the scope of the Appropriation Accounts.

303. The comments or recommendations of the Parliament or of the Public Accounts Committee, if any, arising out of the Audit Report on the Finance Accounts, and the orders of Government thereon, will be communicated by the Finance Division to the Auditor General and other authorities concerned. The general responsibility for watching the action taken on the Audit Report will devolve on the Principal Accounting Officers.

APPENDIX - 1
(See Para 25)

Instructions for regulating the Enforcement of Responsibility for Losses, etc.

1. The cardinal principal governing the assessment of responsibility is that every public officer should exert the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of the expenditure and the custody of his own money. While, therefore, the competent authority may, in special cases, condone an officer's honest errors of judgement involving financial loss, if the officer can show that he has acted in good faith and done his best up to the limits of his ability and experience, personal liability must be strictly enforced against all officers who are dishonest, careless or negligent in the duties entrusted to them.
2. It is of the greatest importance to avoid delay in the investigation of any loss due to fraud, negligence, financial irregularity, etc. Should the administrative authority require the assistance of the Accounts Officer in pursuing the investigation, he may call on that officer for all vouchers and other documents that may be relevant to the investigation; and if the investigation is complex and he needs the assistance of an expert audit officer to unravel it, he should apply forthwith for that assistance to Government which will then negotiate with the Auditor General for the services of an investigating staff. Thereafter the administrative authority and the audit authority will be personally responsible, within their respective spheres, for the expeditious conduct of the enquiry.
3. In any case in which it appears that recourse to judicial proceedings is likely to be involved, competent legal advice should be taken as soon as the possibility emerges. In the case of losses involving a reasonable suspicion of fraud or other criminal offence, a prosecution should be attempted unless the legal advisers consider that the evidence available is not such as will secure a conviction. The reasons for not attempting a prosecution should be placed on record in all such cases.
4. In cases where loss is due to delinquencies of subordinate officials and where it appears that this has been facilitated by laxity of supervision on the part of a superior officer, the latter should also be called strictly to account and his personal liability in the matter carefully assessed.
5. The question of enforcing pecuniary liability should always be considered as well as the question of other forms of disciplinary action. In deciding the degree of an officer's pecuniary liability, it will be necessary to look not only to the circumstances of the case but also to the financial circumstances of the officer, since it should be recognised that the penalty should not be such as to impair his future efficiency.

In particular, if the loss has occurred through fraud, every endeavour should be made to recover the whole amount lost from the guilty persons, and if laxity of supervision has facilitated the fraud, the supervising officer at fault may properly be penalised either directly by requiring him to make good in money a sufficient proportion of the loss, or indirectly by reduction or stoppage of his increments of pay.

It should always be considered whether the value of Government property or equipment lost, damaged or destroyed by the carelessness of individuals entrusted with their care (e.g., a policeman's rifle, a touring officer's tent, a factory motor lorry, an engineer's instruments) should not be recovered in full up to the limit of the Government servant's capacity to pay.

6. Steps should be taken to ensure that a Government servant concerned in any loss or irregularity which is the subject of any inquiry, is not inadvertently allowed to retire on pension while the inquiry is in progress; and accordingly, when pensionable government servant is concerned in any irregularity or loss, the authority investigating the case should immediately inform the Accounts Officer responsible for reporting on his title to pension and the authority competent to sanction pension, and it will be the duty of the latter to make a note of the information and to see that pension is not sanctioned before either a conclusion is arrived at as regards the Government servant's culpability, or it has been decided by the sanctioning authority that the result of the investigation need not be awaited.
7. The fact that Government servants who were guilty of frauds or irregularities have been demobilised or have retired and have thus escaped punishment, should not be made a justification for absolving those who are also guilty but who still remain in service.
8. The following supplementary instructions should be followed by departmental officers wherever prosecutions in the criminal courts are, or are likely to be, necessary :-
 - (i) As soon as a reasonable suspicion arises that a criminal offence has been committed, the senior officer of the department concerned present in the station will report to the Deputy Commissioner concerned and ask for a regular police investigation under the Code of Criminal Procedure, 1898, as adopted in Bangladesh.
 - (ii) If the Deputy Commissioner/District Magistrate or the authority concerned agrees that an investigation may be made, the senior officer of the department concerned present in the station will (a) request the Deputy Commissioner or the authority aforesaid to arrange for the investigation to proceed from day to day, (b) see that all witnesses and documents are made available to the investigation officer; and (c) associate with the investigating officer an officer of the department who is not personally concerned with the irregularity leading up to the loss, but who is fully cognizant of the rules and procedure of the office in which the loss has occurred.
 - (iii) When the investigation is completed, an officer of the department (accompanied by the officer who attended the investigation) must be made available for conferences with the authority which will decide whether a prosecution should be instituted. If it is decided not to prosecute, the case must be reported through the usual channel to Government for orders.
 - (iv) If it is decided to prosecute, the departmental representative will ascertain from the prosecuting officer whether, having regard to the engagements of the prosecuting staff, and the state of work in the court which would ordinarily hear the case, it is necessary to move the Deputy Commissioner/District Magistrate to make special arrangements for a speedy trial, and will request the prosecuting officer to make any application that he may think necessary.
 - (v) When the case is put into court by the Police, the senior officer of the department concerned present in the station will see that all witnesses serving in the department, and all documentary evidence in the control of the department, are punctually produced, and will also appoint an officer of the department (preferably the officer who attended the investigation) to attend the proceedings in court and assist the prosecuting staff.
 - (vi) If any prosecution results in the discharge or acquittal of any person, or in the imposition of sentences which appear to be inadequate, the senior officer of the department concerned will at once consult the Deputy Commissioner as to the advisability of instituting further proceedings in revision or appeal, as the case may be, and if the Deputy Commissioner is of opinion that further proceedings are necessary, will request him to proceed as he would in any other case. Appeals against acquittals may be made only under the orders of Government.

(vii) The senior officer of the department concerned present in the station will see that, in addition to the report required under clause (iii) above, prompt reports are submitted to Government through the usual channel regarding:-

- (a) the commencement of a police investigation;
- (b) the decision to prosecute in any particular case;
- (c) the result of any prosecution;
- (d) the decision to proceed further in revision or appeal in any case; and
- (e) the result of any proceedings in revision or appeal.

(viii) Notwithstanding anything contained in the above instructions, the senior officer of the Department concerned present in the station may, if he thinks fit, refer any matter through the usual channel for the orders of Government before taking action.

9. In all cases of fraud, embezzlement or similar offences, departmental proceedings should be instituted at the earliest possible moment against all the delinquents and conducted with strict adherence to the rules up to the point at which prosecution of any of the delinquents begins. At that stage it must be specifically considered whether further conduct of the departmental proceedings against any of the remaining delinquents is practicable; if it is, it should continue as far as possible (which will not, as a rule, include finding and sentence). If the accused is convicted, the departmental proceedings against him should be resumed and formally completed. If the accused is not convicted, the departmental proceedings against him should be dropped, unless the authority competent to take disciplinary action is of the opinion that the facts of the case disclose adequate grounds for taking departmental action against him. In either case, the proceedings against the remaining delinquents should be resumed and completed as soon as possible after the termination of the proceedings in court.

APPENDIX -2

(See para 39)

Regulations for the conduct of the Audit of Receipts

1. It is primarily the responsibility of the departmental authorities to see that all revenue or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realised and credited to public accounts and any investigation by Audit must be so conducted as not to interfere with this executive responsibility. Audit shall, however, have power to examine the correctness of the sums brought to account in respect of receipts of any department in such manner and to such an extent as may be determined by Government in consultation with the Comptroller and Auditor General.

2. In conducting the audit of receipts of any Government department, the chief aim should be to ascertain that adequate regulations and procedure have been framed to secure an effective check on the assessment, collection, and proper allocation of revenue, and to see by an adequate detailed check that any such regulations and procedure are being observed. In the audit of receipts ordinarily the general is more important than the particular.

3. In the audit of receipts, it would be necessary in the case of a department, which is a receiver of public money, to ascertain what checks are imposed against the commission of irregularities at the various stages of collection and accounting and to suggest any appropriate improvement in the procedure. Audit might, for instance, suggest in a particular case that a test inspection should be carried out by comparing a sample set of receipt counterfoils with the receipts actually in the hands of the tax-payers or other debtors, the results of such an inspection being made available to Audit.

In no case, however, should independent enquiries be made among the tax-payers or the general public. Audit should confine itself to calling upon the Executive to furnish necessary information and, in cases of difficulty, it should confer with the Administrative authorities concerned as to the best means of obtaining the evidence which it requires.

4. The audit of receipts should be regulated mainly with reference to the statutory provisions or financial rules or orders which may be applicable to the particular receipts involved. If the test check reveals any defect in such rules or orders, the advisability of amendment should be brought to notice.

It is, however, rarely if ever the duty of Audit to question an authoritative interpretation of such rules or orders, and in no case may Audit review a judicial decision, or a decision given by an Administrative authority in a quasi-judicial capacity. This instruction does not, however, debar an auditor from bringing to notice any conclusion deducible from the examination of the results of a number of such decisions.

5. Where any financial rule or order applicable to the case prescribes the scale or periodicity of recoveries, it will be the duty of Audit to see, as far as possible, that there is no deviation without proper authority from such scale or periodicity. When this check can not be exercised centrally, a test audit may be conducted at local inspections, the aim being to secure that disregard of rule or defects of procedure are not such as to lead to leakage of revenue rather than to see that a particular debt due to Government was not realised at all or on due date.

6. Ordinarily audit will see that no amounts due to Government are left outstanding on its books without sufficient reason. Audit will continue carefully to watch such outstandings and suggest to departmental authorities any feasible means for their recovery. Whenever any dues appear to be irrecoverable, orders for their adjustment should be sought. But unless permitted by any rule or order of a competent authority, no sums may be credited to Government by debit to suspense; credit must follow, and not precede, actual realisation.

7. The procedure prescribed by the Auditor General for raising and pursuing audit objections in relation to expenditure, including powers of Audit Officers to waive recovery of Government dues under certain conditions, shall apply *mutatis mutandis* in respect of audit objection on any accounts of receipts.

| | | |
|-----|--|--|
| 10. | Proposals and grants of Budget for certain | |
| 11. | Proposals and grants of Budget for certain | |
| 12. | Proposals and grants of Budget for certain | |
| 13. | Proposals and grants of Budget for certain | |
| 14. | Proposals and grants of Budget for certain | |
| 15. | Proposals and grants of Budget for certain | |
| 16. | Proposals and grants of Budget for certain | |
| 17. | Proposals and grants of Budget for certain | |
| 18. | Proposals and grants of Budget for certain | |
| 19. | Proposals and grants of Budget for certain | |
| 20. | Proposals and grants of Budget for certain | |
| 21. | Proposals and grants of Budget for certain | |
| 22. | Proposals and grants of Budget for certain | |
| 23. | Proposals and grants of Budget for certain | |
| 24. | Proposals and grants of Budget for certain | |
| 25. | Proposals and grants of Budget for certain | |
| 26. | Proposals and grants of Budget for certain | |
| 27. | Proposals and grants of Budget for certain | |
| 28. | Proposals and grants of Budget for certain | |
| 29. | Proposals and grants of Budget for certain | |
| 30. | Proposals and grants of Budget for certain | |

APPENDIX - 3
[See Para 64(1)]

Time Schedule for Preparation of Budget Estimates

| | Particulars | Last date |
|-----|--|------------------|
| 1. | Printing of Departmental estimates | 31st July |
| 2. | Printing and Distribution of Budget (Estimating Officers' forms and Controlling Officers' forms.) | 31 August |
| 3. | Preparation, printing and supply of Budget forms to the Accounts Officer concerned. | 30th September |
| 4. | Submission of estimates by the estimating officers. | 10th October |
| 5. | Receipt of estimate in the Accounts Office and Finance Division from the Controlling Officers with 3 months' actual. | 31st October |
| 6. | Receipt of Schedule of New Expenditure in the Finance Division. | 25th November |
| 7. | Completion of review of the estimates on the basis of 6 months' actuals from the Accounts Officer. | 20th January |
| 8. | Receipt of consolidated estimates in the Finance Division with three months' actuals from the Accounts Officer. | 22nd January |
| 9. | Receipt of 6 months' actuals from the Accounts Officer. | 15th February |
| 10. | Completion of review of the estimates on the basis of 6 months' actuals in the Finance Division. | 28th February |
| 11. | Preparation and despatch to Press of the 1st editions of the Budget and Schedule of New Expenditure. | 1st March |
| 12. | Receipt back of the first edition of the Budget from Press and despatch to Ministries/Divisions. | 10th March |
| 13. | Forecast of Foreign Assistance for Development Programme. | 14th March |
| 14. | Completion of discussions of the Estimates with Administrative Ministries/Divisions. | 28th March |
| 15. | Receipt of final Development programme from Planning Division. | 28th March |
| 16. | Preparation and printing of Budget Documents. | May |

APPENDIX - 4
[See Para 74(3)]

List of Expenditure Charged upon the Consolidated Fund

(Article 88 of the Constitution)

- (a) The remuneration payable to the President and other expenditure relating to his office;
- (b) The remuneration payable to:
 - (i) the Speaker and the Deputy Speaker;
 - (ii) the judges of the Supreme court;
 - (iii) the Comptroller and Auditor-General;
 - (iv) the Election commissioners; and
 - (v) the members of the Public Service Commissions;
- (c) The administrative expenses of, including remuneration payable to, officers and servants of Parliament, the Supreme Court, the Comptroller and Auditor-General, the Election Commission and the Public Service Commissions;
- (d) All debt charges for which the government is liable, including interest, sinking fund charges, the repayment or amortisation of Capital, and other expenditure in connection with the raising of loans and the service and redemption of debt;
- (e) Any sums required to satisfy a judgement, decree or award against the Republic by any Court or Tribunal; and
- (f) Any other expenditure charged upon the Consolidated Fund by the Constitution or by an Act of Parliament.

APPENDIX 5
(See Para. 127)

Directions for the preparation and submission of the Annual Establishment Return

1. The detailed statement of permanent non-gazetted establishment, commonly known as the annual Establishment Return, will be prepared in Form G.F.R 14. It will show accurately the establishment as it exists on 1st July.

Note. No return is required in respect of a non-pensionable establishment.

2. The particulars in respect of all members of the establishment holding permanent posts, whether on duty or absent on foreign service, leave or deputation, or in temporary posts elsewhere, or under suspension or in transit to another office, should be entered in the appropriate columns; with the exception of the following classes of Government servant:-

- (a) Government servants for whom records of service are maintained in the Accounts Office.
- (b) Government servants for whom service books are not required to be maintained.

3. The return should show accurately the sanctioned scale of permanent establishment and so will include every post, whether filled or not. If a post be vacant, the word "Vacant" should be set against it in the column "name of incumbent". Posts sanctioned but not filled should be detailed at the foot of the return.

4. There should be a separate return for each permanent establishment and not more than one establishment should be exhibited on a single page.

5. The names should be entered in order of sections of the establishment. There should be a separate total for each section and a grand total for the whole establishment.

6. (a) In column 1 the general orders should be entered once only; any other order should be entered against every entry which it supports.

(b) The date to be entered in column 2 is the date from which the Government servant has held the post continuously in an officiating, provisionally substantive or substantive capacity, as the case may be.

(c) Personal pay should be shown on a separate line immediately below the entry of pay in column 8, the orders of the competent authority sanctioning it being quoted in column 1.

If the pay entered in column 8 includes an increment allowed with effect from 1st July, the entry should be checked with the increment certificate which would accompany the July bill.

7. When the pay of an establishment or of an individual Government servant is met partly by Government and partly by local or other funds, the whole pay should be shown in the return and the portion payable from each source specified in a footnote.

8. The name of a Government servant officiating in a post and the amount of additional pay for officiating drawn by him need not be shown unless the additional pay for officiating counts for pension.

In the case of an establishment on a time-scale of pay, the names of all Government servants not belonging permanently to the cadre but officiating in permanent posts or holding temporary posts should be included with an indication of the nature of the vacancies they fill.

If the officiating incumbent holds a permanent post on another establishment, the fact should be stated and the entry should be supported by a certificate from the head of that other establishment.

9. If a government servant on the establishment has attained the age of compulsory retirement, the number and date of the orders of the competent authority permitting his retention in service should be quoted in a note at the foot of the return. The period for which retention has been authorised or for which leave beyond the age of compulsory retirement has been granted should also be mentioned. If no orders for his retention have been received, the number and date of the application for sanction to his retention should be noted.

10. A statement in Form G.F.R 15 should be appended to the return, showing with relevant particulars the names which did not appear in the return of the previous year and those which appeared in the return of the previous year but are not omitted, as well as the names of Government servants who were on leave or under suspension during the previous year.

If a Government servant was transferred more than once in the preceding year, the name of each office and post in which he was employed during the year should be mentioned with dates in column 2 of the statement.

11. As the return will be the chief authority by which pension claims will be tested later, both the statements (Forms G.F.R 14 and 15) should after completion be checked carefully with the service books, and a certificate of this check should be endorsed on each.

12. In the case of establishments borne on an amalgamated cadre separate returns should be furnished to the controlling officer, who should consolidate them into one return. The certificate of comparison with service books on the consolidated return should be as follows:-
"Certified by Heads of Offices to have been verified with service books."

13. The return should be transmitted to the Accounts Officer concerned as early as possible after 1st July and in no case not later than 15th August.

Note : In the case of establishments on time-scales of pay, the Accounts Officer may require the submission of the return in duplicate.

APPENDIX - 6
[See Para 151(iii)]

**Rules Regulating the Purchase of Stationery and Printing
Stores for the Public Service**

Preamble

The policy of the Government is to make their purchases of stationery and printing stores for the public service in such a way as to encourage the development of the industries of the country to the utmost possible extent consistent with economy and efficiency, and the following rules which are applicable to the purchase of such stores for the Government are prescribed in accordance with this policy. These rules supersede all previous orders on the subject and apply to the purchase of all the articles included in the Lists A, B and C of this Appendix.

Rule 1: Purchase

Save as provided in Rule 5, all stationery and printing stores required to be purchased for the public service shall be purchased on the condition that delivery shall be made in Bangladesh for payment in Taka in Bangladesh.

Rule 2 : Tenders

- (a) Tenders shall be invited unless the value of the order to be placed is small or sufficient reasons (which shall be recorded) exist for concluding that it is not in the public interest to call for tenders.
- (b) No tender which fails to comply with the condition as to delivery and payment prescribed in rule 1 shall be accepted.
- (c) Tenders shall be opened after intimation to the tenderers and in the presence of those tenderers who desire to attend.

Rule 3: Preferences

- (a) Preference in making purchases will be given in the following order:
First, to articles produced in Bangladesh in the form of raw materials, or manufactured in Bangladesh from raw materials produced in Bangladesh provided that the quality is sufficiently good for the purpose;
Secondly, to articles wholly or partially manufactured in Bangladesh from imported materials, provided that the quality is sufficiently good for the purpose;
Thirdly, to articles manufactured abroad and held in stock in Bangladesh provided that they are of suitable type and requisite quality;
- (b) The Controller of Printing and Stationery may, when he is satisfied that such a measure is justified, allow with the sanction of the Government a limited degree of preference in respect of price to articles produced or manufactured in Bangladesh either wholly or in part.

Rule 4 : Inspections and Test

All articles shall be subject to inspections before acceptance, and articles for which specifications and/or tests have been prescribed shall be required to conform to such specifications and/or to satisfy such tests. Such inspections and/or tests may be held before, during or after the supply is effected.

Rule 5 : Purchase of special articles

(a) When suitable and economical purchases of articles of a special or unusual character cannot be made in accordance with the preceding rules, the Controller of Printing and Stationery may obtain the article he requires through the Director of Supply and Inspection.

(b) When the value of the purchase so made exceeds Taka 5,000/- the purchasing officer shall place on record his reasons for not effecting the purchase in accordance with Rules 1 to 4.

Rule 6: Inter-Department purchases

Nothing in these Rules shall be deemed to prohibit the purchase of articles by one Department from another.

Rule 7: Powers of purchase

(a) The Controller of Printing and Stationery exercises full powers.

(b) In cases of emergency the Deputy Controller can purchase locally stationery and printing stores up to Taka 15,000/- in each case, subject to a report being made to the Controller if the value exceeds Taka 250/-.

(c) Officers in charge of Government Presses can purchase locally any article or any number of similar articles, purchased at one time, included in list C, up to Taka 500/- or with the sanction of the Controller up to Taka 2,000/- in each case.

List A : Stationery Stores

1. Paper of all kinds, whether in sheets, rolls, reels or pads, and envelopes of all kinds.
2. Cardboards, billboards, pulpboards, pasteboards and strawboards.
3. Parchment and vellum (imitation or real).
4. Book binding materials.
5. Books (blank, ruled or loose leaf including equipment).
6. Writing and drawing materials including:—
 - (a) pens, pencils, carbon, chalks (writing and drawing) and pen-nibs of all kinds;
 - (b) inks, ink-powders, ruling paste, inkstands and ink pots;
 - (c) water colours and boxes, saucers and brushes for such colours and slants;
 - (d) rulers, tracing cloth, ferro-gallic linen and ferro-prussiate cloth;
 - (e) erasers (steel or rubber), slates, and sponges; pad (writing, and signature).
7. Desk appliances including:—
 - (a) knives, hones, scissors, punching and stapling tools, bells;
 - (b) envelope cases, trays, date cards, tag labels;
 - (c) pins, pin-cushions, fasteners, paper cutters, eyelets, paper clips, paper weights, gum bottles and brushes and sealing wax.
8. Rubber stamps, metal seals, etc., rollers (rubber, thumb-impression and cyclostyle), thumb-impression slabs and pocket cases; pads (rubber and leather) for stamping.
9. Glue, gum, paste, tags, tapes, straps, thread and twine, if required for office purposes.
10. Packing cases and other packing materials (for Stationery Offices and Printing Presses only).

List B : Office Machinery and Appliances

1. Typewriters and accessories including ribbons; Electric typewriter; Computers.
2. Duplicators (flat and rotary) and office printing machines and accessories.
3. Calculating machines.
4. Addressographs, Protectographs and similar machines.
5. Card index systems and cabinets.
6. Miscellaneous office requisites, e.g., letter scales, numbering and dating machines, Photocopy machine.
7. Machinery, etc. required for testing paper and other stationery stores.

List C: Printing Stores

Printing machinery of all descriptions including machines for composition, lithography, bindery, embossing, typesetting, etc., and accessories.

Printing furniture, including composing frames and cases, galleys, chases, quoins, reglets, leads, rules, etc.

Type and type metal and metal for conversion into type metal.

Ink, printing and lithographic.

Litho stones and plates.

Press and ruling machine blankets.

Glue, glucose, glycerine and other offset chemicals required for printing.

Note: These lists are subject to modification at the discretion of the Government.

APPENDIX - 7
(See Para 175)

Regulations for the conduct of the Audit of Stores and Stock Accounts

1. The audit of stores accounts kept in any office or department of Government shall be directed to ascertaining that the departmental regulations governing purchase, receipt and issue, custody, condemnation, sale and stocktaking of stores are well devised and properly carried into effect, and to bring to the notice of Government any important deficiencies in quantities of stores held, or any grave defects in the system of control.
2. As regards purchases of stores, Audit will see that —
 - (i) these are properly sanctioned, are made economically and in accordance with any rules or orders made by competent authority for purchase of stores required for the public service: in particular when stores are purchased from contractors, the system of open competitive tender is adopted and the purchase is made from the lowest tenderer unless there are recorded reasons to the contrary;
 - (ii) the rates paid agree with those shown in the contract or agreement made for the supply of the stores;
 - (iii) certificates of quantity and quality are furnished by the passing and receiving officers before payment is made, except where the contrary is allowed by the rules of Government regulating purchase of stores; and
 - (iv) purchase orders have not been split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

Audit should call attention to cases of uneconomical purchases of stores and to any losses, which may be clearly and definitely attributed to the defective or inferior nature of stores which were accepted and certified to be satisfactory in quality.

3. Audit should ascertain that the accounts of receipts of stores whether purchased, or otherwise obtained, and of their issues and balances are correctly maintained. Where a scale has been prescribed by Government or other authority for issue of stores of any particular kind, it should be seen that the scale is not exceeded.
4. Stores in many cases, represent a locking up of capital which is not justifiable unless essential. In order to effect economy in this direction Audit will see that the balance in hand does not exceed the maximum limit prescribed by competent authority and is not in excess of requirements for a reasonable period.
5. The accounting for and maintenance of unserviceable stores, which cannot be utilised by the department in whose custody they are kept, involve waste of labour and space. The retention of stores in excess of the probable requirements of the department in the near future may result in loss to Government through deterioration. Audit will, therefore, see that measures are taken to survey, segregate and consider the disposal of unserviceable, surplus and obsolete stores in accordance with the procedure prescribed by Government in this behalf.
6. It is an important function of Audit to ascertain that the articles are counted periodically and otherwise examined to verify the accuracy of the quantity and balances in the books. Audit shall not,

except when specially authorised to do so, assume responsibility for the physical verification of stores, but it has the right to investigate balances of stores, if any discrepancies in the stores accounts suggest that such action is necessary. Audit has, however, to see that a certificate of verification of stores is recorded periodically by a responsible authority, that the system of verification adopted by the Executive is adequate and proper, that discrepancies found on stock-taking are properly investigated and adjusted and that, wherever possible the staff responsible for the verification is independent of the staff which is responsible for the physical custody of the stock or for keeping accounts of it. It should also be seen that, wherever practicable, verifiers of stock work directly under the control of Government, and not under the heads of individual departments.

7. Where a priced account is maintained, Audit will see that —

(i) The stores are priced with reasonable accuracy and the rates initially fixed are reviewed from time to time, are correlated with market rates and revised where necessary;

(ii) The value accounts tally with the accounts of works and of departments connected with stores transactions, that the total of the valued account tallies with the outstanding amount in the general accounts; and that the numerical balance of stock materials is reconcilable with the total of value balances in the accounts at the rates applicable to the various classes of stores; and

(iii) Steps are taken for the adjustment of profits or losses due to revaluation, stock-taking, or other causes, and that these are not indicative of any serious disregard of rules.

8. The procedure for the conduct of audit of any stores and stock accounts and extent to which those accounts should be examined by Audit will be such as may be agreed upon between Government and the Auditor General.

9. The procedure prescribed by the Auditor General for raising and pursuing audit objections in relation to expenditure shall generally apply in respect of audit objections on any accounts of stores and stock. When necessary, separate rules of procedure shall be laid down by the Auditor General with the concurrence of Government.

APPENDIX - 8

(See Para 193)

General Principles regarding the Accounting of Expenditure on 'Works' executed by Civil Officers.

1. For every work there should be a duly sanctioned detailed estimate. Copies of sanctions to estimates are to be communicated to the Concerned Chief Accounts Officer by the sanctioning authority as soon as a sanction is accorded. If, however, the number of works sanctioned is large, such sanctions may conveniently be communicated through a monthly statement in P.W.D. Form No. 34. Copies of sanctions to contracts, establishment charged to works or any other financial sanctions should be communicated to the Concerned Chief Accounts Officer individually.
2. Payments for all works done by contract of materials purchased should be made on the basis of measurements recorded in Measurement Books (C.P.W.A. Form 23). A muster roll in C.P.W.A. Form 21 should be prepared for works done by daily labour. It is desirable that C.P.W.A. Form 24 or 27 should be used for payment to contractors. If any establishment is entertained on monthly wages whose pay is chargeable to a work, C.P.W.A. Form 29 may be used for payment of their wages. The rules regarding the preparation and check of these documents will be found in Chapter X of the Central Public Works Account Code.
3. Separate supply & services and repairs & maintenance bills should be prepared for expenditure relating to 'Works' duly supported by sub-vouchers in forms referred to in paragraph 2 above. The name of work as given on the sanctioned estimate should be noted conspicuously on each sub-voucher as well as in the bill itself.
4. At the end of a month, every disbursing officer will render to the Concerned Chief Accounts Officer the following monthly accounts so as to reach him by the 8th of the next month :
 - (i) *Schedule of works expenditure* (C.P.W.A. Form 64). Showing expenditure incurred during the month and total charges up to date in respect of every work in progress. All payments pertaining to a work during a month will be posted in column 5 of the form quoting voucher number and date in column 7 and all works in progress will be shown in this schedule.
 - (ii) *Contractor's ledger in C.P.W.A. Form 43*. This account need only be prepared in accordance with Section G of Chapter X of the Central Public Works Account Code, if any intermediate payment on running account is made to a contractor. It is not required in cases where every payment to contractors is final.
 - (iii) *Accounts of receipts and issues of Tools and Plant purchased by or belonging to the departmental office in C.P.W.A. Forms 13 and 14*. – To be prepared in accordance with paragraphs 145 and 146 of Central Public Works Account Code.
5. In respect of articles of Tools and Plant purchased in connection with 'work' an annual Register to show receipts, issue and balances will have to be maintained in C.P.W.A. Form 15 in accordance with paragraphs 147 et seq. of the Central Public Works Account Code. The register may be annually closed as soon after the month of December as possible, the book balance being physically verified and certified and sent to the Concerned Chief Accounts Officer by the officer concerned so as to reach him on or before the 15th February every year.
6. A copy of the Register of buildings in charge of every disbursing officer should be sent to the Concerned Chief Accounts Officer in P.W.D. Form no. 25.

APPENDIX – 9

[See Note below Para 257 (12)]

Instructions laying down the procedure to be followed in dealing with applications for advances for the construction of houses

Note: In cases where the sanctioning authority is satisfied beyond all doubt about the validity of an applicant's title to the land upon which the house is to be built, compliance with the instructions contained in this appendix need not be insisted on. In such cases it will be sufficient if the applicant satisfies the sanctioning authority regarding his title in accordance with note 2 below rule 257(7). But in cases where the sanctioning authority is not so satisfied or has no other means to obtain such satisfaction, the instructions contained in this appendix must be complied with.

(1) On receipt of an application for an advance, the head of the office (e.g., the District Superintendent of Police, Divisional Forest Officer or District Education Officer) should inspect the land personally and satisfy himself by local inquiry that the amount of the advance applied for has not been over-estimated. He should then direct one of his responsible sub-ordinates (e.g., Superintendent or Assistant Superintendent, Nazir or Accountant) to examine the records of the Registration Office and satisfy himself that the property has been free from encumbrances during the past 12 years. The head of the office should then forward the application with his report thereon to the head of his department for sanction.

(2) Under rule 257(7), the sanctioning authority has to satisfy himself regarding the applicant's clear title to the property. If the head of department decided to sanction the advance, and if funds for making the advance are available, he should forward the application to the Deputy Commissioner of the district concerned for verifying the applicant's title to the property.

(3) The Deputy Commissioner or one of his assistants should personally inspect the land or the house, examine the applicant, and require him to produce title deed, if any, in his possession. The vendor should next be examined, and he also should be required to produce his title deeds. If the site has changed hands more than once, as often happens, then all the predecessors in title of the present vendor should be examined with their title deeds. When the property lies in a municipal area, the Secretary of the Paurashabha should then be asked to report, after reference to his records, what person or persons have been in actual possession of the house or the land concerned during the past 12 years.

(4) The application should then be forwarded by the Deputy Commissioner to the Legal Remembrancer to Government with the investigating officer's report thereon for further examination of the title.

(5) The Legal Remembrancer will examine the applicant's title to the property and will forward the application to the head of the department with his opinion.

(6) If the reports of the Deputy Commissioner and the Legal Remembrancer show that the applicant has a clear title to the property, the advance will be sanctioned by the head of the department.

APPENDIX - 10
(See para 284)

Destruction of Office Records connected with Accounts

The destruction of records (including correspondence) connected with accounts is governed by the following rules and such other subsidiary rules consistent therewith as may be prescribed by Government in this behalf with the concurrence of the Auditor General :-

(a) The following should on no account be destroyed :-

Records connected with expenditure which is within the period of limitation fixed by law.
Records connected with expenditure on projects, schemes, of works not completed although beyond the period of limitation.

Records connected with claims to service and personal matters affecting persons in the service.
Orders and sanctions of a permanent character, until revised.

(b) The following should be preserved for not less than the periods specified against them: -

| Description of Records | Period of preservation |
|--|--|
| Annual establishment Returns (Books of establishment) | 35 |
| Register of expenditure on Supplies & and Services and Repairs & Maintenance | 5 |
| Detailed budget estimates of an office | 5 |
| Travel expenses bills and acquittance rolls relating thereto | 3 |
| Service books | 5 years after death or retirement whichever is earlier |
| Leave account of non-gazetted Government servants | 3 years after death or retirement |
| Cases in which invalid pensions have been sanctioned | 25 or 3 years after the death of the pensioner |
| Other pension cases | 5 years after retirement |
| Statement of monthly progressive expenditure and correspondence relating to discrepancy in the figures. | 2 |
| Pay bills and Acquittance Rolls where these are maintained separately, of Government servants for whom no establishment returns are submitted or no service books or service rolls are maintained. | 35 |
| Pay bills of other classes of Government servants and Acquittance rolls for pay and allowances when maintained separately (see notes 1 and 2 below) | 6 |
| Muster rolls | Such period as may be prescribed in this behalf in the departmental regulations subject to a minimum of three account years excluding the year of payment. |

Note 1:- Before any pay bills are destroyed, the periods of temporary and officiating service, as recorded in the service books or service rolls (as the case may be) of the Government servant concerned, should be verified by

the head of the office from the pay bills and the fact of such verification should be recorded under proper attestation in the service books or service rolls (as the case may be). In regard to temporary and officiating service, the head of the office should also invariably give necessary particulars with reference to Articles 370 and 371 of the Civil Service Regulations with a view to enabling the Accounts Office to decide later on by reference merely to such particulars whether the temporary or officiating service will qualify for pension or not. For example, in the case of officiating service the nature of the vacancy in which the Government servant officiated and in the case of temporary service, whether the temporary post was subsequently made permanent, should be stated.

Note 2:- The periods of preservation of account records in Public Works offices are prescribed separately by Government.

(c) Where a minimum period after which any record may be destroyed has been prescribed, the head of a department or any other authority empowered to do so, may order in writing the destruction of such record in their own and subordinate offices on the expiry of that period counting from the last day of the latest official year covered by the record.

(d) Heads of departments are competent to sanction the destruction of such other records in their own and subordinate offices as may be considered useless, but a list of such records as properly appertain to the accounts audited by the Comptroller and Auditor General should be forwarded to the concerned Chief Accounts Officer for his concurrence in their destruction before the destruction is ordered by the head of department.

(e) Full details should be maintained permanently, in each office, of all records destroyed from time to time.

FORM G.F.R. I

[See Para 74 (5)]

Ministry/Division/Office

Code No. - - -

Statement of details of provision proposed for Pay of Officers/Establishments
For the year _____

| 1 Name and Designation | 2 Reference to page of Estimate form | 3 Sanctioned pay of the post | | | 4 Amount of provision for the year at the rate in column 3 (c) | 5 Increment falling due within the year | | | 6 Total provision for the year, i.e. total of columns 4 and 5 (c) | Remarks |
|---------------------------|---|---------------------------------|----------------|---|---|--|--------------------------|---|--|---------|
| | | (a) Minimum | (b) Maximum | (c) Actual pay of the Government Servant due on 1st July next year | | (a) Date of increment | (b) Rate of increment | (c) Amount of increment for the year | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

Note 1.— Voted and non-voted items should be separately shown.

Note 2.— In the case of temporary establishment, authority under which they are entertained should be quoted.

Note 3.— Names need not be given in the case of officers whose names are omitted from pay bills.

Note 4.— Numbers and amount of provision should agree with the entries in the estimate form.

Dated: _____

Signature of Officer
Designation of Officer

Form G.F.R 2
[See Para 75(2)]

Ministry/Division/Department/Directorate/Office

***Schedule of New Expenditure proposed by the Ministry/Division for inclusion in
the Budget Estimate for the Year.....***

| Classi- fication code under which the charge falls in the Budget | Description of the Scheme | Estimate of ultimate Expenditure | | | Estimate of Expenditure on | | | Extra recurring expenditure during the year | Additional Expenditure during the Year | | No. & date of order of Adminis- trative approval | The Adminis- trative Division's justifi- cation for inclusion of the scheme | Remarks |
|---|---------------------------------|----------------------------------|-----------|--------|----------------------------|-----------|--------|---|---|-----------|---|---|---------|
| | | Non- recurring | Recurring | Total. | Non- recurring | Recurring | Total. | | Non- recurring | Recurring | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | 7 | 8 | 9 | 10 | (11) | 12 | 13 | 14 |
| | | | | | | | | | | | | | |

NOTE :-

- (a) No Scheme should be entered in this schedule if funds have been provided for it in the district or departmental estimates submitted to the Accounts Officer concerned or in the list of works.
- (b) Clear but brief explanation should be given in the "Remarks" column for classifying any expenditure as charged.
- (c) Where the whole of the provision required for any scheme does not fall under a single Ministry/Division/Department, cross- references should be given in the remarks column so as to exhibit clearly the total cost of the projects.
- (d) Next year (cols. 6,7 and 9).
- (e) Year after next year (cols. 10 and 11).

FORM G.F.R 3

(See para 77)

Name of Ministry/Division/Department/Directorate

Code No. - - -

*List of New Works of the Ministry/division proposed for inclusion in the Civil Works Budget
Estimate for the year*

| Order of Urgency | Description of Work | Civil Districts. | Locality or Town | Administrative Sanction accorded in letter No. and date. | Amount for which Administrative Sanction has been given (In Taka) | Technical Sanction accorded in letter No. and date. | Amount of Sanctioned Estimate (In Taka) | Amount proposed for expenditure 19..-19.. (In Taka) | | Remarks. |
|------------------|---------------------|------------------|------------------|--|---|---|---|---|---------|----------|
| | | | | | | | | Voted | Charged | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| | | | | | | | | | | |
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Note:- Clear but brief explanation should be given in the "Remarks" column for classifying any expenditure as charged.

General Financial Rules

FORM G.F.R. 4
[See Para 80 (1)]

Sample Form for Preparation of Civil Works Estimate,

| Classification codes | Actual (in Tk) | | Provisions in Current Year's Budget (in Tk) | | Revised Estimate (in Tk) | | Next year's Budget (in Tk) | |
|----------------------|----------------|---------|---|---------|--------------------------|---------|----------------------------|---------|
| | Voted | Charged | Voted | Charged | Voted | Charged | Voted | Charged |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | | | | | | | | |
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| | | | | | |
|-----------------------|-------|------------|--------------------------------|-----------------------|--------------------------------|
| Original Works: | Civil | Buildings: | New Works (Current year): | Communications : | New works: |
| | | | Works in progress: | | Works in progress: |
| | | | Minor works: | | Minor works: |
| Total Original Works- | | | Total Repairs and Maintenance: | Total Original Works: | Total Repairs and Maintenance: |
| | | | Establishment: | | Establishment: |
| | | | Grants-in-aid: | | Grants-in-aid: |
| | | | Tools and plant | | Tools and plant |
| | | | Suspense: | | Suspense: |
| Total. | | | | Total | |

FORM G.F.R. -5
[See Para 80(2)]

Form for Preparation of Statement Showing Works in Progress (Civil Works)

| Serial- No. | Description of Work | Sanctioned Estimate (In Taka) | | Expenditure up to 30 th June, (In Taka) | | Budget Provision, | | Grant in the year ... (In Taka) | | Probable Expenditure in the year..... (In Taka) | | Estimated Expenditure in the year..... (In Taka) | | Remarks |
|----------------|------------------------|-----------------------------------|---------|---|---------|----------------------------|---------|-------------------------------------|---------|--|---------|---|---------|---------|
| | | Voted | Charged | Voted | Charged | Voted | Charged | Voted | Charged | Voted | Charged | Voted | Charged | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |

Instructions For Filling up Form GFR 5

Column 2: The following should be entered in this column:

- In detail, all major works included in the original budget estimate for the year in which the statement is submitted, except those the construction of which has been definitely and finally abandoned. Even though it is known that nothing will be spent in the year on a major work included in the original budget estimate, that work should be entered in the list unless it has been finally decided to drop the proposal to go on with it.
- In detail, all major works which, though not included in the original budget estimate, have been or are likely to be taken up in the course of the year in which the statement is submitted.
- One-item "Minor Works."

Example: The original budget estimate contained three major works A, B and C, A is being constructed; B has been finally abandoned, C has been postponed to the next or some subsequent year, and D, another major work, is being taken up in its place. The statement will include A, C and D.

Column 3: When the original estimate has been revised, the latest sanctioned estimate must be entered because this gives the latest information of the probable cost of the work.

Column 4: This column shows the expenditure incurred on a work up to the end of the previous financial year.

Column 5: This column shows the original grant as passed by the parliament and sanctioned by the Government.

Column 6: If the grant in the original budget estimate has been subsequently increased or reduced by reappropriation, the modified grant must be entered.

Column 7: In this column will be entered not the maximum amount which can conceivably be spent but the best forecast the officer carrying out the work can make at the time the statement is submitted of the amount which he is likely to spend in the year. He will be particularly careful not to overstate the amount. An overstatement of the amount likely to be spent in the current year leads to a smaller provision for the continuance or completion of the work in the budget estimates of the next year, and thus to the necessity in the next year of either securing a reappropriation (which may often not be feasible) or of delaying the completion of the work. The aggregate of the amounts entered in column 7 constitutes the revised estimate of expenditure on original work in progress.

Column 8: The figures in this column will be calculated as follows:

The difference between the figure in column 3 and the sum of the figures in columns 4 and 7 represents the amount required for the completion of the work. This amount will be entered in column 8, if it is considered likely that all of it can be spent in the ensuing year. If, however, it is thought unlikely that the work can actually be completed in the ensuing year then only such less amount as is thought likely to be spent will be entered.

General: The entries against the item "Minor Works" will be calculated in exactly the same way by details of Works, and *mutatis mutandis* the instructions regarding major works in the notes under column 2 apply to them. But the details of minor works need not be included in the statement submitted to the Chief Accounts Officer. It will be sufficient to give lump sum totals.

FORM G.F.R. 6

[See para.98(3)(i)]

Slip to accompany claims for money of disbursing officers on Accounts Offices

Ministry/Division/ Department/Office.....

Code No. - - -

| No. of voucher | Particulars | Amount |
|----------------------|------------------------------|-------------------|
| Dated _____ | Previous expenditure _____ | _____ |
| Paid _____ | Expenditure up to date _____ | _____ |
| Date _____ | | _____ |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| _____Accounts Office | | Signature _____ |
| | | Name _____ |
| | | Designation _____ |

* To be filled in and returned by the Accounts Officer with the cash or cheque

FORM G.F.R. 7
[See para 98 (4) (1)]

Register of Expenses

Office.....

Code No. - - -

| | Code No. of Grants | | | | | | | | | | | Deduction if any | Net Amount | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|------------|--|
| | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | | | |
| No of Voucher | | | | | | | | | | | | | | |
| Allotment | | | | | | | | | | | | | | |
| Total charges drawn for the month... | | | | | | | | | | | | | | |
| Total charges drawn from 1st July | | | | | | | | | | | | | | |
| Balance of the appropriation | | | | | | | | | | | | | | |

Note 1. If an allotment is changed, the necessary correction of the register should be made in red ink.
Note 2. This account should be dispatched on the 3rd of the following month supported by slips (Extracts of the 'bills).

Date _____

Signature _____
Name _____
Designation _____

FORM G.F.R. 8
[See para 98 (4) (iii)]

Broadsheet for Watching Receipt of Account from Disbursing Officers

Ministry/Division/Department/Operating Unit _____

Code No. - - -

| Serial No | Names of Disbursing Officers | District/Thana | Date of receipt of account | | | | | |
|-----------|------------------------------|----------------|----------------------------|--------|---|---|---|------|
| | | | July | August | - | - | - | June |
| | | | | | | | | |
| | | | | | | | | |
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Note-- Dates of receipts should be noted in monthly columns. Reminder should be sent if not received by the 7th of the month.

FORM G.F.R. 10
[See para 98 (4) (vi)]

CONSOLIDATED ACCOUNTS

Ministry/Division/Department/Office.....

Year

Code No. - - -

| 1 | 2 | | 3 | | 4 (monthly columns) | | | | | |
|---|------------------|-------|-------------------|-------|---------------------|-------|-----------|-------|-------------------------|-------|
| | Grant sanctioned | | Grant distributed | | July | | August | | Total from July to date | |
| Classification code of Disbursement | Non-voted | Voted | Non-voted | Voted | Non-voted | Voted | Non-voted | Voted | Non-voted | Voted |
| Total of all primary units including pay of officers and establishment (temporary and permanent). | | | | | | | | | | |

Note: Progressive actuals should be checked against budget appropriation in columns 2 and 3 every month.

FORM G.F.R.11

(See Para 108)

Application for an Additional Appropriation, year
 Ministry/Division/Department/Office.....

Code No. - - -

| 1 | 2 | 3 | | 4 | 5 | | |
|--|---|----------------------------------|--------------------------------|--------------------------------------|-------------------------------------|------|------|
| Budget Classification Code | Original Appropriation as modified by competent authority | Expenditure | | | Expenditure during the past 3 years | | |
| Ministry/Division/Department/Office/unit of appropriation. | Amount | Account up to the month of _____ | Necessary for remaining months | Additional appropriation applied for | Year | Year | Year |
| | Tk. | TK. | Tk. | Tk. | Tk. | Tk. | Tk. |
| | | | | | | | |

No _____ dated _____

Explanations of insufficiency of grant, recommendations and proposals for re-appropriation by--

(1) Disbursing officer..... (2) Controlling officer..... (3) Head of department;

(6) Secretary to Government in Ministry/Division—
 No, _____ dated _____

Order of sanction with details of source of appropriation.

Additional appropriation of Tk..... is sanctioned.
 The amount will be met by re-appropriation from.....

Signature.....
 Designation.....

FORM G.F.R. 12,
(See Para 119)

Statement of Proposition for Revision of Establishment

| NATURE OF CHARGES | | | | | | | | | | | PROPOSITION | | | | | | Order of sanctioning Authority | |
|-------------------|-------------|-------------|-----------|-------------|------------------|--------|-------------|-------------|---------------|--------------------|--------------------|--------------------|------------|--------------------|------------|--------|--------------------------------|------------|
| Present scale | | | | | Proposed scale | | | | | Permanent | | Temporary | | | | | | |
| Pay | | | | | Pay | | | | | Increase per month | Decrease per month | Increase per month | | Decrease per month | | | | |
| Number | Designation | Minimum Tk. | Increment | Maximum Tk. | Average cost Tk. | Number | Designation | Minimum Tk. | Increment Tk. | Maximum Tk. | Average cost Tk. | Amount Tk. | Amount Tk. | Period | Amount Tk. | Period | | Amount Tk. |
| | | | | | | | | | | | | | | | | | | |

Form GFR 13
(See para 126)

Application for Leave

| Name of the Applicant with Designation and Pay 1 | Last leave enjoyed 2 | Period and nature of leave applied for and from what date 3 | Remarks by Controlling Officer 4 |
|---|-------------------------|--|-------------------------------------|
| | | | |

N.B. The Article of the Civil Service Regulations or of the Fundamental Rules under which leave is claimed should always be noted in column 3.

Any application to prefix or affix authorised holidays to leave under Article 320 of C.S.R. or Rule 68 of the Fundamental Rules should be made to the authority sanctioning the leave at the time when the application for leave is submitted.

Date _____

Signature of Applicant

Name _____

Designation _____

| | |
|---|--|
| <p>Forwarded to the Accounts Officer for submission of Leave Admissibility Report to the Leave Sanctioning Authority</p> <p>Date _____</p> <p style="text-align: right;">Controlling Officer</p> <p style="text-align: center;">Seal</p> | <p>Leave Admissibility Report of the Accounts Officer No. _____ Date _____</p> <p>Submitted to _____</p> <p>Date _____</p> <p style="text-align: right;">Accounts Officer</p> <p style="text-align: center;">Seal</p> |
|---|--|

Note: If the applicant is drawing any compensatory allowance, the sanctioning authority should state whether on the expiry of leave he is likely to return to the same post or to another post carrying a similar allowance.

General Financial Rules

FORM GFR 14
(See Para 1 of Appendix 5)

Detailed statement of the Permanent Establishment as it stood on 1st July.....

Name of Office _____

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|---|-------------------------|--|--------------------------------------|-------------------|-------------|--|------------------------|---|
| Order of competent authority creating the post | Date of appointment of present incumbent to post with indication of nature of appointment (e.g officiating, provisional or permanent) | Name of sanctioned post | Date of incumbent's birth by Christian era (as near as possible) | Serial numbers of post in each class | Name of incumbent | Pay of post | Pay of present incumbent and total of each Section | Date of last increment | Remarks (including note of efficiency bar where applicable) |
| | | | | | | | | | |

Compared with service books and found correct.

Signature of the Head of Office

FORM GFR 15

(See para 10 of Appendix 5)

Statement of new names, leave, etc., in an establishment

| 1 | 2 | 3 | 4 | 5 | 6 |
|-----------|--|---|--|--|--|
| New names | From what office and on what date transferred, or (in the case of new entrants) with what bill the health and age certificates were furnished. | Names which were included in the previous year but are now omitted. | From what date ceased to be borne on the establishment, and why. | Names of Government servants who were on leave or under suspension during the previous year. | Description and period of leave or suspension (from and to what date). Whether it has been expressly declared that the suspension period will count towards pension. |
| | | | | | |

Compared with service books and found correct.

Signature of the Head of Office

FORM G.F.R. 16
 [See para. 213 (6)]
Store Account of Articles

| Date of purchase | Voucher number in which charged | Number of articles | Description | Price | Disposal and date |
|------------------|---------------------------------|--------------------|-------------|-------|-------------------|
| | | | | | |
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FORM G.F.R. 17

(See para. 248)

Statement of Loans and Advances sanctioned by the Government

| Name of person receiving the Loan | Amount of Loan sanctioned | Rate of Interest | No. & date of Orders authorising the Loan | Balance from last year | Amount advanced during the year | Total | Amount re-paid during the year | Balance of Loans at close of the year | Amount of interest received and credited to revenue | Balance of interest unpaid | Remarks |
|-----------------------------------|---------------------------|------------------|---|------------------------|---------------------------------|-------|--------------------------------|---------------------------------------|---|----------------------------|---------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| | | | | | | | | | | | |
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G.F. R. FORM No. 18
[See Note below Para 257 (5)]
Form of Mortgage for House-building Advances.

THIS INDENTURE made the day of year
BETWEEN of a Civil officer of
(hereinafter referred to as the mortgagor which term shall where the context so admits include his heirs, executors, administrators and assigns) of the one part and THE PRESIDENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH (hereinafter referred to as the mortgagee which term shall where the context so admits include his successors and assigns) of the other part.

WHEREAS the mortgagor is absolutely seized and possessed of or otherwise well entitled to the land, hereditaments and premises hereinafter described and expressed to be hereby conveyed transferred and assured (hereinafter referred to as the said hereditaments).

AND WHEREAS the mortgagor has applied to the mortgagee for an advance of the sum of Tk. for the purpose of enabling him to defray the expenses of as a suitable residence for his own use.

AND WHEREAS under the provisions contained in rules 249 to 257 of the General Financial Rules (hereinafter referred to as the said Financial Rules which expression shall where the context so admits include any amendment thereof or addition thereto for the time being in force) the mortgagee has agreed to advance to the mortgagor the said sum of Tk. payable as follows that is to say the sum of Tk. on or before the execution of these presents and the balance in terms of provisions of the said Financial Rules.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and in consideration of the sum of Tk. paid on or before the execution of these presents to the mortgagor by the mortgagee (the receipt whereof the mortgagor doth hereby acknowledge) for the purpose of enabling the mortgagor to defray the hereinbefore recited expenses, the mortgagor hereby covenant with the mortgagee to repay to the mortgagee the said sum Tk. (and such further sums as shall hereafter be paid by him to the mortgagor pursuant to the hereinbefore recited agreement in that behalf) and interest thereon calculated according to the said Financial Rules on the day of next and if the loan shall not be repaid on that date will pay interest in accordance with said Financial Rules.

AND THIS INDENTURE ALSO WITNESSETH that for the consideration aforesaid he the mortgagor doth hereby convey, transfer and assure unto the mortgagee ALL that piece of land situated in the district of registration district of sub-registration district of containing more or less now in the occupation of the mortgagor and bounded -----

- on the North by -----
- on the south by -----
- on the East by -----
- on the west by -----

together with the dwelling-house and the out-offices, stables, cook-rooms and out-buildings now erected or hereafter to be erected on the said piece of land together with all rights, easements and appurtenances to the said hereditaments or any of them belonging TO HOLD the said hereditaments with their appurtenance including all erections and buildings hereafter erected and built on the said piece of land unto and to the use of the mortgagee absolutely subject to the proviso for redemption hereinafter contained.

PROVIDED ALWAYS that if and as soon as the said advance of Tk. [and of such further sums as may have been paid as aforesaid] made upon the security of these presents shall have been repaid and interest thereon calculated according to the said Financial Rules by the deduction of monthly instalments of the salary of the mortgagor as in the said Financial Rules mentioned or by any other means whatsoever then and in such case the mortgagee will upon the request and at the cost of the mortgagor re-convey, re-transfer or re-assure the said hereditaments unto and to the use of the mortgagor or as he may direct and it is hereby agreed and declared that if there shall be any breach by the mortgagor of the covenants on his part herein contained or if he shall die or quit the service before the said sum of Tk. (and any further sums as may have been paid as aforesaid) and interest thereon calculated according to the said Financial Rules shall have been fully paid off then and in any of such cases it shall be lawful for the mortgagee to sell the said hereditaments or any part thereof either together or in parcels and either by public auction or by private contract with power to buy in or rescind any contract for sale and to re-sell without being responsible for any loss which may be occasioned thereby and to do and execute all such acts and assurances for effectuating any such sale as the mortgagee shall think fit.

AND it is hereby declared that the receipt of the mortgagee for the purchase money of the premises sold or any part thereof shall effectually discharge the purchaser or purchasers therefrom.

AND it is hereby declared that the mortgagee shall hold the moneys to arise from any sale in pursuance of the aforesaid power UPON TRUST in the first place thereof to pay all the expenses incurred on such sale and in the next place to apply such moneys in or towards satisfaction of the moneys for the time being owing on the security of these presents and then to pay the surplus (if any) to the mortgagor.

AND it is hereby agreed and declared that the said Financial Rules shall be deemed and taken to be part of these presents.

THE MORTGAGOR hereby covenants with the mortgagee that he the mortgagor will during the continuance of this security observe and perform all the provisions and conditions of the said Financial Rules on his part to be observed and performed in respect of these presents and the said hereditaments.

IN WITNESS whereof the mortgagor hath hereunto set his hand the day and year first above-written.

SIGNED by the said (mortgagor)

in the presence of

1st Witness

Address

Occupation

2nd Witness

Address

Occupation

(The Deed should be registered)

Note : There must be two witnesses to a mortgage

G.F. R. FORM No. 19
Form of Re-conveyance for House-Building Advances
[See note below Para 257(5)]

THIS INDENTURE made the day of the year BETWEEN THE PRESIDENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH (hereinafter called the PRESIDENT) of the one part and a Civil Officer of (hereinafter called the MORTGAGOR) of the other part is supplemental to an Indenture of Mortgage, dated the day of and made BETWEEN the MORTGAGOR of the one part and the President of the other part and registered at in Book Volume..... Pages to as No. for (hereinafter called THE PRINCIPAL INDENTURE).

WHEREAS all moneys due and owing on the Security of the PRINCIPAL INDENTURE have been fully paid and satisfied and the President has accordingly at the request of the MORTGAGOR agreed to execute such re-conveyance of the mortgaged premises in the within written INDENTURE comprised as is hereinafter contained.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and in consideration of the premises the President doth hereby grant, assign and re-convey unto the mortgagor, his heirs, executors, administrators and assigns ALL THAT the piece of land situated in the containing more or less bounded –

- on the North by
- on the South by
- on the East by
- on the West by

together with the dwelling house and out-offices, stables, cook-rooms and out-buildings thereon AND ALL and singular other premises in the PRINCIPAL INDENTURE comprised or expressed to be thereby assured or which now are by any means vested in the President subject to redemption under or by virtue of the PRINCIPAL INDENTURE with their rights, easements and appurtenances as in the PRINCIPAL INDENTURE expressed and all the estates, right, title, interest, property claim and demand whatsoever of the President into out of or upon the same premises by virtue of the PRINCIPAL INDENTURE to have and to hold the premises hereinbefore expressed to be hereby granted, assigned and re-conveyed unto and to the use of the Mortgagor, his heirs, executors, administrators and assigns forever freed and discharged from all moneys intended to be secured by the PRINCIPAL INDENTURE and from all actions, suits, accounts claims and demand for or in respect of the said moneys or any part thereof or for or in respect of the PRINCIPAL INDENTURE or of anything relating to the premises.

AND the President hereby covenants with the Mortgagor, his heirs, executors, administrators and assigns that the President has not done or knowingly suffered or been party or privy to anything whereby the said premises or any part thereof are is or can be impeached, encumbered or affected in the estate or otherwise howsoever.

IN WITNESS whereof the parties hereto have hereunto set their hands and seals the day and year first above written.

Signed, sealed and delivered by for and on behalf of the President of the People's Republic of Bangladesh.

FORM G.F. R. 20
[See note (i) below Para 257(7)]

Form of Mortgage for House-Building Advances granted to officers who do not possess full proprietary rights in the land upon which they intend to build a house.

THIS INDENTURE made the day of the year BETWEEN of a Civil Officer of (hereinafter called the mortgagor which term shall where not repugnant to the context include his heirs, executors and administrators and assigns) of the one part and THE PRESIDENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH (hereinafter referred to as the mortgagee which term shall where not repugnant to the context include his successors and assigns) of the other part.

WHEREAS the mortgagor is entitled to the piece of land, hereditaments and premises hereinafter described under a lease from dated for a term of years expiring subject to a rental of Tk. per year/mensem.

AND WHEREAS the mortgagor has applied to the mortgagee for an advance of the sum of Taka for the purpose of enabling him to defray the expenses of as a suitable residence for his own use.

AND WHEREAS under the provisions contained in rule 249 to 257 of the General Financial Rules (hereinafter referred to as the said Financial Rules which expression shall where the context so admits include any amendment thereof or addition thereto for the time being in force and shall be deemed to form part of these presents) the mortgagee has agreed to advance to the mortgagor the said sum of Tk. [payable as follows that is to say the sum of Tk. on or before the execution of these presents and the balance (unless and until the power of sale applicable hereto shall have become exercisable) by instalments payable in terms of provisions of the said Financial Rules.]

NOW THIS INDENTURE WITNESSETH that in consideration of the said advance and in pursuance of the said agreement the mortgagor doth hereby covenants with the mortgagee to pay to the mortgagee the said sum of Taka (and such further sums as shall hereafter be paid by him to the mortgagor pursuant to the hereinbefore recited agreement in that behalf) and interest thereon calculated according to the said Financial Rules on the day of next and if the loan shall not be repaid on that date will pay interest in accordance with the said Financial Rules.

AND THIS INDENTURE ALSO WITNESSETH that for the consideration aforesaid the mortgagor doth hereby demise, let and transfer unto the mortgagee ALL THAT piece of land situated in in the registration district of sub-district thana containing

more or less and bounded –

- on the North by
- on the South by
- on the East by
- on the West by

together with the dwelling-house and the out-offices, stables, cook-rooms and out buildings of all kinds used or intended to be used with the said dwelling-house (lately erected) together with all rights, easements and appurtenances to the same or any of them belonging TO HOLD the said premises including all erection and buildings hereafter erected on the said land unto the mortgagee, his successors and assigns for all the residue now unexpired of the said term of years granted by the said lease except the last day of the said term.

PROVIDED ALWAYS that if and as soon as the said advance of Tk. (and of such further sums as may have been paid as aforesaid) made upon the security of these presents and interest thereon calculated according to the said Financial Rule shall have been repaid by the deduction of monthly instalments of the salary of the mortgagor as in the said Financial Rules mentioned or any other means whatsoever the demise hereby made shall be void.

AND the mortgagor hereby covenants with the mortgagee that the lease creating the term or state for which the said land is held by the mortgagor is now a good, valid and effectual lease and is in full force unforfeited and unsurrendered and free from encumbrances and in nowise become void or voidable and that all the rents reserved thereby and all the covenants conditions and agreements contained therein and on his part to be paid, observed and performed have been paid, observed and performed up to the date of these presents.

AND also that the mortgagor will at all times so long as any money remains due on the security of these presents pay, observe and perform or cause to be paid, observed and performed all the said rents covenants, conditions and agreements and will keep the mortgagee indemnified against all actions proceedings, costs, charge, claims and demands if any to be incurred or sustained by the mortgagee by reason of the non-payment of the said rents or the non-observance or non-performance of such covenants, conditions or agreements or any of them.

AND ALSO that the mortgagor now has good right and full powers to demise the said premises to the mortgagee in manner aforesaid.

AND that it shall be lawful for the mortgagee to enter into and upon and to hold and enjoy the said demised premises during the terms hereby granted without any interruption or disturbance by the mortgagor or any person claiming through or in trust for him.

AND that the mortgagor at the request at any time hereafter of the mortgagee will at his own cost execute and do all such assurances and things as may be necessary or proper for more effectually vesting the said premises in the mortgagee in manner aforesaid as may by the mortgagee be reasonably required.

PROVIDED ALWAYS and it is hereby agreed and declared that if there shall be any breach by the mortgagor of the covenants on his part herein contained or if he shall die or quit the service at any time before all sums due or payable to the mortgagee on the security of these presents shall have been fully paid off then and in any of such cases it shall be lawful for the mortgagee to sell the said premises or buildings or any part thereof either together or in parcels and either by public auction or by private contract with power to buy in or to rescind any contract for sale and to re-sell without being responsible for any loss which may be occasioned thereby or to let the same for any term or period and to do and execute all such acts and assurances for effectuating any such sale or letting as the mortgagee shall think fit.

AND it is hereby declared that the receipt of the mortgagee for the purchase-money of the premises sold or any part thereof shall effectually discharge the purchaser or purchasers therefrom.

AND it is hereby declared that after any sale of the said premises or any part thereof under the aforesaid power the mortgagor shall stand possessed of the premises so sold for the last day of the term granted to him by the hereinbefore recited lease IN TRUST for the purchaser his executors administrators and assigns to be assigned and disposed of as he or they may direct.

AND it is hereby declared that the mortgagee shall hold any rents, profits, premiums, salami or moneys arising from the premises or from any such letting or sale as aforesaid UPON TRUST in the first place thereout to pay all expenses attending such sale or otherwise incurred in relation to this security and in the next place to apply such moneys in or towards satisfaction of the moneys for the time being owing on the security of these presents and then to pay the surplus if any to the mortgagor.

AND IT IS HEREBY DECLARED that no lease made by the mortgagor of the said premises or any part hereof during the continuance of this security shall have effect unless the mortgagee shall consent thereto in writing.

IN WITNESS whereof the mortgagor hath hereunto set his hand the day and year first above written.

Signed by the said (mortgagor)
in the present of
1st Witness
Occupation
Address

2nd Witness
Address
Occupation
Address

(The deed should be registered)

Note: - There must be two witnesses to a mortgage.

FORM G.F. R. 21
[See Note 3 below Para 257(7)]

Form of Mortgage Bond for House-Building Advance for Constructing House on Leasehold Land

THIS INDENTURE made the day of of the year BETWEEN a Government employee of (hereinafter referred to as the mortgagor which term shall where the context so admits include his heirs, executors, administrators and assigns) of the one part and THE PRESIDENT OF BANGLADESH (hereinafter referred to as the mortgagee which term shall where the context so admits include his successors and assigns) of the other part.

WHEREAS the mortgagor is absolutely seized and possessed of or otherwise well entitled to leasehold rights in the land hereditaments and premises hereinafter described and expressed to be hereby conveyed, transferred and assured (hereinafter referred to as the said hereditaments),

AND WHEREAS the mortgagor has applied to the mortgagee for an advance of the sum of Tk for the purpose of enabling him to defray the expenses of the lease and development of the said hereditaments and building thereon a suitable residence for his own use.

AND WHEREAS UNDER the provisions contained in rule 249 to 257 of the General Financial Rules (hereinafter referred to as the said Financial Rules which expression shall where the context so admits include any amendment thereof or addition thereto from time to time in force) the mortgagee has agreed to advance to the mortgagor the said sum of Tk. out of which the mortgagor hereby acknowledges the receipt of Tk. which have already been paid to the mortgagor in pursuance of an agreement executed on between the mortgagor as borrower and the mortgagee and the remainder, viz., Taka..... being payable as entered and receipted from time to time in the schedule hereto.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and in consideration of the sum of Tk. paid or to be paid accordingly for the purpose of enabling the mortgagor to defray the hereinbefore recited expenses, the mortgagor hereby covenants with the mortgagee to repay to the mortgagee the said sum of Tk (and such further sums as shall hereafter be paid by him to the mortgagor pursuant to the hereinbefore recited agreement in that behalf) and interest thereon calculated according to the said Financial Rules on the day of next and if the loan shall not be repaid on that date will pay interest in accordance with the said Financial Rules.

AND THIS INDENTURE ALSO WITNESSETH that for the consideration aforesaid the mortgagor doth hereby, convey transfer and assure unto the mortgagee all that piece of land situated in the District of registration district of sub-registration district of containing more or less, now in the occupation of the mortgagor and bounded on the North by in the South by on the East by and on the West by together with the dwelling-house and out-offices, stables, cook-rooms and out-buildings now erected or hereafter to be erected on the said piece of land together with all rights, easements and appurtenances to the said hereditaments or any of them belonging to hold the said hereditaments with their appurtenances including all erections and buildings hereafter erected and built on the said piece of land unto and to the use of the mortgagee absolutely subject to the proviso for redemption hereinafter contained.

PROVIDED ALWAYS that if and as the said advance of Taka. (and of such further sums as may have been paid as aforesaid) made upon the security of these presents shall have been repaid and interest thereon calculated according to the said Financial Rules by the deduction of monthly instalments of the salary of mortgagor as in the said Financial Rules mentioned or by any other means whatsoever then and in such case the mortgagee will upon the request and at the cost of the mortgagor re-convey, re-transfer or re-assure the said hereditaments unto and to the use of the mortgagor or as the may direct.

AND it is hereby agreed and declared that if there shall be any breach by the mortgagor of the covenants on his part herein contained or if he shall die or quit the service before the said sum of Tk (and any further sum as may have been paid as aforesaid) and interest thereon calculated according to the said Financial Rules shall have been fully paid off then and in any of such cases it shall be lawful for the mortgagee to sell the said

hereditaments or any part thereof either together or in parcels and either by public auction or by private contract with power to buy in or rescind any contract for sale and to re-sell without being responsible for any loss which may be occasioned thereby.

AND to do and execute all such acts and assurances for effectuating any such sale as the mortgagee shall think fit.

AND it is hereby declared that the receipt of the mortgagee for the purchase money of the premises sold or any part thereof shall effectually discharge the purchaser or purchasers therefrom.

AND it is hereby declared that the mortgagee shall hold the moneys to arise from any sale in pursuance of the aforesaid power UPON TRUST in the first place thereout to pay all the expenses incurred on such sale and in the next place to apply such moneys in or towards satisfaction of the moneys for the time being owing on the security of these presents and then to pay the surplus (if any) to the mortgagor.

AND it is hereby agreed and declared that the said Financial Rules shall be deemed and taken to be part of these presents.

THE MORTGAGOR hereby covenants with the mortgagee that he the mortgagor will during the continuance of this security observe and perform all the provisions and conditions of the said Financial Rules on his part to be observed and performed in respect of these presents and the said hereditaments.

IN WITNESS whereof the mortgagor hath hereunto set his hand the day and year first above written.

Signed by the said (mortgagor) in presence of
1st Witness
Address
Occupation
2nd Witness
Address
Occupation
“(The deed should be registered)”

Schedule

Date. Received the sum of

Signature.

FORM GFR 22
[See note below para 257(10)]

Form of Agreement to be executed at the time of drawing an advance for the purchase of land on which to construct a house or of a house ready-made.

AN AGREEMENT MADE day of the month of of the year

Between

of

(hereinafter called the Borrower, which expression shall include his legal representatives and assigns) of the one part and THE PRESIDENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH (hereinafter called the PRESIDENT) of the other part.

WHEREAS the Borrower has agreed to purchase for the purpose of erecting a house thereon the piece of land/a house situate inin the registration district of

sub-district thana

containing more or less and bounded-
on the North by
on the South by
on the East by
on the West by
for the sum of Taka

AND WHEREAS the Borrower has under the provisions of the General Financial Rules (Hereinafter referred to as the said Financial Rules which expression shall include any amendment thereof for the time being in force) applied to the President for loan of Tk..... to enable him to purchase the said piece of land/house and the President has agreed to lend the said sum of Tk..... to the Borrower on the terms and conditions hereinafter contained.

NOW IT IS HEREBY AGREED between the parties hereto that in consideration of the sum of Tk..... paid by the President to the Borrower (the receipt of which the Borrower hereby acknowledges), the Borrower hereby agrees with the President (i) to repay the President the said amount with interest calculated according to the said Financial Rules by monthly deductions from his salary as provided for by the said Financial Rules and hereby authorises the President to make such deductions and (2) within one month from the date of these presents to expend the full amount of the said loan in the purchase of the said piece of land/house, and if the actual price paid is less than the loan, to repay the difference to the President forthwith and (3) to execute a document mortgaging the said piece of land /house and the house to be erected thereon to the President as security for the amount lent to the Borrower as aforesaid and interest in the form provided by the said Financial Rules.

AND IT IS HEREBY FURTHER AGREED that the Borrower shall immediately he has purchased the said piece of land commence and erect thereon a suitable residence for his own use.)

AND IT IS HEREBY LASTLY AGREED AND DECLARED that if the said piece of land/house not been purchased and mortgaged as aforesaid within one month from the date of these presents or if the Borrower within that period becomes insolvent or quits the service of President or dies, the whole amount of the loan and interest accrued thereon shall immediately become due and payable.

IN WITNESS where of the Borrower has hereunto set his hand the day and year first above written.

Signed by the said

in the presence of

FORM G. F. R. 23

[See note below Para 257(10)]

Form of Mortgage Deed to be executed in connection with an advance for the purchase of land on which to construct a house.

THIS INDENTURE made the day of of the year BETWEEN a Civil Officer of (hereinafter called the mortgagor which term shall where not repugnant to the context include his heirs, executors and administrators and assigns) of the one part and THE PRESIDENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH (hereinafter referred to as the mortgagee which term shall where not repugnant to the context include his successors and assigns) of the other part.

WHEREAS by an Agreement, dated the day of and made between the mortgagor of one part and the mortgagee of the other part mortgagee advanced and lent to the mortgagor the sum of Tk..... for the purpose of purchasing the piece of land hereinafter described and intended to be hereby transferred and assured and as security for such loan the mortgagor agreed to execute a mortgage in favour of the mortgagee in the form of these presents.

AND WHEREAS the mortgagor on the day of year duly purchased the said piece of land and is now absolutely seized and possessed of or otherwise well entitled to the said piece of land.

AND WHEREAS the mortgagor has applied to the mortgagee for a further advance of the sum of Tk..... for the purpose of enabling him to defray the expenses of erecting on the said piece of land a suitable residence for his own use.

AND WHEREAS under the provisions contained in the General Financial Rules (hereinafter referred to as the said Rules which expression shall where the context so admits include any amendment thereof or addition thereto for the time being in force and shall be deemed to form part of these presents) the mortgagee has agreed to advance to the mortgagor the said further sum of Taka..... [payable as follows, that is to say, the sum of Taka on or before the execution of these presents and the balance (unless and until the power of sale applicable hereto shall have become exercisable) by equal monthly instalments, the first of such instalments to be payable on the day of]

NOW THIS INDENTURE WITNESSETH that in consideration of the said advances of Taka..... and Takamaking a total of Taka..... so advanced as aforesaid and in pursuance of the said agreement the mortgagor doth hereby covenant with, mortgagee to pay to the mortgagee the said sum of Taka (and such further sums as shall hereafter be paid by him to the mortgagor pursuant to the hereinbefore recited agreement in that behalf) and interest thereon calculated according to the said Rules on day of next and if the loan shall not be repaid on that date will pay interest in accordance with the said Financial Rules.

AND THE INDENTURE ALSO WITNESSETH that for the consideration aforesaid the mortgagor doth hereby transfer, assign and assure unto the mortgagee ALL THAT piece of land situated in registration district of Sub- district Thana containing, more or less, and bounded -

- on the north by ---
- on the south by ---
- on the east by ---
- and on the west by ---

together with the dwelling house and the out-offices, stables, cookrooms and out buildings of all kinds used or intended to be used with the said dwelling house (erected or hereafter to be erected on the said piece of land) together with all rights, easements and appurtenances to the same or any of them belonging.

TO HOLD the said premises including all erections and buildings hereafter erected on the said land (hereinafter referred to as the said premises) unto and to the use of the mortgagee absolutely subject to the proviso for redemption hereinafter contained.

PROVIDED ALWAYS that if and as soon as the said advance of Taka(and of further sums as may have been paid as aforesaid) made upon the security of these presents and interest thereon calculated according to the said Financial Rules shall have been repaid by the deduction of monthly instalments of the salary of the mortgagor as in the said Financial Rules mentioned or by any other means whatsoever then and in such case, the mortgagee will upon the request and at the cost of the mortgagor, re-convey, re-transfer or re-assure said premises unto and to the use of the mortgagor.

AND the mortgagor hereby covenants with the mortgagee that he the mortgagor now hath good right to transfer the said premises unto the mortgagee free from encumbrances.

AND FURTHER that he the mortgagor and all other persons having or lawfully claiming any estate or interest in the said premises or any part thereof shall and will from time to time and at all times hereafter at his or their own cost do and execute or cause to be done and executed all such acts, deeds and things for further and more perfectly assuring the said premises unto the mortgagee in manner aforesaid as shall or may be reasonably required.

PROVIDED ALWAYS and it is hereby agreed and declared that if there shall be any breach by the mortgagor of the covenants on his part herein contained or if he shall die or quit the service at any time before all sums due or payable to the mortgagee on the security of these presents shall have been fully paid off, then and any of such cases, it shall be lawful for the mortgagee to sell the said premises or buildings standing thereon or any part thereof either together or in parcels and either by public auction or by private contract with power to buy in or to rescind any contract for sale and to re-sell without being responsible for any loss which may be occasioned thereby or to let the same for any term or period and to do and execute all such acts and assurances for effectuating any such sale or letting as the mortgagee shall think fit.

AND IT IS HEREBY DECLARED that the receipt of the mortgagee for the purchase money of the premises sold or any part thereof shall effectually discharge the purchaser or purchasers therefrom.

AND IT IS HEREBY DECLARED that the mortgagee shall hold any rents, profits, premiums, salami or money arising from the premises or from any such letting or sale as aforesaid UPON trust in the first place thereof to pay all expenses attending such sale or otherwise incurred in relation to this security and in the next place to apply such money in or towards satisfaction of the moneys for the time being owing on the security of these presents and then to pay the surplus if any to the mortgagor.

AND IT IS HEREBY DECLARED than no lease made by the mortgagor of the said premises or any part thereof during the continuance of this security shall have effect unless the mortgagee shall consent thereto in writing.

IN WITNESS whereof the mortgagor, hath hereupto set his hand the day and year first above written.

SIGNED BY the said (mortgagor) in the presence of ---

1st Witness ----
Address ----
Occupation -----
2nd Witness ----
Address ----
Occupation -----

(The deed should be registered)

Note: There must be two witnesses to a mortgagee.

FORM G. F. R. 24
[See note 2 below Para 258(5)]

Form of Agreement to be executed at the time of drawing an advance for the purchase of a Motor Car/Cycle

AN AGREEMENT made day of of the year

BETWEEN of (hereinafter called the Borrower, which expression shall include his legal representatives and assignees) of the one part and the President of the People's Republic of Bangladesh (hereinafter called the President) of the other part.

WHEREAS the Borrower has under the provisions of the General Financial Rules (hereinafter referred to as the said Financial Rules which expression shall include any amendments thereof for the time being in force) applied to the President for a loan of Tk. for the purchase of a motor car/cycle and the President has agreed to lend the said amount to the Borrower on the terms and conditions hereinafter contained.

NOW IT IS HEREBY AGREED between the parties hereto that in consideration of the sum of Tk. paid by the President to the Borrower (the receipt of which the Borrower hereby acknowledges), the Borrower hereby agrees with the President (1) to pay the President the said amount with interest calculated according to the said financial Rules by monthly deductions from his salary as provided for by the said Financial Rules and hereby authorises the President to make such deductions and (2) within one month from the date of these presents to expend the full amount of the said loan in the purchase of a motor car/cycle or, if the actual price paid is less than the loan, to repay the difference to the President forthwith and (3) to execute a document hypothecating the said motor car/cycle to the President as security for the amount lent to the Borrower as aforesaid and interest in the form provided by the said Financial Rules.

AND IT IS HEREBY LASTLY AGREED AND DECLARED that if the motor car/cycle has not been purchased and hypothecated as aforesaid within one month from the date of these presents or if the Borrower, within that period, becomes insolvent or quits the service of Government or dies the whole amount of the loan and interest accrued thereon shall immediately become due and payable.

IN WITNESS whereof the Borrower has hereunto set his hand day and year first before written.

Signed by the said in the presence of -----

1st Witness ----
Address ----
Occupation -----
2nd Witness ----
Address ----
Occupation -----

FORM G. F. R. 25
[See note 2 below Para 258 (5)]

Form of Mortgage Bond for Motor Car/Cycle Advance

THIS INDENTURE made this day ofof the year.....
BETWEEN

(hereinafter called "the Borrower") of the one part and the President of the People's Republic of Bangladesh (hereinafter called the President) of the other part.

WHEREAS the Borrower has applied for and has been granted an advance of Taka to purchase a Motor Car/Cycle on the terms of Rule 249 to 256 and Rules 258 to 260 of the General Financial Rules (hereinafter referred to as the said Financial Rules which expression shall include any amendment thereof or addition thereto for the time being in force).

AND WHEREAS one of the conditions upon which the said advance has been/was granted to the Borrower is/was that the Borrower will/would hypothecate the said Motor Car/Cycle to the President as security for the amount lent to the Borrower.

AND WHEREAS the Borrower has purchased with or partly with the amount so advanced as aforesaid the Motor Car/Cycle particulars whereof are set out in the schedule hereunder written.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and for the consideration aforesaid the Borrower doth hereby covenant to pay the President the sum of Tk..... aforesaid or the balance thereof remaining unpaid at the date of these presents by equal payments of Tk..... each on the first day of every month and will pay interest on the sum for the time being remaining due and owing calculated according to the said Financial Rules and the Borrower doth agree that such payments may be recovered by monthly deductions from his salary in the manner provided by the said Financial Rules and in further pursuance of the said agreement the Borrower doth hereby assign and transfer unto the President the Motor Car/Cycle the particulars whereof are set out in the Schedule hereunto written by way of security for the said advance and the interest thereon as required by the said Financial Rules.

AND the Borrower doth hereby agree and declare that he has paid in full the purchase price of the said Motor Car/Cycle and that the same is his absolute property and that he has not pledged and so long as any moneys remain payable to the President in respect of the said advance will not sell, pledge or part with the property in or possession of the said Motor Car/Cycle PROVIDED ALWAYS and it is hereby agreed and declared that if any of the said instalments of principal or interest shall not be paid or recovered in manner aforesaid within ten days after the same are due or if the Borrower shall die or at any time cease to be in the service of the President or if the Borrower shall sell or Pledge or part with the property in or possession of the said Motor Car/Cycle or become insolvent or make any composition or arrangement with his creditors or if any person shall take proceedings in execution of any decree or judgement against the Borrower the whole of the said principal sum which shall then be remaining due and unpaid together with interest thereon calculated as aforesaid shall forthwith become payable.

AND IT IS HEREBY AGREED and declared that President may on the happening of any of the events hereinbefore mentioned seize and take possession of the said Motor Car/Cycle and either remain in possession thereof without removing the same or else may remove and sell the said Motor Car/Boat/Cycle either by public auction or private contract and may out of the sale moneys retain the balance of the said advance then remaining unpaid and any interest due thereon calculated as aforesaid and all cost, charges, expenses and payments properly incurred or made in maintaining, defending or realising his rights hereunder and shall pay over the surplus if any to the Borrower, his executors, administrators or personal representatives.

PROVIDED FURTHER that the aforesaid power of taking possession or selling of the said Motor Car/Boat/Cycle shall not prejudice the right of the President to sue the Borrower or his personal representatives for the said balance remaining due and interest or in the case of the Motor Car/Cycle being sold the amount by which the net sale proceeds fall short of the amount owing.

AND the borrower hereby further agrees that so long as any moneys are remaining due and owing to the President, he the Borrower will insure and keep insured the said Motor Car/Cycle against loss or damage by fire, theft or accident with an insurance company to be approved by the Accounts Officer concerned and will produce evidence to the satisfaction of the Accounts Officer that the Motor Insurance Company with whom the said Motor Car/Cycle is insured have received notice that the President is interested in the Policy.

AND the Borrower hereby further agrees that he will not permit or suffer the said Motor Car/Cycle to be destroyed or injured or to deteriorate in a greater degree than it would deteriorate by reasonable wear and tear thereof.

AND further that in the event of any damage or accident happening to the said Motor Car/Cycle the Borrower will forthwith have the same repaired and made good.

IN WITNESS whereof the said Borrower hath hereunto set his hand the day and the year first above written.

THE SCHEDULE

Description of Motor Car/Cycle

Maker's Name

Description

Number of Cylinders

Engine number

Chassis number

Cost price

SIGNED by the Borrower in the presence of