

DECENTRALIZATION OF ACCOUNTS

16.1 With effect from 01.10.1976 Government has issued order decentralising accounts from the Audit. The work relating to the maintenance/checking of accounts, passing of bills, allocation of LOC (Letter of Credit) to the branch located outside Delhi who draw money from accredited bank are attended to by Pay & Accounts Officer, CBI. In respect of CFSL there is separate Pay & Accounts Officer under MHA.

16.2 Under the revised arrangement effective from 01.10.1976 pay bills etc., in respect of CBI offices (including CBI Head Office) located in Delhi are sent to the Pay & Accounts Officer, CBI who is responsible for issuing the cheques after exercising necessary scrutiny of the bills. Branches located outside Delhi are provided with the letters of credit from time to time and on the basis of these letters of credit these branches draw money from accredited banks. These branches are required to send the Bills/Vouchers to the Pay & Accounts Officer, CBI for post audit. For the purpose of reconciliation, representatives of the CBI Head Office/branches are deputed to the office of the Pay & Accounts Officer, CBI, New Delhi from time to time.

16.3 **Categories of cheques and their use**

There are three types of cheques, viz. (i) Negotiable, (ii) Non-Transferable & (iii) Not negotiable and not payable in cash.

- (i) Negotiable cheques are issued for personal payments to gazetted government servants, suppliers, public sector companies, etc. They are 'negotiable' and are drawn as payable to or order of the 'payee'. As a safeguard against fraudulent claim all non salary cheques exceeding Rs. 500/- and salary cheques exceeding Rs. 1000/- shall be crossed and marked 'account payee'. In exceptional circumstances open cheques in favour of a private person or a government servant, on request may be issued but payment will be made only to the payee on identification, or to a person holding letter of authority from the payee whose signature must be verified and after identifying the messenger or as the payees banker on certifying that the amount has been placed to his credit. Officers and staff drawing salary and other payments by cheque shall have an option to get their salary/leave salary in cash. The option in this regard shall be exercised in March every year. Payment other than salary will also be made by the same mode of payment. If agreed in writing,

the salary & allowances to a non-gazetted government servant by cheque is permissible.

- (ii) 'Non-transferable' cheques are meant for payment to the payee who is a government officer for disbursement of salaries, etc., of office staff and for office contingencies. These cheques will be drawn in favour of payee by his official designation. These cheques are 'not negotiable' and payments will be made by the bank only to the payee or to authorised messenger.
- (iii) 'Not negotiable and not payable in cash' - creditable to government account only - These are meant for payment of inter - departmental or inter government claims.

16.4 **Bank Drafts**

Payment by bank draft is permissible (a) where payments have to be made by bank drafts either under the provision of any law or other legal or contractual obligations, (b) Payments towards pay and allowances and other personal entitlements, of outstation establishments and contingencies of outstation offices, and (c) for payments to Public Sector Undertakings and Corporations etc. (other than local bodies) (d) Payment to semi-government/Private institutions/companies etc. not covered under (a) to (c), under certain circumstances.

16.5 **Post - Check**

DDOs empowered to draw cheques for payment of salary, contingent bills, etc., are to send the vouchers along with weekly accounts to the PAO/CBI who will conduct post-check keeping in view the same principles as for pre-check. Any discrepancy noticed will be pointed out by the PAO/CBI through Objection Memo for compliance to concerned DDO.

16.6 **Cancellation of sub-vouchers**

Sub-vouchers required to be sent to the PAO/CBI are not to be cancelled by the DDOs. These will be cancelled by PAO/CBI after checking of bills, in accordance with Rule 109 of Receipt & Payment Rules, 1983.

16.7 **Letters of Credit against assignment accounts**

16.7.1 The Letter of Credit (LOC) is issued by the Pay & Accounts Officer, CBI to the CBI branches located outside Delhi. The Pay and Accounts Officer, CBI communicates the relevant branch of the accredited bank, the amount of quarterly

assignment authorized in favour of cheque - drawing DDOs, rendering accounts to him. A fresh letter of credit, issued after expiry of the period prescribed in the earlier letter of credit is to be treated as an addition to the unspent balance of the earlier letter of credit. The Pay and Accounts Officer, CBI while communicating the assignment for the second and subsequent quarters indicates not only the amount assigned for that quarter, but also the progressive total of assignment up to the end of the quarter so that the bank is able to ensure that the total cumulative drawals from the beginning of the year do not exceed the total progressive assignments. However, the assignment remaining unspent at the end of a financial year is not to be carried forward to the first quarter of the next financial year. The paying branch is responsible to ensure that the amount assigned in the letter of credit is not exceeded by the payment of any cheques. The cheques actually issued during the last quarter but presented for payment during the next quarter (within the period of validity) will be taken by the bank against the assignment of the year in which they were drawn and not against the assignment of the year in which they are paid.

16.7.2 A Drawing Officer in whose favour an assignment account has been opened in the accredited bank, is not permitted to draw the whole amount and place it in a separate account in the bank or in a private account.

Note : It is also not permissible to draw cheques and deposit the amount in the department's cash chest at the end of the year for the purpose of showing the full amount of the grant as utilized.

Filename: Chapter 16.doc
Directory: C:\!Office_BLJ\ManualAdmin
Template: C:\Documents and Settings\raul\Application
Data\Microsoft\Templates\Normal.dot
Title: Chapter 16
Subject:
Author: raul
Keywords:
Comments:
Creation Date: 9/5/2006 12:15:00 PM
Change Number: 1
Last Saved On: 9/5/2006 12:16:00 PM
Last Saved By: raul
Total Editing Time: 1 Minute
Last Printed On: 9/5/2006 3:47:00 PM
As of Last Complete Printing
Number of Pages:3
Number of Words:930 (approx.)
Number of Characters: 5,304 (approx.)