



कार्यालय रक्षा लेखा नियंत्रक :

OFFICE OF THE CONTROLLER OF DEFENCE ACCOUNTS

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MOST IMPORTANT CIRCULAR

No A/II/13027/ROB/2019-20

Dt 29.03.2021

To

ALL SECTIONS IN MAIN OFFICE

ALL SUB-OFFICES (AS PER STANDARD LIST)

MANAGER, EDP CENTRE, O/O AAO, CDA (NAVY) VISAKHAPATNAM

Sub: Mis-classification of expenditure – regarding.

Ref: HQrs Office letter No A/B/I/13630/Misc/Vol-IV/Comp No195 dt 23.03.2021.

A copy of the HQrs letter referred above on "Mis-classification of expenditure" is circulated herewith for strict compliance of the instructions mentioned therein in order to eliminate the need for operation of JEs.

2. In addition to the above, review of Code heads viz., 020/85- Security deposit with State Govts, 020/99-Deposit with Courts, 018/64 –MES Adv and 020/04 –GST may also be carried-out with reference to the extant orders for any mis-classification. Mis-classification, if any may be rectified immediately to avoid operation of JEs.

Encls: as above

Accounts Officer (A/Cs)



Speed Post/e-mail
कार्यालय रक्षा लेखा महानियंत्रक
CONTROLLER GENERAL OF DEFENCE ACCOUNTS
 उलान बटार मार्ग, पालम, दिल्ली छावनी-110010
 ULAN BATAR MARG, PALAM, DELHI CANTT-110010



1.

File No. A/B/I/13630/Misc/Vol-IV/Comp No. 195

Dated: 23.03.2021

To

All PCsDA/CsDA/PCA (Fys)

Subject:- Misclassification of expenditure -regarding

Cases of misclassification of expenditure compiled in New Compilation System has been observed in the previous years resulting in incorrect depiction of receipt & expenditure figures in various reports including Appropriation Accounts. The cases of misclassification of expenditure have been adversely commented upon by DGADS/CGA/MoD (Fin) from time to time.

2. It appears from these misclassifications, that the basic checks which needs to be carried out by various Sections/Sub offices of PCsDA/CsDA are not being carried out before rendering review of compilation certificate to HQrs office.

3. A detailed review of misclassification of expenditure has revealed that there are many cases of incorrect usage of code heads/category prefixes. In order to ensure that correct compilation data is generated for monitoring the progress of expenditure at various level and also for budget forecasts, it is of paramount importance that the category prefixes/code heads are used correctly with relevant Services Heads/RDR Heads.

4 All minus transactions under Receipt and Charge Heads (other than deduct heads) may be reviewed and correctness of booking ensured. ✓

5 All cases of adverse balances in the AROB 2019-20 should be reviewed and necessary rectification action may invariably be taken in the Current Financial year. ✓

6 In this regard this HQrs office letter No. A/I/13311/ACA/2019-20 dt. 07/04/2020 under which copy of CGA OM No. S/11022/01/MF.CGA/DAMA/Prov/2019-20/550 dt. 31/03/2020 regarding certain common mistakes made at the time of submission of March Preliminary and Supplementary-I Accounts was forwarded for examination and compliance, may please be referred to (copy enclosed). Any omission in this regard would result in mismatch of accounts and may result in requirement of incorporation of the same through JEs which needs to be avoided.

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8. Non punching of the PM should immediately be addressed to before closing of accounts for March(Pre) 2021 so that the requirement of correction of the same through J.E is avoided.

9 List of the misclassifications is forwarded herewith as Annexure A for detailed examination and compliance while finalization of March Preliminary and Supplementary – I Accounts for the year 2020-21.

10 In view of the above, it is requested that necessary directions may please be issued to all the Sections/Sub offices under the jurisdiction of your office for strict compliance of the above mentioned instructions at their end in order to eliminate the need for operation of J.Es ✓

Wjpta
Jt. CGDA (A&B)

**The following accounting transactions need special attention during compilation of
March(Pre)/Supplementary-I stages 2020-21**

Please ensure that :-

1. The amendments carried out through correction slip Nos. 824 – 834 dated 6.1.2017 of LMMHA issued for the Major Heads '1601, 3601, 3602, 0049,2049, 6004, 7601 & 7602' necessitated by merger of Plan and Non-Plan classification in Budget & Accounts should be followed strictly. Old Sub-Major Heads and Minor Heads under these Sub Major heads should not be operated for fresh transactions w.e.f. 1.4.2017. (Correction slips are available at CGAs website: cga.nic.in). N.A.
2. Transactions made under minor head '502' – 'Expenditure Awaiting Transfer' (EAT) and under minor head '500' – 'Receipts Awaiting Transfer' (RAT) are cleared.
3. No expenditure is made under Major Heads 2552, 4552 and 6552 (Except in Grant No. 23 – Ministry of Development of North Eastern Region). N.A.
4. 'Health and Education Cess' is levied @ 4% of Income Tax (including surcharge) in lieu of Primary Education Cess and Secondary & Higher Education Cess from 2018-19 onwards.
5. Major Head 0006 – State Good & Services Tax (SGST) belongs to State Government. No booking under this head may be made in Central Government Accounts.
6. All transactions are booked as **Revenue Expenditure (Charged)** only under Major Heads '2048-Appropriation for reduction or avoidance of debt' and '2049 – Interest payments'. 04/11,27
7. No progressive positive booking should be made under minor heads from 901 to 913.
8. All residual transactions reported by RBI should also be included in March (Prelim.) accounts itself.
9. All receipts realized / became due through book adjustments or other wise on or before 31st March, 2020 , but yet to be accounted for should be incorporated.
10. Anymisclassification noticed during reconciliation process should be rectified before submission of Sy-I Accounts.
11. No accounting heads, which are deleted through Correction Slips to LMMH find place in the accounts, since the account code directory may have these heads still active for various reason. (Correction slips to LMMH are available on CGA's website for ready reference).
12. Booking of Government Contribution for Defined Contribution Pension Scheme should be under 207101117010004. Booking at the level of Minor Head should not be done.
13. As per correction slip No. 865 of List of Major & Minor Head of Account Interest on Loans to Government Servant may be looked under Minor Head 0049.03.118 instead of 0049.03.800.
14. No balance should remain under the **Major Head 8000 – Contingency Fund** at the end of the financial year. 13/01 to 13/08 N.A.
15. Any transactions accounted for in a wrong Grant No. should be rectified through normal transfer entries only. Journal Entries (JEs) are not allowed for this purpose in the software system.
16. All minus transactions other than those which are authorized should be reviewed to ensure that there is no misclassification.
17. No transaction be made under dummy heads, i.e. minor head '000' or sub head '00' When there is standard sub major heads, like 01, 02, etc. are operational under a Major Head, digit '00' should not be operated. Conversely, if there is no standard Sub Major, digit '00' should not be operated. Conversely, if there is no standard Sub Major Head is operational, only the digits '00' will be operated under a Major Head.

Public Account Heads :-

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18. **No credit entries** are made under the accounting head 801100101 – Portal Insurance end Life Annuity Fund. No fresh **credit** entries should be made under the account head ‘801401101 – Net PLI corpus as on 31st October, 2009.
19. **Under 834200117** – Defined Contribution Pension Scheme for Government Employees – **no fresh credit booking should be carried out.** 16/01, 02, 13, 04, 05
20. All annual payments like interest on CGEGIS, Insurance amount etc. should be accounted for in March Prel. Accounts itself.
21. No Ministry / Department (except D/o Posts) should make ‘Credit Entry’ under the account head **8014.02.104 (RPLI head)** and Debt entries under the Major Head 8014. No Ministry except Deptt. Of Post should make transactions under Major Heads 8015 and 8016.
22. Under major head 8670 – Cheques and Bills, if the clearance during the year is more than the outstanding balance at the end of previous year or the clearance is being booked against the already existing adverse balance, the same should be reviewed and misclassification should be rectified.
23. No booking is made under **812100122** – State Disaster Response Fund. N.A.
24. In cases of expenditure incurred on behalf of other ministries/departments. Grant Nos. should be correct as per the Grant list for the Financial Year 2017-18.
25. In cases where funds have been closed and balances have been transferred to CFI, it should be ensured that no balance/adverse balance as per Union Government Finance Accounts.
26. Booking reflected under 8009 – GPF for Group ‘D’ staff may be reviewed as all Group ‘D’ officials have now been switched over to Group ‘C’.
27. Booking of receipts under 8011 – CGEGIS should be at minor head level instead of sub-head level and Booking of expenditure under 8011-CGEGIS should be at sub head level instead of minor head level.
28. As per correction slip No. 932 of List of Major & Minor Head of Account, GST – Tax Deducted at Source may be booked under Minor Head **8658.00.139** instead of 8658.00.101.08.

CONTROLLER GENERAL OF DEFENCE ACCOUNTS

ULAN BATAR ROAD, DELHI CANTT -110 010

Tel:25665622

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E-mail: hqaccounts.cgda@gov.in

No. A/I/13311/ACA/2019-20

Dated: 07.04.2020

To

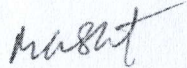
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PCsDA/CsDA/PCA (Fys)

Sub: Check list for compilation of March (Prel./Supplementary I) Accounts for the year 2019-20.

Copy of CGA OM No. S-11022/01/MF.CGA/DAMA/Prov/2019-20/550 dated 31.03.2020 regarding certain common mistakes made at the time of submission of March Preliminary and Supplementary- I Accounts is enclosed herewith. These omissions resulted into mismatch of Accounts figures and late incorporation of JE'S.

2. Accordingly, PCsDA/CsDA/PCA (Fys) offices are being requested to examine the list of transactions/activities mentioned in the Annexure and ensure the correct depiction of these accounting transactions/activities before the closing of March (Prel)/ Supplementary-I for the financial year 2019-2020.


SAO (A/Cs)

Ministry of Finance, Department of Expenditure
Controller General of Accounts
(Data Analytics and Monthly Accounts Section)
Mahalekha Niyantarak Bhawan, GPO Complex,
INA, New Delhi

No. S-11022/01/153/MF.CGA/DAMA/Prov/2019-20/550

Date: 31.3.2020

OFFICE MEMORANDUM

Sub:- Check list for compilation of March(Prel.)/ Supplementary I Accounts for the year 2019-20.

I am directed to refer to the subject above and state that the timetable for submission of monthly accounts March(Prel.)/Supplementary-I Stage needs to be adhered to. The attention of all Ministries / Departments is drawn to certain common mistakes made at the time of submission of March Preliminary and Supplementary-I accounts. These omissions resulted into mismatch of Provisional Accounts figures and Audited figures and late incorporation of JE's. A list of such transactions/activities is annexed to this OM. As SCT for 2019-20 would be prepared on the basis of Supplementary-I accounts, all Pr.CCAs/CCAs/CAs(with independent charge) are requested to ensure correct depiction of these accounting transactions/activities before the submission of March(Prel.)/Supplementary-I accounts 2019-20 to DAMA Section.

This issues with the approval of Competent Authority.

V. Singh

(Vijay K. Singh)
Jt. Controller General of Accounts

Encl: As above

To

All Pr.CCAs/CCAs/CAs including M/o Defence, M/o Railways, D/o Posts and D/o Telecom and UT administrations

For strict Compliance
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Budy (e) / SAD

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Please ensure that:-

1. The amendments carried out through correction slip Nos. 824 - 834 dated 6.1.2017 of LMMHA issued for the Major Heads '1601, 3601, 3602, 0049, 2049, 6004, 7601 & 7602 necessitated by merger of Plan and Non-Plan classification in Budget & Accounts should be followed strictly. Old Sub-Major Heads and Minor Heads under these Sub Major heads should not be operated for fresh transactions w.e.f. 1.4.2017. (Correction slips are available at CGAs website: cga.nic.in)
- ✓2. Transactions made under minor head '502'- 'Expenditure Awaiting Transfer' (EAT) and under minor head '500'- 'Receipts Awaiting Transfer' (RAT) are cleared.
3. No expenditure is made under Major Heads 2552, 4552 and 6552 (Except in Grant No. 23 - Ministry of Development of North Eastern Region).
- ✓4. 'Health and Education Cess' is levied @ 4 % of Income Tax(including surcharge) in lieu of Primary Education Cess and Secondary & Higher Education Cess from 2018-19 onwards.
5. Major Head 0006 - State Goods & Services Tax(SGST) is belongs to State Government. No booking under this head may be made in Central Government Accounts.
6. All transactions are booked as **Revenue Expenditure(Charged)** only under Major Heads '2048-Appropriation for reduction or avoidance of debt' and '2049- Interest payments'.
- ✓7. No progressive positive booking should be made under minor heads from 901 to 913
- ✓8. All residual transactions reported by RBI should also be included in March (Prelim.) accounts itself.
- ✓9. All receipts realised/became due through book adjustments or otherwise on or before 31st March 2020, but yet to be accounted for should be incorporated.
- ✓10. Any misclassification noticed during reconciliation process should be rectified before submission of Sy-I Accounts.
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- ✓14. No balance should remain under the **Major Head 8000- Contingency Fund** at the end of the financial year.
- ✓15. Any transactions accounted for in a wrong Grant No. should be rectified through normal transfer entries only. Journal Entries(JEs) are not allowed for this purpose in the software system.
- ✓16. All minus transactions other than those which are authorized should be reviewed to ensure that there is no misclassification.
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Public Account Heads:-

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- 20. All annual payments like interest on CGEGIS, Insurance amount etc. should be accounted for in March Prel. accounts itself.
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- 22. Under major head 8670 - Cheques and Bills, if the clearance during the year is more than the outstanding balance at the end of previous year or the clearance is being booked against the already existing adverse balance, the same should be reviewed and misclassification should be rectified.
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