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Government of Kerala
കേരള സർക്കാർ
2011



Reg. No. രജി. നമ്പർ
KL/TV(N)/12/2009-2011

KERALA GAZETTE
കേരള ഗസറ്റ്
EXTRAORDINARY

അസാധാരണം

PUBLISHED BY AUTHORITY

ആധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്

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GOVERNMENT OF KERALA
Local Self Government (RD) Department
NOTIFICATION

G.O (Ms) No.83/11/LSGD

Dated, Thiruvananthapuram 28/03/2011

S.R.O. No. 266/2011. - In exercise of the powers conferred by section 254 of the Kerala Panchayat Raj Act, 1994 (13 of 1994), and in supersession of the Kerala Panchayat (Accounts) Rules, 1965 issued under notification G.O (Ms) No. 197/65/A & RDD dated 30th July, 1965 and published as S.R.O. No. 308/65 in the Kerala Gazette No. 31 dated 10th August 1965, the Government of Kerala hereby make the following rules, namely:-

RULES

CHAPTER 1

PRELIMINARY

1. **Short title, applicability and commencement:-** (1) These rules may be called the Kerala Panchayat Raj (Accounts) Rules, 2011.

(2) They shall apply to all the Panchayat Raj Institutions in Kerala.

(3) They shall come into force on the 1st of April 2011.

2. **Definitions:-**(1) In these Rules, unless the context otherwise requires,-

(a) "Act" means the Kerala Panchayat Raj Act, 1994 (13 of 1994);

(b) "Accountant" means the officer designated as "Accountant" under Government orders, or in cases where no such person is designated as 'Accountant', the officer to whom the Secretary entrusts the responsibility of accounting the transactions of the Panchayat;

(c) "Accounts Manual" means the Kerala Panchayat Raj Accounts Manual, issued under the authority of these Rules.

(d) "Annual Financial Statement" means a statement of the financial condition and operating results of a Panchayat prepared at the end of each financial year summarising its operations for that financial year and including a Balance Sheet, Income and Expenditure Statement and a Receipt and Payment Statement.

(e) “Annual Report” means the Annual Financial Statements and such other statements as prescribed under Rule 65 of these Rules.

(f) “Accrual Accounting” means the method of accounting whereby revenues and expenditures are identified with specific periods of time, such as a month or year and are recorded as incurred, along with the liabilities and acquired assets; without regard to the date of receipt or payment of cash, distinguished from cash basis;

(g) “Assets” means tangible objects or intangible rights owned by the Panchayat or assigned or transferred to the Panchayat, and carrying probable future benefits;

(h) “Auditor” means the Director Local Fund Audit, referred to under Section 215 of the Kerala Panchayat Raj Act, 1994;

(i) “Balance Sheet” means a statement of the financial position of a Panchayat as at a given date, which exhibits its assets, liabilities, capital, reserve and other account balances at their respective book values;

(j) “Bank Book” means a book of original entry for recording transactions pertaining to Bank/Treasury Accounts of the Panchayat;

(k) “Budget” means a quantitative estimate of programmes and activities expressed in terms of money in respect of Incomes, Expenditures, Liabilities, and Assets anticipated for the relevant financial year. The Budget expresses the Panchayat’s goals in terms of specific financial and operating objectives;

(l) “Capital Expenditure” means expenditure intended to benefit future period in contrast to a revenue expenditure, which benefits a current period. Capital Expenditure is generally restricted to expenditure that adds fixed asset units or that has the effect of improving the capacity, efficiency, life span or economy of operations of an existing asset;

(m) “Cash” means currency notes and coins.

(n) “Cash Book” means a book of original entry for cash receipts and cash disbursements

(o) "Cashier" means the person authorized to handle cash at the Panchayat Office;

(p) "Commissioner" means the Commissioner for Rural Development;

(q) "Director" means the Director of Panchayats;

(r) "Ex officio Secretary" means any transferred officer appointed as Ex officio Secretary by a general or a special order of the Government as specified in sub section (11) of section 179 of the Act.

(s) "Expenditure" means cost relating to the operations of an accounting period or the cost relating to the revenue earned during the period, the benefits of which do not extend beyond that period;

(t) "Financial Statements" means the Balance Sheet, Income and Expenditure Statement, Receipts and Payment Statement, Cash Flow Statement and any other supporting statement or other presentation of financial data derived from accounting records;

(u) "Forms" means any forms prescribed in these rules or on the basis of these rules;

(v) "Function" means the services offered or functions performed by the Panchayat;

(w) "Functionary" means the Secretary or other Ex officio Secretaries/ Implementing Officers of the Panchayat;

(x) "Fund" means an activity for which separate Books of Accounts are to be kept and separate Financial Statements are required to be prepared, as prescribed by Government;

(y) "General Ledger" means a compilation of all accounts used for accounting purposes;

(z) "Government" means the Government of Kerala;

(aa) "Income" means the money or money equivalent earned or accrued during an accounting period, including any grant, fund and contribution received from the Government;

(ab) "Income and Expenditure Statement" means a Financial Statement, to present the revenues and expenditures for an accounting period and to show the excess of revenues over expenditure (or vice-versa) for that period;

(ac) "Journal Book" means the book of original entry, in which, transactions not affecting Cash or Bank Accounts are recorded.

(ad) "Liability" means an amount owing by the Panchayat to a person or another body, payable in money, or in goods or services;

(ae) "National Municipal Accounts Manual" means the Accounting Manual issued by the Ministry of Urban Development, Government of India, as modified from time to time;

(af) "Panchayat" means a Village Panchayat, Block Panchayat or a District Panchayat;

(ag) "Panchayat Fund" means the Fund maintained by the Panchayats as referred to in Section 212 of Kerala Panchayat Raj Act, 1994;

(ah) "Payments" means amounts actually paid and accounted during the year;

(ai) "Permanent Advance/ Imprest" means an advance, granted to the Secretary for incurring expenditure of urgent nature involving payments of small amounts, subject to the provisions of the Kerala Financial Code.

(aj) "President" means the President of a Village Panchayat, Block Panchayat or District Panchayat, as the case may be.

(ak) "Receipts" means the amount actually received and accounted during the year;

(al) "Receipts and Payments Statement" means a Financial Statement prepared for an accounting period to depict the changes in the financial position and to present the cash received in and paid out in whatever form (Cash, Cheques, etc.);

(am) "Secretary" means the Secretary of the Panchayat appointed under Section 179 of Kerala Panchayat Raj Act, 1994;

(an) "Sub-ledger" means a group of subsidiary accounts, the sum of the balances of which is equal to the balance of control accounts created in the general ledger;

(ao) "Transferred Officer" means any officer or employee transferred to the Panchayat under sub section (2) of section 176 or section 181 of the Act.

(ap) "Vice President" means the Vice President of a Village Panchayat, Block Panchayat or District Panchayat, as the case may be;

(aq) "Voucher" means a document which serves as an authorisation for any financial transaction. Receipt Voucher, Payment Voucher, Journal Voucher and Contra Voucher shall be the vouchers.;

(ar) "Year" means the financial year;

(2) Words and expressions used but not defined in these rules but defined in the Kerala Panchayat Raj Act, 1994 (Act 13 of 1994) shall have the same meaning assigned to them in the Act.

CHAPTER II

ACCOUNTING SYSTEM

3. **Accounting System :-**(1) The Panchayats shall maintain their books of accounts on accrual basis under the double entry system of book-keeping

(2) The Panchayats shall follow the Accounting Policies prescribed in the Kerala Panchayat Raj Accounts Manual for accounting transactions, maintaining Books of Accounts and preparing Financial Statements.

(3) Separate Books of Accounts shall be maintained for each year

(4) All transactions pertaining to the Panchayat shall be recorded in the Books of Accounts maintained

4. **Books of Accounts :-** (1) The primary Books of Accounts and supporting documents under the double entry accounting system shall be:

(a) Cash Book;

(b) Bank Book;

(c) Journal Book;

(d) General Ledger and Sub ledger; and

(e) Vouchers.

(2) The Books of Accounts, Forms and Registers shall be maintained either in Malayalam or English

(3) Wherever the books of accounts are maintained manually, the Books of Accounts, Registers, Receipts, Bill Books and other Accounting Records and Registers shall be affixed with the seal of the Panchayat and each of the pages of the aforesaid records shall be serially numbered. The number of pages of each Book or Register shall be certified on the last page, after actual verification, by the Secretary or any other person duly authorized by him.

5. **Cash Book:-**(1) The Cash Book shall be maintained by the Accountant and shall record the transactions pertaining to cash receipts and cash disbursements of the Panchayat.

(2) All amounts received in cash by the Panchayat including cash withdrawals from Bank or Treasury shall be entered on the debit side of the Cash Book. All payments in cash, including cash remittances into the Bank/Treasury, shall be recorded on the credit side of the Cash Book.

(3) The Cash Book shall be closed daily, the totals for the end of the day struck and the closing balance worked out with details to show unremitted and undisbursed cash, if any

(4) The Secretary shall examine the entries and the closing balance in the Cash Book and affix his signature in token of such examination at the end of each day. The cash balance on hand with the Cashier shall be verified with the Cash Book balance at the end of each day and a certificate to that effect shall be recorded in the Cash Book by the Secretary or any officer authorised by the Secretary in this regard.

6. **Bank Book:-**(1) The Bank Book shall be maintained by the Accountant and shall record all amounts deposited or withdrawn, in Cash, Cheque or other means from Bank/Treasury Accounts.

(2) The following items of Receipts shall be accounted on the debit side of the Bank Book;

(a) The total amount of Cash collection remitted in to Bank/Treasury Accounts;
(b) The total amount of Cheques deposited in to Bank/Treasury Accounts
(c) Amounts remitted or received directly in the Bank/Treasury Accounts including Letters of Authority, RTGS, Electronic Transfer etc.;

(d) Any other collections, Demand Drafts, Letters of Authority, etc., received in the Bank/Treasury Accounts

3. All withdrawals and payments from the Bank/Treasury Accounts shall be accounted on the credit side of the respective Bank Book.

4. The Bank Book shall be closed at the end of each day, the totals for the day struck and the closing balance worked out with details to show the balance in Bank/Treasury Accounts, as per the Books of Accounts.

5. The actual balance in the Bank/Treasury Accounts as per the Monthly Statements of Account obtained from the Bank/Treasury shall be compared and reconciled with the Bank Book balance at the end of every month.

***Note-** Where books of accounts are maintained manually, the Cash Book and Bank Book shall be maintained in the same register, with separate columns for cash and each bank account. When the accounting process is computerised, the Cash Book and each Bank Book shall be maintained separately. The daily printouts of the Cash Book and Bank Book shall be taken, verified and signed by the Secretary at the end of each day until the electronic storage system becomes fully operational.*

7. **Journal Book-** (1) All entries which do not involve cash or Bank/Treasury Accounts shall be recorded in the Journal Book, appropriately identifying the account heads to be debited and credited in respect of each transaction.

(2) The Journal Book shall be maintained by the Accountant

8. **General Ledger :-** (1) The General Ledger shall be maintained by the Accountant, with separate folios for each head of account.

(2) At the end of every day the transactions recorded in the Cash Book, Bank Book and Journal Book shall be posted to the appropriate ledgers.

9. **Sub Ledger :-** Sub Ledger may be maintained for any account in the General Ledger identified as Control Account, for detailed information, for example, contractors, suppliers, etc. The Sub-Ledger shall be maintained in the same form as the General Ledger.

10. **Vouchers :-** (1) Every financial transaction of the Panchayat shall be entered in a Voucher and the type of Voucher to be used shall depend on the nature of the transaction.

(2) All Vouchers shall be prepared by or under supervision of the Accountant and shall be used as the covering sheet for all supporting documents which form the basis of authorization of transaction.

(3) Vouchers shall be numbered separately for each type and shall be distinctly coded for each Fund as referred to in rule 13. The Voucher numbering shall begin afresh every year.

(4) In order to maintain the number series of Vouchers, a running serial number list shall be maintained for each Voucher type, for each Fund, for each year.

(5) A single Voucher shall have multiple account heads but shall record transactions only in respect of one Fund

11. Corrections in Accounts :- (1) Any correction to an entry made in the books of accounts shall be authorised by the Secretary, and effected only through another rectification entry. A Journal Voucher shall be used to effect the same.

(2) Any correction or alteration to an entry in the forms or registers maintained in the manual process shall be made in red ink (a single line being drawn through the original entry to be corrected) and attested by the dated initials of the Secretary.

(3) All corrections and alterations to bills/claims and Vouchers shall be similarly attested by the Officer drawing the bill or person preferring the claim, while those in the pay orders shall be similarly attested by the officer signing them. No erasures shall be made and no document with an erasure shall be accepted.

(4) No corrections or alteration in the figures in the Receipts shall be made and whenever errors occur in writing up of Receipts, all such Receipts shall be cancelled and preserved.

12. Computerised Accounting and Electronic Records :- (1) Records and Registers required under these Rules shall be maintained manually or in a Computer Based System.

(2) The forms and formats prescribed in these rules or under the authority of these rules in any Manual or Orders shall be suitably adapted to meet the requirements of computerization. The Government may specify the manner and format in which such Electronic Records shall be created, prepared, maintained and issued and the manner and method of payment of fees or charges for issue of any Electronic Record.

(3) Where the Records are so kept, it shall be the responsibility of the Secretary or the officer designated by the Secretary to ensure that appropriate controls and procedures are exercised for the integrity and security of the Data Files and Programs and storage of Back Up of this Data and its retrieval.

13. Books of accounts to be separately maintained for Funds :- (1) Panchayat Fund shall be the main fund maintained by the Panchayat and shall consist of income from all sources mentioned in Section 212 of Kerala Panchayat Raj Act, 1994.

(2) Within the Panchayat Fund, if necessary, the Government may prescribe Funds for which separate books of accounts have to be maintained.

(3) The Panchayat shall prepare Financial Statements for each Fund

(4) Where Government have prescribed separate Funds, the Panchayat shall maintain separate records and the following shall be observed:

(a) All Books of Accounts and Vouchers shall be prepared separately for each Fund.

(b) Separate Bank/Treasury accounts shall be maintained for each Fund, and remittances shall be made to the relevant Fund's Bank/Treasury account. In case any receipt or payment is recorded in another Fund's Bank/Treasury account, it shall be treated as an 'Inter-Fund transfer' and accounted accordingly.

(5) In addition to the Financial Statements for each Fund, the Panchayat shall prepare Consolidated Financial Statements for the Panchayat Fund as a whole.

14. Codification Structure :- (1) Accounting entries shall be recorded using uniform Codification Structure consisting of:

(a) Fund Code;

(b) Function Code;

(c) Functionary Code; and

(d) Account Code

(2) The accounting procedure under the Fund, Function, Functionary and Account Codes shall be as prescribed in the Kerala Panchayat Raj Accounts Manual.

15. Source wise Accounting of Funds :- (1) All moneys received from Central Government, State Government and other agencies for specific purposes shall be kept in the designated accounts in the Treasury or Bank as the case may be.

(2) Any amount received from any source for any specific purpose shall not be utilised for any purpose other than the purpose for which it was received.

(3) All Receipts and Payments shall be accounted source wise.

16. Books of Accounts to be maintained by Ex officio Secretaries/Implementing Officers:- (1) Each Ex officio Secretary / Implementing Officer shall maintain a Cash Book in Form TR 7-A in which he shall record all receipts and payments relating to all sources. In addition, he shall maintain a Subsidiary Register to record transactions relating to each Panchayat.

(2) Each Ex Officio Secretary/Implementing Officer shall remit to the Panchayats on the subsequent working day all moneys collected by him on behalf of the Panchayat .

(3) Each Ex Officio Secretary/Implementing Officer shall furnish to the Secretary on or before the 5th of the subsequent month, a Statement of Expenditure incurred by him out of the allotments received by him.

CHAPTER III

ACCOUNTING OF INCOME

17. Accounting of Income :- (1) All items of revenue shall be accounted according to the accounting policies prescribed in the Accounts Manual.

(2) In respect of revenues to be accounted on accrual basis, the Secretary shall cause to prepare on monthly basis, Summary Statements of Demand Raised, Change in Demand/Adjustments, Refunds/Remission, Write-offs and Break-up of the Collections made which shall be accounted in the books of accounts. In case no information is to be recorded relating to the Demand Register, Change in Demand or Adjustments, Refund/Remission, Write-off or Collection in any month, a 'Nil' statement shall be prepared.

18. Mode of receipt of money -(1) The Panchayat shall accept moneys through various options such as Collection Staff, citizen facilitation centres, direct credit through Bank, collection by Bank branches, Money Orders, collection through internet, collection through credit/debit cards, Letter of Authority, Real Time Gross Settlement (RTGS) etc.

(2) All receipts of money on behalf of the Panchayat shall be entered in the Cash Book/Bank Book on the same day.

19 **All moneys to be brought to account :-** (1) All money transactions for which any officer of a Panchayat in his official capacity is responsible shall without any reservation, be brought to account.

(2) All moneys received shall be remitted in Treasury Accounts or Nationalised Bank Accounts or Co-operative Bank Accounts or other Bank Accounts specified by Government to the credit of the Panchayat or to Government Account in the Treasury, as per the rules and orders in force.

(3) Secretary shall draw any money required for disbursement from the Treasury or Bank by cheques/bills. No moneys received on behalf of the Panchayat shall be utilised for its expenditure without first being taken into account and paid or remitted in to the Treasury Account or Bank Account.

20. **Issue of Receipts for moneys received :-** (1) In the case of moneys received in the Panchayat the following procedure shall be observed.

(a) All moneys received in the Panchayat or by the collection staff authorised in this behalf in cash or in the form of Cheques, Demand Drafts, Indian Postal Orders, collection through internet, collection through credit/debit cards, Letter of Authority, Real Time Gross Settlement (RTGS), collection through bank branches, direct credit in bank etc., shall without exception be acknowledged by a Receipt denoting the nature of the instrument..

(b) All moneys received in the Panchayat from the Ex officio Secretaries/Implementing Officers shall also be acknowledged by a Receipt

(c) The Receipts shall be machine-numbered and written up by using double sided carbon paper, when issued manually. The original shall be retained in the office and duplicate shall be issued to the remitter.

(d) Computer generated receipts shall be issued when the accounting operations are computerized and the procedures prescribed by the Government in this behalf shall be followed.

(e) No copy of a Receipt shall be issued for whatever reasons. If any necessity arises for such a document a certificate of remittance may be issued.

(2) In the case of moneys received by the Ex officio Secretaries/Implementing Officers on behalf of the Panchayat, the following procedure shall be observed

(a) All moneys received by the Ex officio Secretaries/Implementing Officers on behalf of the Panchayat in cash or in the form of Cheques, Demand Drafts, Indian Postal Orders or other means shall without exception be acknowledged by a Receipt denoting the nature of the instrument.

(b) The form of receipts to be issued by the Ex officio Secretaries/Implementing Officers shall be different from the form of receipt issued by the Secretary and shall be in the form prescribed in the Accounts Manual. The receipt books for the use of the Ex officio Secretaries/Implementing Officers shall be printed and supplied by the Secretary in the form prescribed for the purpose.

(c) The Receipts shall be machine-numbered and written up by using double sided carbon paper, when issued manually. The original shall be retained in the office of the Ex officio Secretary /Implementing officer and duplicate shall be issued to the remitter.

(d) Computer generated receipts shall be issued when the accounting operations are computerized and the procedures prescribed by the Government in this behalf shall be followed.

(e) No copy of a Receipt shall be issued for whatever reasons. If any necessity arises for such a document a certificate of remittance may be issued.

21. Receipt of Panchayat dues by cheques/demand drafts:-

(1) Cheques/demand drafts may be accepted in payment of Panchayat dues. On receipt of Cheque/demand draft, a Receipt shall be issued, specifically indicating therein, that the amount is "subject to realisation"

(2) It shall be ensured that the cheque amounts of the out station cheques for Panchayat dues include Bank Charges. If Bank Charges are not included in the cheque amount, such charges shall be demanded and obtained from the remitters separately.

(3) The Panchayat shall maintain a record of all cheque/demand drafts and other bank instruments received.

22. Dishonour of Cheques received:- (1) In the event of a cheque being dishonoured by the Bank, the Panchayat shall cancel the office copy of the Receipt and the fact shall be intimated at once to the tenderer of the cheque stating that the Receipt issued for the payment through cheque stands cancelled and that he/she has to make payment of such amount in cash or demand draft only, along with the amount of Bank Charges debited by the Bank, if any.

(2) The Panchayat shall acknowledge the payment made by the party in this regard by the issue of a fresh Receipt.

(3) The dishonoured cheque shall be retained by the Secretary and it shall not be handed over to anyone till the amount is remitted by the party.

(4) Based on the intimation regarding the dishonour of cheques or the Statement of Dishonoured Cheques, received from the Bank, the Accountant shall make reverse entries in the Account Books.

23. Banking of moneys received :- The moneys received in cash, money orders, cheques, drafts or in any other form, shall be deposited in the designated Bank Account/Treasury Account on the day of receipt or on the next working day as and when the total receipts exceed Rs. 500/-. In the case of the Panchayats in remote areas as notified by Government such remittance shall be made within a week.

24. Accounting of receipts :- (1) The Cashier shall prepare a Head of Account-wise Statement of Receipts in the prescribed format and submit it to the Accountant.

(2) The amount received shall be accounted through a Receipt Voucher on the same day based on the Statement of Receipts.

25. Refunds:- Amount of refund of money collected by the Panchayat shall to the extent possible be adjusted against future Receipts. Refunds, if any, shall be made by the Secretary after due authorisation by the President.

26. Custody of Money :- (1) The Cash Balance of the Panchayat shall be deposited in a strong Cash Chest embedded in masonry with double locks of different patterns. The Accountant shall maintain one of the keys and the other key shall be with the Secretary or the Officer entrusted with the handling of Cash.

(2) It shall be the duty of the Accountant to ensure that the cashier or the officer entrusted with the duty of handling cash remits the cash, cheques and demand drafts on the day of receipt or on the next working day to the Treasury/Bank as the case may be.

In the case of the Panchayats in remote areas as notified by Government such remittance shall be made written a week.

(3) It shall be the duty of the Accountant to get Bank/Treasury statements at the end of each month and confirm that remittances have been fully credited into the Bank/Treasury Account(s). Any discrepancy in remittances shall be reported immediately to the Secretary.

CHAPTER IV

ACCOUNTING OF EXPENDITURE

27. **Accrual of expenditure :-** Every claim against the Panchayat Fund, shall after examination with reference to Work Order/Supply Order/Indent shall be accepted, if it is in order and accrued through a Journal Voucher.

Provided that such accrual shall be carried out on a regular basis only in respect of establishment expenditure, and claims pertaining to procurement of goods and services, supported by work order and contractor's bill. Other revenue expenditures shall be accounted on payment and the outstanding accrued only at period ends.

28. **Provision for Expenditure:-** At the end of each year, a provision shall be made in respect of expenditure already incurred but not paid by the Panchayat. Cut off date for provisioning of bills shall be 30 days prior to the date prescribed for the finalisation of Annual Financial Statements.

29. **Claims against Panchayat fund :-** (1) Every person having any claim against the Panchayat Fund shall present a written claim with supporting documents like Invoice, etc. to the Panchayat.

(2) A bill shall be prepared by the designated Officer incurring the expenditure and the claimant's claim, with supporting documents, shall be attached thereto.

(3) All claims, except those pertaining to imprest, shall first be entered in the prescribed records and then distributed to the respective Official.

(4) The Officer authorised to pass the amount shall verify the claim and record a Pass Order under his hand and seal.

30. **Settlement of claims :-** All liabilities incurred shall be discharged with the least possible delay.

31. **Record of claim passed for payment :-** The Accountant shall keep a record of each claim passed for payment detailing the number, date, amount etc.

32. **Advances:-** All moneys advanced to beneficiary committee conveners, suppliers, contractors, accredited agencies, officials or individuals should be restricted to the amount actually necessary to meet immediate payments and as and when this amount exhausts, it may be adjusted by submitting documents for expenditure incurred. In cases, where the advances are not utilised for the purposes within the specified period, the Secretary shall initiate steps to recover the amount with interest.

33. **Deposits :-** (1) All deposits received in the form of cash, cheque and demand drafts etc. shall be deposited in the designated Bank/Treasury Account

(2) Deposit received otherwise than in cash, cheque or demand drafts shall be kept by the Secretary in safe custody. At the end of every half year a certificate regarding the verification of the balance of such deposits shall be recorded by the Secretary.

(3) All deposits received shall be entered in the records prescribed for the same.

(4) Deposits received in cash, cheque or demand drafts shall not be refunded or adjusted to revenue except on the written authorization of the President.

34. **Authorization for Allotments and Payments :-** (1) The President shall authorize all allotments from the Panchayat Fund to the Secretary/Ex officio Secretaries/Implementing Officers.

(2) All payments excluding those in respect of allotments mentioned in sub rule (1) and Statutory and Mandatory Payments mentioned in sub rule (3) and refunds to be made by the Secretary shall be authorized by the President. Such payments and refunds shall be made in cash, by cheques, demand drafts, banker's cheques or other means such as Electronic Clearing System/Direct Credit to Bank Account of payee etc., with a view to facilitating convenience of payees subject to the rules and orders in force.

(3) The Secretary shall make all Statutory and Mandatory Payments provided under sub section (2)(A) of section 213 of the Act and other payments ordered by the Government irrespective of authorization by the President.

(4) Cash payments shall be avoided to the extent possible. However, if need arises, cash payments shall be limited to one thousand to each payee from a bill.

(5) All payments to employees shall, as far as possible, be made through direct transfer to the Bank Accounts of the employees.

35. **Requirement of Signature:-** (1) No money shall be paid on a Payment Voucher or Pay Order signed with rubber or facsimile stamp. When the acquittance on a Voucher is given by a mark or seal or thumb impression, it shall be attested by a known person or an officer not below the rank of Gazetted cadre.

(2) Claims mentioned below which are affixed with the facsimile signature of the Authorised officer, may be accepted for payment, if otherwise in order:

- (i) Telephone Bills
- (ii) Bills for water charges; and
- (iii) Electricity Bills.

36. **Cash payment out of Permanent Advance/Imprest:-** After payment in cash from the Permanent Advance/Imprest the sub voucher shall be stamped with the words "Paid in Cash" in conspicuous type. This shall be attached as sub-voucher to the next bill while recouping the Permanent Advance/Imprest.

37. *Cheque Payments* - The cheque shall be written up and the bill shall be stamped 'Paid by cheque No.....' in conspicuous type by the Accountant.

38. *Control over Cheque Books*-(1) Cheque books shall be kept under lock and key in the personal custody of the Secretary who, when relieved, shall take a receipt for the correct number of cheques made over to the relieving Officer. A specimen signature shall, at the same time, be forwarded to the Treasury/Banks concerned, under the signature of the Officer relieved.

(2) When the Secretary receives a new cheque book from the Treasury or Bank, he/she shall count the cheque leaves contained therein and shall record on the back of the cheque book a certificate that “this Cheque Book contains.....leaves”

(3) The Secretary shall verify at the end of each day the unused cheques and satisfy himself that all unused cheques are in the book and that no cheque has been surreptitiously extracted.

39. Issue of Cheques :- (1) The Accountant shall ensure that there is adequate balance in the Bank/Treasury Accounts before issuing a cheque

(2) The cheques shall be written or printed, as the case may be, and the Accountant shall be responsible for the same.

(3) Every cheque shall be written in English or Malayalam and shall be in favour of the person to whom the money is to be actually paid.

(4) The amount of every cheque drawn shall be written in words as well as in figures both on the cheque itself and on the counterfoil/record slip/transaction sheet available in the cheque book and initialled by the Secretary who signs the cheque. It shall also be entered in to the record maintained for the same.

(5) When a cheque is being prepared for signature, the amount which is the next higher number of rupees than the sum for which the cheque is drawn, shall, as safeguard, be written in red ink at the top and its counterfoil as follows: ‘Below Rupees.....’

40. Signing of Cheques :- (1) No cheques shall ordinarily be signed unless required for immediate delivery to the person to whom the money is to be paid. No signed cheques shall be retained in the office except under exceptional circumstances which shall, in each case, be recorded.

(2) All cheques shall be signed by the Secretary.

(3) The cheques shall be disbursed by the Cashier after making a payment entry in the records prescribed for the same.

41. Payments by cheque/demand drafts/banker’s cheques to be covered by Receipts :- Every payment made by cheque, demand drafts or banker’s cheques, shall be covered by a receipt, signed by the person to whom the money is due.

42 Cash Payment Voucher to bear acknowledgments of payee:- (1) Every Cash Payment Voucher shall bear or have attached to it an acknowledgment of the payment, signed by the person on whose behalf the claim is put forth. No cash payment shall be made in the absence of the necessary acknowledgment.

(2) Dates of payment shall invariably be noted by the Payees in their acknowledgments.

(3) If a payment Voucher is lost, a certificate of payment prepared and signed by the Secretary and authorization for payment recorded and signed by the President, shall be placed on record. Full particulars of all claims shall be set forth

(4) Payments to illiterate persons shall be certified by the Secretary and the thumb impression of those persons shall be obtained against their names on the Vouchers concerned.

43. Accounting of payments :-(1) The entry for payments shall be made by credit to the Cash or Bank/Treasury Accounts and:

(i) In case a liability was earlier taken for the amount of the bill, by debit to the same liability account;

(ii) In case, no liability was taken, by debit to the appropriate expenditure account head.

44. Cancellation of cheques :- (1) When a signed cheque is cancelled, it shall be stamped "cancelled". The fact of cancellation shall be noted in red ink over the initials of the drawer of the cheque upon the counterfoil/record slip/transaction sheet available in the cheque book, across the Order of Payment which has been endorsed on the Payment Voucher and in other records prescribed to record the details of cheques issued.

(2) If a cheque is cancelled before the entry is made in the Bank Book, no further correction is required. However, if the entry for cheque has already been recorded in the Bank Book, the entry should be reversed.

(3) Cancelled cheques shall be retained with their counterfoils for purpose of audit.

45. Lost cheques :- If a lost cheque is reported to the Panchayat, the Secretary shall issue a 'Stop Payment Order' to the Bank/Treasury and a fresh cheque can be issued to the party after obtaining a certificate from the Bank/Treasury that it has not been paid.

46. **Stale cheques:-** If cheques are not encashed within the period of their currency and not revalidated, the amount covered by the cheque shall be transferred to a 'Stale Cheque Account' creating a liability for the amount and debiting it in the Bank Book. When a fresh cheque is issued, the stale cheques account will be debited. If a Stale Cheque is presented to the Panchayat, It shall be cancelled as per rule 44 (1).

47 **Amount drawn from Bank/Treasury remaining unutilized:-** Any amount drawn from the Bank/Treasury and remaining unutilised for more than thirty days from the date of drawal shall be remitted back to the Bank/Treasury at the end of every month. It shall be the duty of the Accountant to confirm at the end of each month that the unutilised amounts are fully credited to the Bak/Treasury under the relevant head of account.

CHAPTER V

INVESTMENTS, SPECIFIC GRANTS AND FUNDS, SPECIAL FUNDS AND OTHER SPECIAL ITEMS

48. **Investments:-** (1) Investments of surplus fund shall be made by the Panchayat as per Rule 4 of the Kerala Panchayat Raj (Investment and Withdrawal of Panchayat Fund) Rules, 1996.

(2) The amount of every security or investment shall be verified periodically and at least once in every three months by the Secretary.

(3) No security or other investment shall be written off unless and until it has been disposed of absolutely by sale or otherwise.

(4) Every investment held by the Panchayat shall be submitted for physical verification to the auditor at the time of audit.

49. **Specific grants, funds and contributions:-** Where any grant, fund or contribution is received for a specific purpose, such grant, fund or contribution shall not be diverted even temporarily for any purpose other than for which it was received.

50 **Special Funds:** Where any fund has been set apart by the Panchayat under any directive from Government, such fund shall be treated as a Special Fund and the fund shall not be utilized for any purpose other than for which it was constituted.

51. **Specific Loans:** Where any loans have been availed by the Panchayat, such loan shall not be utilized for any purpose other than for which it was availed. The loans shall be obtained for the purposes and as per the conditions approved by Government.

52. **Endowments:** Any endowment constituted or accepted by the Panchayat shall be treated as a Special Fund and the proceedings thereof shall be utilized only for the purpose for which the endowment was constituted or accepted.

53. **Sinking Fund:-** (1) A Sinking Fund shall be constituted, if necessary, as per the conditions prescribed by Government for the replacement of an asset or liquidation of a liability.

(2) On examination, if it is observed that the present value of Sinking Fund investment is less than the value of the fund stipulated by Government in the terms of sanction, the difference shall be made good from the Panchayat Fund.

54. **Pension Contribution:-** (1) The contributions towards retirement benefits of employees of the Panchayat like Pension and Gratuity, shall be made to Government every month.

55. **Transfer to Capital Fund:-** Where the Government prescribes a percentage of amount to be transferred every year from Revenue Fund to Capital Fund, the same shall be done before the finalisation of the Annual Financial Statements.

56. **Remittance of Cess:-** The cesses collected in respect of Government or other authorities shall be remitted to the authorities concerned within the time limit prescribed by the Government through crossed cheques or demand drafts.

CHAPTER VI

PERIOD END PROCEDURES AND RECONCILIATION PROCEDURES

57. **Reconciliation of Bank/Treasury Accounts:-** The closing balances of the Bank Books shall be reconciled with the closing balances of the Bank/Treasury Statement obtained at the end of each month. After completing the process of reconciliation, the Accountant shall prepare a Bank/Treasury Reconciliation Statement before the 5th of the subsequent month. The Reconciliation Statement shall be attested by the Secretary.

58. **Period end procedures:-** The period end procedures prescribed below shall be caused to be carried out by the Secretary.

- (1) The following procedures shall be carried out daily:
 - (a) Closing of Cash Book and Bank Book
 - (b) Physical verification of Cash balance with Cash Book balance;
 - (c) Checking of ledger accounts with the books of original entries i.e., Cash Book, Bank Book and Journal Book;
- (2) The following procedures shall be carried out at the end of every month:
 - (a) Recording of expenditures incurred against permanent advance/imprest;
 - (b) Payment of pension contribution in respect of employees;
 - (c) Payment of pension contribution and leave salary contribution in respect of employees on deputation, wherever applicable.
 - (d) Compilation of details of stock utilized during the month;
 - (e) Closing of ledger accounts;
 - (f) Payment of Government dues; and
 - (g) Reconciliation of Accounting records with the records relating to revenue and expenditure.
- (3) The following procedures shall be carried out at the end of every half year:

(a) Reconciliation of deposits, advances, receivables and incomes with Subsidiary Records and Registers;

(b) Transfer of specific grants received to grant income as well as contribution, based on its use during the period;

(c) Accrual of interest on borrowings;

(d) Recording of provision for bills remaining unpaid;

(e) Accrual of interest on advances and investment;

(f) Reconciliation of Capital Work in Progress account with Records and Registers;

(g) Closing of Ledger accounts;

(4) The following procedures shall be carried out at the end of every year

(a) Physical verification and reconciliation of Stock;

(b) Physical verification of Fixed Assets;

(c) Recording utilisation of funds by transfer to Special Funds (Utilised) account;

(d) Confirmation of all categories of advances;

(e) Recording transfer entry for creating special funds for benefit of Backward classes or similar other welfare schemes;

(f) Confirmation from Government - Government agencies, Banks and Financial Institutions regarding loans outstanding repayment;

(g) Creation of provision for depreciation on various types of assets in accordance with the policies in this regard;

(h) Creation of provision for amounts receivable, in accordance with the provisioning norms in this regard;

(i) Annual closing of ledger accounts by transfer to Income and Expenditure Statements, where required.

CHAPTER VII

FINANCIAL STATEMENTS, ANNUAL REPORTS AND AUDIT

59. **Responsibility of Panchayat:-** (1) Every Panchayat shall follow the Chart of Accounts, Accounting and Budgeting procedures and maintain such Books of Accounts as prescribed in these rules to record all Income, Expenditure, Assets and Liabilities in respect of each fund of the Panchayat.

(2) The Panchayat shall also maintain the forms and registers prescribed by the Government and up date them periodically to comply with the directions of the Government.

60 **Monthly statements of Receipts and Payments:-** The Secretary shall, not later than 10th of the subsequent month, prepare and submit a statement of Receipts and payments in the prescribed format, to the Standing Committee for Finance. The Chairperson of the Standing Committee for Finance shall after scrutiny and audit by the Standing Committee, place the Monthly Statement of Receipts and Payments along with their recommendations, in the immediately succeeding meeting of the Panchayat.

61. **Monthly Trial Balance and Financial Statements:-** (1) A Trial Balance shall be prepared by extracting all Ledger Balances, certified by the Secretary. The Panchayat shall also prepare Monthly Financial Statements from the Trial Balance.

(2) The formats for preparation of Trial Balance and Financial Statements shall be in the forms prescribed.

62. **Annual Financial Statements:-** (1) The Secretary shall cause to prepare, the Financial Statements for the preceding year in respect of the accounts of the Panchayat, in the formats prescribed.

(2) The Secretary shall be responsible for the preparation of Financial Statements which shall consist of the following:

(a) Balance Sheet-Assets, Liabilities and Reserve heads shall be posted from the Trial Balance to the Balance Sheet.

(b) Income and Expenditure Statement-This Statement shall include all the income earned during the year whether actually received or not and all the expenditure incurred whether actually paid or not.

(c) Statement of Cash flows-This Statement shall include cash flows from operating, investing and financing activities in a manner, which is most appropriate to the activities of the Panchayat.

(d) Receipts and Payments Statement-This statement shall record all receipts and payments on cash basis

(e) Notes to Accounts-This shall comprise of Statement of Significant Accounting Policies, Statement on Contingent Liabilities, Subsidy Report and Other Disclosures

(f) Key Ratios -This shall mean the financial ratios as prescribed in the Accounts Manual.

(3) Comparative amounts shall be entered on the Financial Statements for the preceding year except, in the case of the first year to which these rule apply.

(4) All amounts in the Financial Statements shall be rounded off to a rupee. In respect of all amounts including tax, cess, fees and surcharge collected by the Panchayat and all other amounts accounted to the Panchayat Fund, the fraction of a rupee shall be rounded off to the next higher rupee as prescribed under Explanation below Section 273(2) of the Act. In respect of the expenditures, fraction of a rupee below fifty paisa shall be rounded off to the immediately lower rupee and above fifty paisa to the next higher rupee.

(5) The Annual Financial Statements shall be approved by the Panchayat and the same shall be signed by the Secretary and the President after which it shall be submitted to the Auditor, on or before 15th May of the succeeding year.

(6) In case the Panchayat fails in preparing and adopting the Annual Financial Statements within the time limit prescribed by the rules, action shall be initiated under Section 9(2) of the Kerala Local Fund Audit Act 1994 and any other action as the Government may deem fit.

63. **Audit of Financial Statements:-** (1) The Director of Local Fund Audit and his nominees shall be the auditors of the Panchayat

(2) The responsibility to maintain or cause to maintain the accounts and the connected books of the Panchayat in the manner and form as prescribed and to submit or cause to submit such accounts to the Local Fund Audit for conducting audit in time shall vest with the Secretary.

64. **Audit Certificate:-** (1) Subject to provision of the Kerala Panchayat Raj Act, 1994 and these rules, the auditor shall perform the audit as per the provisions of the relevant Act, Rules and other guidelines.

(2) The audit of Annual Financial Statement shall be completed and the Audit Certificate issued before 31st October of the subsequent year.

(3) The Audit Certificate shall be issued to the Panchayat with copies to the Government.

65. **Annual Report:-** (1) The Annual Report of the Panchayat as prescribed under Section 215(15) of the Kerala Panchayat Raj Act 1994 shall consist of the following.

- (a) Annual Financial Statements.
 - (i) Balance Sheet;
 - (ii) Income and Expenditure Statement;
 - (iii) Statement of Cash Flows;
 - (iv) Receipts and Payments Statements;
 - (v) Notes to accounts including Significant Accounting Policies
- (b) Budget Variance Analysis;
- (c) Audit Certificate on Annual Financial Statements;
- (d) Action Taken Report on the Audit Certificate containing explanations for the qualifications and comments in the Audit Certificate; and
- (e) Key Ratios.

(2) The Secretary shall, not later than 10th November of the succeeding year-

(a) Publish the Annual Report;

(b) Publish a notice, advising of the publication of the Annual Report and that copies of the report are available at the office of the Panchayat;

(c) Cause a copy of the Annual Report to be forwarded to the Deputy Director of Panchayats in the case of Village Panchayats, to the Assistant Development Commissioner (General) in the case of Block Panchayats and to the Director of Panchayats in the case of District Panchayats.

66. **Consolidation of Annual Reports of Village Panchayats:-** On receipt of the Annual Reports from the Secretaries of the Village Panchayats, the Deputy Director of Panchayats shall prepare a Consolidated Annual Report of the Village Panchayats of the District and submit to the Director of Panchayats by 15th November. On receipt of the Annual Reports from the Deputy Directors of Panchayats the Director of Panchayats shall prepare a Consolidated Annual Report of the Village Panchayats of the State and submit to the Additional Secretary (FM), Local Self Government Department, by 25th November.

67. **Consolidation of Annual Reports of Block Panchayats:-** On receipt of the Annual Reports from the Secretaries of the Block Panchayats, the Assistant Development Commissioners (General) shall prepare a Consolidated Annual Report of the Block Panchayats of the District and submit to the Commissioner for Rural Development by 15th November. On receipt of the Annual Reports from the Assistant Development Commissioners (General) the Commissioner for Rural Development shall prepare a Consolidated Annual Report of the Block Panchayats of the State and submit to the Additional Secretary (FM), Local Self Government Department, by 25th November.

68. **Consolidation of Annual Reports of District Panchayats:-** On receipt of the Annual Reports from the Secretaries of the District Panchayats, the Director of Panchayats shall prepare a Consolidated Annual Report of the District Panchayats of the State and submit to the Additional Secretary (FM), Local Self Government Department, by 25th November.

69. Submission of Consolidated Annual Reports to the Principal Secretary:-

On receipt of the Annual Reports from the Director of Panchayats, the Commissioner for Rural Development and the Director of Urban Affairs the Additional Secretary (FM), Local Self Government Department shall prepare a Consolidated Annual Report of the Local Self Government Institutions of the State and submit to the Principal Secretary, Local Self Government Department, by 5th December.

70. Publishing of Financial Information:- (1) The Panchayat shall, as far as possible, disseminate the applicable financial information to each of the various stakeholders like Government and the public at regular intervals.

(2) The Secretary of the Panchayat shall cause to publish the Monthly Receipts and Payments Statement, Annual Financial Statement and the Annual Report in the Notice Board and Websites of the Panchayat.

(3) The Panchayat shall, as far as possible, display the status of claims submitted by suppliers and contractors in the website of the Panchayat to facilitate the convenience of the payees.

71 Preparation of Budget:- (1) An Annual Budget shall be prepared on accrual basis, in accordance with the provisions of section 214 of the Kerala Panchayat Raj Act, 1994 and the guidelines issued by the Government.

(2) Separate Budget shall be prepared for each Fund. In addition, a consolidated Budget for the Panchayat as whole shall also be prepared.

(3) The Consolidated Budget Estimate shall be accompanied by subsidiary statements detailed below:

- (a) Estimate of revenue income;
- (b) Estimate of revenue expenditure;
- (c) Estimate of capital Receipts;
- (d) Estimate of capital expenditure;
- (e) Estimate of loans repayment;

- (f) Estimate of loan and advances;
- (g) Estimate of deposits and recoveries;
- (h) Estimate of investments;

72. **Supplemental or revised budget:-** If expenditure, not provided for in the budget or in excess of the provision in the budget is to be incurred, a supplemental or a revised budget shall be passed by the Panchayat before incurring such expenditure. In case of any expenditure, not provided in the budget was incurred in terms of the provisions of Section 214(5) of the Act, a supplemental or revised budget shall be presented and approved in the next immediate meeting of the Panchayat. The revised budget estimate presented in the month of March, as part of the budget proposals for the succeeding year, shall not constitute the revised budget estimate permitting the incurring of expenditure not provided for in the current year's budget.

73. **Budgetary Control of Expenditure:-** No expenditure shall be approved for payment unless it is covered by a suitable budget provision. The responsibility of exercising Budgetary Control shall lie with the Secretary, Ex officio Secretaries/Implementing Officers of the Panchayat and also with the Accountant.

74. **Commitment for Expenditure:-** No expenditure shall be committed by issue of sanction order/work order without there being sufficient Budget provision for such expenditure. If sufficient Budget provision is not available the Secretary shall not issue the sanction order/work order. In case expenditure is to be incurred additional provision is to be obtained through a supplemental or revised budget.

CHAPTER VIII

GENERAL PROVISIONS

75. **Applicability of other Rules and Orders:-** (1) Save as otherwise provided in these rules or orders issued by the Government, the provisions of the various rules framed by the Government of Kerala. Various departmental manual as applicable, orders and/or instructions applicable to the Departments of Government, orders applicable to the Treasury transactions, provisions of the Kerala Account Code, the Kerala Treasury Code and the Kerala Financial Code, shall, mutatis mutandis, apply to all matters relating to the drawal of Funds, forms of the bills, incurring of the expenditure, maintenance of accounts, rendering of accounts, etc.

76. Government shall issue orders and guidelines from time to time relating to the Treasury Transactions of the Local Self Government Institutions and they shall be applicable to the Panchayats Accounts.

77. **Cash and Accounts functions to be kept distinct:-** The Cash and Accounts functions of the Panchayat shall be kept distinct from each other under distinct officials who shall be termed 'Cashier' and 'Accountant' respectively. The same person shall not compile the Panchayat's accounts and receive the collections on behalf of the Panchayat.

78. **Opening Balance Sheet :-** (1) Valuation of assets for facilitating preparation of Opening Balance Sheet of the Panchayath shall be done as provided in the Accounts Manual.

(2) If, after the Opening Balance sheet is prepared, any error or omission is noticed, such error should be rectified or omission shall be incorporated in the opening balance sheet figure by routing it through an 'Opening Balance Sheet Adjustment' entry.

(3) Any such adjustment shall be placed before the Panchayat for approval before it is included in the accounts.

79. **Write back of unreconciled items in Bank Reconciliation Statements, old unpaid Deposits, Provisions, etc -** (1) The Secretary shall cause to write back after the lapse of the prescribed period, the amounts of unreconciled items in Bank Reconciliation Statement, old unpaid deposits, provisions etc., to the books of the Panchayat.

(2) The period after which, the items mentioned in sub-rule(1), are to be written back shall be as prescribed by the Government in the orders issued in this behalf.

80. **Asset Regisers:-** (1) The Secretary shall maintain appropriate Asset Registers as prescribed by the Government to record the details of all movable and immovable assets owned by the Panchayat or assigned/transferred to the Panchayat.

81. **Misappropriation of Panchayat fund:-** Whenever a misappropriation of Panchayat Fund, store or any property is discovered, the Secretary shall report the same to the President, Police, the Government and the Auditor. After the necessary procedures are carried out, the Secretary shall initiate disciplinary proceedings as per the relevant rules.

82. **Forms:-** (1) No account forms other than those prescribed under these rules shall be used by the Panchayat when the accounts are maintained manually. When the accounting procedure is computerized, the forms shall be as prescribed by the Government in this behalf.

(2) The Secretary and the Accountant shall be responsible for the correct maintenance of the Stock Book of Forms. The balance of forms on hand shall be verified annually by an Officer authorised by the Secretary to check the stock, who shall record a certificate of correctness or otherwise over his dated signature.

83. **Receipt Books:-** Receipt books shall, on receipt in the Panchayat, immediately be counted, numbered and entered in the Stock Book of Forms. Each Receipt Book shall be serially numbered and paged and a certificate of the number of pages each book contains shall be furnished in each book and signed by the Secretary or Accountant or other Officer duly authorised in this behalf. The issue of Receipt Books shall be in order of their numbers and the signature of the receiver obtained in the Stock Book of Forms. No fresh Book shall be issued before the previous one is completely exhausted and the counter foil is returned to the Panchayat, except under unavoidable circumstances. In such cases, the reason shall be specifically written in the new Receipt Book.

84. **Power of Government to prescribe forms, formats, procedures etc:-** Government shall have the right to issue manuals orders, circulars and guidelines for the proper maintenance of accounts and reporting thereof by the Panchayats as and when deemed necessary.

By the Order of the Governor

S.M. Vijayanand
Additional Chief Secretary to Government

Explanatory Note

(This does not form part of the notification, but is intended to indicate its general purport)

Government of Kerala, as part of its policy for improving the accounting system in Panchayats, proposes to introduce Accrual based Double Entry System of Accounting. The new system of accounting provides relevant accounting principles, procedures and guidelines to ensure complete and timely recording of the financial transactions of the Panchayats and produce fair and relevant financial reports. This policy will enable Panchayats to be more transparent and provide more appropriate financial information to the stakeholders and improve governance, keeping in mind the important citizen centric functions discharged by them. At present the Panchayats are following the Cash based Single Entry System of Accounting as envisaged under the Kerala Panchayat (Accounts) Rules, 1965 and the instructions under G.O.(P)No.319/2003/Fin, dtd. 12th June 2003. To enable the transition to Accrual based Double Entry System of Accounting, it is essential to prescribe new rules that shall govern the accounting in the new system. Government have decided to issue the Kerala Panchayat Raj (Accounts) Rules, 2011 in supersession of the Kerala Panchayat (Accounts) Rules, 1965.

This notification is intended to achieve the above purpose.

LIST OF FORMS

Form KPRAR – 1 :	Cash Book /Bank Book
Form KPRAR – 2 :	Subsidiary Cash Book
Form KPRAR – 3 :	Journal Book
Form KPRAR – 4 :	Ledger
Form KPRAR – 5 :	Receipt Voucher
Form KPRAR – 6 :	Payment Voucher
Form KPRAR – 7 :	Contra Voucher
Form KPRAR – 8 :	Journal Voucher
Form KPRAR – 9 :	Trial Balance
Form KPRAR – 10 :	Balance Sheet
Form KPRAR – 11 :	Income & Expenditure Statement
Form KPRAR – 12 :	Receipts & Payments Statement

Form No: KPRAR - 1

..... Village/Block/District Panchayat

CASH BOOK /BANK BOOK

Date	Voucher No.	Head of Account Code	Description	Subsidiary Ledger Code	Voucher Type	Debit Amount (Rs.)	Credit Amount (Rs.)
1	2	3	4	5	6	7	8

..... Village/Block/District Panchayat

SUBSIDIARY CASH BOOK

Date	Voucher No.	Description	Debit Amount Rs.	Credit Amount Rs.
1	2	3	4	5

..... Village/Block/District Panchayat

JOURNAL BOOK

Date	Jrnl. Vchr. No.	Function Code	Functionary Code	Head of Account Code	Description	Subsidiar y Ledger Code	Debit Amount (Rs.)	Credit Amount (Rs.)
1	2	3	4	5	6	7	8	9

..... Village /Block/District Panchayat

LEDGER

_____ Account

Date	Voucher No.	Head of Account Code	Description	Cheque No & Date	Debit Amount (Rs.)	Credit Amount (Rs.)
1	2	3	4	5	6	7

Form No: KPRAR - 5

..... Village/Block/District Panchayat

RECEIPT VOUCHER

Name

Receipt No:

Address :

Date:

Demand No

Instrument Type:

Instrument No:

Sl.No	Head of Account Code	Description	Amount (Rs)

..... Village/Block/District Panchayat

PAYMENT VOUCHER

Name

Payment Voucher No:

Address :

Date:

Payment Order No:

Instrument Type:

Instrument No:

Sl.No	Head of Account Code	Description	Amount (Rs)

Form No: KPRAR – 7

..... Village/Block/District Panchayat

CONTRA VOUCHER

Contra Voucher No:

Date

Head of Account Code	Account Description	Debit Amount (Rs.)	Credit Amount (Rs.)
1	2	3	4

..... Village/Block/District Panchayat

JOURNAL VOUCHER

Journal Voucher No:

Date:

		Head of Account Code	Description	Subsidiary Ledger Code	Debit Amount (Rs.)	Credit Amount (Rs.)
Function Code	Functionary					
1	2	3	4	5	6	7

..... Village/Block/District Panchayat

TRIAL BALANCE

For the period from to

Account Head Code	Description	Opening Balance		Transaction for the Period		Closing Balance	
		Debit Amount (Rs.)	Credit Amount (Rs.)	Debit Amount (Rs.)	Credit Amount (Rs.)	Debit Amount (Rs.)	Credit Amount (Rs.)
Totals							

..... Village /Block/District Panchayat

BALANCE SHEET

as on

Account Code	Description	Schedule No	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
	LIABILITIES			
	Total Liabilities			
	ASSETS			
	Total Assets			

..... Village/Block/District Panchayat

INCOME AND EXPENDITURE STATEMENT
for the period from to

Account Code	Description	Schedule No	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
	INCOME			
A	Total Income			
	EXPENDITURE			
B	Total Expenditure			
A-B	Gross surplus/ (deficit) of income over expenditure before Prior Period Items			
	Add : Prior Period Items (Net)			
	Gross surplus/ (deficit) of income over expenditure after Prior Period Items			
	Less: Transfer to Reserve Funds			
	Net Balance being surplus/(deficit) carried over to Panchayat Fund			

..... Village/Block/District Panchayat

RECEIPTS AND PAYMENT STATEMENT

for the period from to

Account Code	Description	Schedule No	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
	Opening Balances			
	Operating Receipts			
	Non-Operating Receipts			
	Total Receipts			
	Operating Payments			
	Non-Operating Payments			
	Total Payments			
	Closing Balances			
	Grand Total			