

**TABLE OF CONTENTS**

***Main Rules***

**PART –II : General Organisation On Working of Treasury**

**General Organisation**

33-40	...	Collector	14-16
41-45	...	Treasury Officer	16-17
46	...	Relation with the accountant General	17
47	...	Relation with the Currency Officer	17
48	...	Treasure	18
49-50	...	Treasurer	18
51-52	...	Accountant	18

**Treasury Accounts.**

53	...	Treasurer's records	18
54-55	...	Accounts's Book	19
56-57	...	Sub-Treasury Accounts	19-20
58	...	Closing for the day	20-22
59-60	...	Closing for the month	23
61-62	...	Monthly Accounts and Returns	24

**Treasury Inspections.**

63-64	...	General Rules	24-26
-------	-----	---------------	-------

**Miscellaneous Provisions**

65-66	...	Deposit of Cash and Valuable of other Department	26
67-68	...	Notices	26-27
69	...	Custody of Security Bonds	27

**PART II**  
**GENERAL ORGANISATION AND WORKING OF STATE**  
**TREASURIES**

**General Organisation**

*Collector*

**33.** The collector, being in general charge of the treasury, shall be responsible for its general administration and working. The appointment of a subordinate to the immediate charge of treasury shall in no way relieve the Collector from this responsibility. This responsibility extends not only to the security of cash balance, stamps, opium and other Government property and the immediate detection of any irregular practice on the part of the subordinates, but also to the correctness of prescribed accounts and returns and the punctuality of their submission, and to the implicit obedience of the Treasury officer to the instructions issued by the Accountant General, the Currency Officer or any other competent authority.

**34.** The Collector shall send immediate notice to the Accountant General and other concerned authorities of any defalcation or loss of public money, stamps, opium or other property discovered in the treasury or a sub-treasury, even when such loss has been made good by the person responsible for it. Such notice shall be supplemented as soon as possible afterwards by a detailed report after personal investigation into the case. In dealing with cases of defalcation or losses as aforesaid and in reporting such cases to the Accountant General and other authorities, the Collector shall be guided by such general orders or instructions as may be issued in this behalf by the government.

Petty cases, that are cases involving loss not exceeding Rs.300 each, need not be reported to the Accountant General unless there are, in any important instances, which merit detailed investigation and consideration.

**35.** The Collector shall remember that, when an irregularity of any kind is brought to his notice by the Accountant General, nothing but a report on his knowledge, after personal investigation can be considered satisfactory. It

is not enough for him to pass on the explanation of a subordinate in as much as reports prepared in this manner have very often, by lulling suspicion, led to greater irregularity afterwards.

**36.** The Collector is bound to satisfy himself by periodical examination, at least once in every six months for cash and opium and once a year for stamps, securities, draft and cheque forms, that –

- (i) the actual stock of cash, opium, stamps and securities is kept under joint lock and key and corresponds with the book balance;
- (ii) the Treasurer does not hold a sum larger than is necessary for the convenient transaction of the Government business and that this sum, together with the value of stamps and opium, if any, in his sole custody, is not larger than the security given by him;
- (iii) the stock of draft and similar forms which are intended for use in monetary transactions are carefully kept under lock and key by the Treasury and periodically tallied with the nominal balance of such forms on the stock books; and
- (iv) the sub-treasury balances are verified once a month by a gazette officer besides the verification done by himself during his tour.

**Note :** *The words 'Stamps' used in this and other rules in this part includes Match Excise Banderols.*

**37.** The Collector shall satisfy himself at least once in every quarter that the deposit registers are kept according to prescribed rules and that all necessary entries are made and initialed without fail at the time of the transaction.

**38.** The Collector should be specially careful, when assuming or making over charge, to see that the cash balances and stock of stamps and opium are thoroughly verified and that a certificate of taking over charge in which the state of cash, stamps and opium balance is to be shown invariably dispatched to the Accountant General with a certificate in Form T.R.I on the same day that the transfer of charge takes place.

**39.** The Collector when at headquarters must always verify the district treasury balance in person on the first of each month and sign the account to be rendered to the Accountant General and the Government. When, however, he is absent on tour on the first of the \_\_\_\_\_ month or when he is unable to perform the duties from physical inability, the duty may be entrusted to the senior gazette subordinate of the district staff present at headquarters not being the officer in-charge of the treasury, or to any of this assistants or district deputies in permanent charge talukas or sub-divisions. The reason for his inability to sign the accounts must be distinctly noted in the returns and accounts.

If neither the collector nor any gazette officer of the district staff other than the Treasury Officer himself, is present at headquarters when the accounts are ready for signature, the cash balance may be verified and the accounts signed by the Treasury Officer, but the absence of all other officer's as above must be certified on the face of the accounts; and the cash balance shall be verified by another officer and reported to the Accountant General as soon as any such officer returns to headquarters.

**40.** Without prejudice to the generality of the Rules 5 to 6 of part I, the provisions of Rules 36 to 39 may be modified in particular points of detailed procedure to suit local convenience under the orders of the Government issued after consultation with the Accountant General.

### *Treasury Officer*

**41.** The appointment of a very junior officer to the charge of a treasury should not ordinarily be made but if in a temporary emergency such an appointment is made, the departure from the rule shall be reported to the Accountant General and the reasons for it explained to that officer.

**42.** As the Collector's delegate and representative, the Treasury Officer is responsible to the Collector primarily for the proper discharge of his duties for thorough observance of all rules prescribed for his guidance in every branch of his duties and for strict attention to all details of the daily routine of the treasury work. He is responsible to the Collector for the working of the treasury and the conduct of the subordinate treasury official, and for the

custody of cash balance, stamps and opium; he is jointly responsible with the Treasurer. He must have carefully prepared instructions for the guidance to every branch of his office.

**43.** The Treasury Officer is responsible to the Collector for keeping the account of the Treasury strictly in accordance with the directions contained in the Account Code, for the accuracy of all initial records and vouchers and for regularity of all transactions taking place at the treasury.

**44.** The Special precautions to be observed by the Treasury Officer in matters relating to receipts, custody and payment of Government moneys are specified in other relevant parts of these rules.

**45.** Subject to the provision of Rules 18 et seq and without prejudice to the generality of provisions made in other parts of these rules, the respective responsibility of the Collector and of the Treasury officer may be laid down in writing by the Government.

### ***Relation with the accountant General***

**46.** The Accountant General may direct his communications regarding treasury accounts and procedure either to the Collector or to the Treasury Officer, but all important communications to the Accountant General must issue over the signature of the Collector or with his approval . The Collector may not forward the Treasury Officer's explanation as his own in reply to questions or enquiries concerning the treasury work.

### ***Relation with the currency Officer***

**47.** The Currency Officer ordinarily directs his communications to the Treasury Officer but, save in matters of daily routine, all communications to the Currency Officer must issue over the signature of the Collector or with his approval. The currency Officer will bring to the notice of the Collector the cases in which the Treasury Officer appears to be neglecting his duties.

**Note 1 :** *The Control of the currency resources and remittance operation of the Government vest in the reserved Bank and this work is conducted under the control of the Bank by a number of Currency Officers each of whom is in-charge of an office of the Issue Department of the bank and is responsible for the work of treasuries within his jurisdiction.*

**Note 2 :** *The procedure to be observed by the Treasury Officer with regard to custody of currency chests and verification of currency chests balances is regulated by executive instruction in Part XIV.*

### *Treasure*

48. Detailed rules for the custody of treasure, both specie and notes, are laid down in Part IV.

### *Treasurer*

49. The Treasurer is responsible for the handling of the money at the Treasury. It is the duty of the Collector to see that the Treasurer furnished sufficient security to protect the Government against loss due to his negligence or fraud.

50. A model form of the Treasurer's Security Bond is given in form T.R.2.

Securities lodged as deposits may be returned after six months from the date of vacation of office by a treasurer but the bond shall be retained permanently or until it is certain that there is no necessity for keeping it any longer.

### *Accountant*

51. The Accountant is responsible under the orders of the Treasury Officer for keeping complete records of cash and book transactions of the district and subordinate treasuries and for the compilation of prescribed accounts and returns strictly in accordance with the direction and orders in force. He is also required to see that the rules and orders in force are observed in respect of all transactions of the treasury and to bring all cases of irregularity to the notice of the Treasury Officer.

52. The Accountant may be required to inspect, under the orders of the Treasury Officer, the account record of sub-treasuries and to check percentage of the initial accounts.

## **Treasury Accounts**

### *Treasure's Records.*

53. The Treasurer shall maintain a simple cash book in which each receipt and payment shall be posted at the time and on the date on which they actually occur and in the order of occurrence. The Treasurer shall sign and immediately return to the Accountant, after the necessary entry in his accounts, all receipts for money received. He shall stamp all payment vouchers "paid" and retain them for delivery to the Accounts Department when the books are compared.

### *Accountant's Book.*

**54.** The form and procedure with regard to the initial accounts kept in the treasury and the methods and principles in accordance with which the accounts are kept, are governed by the directions contained in the account Code Volume II. It is the duty of the Treasury Officer to satisfy himself that those directions are strictly observed, that the accounts are correct in all respects and that the record of receipts and payments are so clear, explicit and self-contained as to be produceable, if necessary, as satisfactory and convincing evidence of facts.

*Note :* A complete record of cash transactions and book transfers relating to the district treasury, including those of sub-treasuries within its jurisdiction, will be kept in the Accountant's cash book. Every item received or paid as well as all adjustments by transfer should be entered in the cash book or in some register subsidiary to the cash book in accordance with the directions Contained in the Account Code, Volume II. The daily total from cash subsidiary register should pass into the cash book.

**55.** The Treasury Officer shall prohibit any erasures or overwriting in the cash book and other registers of initial record or in any account or schedule and verify and initial every correction in them.

### *Sub-Treasury Accounts.*

**56.** The daily account of sub-treasuries are incorporated in the accounts of the district treasuries in accordance with the directions contained in the Account Code, Volume II. It is the duty of the Treasury Officer to scrutinize and examine every item of receipts and payment shown in the daily accounts and point out and watch against all irregularities in the same way as those at the district treasury. He shall examine and regulate the procedure or sub-treasuries, as far as he can, form the daily examination of their accounts.

*Note :* If the treasury Officer, owing to the Volume of sub-treasury transactions, finds it difficult to scrutinizes each and every sub-treasury voucher, he may at his discretion leave over the work to the Accountant, a percentage check not less than 20 percent being effected by hi. All vouchers checked by the Treasury Officer himself must be initiated by him as a token of the fact that he has exercise the check.



**57.** The Treasury Officer shall see that the cash balance of the sub-treasury has been actually counted and certified by the sub-treasury officer on the closing day. The cash balance of the sub-treasury must be written in words as well as in figures, the words being written in such manner as to leave no room for alteration or interpolation. The Treasury Officer is also required to observe special precautions to satisfy himself that the Sub-Treasury Officer's signature on the daily sheet and supporting document is genuine and that the account have not been tampered within transit. The accounts must invariably be sent by post.

### *Closing for the day*

**58.** Subject to the directions contained in this behalf in the Account Code, Volume II, the process of closing accounts for the day shall be as follows :-

(a) The daily total of each subsidiary register will be entered in the appropriate part of the cash book, which will then be totaled and the balance memorandum at the top of the Accountant's balance sheet will be drawn up strictly in accordance with the directions contained in the Account Code, Volume II. To the account balance thus brought out, the addition and deductions indicated at the foot of the cash book form will be applied so as to bring out the cash balance at the district treasury.

(b) Meantime, the Treasurer will also sum both sides of his cash book and draw up his balance memorandum in the form of the Treasurer's daily balance sheet (Form T.R.3.)

(c) If the results shown in the two balance sheets agree the Treasury Officer should sign the two cash books and the two balance sheets. He should first satisfy himself of the correctness and good order of all these documents and should give special attention to the reconciliation of the account balance of the district with that actually in the headquarters treasury; the latter excludes the balance in the sub-treasuries or under remittance within the district which the former includes.

(d) The following is memorandum of some of the more important parts of verification. The Treasury Officer should –

- (i) Compare each entry of payment in a register with the payment order, ticking off each voucher as it is passed. This will not be necessary if the Treasury Officer adopts the alternative plan of having the account entry presented to him for initials at the same time that he signs the order of payment;
- (ii) Examine at least two of the totaling on each side marking the totals as 'exd'.
- (iii) See that the totaling are correctly carried from the register to cash book, initialing the totals as he thus compares them.

*Note : This must be done in the case of receipt register even when the total for the day is blank; but it is not necessary to initial blank payment registers. If the number of blanks receipt registers is great the following plan may be adopted. Such registers as only rarely required for entry may be bound in a single volume and kept under the Treasury Officer's own lock. When the volume is required for entry he should give out the purpose and should receive it back at the time of signing the register for daily accounts, carefully seeing in doing so that all new entries in it are correctly carried to the cash book and initialing them accordingly. It is obviously necessary to guard against fraud or mistake of omitting to bring all entries from these registers upon the cash book and this precaution is not complete if the Treasury Officer examines only those registers from which an entry is made upon the cash book.*

- (iv) Verify the totaling of the cash book or get it done by some principal subordinate officer other than the accountant who should initial it as correct;
- (v) See twice every week that all vouchers are properly arranged.

(e) Before signing the Treasurer's daily balance sheet, the Treasury Officer should roughly verify the balance in the sole charge of the Treasurer, as shown in that sheet, and satisfy himself on the following points;

- (i) that no un-current coins are left in the charge of the Treasurer.;

- (ii) that no more small coins are so left than are actually required for current use;
- (iii) that the whole balance in the sole charge of the Treasurer never exceeds his current requirements.

(f) The Treasury Officer should always be careful to sign the Treasurer's balance sheet in the evening of the day itself to which it refers but the signature on and comparison of the Account's books need not be made till the following morning unless the office is to be closed for two or more days. The Accountant's balance sheet must not be signed until it has been carefully agreed with the Treasurer's

*Note : Ordinarily , the treasurer's balance sheet should be compared and agreed with that of the Accountant before closing the treasury for the day and it is only when pressure of work renders this impossible that the comparison may be postponed till the following morning. When this is necessitated, the certificate over the Treasury Officers signature at the foot of the treasury balance sheet should be altered in manuscripts by cancelling the word "agreed with the accountant's daily balance sheet and before the form is signed by the Treasury Officer which must be done before the closing of the day. An additional certificate will the be added and signed by the Treasury Officer the following. Morning viz., agreed with the Accountant's daily balance sheet". For the 31<sup>st</sup> March and first few days of April, it will be necessary for the Accountant to prepare a separate rough balance sheet on each of these day for comparison with that of the Treasurer as the completion of the Accountants' balance sheet for the 31<sup>st</sup> March has to await the receipt of the Sub-treasury account.*

(g) The foregoing provisions of this rule apply also to Bank treasuries subject to the modification that in the absence of the Treasurer's balance sheet the correctness of the daily accounts should be tested by a comparison of the totals of receipts and payments in the Accountant's cash book with the corresponding totals in the daily accounts received from the Bank.

*Note : When with the concurrent of the Accountant General the daily Account of the Bank is submitted to the treasury in the morning of the day following that to which it refers the signature and comparison of the Accountant's book may be made in the evening instead of in the morning of the day on which the Bank's accounts are received, provided the pressure of work renders it necessary so to postpones it.*

### *Closing for the Month*

- 59.** (1) With the single exception of March for which the accounts of the district treasury must be kept open until receipt of daily sheet of every sub-treasury for 31<sup>st</sup> March the monthly accounts shall be closed without fail on the last day of each month. Every endeavour shall be made to close the March accounts at the earliest possible date and, in any case,
- (2) The accounts of the sub-treasury shall be closed as on the last day of the calendar month, including therein all the transactions at the sub-treasury during the month. The district treasury shall incorporate the accounts of the sub-treasury in its monthly accounts.
- 60.** (1) In closing the accounts of the district treasury for the month, the month's totals of the subsidiary registers will be carried into the cash account in the case of receipts and into the list of payments in the case of payments the cash account being closed in accordance with the directions contained in the Account Code, Volume II. The cash must be verified by actual counting and the cash balances report made out in accordance with the procedure prescribed in Part IV
- (2) The monthly cash shall be subjected to a very careful check by the Treasury Officer when it is laid before him. He must satisfy himself that opening and closing balances of this account are not merely deductions from accounts but are statements of facts certified to have been verified by actual enumeration of coins and notes. The Treasury Officer shall also check cash entry in the cash account and list of payments with the corresponding total in the cash book and see that the totals of all the registers are correctly carried into the cash book.

**Note :** *If at any time the Treasury Officer be unable to compare all entries he may compare at least some; notably, he should compare the entries in the plus and minus memorandum of deposit, stamp, etc., with the entries in the account, e.g. the plus and minus memorandum shows a reduction in the stock of judicial stamp to the value of Rs.5,000, if the credit in the account be less, the difference must be traced and satisfactorily accounted for .*

### *Monthly Account and returns*

**61.** (1) A complete list of treasury accounts and returns to be rendered on different prescribed dates to the Accountant General, the Currency Officer and other authorities shall be kept at each treasury. The account and returns be written up in accordance with the directions contained in this behalf in the Account Code, Volume II and such orders and instructions as may be issued by the Collector and Government.

(2) With regard to the punctual submission of the accounts and returns, the Government shall view with severe displeasure any avoidable delay on the part of the Collector or the Treasury Officer in the dispatch of the prescribed accounts and returns with complete schedules and vouchers, particularly these required by the Government, the Accountant General the Currency Officer concerned.

*Note :* *The returns due for dispatch on a holiday may be sent a day ( but not more than one day) late.*

**62.** Vouchers pertaining to each schedule relating to the cash account or the list of payments shall be numbered consecutively in separate monthly series and kept under lock and key in the order of payment till they are despatched. Before the despatch of the lists of payments and schedules, the Treasury Officer shall by inspection satisfy himself that the required vouchers are all attached. He may find it profitable at the intervals during the month to take up a schedule and see that all its vouchers are present in proper order; as no payment can be made without a voucher, there can be no excuse for the absences of any, unless it be that for a specific remittance.

*Note :* *District Treasuries ( including account rendering Sub-Treasuries may affix rubber stamp in the paid vouchers with code letter for each treasury and a blank space for recording the treasury ( including direct account rendering sub-treasury) voucher number and date and the same are duly filled in before submitting the vouchers to the Accountant General.*

### *Treasury Inspection*

**63.** Every Collector shall made a systematic inspection of the working of the treasury once a year with the subject of the working of the ensuring that the procedure actually observed at the treasury is in accordance with the rules and orders in all respects and that the accounts and other records are properly maintained.

- 64.** The Inspection shall be carried out in accordance with the following instructions :-
- (a) The strong – room should be first inspected, then the treasurer’s branch and lastly the Accounts branch.
  - (b) The cash balance should be verified if not already done in the month preceding that in which the inspection is held.
  - (c) The following are some of the more important points to which personal attention must be devoted at the inspection;
    - (i) that arrangements connected with the strong – room for storage and custody of treasure, stamps, opium, padlock and keys and other valuables are perfect and complete;
    - (ii) that cash, draft forms and cheque forms are handled strictly in accordance with the rules;
    - (iii) that the arrangements for the examination of money received and of claims to be paid are satisfactory;
    - (iv) that the Treasurer and Patdars have given adequate security and that the former has in addition furnished a security bond in proper form;
    - (v) that the Treasury Officer exercises a proper and adequate check over the working of the treasury.
    - (vi) a general review of the various records, registers, books of reference, etc., should be undertaken to see whether the detailed orders of competent authorities issued since the date of last inspection relating to such matters as the issue of coins and notes remittances, custody of pad-locks and keys, stamps and opium, and maintenance of accounts are readily available for reference and have been properly maintained.

These points are not exhaustive and the Collector has full discretion to add other items according to local needs. Neither the specification of these points nor the inspection carried out by an officer of the Indian Audit and Accounts Department and

the Director of Accounts nor Treasuries shall in any way diminish the Collector's personal responsibility for the efficient working of the treasury. As the inspection must be made as systematically and thoroughly as possible, it is open to the inspecting officer to extend his personal scrutiny to points not mentioned in this rule and which in his opinion require such scrutiny

### *Miscellaneous Provisions*

#### *Deposit of Cash and Valuable of other Department*

**65.** If for special reasons, the Collector directs the cash chests belong to any government department to be lodged in the treasury for safe custody, the fact shall be reported for information of the Accountant General. A register shall be kept in the treasury in which the receipt and return of the chest should be duly acknowledged. The Key or keys of the chests must not be kept in the treasury nor shall the amounts of such chests be brought into the accounts of the treasury. The Accountant General may report to the Government any case in which the permission appears to have been improperly granted by the Collector.

**66.** Bullion, jewelry and other valuable coming into the hands of Government Officer in his official capacity may be received into the treasury for safe custody at the discretion of the Collector. The procedure to be observed by the Treasury Officer in dealing with such articles may be laid down by the Government. The value of such articles must not be brought into the accounts of the treasury.

### *Notices*

**67.** Notices shall be exhibited conspicuously in the office of the hours at which the treasury closes for receipts and payments of moneys which should be at least an hour before the end of the days' work, in order to give time for closing and agreeing the accounts.

**68.** The Treasury officer shall personally see that the notices which he is required to exhibit under standing orders or other instructions received from time to time. Such as those regarding encashment of notes, supply of small coins, are exhibited conspicuously in places which the public enters freely and that no favouritism is shown in the conveniences which the treasury can offer.

*Note :* Notices regarding financial matters which may in any way commit the Government with the public other than those issued by the Revenue or other Departments with which the Currency Officer is not concerned should not be exhibited in any treasury unless its form is previously approved by the Currency Officer.

### *Custody of Security bonds*

**69.** The security bonds of Government servants employed in treasuries shall 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 shall keep the key of the box in his personal custody.