

REVISED NATIONAL TB CONTROL PROGRAMME

**TRAINING MODULE FOR ACCOUNTANTS OF
STATE & DISTRICT HEALTH SOCIETIES (RNTCP)**

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THE CENTRAL TB DIVISION, DGHS, NEW DELHI

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REVISED NATIONAL TUBERCULOSIS CONTROL PROGRAMME (RNTCP)

Introduction

RNTCP – An Overview

National TB Control Programme was being implemented since 1962 funded by Centre with States sharing 50% of the expenditure. The Government of India funded Revised National TB Control Programme started implementation from 1997 with 100 % Grant-in-Aid by Centre, except infrastructure. The Project was redesigned in 2001 and extended, first up to September 2004, and again till Sept. 2005, on no-cost extension basis. RNTCP-II has been approved from Oct. 2005. However, RNTCP II is being funded by World Bank from October 2006 for 5 years. Meanwhile Orissa was being funded by DANIDA and Andhra Pradesh by DFID, for three years from 2003-04, 2004-5 & 2005-06. And now some certain areas/districts of Orissa & Andhra Pradesh are being funded by GFATM. Chattisgarh, Jharkhand and Uttaranchal and certain districts of Bihar and UP are being funded by GFATM from 2003-04/2004-05 onwards.

RNTCP PHASE II

Since Districts in initial phase of implementation required continued central support for streamlining systems and many states did not have resources to manage finances and logistics for the entire population, Government of India funded the project during the first year of Phase II (from October 2005 to September, 2006 in those States covered by World Bank Credit during Phase I. From October 2006, under Phase II, World Bank is again providing credit worth USD 170 million (Rs.765 Crores) for five years. On completion of DFID and DANIDA projects in Andhra Pradesh and Orissa respectively, GFATM (Round IV) is funding the project in those States from 2005-06 onwards. Again, on completion of the GFATM Rd.1 Project in Chattisgarh, Jharkhand and Uttaranchal on 30-9-06, GFATM is funding those States in its Round VI from April 2007, thereby covering the whole country by different funding agencies. Though DFID has discontinued providing cash assistance to the State of Andhra Pradesh, Commodities assistance (for procurement of drugs) is still being provided. Phase II is a step towards achieving TB related Millennium Development Goals (MDG).

FINANCIAL MANAGEMENT GUIDELINES

The Financial Management Guidelines are applicable to all RNTCP entities (States, Districts, etc.) irrespective of the source of funds.

The objectives of these guidelines are:

- To strengthen fiscal and financial management at all levels.
- To serve as a reference document to each accounting entry passed.
- To ensure uniformity in accounting across all locations of the project.
- To facilitate timely preparation of accurate financial statements.

THE ROLE OF ACCOUNTANT IN RNTCP

The Accountant in the State TB Cell/District TB Centre is mainly responsible for maintaining the financial records up to date in the manner and in the formats as prescribed in the RNTCP Financial Management Manual (Guidelines), also by following the financial and accounting policies laid down therein. However, it is the responsibility of the STO/DTO as well to ensure that the Accountant invariably maintains all the records properly and up to date. While there is a full time contractual Accountant at the State level, the District Societies will have part-time contractual Accountants. The Accountants will have to generate periodic financial reports such as monthly statement of expenditure, Quarterly Statement of Expenditure (SOE), Annual Financial Statements, Utilization Certificate, Annual Budget of the Society etc. in the case of District and State Societies and submit to the respective TB Officer for consolidation at the State level and onward submission to the Central TB Division within the time frame laid down for the purpose. Since the successful and smooth implementation of any project would depend to a great extent upon a sound and efficient financial management system, the Accountants have a very important role to play towards that end for which they have to be fully conversant with the provisions and guidelines laid down in the RNTCP Financial Management Manual.

CHAPTER-I

ACCOUNTING POLICIES, SYSTEM AND PROCEDURES

I.1 ACCOUNTING CENTRES

The accounting centers are the offices where the basic accounting in respect of expenditure on the RNTCP-II activities shall be carried out and which are responsible for maintaining the books of accounts, opening and operating bank accounts etc. The accounting centers for the project shall be as follows:

- a) Central TB Division (CTD) : The overall project monitoring office
- b) The State TB Cell (STC) which functions as the secretariat of the State Health Society or State TB Control Society (STCS) for all functions pertaining to RNTCP at the State level.
- c) The District TB Centre (DTC) which functions as the secretariat of the District Health Society or District/Municipal TB Society (DTCS/MTCS) for all functions pertaining to RNTCP at the District/Municipal level.

It may be noted that the State TB Training & Demonstration Centre (STDC), National Task Force (NTF), Zonal Task Force (ZTF), State Task Force (STF), TB Units (TUs) etc. are not accounting centers

I.2 SIGNIFICANT ACCOUNTING POLICIES:

It is essential that the financial statements should give a true and fair view of the Sources and Application of Funds and the financial position of the Organization. This purpose cannot be fulfilled unless the Accounting Policies followed for preparation of Accounts are not disclosed and appended to the Final Accounts prepared for the period. The approved Accounting Policies are given in Para 4.2 and Annexure II of the Financial Management Guidelines/Manual and are as follows:

I.2.1 BASIS OF ACCOUNTING

Accounting shall be done on cash basis i.e. a transaction shall be accounted for at the time of receipt or payment only. All transactions are to be recorded as rounded off to the nearest rupee, i.e., all paise figures between 00 and 49 paise shall be excluded, while all paise figures between 50 and 99 paise shall be rounded off to the next rupee.

I.2.2 TREATMENT OF GRANT-IN-AID FROM CENTRE/STATE

Grant-in-aid shall be taken into account **on actual receipt** from CTD/STCS/others. However, the Grant sanctioned /funds transferred by Government of India/State Society during the year (usually fiscal end of the year) but actually received by the Society after the close of the year shall be credited to Grant-in-aid by debit to the head “**Funds in transit A/c**”

I.2.3 TREATMENT OF ADVANCES

Advances are defined as money given in advance which are to be adjusted against goods/services to be received in future. The treatment of advances is summarized as under;

1.2.3.1 General

Advances are charged off to the relevant account head on receipt of adjustment bill/utilization certificate / actual receipt of goods or services.

1.2.3.2 Grant-in-Aid to NGO(s)

Funds released to the NGO(s) are booked as expenditure. The utilization of funds will be monitored by the guidelines applicable to NGOs. Unutilized amount of grant-in-aid when received from the NGO is set-off against any expenditure in the NGO head during the period of its receipt.

1.2.3.3 For Civil Works

Funds deposited with Public Works Department /Contractor shall be treated as advance at the time of release. On the receipt of certificate of the stage of completion, it is booked as expense to the extent it is certified by PWD/ to the extent it is due to the contractor based on the stage of completion/terms of agreement.

Funds deposited with Public Works Department/ contractor is treated as advance at the time of release. On receipt of certificate of stage of completion and part bill from contractor, it is booked as expense to the extent it is certified by PWD/ to the extent due to the contractor based on the stage of completion / the terms of agreement. An advance payment shall continue to be treated as an advance until its final adjustment as per the above guideline. At the time of periodic reporting by the society, advances outstanding should be indicated separately. Analysis of advances outstanding for more than one month shall be done on a regular basis by the Chairman STCS and DTCS. All outstanding advances above six months' duration shall be brought to the notice of the Chairman, STCS in writing, and will be reported to CTD along with the consolidated SOE. An advance register must be maintained to record and monitor all advances.

1.2.4 Treatment of Purchase of Material (e.g. IEC material, stationery, medicines, lab consumables etc.)

The materials purchased shall be treated as expenditure only when the material received and actually paid for by the society. Materials/ commodity assistance received from donors shall be accounted at the Central level only. Material supplied to states and districts by CTD or other donor agencies free-of-cost shall not be taken into account in the financial books of accounts, and would be recorded in the relevant stock registers.

1.2.5 Treatment of Fixed Assets and Depreciation

Assets acquired under the project shall be valued at historical cost including all direct costs (i.e. purchase price, transportation expenses, installation charges and other expenses incurred for bringing the fixed asset in working condition), incurred prior to its first use. All assets acquired with RNTCP funds should be shown in the balance sheet and valued at its full cost. **No depreciation shall be charged on fixed assets** in the project financial statements as its full value on purchase is already considered for reimbursement by the funding organization.

1.2.6 Treatment of Interest earned in the Bank Account.

Each Society is to open a Savings Bank Account in a nationalized Bank as per NRHM guidelines.

The funds are not to be kept in Fixed Deposits or any other investment.

The interest earned on bank account may be allocated amongst various budget heads as per requirement and for the purpose for which grant was received.

The amount of interest earned and utilized may be reflected in the Balance Sheet and UC.

The expenditure out of the interest earned will also be subjected to the same norms and guidelines as the main grant.

1.2.7 Transfer of Funds to District Societies/Inter- District Transfer of Funds within the State

The receiving Society credits the amount under the head 'Intra-State Transfer (Receipts) and the remitting Society Debits the same under the head Intra-State transfer (Payments) and in consolidated accounts these are set off against each other like contra entries.

CHAPTER – II

ACCOUNTING METHODS

II.1 ACCOUNTING METHODS :

The accounts of the society should be maintained on the **Double Entry System** and on **Cash Basis**. All accounting records will be maintained manually. Computerized accounting may be used as an additional facility for easy preparation of final accounts and financial management till further instructions on computerized accounting and e-banking are issued.

Double Entry System: Every transaction has two aspects e.g. if there is a receiver, there is a giver also; if there is a Debtor, there is a Creditor also; if something is received, something is given in lieu thereof. A System which records both the aspects of the transaction is called Double Entry System. Under this system for every Debit corresponding Credit is also recorded and vice versa. The greatest benefit of the system is that it guards against arithmetic inaccuracies in the Accounts and chances of missing entries.

The non-matching of totals of Debits with those of Credits indicates inaccuracy in the books of Accounts and demands immediate action to locate and correct the same. The importance and relevance of Double Entry System will be clearer once the preparation of voucher and Trial balance is learnt.

Cash Basis : The system provides for recording of transactions in the books of accounts only when inflow or outflow of money, in the form of cash or Cheque, takes place, i.e. when cash (including Cheque) goes out (spent/advanced/lent/lost) or comes in (received as consideration/grant/donation/borrowings) This is the simplest system of maintenance of accounts and easily understood.

Accrual Basis: The accrual basis systems provides for recording of accrued incomes and expenditure even though may not have become due for receipt/payment during the accounting period. The most common example is the salary for the month of March paid in April and receipt of bank interest due.

II.2.1 ACCOUNTING FOR RECEIPTS :

a. Grants from CTD :

The societies shall receive funds from CTD in the form of grant for the project activities. The grant shall be received at periodic intervals in the form of cheque /Demand Draft or Electronic Transfer to the bank account of the society. The cheque/DD received shall immediately be deposited in the savings bank account of the society.

b. Other miscellaneous receipts

The other receipts of the project offices may be on account of sale of bid documents, interest on saving bank account, donations, receipts of earnest money deposits, etc.

II.2.2 ACCOUNTING FOR PAYMENTS

The accounting for payment of expenditure shall be done as per the following mode of payment.

1. Cash payments and
 2. Bank payments.
- Payment voucher shall be prepared by the Accountant on receiving the above supporting documents duly authorised by the competent authority. A specimen of the voucher is at **Annexure IX**. All vouchers shall be serially numbered, consecutively mentioned in order of payment and filed in sequence. Similarly, all petty cash vouchers should be sequenced by date/or serial number and filed separately.
 - The payments vouchers shall be entered on payment side of the cash book on the date of payment giving reference of the voucher number, cheque number, name of the payee (in case of personal account), head of account and the ledger folio number.
 - . The date of cheque shall be the date of payment for making entry in the cash book.
 - The cash payment shall be entered in “cash column” and payments by cheques in the “bank column” of the cash book.
 - If cash is drawn for use at the Society, a contra entry shall be made both on receipt & payment side of the cash book. The amount drawn from the bank on cheque shall be entered in the “bank column” on payment side and in cash column on receipt side by writing the word “C” in the ledger folio column on both side of the cash book.

II.2.3 Grant-in-Aid to NGO(s)

Funds released to the NGO(s) are booked as expenditure. The utilization of funds will be monitored by the guidelines applicable to NGOs. Unutilized amount of grant-in-aid when received from the NGO is set-off against any expenditure in the NGO head during the period of its receipt.

CHAPTER - III

ANNUAL ACTION PLAN AND BUDGETING

III.1 Objectives:

1. To implement the project objectives most efficiently.
2. To establish responsibilities at various levels, i.e. CTD, State level and District level.
3. To link the planned performance with resources required for the achievement of project objectives.

III.2 For effective Planning and Budgetary Controls, a supportive environment should prevail, including:

1. Preparation of accurate and updated accounting manual within the existing system.
2. Adhering to the procedure prescribed in the Accounting Manual.
3. Preparation of action plan by responsible officers who are likely to be entrusted with the implementation of the action plan.
4. Proper procedures should be evolved for the preparation, submission, examination and review of planning and budgeting in logical sequence.
5. Projection of physical achievements and targets to be achieved should be clearly spelt out with reference to the budget. There must be a provision of monitoring of actual performance at frequent intervals. As soon as unfavorable trends are detected, immediate action should be taken to remedy the situation.

III.3 BUDGETARY CONTROL

This shall be exercised through the following:

- Maintaining the **Expenditure Control Register (ECR)** for effective monitoring of budgetary limits according to sub-heads of expenditure. The ECR shall be maintained by the Accountant, and submitted to DTO/STO at the time of sanction of expenditure.
- **Statement of Expenditure** analyzing the variances of the actual expenditure vis-à-vis the budgetary provisions and performance as per the action plan, and explaining reasons thereof.
- These statements shall be consolidated at the State level on quarterly and annual basis and major deviations shall be shared with CTD as per the timeline indicated in these guidelines.
- Exercising budgetary control as above shall primarily be the responsibility of the STO.

III.4 BUDGET PERIOD

- The Budget period shall be the financial year as followed by the Central/State Government, i.e. from 1st April to 31st March.
- The states shall monitor the financial performance of the districts at least every quarter, by analyzing the variance of budgeted vs actual expenditure under each head.
- Depending on the variance in actual implementation, the budget of the districts and of the State as a whole may be reviewed by the State, and also communicated to the districts, under intimation to CTD.

III.5 BUDGET CALENDAR

- The entire Project is to be completed as per the Project Implementation Plan.
- The budget proposals for the next financial year (April-March) should be received at CTD from State TB Cell by 30th October. CTD should prepare their budget by 30th November.
- This requires that the process of preparation of Annual Action Plan and Budget be initiated by first week of October at the District level, incorporating the performance as of 30th September and sent to the State level by the 15th of October

III.6 BUDGET ALLOCATION & RE-ALLOCATION :

The different budget heads under which expenditure can be incurred are as per the Chart of Accounts given in Annexure III of FMM

III.6.1 BUDGET ALLOCATION

MOH&FW shall allocate budget to the CTD and in turn the CTD shall allocate aggregate budget to the States for further head-wise allocation and distribution to Districts etc. Under all circumstances, such allocation should comply with the RNTCP norms and other guidelines issued by the CTD

III.6.2 BUDGET REALLOCATION

State Health Society/STCS can reallocate budgetary allocations between the various sub-heads and between the districts, ensuring that the amount available under any head after such reallocation should be within the norms for each sub-heads. District societies can also reallocate to the extent of 15% of the original allocation under the recipient head, under intimation to the State Health Society/STCS. Proposals for reallocation above this limit but within the norms, shall be sent to the State Health Society/STCS for approval.

III.7 Important Points to be kept in mind on Budget Preparation/Allocation/Reallocation

- Preparation of the budget is a part of the preparation of the Annual Action Plan.
- Norms/eligibility criteria laid down in the Guidelines are to be followed while preparing the Annual Action Plan and budget requirement, also keeping in view the actual requirements and realistic expenditure.
- For any deviation from the norms, full justification to be given.
- Cost to be divided into Investment cost (one time) and recurring.
- funds under the receiving head after such reallocation during that financial year should not exceed the eligible amount as per norms for the head
- Reasons for lying large unutilized funds under any head to be submitted to CTD while submitting the budget.

Exercise on budget preparation

(The budget requirement is actually to be prepared along with preparation of Annual Action Plan as per the technical input and the format for AAP. The exercise given below is a hypothetical one to acquaint the trainees with the possible steps and components/elements calculations as per norms etc. involved in preparation of the budget).

Exercise No.1

The position of availability of funds and expenditure of DTCS, XYZ as on 30-09-06 under different heads in respect of financial year 2006-07 is given below (Col.B & C of the statement). Based on the same and further information given below and as per the financial norms applicable, calculate the Budget requirement, for the year 2007-08.

Population	..	14 lakhs
No. of TUs	..	4
No. of MCs.	..	15

- No further civil work during 2006-07.
- Maintenance Civil work costing Rs.5000 to be undertaken as per action plan 2007-08.
- One new TU to be upgraded
- One MO and one STS (for new TU) & One STLS to be appointed from July 2007 onwards as per action plan
- One computer to be procured during the year 2007-08 as per action plan
- One 2-wheeler is proposed to be purchased as per Action plan.
- In respect of Lab. Materials, publicity & Training, a 20% increase in expenditure during 2007-08 over previous year proposed (limiting the amount within permissible limits as per norms).
- In respect of contractual services 5% increase over last year may be applied
- In respect of other items a 10% increase over last year's expenditure may be added (limiting the amount within permissible limits as per norms).
- One Medical College set up in the District during 2006-07 to be covered during 2007-08

Financial (Budget) Requirement for the year 2007-08

Category of Expenditure	Total funds at the end of 2 qrs./(2006-07) (O.B. + 1st releases)	Expr. For 2 qrs. (1-4-06 to 30-9-06)	Projected expr. For 12 months (4 qrs.) upto 31-3-07	Projected budget requirement for 2007-08 \$	Amount Eligible as per norms	Remarks
A	B	C	D=(C/2*4)	E	F	G
Civil Works	6000	0				
Laboratory Materials	75000	60000				
Honorarium	20000	12000				
Publicity	35000	15000				
Equipment maintenance	19000	13000				
Training	40000	25000				
Vehicle Maintenance	55000	35000				
Vehicle hiring charges	18000	11000				
NGO Support	15000	4000				
Medical Colleges	0	0				
Miscellaneous	115000	65000				
Contractual Services	1480000	*830000				
Printing	55000	32000				
Research & Studies	0	0				
Salary of regular staff	0	0				
Procurement of drugs	0	0				
Procurement of vehicles	1000	0				
Procurement of equipments	0	0				
TOTAL	1934000	1102000				

*Includes arrears of salary for the previous year

To be calculated based on the previous years expenditure(projected), trend of expenditure, proposed annual action Plan provisions etc. and the norms applicable for different heads of expenditure. Ensure that the requirement is within the eligible amount as per norms (col.F)

Note: 1. If the actual requirement of funds for the year is above the Budget norms in respect of any head of expenditure, Justification to be given for the same in the remarks column

2. It is assumed that 2nd installment funds would be received by the DTC during 2006-07 in due course.

CHAPTER -IV

IV. BOOKS OF RECORDS

The following Books and Registers shall be maintained by each society:

1. **Cash Book** : (For recording transactions relating to the receipt and payment of cash and or from the bank). –**Annexure IV of Financial Management Guidelines (FMM)**
2. **General Ledger** (Account head wise summary of the transactions) **Annexure V of FMM**
3. **Journal** : (for Recording transactions/adjustment entries which do not involve the movement of funds), **Annexure VI of the FMM**
4. Register for Bank Reconciliation
5. **Petty Cash Book** : (for record of receipt and payment from petty Cash balances withdrawn from bank for meeting out the day to day and small expenses of the society)–**Annex.-VII of FMM,**
6. **Stock Registers** for consumable, printed material and for grant of drugs(Commodity grant) –**Annex.-X of FMM,**
7. **Fixed Assets Register -Annex-XI of FMM**
8. **Advances Register**
9. **Expenditure Control Register:** (containing approved Budget Estimates as per the Annual Plan of Action and expenditure incurred under each head of account).
10. **Record of Audit and Register** of Settlement of Audit Objections,
11. **Record of Utilization Certificates received from NGOs** (pertaining to the Grant-in-aid given to any NGOs by the District or State Society)

IV.1 CASH BOOK : Cash Book is maintained for recording all the transactions involving inflow and outflow of funds. It should be maintained as per the specimen given at annexure IV of the Financial Management Guidelines. It is divided into two sides. The left hand side is called Debit side as per accounting terminology and ‘Receipts side’ in common usage. All the receipts of cash/cheque/DD on any account are recorded on this side. The right hand side is called Credit/Payment side. As the terminology indicates, all payments made on any account are recorded on this side. Separate Amount Columns are provided for recording Cash and Bank transactions.

Sometimes cash is withdrawn for use. In that case it is recorded in the Bank Column of the Credit/Payment side and in the Cash Column of the Debit/Receipt side. If Cash is deposited in the Bank, entry just opposite to the above is made on both the sides. These entries having no bearing on the total funds are called Contra Entries.

The Cash Book should be balanced and closed daily and authenticated by STO/DTO or any Gazetted Officer authorized for the purpose.

Before the entry is made in the Cash Book, Cash/Petty Cash vouchers have to be prepared for each transaction involving movement of money.

IV.1.2 Preparation of Cash/Petty Cash Voucher

The financial Management Guidelines provides for preparation of **Cash/Petty Cash Voucher** by the Accountant on receipt of supporting documents for any Payment / Receipt of amount at **Annexure – IX of FMMs**

To learn preparation of Cash/Petty Cash voucher one will have to be familiar with the application of basic Accounting Principles.

Accounting Principles are:-

1.
 - i) Debit (Dr.) what comes in and
 - ii) Credit (Cr.) what goes out
2.
 - i) Debit (Dr.) the receiver and
 - ii) Credit (Cr.) the giver

3. i) Debit all payments/ expenses/assets/losses and
 ii) Credit all receipts/incomes/liabilities/gains

Illustration-I.

1. 01/04/2007 : purchased Sputum Cups and Slides for Rs. 15,000/- from M/s Gupta Lab. Material suppliers and payment made by vide ch. No. 1001.

State/District TB Control Society _____	
Petty/Cash Voucher	
Voucher No. 01	Date. 1/4/2007
<u>DEBIT</u>	
Lab Consumable A/C (Principle 1(i) or 3 (i))	Rs. 15,000/-
_____	Rs. _____
_____	Rs. _____
Total	Rs. 15,000/-
<u>CREDIT</u>	
Bank A/c (Principle 1 (ii))	Rs. 15,000/-
_____	Rs. _____
_____	Rs. _____
_____	Rs. _____
Total	Rs. 15,000/-
Being (Details) Payment for purchase of Sputum Cups from M/s Gupta Lab Material Suppliers against invoice no. X	

Please pay to <u>M/s Gupta Lab Material Suppliers</u> Rs. 15,000/- (Rupees <u>Fifteen Thousand only</u>) by Cash/Cheque/DD	
Dealing Asstt./Accountant	Member Secretary
	Vice president/President
Received by cash/cheque/DD No. _____ dated _____ Rs. _____ (Rupees _____)	
Signature of the Payee	

2. Date 01/04/07- Advance of Rs.2000/- paid to R. K. Jain , Driver for purchase of Diesel for Vehicle No.DL-2C-7155.

Debit -- Advance A/c (principle 3(i)) Rs.2000/-
 Credit--- To Cash A/c (principle 1(ii)) Rs.2000/-

3. Date 01/04/07- submitted Cash Memo No.12 dated 01/04/05 for Rs.1800/-for purchase of Diesel for Vehicle No.DL-2C-7155 and refunded Rs.200/- in adjustment of Advance of Rs.1000/- drawn on 01/04/2005 (Receipt No.001)

Debit -- Vehicle Maintenance A/c (principle 3(i)) Rs.1800/-
 Debit -- Cash A/c (principle 1(i)) Rs. 200/-

 Rs.2000/-

Credit--- To Advance A/c (principle 3(ii)) Rs.2000/-

Steps to write the Cash Book

Write the date under the Date Column,

Write the Voucher No. in the relevant column. This is allotted in the sequence of Receipt/payment made and recorded in the Cash book.

Write the Head of Account in the Particulars column of Receipt/Payment as per Voucher **and underline it**. It is Customary to prefix the word 'To' to the heads of Accounts written on the Debit/Receipt side and word 'By' on the Credit/Payment side and suffix word A/c at the end of the Account Heads.

Write the narration below the head of Account within bracket, explaining the transaction. It is customary to start the sentence with the Word "Being".

Write the Ledger Folio no. in the relevant column,

Write the amount in the Cash/Bank Column as per the voucher i.e. if it is a cash transaction under Cash Column and if Bank transaction, under Bank Column.

At the end of the day work out the balance and close the Cash Book

Check the Cash balance as per Cash book with the physical cash balance for tallying.

Bank balance should be checked periodically (every month end/beginning of next month) by preparing Bank Reconciliation Statement (explained in subsequent chapter)

Illustration : Draw a Cash Book from the transactions/Vouchers prepared in the illustration given under Para/Chapter titled 'Preparation of Voucher'. The opening balance as on 01/04/2007 is 'cash in hand' Rs.5000/- and 'cash at bank' Rs.150000.

Exercise – 2.

Prepare Vouchers & Cash Book from the following transactions:-

Date 01/04/05- Opening Balance- Bank- Rs.1,15,000/- and Cash-in-hand Rs.5000/-

Date 01/04/05-Purchase of Sputum cups and slides for Rs.15000/- from Gupta Lab. Material Suppliers and payment made vide Ch No 1001.

Date 01/04/05-Salary for the month of March Paid to Sh. R. K. Jain, Driver vide Cheque No.1002.

Date 01/04/05- Advance of Rs.1000/- paid to R. K. Jain , Driver for purchase of Diesel for Vehicle No.DL-2C-7155.

Date 02/04/05- submitted Cash Memo No.12 dated 01/04/05 for Rs.800/-for purchase of Diesel for Vehicle No.DL-2C-7155 and refunded Rs.200/- in adjustment of Advance of Rs.1000/- drawn on 01/04/2005 (Receipt No.001)

Date 02/04/05-Withdrawn Rs.5000/- from Bank vide self Cheque No. 1003

Date 02/04/05- Purchase of office stationary for Rs.4500/- vide Cash Memo No.55 of Malik Stationers.

Date 02/04/05- Purchase of Computer and Printer for Rs.52000/- from M/s Microtek vide Invoice No. 111 dated 02/04/05 and payment made vide cheque No. 1004

Date 02/04/05- Grants received from State TB Control Society by demand draft no-233311

Date 03/04/05- Placed an order for purchase of lab consumables for Rs. 50000/- with M/s Synthetic Lab Material Suppliers and payment made by cheque no. 1005.

Date 03/04/05- Repair of Vehicle no. DL-2C-7155, cash memo no. 500 for Rs. 3500/-.

Date 04/04/05- since the lab material supplied by M/s Synthetic lab Suppliers were not as per the specification the order dated 03/04/05 was canceled and the suppliers refunded the amount vide cheque no.501. (Receipt no. 002 Dated 03/04/05).

Dated- 04/04/05 Paid Rs.5300/- to DTO towards his TA Claims for journey to Kanpur during 01/04/05 to 04/04/05 vide cheque No. 1006.

Date 04/04/05- Paid Rs.4700/- to the Accountant towards his TA Claims for journey to Kanpur during 01/04/05 to 04/04/05 vide cheque No. 1007.

IV.2 GENERAL LEDGER

After recording all the transactions in the Primary Books of Accounts Viz. Cash Book and Journal, it becomes necessary to prepare an account head-wise summary to check the arithmetic accuracy of the books of Accounts, to get a meaningful view of the financial position at any point of time and to finalise the Accounts at the end of the accounting period. **The book which maintains account head-wise summary of transactions is called General Ledger.** The format of General Ledger is given at **Annexure –V of FMM.**

Steps to write the General Ledger

Allot separate page for each head of Account.

Post the Debit /Receipt side of the Cash Book on the Credit side of individual head of account and vice-a-versa

Indicate cash book page number under column 'folio' of Ledger and Ledger page number under column 'Ledger folio' of Cash Book against each entry for cross referencing.

Calculate balance after every entry in the ledger and indicate the same against it under the column Balance with the word Dr./Cr. whichever is applicable.

Exercise -3:- Post the Ledger from Cash book given in illustration to the Chapter Cash Book .

IV.3. REGISTER OF BANK RECONCILIATION (for preparing Bank Reconciliation Statements)

The Bank Reconciliation Statement is a statement prepared periodically to reconcile the difference if any in the balance of the Bank Column of the Cash Book and Bank Pass Book/ Statement on a particular date.

The Bank Reconciliation Statement	Is a Statement
When prepared?	periodically – Weekly/Bi-weekly/Monthly
Purpose?	to reconcile
What?	the difference
Between?	the balance of the Bank column of the Cash Book and the Bank Pass Book on a particular date.

A Bank Reconciliation Statement has to be prepared by 5th of each month in order to reconcile the bank balance as per the cash book balance. If the balances as per of Cash Book/ Bank statement (pass book) do not tally, it may require certain adjustments to be reflected in the Bank Reconciliation Statement by the Society as per Annexure VIII of the FMM.

The differences in the balances of Cash Book and Bank Book may be due to the following :

Cheques issued are not presented to the bank for payment.

Cheques deposited but not yet credited by the bank.

Interest credited by bank but not yet recorded in the Cash Book.

Bank charges/ Interest charged by the bank but not yet entered in the Cash Book

Debits/Credits against standing instructions for payment of Insurance premium, electricity bills, telephone bills etc and receipt of dividend, Interest etc.

Other reasons for difference :- Even after considering the above, if the balance does not reconcile it could only be due to any error/omission in the Pass Book or Cash Book which could be located by comparison of the entries.

Exercise -4:

The Bank column of the Cash Book of STCS Rajasthan reflected a balance of Rs.23,12,525/- as on 31/03/2006. However as per Pass Book of their Saving bank A/c No. 0235412 maintained with Bank of Baroda the balance as on that date is Rs.3,30,000/- Prepare Bank Reconciliation Statement from the following facts noticed on comparison of the entries made in the Cash Book with the Pass Book of the Society.

1. Cheque No. 235602 dated 25/03/2006 for Rs.20,00,000/-received from CTD was deposited on 30/03/2006 but credited by bank on 03/04/2006.
2. The bank credited interest amounting to Rs. 10200/- on 31/03/2006
3. The Pass book reported a debit of Rs.125/- on account of bank charges.
4. Cheque No. 020304 dated 29/03/2006 for Rs.2400/- issued to M/s Scientific Instruments Ltd. did not figure in the pass book.
5. Cheque No. 450023 dated 20/03/06 for Rs. 10000/- received towards donation was deposited on 29/03/2006 but was credited by bank in April, 2006.
6. Cheque No. 020305 dated 31/03/2006 for Rs. 15000/- issued for contractual remuneration for the month of March,2006 figured on 01/04/2006 in the Pass Book.

IV.4. STOCK REGISTERS FOR CONSUMABLES/NON-CONSUMABLES–Annexure-X - FMM

A Stock Register has to be maintained as per SDS Manual for drugs, laboratory consumables, printed material etc. It contains the following seven columns:-

1-Date, 2-Particulars, 3-Voucher Number/Issue slip No. 4-Receipt Column, 5-Issue Column, 6 - Balance Column and 7 - Signature column.

Page number of the Stock Register is to be given on the vouchers and the voucher reference must be given on the Stock Register page. The page number of the stock register is also to be given on the consignment receipt when receiving Consumables/Drugs/Printing Materials.

And if some items/material is issued, it should be entered in the issue column on the based on the issue slip duly authorized by the competent authority and reference of the issue slip to be given in the stock register in the appropriate column. **The Format of the Stock Register is given in Annexure X of the FMM.**

IV.5. FIXED ASSETS REGISTER

The fixed assets acquired by the Society are entered in the asset register and the value of the assets should tally with the value of fixed assets given in the Balance Sheet. The format is as per **Annexure – XI of the FMM.**

The Society shall conduct physical verification of the fixed assets at the regular intervals at the close of the year).

IV.6. REGISTER OF ADVANCES (for monitoring payment of advances for expenses and their timely adjustment /recovery). Although all the transactions should be entered in cash book and posted in the ledger also. This Register is for showing advance and their adjustments at a glance. Entries for advances & adjustment must be entered in this register instantly at the time of amount given & making the adjustment

Format :

Register of Advances

Date	Name of Party to whom advance given	Purpose/particulars of advance	Amount of advance	Date(s) of adjustment	Amount adjusted (Expenditure+refunded)		Balance remaining unadjusted/(C/d)	Remarks

IV.7. EXPENDITURE CONTROL REGISTER

Expenditure Control Register to ensure that the expenditure remains within the funds allotted for any activity or head of account. Or that the expenditure does not exceed the funds allotted for. The Register gives Account head- wise figure of progressive expenditure and the balance funds available after each and every payment made.

The objective of maintaining of this Register is to control the expenditure up to the limit of the budget. Expenditure should not exceed the Budget allocated. No specific format has been prescribed in the Financial Management Manual. It is also to be maintained as per state Govt. and Central Govt. guidelines.

CHAPTER V

FINANCIAL STATEMENTS AND FINALIZATION OF ACCOUNTS

All the financial statements are interlinked with each other. For example after entry in the Cash Book, posting in Ledger is made and from Ledger book balances Trial Balance is prepared, based on which the following financial statements are also prepared, apart from including the assets items in the Scheduler of fixed assets:-

Statement of Expenditure monthly & Quarterly,(Annex XII&XIII)
Receipt & Payment Account (Annex.XIV),
Income & Expenditure Account (Annex.XV) and
Balance Sheet (Annex.XVI).

V.1 TRIAL BALANCE :-

Trial Balance is a statement which tabulates the debit & credit balances as at the close of the period for which it is prepared.

According to the Accounting principles, every Debit should have a corresponding Credit and vice-versa. It is therefore imperative that the total of all the debit balances tally with the total of all the credit balances. Any variation in this regard indicates arithmetic inaccuracy in the books of accounts and demands immediate action for location and rectification of the error.

To ensure arithmetic accuracy of the Accounting records, it is customary to prepare Trial Balance every month.

The Trial Balance gives progressive position of the balances from the 1st day of the Accounting Period till the last day of the period for which it is prepared. e.g. Trial Balance for the Month of April, 2007 will comprise of balance w.e.f. 01/04/2007 to 30/04/2007 and for the Month of May,2007 w.e.f. 01/04/2007 to 31/05/2007.

The Trial Balance forms the basis for the preparation of Monthly/ Quarterly SOE and Annual Statements of Accounts i.e. Receipt & Payment Account, Income & Expenditure Account and Balance Sheet.

Steps to prepare a Trial Balance:-

Write Opening Balance (Cash/Bank) of the Accounting Period i.e. 1st April, under the column Credit Balance.

Copy the balances from all the Accounts in the General Ledger- debit under the column for Debit Balance & credit under column for Credit Balance.

Copy the Closing Balance (Cash/Bank) of the last day of the month of the report from the Cash Book under the column Debit Balance.

Draw total of Debit as well as Credit Balance columns.

If totals of both the columns do not agree check the Account Books to locate the error and rectify the same.

Exercise:- 5

Prepare Trial balance for the month of April 2005 from the following Ledger :
The closing balances of the cash book as on 30th April, 2005 is 389200/-

Ledger Page-1

Date	Particulars	Folio	Debit	Credit	Balance	
			(Rs.)	(Rs.)	DR./CR	Amount
	<u>Lab Consumable A/c</u>					
01/04/05	To Bank a/c	1	15000		Dr.	15000
03/04/05	To Bank a/c	1	50000		Dr.	65000
04/04/05	by Bank a/c	1		50000	Dr.	15000
	<u>Contractual services A/c</u>					Page 2
01/04/05	To Bank a/c	1	5000		Dr.	5000
	<u>Vehicle Maintenance A/c</u>					Page 3
02/04/05	To Cash a/c	1	800		Dr.	800
03/04/05	To Cash a/c	1	3500		Dr.	4300
	<u>Miscellaneous Expenses A/c</u>					Page 4
02/04/05/	To Cash a/c	1	4500		Dr.	4500
04/04/05	To Bank a/c	1	5300		Dr.	9800
04/04/05	To Bank a/c		4700		Dr.	14500
	<u>Equipment Purchase a/c</u>					Page 5
02/04/05	To Bank a/c	1	52000		Dr.	52000
	<u>Grant-in-aid A/c</u>					Page 6
02/04/05	By Bank a/c	1		360000	Cr.	360000
	<u>Advance A/c</u>					Page 7
01/04/05	To Cash a/c (Name of person)	1	1000		Dr.	1000
04/04/05	By Sundries a/c (Name of the Person)	1		1000		Nil

V.2 STATEMENT OF EXPENDITURE (SOE)**V.2.1. Monthly Statement of Expenditure**

The monthly SOE, which functions as a financial monitoring report for internal control and prepared by all the DTCs on the basis of the ledger entries and the trial balance, should reach the STC by the 5th day of the following month to enable the STO for timely release of funds to the DTC. Monthly SOEs need not be sent to the Central TB Division.

V.2.2. Quarterly Statement of Expenditure

The Quarterly Statement of Expenditure is to be prepared manually as well as on excel sheet, every quarter in format 1 based on the Trial Balance. The objective of preparing quarterly Statement of Expenditure is to analyze the variances of the actual expenditure vis-à-vis the budgetary provisions and performance as per the action plan, and explaining reasons thereof and also to present a clear picture of the quarterly expenditure incurred by the Society against the funds received and to have an idea of the funds available with the DTCSs/STC at the end of every quarter. Each DTC shall prepare **Quarterly Statement of Expenditure** (SOE) as per **Annexure-XIII** and send it to the respective STC and CTD electronically or by fax, by the 5th day of next month. A hard copy (signed by DTO) may also be sent to the STO by post.

V.2.3. Consolidated Statement of Expenditure

The time frame fixed to receive the SOE by the STO may be adhered to enable the STO to consolidate SOEs of all DTCs and that of the STC (format for **consolidated SOE** by STCS at **Annexure XII**) and to send to CTD based on which CTD has to release funds to STCS and also submit reimbursement claim of the expenditure to the funding agency in time.

- An important financial Report.
- Duration – Quarterly.
- Due date for submission- from DTCS to STCS latest by 10th day and for consolidated SOE from STCS to CTD 24th day of the month following the quarter of the report.
- Gives historical data regarding sources and utilisation of funds for the period of the report.
- Facilitates future planning, financial control, and is a pre-condition for considering of further release of funds.
- Forms basis for claim for reimbursement of funds from the funding agencies.
- To provide information to various departments of GOI

How to prepare SOE & examination to be conducted by the State Accountant

A. Individual DTCSs/STCS (Annex-XIII of FMM).

The SOE has to be prepared based on the Trial Balance for the period.

1. Column ‘a’ “Amount carried forward from the previous financial year”

Audited Closing Balance of the previous financial year plus Receivables, Other Current Assets and loans and Advances minus amount payable (current liabilities) be furnished under this column.

It should remain unchanged for SOEs of all the four quarters.

Reconciliation of Opening Balance

<u>Particulars</u>	<u>Amount</u>
a) Closing Balance. (last year’s Accounts) (source- R&P A/c, B/S or UC)	-----
b) Add- Receivables, Other Current Assets and Loans and Advances. (Source- last year’s B/S)	-----
c) Less- Current Liabilities. (Source- last year’s B/S)	-----
d) Opening Balance of SOE	-----

On receipt of the SOE of the 1st Quarter (April-June) from the DTCSs the Accountant STCS should also carry out the above reconciliation and advice the DTCS for any discrepancy observed.

2. Column 'b' "Funds received during the current financial year"

This Column should contain Cumulative figures of funds received from STCS in the case of SOE of DTCSs and cumulative figures of funds received from CTD in the case of Consolidated SOE. Besides this, Cumulative figure of Bank Interest earned and other receipts are to be reported separately after the 'total' row of this column.

On receipt of the SOE from the DTCS, the Accountant STCS will check as to whether the Grant-in-aid reported under this column agrees with their figure of funds released to the DTCS during the year of report. Any discrepancy noticed is to be immediately reported to the DTCS and reconciled.

3. Column 'c' "Amount reallocated during the current financial Year (+) or (-)."

This Column should report details of inter-head re-allocation of funds i.e. reallocation of funds from one Head to other Heads of expense. The total of this column should be Nil because the amount of the remitting/giving heads of account (- items) will be same as that of receiving heads of account (+ items).

On receipt of the SOE from the DTCS the Accountant STCS will check as to whether the total of this column is nil, if not, should seek clarification from DTCS and get it rectified.

4. Column 'd' "Total Funds available during the current financial year (a+b+c)."

The column is self-explanatory and contains totals of columns 'a'+ 'b'+ 'c'

The Accountant STCS should check that total of this column is equal to the total of columns 'a' and 'b' Column 'c' being nil.

Column 'e' "Expenditure from April 1 of the current financial year till the previous quarter ending-----."

This column should furnish the progressive figures of the expenditure incurred during the current financial year up to the end of the previous Quarter.

The Accountant STCS should check that:-

a. this column is blank in the SOE for the quarter ending 30th June and in the SOEs for the subsequent quarters, should report figure furnished in the column 'g' "Progressive Expenditure for the current financial year" of the previous quarter.

b. Often this figure varies from the figure furnished under column 'g' of the SOE for the previous quarter making it difficult to reconcile the data compiled in CTD. The guidelines now provide that any amendment necessitated subsequently be carried out in the column 'f' i.e expenditure for the current quarter of the report with a suitable foot note.

Column 'g' Progressive Expenditure for the current financial year (e+f)

It will be the total of the column e&f

Column 'h' "Balance"(d –g)

it is self-explanatory and reports the balance funds available as at the end of the quarter of the report by reducing column 'g' from column 'd'.

Reporting of Bank Interest

Bank Interest if any received is to be reported as a separate item after the TOTAL ROW in the SOE only in the Columns (a) to (d) and (h) of the SOE but before the GRAND TOTAL ROW in the SOE.

Committed Expenditure

This reflects the amount payable to sundry creditors for goods and services already availed.

Last but not the least that the nomenclature and sequence of all the accounting heads is religiously maintained and the totals of all the columns should be cross checked by applying the justification prescribed for the columns.

Illustration

Prepare Statement of Expenditure for the Quarter ending June,2007 from the following Trial Balance:-

NAME OF STCS/DTCS.....

TRIAL BALANCE AS ON 30th June 2007

S.No	Ledger Follio	Head of Accounts	Balance	
			Debit	Credit
1		Opening Balance (Cash/Bank)		120000
2	1	Lab Consumable A/c	15000	
3	2	Contractual services A/c	5000	
4	3	Vehicle Maintenance A/c	4300	
5	4	Miscellaneous Expenses A/c	14500	
6	5	Equipment Purchase a/c	52000	
7	6	Grant-in-aid A/c		360000
8		Closing Balance (Cash Book)	389200	
		Total	480000	480000

The head-wise break-up of the opening balance as per SOE for the last Quarter is Civil Works-Rs.15000/-, Lab Consumable -Rs.15000/-, Vehicle Maintenance-Rs.5000/-, Procurement of Equipment-Rs.50000/-, Miscellaneous-10000/-, Printing-15000/-,Publicity-Rs.10000/- and the head-wise break-up of the funds released (Rs.3,60,000) is Civil Work- Rs.100000/-,Publicity- Rs. 25000/-, Miscellaneous- Rs. 45000/-, Printing Rs.40000/-,Lab.Consumables- Rs.125000/,Vehicle Maintenance- Rs. 25000/-.

Reallocate Rs. 10000/- to the head Contractual Services and Rs.2000/- to Procurement of Equipment from Publicity

Solution of the illustration

**REVISED NATIONAL TUBERCULOSIS CONTROL PROGRAMME - PHASE III
DISTRICT TB CONTROL SOCIETY,(name of the District)
Statement of Expenditure for the Quarter ending 30th June 2005**

S.No.	Category of Expenditure	Amount carried forward from the previous financial year.	Funds received during current financial year.	Amount reallocated during current Financial year (+) or (-)	Total Funds available during current Financial year (a+b+c)	Expenditure from April, 1 of current financial year till previous quarter ending.....	Expenditure for the Quarter ending 30 th June 2005	Progressive expenditure for the current financial year (e+f)	Balance (d-g)	Remarks (reallocation & other remarks)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	Civil Works	15000	100000		115000	0		0	115000	
2	Laboratory Materials	15000	125000		140000	0	15000	15000	125000	
3	Honorarium				0	0		0	0	
4	Publicity	10000	25000	-12000	23000	0		0	23000	
5	Equipment maintenance				0	0		0	0	
6	Training				0	0		0	0	
7	Vehicle									
8	Maintenance	5000	25000		30000	0	4300	4300	25700	
9	Vehicle hiring charges				0	0		0	0	
10	NGO Support				0	0		0	0	
11	Medical Colleges									
12	Miscellaneous Contractual	10000	45000		55000	0	14500	14500	40500	
13	Services			10000	10000	0	5000	5000	5000	
14	Printing	15000	40000		55000	0		0	55000	
15	Research & Studies				0	0		0	0	
16	Salary of regular staff				0	0		0	0	
17	Procurement of drugs				0	0		0	0	
18	Procurement of vehicles				0	0		0	0	
18	Procurement of equipments	50000		2000	52000	0	52000	52000	0	
	TOTAL	120000	360000	0	480000	0	90800	90800	389200	
	Bank Interest	0	0	0	0	0	0	0	0	

Grand Total	120000	360000	0	480000	0	90800	90800	389200	
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signature

DTO

Exercise:-6

Prepare SOE for the Quarters Ending 30th June 2007 and 30th September, 2007 from the Trial balance for the periods as under:-

TRIAL BALANCE AS ON 30th June 2007 and 30th September :

S.No.	L.F.	Head of Accounts	Balance as on 30th June 2007		Balance as on 30 th Sep. 2007	
			Debit	Credit	Debit	Credit
1		Opening Balance		500000		500000
2		Civil Works a/c	200000		200000	
3		Laboratory Materials a/c	250000		400000	
4		Honorarium a/c	100000		150000	
5		Publicity a/c	300000		400000	
6		Equipment maintenance a/c	350000		450000	
7		Training a/c	150000		200000	
8		Vehicle Maintenance a/c	200000		400000	
9		Vehicle hiring charges a/c	100000		150000	
10		NGO Support a/c	50000		100000	
11		Miscellaneous a/c	400000		700000	
12		Contractual Services a/c	800000		1300000	
13		Printing a/c	100000		150000	
14		Research & Studies a/c	20000		20000	
15		Salary of regular staff a/c	0		0	
16		Procurement of drugs a/c	0		0	
17		Procurement of vehicles a/c	300000		300000	
18		Procurement of equipments a/c	100000		100000	
19		Grant-in aid a/c		5000000		5000000
20		Bank interest a/c		20000		20000
21		Miscellaneous Income a/c		10000		20000
22		Miscellaneous Receipts A/c				20000
23		Closing Balance - Cash Book	2110000		540000	
		Total	5530000	5530000	5560000	5560000

The break-up of opening balance as on 01/04/2007 as per the SOE for the Quarter ending 31/03/2007 is Civil Works-Rs.100000/-, Lab. Material- Rs.200000/-, Honorarium-Rs.50000/-, Publicity-Rs.50000/- and Contractual services- Rs.100000/-.

The break-up of the funds released (Rs.50,00,000/-) is –Civil Works-Rs.2,00,000/-, Lab Material-Rs.4,00,000/-, Honorarium- 1,50,000/-, Publicity-Rs.500000/-, Equipment Maintenance-Rs.500,000/-, Training 3,00,000/-, Vehicle maintenance- Rs.3,00,000/-, Vehicle Hiring- Rs.3,00,000/- NGO Support-Rs.1,00,000/-, Miscellaneous- Rs.7,00,000/-, Contractual Services- Rs.10,00,000/-, Printing-Rs.2,00,000/-, Research Studies- Rs.20,000/-, Procurement of Vehicle-Rs.3,00,000/- and Procurement of Equipment-Rs.30,000/-.

Reallocate Rs.70,000/- from the head Lab. Material to Procurement of Equipment during the Quarter ending 30th June, 2007.

During the Quarter ending 30th September 2007, reallocate Rs.100000/- from Civil Works to Vehicle Maintenance, Rs. 100000/- each from Publicity and Vehicle hiring to Contractual Services.

Hint: The Trial Balance contains progressive balances (Receipts and Payments)

V.3 RECEIPT & PAYMENT ACCOUNT ANNEXURE-XIV

The Receipts and Payments A/c is simply a summary of the Cash Book. Therefore its balance should tally with the balance of the Cash Book.

The complete financial picture of the society in terms of money received and spent during a particular financial year is reflected in this financial statement. The debit side (receipt) entry starts with opening balance (both cash and bank balances) and then all other receipts like grant in aid, all miscellaneous receipts including loans and advances received, bank interest etc. On the credit (payment) side all the head wise expenditure (payments) figures as per the ledger head entries, outstanding advances, loans etc. are put. The difference between the totals of the both side represents the balance in the form of cash in hand and at bank, if the receipt side figure exceeds the payment side figure. At the time of submission of Consolidated Receipt & Payment Account it is necessary to prepare **schedule to consolidated Receipts & Payments** as suggest at **Annexure XVII** of the FMGs.

V.4 INCOME & EXPENDITURE ACCOUNT ANNEXURE- XV

Where as Receipts and Payments A/c is a summary of the Cash Book i.e. all receipts and payments made during the Accounting Period (including pre and post periods) the Income and Expenditure Account reflects only Revenue Income and Revenue Expenditure for the Accounting Period only. Receipts and Payments of Capital Nature are carried to the Balance sheet. Balance of the Income and Expenditure Accounts representing Excess of Income over Expenditure or Excess of Expenditure over Income is also carried over to the Balance Sheet.

V.5 BALANCE SHEET ANNEXURE-XVI

Balance Sheet is a summary of the financial position of an organization on a given date. All the assets of the organization are summarized on the right hand side and all the liabilities are summarized on the left hand side. While the Receipt & Payment Account and Income & Expenditure Accounts are prepared for a specific period i.e. for a full or half year, Balance Sheet is prepared as on a certain date.

V.6 OTHER DOCUMENTS TO BE INCLUDED IN THE FINAL ACCOUNTS

The final accounts should also include:

1. Accounting Policy (Annexure II of FMM)
2. Schedule of fixed assets as per the financial Management Manual
3. Schedule of outstanding advances recoverable/adjustable
4. Schedule of Sundry debtors/creditors (if applicable)
5. Bank Reconciliation Statement
6. **Utilization Certificate** in the prescribed format (**Annexure- XVIII / XIX**) of FMM.
7. Once the financial auditing of the final accounts is done by the CAG empanelled Auditors, the final Accounts should also be accompanied by the Auditor's Report in the prescribed format (Annexure- XXIV, XXV and XXVI)
8. Management Letter from the Auditors consisting of :-
 - i. Comments/observations on accounting records/ systems/ controls

- ii. Deficiencies and areas of weakness in the system with recommendations for their improvement
 - iii. Report on the degree of compliance with the financial/internal control procedures
 - iv. Report on degree of compliance and deviation from the laid down procurement policies/procedures.
 - v. Report on matters that have come to notice during audit which might have a significant impact on the implementation of the project and also on any other matter which the auditor considers pertinent.
 - vi. Report on compliance with statutory requirements such as deduction of tax at source on contractual payments including remuneration paid to the contractual staff.
9. Reply to the Management letter, duly accepted by the auditors, explaining, wherever necessary, the reasons for deviations/variations etc from the Financial Management Guidelines also indicating actions being taken/initiated for rectifying the same,
10. Financial Management **Check List** as per **Annex. XX of FMMs,**
11. While the STC may prepare similar Audit Report in respect of STCS along with the documents mentioned above, A consolidated Audit Report and Consolidated UC, covering those of STCS and all DTCSs may also be prepared and sent to CTD along with copies of individual AR/UC of STCS and all DTCSs.

Exercise - 7

Prepare final accounts for the year 2006-07 from the Balance Sheet for the year 2005-06 and the Trial Balance (without opening balance) for the year 2006-07 given below:-

BALANCE SHEET AS ON 31ST MARCH 2006

NAME OF THE STCS/DTCS _____

LIABILITIES			ASSETS		
Previous year ending 31st March 2005	Particulars	Current year ended 31st March 2006.	Previous year ended 31st March 2005	Particulars	Current year ending 31st March 2006.
Amount (Rs.)		Amount (Rs.)	Amount (Rs.)		Amount (Rs.)
	Capital Fund			Fixed Assets (As per Schedule 'A-1' attached)	4127120
	Opening Balance	5184735			
	Add: Excess of income over the expenditure brought forward from the Income and Expenditure account	428555			
	Current Liabilities and Provisions			Receivables	
	EMD/SD			Sundry Deposits (telephone deposit etc)	0
	Temporary loans and Advances	950		EMD	0
				Other Current Assets	
	Any other (please specify)	1219		Closing Stock (Course Material & Printed Stationery)	
				(as verified, valued & certified by the Management)	
				Loans/Advances	
				Advances for civil Works.	0
				Advances for procurement of Vehicle/Equipment	0
				Advances to Staff for expenses	0
				Cash & Bank Balances	
				Cash in hand	167
				Cash at bank	1488172
				Remittance in transit.	0
	Total	5615459		Total	5615459

Sinature of Member Secretary Vice Chairman

Chairman

Auditor

Trial Balance for the year 1.4.2006 to 31.03-07

S.No.	PARTICULARS	Amounts (without opening balances)	
		DEBIT	CREDIT
1	Opening Balance- Cash-in-hand		167
	Cash at Bank		1488172
2	Civil Works a/c (Revenue)	46534	
	Civil Works a/c (Capital)		
3	Laboratory Materials a/c	331148	
4	Honorarium a/c	92275	
5	Publicity a/c	508154	
6	Equipment maintenance a/c	225174	
7	Training a/c	159946	
8	Vehicle Maintenance a/c	692410	
9	Vehile hiring charges a/c	55750	
10	NGO Support a/c	26813	
11	Medical Colleges	0	
12	Miscellaneous Expenses a/c	570129	
13	Contractual Services a/c	2509800	
14	Printing a/c	141762	
15	Research & Studies a/c	5584	
16	Salary of regular staff a/c	0	
17	Procurement of drugs a/c	0	
18	Procurement of vehicles a/c	473718	
19	Procurement of equipments a/c	0	
20	Advance paid a/c		
21	Repayment of Loan a/c		
22	EMD/SD paid a/c		
23	Disbursement to other Units a/c		
24	Grant-in-aid from GOI a/c		6500000
25	Grant-in-aid from State Government a/c		
26	Advance/ EMD Received A/c		
27	Loan a/c		
28	Transfer of funds (inward a/c		
29	Interest a/c		33388
30	Miscellaneous receipts-EMD a/c		
31	Capital Fund A/c		
32	Cash in hand	167	
33	Cash at Bank	2182363	
34	Total	8021727	8021727

CHAPTER VI

PREPARATION OF UTILIZATION CERTIFICATE

VI.1 At the end of every financial year, a Utilization Certificate, in the prescribed format as per the Guidelines, in respect of the grants received from the Govt. of India is to be prepared DTCs as per Annexure XVIII of FMGs and sent to the concerned STO.

VI.2 The STC is required to prepare similar UC as above in respect of the STC and a consolidated UC given at Annexure XIX covering the UC of the STCS and the UCs of all DTCSs and send to CTD along with the Consolidated Audit Report.

VI.3 While the utilization certificate is required to reflect the grant received during a particular year and the amount utilized out of the same and the unspent balance if any at the end of that financial year, since the RNTCP set up allows to carry forward the unspent balance of the previous year and spend the same during the current year, the UC is a perfect replica of the Receipt & Payment Account in a narrative format in which all sources of receipt of funds are included in the first part of total funds available (receipts) and all the expenditure, outstanding loans, advances etc. and the unspent balance are included in the later part (funds utilized plus unspent balance), whereby both total receipt and total expenditure sides tally.

Deficiencies Observed

1. Were not in the prescribed formats.
2. Disbursal of funds to other TB Control Societies wrongly clubbed with the figure of Utilisation of Funds. The correct reporting will be as under:-
3. “....., a sum of Rs._____has been utilized and Rs._____ disbursed to the sister societies for the purpose of various activities approved by Govt. of India.....”
4. The figures furnished in the UC lacked co-relation amongst themselves i.e. Opening Balance + Funds Released – funds Utilised should be equal to the funds remaining un-utilised at the end of the year. This may be because of not incorporating of other receipts suitably in the UC.
5. The figures furnished in the UC also did not reconcile with the Receipts and Payment Account.

An Illustration for correctly preparing the Utilization certificate from the Receipt & Payment Account as given below :

Name of Society :

Receipts and Payment Account for the year ended

RECEIPTS			PAYMENTS		
<u>Opening Balance</u>			CW	100000	
Cash in hand	1000	1	LC	5000	
Cash with Bank	500000	2	Publicity	30000	
<u>Grant –in-aid</u>			EM	20000	
Govt. of India	300000	3	Training	40000	
Bank interest	2000	4	VM	10000	
<u>Misc. Receipts</u>			Misc	10000	
EMD	100		CS	200000	
Loan A/c	<u>500</u>	600	5	Total	415000
				7	
			Loan refund	500	8
			Temporary Advance	2500	9
			<u>Closing Balance</u>		
			Cash in hand	2000	10
			Cash at Bank	383600	11
Total	803600	6		803600	

Utilisation Certificate (Para 1 only)

Certified that out of Rs. 300000 (3) of Grant –in-aid sanctioned during the year 2003-04 in favour of the STCS/DTCS _____ under the Ministry of H&FW sanction No. _____ given hereunder, Rs.2000 (4) of bank interest, Rs.600 (5) of misc. receipts and Rs.501000 (1+2) on account of unspent balance of the Previous Year totaling to Rs.8,03,600 (6), a sum of Rs.415000 (7) has been utilized for the purpose of various activities approved and that balance of Rs.385600 (10+11) remaining unutilized at the end of the year (after repayment/payment of loan/advance amounting to Rs.3000 (8+9)) will be utilized and adjusted towards the Grant-in-aid payable during the next year _____.

VI.4 Shortcomings/flaws noticed in the UCs, in common.

- UC not furnished in the prescribed format as per the Guidelines
- Bank interest, misc. receipts etc. not included in the receipt side of the UC.
- There does not exist perfect correlation between the totals of the receipt side of UC with the expenditure and closing balance side, as the totals of the two sides do not tally.
- There does not exist perfect correlation between the totals of the receipt side of UC with the receipt side of the Receipt & Payment Account and between the totals of the expenditure + closing balance side of the UC with the total of the payment side (expenditure + closing balance), which should in normal course tally.
- Sanction Nos. and dates by which the grant-in-aid was received during the year are not indicated in the UC.
- UC not signed by the two competent and authorized signatories.

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CHAPTER - VII

AUDIT & PREPARATION OF AUDIT REPORTS

VII.1 AUDIT

Objective of Financial Audit

The objective of the audit would be to provide a confirmation to the various stakeholders (Government of India, Creditors/Donors etc.) on the accuracy of the project financial statements, compliance with credit agreements & legal obligations, and overall satisfactory working of the financial management systems in the RNTCP-II project. Audit shall be of the financial statements and records of the various project offices (DTC, STC, Procurement and IEC Consultants etc., and CTD).

VII.2 CONDUCT OF FINANCIAL AUDIT

- The auditor has to be selected from the auditors (firm of Chartered Accountants) empanelled with the C&AG/ State AG.
- The Annual Audited Accounts will be placed before the General Body for consideration and approval.
- The audited financial statements of the Society should also be filed with the Registrar of Societies in accordance with the Societies Registration Act.
- All the audited financial statements pertaining to the project from the district level will be consolidated by the State Health Society/STC and sent to CTD by 31st July.
- The Comptroller & Auditor General (C&AG) of India and the AGs of the respective states are empowered to audit the accounts of RNTCP-II within their respective domains (**Statutory Audit.**)

VII.3 Common Shortcomings Noticed in Audit Reports:

1. Accounting method of “Accrual Basis” being adopted by many of the STCs/DTCs instead of the “Cash Basis” method laid down in the revised FM Guidelines.
2. Depreciation being charged on fixed assets by many Societies in spite of clear guidelines not to charge.
3. Auditors’ Report in the prescribed format not attached to the AR.
4. Assets are being charged off by some Societies while being capitalized by others. (Assets are to be capitalized and shown at cost in the Balance Sheet)’
5. Reconciliation of expenditure figures as reported in the SOEs not done with the final A/R figures and reported to CTD.

6. One or more Part(s) of the Annual Statement of Accounts (Receipt & Payment A/c or Income & Expenditure A/c. or Balance Sheet) not included in the Audit Report.
 7. Utilization Certificate not furnished along with the Audit Report.
 8. Management letter from the Auditors on the internal control weakness and areas for improvement of the Societies not obtained from the Auditors and attached to the AR.
 9. Wherever Management letters are attached, the replies/explanation/action taken on the points raised by the audit report not attached, duly vetted by the Auditors.
 10. Financial Management Check-list in the prescribed format filled in and certified by the Auditors not attached to the Audit Report.
 11. Inter-district transfer of funds, funds in transit at the year end and refund of grants not reflected properly in the Audit Reports. (The receiving Society is to credit the amount under the head 'Intra-State Transfer (Receipts) and the remitting Society is to debit the same under the head Intra-State transfer (Payments) and in consolidated accounts these are set off against each other like contra entries.)
-
12. Monthly reconciliation of Bank Account not done.
 13. Fixed Assets Register not maintained properly and physical verification done periodically.
 14. Reasons for large cash balance at year end not explained.
 15. Tax deducted at Source (TDS) not reflected in the A/R or Auditor's Report.
 16. The Note disclosing the basis of preparation of Financial Reports and significant accounting policies related to material items not added to the Audit Report..

VII.4 Common Shortcomings Noticed in Audit Reports of STCS:

- Funds disbursed to DTCs shown as expenditure instead of showing separately as disbursements in the AR of STC.
- Funds spent by STC on behalf of DTCs not separately and distinctly shown in the Payment side of the R&P A/c. of STC.

VII.5 Shortcomings/Flaws being Noticed in the Consolidation of Audit Reports By STCS:

- Funds disbursed to DTCs shown on the payment side of Consolidated R&P A/c, whereas the same is not to be reflected in Consolidated R&P A/c.
- Similarly funds received by DTCs shown wrongly on the receipt side of CR&P A/c.
- Consolidated Schedule of Fixed Assets covering all DTCs and STC not attached to the Consolidated A/R.
- Auditors' Report in the prescribed World Bank format not attached to the AR *
- Management letter from the Auditors not attached with the AR.
- Wherever Management letters are attached, the replies/explanation/action taken on the points raised by the audit report not attached, duly vetted by the Auditors.
- The Note disclosing the basis of preparation of Financial Reports and significant accounting policies related to material items not added to the Audit Report.

The above shortcomings/mistakes are to be avoided while preparing the A.R of STC and the consolidated AR at the STC level.

CHAPTER VIII

PROCUREMENT PROCEDURES

VIII.1 General

- The Procurement Guidelines for RNTCP II are applicable to procurement of goods, works as well as services (such as training/workshops, IEC activities (printing or distributing material through an **agency**), **research** studies, hiring of consultants, NGO services, PPP agreements and other similar contracting).
- The States and Districts will not procure drugs, pharmaceuticals and medical supplies from TB II funding. However, these could be procured from other sources such as NRHM or State Government.
- The State/District will not procure any goods, works or service on contracts exceeding Rs.20 Lakhs per contract in value.
- Financial negotiations are not permissible. However, under exceptional circumstances, negotiations can be carried out with the lowest bidder.
- Procurement will be handled directly by State Govt. or Societies. Outside agencies (procurement support agencies) will not be used by the states or Districts for handling procurement.
- The procurement decisions shall be approved by the Procurement Committees as per the delegations suggested by CTD.
- Contract award information should be put on the website of the state societies wherever possible.
- Complaints related to procurement should be addressed satisfactorily.

VIII.1.1 **PROCUREMENT PLAN**

Procurement Plan is essentially of what procurement of goods and works is to be carried out at what time. It is a tool for proper monitoring and execution of procurement activities covering civil works, supply of goods, equipments and resource support . The procurement Plan should be

- Reviewed and updated every year
- Prepared contract-wise - separately for works and goods
- Method of purchase shall be based on the value of contract, urgency of the demand, type of goods/services and availability of different sources of supply etc.
- Limit of value per contract under each method of procurement shall be strictly adhered to
- Procurement shall be carried out strictly on the basis of actual need

VIII.2 Procurement Matrix (who does what)

<u>Description</u>	<u>Action by</u>	<u>Methodology</u>
a) Drugs	CTD	ICB
b) Equipments		
i) Microscopes	CTD	NCB/Shopping
ii) DRS/Culture Sensitivity eqp.	CTD	NCB/Shopping
c) Chemicals/reagents for above	STCS/DTCS	NCB/Shopping
d) Vehicles (4 wheelers)	STCS/DTCS	Shopping/DGS&D Rate Contract
e) Office equipments	STCS/DTCS	NCB/Shopping
f) Vehicles (2 wheelers)	STCS/DTCS	Shopping
g) Lab materials	STCS/DTCS	Shopping
h) Repair/maintenance	STCS/DTCS	Shopping/DC
i) Printing of Stationery items	STCS/DTCS	Shopping
j) Works		
i) Modification/alteration/up-gradation	STCS/DTCS	ICB/Shopping/DC
ii) Repair/maintenance	STCS/DTCS	NCB/Shopping

VIII.3 Constitution of Empowered/Purchase/Executive Committee for RNTCP Activities:

A Central Level :

A Purchase Advisory Committee (PAC) Consisting of:

a) Director General of Health Services	Chairman
b) Additional Secretary	Co-Chairman
c) Jt. Secretary (Health)	Member
d) Additional/Jt. Secretary(Finance & Accounts)	Member
e) DDG(TB)	Member
f) ADG(MSO)	Member
g) Drug Controller General of India or his representative	Member

B State Level

A Standing Purchase Committee Consisting of :

Secretary/Principal Secretary(Health)/Addl. Chief Secretary (Health)	Chairman
Director (Health & Family Welfare)	Member
Jt. Secretary(Finance) or representative	Member
State TB Officer	Member-Secy.
Representative from NGO	Member

C District Level

Dist. Magistrate/Dist. Collector
CMO
DTO

One independent expert nominated by the Society

Chairman
Member
Member-Secretary
Member

VIII.4 Local Purchase of Consumables

<u>Method</u>	<u>Limits</u>	
	<u>State Level</u>	<u>Dist. Level</u>
1. Single quotation	Up to Rs.1000/-	Up to Rs.500/-
2. Minimum 3 quotations	Rs.1001 to 10,000/-	Rs.501 to 5000/-
3. By Purchase Committee	Above Rs.10,000/-	Above Rs.5000/-
4. National Competitive Bidding(NCB)	At State level only	

VIII.5 Civil Works

Civil Work may be carried out through National Competitive Bidding (NCB) / Shopping/Direct Contracting. The work to be advertised in local papers and competitive bids obtained. When this is not practicable, quotations from at least 3 contractors, to ensure competitive prices, can be obtained. Minor alteration work can also be carried out by obtaining a minimum of 3 quotations.

VIII.6 Equipment Maintenance

Annual Maintenance Contracts (AMC) may be executed with authorized dealers of equipments on the basis of local shopping with at least 3 quotations to ensure competitive rates, in order to ensure timely repairs and regular maintenance of equipments. In addition, a buffer stock of spares like ribbons, toner ink etc. may also be maintained.

VIII.7 Mode of Procurement

- A) Global Tender/International Competitive Bidding (ICB)
- B) Open Advertised Tender/National Competitive Bidding (NCB)
- C) Limited Tender
- D) Shopping
- E) Single Tender/Direct Contracting
- F) Procurement of Civil Work through Panchayati Raj Institutions(P{RIs)

VIII.8 Global Tender/International Competitive Bidding (ICB)

This method is adopted where the supplies need import and/or foreign firms are expected to participate. For RNTCP, the estimated cost should be more than equivalent of USD 1,000,000/- for goods and USD 2,000,000/- for works. Other requirements as per provisions laid down in the Procurement Manual have to be met.

VIII.9 Open Advertised Tender/National Competitive Bidding (NCB)

Method used for public procurement in the country by providing adequate competition to ensure reasonable prices and the method used for evaluation of tenders and the award of contracts shall be made known to all bidders. Other requirements as per provisions laid down in the Procurement Manual have to be met.

VIII.10 Limited Tender/DGS&D Rate Contract: The method is similar to NCB but without advertisement by inviting bids from qualified suppliers as per MOHFW/CTD list and other known suppliers. Other requirements as per provisions laid down in the Procurement Manual have to be met.

VIII.11 Shopping : This method is used where the estimated cost is less than INR 20 lakhs. Requirements as per provisions laid down in the Procurement Manual have to be met.

VIII.12 Single Tender/Direct Contracting : This method is adopted where the estimated cost of procurement is INR four lakhs or below in respect of articles which are specifically certified as of proprietary in nature or where only a particular firm is the manufacturer of the articles or in case of extreme emergency. The requirements as per provisions laid down in the Procurement Manual have to be met.

VIII.13 Procurement of Civil Work through Panchayati Raj Institutions(PRIs)

The States can decide to get small work of value up to Rupees six lakhs executed through PRIs wherever considered appropriate subject to certain provisions laid down in this regard in the RNTCP procurement Manual.

VIII.14 Mode of procurement should be as laid down in the Guidelines (clause 8.3 to 8.3.2 of DTCS Guidelines & clause 9.9 to 9.9.3 of STCS Guidelines)

VIII.15 Request for quotation should:

- allow minimum 15 days for submission of quotation.
- Include technical specifications of the item(s)
- Indicate the method of evaluation, i.e., separately for each item or as a package of items
- not be for any particular brand name or with only one manufacturer's name

VIII.16 The purchase Order should include:

- specific date of delivery
- terms of delivery
- place of delivery/name and address of consignee
- payment terms and other terms and conditions

VIII.17 Details like date of delivery, date of initial payment and date of final payment etc. should be available in the procurement file.

Exercises for practice :

(Exercises on maintenance of Cash Book & Ledger)

Exercise No.1

As per the Cash/Bank Book, DTC, XYZ, has a closing balance of Rs. 9,84,000/- in Bank and Rs. 9,000 in hand as on 31-3-2007. The following transactions took place from 01-04-07, through which **prepare a Cash book :**

01-04-07

- (a) Opening Bank Balance .. Rs.9,84,000/-
- (b) Cash in hand .. Rs.9,000/-

02-04-07

- (a) Purchased diesel for Rs.850/- Vehicle No. K 10 A 1804 – Vr. No.1, Cash Memo No.111
- (b) Repairing of vehicle No. K 10 A 1804 – Rs.750/- Vr.No.2 Cash Memo No.435

03-04-07

- (a) Paid salary of Rs.6000/- for the month of March 2007 of DEO Shri Vijay Kumar paid by cheque No.093125, Vr. No.3
- (b) Paid salary of Rs.2000/- for the month of March 2007 of Part- time Accountant, Shri Atul Bajaj - cheque No.093126, Vr. No.4
- © Paid salary of Rs.16,000/- for the month of March 2007 of Dr. M.K. Srivastava – cheque No.093127, Vr. No.5
- (d) Paid salary of Rs.7,500/- for the month of March 2007 of Shri Ratan Lal – cheque No.093128, Vr. No.6
- (e) Purchased office stationery for Rs.950 from Star Stationers – Cash Memo No. 1245 – Vr. No.7

05-04-07

- (a) Payment of telephone bill dt.02-04-07 – Rs.5210/- (Vr. No.8) by cheque No. 093129
- (b) Rs.25000 withdrawn from bank for arranging lunch/tea and payment of TA/DA to participants of a training course.

08-04-04

- (a) Grants-in-aid received from STC by DD No.225588 dt.02-04-07 for Rs.7,00,000/-.

The grant-in-aid of Rs.700000 has been allocated to different expenditure heads as per column C of the statement given on next page.

(The opening balance under each head as on 1-4-07 is also indicated against each)

Head of Expenditure	O.B. as on 1-4-07	Allocation of 1st instalment – April, 2007
A	B	C
Civil Works	6000	0
Laboratory Materials	75000	60000
Honorarium	20000	12000
Publicity	35000	15000
Equipment maintenance	19000	13000
Training	90000	65000
Vehicle Maintenance	55000	35000
Vehicle hiring charges	18000	11000
NGO Support	15000	4000
Medical Colleges	0	0
Miscellaneous	115000	65000
Contractual Services	480000	390000
Printing	55000	30000
Research & Studies	0	0
Salary of regular staff	0	0
Procurement of drugs	0	0
Procurement of vehicles	1000	0
Procurement of equipments	0	0
TOTAL	984000	700000

Complete the entries in the Cash Book for the above transactions

Exercise No.2

Complete the ledger head entries, only in respect of the transactions as given in exercise No.1, also indicating the opening balances and 1st installment allocations.

Exercise No. 3: Exercise on preparation of Bank Reconciliation statement

The following were the balances as per Cash Book and Bank Pass Book of DTCS, XYZ as on 31st March, 2007

Cash Book . Rs.1,25,000
Bank Pass Book .. Rs.1,26,700

The following items of entries were missing as on 31st March, 2007, either from the Cash Book or from the Bank Pass Book.

1. Cheques which were issued in March, 2007 but not Presented for payment before March 31, 2007 ..
 1. for Rs.5000
 2. for Rs.2000
 2. Cheques which have been deposited in March but not credited before March 31, 2007 ..
 1. for Rs.3000
 2. for Rs.2500
 3. Bank interest earned but not recorded in Cash Book Rs.600
 4. Bank Charges paid but not recorded in Cash Book Rs.400
- (a) Prepare Bank Reconciliation Statements by taking the Bank balances as per Cash Book as base.
(b) Also do the exercise by taking the Bank Pass book balance as base.

Exercise No.4: Exercise on preparation of SOE

The Ledger head wise opening balances as on 1-4-07, 1st installment funds allocated head wise during 2007-08, expenditures during the 1st and 2nd quarters, as available in the books of accounts and records of DTCS, ABC are given in the following Statement :

Category of Expenditure	Opening Balance as on 1-4-07	1 st instalment allocation in May, 2007	Expenditure during 1 st quarter April – June 2007	Expenditure during 2 nd quarter July – Sept 2007
1	2	3	4	5
Civil Works	6000	50000	15000	45000
Laboratory Materials	75000	60000	35000	55000
Honorarium	20000	12000	4000	6000
Publicity	35000	25000	12000	20000
Equipment maintenance	19000	13000	12000	16000
Training	90000	65000	25000	35000
Vehicle Maintenance	55000	35000	25000	35000
Vehicle hiring charges	18000	11000	9000	14000
NGO Support	15000	14000	0	3000
Medical Colleges	0	45000	0	27000
Miscellaneous	75000	65000	65000	80000
Contractual Services	280000	390000	350000	365000
Printing	55000	30000	15000	20000
Research & Studies	0	0	0	0
Salary of regular staff	0	0	0	0
Procurement of drugs	0	0	0	0
Procurement of vehicles	1000	0	0	0
Procurement of equipments	0	60000	0	60000
TOTAL	744000	875000		

In addition, the following information are also available

1. The Society earned bank interest of Rs.13000 during 2006-07, which was carried forward to 2007-08.
2. The following reallocations were made in the month of June, 2007
 - (a) Rs.15000 from Honorarium to Civil Works
 - (b) Rs.20,000 from NGO to Contractual services
 - (c) Rs.10000 from Bank interest to Contractual Services

Prepare the SOE for the quarter April – June, 2007-08 from the above particulars.

Exercise No.5

Based on the SOE prepared for the quarter April – June 2007-08, and other information available as per Exercise No.4, **prepare the SOE for the quarter ending 30-09-07**, also based on the additional information given below:

1. The Society earned bank interest of Rs.19000 as per bank pass book entries for July, 2007, which was carried forward to 2007-08.
2. Reallocation of funds made as follows in the month of August, 2007
 - (a) Rs.50000 from Training to Contractual Services.
 - (b) Rs.20,000 from Training to Miscellaneous
 - (c) Rs.15,000 from Publicity to Miscellaneous

Exercise No. 6: Exercise on preparation of Final Accounts

The following information are available in the books of accounts of a new DTC, ABC, which started functioning from 01-04-2006, from which prepare the Trial Balance, Receipt & Payment Account, Income & Expenditure Account for the year ending 31-3-307 and Balance Sheet as on 31-3-07.

Cash in hand as on 31-03-2006	Rs.Nil
Cash at Bank -do -	Rs.Nil

Grant-in-aid received during 2006-07

- 1 st instalment	Rs.4,00,000
- 2 nd instalment	Rs.3,00,000

Bank interest received:

- during 1 st half-year	Rs.800
- during 2 nd half-year	Rs.700

Miscellaneous receipt

- Earnest money deposit	Rs. 500
-------------------------	---------

The head-wise expenditure during 2006-07 has been as follows:

- Civil Works (of capital in nature)	Rs.90,000
- Lab consumables	Rs.8,000
- Publicity	Rs.30,000
- Training	Rs.40,000
- Vehicle maintenance	Rs.700
- Vehicle Hiring	Rs.1,000
- Miscellaneous expenditure	Rs.2,000
- Contractual services	Rs.2,60,000
- Printing	Rs.20,000
- Vehicle (2 wheelers) Purchasing	Rs.1,00,000
- Equipment purchase (computer)	Rs.60,000

An advance of Rs.8000 remained un-adjusted

The Society had a closing balance of Rs.4000/- at hand and Rs.78,300/- at Bank as on 31-03-07.

Exercise-7

Prepare final accounts for the year 2006-07 from the Balance Sheet for the year 2005-06 and the Trial Balance (without opening balance) for the year 2006-07 given below:-

BALANCE SHEET AS ON 31ST MARCH 2006

NAME OF THE STCS/DTCS _____

LIABILITIES			ASSETS		
Previous year ending 31st March 2005	Particulars	Current year ended 31st March 2006.	Previous year ended 31st March 2005	Particulars	Current year ending 31st March 2006.
Amount (Rs.)		Amount (Rs.)	Amount (Rs.)		Amount (Rs.)
	Capital Fund			Fixed Assets (As per Schedule 'A-1' attached)	
	Opening Balance	5184735			4127120
	Add: Excess of income over the expenditure brought forward from the Income and Expenditure account	428555			
	Current Liabilities and Provisions			Receivables	
	EMD/SD			Sundry Deposits (telephone deposit etc)	0
	Temporary loans and Advances	950		EMD	0
	Any other (please specify)	1219		Other Current Assets	
				Closing Stock (Course Material & Printed Stationery)	
				(as verified, valued & certified by the Management)	
				Loans/Advances	
				Advances for civil Works.	0
				Advances for procurement of Vehicle/Equipment	0
				Advances to Staff for expenses	0
				Cash & Bank Balances	
				Cash in hand	167
				Cash at bank	1488172
				Remittance in transit.	0
	Total	5615459		Total	5615459

Sinature of Member Secretary Vice Chairman
 Trial Balance for the period from 1.4.2006 to 31.03.2007

Chairman

Auditor

S.No.	PARTICULARS	BALANCES(without opening balances)	
		DEBIT	CREDIT
1	Opening Balance- Cash-in-hand		167
	Cash at Bank		1488172
2	Civil Works a/c (Revenue)	46534	
	Civil Works a/c (Capital)		
3	Laboratory Materials a/c	331148	
4	Honorarium a/c	92275	
5	Publicity a/c	508154	
6	Equipment maintenance a/c	225174	
7	Training a/c	159946	
8	Vehicle Maintenance a/c	692410	
9	Vehicle hiring charges a/c	55750	
10	NGO Support a/c	26813	
11	Medical Colleges	0	
12	Miscellaneous Expenses a/c	570129	
13	Contractual Services a/c	2509800	
14	Printing a/c	141762	
15	Research & Studies a/c	5584	
16	Salary of regular staff a/c	0	
17	Procurement of drugs a/c	0	
18	Procurement of vehicles a/c	473718	
19	Procurement of equipments a/c	0	
20	Advance paid a/c		
21	Repayment of Loan a/c		
22	EMD/SD paid a/c		
23	Disbursement to other Units a/c		
24	Grant-in-aid from GOI a/c		6500000
25	Grant-in-aid from State Government a/c		
26	Advance/ EMD Received A/c		
27	Loan a/c		
28	Transfer of funds (inward a/c		
29	Interest a/c		33388
30	Miscellaneous receipts-EMD a/c		
31	Capital Fund A/c		
32	Cash in hand	167	
33	Cash at Bank	2182363	
34	Total	8021727	8021727

Solution to Exercise No.1

Financial (Budget) Requirement for the year 2007-08

Category of Expenditure	Total funds at the end of 2 qrs./(2006-07) (O.B. + 1 st releases)	Expr. For 2 qrs. (1-4-06 to 30-9-06)	Projected expr. For 12 months (4 qrs.) upto 31-3-07	Projected budget requirement for 2007-08 \$	Amount Eligible as per norms	Remarks
A	B	C	D=(C/2*4)	E	F	G
Civil Works	6000	0	0	40000	63400	
Laboratory Materials	75000	60000	120000	144000	210000	
Honorarium	20000	12000	24000	26400	39200	
Publicity	35000	15000	30000	36000	105000	
Equipment maintenance	19000	13000	26000	28600	52500	
Training	40000	25000	50000	60000	77000	
Vehicle Maintenance	55000	35000	70000	77000	312500	
Vehicle hiring charges	18000	11000	22000	24200	220100	
NGO Support	15000	4000	8000	8800	140000	
Medical Colleges	0	0	0	551000	551000	
Miscellaneous	115000	65000	130000	143000	210000	
Contractual Services	1480000	*830000	1660000	2054000	2054000	
Printing	55000	32000	64000	70400	210000	
Research & Studies	0	0	0	0	0	
Salary of regular staff	0	0		0	0	
Procurement of drugs	0	0	0	0	0	
Procurement of vehicles	1000	0	0	50000	50000	
Procurement of equipments	0	0	0	60000	60000	
TOTAL	1934000	1102000	2204000	3373400	4349700	

***Includes arrears of salary for the previous year.**

Working Sheet for Exercise No.1

Working Sheet on Calculation of Eligibility as per norms & Budget requirement for 2007-08

		<u>Eligible(Total)</u>	<u>Budg. requirement</u>
1. Civil Works : TU Upgradation ...		Rs. 35,000	.. Rs. 35,000
DMC maintenance 1000x15		Rs. 15,000	
Maintenance work as per A/P.		Rs. 5,000	.. Rs. 5,000
Drug store 3 1300		Rs. 3,900	
DTC		<u>Rs. 4,500</u>	<u>Rs. 40,000</u>
		Rs. 63,400	
2. Lab Materials 1.5 lakhs X 1.4 million		Rs.2,10,000	Rs.1,44,000
3. Honorarium 28,000 x 1.4 m		Rs 39,200	Rs. 26,400
4. Publicity 75,000 X 1.4m		Rs.1,05,000	Rs. 36,000
5. Eqp. Mtce. Comp & other eqp.		Rs.30,000	
Microscopes 1500 x 15		<u>Rs.22,500</u>	Rs. 28,600
6. Training Rs.55,000 x 1.4 m		Rs. 77,000	Rs. 60,000
7. Veh. mtce. 4 wheeler		Rs.1,25,000	
2 wheeler 6 x 25000		Rs.1,50,000	
2 X 25000*3/4		<u>Rs. 37,500</u>	Rs. 77,000
8. Veh. Hiring MOs 3 x7x700x12		Rs.1,76,000	
1x7x700x9		<u>Rs. 44,100</u>	Rs. 24,200
9. NGO 1,00,000 X 1.4 m.		Rs.1,40,000	Rs. 8,800
10. Med. Colleges M.O. 1x16000x12		Rs.1,92,000	
STS/STLS 2x7500x12		Rs.1,80,000	
DEO 1x6000x12		Rs. 72,000	
LT 1x6500x12		Rs. 78,000	
Accountant 1x2000x12		Rs. 24,000	
Workshop/seminar etc.		<u>Rs. 5000</u>	Rs.5,51,000
11. Misc. 1.5 lakh x 1.5 m		Rs.2,10,000	<u>Rs. 1,43,000</u>
12. Cont. Ser. MOs 4x16000x12		Rs.7,68,000	Last yr. total Rs.16,60,000
MO 1x16000x9		Rs.1,44,000	.. Rs. 1,44,000
STS/STLS: 6x7500x12		Rs.5,40,000	
2x7500x9		Rs.1,35,000	.. Rs. 1,35,000
DEO 1x6000x12		Rs. 72,000	
LT 3x6500x12		Rs.2,34,000	
Driver 1x4500x12		Rs. 54,000	5% addn. over last year expr <u>Rs. 88,000</u>
Accountant 1x2000x12		Rs. 24,000	
5% addition over last year		<u>Rs. 83,000</u>	Rs.20,54,000
13. Printing 1.5 lakh 1.4 m.		Rs. 2,10,000	Rs. 70,400
14. R & Studies		0	Rs. 0
15. Drugs		0	0
16. Veh. Purchase		Rs. 50,000	Rs. 50,000
17. Eqp. Purchase		<u>Rs. 60,000</u>	<u>Rs. 60,000</u>
	Total	<u>Rs.43,49,700</u>	<u>Rs.33,73,400</u>

DEBIT/RECEIPTS			CASH/BANK BOOK				CREDIT/PAYMENTS				
Date	Vr. No.	Particulars	L F	Cash	Bank	Date	Vr. No.	Particulars	L F	Cash	Bank
				Rs.	Rs.					Rs.	Rs.
1/4/05		To Balance B/d		5000	115000	1/4/05	1	By lab consumables a/c (Being-----Cheque No.1001)	1		15000
						1/4/05	2	By contractual Services a/c (Being-----Cheque No.1002)	2		5000
							3	By advance a/c (Being-----)	7	1000	
								By Balance c/d		1000	20000
				5000	115000					4000	95000
										5000	115000
2/4/05		To Balance b/d		4000	95000	2/4/05	4	By Vehicle Maintenance a/c (Being-----)	3	800	
2/4/05	4	To Advance A/c (Being adjustment of advance-----)	7	1000		2/4/05	5	By Cash A/c (Being amount withdrawn from Bank vide Cheque no. 1003 per contra	C		5000
2/4/05	5	To Bank a/c (Being amount withdrawn from Bank vide Cheque no. 1003 per contra	C	5000		2/4/05	6	By Miscellaneous Expenses A/c (Being-----)	4	4500	
2/4/05	8	To Grant-in-aid a/c (BeingDD No.233311 Rt No.002)	6		360000	2/4/05	7	By Equipment purchase a/c (Being-----Cheque No.1004)	5		52000
								By Balance c/d		5300	57000
				10000	455000					4700	398000
										10000	455000
3/4/05		To Balance B/d		4700	398000		9	By lab consumables a/c (Being-----Cheque No.1005)	1		50000
							10	By Vehicle Maintenance a/c (Being-----)	3	3500	
						3/4/05		By Balance c/d		3500	50000
				4700	398000					1200	348000
4/4/05		To Balance b/d		1200	348000	4/4/05	12	By Miscellaneous Expenses A/c (Being-----Ch.No.1006)	4		5300
4/4/05	11	To Lab consumables a/c (Being-----Cheque No.501/Receipt No. 01)	1		50000	4/4/05	13	By Miscellaneous Expenses a/c (Being -----Cheque no. 1007)	4		4700
								By Balance c/d		-	10000
										1200	388000
				1200	398000					1200	398000

Solution – Exercise-3

Ledger

Page-1

Date	Particulars	Folio	Debit	Credit	Balance	
			(Rs.)	(Rs.)	DR./CR	Amount
	<u>Lab Consumable A/c</u>					
01/04/05	To Bank a/c	1	15000		Dr.	15000
03/04/05	To Bank a/c	1	50000		Dr.	65000
04/04/05	by Bank a/c	1		50000	Dr.	15000
	<u>Contractual services A/c</u>					Page 2
01/04/05	To Bank a/c	1	5000		Dr.	5000
	<u>Vehicle Maintenance A/c</u>					Page 3
02/04/05	To Cash a/c	1	800		Dr.	800
03/04/05	To Cash a/c	1	3500		Dr.	4300
	<u>Miscellaneous Expenses A/c</u>					Page 4
02/04/05/	To Cash a/c	1	4500		Dr.	4500
04/04/05	To Bank a/c	1	5300		Dr.	9800
04/04/05	To Bank a/c		4700		Dr.	14500
	<u>Equipment Purchase a/c</u>					Page 5
02/04/05	To Bank a/c	1	52000		Dr.	52000
	<u>Grant-in-aid A/c</u>					Page 6
02/04/05	By Bank a/c	1		360000	Cr.	360000
	<u>Advance A/c</u>					Page 7
01/04/05	To Cash a/c (Name of person)	1	1000		Dr.	1000
04/04/05	By Sundries a/c (Name of the Person)	1		1000		Nil

Solution : Exercise – 4

FORMAT FOR BANK RECONCILIATION STATEMENT

Name of the Society STCS Rajasthan

Bank Reconciliation Statement as on 31st March, 2006

Name of the Bank Bank of Baroda Jaipur Account No. S. B. A/c 0235412

S.No.	Particulars			Amount
1		Bank Balance as per Cash Book as on <u>31st March 2006</u>		2312525
2		<u>Add</u>		
	a.	Cheques issued but not presented		
		<u>Cheque No.</u> <u>Date</u>	Amount	
	i	020304 29/03/2006	2400	
	ii	020305 31/03/2006	15000	
	iii	
	iv	
		Sub Total- 2 (a)	17400	
	b.	Interest paid by Bank but not recorded in the Cash Book.	10200	
		Total-2 (a+b)	27600	27600
		Total (1+2)		2340125.
3		<u>Less</u>		
	a.	Cheques deposited but not yet credited by bank		
		<u>Cheque No.</u> <u>Date</u>	Amount	
	i	235602 25/03/2006	2000000	
	ii	450023 20/03/2006	10000	
		Sub Total- 3 (a)	2010000	
	b.	Bank Charges debited by Bank but not recorded in the Cash Book	125	
		Total - 3 (a+b)	2010125	2010125
4		Balance as per Pass Book/ Bank Statement - (1+2-3)		330000

SOLUTION TO EXERCISE NO. 5

NAME OF STCS/DTCS.....

TRIAL BALANCE AS ON 30th June2005.....

S.No.	Ledger Follio	Head of Accounts	Amount	
			Debit	Credit
1		Opening Balance (Cash/Bank)		120000
2	1	Lab Consumable A/c	15000	
3	2	Contractual services A/c	5000	
4	3	Vehicle Maintenance A/c	4300	
5	4	Miscellaneous Expenses A/c	14500	
6	5	Equipment Purchase a/c	52000	
7	6	Grant-in-aid A/c		360000
8		Closing Balance (Cash Book)	389200	
		Total	480000	480000

Solution – Exercise -6

Statement of Expenditure for the Quarter ending 30th June, 2007

S.No.	Category of Expenditure	Amount carried forward from the previous financial year.	Funds received during current financial year.	Amount reallocated during current Financial year (+) or (-)	Total Funds available during current Financial year (a+b+c)	Expenditure from April,1 of current financial year till previous quarter ending.....	Expenditure for the Quarter ending	Progressive expenditure for the current financial year (e+f)	Balance (d-g)	Remarks (reallocation & other remarks)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	Civil Works	100000	200000	-	300000	0	200000	200000	100000	
2	Laboratory Materials	200000	400000	70000	530000	0	250000	250000	280000	
3	Honorarium	50000	150000		200000	0	100000	100000	100000	
4	Publicity	50000	500000		550000	0	300000	300000	250000	
5	Equipment Maint.		500000		500000	0	350000	350000	150000	
6	Training		300000		300000	0	150000	150000	150000	
7	Vehicle Maintenance		300000		300000	0	200000	200000	100000	
8	Vehicle hiring charges		300000		300000	0	100000	100000	200000	
9	NGO Support		100000		100000	0	50000	50000	50000	
10	Medical Colleges		0		0	0	0	0	0	
11	Miscellaneous Contractual		700000		700000	0	400000	400000	300000	
12	Services	100000	1000000		1100000	0	800000	800000	300000	
13	Printing		200000		200000	0	100000	100000	100000	
14	Research & Studies		20000		20000	0	20000	20000	0	
15	Salary of regular staff				0	0	0	0	0	
16	Procurement of drugs				0	0		0	0	
17	Proc. of vehicles		300000		300000	0	300000	300000	0	
18	Proc. Equipments		30000	70000	100000	0	100000	100000	0	
	TOTAL	500000	5000000	0	5500000	0	3420000	3420000	2080000	
	Bank Interest & Mis. Income	0	30000	0	30000	0	0	0	30000	
	Grand Total	500000	5030000	0	5530000	0	3420000	3420000	2110000	

Statement of Expenditure for the Quarter ending 30th September, 2007

S.No.	Category of Expenditure	Amount carried forward from the previous financial year.	Funds received during current financial year.	Amount reallocated during current Financial year (+) or (-)	Total Funds available during current Financial year (a+b+c)	Expenditure from April, 1 of current financial year till previous quarter ending.....	Expenditure for the Quarter ending	Progressive expenditure for the current financial year (e+f)	Balance (d-g)	Remarks (reallocation & other remarks)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	Civil Works	100000	200000	-100000	200000	200000	0	200000	0	
2	Laboratory Materials	200000	400000	-70000	530000	250000	150000	400000	130000	
3	Honorarium	50000	150000		200000	100000	50000	150000	50000	
4	Publicity	50000	500000	-100000	450000	300000	100000	400000	50000	
5	Equipment maintenance		500000		500000	350000	100000	450000	50000	
6	Training		300000		300000	150000	50000	200000	100000	
7	Vehicle Maintenance		300000	100000	400000	200000	200000	400000	0	
8	Vehicle hiring charges		300000	-100000	200000	100000	50000	150000	50000	
9	NGO Support		100000		100000	50000	50000	100000	0	
10	Medical Colleges		0		0	0	0	0	0	
11	Miscellaneous		700000	0	700000	400000	300000	700000	0	
								130000		
12	Contractual Services	100000	1000000	200000	1300000	800000	500000	0	0	
13	Printing		200000		200000	100000	50000	150000	50000	
14	Research & Studies		20000		20000	20000	0	20000	0	
15	Salary of regular staff				0	0	0	0	0	
16	Procurement of drugs				0	0	0	0	0	
17	Proc. Vehicles		300000		300000	300000	0	300000	0	
18	Proc.of equipments		30000	70000	100000	100000	0	100000	0	
	TOTAL	500000	5000000	0	5500000	3420000	1600000	502000	480000	
	Bank Interest & Mis. Income	0	60000	0	60000	0	0	0	60000	
	Grand Total	500000	5060000	0	5560000	3420000	1600000	502000	540000	

Solution for Exercise - 7

Trial Balance for the period 01/04/2006 to 31/03/2007

S.No.	PARTICULARS	Amount(without opening balances)		Opening Balance		Amount (With Opening Balances)	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1	Opening Balance- Cash-in-hand		167	167			
	Cash at Bank		1488172	1488172			
2	Civil Works a/c (Revenue)	46534				46534	0
	Civil Works a/c (Capital)			570446		570446	0
3	Laboratory Materials a/c	331148				331148	0
4	Honorarium a/c	92275				92275	0
5	Publicity a/c	508154				508154	0
6	Equipment maintenance a/c	225174				225174	0
7	Training a/c	159946				159946	0
8	Vehicle Maintenance a/c	692410				692410	0
9	Vehile hiring charges a/c	55750				55750	0
10	NGO Support a/c	26813				26813	0
11	Medical Colleges	0				0	0
12	Miscellaneous Expenses a/c	570129				570129	0
13	Contractual Services a/c	2509800				2509800	0
14	Printing a/c	141762				141762	0
15	Research & Studies a/c	5584				5584	0
16	Salary of regular staff a/c	0				0	0
17	Procurement of drugs a/c	0				0	0
18	Procurement of vehicles a/c	473718		1822188		2295906	0
19	Procurement of equipments a/c	0		1734486		1734486	0
20	Advance paid a/c					0	0
21	Repayment of Loan a/c					0	0
22	EMD/SD paid a/c					0	0
23	Disbursement to other Units a/c					0	0
24	Grant-in-aid from GOI a/c		6500000			0	6500000
25	Grant-in-aid from State Government a/c					0	0
26	Advance/ EMD Received A/c				1219	0	1219
27	Loan a/c				950	0	950
28	Transfer of funds (inward a/c					0	0
29	Interest a/c		33388			0	33388
30	Miscellaneous receipts-EMD a/c					0	0
31	Capital Fund A/c				5613290	0	5613290
32	Cash in hand	167				167	
33	Cash at Bank	2182363				2182363	
34	Total	8021727	8021727	5615459	5615459	12148847	12148847

RECEIPTS AND PAYMENT ACCOUNT FOR THE HALF YEAR/YEAR ENDING 31ST MARCH 2007

NAME OF THE STCS/DTCS _____

RECEIPTS		PAYMENTS	
Previous year ending----- (Rs.)	Particulars	Current Year (AMOUNT) (Rs.)	Previous year ending----- (Rs.)
	Opening Balance		Funds Utilised
	Cash	167	Civil Works
	Bank		46534
	_____	1488172	Laboratory Material
	Grant-in-aid received from GOI	6500000	331148
	Grant received from State -	0	Honorarium
	Govt.or others (specify)		92275
	Advance	0	IEC (Publicity)
	Loan	0	Equipment
	Transfer of funds (inward)	0	Maintenance
	Interest	33388	225174
	Miscellaneous receipt- EMD etc	0	Training
			159946
			Vehicle Maintenance
			692410
			Vehicle Hiring Charges
			55750
			NGO Support
			26813
			Medical colleges
			0
			Miscellaneous
			570129
			Contractual services
			2509800
			Printing
			141762
			Research and Studies
			5584
			Salary of regular staff (Govt)
			0
			Procurement of Drugs
			0
			Procurement of Vehicle
			473718
			Procurement of Equipment_____
			0
			Sub-Total
			5839197
			Advance
			0
			EMD/SD
			0
			Disbursement to other Units
			0
			Closing Balance
			167
			Cash-in-hand
			2182363
			Cash-in-bank
			8021727
	Total	8021727	Total
			8021727

Signature of Member Secretary
Auditor

Vice Chairman

Chairman

INCOME AND EXPENDITURE ACCOUNT FOR THE HALF YEAR/YEAR ENDING 31ST MARCH 2007
NAME OF THE STCS/DTCS _____

EXPENDITURE			INCOME		
Previous Year ending 31st March _ (Amount)	Particulars	Current Year (AMOUNT)	Previous Year ending 31st March _ (Amount)	Particulars	Current Year (AMOUNT)
(Rs.)		(Rs.)	(Rs.)		(Rs.)
	Civil Works	46534		Grant-in-aid received from GOI	6500000
	Laboratory Material	331148		Grant received from State - Govt.or others (specify)	0
	Honorarium	92275		Interest	33388
	IEC (Publicity)	508154		Miscellaneous receipt- EMD etc	0
	Equipment				
	Maintenance	225174			
	Training	159946			
	Vehicle				
	Maintenance	692410			
	Vehicle Hiring				
	Charges	55750			
	NGO Support	26813			
	Medical Charges	0			
	Miscellaneous	570129			
	Contractual				
	services	2509800			
	Printing	141762			
	Research and				
	Studies	5584			
	Salary of regular				
	staff (Govt)	0			
	Procurement of				
	Drugs	0			
	Sub Total	5365479			
	Execss of Income over expenditure c/f to Balance sheet	1167909		Excess of Expenditure over Income c/f to Balance Sheet	
	TOTAL	6533388		TOTAL	6533388

Signature of Member Secretary

Vice Chairman

Chairman

Auditor

BALANCE SHEET AS ON 31ST MARCH 2007

NAME OF THE STCS/DTCS _____

LIABILITIES			ASSETS		
Previous year ending 31st March ____	Particulars	Current year ended 31st March ____	Previous year ended 31st March ____	Particulars	Current year ending 31st March ____
Amount (Rs.)		Amount (Rs.)	Amount (Rs.)		Amount (Rs.)
	<u>Capital Fund</u>			<u>Fixed Assets</u> (As per Schedule 'A-1' attached)	
5184735	Opening Balance	5613290	4127120		4600838
428555	Add: Excess of income over the expenditure brought forward from the Income and Expenditure account	1167909			
	<u>Current Liabilities and Provisions</u>			<u>Receivables</u>	
	<u>EMD/SD</u>			Sundry Deposits (telephone deposit etc)	0
950	Temporary loans and Advances	950		<u>EMD</u>	0
1219	Any other (please specify)	1219		<u>Other Current Assets</u>	
				Closing Stock (Course Material & Printed Stationery) (as verified, valued & certified by the Management)	
				<u>Loans/Advances</u>	
			0	Advances for civil Works.	0
			0	Advances for procurement of Vehicle/Equipment	0
			0	Advances to Staff for expenses	0
				<u>Cash & Bank Balances</u>	
			167	Cash in hand	167
			1488172	Cash at bank	2182363
				Remittance in transit.	0
5615459	Total	6783368	5615459	Total	6783368
_____ Signature of Member Secretary			_____ Vice Chairman		
_____ Signature of Member Secretary			_____ Chairman		
_____ Signature of Member Secretary			_____ Auditor		

