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Part-1

GENERAL PRINCIPLES

SECTION I--SHORT TITLE AND COMMENCEMENT

1. In exercise of the powers conferred under sub-section-1 of section 42 of the Public Financial Management Act, 2019, the Government of Pakistan is pleased to make the following rules, namely:

(a) These rules may be called Federal Receipt and Payment Rules, 2021.

(b) They shall come into force at once. The custody of the Federal Consolidated Fund, the payment of moneys into that Fund, the withdrawal of moneys therefrom, the custody of other moneys received by or on behalf of the Federal Government, their payment into, and withdrawal from, the Public Account of the Federation, and all matters connected with or ancillary thereto shall be regulated by these rules.

Note: These rules shall apply in conjunction and with reference to one another

SECTION II--- DEFINITIONS

2. Unless there be something repugnant in the subject or context, the terms defined in this Chapter have been used in these rules in the sense herein explained.

(a) **'Accounts Officer'** means the head of an office of accounts responsible for the compilation and consolidation of accounts of the Federal Government and includes the Accountant General, Pakistan Revenues and its sub-offices, District Accounts Officer/ Treasury Officer and head of an Accounts Office of an entity whose accounts stand departmentalized, for the purpose of these Rules.

(b) **"Accounting"** means a method of recording revenues are recorded when they are received, and expenses are recorded when they are incurred.

(c) **"Accounting records"** are any book of account upon which transactions are recorded or any other document issued or used in the preparation and processing of the transactions of accounting entities.

(d) **"Access Code"** includes pin, password, or code, which provides a means of access to accounting system for the purpose of initiating an Electronic Fund Transfer.

(e) **"Advanced electronic signature"** means an electronic signature which is either unique to the person signing it, capable of identifying such person, created in a manner or using a means under the sole control of the person using it, and attached to the electronic document to which it relates in a manner that any subsequent change in the electronic document is detectable.

(f) **“Appropriation”** means the amount provided in the budget estimates under a detailed object or part of that amount placed at the disposal of Drawing and Disbursing Officer, to meet expenditure on a specified object, or item. It is intended to cover all the charges including the liabilities of past years to be paid during the year or to be adjusted in the accounts of that year.

(g) **‘Assembly’** means National Assembly of Pakistan.

(h) **‘Assignment Account’** is a special purpose account in favour of government entities and is opened in a branch of the bank acting as the agent of the State Bank of Pakistan, in accordance with the provisions of the State Bank of Pakistan Act, 1956.

(i) **‘Auditor General’** means Auditor General of Pakistan as defined in Article 168 of the Constitution.

(j) **‘Bank’** means the State Bank of Pakistan, or any branch or agency of the State Bank, or any bank acting as the agent of the State Bank of Pakistan, in accordance with the provisions of the State Bank of Pakistan Act, 1956 (Act XXXIII of 1956).

(k) **“Books of account”** are any account, deed or any other document or record however compiled, recorded, or stored whether in written form, printed form, microfilm, or electronic form.

(l) **‘Book Transfer’** denotes the process whereby financial transactions which do not involve the giving or receiving of Cash, or of Stock materials, are brought to account. Such transactions usually represent liabilities and assets brought to account either by way of settlement or otherwise, but they may also represent corrections and amendments made in Cash, Stock, or Book Transfer transactions previously taken to account.

(m) **‘Cash’** includes legal tender coin, currency notes, Electronic Card, Pre-audit cheque, Departmental cheques payable on demand, remittance transfer receipts, demand drafts or pay orders and stamps.

(n) **‘Card’** means any card including an ATM card, Electronic Fund Transfer point of sale card, debit card, credit card or stored value card, used by a consumer to affect an Electronic Fund Transfer.

(o) **‘Cheque in the Electronic Form’** means a cheque which contains the exact image of a paper cheque in electronic form and is generated, written and signed in a secure system ensuring safety standards as may be prescribed by the State Bank.

(p) **‘Charged Expenditure’** is the expenditure, which under the article 81 of the Constitution of the Islamic Republic of Pakistan has been declared as charged on the Federal Consolidated Fund and as such is not subject to the vote of the National Assembly under article 82 of the Constitution and includes.

- i. the remuneration payable to the President and other expenditure relating to his office, and the remuneration payable to-
- ii. the Judges of the Supreme Court and the Islamabad High Court.

- iii. the Chief Election Commissioner.
- iv. the Chairman and the Deputy Chairman.
- v. the Speaker and Deputy Speaker of the National Assembly.
- vi. the Auditor General.
- vii. the administrative expenses, including the remuneration payable to officers and servants, of the Supreme Court, Islamabad High Court, the department of Auditor General, the office of Chief Election Commissioner and of the Election Commission and the Secretariats of the Senate and the National Assembly.
- viii. all debt charges for which the Federal Government is liable, including interest, sinking fund charges, the repayment or amortization of capital, and other expenditure in connection with the raising of loans, and the service and redemption of debt on the security of the Federal Consolidated Fund.
- ix. any sums required to satisfy any judgement, decree or award against Pakistan by any court or tribunal; and
- x. any other sums declared by the Constitution or by Act of Parliament to be so charged.

(q) 'Collector' means head of a district, or an officer nominated by the Government to be collector in respect of a Federal Treasury and includes any other officer for the time being authorised by the Finance Division to discharge the duties of the Collector for the purposes of these rules.

(r) 'Competent Authority' means the Government or any other authority to whom the relevant powers have been delegated by the Government.

(s) 'Constitution' means the Constitution of the Islamic Republic of Pakistan, 1973.

(t) 'Contract' means any kind of undertaking, written or verbal, express or implied, by a person not being a government servant, or by a syndicate or firm, for the construction, maintenance, or repairs of one or more works or for the supply of goods, or lease, or for the performance of any service in public interest.

(u) 'Contractor' means a person, consultant, syndicate or firm, company or an organization which undertakes to execute the contract.

(v) 'Controlling Officer' means an officer entrusted with the responsibility of supervision and incurring of expenditure and/or collection of receipts under a given function of account.

(w) 'Detailed Bill' is a bill setting forth the details of either miscellaneous or travel allowance expenditure and is subject to sanction by an officer competent to sanction.

(x) 'Detailed object' is a sub-division of a minor object.

(y) 'Division' means a self-contained administrative unit responsible for the conduct of business of the Federal Government in a distinct and specified sphere and declared as such by the Federal Government.

(z) **‘Drawing and Disbursing Officer’** means an officer responsible for drawing money from Government Accounts Office and disbursing it on behalf of the Government to the claimant under the Rules.

(aa) **‘E-Stamp’** means a paper printed or partially printed containing a bar code or having any of its unique identification code and such other information, as may be specified by the rules, to be generated and printed, on deposit of money equivalent to chargeable stamp duty in the account of the Government;

(bb) **“Electronic document”** includes documents, records, information, communications or transactions in electronic form;

(cc) **‘Electronic Fund Transfer’** means any transfer of funds, other than a transaction originated by cheque, draft or similar paper instrument, which is initiated through an Electronic Terminal, telephonic instrument, point-of -sale Terminal, stored value card Terminal, debit card, ATM, computer magnetic tape or any other electronic device so as to order, instruct, or authorize a Financial Institution to debit or credit an Account.

(dd) **“electronic signature”** means any letters, numbers, symbols, images, characters or any combination thereof in electronic form, applied to, incorporated in or associated with an electronic document, with the intention of authenticating or approving the same, in order to establish authenticity or integrity, or both;

(ee) **‘Finance Division’** means the Finance Division of the Government of Pakistan.

(ff) **‘Financial Year’** means a year commencing on the first day of July.

(gg) **‘Goods’** includes all materials, commodities and articles.

(hh) **‘Government’** means the Federal Government.

(ii) **‘Federal Consolidated Fund’** means the funds defined in Article 78 (1) of the Constitution of Islamic Republic of Pakistan.

(jj) **‘Head of Department’** in relation to receipt and expenditure, means the in-charge of an attached department responsible for supervision and control of receipts and expenditure under any object in the respective function and grant.

(kk) **‘Head of Office’** means a Government servant designated as a Drawing and Disbursing Officer declared to be the head of an office by competent authority.

(ll) **‘Local Government’** means a union council or Metropolitan Corporation established under the Islamabad Capital Territory Local Government Act, 2015.

(mm) **‘Major Object’** is an element of Object classification indicating receipt and / or expenditure in the accounts of the Government.

(nn) **‘Minor Object’** is a sub-division of a major object.

- (oo) **‘Non-recurring expenditure’** means expenditure of occasional nature.
- (pp) **‘Officer’** means Government Servant holding a post in pay Scale 17 and above.
- (qq) **‘Official’** means a Government servant holding a post in pay Scale 1 to 16.
- (rr) **‘Pay Order’** is an order of payment authorized by an Accounts Officer payable at the specified branch of the Bank under his/her jurisdiction in favour of the person to whom money is due or who is responsible for the disbursement.
- (ss) **‘Pre-Audit Cheque’** is a cheque issued by the Accounts Officer, after applying pre-audit checks for payment of a claim against the Government.
- (tt) **‘Principal Accounting Officer’** means the Secretary or any officer to be designated as Principal Accounting Officer, responsible for managing one or more grants or charged expenditure.
- (uu) **‘Procuring Agency’** means the procuring Agency as defined in Public Procurement Regulatory Authority Ordinance, 2002.
- (vv) **‘Procurement’** includes acquisition of goods, hiring of services and execution of works as defined in Public Procurement Regulatory Authority Ordinance, 2002.
- (ww) **Payment Slip ID (PSID)** is a 17digit unique number generated by a designated agency for making payment of government dues through internet banking, automated teller machines (ATM), bank’s mobile applications, Over the Counter (OTC), Easy Paisa, Jazz Cash etc.
- (xx) **‘Public Account’** means the Account as defined in Article 78 (2) of the Constitution of the Islamic Republic of Pakistan.
- (yy) **“Public Moneys”** means the moneys forming part of the Federal Consolidated Fund or the Public Account of the Federation.
- (zz) **“Re-appropriation”** means the transfer of funds under same grant and function from one detailed object to another detailed object.
- (aaa) **“Suspense Head of Account”** is the head of account used to record transactions of a temporary nature which are not adjustable in accounts as final outlay or the correct classification of which cannot be determined at once.
- (bbb) **‘Technical Approval’** This name is given to the order of a competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair proposed to be carried out in the Public Works Department. Ordinarily, such approval is an ante factum action accorded by a Division or by such authorities of the Division to whom the power has been delegated. Sanction accorded to a work by any other division of Government is regarded merely as an administrative approval of the work.
- (ccc) **‘Validly accrued charge’** means a claim / charge against the government on account of some job or service rendered or goods purchased and taken on stock or works done, ensuring

quality and quantity, after following the prescribed procedure and amounts payable under some contract.

(ddd) 'Voted Expenditure' is the expenditure, which is not "charged". All such expenditure is subject to the vote of the National Assembly.

(eee) 'Vendor' means a person or a company selling / providing goods or services to a government department against a tender etc.

SECTION III

LOCATION OF MONEYS CREDITED TO GOVERNMENT ACCOUNT.

3. (1) Unless otherwise specified, moneys credited to Government Account shall be held in the State Bank of Pakistan. Moneys deposited in the Bank shall be considered as one general fund in the books of the Bank on behalf of the Government.

(2) Deposit of such moneys in the State bank of Pakistan will be governed by the terms of agreement (specified in Appendix-A to these rules) made with the Bank under section 21 of the State Bank of Pakistan Act, 1956 (Act XXXIII of 1956).

SECTION IV

PAYMENT OF REVENUE INTO THE FEDERAL CONSOLIDATED FUND-

4. (1) All moneys received by or tendered to Government officials/officers on account of revenues or receipts, or dues of the Government shall without undue delay, be paid in full into the Bank, or in case of moneys received by Pakistan missions abroad, into such banks as may be authorized by the Government in consultation with State Bank of Pakistan in this behalf and shall be included in the Federal Consolidated Fund. Moneys received as aforesaid shall not be utilized to meet departmental expenditure nor otherwise kept apart from the Federal Consolidated Fund except as authorized in sub-rule (2).

(2) Notwithstanding anything contained in sub-rule (1), direct utilization of departmental receipts is authorized in following cases, namely: -

(a) In case of departmental receipts used in accordance with departmental regulations by Postmasters and other heads of offices of the Pakistan Post office Department.

(b) in the case of moneys received on account of the service of summons, diet-money of witnesses and similar purposes, in civil, revenue and criminal cases.

(c) In the case of deposits received at a Civil Court and utilised by the Court to meet claims for the refund of such deposits.

(d) In the case of fees received by Government servants appointed Notaries Public under Act XXVI of 1881, and utilized to defray legal expenses incurred by them in the discharge of their duties as such Notaries Public;

- (e) In the case of cash collections of the Customs Department utilised, under special authorisation of the Government, in meeting payments on account of departmental expenditure.
- (f) In the case of cash found on the persons of prisoners at the time of their admission to jail and used for the repayment by jail Superintendents under departmental regulations, of similar sums due to other prisoners on their release.
- (g) in the case of cash receipts of Railways utilized under departmental regulations or with the previous approval, general or special, of the Government, for departmental purposes.
- (h) In cases of Government Libraries, to permit the replacement of books, belonging to the Library, which are not returned by borrowers, out of their deposit money;
- (i) In the case of the Survey of Pakistan Department, to permit the payment of commission to Map Agents out of map sale receipts;
- (j) In the case of Branch Military Dairies located at stations where there is Military treasure chest or authorised bank, to enable the sale proceeds of dairy produce being utilised for meeting their current expenditure, the equivalent amount being remitted into the Bank by the parent Dairy Farms;
- (k) In the case of sale proceeds of office furniture, etc., purchased from the office Allowance Fund of a Military Unit or Office, and utilized under departmental regulations for the purposes of the Fund.

5. Authority given for appropriation of departmental receipts for departmental expenditure shall not be construed as authority to keep the departmental receipts and expenses defrayed therefrom outside the account of the payments into and the withdrawals from the Federal Consolidated Fund.

6. All moneys received by, or tendered to, Pakistan Missions abroad (other than the Ambassador of Pakistan in the U. K.) on account of the revenues of the Federal Government shall be paid into such bank or banks as may be authorised by Government in consultation with the State Bank of Pakistan.

7. Moneys received by a Government officer whether in an official or other capacity, which do not relate to or form part of the revenues of the Federal Government shall not be included in the Federal Consolidated Fund and a Government officer, is not required to pay into the Federal Consolidated Fund any such moneys. If any question arises whether moneys are or are not moneys relating to or forming part of the revenues of the Federal Government, the question shall be referred to the Finance Division for decision.

(1) Save as hereinafter provided, a Government officer may not, except with the special permission of the Government, deposit in a bank money withdrawn from the Federal Consolidated Fund or the Public Account of the Federation, as the case may be.

(2) So much of the grant of the Chief of Army Staff as may be drawn in advance under departmental regulations may be kept in any bank in his official title.

**FACILITY FOR PUBLIC TO CREDIT GOVERNMENT DUES DIRECT INTO THE BANK
IN ELECTRONIC MODE-**

8. Money due to the Government may be credited directly into the specified branch of the Bank acting as agent of the State Bank or any branch of a commercial bank in accordance with the procedure notified by the Ministry or a Division. In case of deposits in a bank other than acting as agent of the State Bank, the receiving bank shall cause them to be included in the deposits held by the State bank of Pakistan in accordance with provisions of rule 3.

SECTION V

**WITHDRAWALS OF PUBLIC MONEYS FROM THE CONSOLIDATED
FUND OR THE PUBLIC ACCOUNT-**

9. Save as expressly provided by or under these rules, or unless Ministry of Finance after consultation with the Controller General Accounts otherwise direct in any case, moneys may not be withdrawn from the Federal Consolidated Fund or the Public Account of the Federation, as the case may be, without the written permission of the Accounts Officer.

10. The Accounts Officer may permit withdrawal for any purpose, in public interest and in accordance with rules framed under sub-section-1 of section-42 of the Public Financial Management Act, 2019.

(a) Subject as hereinafter provided in this Section, an Accounts Officer may permit withdrawal for all or any of the following purposes: -

(i) To pay sums due from the Government to the Drawing and Disbursing Officer against a valid claim.

(ii) To provide the Drawing and Disbursing Officer with funds to meet claims likely to be presented against the Government in the immediate future by: -

(a) Other Government servants; or

(b) Private Parties.

(iii) To enable the Drawing and Disbursing Officer to supply funds to another Government servant to meet similar claims.

(vi) To pay direct from the Bank sums due by Government to a private party.

(vii) In the case of an officer or authority empowered to make investments of moneys standing in the Consolidated Fund or the Public Account of the Province for the purpose of such investment.

(b) Accounts Officer shall not permit withdrawal for any purposes unless the claim for withdrawal complies with the provisions contained in these Rules.

11. No withdrawal shall be permitted on a claim, for the first of any series of payments for pay and

allowances to a Government servant other than a person newly appointed to Government service, unless the claim is supported by a last pay certificate/pay slip in such form as may be prescribed by the Controller General Accounts and any instruction issued by the Government.

Note. - An Accounts Officer may not permit any withdrawal in respect of pay and allowances of a Government servant to whom he has granted a last-pay certificate, unless the certificate is first surrendered.

12. The Accounts Officer shall be responsible for acceptance of the validity of a claim against which he has permitted withdrawal, and for evidence that the payee has actually received the sum withdrawn. The Accounts Officer shall obtain sufficient information as to the nature of every payment he is making and shall not accept a voucher (bill), which does not formally present that information.

13. When a Government Servant, who is authorized to draw or countersign cheques or bills payable at the Accounts Office or the Bank, makes over charge of his office to another, he shall send a specimen of the relieving Government servant's signatures to the Accounts Officer and the Bank, as the case may be

14. Inter-Government Transactions- (1) All inter- government transactions between different governments shall be processed in accordance with provisions contained in chapter-12 of the Accounting Policies and Procedures Manual.

(2) Receipts and disbursements in a Province on behalf of the Federal Government shall be adjusted, as far as practicable, directly against the balance of the Federal Government held by the Bank, but where such transactions are temporarily taken into account against the balances of the Province with the Bank, the Accountant General of the Province will, on receipt of intimation from the treasury, make the requisite adjustments in respect of the aforesaid transactions through the Central Accounts Section of the Bank against the balances of the Federal Government held by the Bank.

(3) All adjustments against the balance of the Federal Government by debit or credit to another Government shall be made through the Director, Accounts State Bank of Pakistan.

15. Extent of responsibility of the State Bank in connection with the business of Government.

Extent of the responsibility of the Bank in connection with business of the government will be in accordance with terms of the agreement referred to in rule 3.

NOTE. 1—The Bank will be kept open for the conduct of Government transactions on a recognized holiday, or beyond normal business hours on any day (e.g., on the last working day of June every year), if so required by the Ministry of Finance, or by any authority or authorities nominated by it.

. **NOTE. 2**—The Finance Division may regulate by administrative instructions any class or nature of a financial transaction i.e. receipts or payments in such manner so as to conform to certain deadlines within the financial year, regardless of the prescribed period of the financial year.

SECTION VI

RESPONSIBILITY OF A GOVERNMENT SERVANT IN RESPECT OF FUNDS PROVIDED TO HIM FOR EXPENDITURE

16. A Government servant provided with funds for expenditure is responsible for their proper disposal. Such funds generally partake the nature of amounts payable to the officers and subordinate staff on account of pay, allowances etc. or to private persons or parties on account of miscellaneous charges, other expenditure, refunds etc. To discharge this responsibility, the Drawing and Disbursing Officer should see that payments are made to the person or persons entitled to receive them and that un-disbursed funds are either redeposited into the Bank or adjusted by short drawl in the next bill or bills and are not retained in his hand for a period longer than is absolutely necessary or is permissible under the rules. Thus:

I. As regards payments to private parties, he should obtain for payment (including repayment of money previously lodged with Government for whatever purpose) an acknowledgment of the payment setting forth full particulars of the claim. Where any particular form has been prescribed, it should be used as far as possible. The acknowledgement should always be taken at the time of payment and should be signed by the person by whom or on whose behalf the claim is put forward.

II. If a disbursing officer anticipates any difficulty in obtaining, from the person to whom money is due, a receipt in the proper form, it is open to him to decline to hand-over him the cheque or cash or to make a remittance to him, as the case may be, until the acknowledgment of the payment, with all necessary particulars, has been given by him.

III. When it is not possible to support a payment by a voucher, a certificate of payment, prepared in manuscript, signed by the disbursing officer, and endorsed, if necessary, by his superior officer, should always be placed on record. Full particulars of the claims should invariably be set forth, and where this necessitates the use of a regular bill form, the certificate itself may be recorded thereon.

IV. A Government servant supplied with funds for expenditure is responsible for rendering an account of such funds to the satisfaction of the Accounts Officer. He has, therefore, to see not only that the rules governing the withdrawal of money from the Federal Consolidated Fund or the Public Account, are duly observed but also that all objections raised by the Accounts Officer are attended to promptly. Further, in respect of any overcharges, the responsibility will rest primarily with the drawer of the bill and the overcharges will be recovered from him.

SECTION VII

AUTHORITY COMPETENT TO FRAME DEPARTMENTAL REGULATIONS FOR DETAILED PROCEDURES UNDER THESE RULES. –

17. (1) Where, under the provisions of these rules, detailed procedure with respect to any matter is required to be prescribed or regulated by departmental regulations, such regulations relating to particular division shall be made by the concerned division, with the approval of the Finance Division.

(2) Nothing contained in this rule shall affect the validity of any order, instruction or direction contained in any authorised departmental regulation except insofar as such order, instruction or direction is inconsistent with or repugnant to any distinct provision contained in these rules.

PART II

CHAPTER- I

RECEIPT OF GOVERNMENT REVENUES

GENERAL

General instructions for Handling Cash

18. - Save as otherwise expressly provided in these rules or in any authorised departmental regulations, the following instructions shall be observed by all drawing and disbursing officers who are required to receive and handle cash: -

- (i) Every such drawing and disbursing officer should maintain a cash book in Form - 1
- (ii) All monetary transactions should be entered in the cash book as soon as they occur and attested by him in token of check.
- (iii) The cash book should be closed regularly and completely checked. The drawing and disbursing officer should verify the totaling of the cash book or have this done by a responsible officer other than the writer of the cash book and initial it as correct.
- (iv) At the end of each month, He should verify the cash balance in the cash book and record a signed and dated certificate to that effect.
- (v) Entries made in the cash book regarding receipts received through the bank for credit into Government Account should be attested by the drawing and disbursing officer after verifying them with reference to the bank's receipt recorded on the pay-in-slips or challans and with the credits appeared in the receipt scroll from the bank.
- (vi) An erasure or over-writing of an entry once made in the cash book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. He should initial every such correction and invariably date his initials.
- (vii) A Government officer who handles Government money should not, except with the special sanction of the Principal Accounting Officer or Head of Department, be allowed to handle also in his official capacity money which does not belong to the Government. Where under any special sanction, an officer deals with both Government and non-Government money in his official capacity, the Government money should be kept in a cash box separate from the non-Government

money and the transactions relating to the latter should be accounted for in a separate set of books and kept entirely out of the Government Account.

NOTE 1. —The duties imposed by clauses (ii) to (vi) of this rule on the drawing and disbursing officer may be entrusted to a subordinate officer nominated by him for this purpose.

NOTE 2. —The cash books should be bound in convenient volumes and their pages machine numbered. Before bringing a cash book into use, the Drawing and Disbursing Officer nominated by him under Note 1 should count the number of pages and record a certificate of count on the first page of the cash book.

NOTE 3. —Cash and other valuables held in safe custody, on behalf of the Government, by a departmental officer or drawing and disbursing officer should be kept in an adequately strong cash chest or almirah (where, necessary, even embedded in the wall). The type of cash chest to be used for the purpose may be decided on the basis of the amount of cash and other valuables generally required to be kept therein in safe custody, and other relevant circumstances, such as general state of security of the premises of the office, the areas in which it is located, etc. The cash chest/ almirah should be secured by two locks of different patterns so that the keys of one do not fit into the other. The keys of such locks should be kept in different persons custody where practicable; and in any case, should be kept apart from that of the other lock so that the chest will not be accessible to unauthorised persons. The chest should not be opened unless both the custodians of the two locks are present for the purpose. Duplicate keys thereof should be placed in separate sealed covers and lodged with different officers of higher rank than the custodians of the chest. Wherever possible, such sealed covers should be kept in the relevant branch of the Bank conducting business of the department concerned.

Subject as provided in the preceding paras of this note, the detailed procedure to be observed with regard to the custody of Government money in the possession of the departmental officers may be laid down by departmental regulations.

(ii) GRANT OF RECEIPT TO THE PAYER

19. (1) A Government official receiving money on behalf of the Government must give the payer a receipt on **form 2**. The receipt shall be signed by a duly authorised officer who shall satisfy himself at the time of signing the receipt and initialing its counterfoil that the amount has been properly entered in the cash book.

(2) Where money is realized not in cash but by recovery from a payment made, on a bill setting forth full particulars of the deduction, a receipt may be granted only if specially desired by the payer, the fact of the recovery having been made by deduction, from the bill being clearly recorded on the receipt.

(3) All receipts must be written in figures and in words.

(iii) FORM AND CUSTODY OF RECEIPT BOOKS

20. (a) Receipt Books in machine-numbered Form -3 may be obtained from Government Printing Press. Form -3 will be used by all Government Officers receiving money on behalf of the Government unless any special forms of receipt is prescribed by departmental regulations.

(b) The original and the duplicate of the Receipt Form F T R. 3, will be in different colors. The original will be written in ink or in indelible copying pencil and the duplicate will be prepared by inserting a double-sided carbon paper in between the original and the duplicate. The original will be given to the payer and the duplicate shall be retained for checking by the audit.

(c) The receipt books must be kept under lock and key in the personal custody of the officer authorised to sign the receipt on behalf of the Government.

(d) Before a receipt book is brought into use, the number of forms contained therein shall be counted and the result recorded in a conspicuous place in the book over the signature of the Government officer in charge of the book. Counterfoils of used receipt books shall be kept in his personal custody.

21. Issue of duplicates and copies of receipts. — No Government officer may issue duplicates or copies of receipts granted for money received on the allegation that the originals have been lost. If any necessity arises for such a document, a certificate may be given that on a specified day a certain sum on a certain account was received from a certain person. This prohibition extends only to the issue of duplicates on the allegation that the originals have been lost and does not apply to cases authorised by these rules or by special orders of the Government in which duplicates have to be prepared and tendered with originals.

22. Procedure for affording transfer credit when departmental receipts are utilized for payment.— Whenever under the provisions of sub-rule 2 of rule 4 moneys received on account of revenues, receipts of the Government instead of being paid into the bank are utilized to meet departmental payments, the gross receipts and the payments made, therefrom shall be entered as receipts and expenditure in any record that may be kept of the payments into and withdrawal from the Consolidated Fund or Public Account as the case may be, and accounted for as such to the Accounts Officer. If the receipts are in excess of the payments made, the excess shall be remitted to the bank.

(iv) PAYMENTS INTO THE BANK

23. Except as provided otherwise any person paying money into Federal Consolidated Fund or

Public Account, as the case may be, will present receipt voucher form **(Challan on Form-3)** in triplicate at the Bank showing distinctly the amount (both in figures and words), nature of payment, the head of account (object code) to which amount is to be credited, the person or officer on whose account it is made. Thus, it shall contain all information necessary for classification and accounting of receipts.

(i). At the Bank, the money will be received and credited to the Government account after bank officials are satisfied that correct classification has been recorded and an acknowledgment will be granted to the payer on the original challan after stamping a unique, sequential receipt reference number, the other two copies being retained by the Bank and forwarded to the Accounts Officer with the daily account.

(ii) In case of electronic payments, the prescribed receipt voucher form (challan) bearing essential details indicating amount, object code, Collecting Officer's code, etc. under unique identification number (PSID) of the payer for each payment shall be generated by a designated agency The Bank, on receipt of equivalent amount, shall issue electronically signed e-CPR for receipts and collections of the Government. System generated receipt voucher form shall serve the purpose of challan presented to the Bank for payment.

Note. -Detailed procedure prescribed by State Bank for collection of receipts in electronic mode is reproduced at Appendix-B.

(iii) The cheques on other bank branches can also be accepted in payment of Government dues, or in settlement of other transactions. Such cheques must be crossed in all cases. Until, however, a cheque has been cleared, and amount credited to the Federal Consolidated Fund or Public Account, as the case may be, the collecting officer shall not admit that the payment has been received and consequently final receipts will not be granted when a cheque is tendered. A receipt for the actual cheque only will be given in the first instance, but if a person making payment in this manner so desires, a formal payment intimation may be sent to him via electronic mail or message through his cellular phone after the cheque has been cleared. Collection charges of the bank, if any, will be recovered by or under instructions of the Bank, from the party presenting the cheque.

(iv) In the case of Government dues which are payable by a certain fixed date, the person desiring to make payments by means of cheque or bank draft must take suitable precaution to ensure that his cheque or draft reaches the bank or the departmental office concerned in good time keeping in view the provisions of rule 22(i) and (ii).

(v) DATE OF RECEIPT OF GOVERNMENT REVENUES, DUES ETC.

24. Government dues tendered in the form of a cheque or draft which is accepted under the provisions of these rules and is honored on presentation, shall be deemed to have been paid-

- (i) where the cheque or draft is tendered to the bank, on the date on which it was cleared and entered in the receipt scroll.
- (ii) where a cheque or draft is tendered to a departmental officer (in cases where such tendering is permissible or required under relevant departmental regulations) on the third working day after its presentation.
- (iii) Where the payment is made in electronic mode, on the date on which credit was entered in the receipt scroll by the receiving bank.
- (iv) Provided that, where a cheque or draft is marked as not payable before a certain date, the payment shall not be deemed to have been made until the date on which it becomes payable.

Note-1: Printed challan forms should be used. They should be presented at the Bank in triplicate; the original copy will be returned to the tenderer duly stamped as receipted and the other two copies retained in the bank for forwarding to the Accounts Office along with the credit scroll on daily basis. Accounts Officer will retain one copy while other will be collected by the department to which the receipt relates. In case of electronic payments, the bank shall generate advice of equivalent cash for direct credit to the Provincial Consolidated Fund or Public Account, as the case may be.

Note-2: Money on Government account shall be paid direct into the Bank except where so exempted under these rules or departmental regulations framed under rule 12 ante.

(Vi) DEPARTMENTAL REGULATIONS

25. The detailed procedure to be adopted in any particular department of the Government with regard to the realization of Government dues and granting of receipt for the money realized may be prescribed by departmental regulations.

CHAPTER- 2

PAYMENT PROCEDURE AT THE ACCOUNTS OFFICES

I-GENERAL INSTRUCTIONS

(i) INTRODUCTORY

26. (1) Money may be withdrawn from the Bank on the authorization of Accounts Officers in one of the following manners.

(i) by direct credit into the bank account of the payee through electronic mode, via credit advice.

(ii) on system generated cheques issued on submission of claim on bills / vouchers

(iii) by departmental cheques.

(2) The government servants designated as Drawing and Disbursing Officers by the competent authority may approve the claim and particulars of the payees to get moneys through direct credit into their respective bank accounts or by cheques on account of charges falling under Major, Minor and Detailed functions/objects in respect of which they have been declared as Drawing and Disbursing Officer.

(3) The following key steps are required to be followed in all expenditure transactions for pre-audit.

- Availability of budget allocation
- Sanction of expenditure.
- submission of claim and voucher (bill) for payment (except for salaries, wages and pension).
- Registration of purchase order/ claim voucher
- Certification (pre-audit of claims).
- Authorization of payment.
- Direct credit/Issue of payment cheque.
- Recording of expenditure in the accounting records.

(ii) GOVERNMENT SERVANTS AUTHORIZED TO WITHDRAW MONEY BY DIRECT CREDIT ADVICE ON BILLS / VOUCHERS

27. (1) Except as provided in this rule and in rules below, the respective Drawing and Disbursing Officers shall proceed in the prescribed manner to enable the government servants working under them to draw their pay and allowances through payroll system, via direct credit advice. The payment

of advances including final payment of General Provident Fund deposit of a subscriber should always be made by direct credit transfer to the nominated bank account of the subscriber.

(2) Officers/officials shall draw their pay and allowances by direct credit advice on the basis of the data provided to the Accounts Officer through the DDO. Government servants in exceptional cases may draw their pay and allowances etc. by system generated cheques on submission of claim voucher forms or bills.

(3). Account's officer may, as far as possible, disburse miscellaneous contingent payments to the contractors / suppliers by direct credit advice into their respective bank accounts or in exceptional cases by system generated cheques on submission of claim on bills / voucher to the Accounts Office.

(iii) SPECIAL INSTRUCTIONS FOR PARTICULAR KINDS OF CHARGES PAY AND ALLOWANCES -GENERAL RULES

(i) DEDUCTIONS FROM PAY

28. (a) The duty of noting the proper deductions to be made from pay on account of funds and other deductions e.g., rents of Government residences, provident fund subscription, adjustment of advances, recoveries etc., shall devolve on the drawers, as such deductions should be recovered short withdrawals from the Accounts Office. However, no other deduction shall be made from salaries or wages unless prescribed by an Act or Statute or by any order of a Court of Law or regulations governing the deductions or standing orders of the Government.

(b) Income tax deductions from the monthly pay shall be made strictly in accordance with the relevant provisions of the Income Tax Ordinance, 2001 as modified from time to time and the rules, orders and instructions issued from time to time by the Federal Board of Revenue.

(c). Any change in employee's allowances and deductions shall be notified through the change statement duly authenticated by the disbursing officer to the Accounts Officer. No discretion is, however, allowed to the disbursing officer in carrying out an order received from the Accounts Officer to make any particular deduction.

(ii) RENT DEDUCTIONS

29. (a) Demands (statement of rents recoverable from pay) for rents of buildings of the Public Works Department, recoverable from Government servants are received from Estate Officers / Divisional Officers or Capital Development Authority towards the end of each month. The statement of demand may reflect name of the Estate, House / Flat / Quarter number, object code to which rent receipts are to be credited. Officers who draw their own pay and Heads of Offices under whose authority salary of establishments is paid or in case of pay roll system the Accounts Officer should ensure that the necessary deductions on account of rent from their own pay or establishment pay,

as the case may be is being made regularly as per the prescribed rates.

(b) The Accounts Officer concerned has no discretion in the matter of recovery. He should on no account postpone recovery of the full amount advised by Estate Officer / the Executive Engineer on any grounds, whatsoever. These recoveries should, without prior reference to the Government servants concerned, invariably be made in through the pay roll or pay bill of the Government servants concerned presented at the Accounts Office, unless the amounts have in the meantime been paid in cash.

(c) Thereafter one copy of the demand should be returned to the Estate Officer / Divisional Officer. As an evidence of the amounts recovered, a copy of the salary statement reflecting the recovery of rent may be sent to the Estate Officer / Divisional Officer for record.

Note: If the rent recoverable from a Government servant is limited to a certain percentage of his pay, the particulars of such rate should be noted in the **Forms 5,6 and 7 (Pay 01 Pay 02/ Pay 03)**. Where, the rates of pay of a Government servant are changed retrospectively, such changes should be shown in the revised pay slip and intimated to the Divisional Officer by a special letter by the Head of Office.

(iii) FUND DEDUCTIONS

30. (a) A Government servant is compulsorily subscribed to the GP Fund from the date of his appointment at the rates prescribed by the government from time to time. Monthly subscription is deductible through the payroll. The subscriber shall provide requisite particulars in the payroll data **Form -05 (Pay01)**.

(b) The requisite particulars of establishment will be entered in Pay Roll System Amendment **Form - 6 (Pay 02)** (for single official) and **Form- 7 (Pay 03)** for more than one official. In cases where a subscription is paid for the first time the rule or special authority under which the subscription may be received should also be quoted in the Form -07, Form - 08 or Form -09, as the case may be.

Note-1: A government servant on Deputation or Foreign Service shall deposit monthly subscription in the Public Account through a challan/voucher containing full particulars including classification.

(iv) ATTACHMENT OF PAY, ALLOWANCES AND PENSION FOR DEBT

31. (a) When the pay of a Government servant is attached by any order of a Court of Law, it is the duty of the officer receiving the attachment order to see that the proper deduction is made in satisfaction of such order from the pay of the Government servant concerned.

(b)The extent to which the emoluments of a Government servant are exempt from attachment for debt is laid down in Section 60(1) of the Code of Civil Procedure, 1908 is reproduced in Appendix C.

(c) The following instructions should be observed in recovering amounts from Government servants on account of attachment orders issued by Courts.

(d) When the pay of a Government servant is attached by an order of a court of law, it shall be the duty of the officer receiving the attachment order to see that the proper deduction is made in satisfaction of such order from the pay of the Government servant concerned and to keep a record of such deductions.

(e) If a Government servant is adjudged insolvent, the attachable portion of his salary shall vest in the Court that passed the order of insolvency or the receiver appointed by the court. The amounts, which have been under attachment in execution of the decree against the insolvent, shall also, after the orders of insolvency, shall be sent to the insolvency court of the receiver which issued the orders of attachment for prorata distribution among all the creditors of the insolvent Government servant.

(f) Subject as hereinafter provided in this rule, the gross amount of pay and allowances shall be drawn on a payroll /pay bill but only the net amount after deducting the amount recoverable under the attachment order shall be disbursed to the Government servant concerned. The authority, who is to make deductions, shall be responsible for remitting the amount without undue delay to the Court concerned.

(g) The maximum amount attachable by a Civil Court is calculated on the amount earned and not on what remains after satisfying any debts due to Government on account of advances taken under the rule.

(h) Any deduction which may have to be made on account of subscriptions to provident funds recognized by Government, taxes on income payable by the Government servant and debts to Government should be made from the non-attachable portion of Government servant's salary.

(i) Recoveries in satisfaction of attachment orders should be made in the order in which they are received and should be made by the head of the office in the case of officials. In the case of officers, the recoveries should be made by the Accounts Officer.

Note-1: The cost, if any, of remittance to a Court of money realized under its attachment order should be deducted from the amount realized and the net amount remitted to the Court.

Note-2: Any deduction which may have to be made on account of subscriptions to provident funds recognized by Government, taxes on income payable by the Government servant and debts due to Government should be made from the non-attachable portion of the Government servant's salary.

(v) DISBURSMENT OF SALARY TO GOVERNMENT SERVANTS

32. (1) Pay and allowances for the month shall be paid on the first working day of the following calendar month by credit transfer direct to a bank account nominated by the government employees.

(2) If the first two days of a month are public holidays, the payment of pay and pension shall be made on the last working day of the month to which it relates.

(3) If the festival of Eidul Fitr, Eidul Azha, Dussehra, Diwali, Easter, Guru Nanak's Birthday or Christmas falls within the last ten days of a month, pay, allowances and pension of that month may be disbursed in advance to all Government servants and pensioner belonging to the community which is observing the festival. The advance shall not be disbursed earlier than five days before the date of festival.

(4) Pay and allowances of the officers and staff employed in Pakistan Missions abroad may be disbursed on the last working day of the month in the countries where it is customary to disburse the salaries on the last working day of the month.

Note- Bank holidays are declared as public holidays in pursuance of the Explanation to section 25 of the Negotiable Instruments Act, 1881 (XXVI of 1881), and should be treated as such for the purpose of this sub-rule (2)

33. (a) For placing the Government servant's name on the Pay Roll of the concerned Accounts Office, the particulars of the employee will be entered in Pay Roll System Amendment Entry Forms Pay -5 (for new appointment), Form--06 (Pay 02) (for change in pay (Single employee entry) and form-7 for multiple entries. The Forms -5,6 and 7 will be signed by the Drawing and Disbursing Officer himself where rate of pay and fixed allowances claimable by a Government servant attached with the post should be set forth.

(b)The responsibility of preparing last pay certificate/ service statement in case of officials and officers shall rest with the disbursing officer and the Accounts Officer respectively.

34. No Government servant may draw an increased or changed rate of pay, leave salary or fixed allowance unless the Accounts Officer in charge of pay roll furnishes with an authority (pay slip) authorizing the amount to be drawn. If delays occur in the issuance of pay slip notifying changes in the rate of pay, especially if the change is made near the end of a month, or if the change takes effect from a date which cannot immediately be ascertained, Government servant should draw his pay at the old rate reflected in the Payroll System of the Accounts Officer. The said Government servant shall only start getting salary at increased rate through payroll System after the letter of authority is issued.

35. (a) When a Government servant is transferred, his salary shall be charged to the erstwhile department/ division up to the date of transfer and payment from that date onward shall be charged to the division to which the employee is transferred. The pay shall thus be allocated between the two divisions on the basis of working days in each department / entity during the given month.

(b) The Department / entity from which the Government servant is transferred shall immediately inform the relevant Accounts Office through change statement. The concerned Accounts Office shall issue a "Last Pay Certificate" on **Form- 4** to the Government servant and shall ensure that the Government servant has been deactivated from the employee's payroll system and his data/service record is transferred to new Accounts Officer in the System.

(c) The Accounts Officer shall send a copy of the last pay certificate, both on-line and by registered post, to the relevant Accounts Office where from the Government shall draw his salary henceforth. The new Account Office shall ensure that the employee is entered onto their payroll system from the date of transfer / joining his new post.

(d) In cases where an employee's Last Pay Certificate is delayed, the Accounts Officer may authorize a 'provisional payment of salary' to the Government servant on the basis of particulars available in the system.

36. A Government servant who is newly appointed shall submit the employee master file creation **form -5(Pay 01)** along with the certificate of medical fitness for obtaining authorization (pay slip) of the rate of pay and allowances at which payment is to be made.

37. (a) The last payment of salary and allowances shall not be paid to employee leaving the service of the Government due to resignation, dismissal, or otherwise, until both the DDO and the Accounts Officer are satisfied that there is no outstanding amount due from the employee.

(b) Where an employee is leaving the service of the Government due to retirement, the last payment of salary and allowances shall not be held up merely to verify that no outstanding amount is due from the employee. The employee shall agree in writing that any valid outstanding amount coming to notice within a period of one year from the date of retirement may be recovered from the pension payments.

38. Annual increment accruing to a Government servant shall be drawn by a government servant as a matter of routine unless an adverse order is passed by the competent authority as a penalty under the E&D rules.

Note: In order to enable the Accounts office to exercise pre-audit the matter of accrual of increment, copy of such orders to withhold increments shall be provided to the Accounts Office. On receipt of any such orders withholding increments of officials, the Accounts Office will accordingly reverse the stage of pay in the pay roll.

Death of Payee

39. Pay and allowances can be drawn for the day of man's death. The hour at which death takes place has no effect on the claim.

Note. — "Day" for the purpose of this rule shall mean a calendar day beginning and ending at midnight.

40. Pay and allowances claimed on behalf of a deceased Government servant may be paid to a person who is entitled to receive his pension and gratuity as per details of family members provided to his department by the employee and Accounts Office during his service in Form- 5, or at the time of retirement. as the case may be, in accordance with the rules or regulations prescribed on the subject.

(vi) RECONCILIATION of PAYROLL EXPENDITURE

41. (1) A Monthly Salary Statement will be produced by the Accounts Officer for each Drawing and Disbursing Officer indicating the personnel number of each employee under him on the payroll, the rate of their respective pay and allowances and expenditure each month. Salary statement shall be forwarded to the Drawing and Disbursing Officer for his authentication and verification before the next payroll is run in favor of the employees of his office.

(2) It shall be responsibility of the DDO to see that all amendments to payroll made by Accounts Officer are accurate and there are no unauthorized amendments, compare current month pay roll to last month and review any exceptions, to ensure that no employee is paid twice. He will further ensure that salaries have been credited to bank accounts of only bonafide employees and that they were entitled to the same.

(3) He will notify the Accounts Officer after, due reconciliation, any discrepancy in the salary statement provided by the Accounts Officer. It shall be further incumbent upon the DDO to intimate the Accounts Officer about the unauthorized absence of government servant from duty and adjustments so warranted in the payroll.

(vii) TRAVELLING ALLOWANCES

42. The reimbursement of travelling expenses may be made through direct credit advice or system generated cheque on the production of bill in **Form 8**. Traveling allowances of for the purpose of drawing the allowances on account of a family, a certificate must be furnished by the Government servant of the number and relationship of the members of his family for whom the allowance is claimed. No other details in these or other cases need be furnished, but every claim for the cost of carriage of personal effects and conveyances should be supported by a certificate that the actual expense incurred was not less than the sum claimed along with the payee's receipt and other supportive documents where required.

43. A bill in the same form setting forth the details of traveling allowance (Form - 5) claims of the members of the establishment on account of the same month (if more than one) at the end of the month, submitted for review and countersignature of the controlling officer, and forwarded to the Accounts Officer, under the rules applicable to travelling allowance charges. This bill must bear a certificate as follows: -

"Certified that I am satisfied that the amounts shown in the bill have been disbursed to the Government servants named and their receipts on the office copy of the traveling allowance bill."

Chapter-3

(viii) PENSION PAYMENTS

GENERAL

44. Payments of pensions and commutations are made only upon Pension Payment Orders issued by the Accounts Officer, via pension- roll. The Pension Payment Orders will be maintained in serial order and date-wise in a file in both electronic and manual mode for each class of pension. The pension record shall remain in the custody of the Accounts Officer. As soon as the commuted value of pension (one time) is disbursed to the pensioner by direct credit to his bank account, where his last salary was credited, the reduced pension shall be payable on monthly basis through the pension- roll run by the Accounts Officer.

45. Besides maintenance of a consolidated list of Pension Payment Orders and pension files in the system as well as in manual form, the Accounts Officer shall keep a Register of Pension Payment Orders (**Form -9**), which will serve as an index to the respective files of orders regarding each pensioner. After seeing that a new order is correctly entered in his register, he will put his initials in the column of "Name of pensioner" and rule a red ink line across the page below the entry. The column of remarks will be blank as long as the order of payment is in force; but when the pension is revised on account of death of pensioner, or application for transfer of pension in a new bank account as opted by the pensioner, the date and cause of revision shall be entered in black ink under initials of the Accounts Officer. Such changes shall also correspondingly be entered in the pension-roll data base of the pensioners in the Accounts Office.

46. The consolidated list of Pension Payment Orders and the Register of Pension Payment Orders and pension payments authorized thereon shall indicate a simple index showing.

(1) number of Pension Payment Orders.

(2) name of pensioners along with his designation, pay scale and department at the time of retirement.

(3) amount of commutation and pension along with increases drawn per month.

(4) pension payments by cost center.

(5) a column of "Remarks" should be pasted in the beginning of each guard file

(6) bank account details along with nominated branch of a scheduled bank anywhere in Pakistan.

MANNER OF PAYMENTS

47. The Accounts Officer will release monthly pension by direct transfer credit to the bank account nominated by the pensioner. However, the first payment of pension along with commutation shall be made in the bank account of the retiring government servant through which he got his last

salary. The pensioner may opt to change his bank account subsequently by applying to the Accounts Officer in the prescribed form, providing full particulars regarding the bank branch, account number etc. duly verified by the bank manager.

CONTINUED EXISTENCE OF PENSIONER

48. (a) A pensioner drawing pension through direct credit system shall undergo biometric verification on National Database and Registration Authority (NADRA) system from any branch of a bank maintaining his pension account, every year in the months of March and October or provide a life certificate to the Accounts Officer in the prescribed **Form-10**, verified by some person exercising the powers of a Magistrate under the Criminal Procedure Code, 1898 or by any Registrar or Sub-registrar appointed under the Registration Act, 1908, or by any pensioner who, before retirement, held a post in BS-17 and above or by Members of the National or Provincial Assemblies, or member of the Senate.

(b) If a pensioner drawing pension under the provision of sub-rule (a) fails to submit a life certificate or fails to undergo NADRA biometric verification during the months of March and October or he does not draw his pension for consecutive six months, his bank account shall become dormant.

(c) In case the pensioner undergoes biometric verification or produces his life certificate subsequently, his pension shall be released along with arrears under intimation to the pensioner. Any overpayment shall be recovered/ adjusted by short recoveries from pension or family pension, as the case may be.

(d) Pensioners receiving pension in Pakistan who proceed abroad for long periods or take up residence abroad and are unable to carry out biometric verification will be required to furnish Life Certificate on **Form-11** authenticated by an officer of a Pakistani Mission abroad/ or a medical certificate issued by a medical practitioner in a host country through Pakistani missions to Chief Accounts Officer, Ministry of Foreign Affairs who will forward it to the concerned bank for updating it into NADRA system for continuance of payment of pension by the Accounts Office concerned.

(e) A declaration in **Form- 12** shall be obtained yearly in the month of September from pensioners whose pension is terminable by their marriage or re-marriage, however this requirement will be dispensed with after attaining age of 60 years by the pensioner.

49. Provisions contained in rule 48 ante will not apply to Pensioner(s) who are already receiving pension abroad through Pakistan Missions Office/ Chief Accounts Officer, Ministry of Foreign Affairs, who will continue to provide proof of life through a medical certificate or by way of Life Certificate signed by an Officer of Pakistan Mission on **Form13**. The Pakistan Mission abroad shall forward the Medical or Life Certificate through Chief Accounts Officer, Ministry of Foreign Affairs to Accounts officer concerned for information and record purposes.

50. When a pensioner is a minor, or is for any other reason incapable of managing his own affairs, and has no regularly appointed manager or guardian, or when no such manager or guardian is nominated by the sanctioning authority, the Collector may on application by, or on behalf of the pensioner, and subject to such conditions as he may, impose, declare any suitable person to be the manager or guardian for the purpose of receiving, on behalf of the pensioner, the pension due to him, and payment of pension may be made to the bank account of such manager or guardian in the same way as the original holder, provided that sufficient proofs are forthcoming at the time of each payment of the original holder being alive and eligible to receive the pension for the period covered by the payment. Such declaration may, at any time, be revoked or altered at the discretion of the pension sanctioning authority.

DEATH OF PENSIONER

51. (a) Pension can be drawn for the day of man's death; the hour at which death takes place has no effect on the claim.

(b) On the death of a pensioner, payment of any arrears actually due may be made by the Accounts Officer or the bank to his heirs provided that they apply within one year of his death.

Note: The heirs of the deceased pensioners will be as prescribed in Section II of the Annexure to the Pension-cum-Gratuity Scheme of 1954, as amended from time to time

(c) Subject as provided in the preceding clauses, the provisions of rules 43 and 44 shall apply to payment of arrears of pensions due in respect of a deceased pensioner, as they apply to payment of arrears of pay and allowances due in respect of a deceased Government servant.

(d) In the event of death of pensioner, over payments if any, made to the pensioner will be credited on the last working day of June to the respective Head of Account along with accrued profit thereon by debit to the deceased pensioner's Account.

Chapter-4

PAYMENTS TO PERSONS NOT IN GOVERNMENT SERVICE

52. When a person not in the government service claims payment for work done, service rendered, or articles supplied, the Accounts Officer should require the submission of the claim voucher by the head of the office / Drawing and Disbursing Officer on line or manually if facility of on line payments is not made available to him.

53. (a) The Accounts Officer should, at the time of authorizing payments to non-officials/contractors etc., either on behalf of Government or any Local government on account of services rendered or fees, commission, remuneration or reward of any kind shall ensure that money is directly credited to the bank account of the of the claimant as indicated in the agreement and invoice after making after making necessary deductions of withholding taxes including Income Tax, Sales Tax, Professional Tax, etc. at source, at the prescribed rate under relevant Tax laws.

(b) Payments due to a contractor may be made to his bank account maintained in financing banks at their option instead of direct to contractors provided that the department concerned obtains;

(1) an authorization from the contractor in the form of a legally valid document like the power of attorney or transfer deed conferring authority on the Bank to receive payment.

(2) The contractor's own acceptance of the correctness of the accounts made out as being due to him by Government or his signature given by the Bank holding a power of attorney or transfer deed from the contractor constitute a full and sufficient discharge for the payment, contractors should, where possible, be induced to present their bills duly receipted and discharged through their Bankers or to receive payment by direct credit to their nominated bank accounts.

54. Grants-in-aid and scholarships may be withdrawn on bills by the persons, not being Government servants, who have been designated by name or office in the order sanctioning the grant. Educational scholarships, grants-in-aid to local governments, religious, charitable or educational institutions etc. contributions to public exhibitions and fairs, and compensation to Government servants or any other affected for accidental losses, etc., sanctioned by the Government should be disbursed through their respective Bank accounts only under the authority of the Accounts Officer, but when such expenditure is sanctioned by subordinate authorities under the powers delegated to them, the Accounts Officer shall make disbursements on the authority of such sanctions.

(ix) INSTRUCTIONS REGARDING PRESENTATION OF BILLS AT ACCOUNTS OFFICE

55. Any person having a claim against Government will present his voucher, duly receipted at the Accounts Office through the Drawing and Disbursing Officer.

56. A Transit Register on **Form-14** shall be used for submission of claims or bills / vouchers (viz. traveling allowance, arrears of pay, medical reimbursement and contingent expenditure etc.) or for transmitting change forms for emoluments disbursed through direct credit to payee's accounts at the

pre-audit counter of Accounts Offices.

57. All cash business on behalf of the Accounts Office shall be conducted by the Bank falling in its jurisdiction and all payments, without exceptions, shall be made by that Bank.

(X) GENERAL INSTRUCTIONS REGARDING PREPARATION OF CLAIM VOUCHER FORMS

58. The following general instructions regarding the preparation and form of vouchers should also be observed: -

(a). A prescribed claim voucher form (bill) **Form-15** shall be used by the government servant incurring expenditure for supplies made, services rendered, and work done under a contract or other arrangement.

(b). A duplicate claim voucher must not be prepared on the plea that the pre-audit cheque issued against it has been lost or destroyed. A non-payment certificate must be obtained from the Bank before submitting duplicate claim voucher.

(c) When a cheque needs to be stopped for any reason, the Accounts Officer who authorized the cheque shall immediately notify the Bank to stop the payment. The Bank's written acknowledgement must be obtained in such circumstances. When a duplicate claim voucher is issued, it shall have the word "Duplicate" written or stamped prominently upon the face of the voucher. The duplicate claim voucher shall also have reference to original voucher. Where the duplicate voucher is issued, the officer shall state the reasons for its issuance.

(e) Drawing and Disbursing Officers incurring expenditure shall complete the claim on bill form - 04 showing the following details:

- (1) details of the officer preferring the claim.
- (2) the name of the supplier with National Tax Number (NTN), Sales Tax Registration Number, Computerized National Identity Card (CNIC) number and full postal address. In case of partnership, companies, association, societies, etc., the registered title.
- (3) actual dates of supply or periods of service and the location and nature of service or work in respect of which expenditure is incurred. Each claim should be accompanied by all necessary supporting documentation.
- (4) a reference number of the contract account, or of other registers as the case may be; and
- (5) for payments in respect of contracts for buildings, works and services, the full amount of the contract and progressive payments supported by certificates given by the concerned engineer, consultant or other delegated officer as per value of work completed.

(f) All corrections and alterations in the total of a bill / voucher should be attested by the dated initials of the person signing the voucher as many times as such corrections and alterations are made; any corrections or alterations in the orders of payment if any, must be attested in the same way by the Accounts Officer. No documents bearing an erasure or overwriting can be accepted and

payments drawn by Drawing and Disbursing Officers on the Bank unless attested by their full signature.

(g) The complete accounts classification as per the Chart of Accounts and as shown in the statement of appropriations that is to say, the Grant number, Major, Minor and Detailed function, DDO code and object classification of expenditure. Cost center number, against which the amount of the bill is to be debited, will be entered in the claim voucher by the Drawing Disbursing Officer. This classification should also show whether the expenditure is voted or charged.

(h) No payment may be made on a claim bill / voucher or order, except under the signature of the designated Drawing and Disbursing Officer

Note-1: The head of an office may authorize any officer serving under him to sign a bill, voucher or order for him, communicating his name and specimen signatures to the Accounts Office. This will not, however, relieve the head of the office in any way of his responsibility for the accuracy of the bill or for the disposal of the money received in payment.

Note-2: Payment to suppliers and contractors shall not be made in advance unless it is part of the contract duly vetted by the Finance Division and supported by a bank guarantee for the value of the advance. Detailed vouchers shall be submitted within one month of the transaction for post audit by the Accounts Officer.

(i) The Drawing and Disbursing Officer shall send the following documents along with the original claim voucher to the relevant Accounts Office;

- sequentially numbered approved purchase order
- attested copy of approved contract with the supplier (where applicable)
- original approved bills (invoices) from the supplier.
- financial sanction to incur expenditure from competent authority, if beyond his delegated powers

(j) The authority under which deductions [withholding Tax, general sales Tax, security, adjustment of advances etc.] are made in a bill should be quoted.

(k) All claim vouchers shall be issued by the department/entity with a unique sequential voucher number. This shall incorporate a reference number for the particular department/entity and the Drawing and Disbursing Officer (the DDO). The Drawing and Disbursing Officer must account for any 'gaps' in the sequential number series.

(l) The officer making the claim shall provide a statement that the supplies have been received in good order and condition and have been entered in the assets/stock register, and/or the services have been satisfactorily carried out, as provided for in the contract or purchase order. This shall not apply in circumstances when a deposit or payment in advance as a condition of fulfilling a contract, is unavoidable. Prior approval of such expenditure, by a delegated officer, if still required, must be

accompanied by a certification that payment in advance is necessary and, in these cases, the following additional procedures must be followed:

- the claim voucher must be prominently stamped "PAID IN ADVANCE"
- The DDO should procure bank guarantee as security against advance payment.
- the delivery of outstanding goods and services should be followed up at regular intervals by the department/entity.

(m) Where payment relates to a commitment previously entered into by the entity, the claim voucher shall give reference details to the commitment advice form already sent by the Drawing and Disbursing Officer to the Accounts Office.

(n) Particulars entered on all claim vouchers (bill) shall be typed or written in ink and be free from erasures and overwriting. Where an alteration is found to be necessary, the word or figure shall be ruled through and the correction made. All such alterations shall be initialed by the officer making the claim. Where there are numerous alterations a fresh claim voucher (bill) shall be prepared, and the original claim voucher shall be cancelled and filed by the officer.

(o) Dates of payment shall be noted by the payees in their acknowledgments in sub-vouchers, acquaintance rolls, etc. and by the payees, the dates of actual payment should be noted by Disbursing Officers on the documents under their initials, either separately for each payment or by groups as may be found convenient.

CORRECTION OF ERRORS

59. Erasures and overwriting in any bill, voucher or cheque are absolutely forbidden; if any correction be necessary, the incorrect entry should be cancelled neatly in red ink, and the correct entry inserted. Each such correction, or any interpolation deemed necessary, should be authenticated by the head of the office setting his dated initials against each. Special care should be taken by the Accounts Officer as regards all vouchers and accounts showing signs of alteration; and if such documents be frequently received from any office, the attention of the head of the office should be formally drawn to this irregularity.

Refunds of Revenue

60. Refunds of revenue can be drawn only on the demand and on the receipt of the person entitled to receive them after production of proper authority; on no account may they be drawn on the receipt of a departmental officer and lodged in a deposit account pending demand.

61. Every refund shall be noted against the original credit in the departmental accounts or other documents in which the moneys received are entered in detail, and a certificate of such a note having been made must be given in all vouchers for refunds

62. (a) Except as hereinafter provided, or unless some other form has been prescribed by departmental regulations for any particular class of refunds bills for drawing money from the

Accounts Office/Treasury on account of refunds of revenue shall be prepared in **Form16**. The officer who received the original amount shall fill in columns 1 to 5 of the form and sign the certificate at foot, while the Accounts Officer/Treasury Officer shall verify the credit by means of the particulars in columns 4 and 5 and affix his signature in column 6 in token of his having done so.

(b) The instructions do not apply also to refund of duty on indigenous petrol and petroleum products purchased for use in motor cars of the President of Pakistan and for official use in motor cars, etc., of the Foreign Missions in Pakistan, which will be regulated by the departmental rules.

Note. - These instructions also do not apply to refund by the Supreme Court of Pakistan, of court fees paid in excess.

Chapter-5

GOVERNMENT SERVANTS AUTHORIZED TO DRAW MONEY BY CHEQUES OR DIRECT CREDIT

63. Officers of the various Departments who are authorized to draw their payments through cheques, may draw money by departmental cheques or system generated cheques or by direct credit to the bank account of the claimants.

INSTRUCTIONS AS TO PREPARATION AND FORM OF CHEQUES

64. Departmental cheques should be drawn on forms in cheque books supplied by the Accounts officer/Treasury Officer to the disbursing officers authorized to draw moneys from the Accounts Offices with which they are placed in account.

65. The Accounts Officer/Treasury Officer will supply the cheque book only on receipt of printed requisition duly signed by drawing officer, on form which is inserted in each book towards the end and never more than one cheque book on a single requisition.

66. (a) Cheque books on receipt should be carefully/examined by the Drawing Officer who should count the number of forms contained in each and record certificate of count on the flyleaf.

(b) Each book must be kept under lock and key in the personal custody of the drawing officer who, when relieved, shall take receipt for the exact number of cheques made over to relieving officer.

(c) The loss of the cheque book or blank cheque form shall be promptly notified to the Accounts Officer/Treasury Officer and the Manager of the Bank.

67. Cheques shall be payable at any time within three months after the month of issue but not beyond 30th June. Thus, a cheque issued in the one financial year shall not be valid for encashment in the next financial year.

68. If the currency of a cheque expires owing to its not being presented at the Bank within the period specified in in rule 67, it may be received back by the drawing officer who should then destroy it and issue a new cheque in lieu of it.

69. When it is necessary to cancel a cheque, cancellation must be recorded on the counterfoil, and the cheque, if in the drawers' possession, shall be destroyed. If the cheque is not in in the drawer's possession, he must promptly address Accounts Officer to stop payment of the cheque, and on ascertaining that the payment has been stopped, shall make the entry in his accounts.

70. No cheque shall be issued with corrections or alterations. If corrections or alterations in a cheque become necessary, then it should be cancelled and destroyed by burning in the immediate presence of the Drawing officer and a fresh cheque should be issued under immediate advice to the drawee.

71. (1) If a drawing officer is informed that a cheque drawn by him has been lost, he shall inform

the Accounts Officer forwarding for signature a certificate in the following form: -

“Certified that cheque No. _____ dated _____ for Rs _____ reported by (the drawing officer) to have been drawn by him in favour of _____ has not been paid and will not be paid if presented hereafter.”

(2) If, after search through the lists of cheques paid, the Accounts Officer finds that the cheque has not been cashed, he will sign and return the certificate taking care to note the stoppage of the cheque. If the original cheque be presented afterwards, the Accounts Officer shall refuse payment and return the cheque to the person presenting it after writing across it “payment stopped”.

(3) The drawing officer, on receipt of the certificate duly signed by the Treasury Officer, shall enter in his account the original cheque as cancelled, and may issue another.

72. (a) Every cheque should have written across it in words at right angles on the top, a sum, in whole rupees, next above that for which the cheque is drawn. For instance, if the cheque is granted for Rs.109.00, the cross entry should be “under rupees one hundred and ten”. the amount in words and figures should be written in metric system.

Note-1: The cross entry is not necessary if the amount in words is type perforate by a special cheque writing machine.

Note-2: All cheques should be written in indelible ink.

Note-3: No cheque with corrections or alterations should be issued. Should a correction or alteration in a cheque becomes necessary, the cheque should be cancelled and destroyed by burning in the immediate presence of the authorized officers and a fresh cheque issued.

Note-4: The intention of the instructions contained in this rule is to avoid all possible chances of fraud. An officer who signs a cheque or payment orders on a voucher should, therefore, satisfy himself that the entries are so made as to preclude any possibility of words or figures being inserted either in form or in continuation of the words and figures originally entered in the cheque or payment order. Clerks entrusted with duty of filling in cheques should be made fully to understand these precautions.

(b) Cheques drawn in favour of Government servants, and departments in settlement of their dues should always be crossed “A/c payee only. Not negotiable”.

(c) The cheques drawn in favour of a body corporate or local government, firms, private persons or officers (in respect of their personal claims) shall always be crossed.

(d) A cheque should be crossed “..... & Co”, with the addition of the words “Not negotiable” between the crossing. Where the payee is believed to have a banking account, further precautions should be adopted where possible by crossing the cheque specially (instead of by the general crossing “..... & Co”, by quoting the name of the bank through which

the payee will receive payment and by adding the words "A/c payee only. Not negotiable". These instructions regarding the method of crossing of cheques are applicable in all cases where the use of crossed cheques is prescribed.

73. (a) A cheque in favour of a government officer in payment of contingent bills, may be made payable to order only but when the payee is not in Government employment, the cheque may be made crossed & "co". Accounts Officers will, therefore, make the cheques payable to a private person or party through its respective Bank account. If a cheque payable to a person "or order" is presented, the Bank may decline to pay it, if it is unable to satisfy itself as to the identity of the person claiming payment, or in the case of a cheque payable to order, of the completeness of the chain of endorsement, if any, by which such person has become holder of the cheque.

(b) Ordinarily, a cheque payable to order is not encashed by the Bank unless it is receipted by the payee himself or other person in whose favour it is endorsed for payment. In special cases when the head of an office is unable himself to receive cheques to his order, owing to he is being absent on tour or for other causes, and when he considers that strict compliance with the ordinary rule would cause inconvenience, he may specially authorize in writing a subordinate officer to endorse for him cheques drawn in his favour by his official designation.

Note-1: When a public officer sends a cheque to a Bank not for cash payments, but for credit of its amount in the government account, he must, before endorsing the same, add the words "Received payment by transfer credit to". Omission to do this facilitates fraudulent appropriation of money.

Note-2: The following instructions regarding cheques should be borne in mind: -

(1) When a cheque is made payable specifically to one person (i.e., to A B only and not to 'A B or order' or "A B, or bearer") the payment should be made on the receipt of the person named in the cheque.

(2) When a cheque is payable to a person or bearer, the payment may be made to bearer if presented by him.

(3) Two parallel red lines drawn across a cheque are admissible and mean that the payment of the crossed cheque is not to be made otherwise than to a banker.

(4) If a cheque payable to "A B" or "A B or order" is merely signed by the original payee on the back, it is said to be endorsed in blank and becomes payable to the bearer under section 54 of the Negotiable Instruments Act. The legal obligation of the Bank in making payment of cheque payable to "A B or bearer" or bearer" or of a cheque payable to order but endorsed in blank by the original payee, is discharged by paying the amount of the cheque to the bearer whoever he may be, as under sections 46 and 47 of the Negotiable Instruments Act, such cheques are negotiable by delivery only without the signature of the payee on the back of the cheques. But in such cases the Bank should follow the ordinary banking practice as to the identity of the presenter, viz. that they should obtain some satisfaction as to the identity of the presenter and also take his endorsement.

Specimen Signatures and other Safeguards

74. (i) Every Government officer who is authorized to draw cheques or sign or countersign bills payable at a Accounts office shall send a specimen of his signature to the Account Officer through some superior or other officer whose specimen signature is already with the Accounts office. When such an officer makes over charge of his office to another, he shall likewise send a specimen of the signature of the relieving officer to the Accounts Officer concerned.

(ii) Specimen signatures, when forwarded on a sheet of paper other than the forwarding letter itself, must be duly attested by the officer signing the forwarding letter.

(iii) In case of online payments to the private persons electronic signature of the drawing and disbursing officers will be provided to Accounts Office in accordance with procedure prescribed by the Controller General of Accounts.

(iv) The procedure prescribed in this rule shall be observed mutatis mutandis by all Government officers who are authorized to draw upon the Bank or any other office of disbursement.

(3) All orders and authorities for payment issued from an Accounts office will be stamped with a special seal which will remain in the custody of the officer authorised to issue such orders or authorities and specimen impressions thereof duly attested will be supplied to the Banks, Disbursing Officers and other Treasury Officers concerned.

(4) A Government servant, who is authorized to draw moneys by means of cheques, shall notify to the Bank upon which he draws, the number of each cheque book brought into use and the number of cheques it contains.

Chapter-6

Accounting Records

Contingent Register

75. (a) A register of contingent expenditure shall be kept in each office and the initials of the Drawing and Disbursing Officer, or of an officer to whom this duty has been delegated by him, shall be entered against the date of payment of each item.

(b) The standard form of the appropriation register as in Form 22 may be modified to accommodate name of supplier, nature of payment and number of sub vouchers.

(c) To enable the disbursing officer to watch the progress of the expenditure under each detailed object, as compared with the appropriation for it, a progressive total of all the columns must be made monthly immediately after the monthly total, so as to include all payments under each object.

Cancellation and Destruction of Sub-vouchers

76. The following rules for the prevention of the fraudulent use of sub- vouchers shall be observed by all drawing and controlling officers in the matter of cancellation and destruction of sub-vouchers: —

- (i) Unless in any case it is distinctly provided otherwise by any rule or order, no sub-vouchers may be destroyed until after a lapse of 10 years.
- (ii) Every sub-voucher which is not forwarded either to the Accounts Officer or to a controlling officer along with bill but is recorded in the office to which the expenditure relates, must be duly cancelled by means of a rubber stamp or by an endorsement in red ink across the voucher, the cancellation being initialed by the officer authorised to draw the contingent bills of the office. The cancellation should be made at the time when the contingent bill in which the sub-voucher or sub-vouchers are included is actually signed. If the amount of a sub-voucher exceeds the permanent advance, the cancellation should be made immediately the payment is made and entered in the contingent register.
- (iii) Sub-vouchers submitted to a controlling officer, should be duly cancelled by him after check and the cancellation should be attested by the controlling officer at the time of countersignature of the bill.
- (iv) In all cases in which sub-vouchers are not required to be submitted to the Accounts Officer or the Controlling Officer, the Drawing and Disbursing Officer should certify in the bill that sub-vouchers other than those attached to the bill have been destroyed or so defaced or

mutilated that they cannot be used again. A similar certificate should be furnished by the controlling authority in respect of sub-vouchers submitted to him by the drawing officer.

- (v) Sub-vouchers which are required to be sent to the Accounts Officer should not be cancelled either by the drawing officer or by the controlling officer, as the duty of cancelling these sub-vouchers and keeping them in proper custody to prevent their fraudulent use devolves on the Accounts Officer.

Maintenance of accounting record

77. (a) Books of account will use pre-numbered pages and primary books of accounts eg. cash books and ledgers, are to be bound.

(b) Under no circumstances are pages to be removed from any primary book of account.

(c) All electronic records will be backed up on daily basis

(d) All backups will be stored in a secure location.

(e) Periodic backups (monthly) will be made and stored at a secure off- site location.

Minimum periods for retention

78. All accounting records will be retained either in the original form or suitable substitute for a period of ten years from the date of certification of the latest entry by audit or review by the PAC (whichever is later).

Chapter- 7

ASSIGNMENT ACCOUNTS AND SUB ASSIGNMENT ACCOUNTS

79. (1) When under the provisions of these rules or under any special order of the Government, a letter of assignment (**Form- 17**) is issued in favour of a drawing officer, such assignment shall specify the maximum amount up to which the officer credited shall have authority to draw on particular Accounts Office/treasury on which the assignment, has been issued.

(2) A drawing officer in whose favour a letter of assignment has been issued is not permitted to draw the whole amount and place it in a separate drawing account at the treasury or the Bank or in a private account.

(3) Letters of assignments issued on the Accounts Officer/ Treasury shall also be communicated to the Bank.

(4) All assignment accounts being operated in Federal Consolidated Fund shall lapse at the close of financial year in which letter of assignment was issued.

(5) Sub-assignment accounts opened in favour of post offices shall lapse at the close of the month for which they are issued.

80. (1) When funds are released through an assignment account at a branch of the National Bank of Pakistan, the Accountant General shall issue a letter of assignment in **Form.17** to the District Accounts Officer/Treasury Officer endorsing a copy thereof to the Manager, State Bank, in whose area the account is opened.

(2) The letter of assignment shall inter alia specify, the maximum amount up to which the authorised officer shall have the authority to draw on the account, the head of the account to which the amounts are debitible.

(3) The District Accounts officer/Treasury Officer, on receipt of letter of assignment, shall, in consultation with the Bank, open the assignment account in favour of the authorised officer of the Government Department or a local government or an autonomous body at the branch of the National Bank of Pakistan, as may be specified therein, to cash, without the intervention of the Accounts office/Treasury, the cheques presented by the authorised officer within limits specified in the letter of assignment. the Cheques presented by the authorized officer within limits specified in the letter of assignment. The National Bank of Pakistan shall ensure that payment of assignment cheque is made after verification from the schedule provided by the authorized officer in **form -18**.

(4) No funds shall be released in advance to the National Bank of Pakistan by the Accounts Officer. The assignment Account at the National Bank of Pakistan branches shall be within the

Federal Government account and the drawings therefrom shall be adjusted against the Federal balance.

(5) The branch of the National Bank of Pakistan making payment on the basis of the assignment cheques or the authority letter duly embossed with special seal of the authorised officer will send the paid instruments with a scroll showing particulars of payments to the Accounts Officer/Treasury Officer on the next working day along with other instruments. The paying branch of the National Bank of Pakistan will advise these payments to their Finance Division (Government Accounts Section) at their Head Office, Karachi, in the same manner as they advise to it the figures of other Government receipts and Payments effected at this branch on a particular day. The Finance Division will advise these figures of payments to the Central Accounts Section (Accounts Department), State Bank of Pakistan, Central Directorate, Karachi through its daily statement of Government receipts and payments where the amount of such payments will be debited to the account of the Federal Government concerned per contra credit to the National Bank of Pakistan account.

However, at places where State Bank of Pakistan offices exist, the branches of the National Bank of Pakistan, making payment of the assignment cheques, shall obtain re-imburement against such payments through their main branches at those places from the State Bank of Pakistan's respective office

(6) The authorised officer or officer nominated by him on his behalf shall be supplied, by the treasury, with cheque books, duly superscribed with 'Assignment Account Cheque and no amount shall be drawn on cheques other than those issued by the Accounts office/ Treasury

(7) If at an Accounts office or Treasury, there are more than one assignment accounts, these shall be consecutively numbered, indicated on the cheques drawn and intimated to the authorised officer and the concerned branch of the National Bank of Pakistan.

(8) No receipts shall be tendered for credit to the assignment accounts.

(9) No money shall be drawn from the assignment account unless it is required for immediate disbursement, or the amount has already been expended out of permanent advance or imprest. It shall not be permissible to draw the whole amount authorised or a part thereof and to place it in a separate account at the treasury or in a commercial bank.

(10) The credits in an assignment account, the drawals and the balance shall be reconciled every month by the authorised officer with the Accounts office /Treasury.

(11) Any amount remaining undrawn at the close of a financial year shall lapse

NOTE 1. —The term “authorised officer” means an officer in whose favour the letter of assignment is issued.

NOTE 2. —in cases requiring remittance in foreign currency, where rupee equivalent cannot be pre-determined, the National Bank of Pakistan shall, on receipt of an authority letter duly embossed with the special seal of the authorised officer, arrange remittance against the balance in the Assignment Account, through the authorised foreign exchange dealer and intimate the amount in Pak rupees charged to such Account to the authorised officer on each occasion.

Note. -3 Detailed Procedures for the operation of Local Currency Assignment accounts from withdrawal of funds from Federal Consolidated Fund, from Public Account of the Federation and Foreign Aid Assignment Accounts are reproduced at Appendix- D and Appendix-E and F respectively.

Chapter-8

DEPOSITS

REVENUE DEPOSITS

81. (a) A person claiming refund of a deposit must produce an order of the court or authority which ordered acceptance of the deposit, the Accounts Officer/ Treasury officer will compare this order with the relevant entry in the register of receipts and if the receipt is traced and if the balance be sufficient he will take the payee's receipt, authorize payment and record it at once under his initials, both in the register of repayments, Form T.A. 21[(see Account Code(Vol II)], from which the daily total is carried to the Cash Book, and in that of receipts, Form TA 20, also noting in both the date and amount of the repayment. The payee may receive payment through his bank account after verification of Form TA 21 and authorization thereon. (See Article 66 of Account Code Volume II and note there under). If credit of the particular item is not verified, the Accounts Officer will endorse this fact on the order and return it to person presenting it.

Note: All refunds in excess of Rs. 50,000/- shall be got re-verified by the Accounts Officer from the issuing authority, before authorization.

(b) Bid security or performance guarantee deposits will be refunded only under the authority of an order endorsed upon the original credit challan by the departmental officer in whose favour the deposit was made. It must be borne in mind that no part payment can ever be made. If, however, the departmental officer desires that the deposit, instead of being refunded, be carried to the credit of Government, he will return the original challan with this direction whereupon the Accounts Officer will make the necessary transfer on the authority of this voucher.

FORM OF VOUCHER

82. (i) **Form -19** shall be used for repayment order and voucher for deposits repaid. It may be filled in Urdu or English. The order should be signed by the presiding officer of Court or authority which ordered for the deposit into the Bank/Accounts Office after giving correct deposit number of vouchers.

(ii) Each book of the **Form -19** shall consist of 100 forms. All books shall be machine-numbered by the Government Printing Press.

(iii) The books will be stocked in federal treasuries in double lock and shall be issued to courts or other authorities on their written request in accordance with the procedure prescribed for the issuance of Cheque Books.

(iv) The book, on receipt from the Accounts office/Treasury, shall be kept in personal custody of the officer competent to use the books.

(v) Deposit repayment order will remain in force for a period of one month after which no repayment will be made on its authority unless it has been revalidated.

(vi) A deposit repayment voucher will not be entertained in an treasury/Accounts office except on the forms of the book issued by the same Treasury/Accounts office.

(vi) A deposit repayment voucher must in no case be prepared at the Treasury. As a safeguard against fraud, the authority ordering repayment shall enter the name of the payee after the words "Passed for payment", thus "Passed for payment for Rs.".

LAPSED DEPOSITS

83. Deposits which have lapsed and so have been credited to Government cannot be repaid without the sanction of the Accountant General, Pakistan Revenues at a federal treasury. The application for sanction will be made in **Form -20**. Each book of Form -20 shall consist of 100 Forms which shall be machine numbered by the Government Printing Press. There must be a separate application for deposits repayable to each person, and it will be used as the voucher on which the payment is to be made.

CIVIL AND CRIMINAL COURTS DEPOSITS

84. There are two methods by which the civil and criminal court deposits may be repaid: -

- a. In the first of these, when each deposit is separately paid into the Treasury, repayments are made upon vouchers in Form -20 passed by the presiding officer and setting forth the particulars necessary for the entries in the Treasury registers.
- b. According to the other method when the civil courts and magistrates merely bank with the Treasury, remitting without detail, their gross deposit receipts for credit in a personal ledger, repayments are made by cheques on the Treasury/Accounts office which are taken to debit of the same personal account.

Note-: The second method is followed only in the case of the Small Cause Court

Chapter-9

FUNDS

GENERAL

85. (1) The account of a Local Fund at the Treasury/Accounts Office is ordinarily a pure banking account, money being paid in and drawn out without specification of the nature of receipt or expenditure. The Account Officer need only to see that the voucher/cheque for payment is in proper form and signed by the proper officer and that the amount does not exceed the amount at credit of the banking account.

(2) Payment in excess of the balance at credit of the Fund cannot, under any circumstances whatever, be made.

(3) Payments from a Fund can be made only at the Treasury/ Accounts Office where the running account or Personal Ledger Account is kept.

PERSONAL DEPOSITS

86. Withdrawals are made only on cheques signed by the responsible administrators, which remain current for three months after the month of issue or 30th June of the financial year in which these are issued, whichever is earlier. The Accounts Officer's duty is simply to see, on presentation of cheque, that withdrawals are made only on cheques signed by the responsible administrator and that the withdrawals never exceed the balance in hand.

SERVICE AND OTHER FUNDS

87. Advances from any fund may be drawn from the Treasury/Accounts Office in accordance with the rules of the fund. With this exception, no payment on account of any fund, whether as a refund of a subscription overpaid or as repayment of the whole or a part of the amount accumulated at the credit of subscriber, can be made without the express authority of the Accounts Officer.

Note-1: Payment, when authorized, will be made only on the personal receipt of the depositor or, when he is absent from Pakistan, on that of his duly authorized agent. In the event of his death, payment should be made only to his legal representative.

Note-2: Payment of the claims for withdrawals from the General Provident Fund to officials should be made by direct credit to their bank accounts on the authorization of the head of the office in all cases including the case of deceased subscribers.

Note-3: Disbursing Officers are authorized to make payments on account of advances on the authority and responsibility of the officer sanctioning the advance after pre-audit by the Accounts Officer.

Chapter-10

WATCHING PROGRESS OF RECEIPTS

88. The duty of the Revenue Collecting Officers is to see that all income due is claimed, realized and credited promptly into the Bank under proper classification and whereas the duty of the Controlling Officers and the Heads of attached Departments and Principal Accounting Officers is to supervise the proceedings of the Receipt Collecting Officers.

89. In order to enable the Controlling Officers, Heads of attached Departments and Principal Accounting Officer to supervise the proceedings of the Revenue Collecting Officers, and to ensure that all income due is claimed, realized and credited into the Government Accounts duly classified in accordance with the Chart of Accounts. The Revenue Collecting Officers should, except where a different procedure or the use of specific forms is specially prescribed, furnish to the Controlling Officers, and the Heads of Attached Departments monthly statements in **Form -21** containing the estimates and the actual collections under the function/object for which they are responsible.

90. The statements mentioned in rule 87 should be compiled from the records of, and the accounts maintained in, the office of the Revenue Collecting Officers and not from the records or accounts maintained in the Accounts Offices. The officers and the staff assisting the Revenue Collecting Officers in the preparation of these statement are responsible that these instructions are observed scrupulously by them and that the statements in question are prepared independently of the accounts prepared by the Accounts Offices. The Revenue Collecting Officers should personally satisfy themselves that these statements are prepared independently of the receipt registers being maintained under the SAP system. When, for any reason, it becomes necessary to compare the statements with the Accounts Office record, the comparison should be made only with the express orders of the concerned Revenue Collecting Officer, and the Accounts Officer.

91. (a) In order to enable the Controlling Officers, Heads of Attached Departments and the Principal Accounting Officers to verify whether the amounts shown as realized in the statements in Form - 14 submitted to them by the Revenue Collecting Officers have actually been realized and credited to the proper receipt object, the Accounts Office concerned should furnish them statement showing the amounts credited in the Accounts to receipt objects in the respective jurisdiction. By a comparison of the returns in form -14 submitted by the Revenue Collecting Officers with the statements of credits furnished by the Accounts Office concerned, the Controlling Officers and the Heads of Departments should satisfy themselves that the amounts reported as collected have been duly credited to the Federal Consolidated Fund. If there is any discrepancy in the figures reported by the Revenue Collecting Officers and the Accounts Office concerned, they should have them reconciled. The Accounts Officer should send prompt replies to queries received from the Controlling officer so that the work of re-conciliation is not held up.

(b) In order to ensure regular monthly comparison of departmental and accounts figures, statement of receipts referred to in sub-rule (a) above should be submitted by Account's officer

concerned to the Controlling Officers and the Heads of Departments concerned on the 7th of second month following that to which the figures relate for comparison with the accounts of the latter. The Controlling Officers and the Heads of attached Departments after reconciliation as a result of comparison of the statements should communicate their acceptance of the figures to the Accounts Office concerned.

92. (a) The Accounts Officer concerned is only responsible for the correct rendering of the accounts of all sums actually paid into the government accounts and credited to Federal Consolidated Fund, he is not responsible for the correctness of the demand or for the correspondence of the amount that ought to be paid into government accounts with the amount actually realized. The Heads of Attached Departments and the Controlling Officers who should ensure, with the help of the returns submitted by the Controlling Officers in Form - 14 and the statement of credits received from the Accounts Office concerned and by means of their supervision of the proceedings of the Revenue Collecting Officers, that all the sums due are claimed, realized and credited to the proper receipt object

(b) In order to eliminate the variations between departmental accounts and the Accounts office record, Revenue Collecting Officers should bear in mind that collections must not, on any account be retained but should be paid on the very date of receipt of funds to meet authorized charges connected with such collections being drawn separately from the Accounts Office/Bank on a proper voucher. When, however, for any reason, whether in consequence of neglect or otherwise, money realized in one month is not paid into the treasury/bank till the following month, or has been drawn upon wholly, or in part to meet authorized charges, the facts should be distinctly stated in the departmental returns for the month of realization in order that the Controlling Officer may understand the reasons for the short credit in the treasury accounts. It should also be observed that the departmental returns in Form -15 submitted each month must deal only with amounts realized in the month without reference to the period to which the realization relates.

(c) The departmental returns of each month should be closed on the last day of the month to which they relate, and having been once closed, should not be added to or altered in anyway.

93. If any error is discovered before submission of the departmental returns in Form - 15 to the Controlling Officers, the return may be corrected and intimation being at the same time sent to the Accounts Office concerned in order that the wrong classification in the Accounts Office books may be corrected. When, however, an error is discovered after submission of the departmental return, the correction should be made by a footnote in the next return, clearly explaining the error and intimation of the error should also be sent to the Accounts Office.

94. The Accounts Officer concerned should forward monthly to the Controlling Officers along with his returns a statement showing clearly all such corrections reported to his office, and also all additions to the treasury accounts of receipts made by adjustment in his office, such as cash recoveries of expenditure added to receipts instead of being deducted from charges. Controlling

Officers are thereby enabled to exercise an immediate and thorough check over all departmental returns submitted to them.

95. Care should be taken that the classification of the departmental returns is in strictly accordance with that shown in the Chart of Accounts.

96. Each Principal Accounting officer should certify annually to the Finance Division by a separate letter to be submitted not later than the 1st January of the following financial year, that the comparison of departmental returns received from Revenue Collecting Officers with the statement supplied by the Accounts Officers concerned has been completely carried out for the previous year in respect of all objects relating to receipts for which he is responsible and that all differences have been reconciled.

Chapter-11

CONTROL OF EXPENDITURE

97. The Principal Accounting Officer and Head of Attached Departments are responsible for controlling the expenditure from the grants placed their disposal. This does not absolve Controlling Officers and the Drawing and Disbursing Officers of their responsibility in respect of the funds placed at their disposal or at the disposal of the offices subordinate to them. The Drawing and Disbursing Officers are the officers, directly responsible for the expenditure incurred against the funds allotted to them. The Controlling Officers, Head of Departments and the Principal Accounting Officers should supervise the proceedings of the Disbursing Office subordinate to them and issue instructions to them wherever necessary. The Drawing and Disbursing officers should pay prompt attention to such instructions.

98. While supervising control of expenditure Principal Accounting Officers and Heads of Departments will ensure that: -

- (i) that every item of expenditure incurred is regular and validly accrued liabilities; and
- (ii) that the total expenditure incurred on a purpose does not exceed the grant or grants provided for that purposes.

In order to ensure that the expenditure incurred is regular and proper: -

- (a) These officers should enforce financial discipline and strict economy at every step;
- (b) they should ensure that all the relevant financial rule, regulations and policy instructions from the Finance Division are observed both by their own office and by the officer's subordinate to them; and
- (c) they should see that the expenditure is incurred only in the public interest and upon objects for which the money was provided. In order to keep the total expenditure within the grant, they should arrange to be kept informed periodically of: -
 - (i) what has been spent from the grant or grants placed at their disposal
 - (ii) what commitments have been made and not paid for against such grant or grants; and
 - (iii) what liabilities are likely to be incurred during the remaining period of the financial year.
- (iv) Review the expenditure position and take such measure as may be considered necessary to check trend of excessive expenditure, if any. What liabilities are likely to be incurred during the remaining part of the financial year must be ascertained by means of judicious assessment of the requirements of the Department or Departments controlled. What commitments have been incurred and not paid for should be based on facts. In order that the information relating to the actual expenditure incurred is available, the instructions in the following rule should be observed.

99. (a) Whenever a bill is prepared for payment at the Accounts office, the Drawing and Disbursing Officer should indicate therein complete classification of the proposed expenditure, that is;

- (i) the major function, the minor function or sub-detailed function and detailed objects, if any, to which the expenditure included in the bill is to be debited; and
- (ii) whether the expenditure is “charged” or “voted”.

100. (a) Immediately after the close of each month, the Accounts Officer should prepare, in duplicate, a schedule showing the numbers, dates and amounts of vouchers paid / cheques issued during that month and supply, on the second of the month following that to which the schedules relate, a copy of each such schedule to the concerned Drawing and Disbursing Officers and the Controlling Officer.

(b) in case of payment of claims (including salaries) of the employees through direct credit, a summary is generated on monthly basis by the Accounts office and sent to the Drawing and Disbursing Officers for reconciliation. It is the responsibility of the Drawing and Disbursing Officers to minutely scrutinize the summary to ensure that salaries for the month have been correctly disbursed and credited to the bank accounts in respect of bonafide officers/officials who are working in his office and that they were not transferred, proceeded on leave without pay or absent from duty.

101. (a) After the grant is communicated to a Drawing and Disbursing Officer, he should open appropriation register in **form-22** by detailed objects-wise and note therein the grant so communicated for all detailed objects: The grants should be noted in red ink at the top of the page of the register under each object concerned. The columns in these forms may be modified, with the approval of the concerned Principal Accounting Officers, to suit the requirements

(b) In these registers the Drawing and Disbursing Officer should enter every bill cashed at the Accounts Office under its appropriate object, and quote against each such entry the number and date of the voucher / cheque on which money has been withdrawn from the Government Account. In respect of the payments received at the pre-audit counter of the Accounts Office. . At end of each month the expenditure against each object should be totalled. The total expenditure should at the same time deducted from the grant shown at the top of each column, and the result brought forward to the account of the next month.

(c) If the grant against any minor or detailed object is increased or reduced by an authority competent to do so, the figure relating to the grant should be corrected by plus or minus red ink entries.

(d) If a Drawing and Disbursing Officer receives information from Controlling Officer, Head of Department or Principal Accounting Officer that a particular item of expenditure has not been classified correctly, he should correct the accounts of expenditure and the available balance of the grant by means of minus or plus entries in red ink, and if such mis-classification travelled through the

record of the Accounts Officer, he should also get it rectified in the accounts maintained by the Accounts Officer.

102. (a) Immediately after the close of the month, the Drawing and Disbursing Officer should prepare a statement in **Form-23** copying therein all the entries in register in the same form maintained by him under rule 99 (a) relating to the sums drawn by him during that month, against each entry in this statement, he should note the number and date of the cheques issued during the month and compare it with figures shown in the system.

(b) As soon as the schedule referred to in rule 100 (a) is received from the Accounts Office, the Drawing and Disbursing Officer should compare it with the statement prepared by him in accordance with the instructions contained in sub-rule (a), reconcile the discrepancies, if any, and forward to the Controlling Officers, the statement as reconciled, by the dates along-with the supporting documents mentioned against each. The statement should be accompanied by a certificate that these have been compared with the schedules and budget execution report available in the system and found correct.

(c) The Controlling Officer should, for such part of the grant as he retains under his own control, carry out procedure detailed in rule 100 (a)

103. The Controlling Officer should maintain register in **Form -23** He should post therein.

(i) The monthly actuals as received from the Drawing and Disbursing Officers in form mentioned in rule 101 (a), and his own monthly expenditure and he should check the totals of these two with the schedules received from the Accounts Office under rule 98 (a) and with the accounts received from the Drawing and Disbursing Officers. These figures should be furnished to the Head of the Department/Principal Accounting Officer be furnished in the form -17.

104. (a) Principal Accounting Officer should prepare a monthly account, in **Form -24** of the expenditure under each detailed object thus working up to the total monthly expenditure each such object. For this purpose, he should consolidate the statements he receives from, and add thereto the expenditure incurred by him, otherwise than through the Controlling Officers and the Drawing and Disbursing Officers under them. This statement should be prepared and forwarded to the Accountant General, Pakistan Revenue so as to reach him by the 20th of the month following that to which the accounts relate. It should be accompanied by the Disbursing Officer's statements in original, from which it has been compiled. It should be prepared separately for each minor or detailed object, showing the expenditure against each minor or detailed object. The Accountant General Pakistan Revenue should check with his own accounts, which will be based on vouchers received direct from the other Accounts Officers and the Principal Accounting officer and the Accountant General, Pakistan Revenue should be jointly responsible for reconciling the differences and correcting misclassifications. Any misclassification detected by the Accountant General, Pakistan Revenues should be generally communicated to the Head of Departments / Principal Accounting officers who should pass them on, through the Controlling Officers, to the Drawing and

Disbursing Officers with necessary orders for corrections. The corrections should be made by a red ink entry in the column of remarks against the item reclassified, and a plus and minus entry made in the register where it is maintained.

(b) The Accountant General, Pakistan Revenues should communicate to the Head of Departments/ Principal Accounting officer not later than the 10th of the month next to the one following the month to which the accounts relate, (that is to say, the accounts for the month of April should be supplied not later than the 10th of June) the total expenditure under each detailed object distinguishing the expenditure charged upon the Consolidated Fund from the other expenditure.

(c) The Accountant General, Pakistan Revenues should communicate to the Head of Departments / Principal Accounting officer any expenditure, incurred under any of the functions for which the latter is responsible, which may have reached the Accountant General through the various "exchange accounts" As debits received through various exchange accounts for May, June and June Final are adjusted in the office of the Accountant General after the 1st July following, when it is too late for the Head of Department / Principal Accounting Officer to obtain additional appropriation to cover the excess expenditure, if any, the Head of Department/ Principal Accounting Officer, with a view to exercising effective control over the expenditure and to avoid lapses of grants, should obtain, early in the month of April each year, from the departmental officers rendering the service, the figures of expenditure-which are expected to be adjusted against their grant during those-months. If any excess is anticipated, the amount involved should be included in the second statement of excess and surrenders with an explanation that the figures are based on information received from departmental officers of expected debits through exchange accounts.

105. The Head of Departments/ Principal Accounting Officer, whether they are also Controlling Officers or not, should, without waiting for the verification of the accounts, send to the Finance Department by the 20th day of the month next to the one after that to which the account relates, a statement in Form-17 showing monthly expenditure by detailed objects, "charged" expenditure being shown separately from other expenditure.

106. The Head of Departments/ Principal Accounting Officer, whether they are also Controlling Officers or not, should take steps to maintain a separate watch over expenditure incurred from time to time on important objects, such as expenditure on account of dietary charges in jails, purchase of police uniforms, or purchase of medicines/dietary charges in hospitals. It is necessary to deal with such items separately from the ordinary monthly expenditure accounts. The Head of Departments/ Principal Accounting Officer should decide for themselves what method they should adopt to watch such expenditure. In some cases they may prefer to keep the entire grant under their own control and order Drawing and Disbursing Officers, who wish to spend money against it, to apply to them for a special allotment. In other case they may prefer to distribute the grant and merely order the Drawing and Disbursing Officers to report expenditure against that particular allotment as soon as they incur it, no doubt separately from the ordinary monthly accounts of expenditure. Whatever method they may adopt, they should take care to see that they are informed not only of actual

expenditure against such grants, but also of liabilities that have been incurred which must ultimately be met from such grants.

107. (a) The Accountant General, Pakistan Revenues will watch progress of expenditure against:

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- (i) The provision under each grant, and where a grant comprises more than one major function, under each major function as a whole, and
- (ii) The provision for each detailed object within a grant.

(b) The Accountant General, Pakistan Revenues will report to the Head of Department/ Principal Accounting Officer, when excess appears to be likely and shall stop payments exceeding allocations.

108. (i) In addition to the running account of expenditure, a ledger account in **Form –25** should be kept by Heads of Departments/Principal Accounting Officer: -

(ii) For each major function as a whole containing entry authorized by the National Assembly.

(iii) For each minor function as a whole containing entry authorized by the Finance Division, and

(v) For each object.

(vi) Similarly, Controlling and Drawing and Disbursing Officers should keep a record of the sums allotted to them under each object. The principal use of the ledger will be to serve as a check on the grants as shown in the monthly statements in Form -17 It is also used in preparing the statements of excesses and surrenders.

109. If it is felt that, for any valid reason, the grant is likely to be exceeded, the Head of Department / Principal Accounting Officer should take immediate steps to prevent expenditure in excess of a grant: -

Chapter-12

LOANS AND ADVANCES

Introductory Note: -These rules apply to Loans and Advances provided for in the Federal budget only.

(i) Sanctions

110. A competent authority may sanction loans and advances to Provincial Governments, Local Governments, Autonomous bodies, Public Sector Companies established under Principal Accounting Officers may sanction loans and advances to Government servants for the purposes and subject to the conditions specified in the following rules.

(a) Sanction shall be subject to the condition that the borrower has the capacity to repay the loan.

(b) The sanctions of loan shall indicate the purpose of the loan so preferred, the rate or the method to determine the rate of profit on the loan, the method of and the period of repayment thereof.

(ii) Budget estimates

111. (a) Provision shall be made in the budget estimates for all types of loans and advances which can be foreseen; a timely estimate both of the advances and of the recoveries of the coming year.

(b) The Accounts Officer will maintain detailed accounts and watch recovery and fulfillment of conditions of payment and repayment of loan and advances. Notwithstanding, the responsibility for supervision, accounting and control over advances and loans, will continue to devolve upon the departmental authorities, who will also be responsible to watch their recoveries and to see that conditions attached to each loan or advance are fulfilled, in addition he shall also keep informed the sanctioning authority about recovery of the loans, on annual basis.

(c) No public department or public officer may incur any expenditure or any liabilities against such loan funds unless a statement in writing is first obtained from the Accountant General Pakistan Revenue, that the amount is available out of the loan funds earmarked by him and are available for the proposed expenditure.

(iii) Interest

112. (1) Interest shall be charged at the rate prescribed by the Finance Division for any particular loan

(2) The payment of loan shall reckon for interest on the last day of month in which such payments are made.

LOANS TO PROVINCIAL GOVERNMENTS, AUTONOMOUS BODIES, PUBLIC SECTOR COMPANIES AND REVENUE ADVANCES, ETC.

(i) Release of Loan Money

113. Payment shall be made in the following manner:

(a) Every loan to a Provincial Government, Autonomous body, Local Government and a Public Sector Company or other Local Body shall be sanctioned subject to such conditions as may be prescribed by the Finance Division.

(b) The loan shall be released in such manner as may be prescribed by the Finance Division in individual cases.

(c) The payment of loan shall be recorded in the books of the Accounts Officer for watching the recoveries of loan.

(ii) Conditions of Repayment

114. Loans and advances are usually made to Provincial governments, Autonomous bodies, Local Governments and Public Sector companies under the following conditions: -

(a) A specific term shall be fixed which shall be as short as possible, within which each loan shall be fully repaid in installments with interest due. The term may not exceed 20 years.

(b) The term is to be calculated from the date on which the loan is completely raised or declared by the competent authority to be closed.

(c) Dates should be fixed for the payment of installments.

(d) Installments paid before the due date will be taken entirely to principal unless any interest for a preceding period is overdue.

Note-1: When a loan of public money is taken out in installments, the first half-yearly repayment should not be demanded until six months after the last installment is taken; meanwhile simple interest only should be realized. But should it appear that there is undue delay on the part of the debtor in taking out the last installment of a loan, the Government may, at any time, declare the loan closed and order repayment of capital to begin with. The Treasury Officer / Treasury Officer will bring to notice any delay that appears to him to require this remedy and he will take this step whether there are any dates fixed for the taking of installments or not.

Note-2: If, in any case, dates have been fixed for the payment of interest or for the repayment of installments of debt, then such repayments should not begin until the second of the half-yearly dates so fixed after the loan has been completely taken up, simple interest only being recovered on the first half-yearly date after the completion of the loan. For example, supposing a loan the interest on which is recoverable half-yearly to be completely taken up on 31st March and the interest to be

payable on 30th June and 31st December the first half-yearly installment in repayment of principal will not be due until 31st December following. Simple interest only will be due on the intermediate 30th June.

Note-3: Notes 1 and 2 are applicable, mutatis mutandis, to loans the repayments of which are made by other than half-yearly installments.

115. When the repayment of an advance with interest is made by fixed, equal periodical installments, punctual payment of the installments is indispensable, as otherwise the loan will not be discharged in time.

(iii) Defaults in Payment

116. (a) Any default in the payment of interest upon a loan of public money, or in the repayment of the principal will be promptly reported by the Accountant General to Finance Division. On receipt of such a report, the Finance Division will immediately take steps to remedy the default.

(b) The authority which sanctions a loan may, in so far as the law allows, enforce a penal rate of compound interest, upon all overdue installments of interest, or principal and interest. If a penal rate is enforced, it should not be more than three percent per annum.

Note: The responsibility imposed on the Accountant General by this rule refers only to the loans, the detailed accounts for which are kept up by him

117. A competent authority may remit loans and advances or waive recoveries of loans and advances on account of their recoverability or otherwise. Such loans and advances should be debited to the Federal Revenues by per contra credit to the loan or advance account concern.

118. In the case of Departmental loans, it shall be the duty of the Departmental Authorities, as soon as any such advance is ascertained to be irrecoverable, to cause the amount of it to be written off the accounts, and to advise the Treasury Officer / Treasury Officer in order that he may charge off the amount as expenditure and direct its being written off the Treasury plus and minus memorandum. Such irrecoverable advances shall nevertheless be registered by the Departmental Authorities in a separate account or record, in order that any possible eventual recovery may be made.

(ix) Periodical Review

119. (a) An annual report upon outstanding loans will be submitted by the Accountant General, Pakistan Revenues for review by the Finance Division by 30th September in a statement in **Form-26**.

(b) Finance Division shall conduct a Loan Review of annual statements with a view to enforce repayments of the principal and interest due from time to time.

LOANS AND ADVANCES TO GOVERNMENT SERVANTS

GENERAL

120. These rules do not ordinarily apply to Government servants who are not in permanent Government employ. As the pay of such persons does not constitute adequate security for a loan, advances should not ordinarily be granted to them. In special cases, however if the circumstances admit of the provision of adequate security, advances may be granted in accordance with the terms of these rules to officiating or temporary Government servants without substantive appointment under general or special sanction of the Ministry of Finance.

Simple interest at the rate fixed by Government for the purpose should be charged on advances granted to Government servants for building houses and for the purchase of conveyances. The interest should be calculated on balances outstanding on the last day of each month.

NOTE 1. —In cases, where pay bills for a month are disbursed before the end of the month, an installment in repayment of an advance received through the pay bill will be taken as having been refunded on the first of the following month, the normal date for the disbursement of pay.

NOTE 2. —If in any particular case any advance is drawn in more than one installment, the rate of interest recoverable should be determined with reference to the date on which the first installment is drawn.

NOTE 3. —In the case of a Government servant who dies before retirement and against whom recoveries are due on account of house building and/or conveyance advances, no recovery shall be made in respect of interest charges thereon. In case recoveries on account of interest charges may be in progress at the time of death no recovery shall be made in respect of the remaining amount of interest charges.

121. . All advances are subject to adjustment by the Government servants receiving them in accordance with the rules applicable to each case. When an advance is adjustable by recovery, the amount to be recovered monthly should not be affected by the fact of the borrowing Government servant going on leave of any kind with leave salary or his drawing subsistence grant. The sanctioning authority may in exceptional cases order a reduction in the amount of the monthly installment, provided that in the case of interest-bearing advances to Government servants, the whole amount due should be completely recovered within the period originally fixed.

122. In the case of interest-bearing advances to Government servants, an authority empowered to deal with an application for an advance should not issue an order of sanction until the Accountant

General has certified that funds are available in the year in which the payment of the advance will be made.

I. Advances Bearing Interest

(i) House building advances.

(ii) Advances for purchase of conveyances

The following rules regulate the drawing of advances bearing interest:

123. (i) No advance should be sanctioned unless a certificate to the effect that there is sufficient balance available for expenditure is obtained from the Accountant General [provided that no such certificate shall be required if the advance is sanctioned by the Finance Department in emergent cases.]

(ii) Unless sanction is accorded within three months in the case of house building advances and within one month in the case of other advances, from the date of issue of the certificate of availability of funds from the Audit Office, this certificate should be considered as having become invalid and a fresh one should be called for.

124. The last pay certificate granted to a Government servant under advances must specify the original amount of such advances, the amount repaid and the balance together with interest, if any, accrued and remaining due.

125. (a) Simple interest at the rate specially fixed by the competent authority for the purpose will be charged on advances granted to Government servants for house building (including advances for the purchase and repair of houses) and for the purchase of motor cars and motorcycles. The interest will be calculated on balances outstanding on the last day of each month. In cases where, under rule 4.1 ante, pay for a month is paid before the end of the month, an installment of an advance recovered through the pay will be taken as having been refunded on the 1st of the following month, the normal date for disbursement of pay. When an advance is drawn in more than one installment the rate of interest recoverable is determined with reference to the date on which the first installment is drawn.

(b) In case a Government servant dies before retirement and against whom recoveries are due on account of House Building / Purchase and / or Conveyance Advances, no recovery shall be made in respect of interest charges thereon. In case recoveries on account of interest charges may be in progress at the time of death, no recovery shall be made in respect of the remaining amount of interest charges.

(1) No interest shall be charged on advances from Government servants in Scale 1 to 16.

(2) In case a Government servant, who was in Scale-16 or below at the time when advance was sanctioned to him, is promoted to Scale-17 or above, no interest shall be charged from him. However, if the amount of advance is revised on the basis of his pay in Scale-17 or above, interest shall become payable under the normal rules and instructions.

(3) In case a Government servant, who was in Scale-16 or above, when advance was sanctioned to him, is reverted to a post in Scale-16 or below, interest shall be charged from him under the normal rules and instructions.

(4) No interest shall be charged on the advances drawn by Government servants whose deposits in the Provident Fund Account carry no interest, subject to the condition that Government servant has not received interest on his Provident Fund accumulations prior to the withdrawal of the advance from the Government.

HOUSE-BUILDING ADVANCES

(A) Advances for construction of a house

126. Advances may be made under the sanction of the Principal Accounting officers and Heads of Departments, and Heads of Circles in the Pakistan Post Office Department to Government servants, who desire to build houses, for occupation by themselves, at any place in Pakistan. No advance is ordinarily permissible to a Government servant who is likely to retire before complete recovery can be affected.

NOTE 1. — House building advances for construction/purchase of houses in Azad Kashmir territory may also be granted to the Federal Government servants domiciled in Azad Kashmir subject to usual conditions

NOTE. 2—Advances will be granted for the construction of new houses. Advances will also be granted for purchasing a newly constructed house, or for completely reconstructing a house already owned by the Government servant concerned, or for extending/renovating a house already owned by the Government servant concerned.

NOTE. 3— All such advances must be *bona fide* required for the purpose of building suitable houses for the personal residence of the officers concerned, and if more is advanced than shall be actually expended for the purpose, the surplus shall be refunded to Government.

127. (a) Advances for the construction of new houses may be drawn in two equal installments. The first installment will be paid on the production of documents establishing proprietary rights in the land and the second installment will be paid only when the house reaches plinth level. Advances granted for reconstruction, purchase, extension or renovation of houses may, however, be drawn in one installment, provided all other conditions governing the execution and registration of mortgage deed, etc., are duly fulfilled and the Government interest is fully secured. The repayment shall

commence from the month immediately after the grant of the second installment or six months after the drawl of the first installment whichever is earlier. The repayment shall be completed in 10 years in the case of an officer and in 20 years in the case of an official, provided that the age of the Government servant concerned at the time of repayment of first installment is below 47 years in the former case and below 38 years in the latter case. In the case of those who would at the time of such repayment be attaining the age of 47 years or 38 years, as the case may be, the number of installments by which recovery is made, shall be so regulated as to enable the recovery of the total amount advanced, including interest, possible before the date on which the officer/official would be reaching the age of 60 years.

(b) No advance shall exceed 24 months' pay of a Government officer, and 36 months' pay of a Government official, to whom it is made. Not more than one advance shall be made to a Government servant for the same house or for another house at the same station, or at any other station.

(c) A second advance may, however, be granted to a Government servant for the construction of a house in Islamabad provided he has fully repaid the advance previously drawn from the Government with interest thereon.

(d) Second and Third House Building Advance may be allowed to Government servants, provided he has fully repaid the advances previously drawn from the Government with interest thereof, if any. All other conditions for grant of HBA will continue to apply.

NOTE 1.—The full advance will be admissible only to those who are less than 47 years of age in the case of officers and 38 years of age in the case of officials on the date of the repayment of the first installment of the advance. In the case of those officers who are above the age of 47 years and those officials who are above the age of 38 years, the amount of the advance should be reduced so much as would enable the recovery at the rate of not more than $1/4^{\text{th}}$ of the Government servants pay in any one month of the total amount advanced including interest, possible before the retirement of the Government servant. For instance, an officer who is 55 years of age on the date on which recovery of the advance is to commence, should get a house building advance equal to his 15 months' pay ($1/4 \times 60$, i.e., the number of months for which the officer/official has still to serve.

(5) The advances may be revised on the request of the Government servants concerned subject to the following conditions: —

(i) The increase in pay otherwise than by accrual of time scale increments is not less than 20%.

(ii) The net amount payable against the revised sanction be arrived at after the adjustment of any amount drawn against the original sanction, whether that amount, or any portion thereof, has been repaid or not.

(iii) The installments of recovery shall be re-fixed so as to recover the total amount minus the amount already repaid within the maximum period originally prescribed.

(iv) The revision will be admissible only if the event entitling the Government servant for the revision of the advance takes place within a period of 12 months prescribed for the completion of house from the date of the draws of the first installment of advance for construction, as distinct from the installment for development charges.

(v) The revision will not be allowed, if the house has been completed and occupied by any one.

(vi) If the mortgage deed already executed and registered stands for the advance originally sanctioned, the mortgagor may be required to execute a new separate deed in form 21. The new deed should also be registered under the Registration Act.

128. Advances will be recovered by the deduction of monthly installments, of not less than 20% of the pay of the Government servant concerned from his pay bills. In the case of those who at the time of the repayment of the first installment of the advance are more than 47/38 years of age, the rate of recovery will be such higher rate than 20% of pay as would enable the recovery of the principal together with interest possible before the retirement of the officer. The authority sanctioning an advance may permit recovery to be made in a smaller number of installments, if the officer receiving the advance so desires. The amount of interest calculated will be recovered in one or more installments, each such installment being not appreciably greater than the installments by which the principal was recovered. The recovery of interest will commence from the month following that in which the whole of the principal has been repaid.

NOTE.1 — The installments should be recovered in cash during the periods of leave without pay. If the Government servant fails to pay any such installments in cash, the arrears of installments falling due during period of leave without pay should be recovered in lump sum from the first payment of pay or allowances which may become due to the Government servant at the end of that leave.

NOTE.2 — In order to secure Government from loss consequent on a Government servant dying or quitting the service before complete repayment of the advance with interest accrued thereon, the house so built together with the land it stands upon must be mortgaged to Government, by whom the mortgage will be released on liquidation of the full amount due.

NOTE.3 — The mortgage bond will be prepared in **Form-27** and the re-conveyance in **Form. 28**.

(vii) The officer must satisfy the sanctioning authority regarding his title to the land upon which the house is or is proposed to be built.

NOTE 4.—This rule does not preclude the grant of an advance to a person who does not possess full proprietary rights in the land upon which he intends to build, provided the sanctioning authority is satisfied that the applicant has a lease of which the un-expired portion is of a term and value sufficient to justify the grant of advance, and that there is no danger of the lease lapsing or of Government being unable to dispose of it, should it become necessary to foreclose the mortgage. In examining the mortgagor's title, care should be taken to see that the lease does not prevent any sub-demise by the lessee (the mortgager). The mortgage bond in such cases will be prepared in **Form. -29.**

NOTE 5.—In cases in which ground rent, municipal taxes and similar dues are payable to local authorities on account of land taken on lease, the sanctioning authority may, at its discretion ask the Government servant taking the advance to produce for inspection receipts for these payments within fifteen days of their falling due. If the sanctioning authority finds that such dues have not been paid by the borrower, steps may be taken to recover the said dues including interest thereon, if any, from the pay of the Government servant concerned for payment to the parties concerned.

NOTE 6. —The applicant's title to the property should be examined by the sanctioning authority before the advance is actually paid, and in cases where there is any doubt as to the validity of that title, the Revenue and Registration authorities or if technical legal advice is necessary, the Law Officers of Government should be consulted.

NOTE 7.—The Head of the Office in the case of a Government official and the Controlling Officer in the case of a Government officer should when asking for the authority for payment, send to the Accounts Officer concerned a certificate either in the bill in which the advance is drawn, or separately, to the effect that the mortgage bond in form Form 29 has been executed by the Government servant taking the advance and that it has been duly registered.

Advances on account of development charges will be allowed when the societies demand these charges from the Government servant concerned. At the time of the drawl of such advances the Government servant must sign an agreement in He should be required, as soon as it is possible for the societies to allot the land to him, to produce original documents showing that the land has actually been allotted to him. When he has been allotted land and wishes to draw further advances for the construction of a house, advance will be allowed up to a maximum of 50% of the total house building advance sanctioned in his case. At the time of drawl of this installment he must be called upon to execute an agreement in **Form -30** This installment is intended to enable him to start building the house and to complete at least the plinth. As soon as practicable and in any case, not later than three months from the date of the drawl of this installment, he must produce a certificate from the Executive Engineer appointed by the Government for the purpose to the effect that the plinth has been finished. Thereafter, he should be asked to execute a mortgage deed in **Form 29.** Further installment will be allowed on the fulfillment of the above conditions.

NOTE .8.—Advances may also be given where considered necessary for the purchase of land or for leasing land on which to construct a house, if the other conditions laid this paragraph are satisfied and the total amount of the advance for the purchase or leasing of the land and the construction of the house does not exceed 24 months' pay of the officer concerned.

The Government servant should sign an agreement in **form 30** at the time of taking an advance for the purchase of land and the amount should not exceed what is required for the purpose. A mortgage deed in **Form 31** should be executed before any further advance is drawn for the purpose of constructing the house. The mortgage deed must be registered within 4 months of its execution.

The mortgage deed must be registered within 4 months of its execution.

NOTE .9 - Applications for advances must be made through the applicant's departmental superior, who will record his opinion as to the necessity for the assistance solicited. The applicant must certify that the sum is to be expended in building only, and pledge himself that, should there be any surplus funds after the house is completed, they will be at once refunded to Government.

NOTE .10- The last pay certificate granted to Government servants under advances must specify the original amount of such advance, the amount repaid and the balance together with interest accrued. i

129. Advances may be granted to the temporary Government servants subject to the following conditions: -

(a) The temporary Government servant has completed at least 10 years continuous service. However, the temporary Government servants in National Pay Scales No. 1 & 2 will be eligible to draw the advance irrespective of the length of their temporary service.

(b) A certificate is produced from the Head of the Department to the effect that his services are not likely to be terminated within the period prescribed for the repayment of the advance.

(c) Security of two permanent Government servants is furnished, which can be released when the house has been built and mortgaged to Government. The sureties should be such as would not retire before the house is built and mortgaged.

(d) In cases where the official has already acquired the land for construction of the house, he should mortgage it to the Government together with the house to be built thereon, before the advance is sanctioned;

(e) In cases where the advance is required for the purchase of land, the first installment of advance will be limited to 25% of the total amount of the advance or the actual cost of the land, whichever is less.

(f) The official concerned produces a certificate from the appropriate House Building Society; Improvement Trust; C.D.A. etc.; that the land has been allotted to him and the price should be indicated as also the installment that is immediately payable after allotment.

(g) In cases where the applicant is not a member of any co-operative house- building society registered under Co-operative Societies Act, 1925, the land for the house should be acquired and mortgaged to Government before the first installment of the advance is paid to him.

(B) Advance for Purchase of a House

130. An advance may be made to a Government servant for the purchase of a house including a flat in multi-storied building built by the Federal Government or Provincial Government or a local authority, including a Rehabilitating Authority, or an Improvement Trust. The general principles of Rules 122 to 125 being applicable for construction of house and the Government servant being required, in addition to a mortgage deed, to deposit with Government satisfactory evidence of a clear title to the house/flat.

Note-1: An advance drawn under this rule may include provision not only for the cost of the house purchased but also for the cost of any repairs or improvements which the purchaser of the house may desire to make.

Note-2: The advance may be drawn in full at once after the Government servant has executed an agreement in **form-34** but satisfactory evidence should be produced before the Accounts Officer to show that the amount advanced for the purchase has been spent within 3 months of its withdrawal. A certificate to this effect from the head of the office will ordinarily suffice. The repayment in this case shall commence with the first issue of pay after the advance is taken and be completed in ten years. Interest will be calculated in accordance with conditions laid down in the sanction and the recovery thereof will be made.

Note-3: When asking for the authority for payment of the advance, the Controlling Officer should record on the bills a certificate to the effect that he has secured and retained with him an agreement in Form-26, signed by the applicant pending execution of the final mortgage bond in Form-33, after the house is actually purchased. The fact of execution and registration of the latter bond should also be intimated to the Treasury Officer as soon as possible.

Note-4: Where a government servant desires that the payment of the advance sanctioned under the above orders be made direct to the construction agency, he may indicate it in his application for the grant of advance. In such a case, the Drawing and Disbursing Officer shall arrange for the direct payment of the sanctioned amount to the agency concerned and obtain a valid receipt in the name of the Government servant from that agency and hand over the same to him.

III. Advances for purchase of conveyances

Advance for the Purchase of Motor Car

131. Advance may be sanctioned to a government servant for the purchase of a motor car subject to the following conditions: -

(a) An advance will be given only when the Government considers that it is in the interest of the public service.

(b) The total amount to be advanced to a Government Servant shall not exceed 12 months' pay or the anticipated price of the car whichever is less. If the actual price paid is less than the advance taken, the balance should be forthwith refunded to Government.

Note-1: In the case of Government servant who imports car as personal baggage on return from deputation or study tour abroad, the advance would be meant to cover the charges on account of Custom Duty, Sales Tax and Inland Freight.

Note-2: Government servants up to Scale-17 would not be entitled to Motor Car Advance.

(c) Except for special reasons which should be recorded in writing, a fresh advance should not be sanctioned within a period of three years from the date the previous advance was drawn. Before the withdrawal of a fresh advance the balance of the outstanding advance together with the interest thereon must be completely repaid.

(d) In all cases in which a car is sold before the advance has been fully repaid along with interest, the sale-proceeds must be applied so far as may be necessary, towards the repayment of such outstanding balance; provided that when the car is sold only in order that another car may be purchased the sanctioning authority may permit a Government servant to apply the sale proceeds towards such purchase, subject to the following conditions: -

(1) The sale price will be set off against the cost of the new car and no second advance, would be admissible;

(2) The amount outstanding if exceeds the cost of the new car will be refunded;

(3) The amount outstanding shall be repaid once;

(4) The new car must be insured and mortgaged to Government as required under these rules.

(e) An advance for the purchase of a motor car for use during the period of deputation may not be granted to a Government servant about to proceed on deputation out of Pakistan.

Note-3: In case a Government servant draws an advance for the purchase of a new motor car, he should produce evidence to the effect that the dealer will supply him a Motor Car within six months of the withdrawal of funds by him. In the case of second-hand car, evidence shall also be produced by the officer to the effect that the seller of the conveyance is prepared to dispose off

Motor Car of the type—— No.—— Make—— to the officer concerned within one month of the withdrawal of the funds by him. This condition should always be mentioned in letters sanctioning such advances. Failing such completion and payment, the full amount of the advance drawn with interest thereon for two/one month must be refunded to Government.

Note-4: At the time of drawing the advance the Government servant will be required to execute an agreement in **Form-34**. No advance will be granted until this agreement has been signed. This condition should be clearly stated in all orders sanctioning such advances. When the advance is drawn, the sanctioning authority will furnish to the Accounts Officer a certificate that an agreement in **Form-34** has been signed by the Government servant drawing the advance and that it has been examined and found to be in order.

Note-5 The sanctioning authority should see that the conveyance is purchased within one month from the date on which the advance is drawn. On completing the purchase, the Government servant will further be required to execute a mortgage bond in **Form-35** hypothecating the conveyance to the Government as security for the advance. (Such a bond is exempt from the duty chargeable under Section 40, clause (b) of schedule 1 of the Stamp Act, 1899). The cost price of the conveyance should be entered in the schedule of specifications attached to the bond. This bond should be promptly submitted by the sanctioning authority to the Treasury Officer / Treasury Officer for examination before final record. The mortgage bonds should be kept in the safe custody of the administrative department concerned in cases in which the advance is sanctioned by the Government. When the advance has been fully repaid the bond should be returned to the Government servant concerned, duly cancelled, after obtaining from the Treasury Officer / Treasury Officer's office a certificate as to the complete repayment of the advance. Administrative departments should satisfy themselves by careful scrutiny of all such bonds that they are in proper legal form and have been regularly executed.

Note 6. — The form of mortgage bond executed by a Government servant drawing an advance in Pakistan for the purchase of a motor car provides for insurance against full loss by fire, theft or accident, and the borrower is required to execute a subsidiary bond in **Form-36**.

(1) As soon as the purchase is finalized, mortgage deed executed, and insurance effected the following documents shall be submitted to the Treasury Officer.

- i. Vendor's receipt
- ii. Mortgage Deed, and
- iii. Insurance Policy

(2) The Accounts Officer will scrutinize the above documents and return them to the sanctioning authority for record.

(3) Such insurance of the car should be effected within one month from the date of purchase of the car. A Government servant drawing a similar advance abroad is required to effect insurance within one month of his arrival in Pakistan, unless an insurance policy is already in existence. On receipt of the certificate, the Accounts Officer will obtain from the Government servant drawing the advance a letter to the Motor Insurance Company with whom the motor car is insured to notify to them the fact that the Government is interested in the insurance policy secured. He will himself forward this letter to the Company and obtain their acknowledgment. In the case of insurances effected on annual basis the process prescribed above shall be repeated every year until the advance has been fully repaid to Government. As soon as the insurance has been affected the policy or renewal note, as the case may be should be submitted to the Accounts Officer for scrutiny. Contravention of these orders (evidence in respect of compliance wherewith should be promptly furnished to the Accounts Officer) will render the Government servant liable to refund the whole of the amount advanced with interest accrued, unless good reason is shown to the contrary. The amount for which the car is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount due is completely repaid. If, at any time and for any reason, the amount insured under a current policy is less than the outstanding balance of the advance including interest already accrued, the Government servant will be required by the Treasury Officer I to refund the difference to Government. The amount to be refunded must be recovered in not more than three monthly installments.

Note-4: Advances for the purchase of motor cars to temporary Government servants should not exceed 75 percent of the purchase price. Such advances should be sanctioned ordinarily only when there is reasonable prospect of the officer continuing in Government employ till the complete repayment of the advance.

Note-6: This rule does not preclude the grant of an advance after the conveyance referred to in this rule has been purchased, provided application is made within one month of taking delivery.

(B) Advance for the purchase of Motorcycle

132. An advance for the purchase of motorcycle may be sanctioned to a Government servant to the conditions laid down in rules above and the notes thereunder which shall apply mutatis mutandis and further to the conditions, given below;

(a) That the amount of advance does not exceed six (6) months' pay. If the actual price paid is less than the advance taken, the balance shall be forthwith refunded to Government.

(b) Recovery will be made unless the competent authority otherwise specially directs, by deducting monthly installments equal to one-twelfth part of the advance from the pay of the Government servant concerned.

IV. Other Miscellaneous Advances

133. Advances may also be made for the purposes specified below:

(a) To a Government servant under orders of transfer, up to an amount not exceeding one month's substantive pay plus travel allowance to which he may be entitled under the rules in consequence of the transfer. Such advances may be sanctioned by the head of the office or any other subordinate officer to whom the power may be delegated. The advances should be recorded on the Government servant's last-pay certificate. The advance of pay should be recovered from the pay of the Government servant in three equal monthly installments beginning with the month in which a full month's pay is drawn after the transfer. The advance of travel allowance should be recovered in full on submission of the Government servant's travel allowance bill. The advances referred to in this clause is also permissible to a Government servant who receives orders of transfer during leave.

Note-1: Clause (a) above does not preclude the grant of a second advance to a Government servant to cover the travel expenses of any member of his family who, follows him within six months from the date of his transfer and in respect of whom an advance of travel allowance has not already been drawn.

Note-2: When a single lump advance is drawn to cover the travel expenses both of the officer himself and of his family, it may be adjusted by the submission of more than one bill if it so happens that the members of the officer's family do not actually make or complete the journey with him. In such a case, the officer should certify on each adjustment bill admitted by him that a further bill in respect of travel allowance of the members of his family (to be specified) who have not yet completed the journey will be submitted in due course and is expected to include an amount not less than the balance of the advance left unadjusted in this bill.

Note-3: The advance of pay under this clause may be allowed to be drawn at the new station soon after the arrival of the officer there, on production of the last-pay certificate showing that no advance was drawn at the old station.

Note-4: Authorities competent to sanction advances under this rule may sanction such advances for themselves also.

V. Advances on Tour

134. Advances may be made under rules specified below: ----

(a) To a Government servant other than an inspecting officer for himself or an assistant or deputy, proceeding on tour, up to an amount sufficient to cover for a month his contingent charges, such as those for the hire of conveyances for the carriage of records, or other Government property, subject to adjustment upon the Government servant's return to headquarters or 30th June, whichever is earlier.

(b) Advances can be sanctioned by heads of departments to officials and officers working under him: -

(b) That the advance should be just sufficient to cover for a period of tour or a month, whichever is earlier, travel expenses of the officer and his contingent charges such as those for the hire of conveyances, etc., subject to adjustment upon return to headquarters or the 30th June, whichever is earlier.

(c) The officer who has taken an advance for any particular journey may not take payment in travel allowance or other bills drawn in respect of the same journey while the advance, or any portion of it, still remains unadjusted.

(d) The advance is recommended by the officer who countersigns the travel allowance bill.

(e) The officials when proceeding on tour shall be granted Travel Allowance advance sufficient to cover their personal travel expenses by the Head of their office subject to adjustment on completion of their tour or 30th June, whichever is earlier.

Note-1: A second advance cannot be made to the same Government servant under this rule until the first has been accounted for.

Note-2: Subject to the restrictions specified above advances under this clause may be granted in all cases of journeys in respect of which travel allowance is admissible, as for a journey or tour.

Note-3: Authorities competent to sanction advances under this clause may sanction such advances for themselves also.

VI. Conditions of Repayment

135. All advances are subject to adjustment by the Government servants receiving them in accordance with rules applicable to each case. When an advance is adjustable by recovery, the amount to be recovered monthly should not be affected by the fact of a Government servant going on leave of any kind with allowances or on subsistence allowance. A competent authority may, in exceptional cases, order a reduction in the amount of the monthly installment but the whole amount shall have to be completely recovered by the due date.

Chapter-13

General Organization and Working of Federal Treasuries

Section I. General Organization

Management

136. Subject to any general or special orders of the Government, the ultimate responsibility for the proper management and working of a Federal treasury shall rest entirely with the Finance Division.

(i) RESPONSIBILITY OF THE COLLECTOR

137. The Collector, as in general charge of the treasury, shall be immediately responsible to the Finance Division for its general administration and working. This responsibility extends not only to the security of cash balance, stamps and other Government property, and the immediate detection of any irregular practice on the part of the subordinates, but also to the correctness of prescribed accounts and returns and the punctuality of their submission, and to the implicit obedience of the Treasury Officer to the instructions issued by the Finance Division or Accountant General.

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

139. (1) He shall be bound to satisfy himself by periodical examination at least once in every six months of valuables, stamps, securities, bills etc.

(i) That the valuables, actual stock of stamps and securities etc., are kept under joint lock and key and correspond with the book balance; that the value of the stamps in sole custody of the treasurer is not larger than the limits prescribed by the Government.

(ii) That the stock of cheque books, which are intended for use in monetary transactions are carefully kept under lock and key by the Treasury Officer and periodically tallied with the nominal balance of such cheque books on the stock books; and

(2). He shall satisfy himself once in every quarter that the deposit registers are maintained in accordance with the rules, and that all necessary entries are made and initialed without fail at the time of the transactions.

(3). He shall, when assuming or making over charge of the Collector, see that the stock of stamps, etc., is thoroughly verified and that the certificate of taking over charge, in which the state of stamps and other stock balances should be shown is sent to the Finance Division for record.

(4). All replies to important communications from the Government should be issued only after his approval.

(5). He should remember that, when an irregularity of any kind is brought to his notice by the Accountant General nothing but a report on his own knowledge, after personal investigations, shall be considered satisfactory. It is not enough for him to pass on the explanation

(II) RESPONSIBILITY OF THE TREASURY OFFICER

140. (1) The Treasury Officer is responsible to the Collector primarily for the proper discharge of his duties for thorough observance of all rules prescribed for his guidance in every branch of his duties and for strict attention to all details of the daily routine of the treasury work. He is responsible to the Finance Division for the working of the treasury and the conduct of the subordinate treasury officials; and, for the custody of stamps, valuables, he is jointly responsible with the Treasurer. He must have carefully prepared instructions for the guidance of every branch of his office.

(2) He is responsible for keeping the accounts of the treasury strictly in accordance with the directions contained in the APPM and Account Code, for the accuracy of all initial records and vouchers and for regularity of all transactions taking place at the treasury.

(3) The special precautions to be observed by the Treasury Officer in matters relating to receipt, custody and payment of Government moneys are specified in other relevant parts of these rules.

(III) RESPONSIBILITY OF THE TREASURER

141. (a) The Treasurer is jointly responsible with the Treasury Officer for custody of the imprest stamps and other government property. It is the duty of the Treasury officer to see that he furnishes sufficient security to protect Government against loss due to his negligence or fraud.

(b) A model form of the Treasurer's security bond is given in Form-34 Securities lodged as deposits may be returned after six months from the date of vacation of office by a Treasurer, but the bond shall be retained permanently, or until it is certain that there is no necessity for keeping it any longer.

IV-TREASURY STRONG ROOM

The following are the rules regarding the security of strong rooms: -

142. Without the special permission of the Government, no place shall be used as a strong room unless it is first certified to be secure and fit for use as such by an officer of the Public Works

Department not below the rank of an Executive Engineer. The inspecting officer, in certifying to the suitability of the room, may prescribe any necessary conditions as to the manner of storing the treasure, such as “that it must be in boxes: that no bags or boxes be placed within a prescribed distance of the wall or in any particular part of the room”. The inspecting officer must specially examine the condition of any of the enclosing walls, which are so situated that they are not, on the outside, under observation of the guard.

(a) Existing strong rooms will be inspected annually by the Executive Engineer, or by an experienced Assistant Engineer/Sub Divisional Officer deputed by the Executive Engineer for the purpose.

(b) The inspecting officer will grant a certificate of safety and it is the duty of the Treasury Officer to obtain such a certificate annually.

(c) The District Police Officer shall record an order prescribing the positions of the police constables and may also require additional precautions to be taken in the strengthening of fastenings, switching of lights, etc. but the responsibility for the security of the building and its fixtures shall remain with the Executive Engineer, and that for the security of chests and other treasury furniture not being part of the building or fixtures shall remain with the Officer- in- charge of the Treasury strong room.

(d) A copy of the inspecting officer’s certificate and of the District Police Officer’s order shall be hung at a conspicuous place within the strong room. It is the duty of the officer-in-charge of the Treasury to see that any conditions as to the manner of storage stated in these documents are complied with.

(e) The doors and windows of the strong room shall remain permanently closed and locked, except during the time necessary for putting in or taking out of stocks of stamps and valuables in or out of it. The Officer in-charge must be personally present during the whole time between the opening and shutting of the strong room.

(f) As an exception to the sub rule (e) above, the opening of shutters is permitted during office hours, if it is necessary for the admission of light or air to any other part of the building, provided that the stamps and valuables remain securely packed under lock and key.

V-STORAGE OF STOCKS OF STAMPS AND VALUABLES

143. The bulk of the treasury balance remains under double lock, one key being held by the Treasury Officer and the other by the Treasurer. The Treasurer holds the value of stamps etc. in his sole custody, must not be larger than the limits prescribed by the Finance Division and also proportionate to the security given by him. The sum so held should be seen and roughly verified by the Treasury Officer every day to see that the prescribed limits are not exceeded. Stamps and valuables in the sole custody of the Treasurer, beyond limits should be placed for safe custody each night in the vaults under double lock.

SECTION VI. —Treasury Inspection

144. Every Collector shall make a systematic inspection of the working of the treasury once a year with the object of ensuring that the procedure actually observed at the treasury is in accordance with the rules and order in all respects and that the accounts and other records are properly maintained. The Inspection shall be carried out in accordance with the following instructions: —

(a) The strongroom should be first inspected, then the Treasurer's branch and lastly the Accounts branch.

(b) The stock of stamps and valuables should be verified.

(c) That the arrangements connected with the strong room for storage and custody of treasure, stamps, opium, padlocks and keys and other valuables are perfect and complete.

(d) That the stock of cheque books are handled strictly in accordance with the rules.

(e) That the Treasurer and stamp vendors have given adequate security and that the former has in addition furnished a security bond in proper form.

(f) That the Treasury Officer exercises a proper and adequate check over the working of the treasury.

(g) A general review of the various records, registers, books of reference, etc., should be undertaken to see whether the detailed orders of competent authorities, issued since the date of last inspection relating to such matters as the custody of padlocks and keys, stamps and valuables, and maintenance of accounts are readily available for reference and have been properly maintained.

SECTION VII. —Miscellaneous Provisions

Deposit of Cash and Valuables of other Departments

145. If for special reasons, the Head of the Local Administration, or the Collector directs the cash chests belonging to any Government department to be lodged in the treasury for safe custody, the fact shall be reported for information of the Finance Division and the Accountant General. A register shall be kept in the treasury in which the receipt and return of the chest should be duly acknowledged. The key or keys of the chests must not be kept in the treasury, nor shall the amounts of such chests be brought into the accounts of the treasury.

(6) Bullion, jewelry and other valuables coming into the hands of a Government officer in his official capacity may be received into the treasury for safe custody at the discretion of the Collector.

Monthly Accounts and Returns

146. A complete list of treasury accounts and returns to be rendered on different prescribed dates to the Accountant General and the Finance Division and other authorities shall be kept at each treasury. The accounts and returns be written up in accordance with the directions contained in this behalf in the Account Code, Vol. II, Accounting Policies and Procedures Manual. and such orders and instructions as may be issued by the Accountant General.

Payments to the State Bank of Pakistan

147. Bills for sums payable to the State Bank, e.g., bills in connection with flotation of new loans, management of Public Debt, etc., shall be countersigned by an officer of the Ministry of Finance before they are paid.

NOTE. —The Bank is authorised to debit to Government account, in advance of the submission of consolidated bills for expenses incurred in connection with the flotation of a Government loan, payments which it may make to bankers, etc., on account of brokerage, subject to the condition that the Bank accepts the responsibility in the event of any excess payment being made. The advance so made should be adjusted against the final bill of the Bank.

Discount on Sale of Stamps.

148. Discount on sale of postage and other stamps is allowed by deduction from the amount paid in by the purchaser. The net amount will be received and brought to account, the receipted challan being the payer's authority for receipt of the stamps from the Treasury Officer.

Interest on Government Debt

149. The procedure with regard to payments of interest on different forms of Government securities shall be regulated by the rules and orders contained in this behalf in the Government Securities Manual issued under the authority of the Government.

Compensation for Land

150. The procedure to be observed for the payment of compensation for land taken up for public purposes shall be regulated by special orders reproduced in Appendix G.

SECTION VII. —Daily Accounts and Returns

151. The accounts and returns to be rendered by the Bank to the Accounts Officer in respect of transactions of the Federal Government (except where Departments have been allowed to have their own treasuries) will consist of: —

- (i) A daily account of receipts and payments together with connected challans and vouchers.
- (ii) A passbook or register of receipts and payments, to be daily forwarded to and returned by the Treasury Officer.
- (iii) Where the receipts and payments take place at an office or agency of the Bank connected with the treasury of a Province a copy of the daily schedule of receipts and payments on account of the Federal Government, which is forwarded by such office or agency of the Bank to its head office.

152. In the daily accounts rendered by the Bank, such payments and receipts will be classified as may be directed by the Accountant General, in order that their arrangement may fit in with the forms prescribed for accounts kept at the treasury. The daily account will be prepared every day and the Manager or Agent, as the case may be, after satisfying himself as to its accuracy, will docket and forward it to the Treasury Officer with the register of daily receipts and payments and with all the appertaining challans and vouchers at the close of the day. The net amounts of payments only are to be entered, that is, when a deduction is made from the amount of a bill, the daily account will show only the amount paid after deduction, and not the gross amount of demand.

NOTE 1. —It is of importance that these documents be secured in a locked box when sent by the Bank to the Treasury Officer, in order that there may be no possibility of any alteration or abstraction of any paper before they reach the hands of the Treasury Officer.

NOTE 2. —With the concurrence of the Accountant General, the daily accounts may be submitted in the morning following the date to which they refer, instead of at the close of the same day.

153. Care shall be taken that vouchers sent to the Accounts office are conspicuously marked by the Bank with the word Paid. Inattention to this rule may lead to documents being paid twice, in the event of their falling into unscrupulous hands.

154. The Register of daily receipts and payments will contain five columns for (1) the date, (2) the total receipts for the day, (3) the total payments of the day, (4) the initials of the Manager or Agent, as the case may be, and (5) the initials of the Treasury Officer. It will be written up and forwarded with the daily account to the treasury, the entries being certified by the initials of the Manager or the Agent in the 4th column. The Treasury Officer shall check the receipts and disbursements columns of the daily account, agree their totals with the figures entered in the register and examine the vouchers, and after initialling in the 5th column of the register in token of his verification, shall return the register to the Manager or Agent the same day or, as soon as possible, on the following day.

155. The transactions of Railways will not be included in the daily accounts and returns rendered by the Bank to the Accounts Officer under rule 151. Separate statements of receipts and payments at the Bank on account of each Railway, together with all connected vouchers and other documents, will be forwarded by the Bank daily to the Chief Accounts Officer of the Railway concerned in

accordance with such arrangement as may be settled between the State Bank and the Railway Department.

Daily Posting of Accounts

156. When the daily account with the challans and vouchers is received from the Bank, the account shall first be examined against the challans and vouchers which support it. Then the challans and vouchers which have been already approved and registered by the Treasury Officer, shall first be marked off in the register of challans issued and of orders for payment, that is, the date of discharge shall be noted against the entries of them in those registers. Each item of receipt or payment will then be posted from the daily account, with its challans and vouchers, into the cash book either direct or through some subsidiary register, and the net difference between the total receipts and the total payments posted in the Register of State Bank Deposits in accordance with the directions contained in this behalf in the Account Code, Vol. II. The daily postings in this register must be checked and agreed, where necessary, with the daily schedules received under clause (iii) of rule 151.