



**Tea Board**  
**14, B. T. M. Sarani**  
**Kolkata- 700 001**

**WebSite:** [www.teaboard.gov.in](http://www.teaboard.gov.in)  
**E-Mail:** [teaboardfin@gmail.com](mailto:teaboardfin@gmail.com)

**Tel:** 033 2235 1331  
**Fax:** 033 2221 5715

F.No.Fin/Cash/Cash Procedure/2014

Dated: 20<sup>th</sup> June, 2014

To

All the Heads of Zonal, Regional and Sub-Regional offices of the Tea Board

Sub:-General Instructions for Handling Cash.

During the course of Internal Audit of various Zonal and Regional offices of Tea Board in the recent past, it has been noticed that due procedure is not followed for handling Cash and substantial number of observations have been raised on cash accounting, cash vouchering, bank reconciliation statement etc. The procedure for cash handling, receipts and payments, duties and responsibilities of officials responsible for cash duties have been laid down in the Receipts & Payments Rules and Treasury Rules of Central Government etc. The following important instructions on cash handling are given below for guidance.

1. The General Instructions for handling Cash as given in the Rule No.13 of Receipts & Payments Rules and Rule 76 to 77 A of Central Treasury Rules may be followed. Copies of aforesaid instructions are enclosed herewith as **Annexure-A & B** respectively.
2. Rule No. 5(2) of Receipts & Payments Rules (**Annexure-C**) and Rules-109 of Treasury Rules of the Central Government (**Annexure-D**) may be followed for safe custody of cash. In addition, attention is also drawn to the Rule 117( Custody of Treasury Balance) of Central Treasury Rules (**Annexure-E**) for reference. A register of Padlocks & Keys of Strong Rooms/Cash Chests may be maintained in the form as given at Rule 114(1) of Central Treasury Rules (**Annexure-F**).

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3. (i) The Accounts Officer of the concerned office will be assigned the duty of Cash Officer by the Head of the Zonal/Regional/Sub-Regional Office and will exercise direct supervision over all money transactions and will initial all entries in cash book on day to day basis and verify that cash vouchers are complete in all respects.
  - (ii) In the absence of Accounts Officer, the duty of Cash Officer may be assigned to Assistant Accounts Officer, failing which to another Officer of the level of Accounts Officer or Assistant Accounts Officer by the Head of the Zonal/Regional/Sub-Regional Office.
  - (iii) The Cashier and in his absence UDC, Typist Clerk etc. will write the Cash Book and prepare the Balance Sheet and Bank Reconciliation Statement on monthly basis.
  - (iv) The duties of Cash Officer and Cashier are laid down in the Receipts & Payments Rules and Treasury Rules of Central Government etc. However, the indicative duties of Cash Officer and Cashier are enclosed herewith as **Annexure- G**.
4. However, the Head of the Zonal/Regional/Sub-Regional office shall have the overall responsibility of Cash Accounts and Government money of his office. The Head of the Zonal/Regional/Sub-Regional office must carry surprise check of Cash at least once in six months and endorse a Certificate in the Cash Book on the following lines "Cash counted and found to be correct". The duties and responsibilities of Head of establishments are also laid down in the Receipts & Payments Rules and Treasury Rules of Central Government etc. Nevertheless, the indicative duties of Head of Zonal/Regional/Sub-Regional Office are also given at **Annexure-G**.
5. (i) Handing and taking over of Cash will be carried out by the Head of Zonal/Regional/Sub-Regional office, at the time of handing over of charge of his office. Similar handing and taking over will also be carried out when Cash Officer/Cashier hand over of charge of his office including while proceeding on leave (including Casual Leave) etc.

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- (ii) The Relieving Officer will record a Certificate on the Cash Book as under: -  
"Cash counted on dt.....and found to be Rs..... which agrees with the Cash Book balance of date".
- (iii) Below the certificate referred to in sub-para. (ii) above the relieved and the relieving officers will jointly sign the Cash book in token of their handling and taking over as under

Handover.

Taken over

Relieved Officer.

Relieving Officer.

- (iv) The Certificate will be recorded on the disbursement (Credit) side of Cash Book and any blank space between this certificate and last entry in the Cash Book before recording the certificate should be ruled diagonally across the page.

Enclo: As above.



(A.Rajan)  
Secretary(I/C)  
Tea Board.

**Distribution:**

- |                         |                                      |
|-------------------------|--------------------------------------|
| 1. FA&CAO               | -For information please-             |
| 2. P.A. to Chairman     | -do-                                 |
| 3. P.A. to Dy. Chairman | -do-                                 |
| 4. Sr. A.O.             | -For information & necessary action- |
| 5. A.O. (Cash)          | -do-                                 |
| 6. A.O. (IFA)           | -do-                                 |
| 7. Guard File           |                                      |

✓(2) Subject as hereinafter provided in this rule, the procedure to be observed by a Government officer in regard to moneys withdrawn from the Government Account for expenditure shall be regulated by the provisions made in this behalf in Part-III of these rules.

(3) A Government officer supplied with funds for expenditure shall be responsible for such funds until an account of them has been rendered to the satisfaction of the Accounts Officer concerned. He shall also be responsible for seeing that payments are made to persons entitled to receive them.

(4) If any doubt arises as to the identity of the Government officer by whom an account of such funds shall be rendered, it shall be decided by the Government.

✓13. **General instructions for handling cash.**— Save as otherwise expressly provided in these rules or in any authorized departmental regulations, the following instructions shall be observed by all Government officers who are required to (a) receive Government dues and handle cash or (b) perform the functions of Drawing and Disbursing Officers (with or without cheque drawing powers), or both:—

(i) Every such officer (referred to in this rule as the Head of the Office) should maintain a Cash-book in Form G.A.R. 3.

(ii) All monetary transactions should be entered in the Cash-Book as soon as they occur and attested by the Head of the Office in token of check.

EXCEPTION (a).— An 'Account Payee' crossed cheque or bank draft drawn in the personal name of a recipient (Government servant or third party) by a Pay and Accounts Officer (or by a cheque-drawing DDO) and routed through a departmental office merely for the purpose of delivery to the recipient thereof, need not be entered by the latter office in its Cash-book, the delivery of such a cheque or draft to the concerned party may be recorded in and watched through a separate 'crossed cheques and bank drafts transit register'.

EXCEPTION (b).— Cheques issued by cheque-drawing DDOs., are required to be entered in a 'Register of Cheques issued' in Form G.A.R. 4. Therefore, only those cheques drawn by him which are encashable in his capacity as Disbursing Officer for arranging payments in cash, need be entered in the Cash-book.

<sup>1</sup>[ EXCEPTION (c).— Receipts in the form of local cheques, or demand drafts (to be crossed) in favour of Pay and Accounts Officers (or endorsed in their favour as per Note 2 under Rule 18) accepted by non-cheque drawing DDOs, need not be entered in the Cash-book, but should be entered in the register of valuables (Form G.A.R. 5) and remitted into the accredited bank duly supported by challans for credit to Government Account. ]

(iii) The Cash-book should be closed regularly and completely checked. The Head of the Office should verify the totalling of the Cash-book or have this done by some responsible subordinate other than the writer of the Cash-book and initial it as correct. ✓

1. Substituted *vide* C.S. No. 20, dated the 13th April, 1989.

<sup>1</sup>[ EXCEPTION: In order to minimize the balance under Traffic Suspense-Cash-in-Transit at the close of financial year, Ministry of Railways may keep their Cash-books open — for the month of March each year up to 18th April for North Frontier Railway and up to 10th April in respect of other Indian Railways. ]

- (iv) At the end of each month, Head of the Office should verify the cash balance in the Cash-book and record a signed and dated certificate to that effect. In regard to any discrepancy noticed therein, the instructions contained in Section V of Chapter 2 of the General Financial Rules, 1963, should be followed. In case the verification of cash balance is not possible on the last working day of a month on account of disbursement of monthly salary and allowances, it may be done on the first working day of the next month before making any transactions on that day.
- (v) Entries made in the Cash-book regarding remittance of receipts to the accredited bank for credit into Government Account should be attested by the Head of Office after verifying them with reference to the bank's receipt recorded on the pay-in-slips or challans. When the credit appears in the receipt scroll from the bank, the actual date of realization of the cheque or draft should be indicated by cheque-drawing DDOs against the original entry in the Cash-book so as to keep track of outstanding items.
- (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. The Head of Office 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 Head of Office be allowed to handle also in his official capacity money which does not belong to the Government. Where under any special sanction, a Government 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.
- (viii) The employment of Peons to fetch or carry money should be discouraged. When it is absolutely necessary to employ one for this purpose, a man of some length of service and proved trustworthiness should only be selected and in case where the amount to be handled is large, one or more guards should accompany the messenger.

1. Inserted *vide* C.S. No. 24, dated the 10th December, 1992.

NOTE 1.— The duties imposed by Clauses (ii) to (vi) of this rule on the Head of Office may be entrusted to a subordinate Gazetted Officer nominated by the Head of Office 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 Head of Office or the 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.— If large number of bank drafts, cheques are received by any departmental office, receipt thereof and remittance into bank need not be entered individual itemwise in the Cash-book. It would be sufficient if the total of the daily entries pertaining to the same classification from a register of valuables (Form GAR 5) maintained for the purpose is carried to the Cash-book giving cross reference in the latter to the serial numbers thereof in the former.

NOTE 4.— 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 unauthorized 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 accredited bank conducting business of the department concerned.

A duplicate keys register should be maintained indicating the authorities with whom they are lodged. Once a year, in April, the keys must be sent for examination and returned under fresh sealed covers to the respective officer/bank with whom they are meant to be lodged and a note kept in the register that they have been inspected and found intact and genuine and sent back to the nominated authorities. Similarly, entries should be made in the register in regard to any occasion when the duplicate keys had to be obtained for opening the chest and the date of re-sealing and lodging with the nominated authorities.

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. //

**14. Adjustment of transactions of the Government with a State Government.**— No transactions of the Government with a State shall be adjusted against the balance of the Government except in accordance with such directions as may be given by the Controller-General of Accounts on the advice of the Comptroller and Auditor-General of India to regulate the procedure for the accounting of such transactions.

**15. Extent of responsibility of the Reserve Bank in connection with the business of Government.**— Nothing contained in, or in the application of these rules shall have effect so as to impose upon the Reserve Bank in connection with the business of the Government any responsibility not imposed upon it by the terms of the agreement referred to in Rule 3.

NOTE.— 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 March every year), if so required by the Controller-General of Accounts, or by any authority or authorities nominated by him.

✓ **16. Authority competent to frame departmental regulations for detailed procedures under these rules.**— (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 departments shall be made by the Government, or with the approval of the Government, by such departmental authorities as may be authorized by the Government to act in this behalf.

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

**17. Instructions for rounding off transactions in Government accounts.**— The instructions are contained in Appendix No. II.

PART III — RECEIPT OF GOVERNMENT MONEY  
AND PAYMENT OF SUCH MONEY INTO  
THE GOVERNMENT ACCOUNT

**General Rules**

*General instructions for handling cash*

176. Government dues or other moneys receivable on Government account may be realized in cash, (i.e., in legal tender coins or notes), or by cheques <sup>2</sup>[ or drafts drawn on any local branch of a scheduled bank ] or by money orders or by postal orders or in such other forms as may be prescribed by Government. Dues, etc., of Ministries, Departments of Government of India and of their Attached/Subordinate Offices are generally received by Departmental Officers or by specified branches of the Banks accredited to them in the form of crossed local drafts or cheques or in cash unless otherwise specifically notified. In the case of Union Territory Governments / Administrations, dues may be received either by Departmental Officers or by Pay and Accounts Officers or by Treasuries or by Banks attached to Treasuries, as the case may be. In the case of Departmental Officers, the amount receivable in cash will not, however, exceed ₹ 100.00 in each case or such higher amounts as they may be authorized to receive.

NOTE 1— The term 'local branch' as used in this rule and in Rule 79 means a branch of a Bank located in the Station in which a departmental office with cheque drawing powers/a pay and accounts office or a departmental office without cheque drawing powers (set up under the Scheme of departmentalization of Accounts) or a Bank treasury, as the case may be, is situated.

2. In the case of departmental officers not having cheque drawing powers, local cheques/demand drafts should be accepted in favour of the concerned Pay and Accounts Officers. However, when cheques/demand drafts are received in the name of former officers under any Rule or Act or otherwise, these may be endorsed by them for payment to their respective Pay and Accounts Officers only. Government dues, etc., received in cash by such departmental officers functioning at places other than those of their Pay and Accounts Offices may be remitted to the latter officers by means of crossed bank drafts, for being credited into Government account.

77. Save as otherwise expressly provided in these rules or in any authorized departmental regulations, the following rules shall be observed

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1. Substituted *vide* C.S. No. 1/80-27, dated the 27th October, 1980.

2. Inserted *vide* C.S. No. 1/81-32, dated the 13th March, 1981.

by all Government officers who are required to receive Government dues and handle cash:—

- (i) Every officer receiving money on behalf of the Government should maintain a cash book in Form T.R.-4.
- (ii) All monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the Office in token of check.

1[ EXCEPTION.— “Account Payee” cheques issued by Pay and Accounts Officers and also those issued by the Cheque Drawing and Disbursing Officers as a result of pre-check of bills submitted to them by non-cheque drawing DDOs, in favour of Government servants and third parties, being payable only to the parties, need not be entered in the cash book; their delivery, etc., is to be watched through a separate register. ]

- (iii) The cash book should be closed regularly and completely checked. The Head of the Office should verify the totalling of the cash book or have this done by some responsible subordinate other than the writer of the cash book and initial it as correct.
- (iv) At the end of each month, the Head of the Office should verify the cash balance in the cash book and record a signed and dated certificate to that effect. The certificate should also be recorded on the monthly cash account, primary abstract or account current, where such account abstract or account current is required to be submitted to the Accountant-General. Such certificates must be signed by the Head of the Office who should invariably date the signature.

2[ NOTE.— In case the verification of cash balance is not possible on the last working day of a month on account of disbursement of monthly salary and allowances, it may be done on the first working day of the next month before making any transactions on that day. ]

- (v) When Government moneys in the custody of a Government officer are paid into the Treasury or the Bank, the Head of the Office making such payments should compare the Treasury Officer's or the Bank's receipt on the challan or his pass book with the entry in the cash book before attesting it, and satisfy himself that the amounts have been actually credited into the Treasury or the Bank. When the number of payments made in a month is more than ten and the total amount involved therein exceeds ₹ 1,000, he should, as soon as possible after the end of the month, obtain from the treasury a consolidated receipt for all remittances made during the month which should be compared with the postings in the cash book.

1. Inserted *vide* C.S. No. 1/80-24, dated the 29th April, 1980.

2. Inserted *vide* C.S. No. 1/82/46, dated the 10th November, 1982.

NOTE.— Notwithstanding the provisions of this clause, the Head of the Office may at his discretion obtain a consolidated receipt irrespective of the number of payments made in a month and the total amount involved therein.

- (vi) An erasure or overwriting 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. The Head of the Office 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 Head of the Office, be allowed to handle also in his official capacity money which does not belong to the Government. Where under any special sanction, a Government 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.
- (viii) The employment of peons to fetch or carry money should be discouraged. When it is absolutely necessary to employ one for this purpose, a man of some length of service and proved trustworthiness should only be selected and in cases where the amount to be handled is large, one or more guards should accompany the messenger.

NOTE 1.— The duties imposed by Clauses (ii) to (vi) of this rule on the Head of the Office may be entrusted to a subordinate Gazetted Officer nominated by the Head of the Office 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 Head of the Office or the 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.

177-A. Save as otherwise expressly provided in these rules or in any authorized departmental regulations, the following rules shall be observed by all Government officers who are required to (a) receive Government dues and handle cash and/or (b) perform the functions of Drawing and Disbursing Officers (with or without cheque drawing powers):—

- (i) Every such officer (referred to in this rule as the Head of Office) should maintain a cash book in Form T.R.-4.

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1. Inserted *vide* C.S. No. 1/81-37, dated the 21st April, 1981.

- (ii) All monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the Office in token of check.

EXCEPTION.— (a) “An Account Payee” crossed cheque/bank draft drawn in the personal name of a recipient (Government servant or third party) by a Pay and Accounts Officer (or by a cheque drawing DDO) and routed through a departmental office merely for the purpose of delivery to the recipient thereof need not be entered by the latter office in its cash book; the delivery, etc., of such a cheque/demand draft to the concerned party may be recorded in and watched through a separate register.

EXCEPTION.— (b) Cheques issued by Cheque Drawing DDOs are required to be entered in a “Register of Cheques” issued in Form T.R.-74. Therefore, only those cheques drawn by him which are encashable in his capacity as Disbursing Officer for arranging payments in cash, need be entered in the cash book.

1[ EXCEPTION.— (c) Receipts in the form of local cheques/bank drafts (to be crossed) in favour of Pay and Accounts Officers (or received in favour of DDOs under any Rule or Act but endorsed in favour of PAOs) accepted by non-cheque drawing DDOs need not be entered in the cash book, but should be entered in the register of valuables (Form T.R.-75) and remitted into the accredited bank, duly supported by challans for credit to Government Account. ]

- (iii) The cash book should be closed regularly and completely checked. The Head of the Office should verify the totalling of the cash book or have this done by some responsible subordinate other than the writer of the cash book and initial it as correct.
- (iv) At the end of each month, the Head of the Office should verify the cash balance in the cash book and record a signed and dated certificate to that effect. In regard to any discrepancy noticed therein, instructions contained in Rule 16 of GFRs should be followed.
- (v) Entries made in the cash book regarding remittance of receipts to the accredited bank for credit into Government accounts should be attested by the Head of Office after verifying them with reference to the bank's receipt recorded on the pay-in-slip or challans. When the credit appears in the receipt scroll from the bank, the actual date of realization of the cheque/bank draft should be indicated 2[ by cheque drawing DDOs ] against the original entry in the cash book so as to keep track of outstanding items.
- (vi) An erasure or overwriting of an entry once made in the cash book is strictly prohibited. If a mistake is discovered, it should

1. Substituted *vide* C.S. No. 1/88/63, dated the 13th April, 1989.

2. Inserted *vide* C.S. No. 1/82/42, dated the 4th February, 1982.

be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The Head of the Office 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 Head of the Office, be allowed to handle also in his official capacity, money which does not belong to the Government. Where, under any special sanction, a Government 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.
- (viii) The employment of peons to fetch or carry money should be discouraged. When it is absolutely necessary to employ one for this purpose, a man of some length of service and proved trustworthiness should only be selected and in cases where the amount to be handled is large, one or more guards should accompany the messenger.

NOTE 1.— The duties imposed by Clauses (ii) to (vi) of this rule on the Head of the Office may be entrusted to a subordinate Gazetted Officer nominated by the Head of the Office 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 Head of the Office or the 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.— If large number of bank drafts/cheques are received by any departmental office, receipt thereof and remittance into bank need not be entered individual itemwise in the cash book. It would be sufficient if the total of the daily entries pertaining to the same classification from the register of valuables (Form T.R.-75) maintained for the purpose is carried to the cash book giving cross reference in the latter to the serial numbers thereof in the former.

**78. Deleted.**

### *Cheques tendered in payment of Government dues*

79. (1) (a) At places where the cash business of the treasury is conducted by the Bank, cheques drawn on local branch of a scheduled bank may be accepted by departmental officers or the treasury or the Bank in payment of Government dues or in settlement of other transactions with the Government. The cheques should be crossed by the drawer before tendering. However, until the cheque is cleared, the Government cannot admit

(ii) in a Central Treasury, the cash business of which is not conducted by the bank.

(2) The deposit of such moneys in the Reserve Bank shall be governed by the terms of the agreement specified in Appendix-I to these rules made with that Bank under Section 21 of the Reserve Bank of India Act, 1934 (2 of 1934).

NOTE.— The balances in small coin depots, rupee coins, balances in mint and cash balances held in Post Offices or other departmental offices are not reckoned as part of the General Cash balance of the Government.

**4. Other offices authorized to hold departmental Treasure Chests.**— The Officers in-charge of Military Treasure Chests and such offices of the Posts and Telegraphs Department as are authorized to perform all or any prescribed part of the duties of a Treasury Officer in respect of custody of the cash balances, and claims against the Government that may be presented to them for disbursement; and also in respect of moneys that may be tendered to them for credit to the Government Account, shall have to observe the relevant provisions of the Treasury Rules of the Central Government.

**5. Custody of money relating to or standing in the Government Account.**—

(1) The bank is responsible for the safe custody of Government moneys deposited in the bank.

(2) The procedure for the safe custody of moneys in the hands of Government officers referred to in Rule 4, shall be regulated by the provisions contained in ✓ Part-IV (Rules 109 to 112 in particular) of the Treasury Rules of the Central Government.

**6. Payment of revenues, receipts and dues of the Government into Government Account by Officers authorized to receive them.**— (1) All moneys received by or tendered to Government officers on account of revenues or receipts or dues of the Government shall, without undue delay, be paid in full into the accredited bank for inclusion in Government Account. Pay-in-slip in Form G.A.R. I (using perforated duplicates for carbon copying) shall be used for the purpose. Moneys received as aforesaid shall not be utilized to meet departmental expenditure except as authorized in sub-rule (2) nor otherwise kept apart from the accounts of the Government.

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

- (a) in the case of cash receipts utilized by Postmasters and other Heads of Offices of Posts and Telegraphs Department for departmental purposes in accordance with Posts and Telegraphs departmental regulations,
- (b) in the case of moneys received on account of the service of summons, diet-money of witnesses and similar purposes, in civil,

## PART IV — CUSTODY OF MONEYS RELATING TO OR STANDING IN THE GOVERNMENT ACCOUNT

### Cash in Departmental Chests

#### *General Rules*

**109.** (1) Save as hereinafter provided, Government money not in the custody of a Central Treasury or the Bank shall be kept in strong treasure chests secured by two locks of different patterns. All the keys of the same lock shall be kept in the same person's custody and as a general rule, the keys of one lock shall be kept apart from the keys of the other lock and in a different person's custody wherever practicable. The chest shall never be opened unless both the custodians of the keys are present. When there is a Police guard, the officer-in-charge of such guard shall hold the custody of the keys of one of the locks, and he must always be present when the chest is opened and until it is again locked.

(2) Heads of Departments may authorize a departure from the letter of this rule in any individual case in which either the amount of cash handled by the departmental officer, or the extent of insurance provided or any fidelity guarantee policy taken out by the office cashier or any other special consideration, may be held to justify the adoption of a simpler and less costly arrangement without impairing the safety of Government money.

**110.** The duplicate keys of departmental treasure chests of the Public Works Department and such other departments as are required to maintain and render accounts on the Public Works System of account may, at the discretion of the Divisional Officer or other Disbursing Officer, be placed under his seal in the custody of the Treasury Officer. In the event of this practice being adopted, a duplicate key register shall be maintained and once a year, in each April, the key must be sent for, examined and returned under fresh seal to the Treasury Officer, a note being made in the register that they have been found correct.

**111.** When under Rule 72, departmental cash chests are lodged in the treasury for safe custody, the keys of such chests must be kept with the departmental officer concerned who, and not the Treasury Officer, will be responsible for their contents.

**112.** Subject as provided in the foregoing Rules 109 to 111, the details of procedure to be observed with regard to the custody of Government money in the possession of the departmental officer may be laid down by departmental regulations.

#### Cash Balance in Central Treasuries

NOTE.— The money held in a Central Treasury is usually divided into two parts, viz.,—

kept in bundles of not more than 100 notes each, each bundle containing notes of one denomination only.

*Precaution against substitution of good coins by uncurrent or counterfeit coins*

**116.** To guard against the risk of uncurrent or counterfeit coin being substituted in a treasury for good coin presented by the public or received in remittance, shroffs and potdars or other subordinate officials who handle coin in treasuries must, on arrival for the day's work, give up to the Treasurer or a responsible subordinate to whom the Treasurer may entrust the duty, all coin carried with them at the time. This coin should be restored when the men are leaving office at the close of the day's work.

*Custody of Treasury Balance*

**117.** Save as provided in this rule, the bulk of the treasury balance must remain under double locks, one key being held by the Treasury Officer and the other by the Treasurer.

The Treasurer may hold in his separate custody a sum sufficient for the convenient transaction of Government business, which together with the values of stamps, opium, etc., in his sole custody must not be larger than the security given by him. The sum so held shall be seen and roughly verified by the Treasury Officer every night and locked up in the strong-room under double locks.

**118.** The following provisions must be carefully observed in receiving money into or giving it out from double locks:—

- (i) In receiving coin into double locks, the Treasury Officer should cause the contents of each bag to be emptied into the scales, weighed and poured into another bag which should be tied up in his presence with the slip in Form T.R.-7 placed inside it. The bags thus tested should then be counted into the chest.
- (ii) In receiving notes into double locks, the Treasury Officer should count the notes in each bundle and satisfy himself that the notes are all of the alleged value, that is, that a note of a lower denomination has not been included in a bundle for a higher denomination, and sign the label in Form T.R.-8 on the top as a token of this verification. The bundles thus tested should then be counted into the chest.

In the case of fresh notes of the denomination of ₹ 10 and ₹ 5 received in a remittance from the Currency Officer the detailed check may be confined to one bundle in every ten taken at random.

- (iii) Notes may be given out of double locks by counting the number of bundles.
- (iv) Small coin may be given out of double locks by counting the number of bags.

fastenings, burning 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 the chests and other treasury furniture not forming part of the building or fixtures, with the officer-in-charge of treasury.

- (iv) A copy of the inspecting officer's certificate and of the District Superintendent's or the Commanding Officer's order should be hung in a conspicuous place within the strong-room. It is the duty of the Treasury Officer to see that any conditions as to the manner of storage stated in these documents are complied with.
- (v) The doors and windows of the strong-room must remain permanently closed and locked, except during the time necessary for moving coin or other valuables into or out of it. The Treasury Officer must be personally present during the whole time between the opening and shutting of the strong-room.

As an exception to this rule, the opening of shutters may be permitted during office hours, in an aperture which is otherwise barred, if it is necessary for the admission of light, air to any other part of the building, provided that coin or valuables remain securely packed under lock and key.

#### *Custody of Padlocks and Keys of Strong-rooms*

**114.** (1) The following shall regulate the custody of duplicate keys of treasury strong-rooms and chests:—

- (i) A register of all padlocks belonging to the district treasury and sub-treasuries and treasure chests should be maintained in the following form and kept in the strong-room of the district treasury.

Separate pages should be assigned to the district treasury and for each sub-treasury or treasure chest. Each sub-treasury should also keep a list of its own padlock and keys in the above form, no entries being made under duplicate keys as no duplicate keys are to be kept at sub-treasuries.

#### FORM

Date of receipt	Number borne by padlock and keys	Number of duplicates received	Initials of the Treasury Officer who receives keys or padlocks	Date of removal of padlocks, key or keys or both	Number and date of order sanctioning the removal	Initials of Treasury Officer removing padlock, key or keys or both

Sl. No.	Activity	Head of Zonal/Regional/Sub-Regional Office	Cash Officer	Cashier
1.	To enter the monetary transactions in the cash book i.e. writing of cash book.			✓
2.	To attest/initial the monetary transactions in the cash book in token of check.		✓	
3.	Cash book should be closed regularly and completely checked		✓	✓
4.	To verify the totaling of the cash book and initial it as correct.		✓	✓
5.	To write the cash balance in the cash book.			✓
6.	To verify the cash balance in the cash book and record a signed and dated certificate to that effect either on the last working day of the month or the first working day of the next month before making any transactions on that day.		✓	
7.	To verify the entries made in the cash book regarding remittance of receipts to the accredited bank for credit into official account with reference to the Bank's receipt recorded on the Pay-in-slips or challans and attest it.		✓	
8.	To ensure no overwriting or erasing in cash book. If a mistake in entry is noticed, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. All such corrections shall be initialed with date.		✓	✓
9.	Officer handling Govt. money of Tea Board should not handle in his official capacity non-government money except with special sanction of Head of Regional/Sub-Regional Office.	✓		

Sl. No.	Activity	Head of Zonal/ Regional/Sub- Regional Office	Cash Officer	Cashier
10.	Government money of Tea Board should be kept separately from non-Government money and the transactions for non-Govt. money to be accounted in a separate set of books and kept entirely out of Govt. accounts.		✓	✓
11.	The number of pages of the cash book should be counted and a certificate for counting on the first page of the cash book should be recorded.		✓	✓
12.	The Cashier & one more person of some length of service and proved trustworthiness should be assigned the task of fetching or carrying money along with the cash officer. When the amount of cash handled is large, one or more guards may be arranged if possible.		✓	✓
13.	Cash should be kept in a strong room or in an adequately strong cash chest or almirah ( where necessary chest embedded in the wall)	✓	✓	✓
14.	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 with different person's custody i.e. one with cash officer and the other with cashier. The chest should not be opened unless both the cash officer and cashier are present for the purpose.		✓	✓

Sl. No.	Activity	Head of Zonal/ Regional/Sub- Regional Office	Cash Officer	Cashier
15.	Duplicate keys should be placed in separate sealed covers and lodged with different officers of higher rank other than cash officer and cashier.	✓		
16.	Maintaining duplicate key register.		✓	✓
17.	A sum sufficient for the convenient transaction of cash office business together with stamps may be kept in the sole custody of the cashier which must not be larger than the security given by him.	✓	✓	✓
18.	Verifying the cash balance by actual counting during checking.	✓	✓	✓
19.	Furnishing cash balance report as on the last day of the preceding month to Head of Regional/Sub-Regional office on the first working day of following month by the Cash Officer.		✓	

Sl. No.	Activity	Head of Zonal/ Regional/Sub- Regional Office	Cash Officer	Cashier
20.	Verification of Cash balances at least once in six months and result of the verification reported in the cash balance reports for those months.	✓		
21.	Preparation of monthly balance sheet (Assets & liability statement on the cash book itself) by the Cash Officer and Cashier.	✓	✓	✓
22.	Bank Reconciliation Statement to be prepared and reconciled every month by the Cash Officer and Cashier.	✓	✓	✓
23.	Handing over and taking over of cash at the time of handing over of charge of office. To also see that cash book is correct and complete at the time of handing over/taking over.	✓		
24.	Handing over and taking over of cash during hand over of charge of office including while proceeding on leave (including Casual Leave) etc .To also see that cash book is correct and complete at the time of handing over/taking over.		✓	✓

Sl. No.	Activity	Head of Zonal/ Regional/Sub- Regional Office	Cash Officer	Cashier
25.	To ensure remittance of cash realization at the first opportunity or at least once a week.		✓	✓
26.	To ensure timely refund of unspent balance to official account.		✓	✓
27.	Heavy cash balances should be avoided.		✓	✓
28.	To record and check that bill/voucher nos. recorded in column for voucher number.		✓	✓
29.	Settlement of audit objections and actual compliance of audit observations/objections.	✓	✓	✓

Sl. No.	Activity	Head of Zonal/ Regional/Sub- Regional Office	Cash Officer	Cashier
30.	To record and check recording of		✓	✓

Sl. No.	Activity	Head of Zonal/ Regional/Sub- Regional Office	Cash Officer	Cashier
35.	To arrange proper custody and security of documents.		✓	✓
36.	Ultimate responsibility for official money by proper management and working of Cash Office	✓		

**Note:**

1. Where ever a particular column is tick marked that means, it is the responsibility of the concerned official.