

## CHAPTER – 18 PAY & ALLOWANCES

### 17.1 General Rules

**17.1.1** The conditions under which one department of the public service may raise debits against another department under the same Government or any department under another Government for services rendered or articles supplied to it, are regulated by the directions contained in **Chapter 4 of the Government Accounting Rules, 1990.**

**Note 1:** Subject to such general exceptions as may be authorized by Government in the case of petty works, all charges connected with the construction and maintenance of buildings, etc for the several Civil Departments of Government will be brought to account as expenditure of the Public Works Department (Civil Works Section) or of the Civil Department concerned, according as the administration of the Works rests with the Public Works Department or is vested in, or is transferred by a general or special order of Government from the Public Works Department to the Department using or requiring it.

**Note 2:** The value of Public stores issued to other departments is chargeable to them.

**17.1.2** The cost of the land acquired by the Civil authorities on behalf of the Public Works Department is debit to the accounts of the latter as part of the cost of the works for which the land is taken up; but when it is taken up for two or more noncommercial departments conjointly, the charge is not divided, but is wholly debit to the department for which the greater part of the land was taken up, unless there are special reasons to the contrary.

**17.1.3** When a special officer is employed for the acquisition of land for the Public Works Department, the expenditure on pay, allowances, etc of the special officer and his establishment and any expenditure on contingencies is debit to the Public Works Department as part of the cost of works for which the land is acquired. When the land is taken up by a civil officer, not specially employed for the work, only special charges incurred in connection with the acquisition of the land on establishment, contingencies, etc, will be borne by the Public Works Department as part of the cost of works for which the land is acquired.

**17.1.4** The licence fee of buildings hired for use as residences of Government servants of any Civil non-commercial department is chargeable in the accounts of the Public Works Department. In special cases, when the hired residences are, under the orders of Government, placed under the charge of any other department, the charges on account of rent in connection with residences will be disbursed and borne by that Department. When any land or building not belonging to the Public Works Department is hired by another department to be occupied for any other public purpose, the rent is payable by the department concerned, and Divisional Officers do not disburse rent for such premises unless ordered by Government to do so.

**17.1.5** When prison labour is employed on Public Works no charge is made by the Jail department if the convicts are employed on Jail works, but in other cases the full market value of the work performed, as certified by the Divisional Officer is charged to the Public Works Department.

**17.1.6 (1)** Transfer of land from one Department of the Government to another shall be on a 'no profit no loss' basis.

**(2)** Transfer of buildings and superstructures on such lands between Departments of the Government shall be at the present day cost minus depreciation of the structure(s) standing on the land. Valuation for this purpose shall be obtained from the Public Works Department at the time of transfer.

- (3) The allotment of land to, and recovery of cost of buildings from public sector undertakings shall be at 'market value' as defined in **Paragraph -2 of Appendix-11 of General Financial Rules, 2005..**
- (4) The transfer of land and buildings between the Union and State Governments shall be regulated by the provisions of Article 294, 295, 298 and 299 of the Constitution of India and subsidiary instructions issued by the Union Government which are laid down in **Appendix 11 read with Rule 79(4) and Rule 279(5) of General Financial Rules, 2005.**

**Note 1:** The term 'department' occurring in Sub-rules (1) and (2) above means a Ministry or Department of the Union Government including Defence, Railways, Posts and Telecommunications.

**Note 2:** Market value when applied to land may be defined as the price which the land would fetch if sold in the open market subject to the ground rent or assessment shown against it in the revenue registers, or, if no ground rent or assessment shown against it in the revenue registers, subject to a ground rent or assessment levied at the rate at which ground rent or assessment is actually being levied on similar land in the neighborhood excluding all cases in which such similar lands in the neighborhood are held free of ground rent or assessment at favourable or unfavourable rates of ground rent or assessment. This is the market value which has to be credited or debited, as the case may be, in the case of all transactions between the State Governments and the Union Government or between the Union Government and State Governments or the Railways.

**17.1.7** Services rendered, or articles supplied, by one division to another will be settled through Advance Payments to be classified as Stores Advance, Service Advance or Works Advance, as the case may be Procedure whereof is laid down in **Appendix 7- A of C.P.W.A Code.**

**17.1.8** Amounts owing by or to a department or departments of other Governments, except for the supplies arranged in exceptional cases on or after 1st July 2005 by the Department of Supply which are paid initially by the PAO(Supply), should be paid by Cheques or Bank Drafts by the Division/PAO concerned. For inter-divisional and Inter-Departmental transactions, **see Appendix 7-A and Appendix 7-C of this code.**

**17.1.9** Cash recoveries made from employees, contractors, etc as also revenue realized on behalf of other Divisions, Department or Governments, should be passed on to them, the payments being made in the manner prescribed in **paragraph 17.1.8.** Cash obtained from banks on cheques and cash receipts including surplus cash remitted to Banks, are accounted for as remittance transactions.

## **17.2 ACCOUNTING PROCEDURE**

**17.2.1 (A)** In terms of the provisions of **Rule 140 of General Financial Rule,2005,** Ministries/Departments have been delegated full powers to make their own arrangements for the procurement of goods. In case however a Ministry/Department does not have the required expertise, it may project its indent to the Central Purchase Organization i.e D.G.S. & D with the approval of Competent Authority. However in exceptional cases where the material is purchased by placing indent on D.G.S.&D,the existing procedure for making payment by the PAO of Division to PAO, Supply by operating Minus Credit to Sub-head "Payment for Purchases through DGS&D" under Minor Head "129- Material Purchase Settlement Suspense Account" below the Major Head "8658-Suspense Accounts" and clearance there under on the adjustment of PAO Memo by the Division would continue as hither to fore. **(see Appendix 7-C of C.P.W.A Code.**

**(B)** Inter-Departmental transaction on account of supplies made or services rendered

to Cabinet Secretariat and Ministry of Defence has to be settled in cash, i.e., by Cheques/Bank draft, the monetary settlement should be effected by debiting the amount due, to the Suspense Minor Head "107 Cash Settlement Suspense Account" below the Major Head "8658 – Suspense Accounts" pending clearance on receipt of Cheque/Bank draft from the Division concerned. The detailed procedure to be followed in this regard is given in Appendix 7-C(a).

**Note 1** – Such percentage charges on account of supervision and establishment and tools and plant as may be leviable under the rules, should also be included, by a transfer entry in the amount transferred. **See also paragraph 14.2.5.**

**Note 2** – The cost of workshop jobs need not be adjusted monthly, vide paragraph 14.2.4.

**Note 3** – Since all inter-divisional transactions, irrespective of the fact whether the Divisions fall within the same Circle of Account or in different Accounts Circles, are required to be settled through "Advance Payment", the procedure of which is laid down in **appendix 7-A of this code.**

**17.2.2.** In cases, however, in which the transactions originate in another Department of Central Government (e.g. Department of Supply) the responding transfer/adjustment should be made on receipt of intimation of the advice, from the Pay and Accounts Officer. In other cases, the Divisions should resort to direct settlement by cheques /drafts. Accordingly, the Departments rendering supplies or services to the Divisions should prepare a bill for the claims recoverable from the Divisions and send them directly to the concerned Divisional Officers for payment by cheque or bank draft, as the case may be. This expenditure will also be accounted for by the Divisional Officers in their accounts just like any other transaction arising in their books.

**17.2.3** The responding division should examine every transfer claim advised to it for adjustment/payment, but it may not reject a transfer/claim because the voucher is not in order or is wanting, nor may a transfer/claim advised be partly accepted and partly rejected: it may be rejected altogether if it does not pertain to the division: otherwise, it should be accepted provisionally in full and this dispute as to the amount or as to other particulars of the transactions, should be settled separately in consultation with the Officer who advised the transfer. **See also paragraph 17.2.7.**

**Note** – For procedure for payments against Civil Credit Notes. (Railways warrant and Railway freight credit note), **see Appendix 7-B.**

**17.2.4 (a)** When a charge is transferred to another department or Government for adjustment, the transfer is required to be supported either by the necessary vouchers, complete in all respects or by a certificate signed by the Accounts Officer of the Department originating the transfer to the effect that the payment vouchers have been duly audited and passed in accordance with the rules. Divisional Officers are, therefore, responsible for obtaining proper vouchers in support of all charges to remittance heads in their accounts.

**(b)** Similarly, in the case of transactions between Public Works Divisions, including the Divisions of other Governments, the system of Advance Payment should be followed. claims should be supported by all necessary vouchers, except those relating to work done for other Divisions, for **which see paragraph 17.2.6(b).**

**Note :** In the case of Stores issued from "Stock" by one Division to another Division within the same circle of account, the supplying division will issue the stores on receipt of cheque from the indenting Division as advance payment for the procurement of stores. On receipt of cheque, supplying Division will enter the cheque in the Cash book as debit to "Remittance into Bank" under the Minor Head "102-Public Works Remittances" below the Major Head "8782-Cash Remittances etc." and credit to stock.

**17.2.5** When a transaction originates in a Public Works Division, the necessary transfer or preferment of claims should ordinarily appear in the accounts of the division for the

month in which the transaction occurred, but in the case of work done in workshops the cost is adjustable in accordance with the **rules in paragraphs 14.2.3 and 14.2.5.**

- 17.2.6(a)** In respect of work done in a division for other departments, or Governments the procedure to be followed has been explained in **Appendix 7-C or/and Appendix 7-D**, as the case may be.
- (b)** As regards work done in a Public Works Division on behalf of another Division, including the Divisions of other Government the claims should be settled by the Divisions amongst themselves without the intervention of the Pay and Accounts Officer for the settlement of inter-divisional transactions, procedure for Advance Payment has already been introduced w.e.f. 1.4.1993 by doing away the operation of Suspense Head "107-Cash Settlement Suspense Account". The Requisite vouchers should, however, be sent to the Pay and Accounts Officer with the Monthly account, and duly supported with Form CPWA 64. If, as a result of check in accounts office, it is noticed that an excess payment has been made over and above the Advance Payment the Division will claim the amount of excess from the originating Division by operating on the Suspense head "107-Cash Settlement Suspense Account", as a special case, treating the item as an original transaction. On the contrary, if short payments are noticed in check in accounts office, the originating Division will send a supplementary claim for the balance to the other Division. In order to enable the Public Works Divisions to settle the excess/short payments in the manner indicated in this paragraph, the Pay and Accounts Officer will notify the discrepancies noticed in check in account offices both to the originating and the responding Divisions.

**Note 1:** For the purpose of this paragraph, work done includes jobs executed in workshops.

**Note 2:** In the case of works, which are assessable to percentage recoveries on account of establishment, tools and plant, etc, that amount of the estimate and appropriation for the work should be rate ably broken up into two parts to represent respectively, the works expenditure and the percentage charges.

**Note 3:** The provision regarding audit before intimation of transfer may be relaxed in the case of any item appearing in the accounts for March and requiring adjustment with another Government (other than a Public Works Division) **vide paragraph 22.4.20.**

**17.2.7** In cases in which transactions originate in Department of Supply, and the intimations of transfer/adjustment of debits or credits are received through the Pay and Accounts Officer (**paragraph 17.2.2**), the Divisional Officer should examine such transfers as expeditiously as possible and report all his objections to the Pay and Accounts Officer, whether the transfer is brought to account provisionally or rejected.

**17.2.8** The procedure prescribed in **paragraph 17.2.7** applies mutatis mutandis to transfer transactions not relating to the execution of works, with (1) Ministry of Railways (2) Department of Posts and (3) Department of Telecommunications.

**17.2.9** The Divisional Accountant should see that there is clear authority of the responsible disbursing officer of his division for claims/transfer advised to other divisions, departments or Governments, and that no charge advised by another division, department or Government is finally paid/adjusted until all the necessary vouchers [except those relating to work done vide **paragraph 17.2.6 (b)**] have been received and have further been completed by obtaining thereon, from the responsible disbursing officers of the division, the classification of the charge as attested by their dated initials. He should further see that when transfer/claim advised to the division for adjustment/payment is responded to provisionally, the objection raised thereon is pursued with a view to ensure speedy settlement

## 18.1 Introductory

**18.1.1** Pay and allowances of Government servants of the P.W. Division if not charged directly to works, as well as, personal advances, except those payable by the Pay and Accounts Officer referred to in para 6.2.2 sanctioned by competent authority are drawn by means of cheques [**vide paragraph 3.2.1(a)**] and in accordance with the procedure prescribed in the **C.G.A.(R&P) Rules, 1983** which are applicable to the C.P.W.D. subject to the special rules laid down in this regard.

**Note 1** – The sanction of competent authority to personal advances may, if preferred be obtained in the form of counter-signature on the bill itself before it is passed by the Divisional Officer for payment.

## 18.2 PREPARATION OF BILLS

### I. General

**18.2.1** Claims of all Government servants, Gazetted or non-gazetted should be preferred by Head of Offices under whom they are employed, and the latter should make proper arrangements for disbursing the amounts so drawn.

**Note** – For the purpose of this rule, the Divisional Officer is treated as the “Head of Office” of the entire establishment employed in the division.

**18.2.2** A separate pay bill should be prepared for:-

- (i) establishments whose charges are debitable to different heads of accounts;
- (ii) personnel to whom salary is payable individually by cheques and
- (iii) group'D' employees.
- (iv) Government employees joining Government Service on or after 01-01-2004 and covered under the New Pension Scheme'2004.

Each of the bills may be prepared by including both permanent and temporary establishments and divided into separate sections comprising the establishments and indicating the description of each section prominently, alongwith sanctioned number of posts included therein (in the case of large establishments, separate bills may be prepared for different sections, if administratively found convenient). While for permanent posts the sanctioned strength need only be indicated at the top of each section of posts, in the case of temporary posts, the number and date of the sanction letter shall also be indicated. In cases where sanction for continuance of posts has been applied for, the drawing and disbursing officer shall indicate this fact in the bill and draw pay and allowances of the persons concerned at earlier rates. Except as provided in **sub-rule (4) of Rule 66 of C.G.A. (R&P) Rules, 1983**, the name of every incumbent shall be shown against each post and the rates of pay and allowances claimed for each shall also be shown. When pay and allowances are drawn for a portion of a month only, the actual period for which these payments are claimed shall be mentioned against the concerned Government servant in the body of the bill. The other instructions printed on the Form of the bills should also be carefully followed.

**Note** – In the CPWD Divisions as well as the divisions of other Departments where the Divisional Officers have been authorized to draw pay and allowances of officers and staff by cheques [**vide paragraph 3.2.1(a)**] the following procedure shall be followed for preparation, checking of bills and for drawal of cheques therefor:-

- (a) The Administrative Branch of the Division shall be responsible for preparation of bills. That branch shall maintain the Bills Register in G.A.R. 9 as well as other subsidiary

registers connected with the drawal of bills. The bills shall be presented by the Administrative Branch to the Accounts Branch headed by the Divisional Accountant for check and payment of the bills.

- (b)** The Accounts Branch on receipt of the bills from the Administrative Branch will conduct the required checks as laid down in the CGA(R&P), 1983.
- (c)** After check of the bills, the Accountant will record the pay order. After getting the pay order signed by the Divisional Officer, cheques by designation of the D.D.O., will be drawn in regard to the bills of officers desiring payment in cash and crossed Account Payee cheques will be drawn in the name of the payees in case of officers desiring payment by Cheque. In either case the cheques will be for the net amount payable and an entry in Form CAM 10 will be made. Similarly, for claims to Travelling Allowance, LTC, separate bills should be prepared.
- (d)** The D.D.Os / C.D.D.Os will prepare separate Pay Bill Registers in respect of Government servants joining Government service on or after 01-01-2004. The DDOs/CDDOs will have to prepare separate Pay Bills in respect of these Government servants and will send the same with all other schedules to the Pay and Accounts Officer so as to reach him on or before 20<sup>th</sup> (15<sup>th</sup> in the case of DDOs/CDDOs situated in far flung areas not easily accessible) of the month to which the Bills relate. Cheque Drawing DDOs may note that henceforth in respect of Government servants joining service on or after 01-01-2004 they will only prepare Pay Bills and not make payment. Such Bill will be sent by them to the Pay and Accounts Offices for pre-check and payment.
- (e)** The DDO/CDDO will prepare a recovery schedule in duplicate in the prescribed Form for the contributions under Tier-I and attach them with the Pay Bills. The amount of the contributions under Tier-I should tally with the total amount of recoveries shown under the corresponding Column in the Pay Bill.
- (f)** It may be noted that along-with the salary bill for the Government servants who join service on or after 01-01-2004, the DDO/CDDO shall also prepare a separate bill for drawal of matching contributions to be paid by Government creditable to Pension Account.
- (g)** The bill for drawal of matching contribution should also be supported by schedules of recoveries in prescribed Forms.
- (h)** On receipt of the Salary Bills in respect of Government Servants joining service on or after 01-01-2004, PAO will exercise usual checks and pass the bill and make the payments. After the payments is made and posting is done in the detailed Posting Register, one set of schedules relating to Pension Contributions will be detached from the Bills as is done in the case of other schedules such as Long Term Advances etc.. The Schedules will then be utilized for posting the credits of Contributions in the Detailed Ledger Account of the individual.
- (i)** The employees contributions under Tier-I and Tier-II, and Governments Contributions should be posted in different Columns of the individual ledger account (to be maintained in the prescribed format) and Broadsheet tallied with the accounts figures as being done in the case of GPF/Long Terms Advances.
- (j)** The accounts should not be mixed with GPF Accounts and these records/ledger accounts should be independent of GPF accounts maintained in the case of pre-01-01-2004 entrants.
- (k)** The PAO will consolidate the information available in the New Scheme Schedules received from the various DDOs and forward the same in floppy in the prescribed form to Principal Accounts Office by 12<sup>th</sup> of the month following the month to which the credit pertains. Principal Accounts Office in turn will consolidate the information and send the same in electronic form to the Pension Regulator appointed by the Govt. for the purpose by the 15<sup>th</sup>. Till The Regulator is appointed by the Govt. the same will be sent to Central

Pension Account Office by the above mentioned date.

## **II. Classification**

**18.2.3** Bills paid at the counter of Pay and Accounts Office incorporated in the accounts are kept by the Pay and Accounts Officer. Drawing Officers are, however, responsible for giving sufficient particulars on the bill necessary for determining the accounts classification (vide Rules 1 and 2 of Appendix 4). Bills paid by drawal of cheques by the Divisional Officer of C.P.W. Division of the Departments should, however, be incorporated in the monthly accounts of the Division in accordance with the procedure prescribed in Chapter 22.

**Note** – The cost of any special establishment for acquisition of land entertained under orders of Government by a Civil Officer acting as a Public Works Disburser, is chargeable as the cost of the works concerned and not as general establishment charges, vide paragraph 17.1.3 18.2.4 If as permitted by **Rule 65 of CGA(R&P) Rules, 1983** emoluments upto the date of transfer are not drawn before a Government servant proceeds on transfer, emoluments for the whole month may be drawn in the new appointment, the allocation of the charge to the old and new appointments being clearly specified on the bill.

**Note 1** – The last pay certificate should give all the necessary information so that the allocation may be correctly noted by the drawing officer in the bill of the new office.

**Note 2** – Arrears of pay and allowances of such members of the staff as have been transferred and in respect of whom last pay certificates have already been issued, should in no case be drawn by the Division from which they have been transferred.

## **18.3 DISTRIBUTION OF PAY AND ALLOWANCES**

### **I. General**

**18.3.1** Special attention is invited to **Rule 92 of C.G.A.(R&P) Rules, 1983** prescribing the procedure for distribution of pay and allowances to establishments. Acknowledgements should, as far as possible, be taken on office copies of bills, but where this may not be convenient or advisable as in the case of scattered establishments, consolidated receipts on Acquittance Roll, **Form G.A.R. 24**, may be obtained separately for each set of payments made at one place or at one time.

**Note** Acquittance rolls and receipted office copies of bills are not required to be submitted to the Accounts Officer, but as they are important records, they should be stamped “paid” and preserved carefully for such periods as may be prescribed by Government.

**18.3.2** Cash drawn on pay and travelling allowance bills of establishments should not be mixed with regular cash balance of the Department, if any, vide paragraph 6.2.4. A cash book in Form GAR 3 should be maintained for pay and travelling allowance bills in accordance with **Rule 13 of CGA(R&P) Rules, 1983**. An account of undisbursed pay and allowances should be kept in a Register in Form G.A.R.25. Entries of the total and particular amounts of undisbursed pay and allowances may be made against each bill serially and subsequent payments thereof entered in the appropriate column of the Register and the Cash Book, each entry being attested by Drawing and Disbursing Officer. From this Register, an abstract of amounts remaining undisbursed for three months should be prepared to ensure their refund, either in cash or by short drawal from the next bill.

**18.3.3** A bill register in the form **GAR 9** should be maintained by all Heads of Offices who are authorized to draw money on account of pay and allowances etc by Cheque on bills signed by them. The register should be reviewed monthly by a Gazetted Officer and the result of review recorded thereon.

## **II. Miscellaneous Recoveries from Establishment**

**18.3.4** Normally the Security is to be obtained in the form of fidelity bonds as per the procedure laid down in **Rule 275 of General Financial Rules, 2005**. However, recoveries on account of security deposits of employees made in cash when their pay is disbursed, should be credited in the Cash Book of the disbursing officer.

**Note 1** – The Administrative Ministry/Administrator concerned in consultation with the Accounts Officer may, however, prescribe that security deposits should be deducted from pay bills.

**Note 2** – The rule in this paragraph applies mutatis mutandis to all recoveries from employees which are creditable under the rules of same head in the compiled accounts of the division.

#### **18.4 SPECIAL ARRANGEMENTS TO PREVENT DELAYS IN PAYMENTS**

**18.4.1** To prevent abnormal delays in payments to establishments in exceptional cases, pay and allowances of subordinates employed in out of the way places may be remitted to them by postal money order at Government cost/Bank Draft at the nearest branch of Public Sector Bank under the orders of the Administrative Ministry/Administrator concerned.

**18.4.2** If the encashment of a bill for an advance on transfer is likely to delay a transfer which is urgently necessary in the public interest, the advance may be made from the permanent cash imprest (if any), works imprest or other available cash in the hands of the disbursing officer concerned, pending recoupment when the bill is subsequently passed and encashed. In the accounts of such cash, the amount advanced should not be charged off as a final transaction, but recorded as a temporary advance, so that the amount may continue to form part of the cash balance for which the disbursing officer is responsible.

#### **18.5 COMMUNICATION OF SANCTION TO PAY AND ACCOUNTS OFFICER**

**18.5.1** All orders revising sanctioned scales or sanctioning the creation or abolition of permanent or temporary appointments should at once be communicated to the Pay and Accounts Officer. Changes in the personnel of the establishments and in their emoluments should be indicated in pay bills and absentee statements by the authorities preparing those documents, who are responsible that orders of competent authority are obtained in each case as required by the rules.

**18.5.2** In the case of all transfers of divisional, sub-divisional or other executive charges, a report of transfer of charge should be prepared in the manner prescribed by Government and sent to the Pay and Accounts Officer through the Superintending Engineer. Whenever the transfer of charge is prolonged so that two Government servants may be entitled 'to draw pay and allowances simultaneously for the same appointment (**see Audit Instruction under Fundamental Rule 107**), the Superintending Engineer should intimate to the Pay and Accounts Officer if the time taken is reasonable and the relieving officer may be considered as on duty for the period. If, however, the Superintending Engineer considers the time taken in making over and receiving charge to be excessive, the relieving officer must be treated as if he were on leave or on joining time, etc., as the case may be, for as much of the time as may be regarded as excessive.

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