



MODEL ACCOUNTING SYSTEM

for

PANCHAYATS

(Formats, Guidelines and List of Codes)

Comptroller and Auditor General of India

&

Ministry of Panchayati Raj, Govt. of India

No.M-11011/54/2009-P&C(AR)

Government of India
Ministry of Panchayati Raj

Krishi Bhavan
New Delhi-110001
Dated: 2nd October, 2009

From: A.N.P. Sinha
Secretary.

To : Chief Secretary,
All States/UTs.

Subject: Panchayat Account.

Dear

Kindly refer to my D.O letter No. M-11011/16/2009-P&C(AR), dated 9th April, 2009 regarding Panchayat Finances wherein it has been stated that suitable advisory on Panchayat Account would be issued separately.

2. You would agree that a sound Account & Audit System would ensure transparency & accountability and thus enhance credibility of Panchayats and induce greater devolution of Functions & Funds to Panchayati Raj Institutions (PRIs). Furthermore, a mechanism is urgently needed for aggregating data relating to Panchayat Finances for a better higher level decision making, which is easily doable using ICT and uniform accounting formats. This aspect has been emphasized by Central Finance Commissions (CFCs) as well.

3. In fact, on the recommendations of the 11th CFC, C&AG had in 2002 prescribed formats for preparation of budget and accounts of the PRIs. Though these formats were simplified in 2007, the Technical Committee on Budget and Accounting Standards for PRIs expressed the need for further simplification (minutes of its meeting dt. 04.8.08 at Annex I). Accordingly, a sub-Committee of the Technical Committee was constituted for preparing simplified model accounts formats. The sub-Committee has since recommended revised model formats (Annex II).

4. The model formats are simple, comprehensive and robust and will aid in capturing expenditure under the correct Heads uniformly. While the States would stand to benefit from being able to track the flow & usage of funds and accordingly decide on the subsequent releases, the Panchayats would gain in terms of better financial management and enhanced credibility. It would further generally help in assessing Panchayat finances and consequently devising strategies to make Panchayats financially viable. Overall, it would, in conjunction with e-PRI, facilitate sound Financial Management & Decision Support System.

5. It may be noted that the list of codes for functions, programmes and activities of PRIs is based on a three-tier classification system. However, as a functional requirement, wherever schemes exist, a sub-head has been incorporated. The nomenclature of the major heads has been devised in equivalence with the 29 subjects listed in the Eleventh Schedule to the Constitution. Within this three-tier classification, there is a flexibility to open object heads under a particular minor head based on future devolution to PRIs or other contingencies. A new feature of the formats is the creation of minor head 901 to account for revenue assigned by the Central/State Government to PRIs. The sub-Committee has also prescribed a simplified procedure by which errors in classification of expenditure can be rectified.

6. Although initially, the accounts are to be prepared on cash basis, requisite features have been built into the Simplified System to enable subsequent transition to the accrual system. These in-built features include maintenance of records which form integral part of annual accounts such as Bank/Treasury reconciliation Statements, Register of Receivables and Payables, Register of Immovable and Movable property, Register of Inventory and Register of Demand, Collection and Balance.

7. The advantages of the suggested formats are evident. Moreover, since the States have been closely involved in devising the formats, the switch over to these would be smooth. It is intended to switchover to the revised formats w.e.f. 1.4.2010. Accordingly, opening balances as on 1.4.2010 would be required. Where amounts are in arrears and the required balances not available, Panchayats would need to prepare a "Statement of Affairs" based on which, opening balances can be worked out. As and when the accounts are finally prepared and approved, necessary corrective entries would be made, for which there is a provision in the formats itself. You could perhaps urgently test the suggested formats on the ground involving the Accountant General and NIC. I would be eagerly looking forward to your feedback on these formats, based on which Operational Manual can be framed.

8. ICT has a key role in facilitating adoption of the revised formats. It is proposed to upgrade PRIASoft, the accounting software developed by NIC for PRIs. Once basic entries about the transactions are made by the accountant, PRIASoft and the backend support will automatically generate reports, registers and information in the desired formats. Though the software will be web-based, an offline version of the same will be available so that users can enter account details locally and update the data periodically on the online site. The formats would be integrated with the scheme for e-governance in PRIs (e-PRI) a copy of which has already been sent vide my D.O No. 11013/14/2007-PR(Trg.)/P&J dt 05.02.09 to you for comments.

9. In certain States, there may be instances where the currently used formats of accounts by PRIs differ from the Simplified System in the areas of classification and heads of accounts. PRIASoft has an in-built mechanism to link these heads of accounts with the Simplified System. This linking will be a one time activity and subsequent action would be necessary only when a new head of account is prescribed.

10. Further, in States where PRI accounts are already computerized in State specific softwares, PRIASoft will provide easy and trouble-free interface between the data generated by the existing software and the Simplified System. A prerequisite for this interface is linking of the State PRI heads of accounts with the heads of accounts in Simplified System. In both the circumstances, NIC will provide technical facilities for linking the heads of accounts.

11. Funding needs of the adoption/implementation of the Simplified System could be easily met out of Finance Commission Awards and various Central/State programmes.

12. To facilitate the process of adoption of these formats, Ministry of Panchayati Raj alongwith Dy. Comptroller & Auditor General (Local Bodies) propose to hold regional workshops (Agenda & Tentative Schedule at Annex-III) for Principal Secretaries(Panchayati Raj and Finance Departments), State Officer-Incharge of Panchayat Accounts and Accounts officials of Panchayats (one representative from each tier of PRIs). The benefits arising out of the implementation of the Simplified System of Account and the related software would be deliberated in these workshops and local impediments, if any, in the implementation process discussed and resolved. I look forward to active participation from the State Government in these workshops.

Yours sincerely,

(A.N.P.Sinha)

Copy to:

- (1) Principal Secretary, Panchayati Raj/Finance Deptts., All States/UTs.
- (2) Director General (Local Bodies), CAG, New Delhi/Accountant Generals and Director (Local Fund Audit), All States/UTs.

Minutes of the first meeting of the Technical Committee on Budget and Accounting Standards for Panchayati Raj Institutions (PRIs) held on 04.08.2008 at CAG Office.

The meeting was co-chaired by Shri A N P Sinha, Secretary, Ministry of Panchayati Raj and Shri Raghbir Singh, Deputy Comptroller & Auditor General. A list of participants is at Annexure-I.

2. At the outset, Shri Nand Kishore, Pr.Director (Local Bodies) welcomed the Hon'ble Secretary, Ministry of Panchayati Raj, Dy. Comptroller and Auditor General, Members of the Technical Committee and distinguished participants.

3. DAI (LB) in his welcome address emphasized the need for a transparent system having better accountability mechanism in Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) considering the huge flow of funds from the Centre and State Governments to these institutions. The Eleventh Finance Commission recommendations enhanced the role of CAG in providing Technical Guidance and Support to the local bodies over the maintenance of accounts and their audit. In line with these recommendations, CAG had prescribed some important documentations and guidelines pertaining to Accounting and Auditing arrangements of PRIs and ULBs. The need for simple Accounting formats/ Standards for the PRIs, which is understandable by the representatives of the Bodies, as envisaged by the Administrative Reforms Commission was emphasized. While highlighting the proactive steps taken by CAG in this regard, DAI(LB) mentioned that the meeting has been specifically organized to get feedback on the formats for PRI accounts and database from the members present so that the assistance from CAG can be improved. He also mentioned that if some of the State Govts. have specific specializations, the same could be shared in the meeting.

4. In his address, Shri Sinha, Secretary, MoPR observed that there was a national consensus on devolution of funds, functions and functionaries to PRIs, following the principles of subsidiarity and centrality of Panchayats. This would not only reach the Government programme to people efficiently and effectively, but would also serve the higher order end of self-governance. However, even after the 73rd Amendment, actual devolution is far from that mandated. Apart from the opposition by power elite, there are real apprehensions about capacity of PRIs, accountability and leakage of funds. While MoPR is implementing a National Framework for Capacity Building, a sound financial management system is needed to address the other issues. In fact, the 11th Finance Commission way back in 2000 recognized the need for standard accounting formats which is amenable to computerization, recommended oversight and supervision of accounts/audit by CAG and assigned Rs. 500 crores for creation of data base on PRIs finances.

Ministry of Finance issued guidelines in 2002 for putting up a technical guidance and supervision system and budgeting/accounting formats, to be prescribed by CAG, structured on function-cum-programme basis. The format circulated by CAG in 2002 and subsequently in 2007 appear to be complex and perhaps basically a transportation of state accounting structure, which is not very appropriate to the capacity and needs of Panchayats. We need a simple but robust system having appropriate MIS/DSS window, covering both the agency and core functions of PRIs.

Secretary, MoPR expected that with a wide range of experts and senior officers of Centre/States deliberating on the issues, a framework would emerge which could become the basis for CAG to work details in association with States and MoPR and assessing the need & capacity of PRIs. This needs to be compatible with the Plan Accounting and Public Finance Management System being developed by Planning Commission/Department of Expenditure/CGA.

Secretary, informed that MoPR is working on the larger framework of fiscal decentralization including (i) activity mapping and Central/State budgets; (ii) rapid fiscal transfers to PRIs; (iii) own resources of PRIs apart from Central/State devolution; (iv) capacity building of State Finance Commissions; (v) fiscal responsibility regime, etc. The accounting/audit system should also be compatible with this framework.

5. Presentation by PD (LB):

Presentation on the existing formats of accounts and database was made by PD (LB), the convener of the meeting. It was stated that the formats of accounts are for cash basis and have to be adapted to suit the requirement of the respective state. Based on these formats, Govt. has to formulate the Budgeting and Accounting Rules and manuals. Secretary, MoPR wanted to know whether the accounting function can be outsourced. DAI (LB) stated that this is the solution in the short run. But ultimately, the Panchayats need to have their own staff.

Pr Secretary Karnataka stated that in their state this work has been outsourced to Chartered Accountants firms and the basic mandate is that accounts should be on double entry system i.e. on accrual basis.

Shri Jayant Gokhale, representing ICAI agreeing with the views of DAI (LB) stated that in the short run outsourcing through CAs at the grass-root level may work. But in the long run, CAs will not deliver as the demand and supply situation would not possibly work for such level/large number of institutions. If elementary training is imparted to the people at the grassroots level, this would help in stabilizing the system.

Shri T R Raghunandan, JS, MoPR suggested that 29 functions listed in the 11th schedule of the Constitution can be adopted for classification purposes and should correspond with the Major Heads of accounts. Shri H K Amarnath, Sr.Economist, NIPFP stated that in the existing formats, there is no major difference among three tiers except that certain income and expenditure heads are not required for some of the tiers. DAI (LB) replied that no feedback has been received from the States though the formats were first issued in 2002 and then simplified formats issued in 2007.

Shri S.M. Vijayanand, Pr. Secretary, LSGD, Kerala stated that accounting systems were in place in all panchayats and we should tell the states how the proposed system is different from the existing one.

Shri V S Senthil, JS (Plan Finance), MOF mentioned that as all the states have not adopted the database formats, it will be very difficult to force these formats upon the states. In fact the Finance Commission has said that models indicated by them should not be imposed by the centre.

Shri P.P. Soti, Director, Panchayats, Chattisgarh opined that State AGs may be instructed to study the situation in the state and then suggest formats to the States rather than laying down the uniform format applicable for whole India. Secretary, MoPR opined that CAG should study some good or bad systems followed in the states and prepare Model accounting system/Model format.

Shri B M Ojha from IPAI stated that the formats had taken into account all possible expenses and receipts of the panchayat according to the relevant Act.

Shri Shrikant Baldi, Secretary, PR, Himachal Pradesh stated that it should first be decided whether we are going in for the Govt. accounting system (cash basis) or have a Double Entry system (accrual basis), before deciding on the formats.

Shri R. Sridharan, JS (State Plan) Planning Commission stated that though the existing system is not fully effective, uniform and up-to-date, the same cannot be completely ignored. There is a need to look into the proposed system and to what extent the proposed system would be an improvement over the existing one. He also stated on the question of outsourcing, that adequate accounting expertise is not available at the level of Gram Panchayat.

Shri V.N. Kaila, Controller General of Accounts stated that as an introductory measure, it should be cash accounting as the accrual system of accounting is more complex. Secretary, PR, Himachal Pradesh agreeing with CGA, opined that the accrual accounting could be the subsequent step.

Shri S.K. Monga, Director, PR, Haryana opined that Cash based system has a risk which does not exhibit the surplus and deficit.

Shri Jayant Ghokhale, ICAI stated that even today what is being followed as accrual system is not the pure form of accrual accounting.

Shri P.P. Soti, Director, Panchayats, Chattisgarh opined that though accrual system is going to be a worthwhile system, cash system would better fit into the present system.

PD (LB) felt that accrual system incorporates so much abstractness and subjectivity in the accounts that the transparency is compromised. In his opinion cash account is sufficient for PRIs.. However, we can also have information about payables, receivables and assets. and PRIs can graduate to accrual system at a later stage.

6. Presentation by ICAI:

CA Jayant Gokhale representing ICAI made a presentation on exposure drafts issued by the Committee on accounting Standards for the Local Bodies on 'Revenue from Exchange transactions' and 'Borrowing Costs'. He also emphasized on identifying principles and standards for prescribing formats etc.

7. Presentation from Institute of Public Auditors of India:

IPAI made a presentation on one year Diploma programme of distance learning developed in association with IGNOU. The programme consists of six courses (3 course in 1st semester and 3 courses in 2nd semester). The distance education system is good in States like Tripura and Assam. The minimum qualification for the enrollment to the course is 10+2 examination and three years of service. Bihar, U.P. and Assam Governments were on the expert committee which had considered the course contents.

Shri Ashraful Hasan, Director, PR, Karnataka informed that in Karnataka, 3 month certification course which also include syllabus on accounting is being conducted in two universities.

Shri Varesh Sinha, Pr. Secretary, Gujarat informed that in Gujarat, a six months certification course is being conducted successfully by the Baba Saheb Ambedkar Open University.

Shri Raghunandan, JS, MoPR stated that sufficient funds are being provided for training and capacity building to the states. IGNOU should tie up with the state universities and other reputed institutions and their programme can be defined for that particular state by suitably modifying the course. This was agreed to by IPAI.

8. Presentation by NIC

Shri D C Mishra, Sr Technical Director and Ms. Rama Hariharan from NIC gave presentation on the progress achieved in 'Computerisation of PRIs accounts'. A presentation was made on the software 'PRIASOFT' for use by the PRIs. Orissa is the only state which has kept the PRI accounts in this software.

Shri Raghunandan, JS, MoPR stated that in the absence of an uniform accounting system PRIASOFT will not be very meaningful.

NIC responded to the queries raised by Shri Jaideep Mishra, Dy.CAG on the 'PRIASOFT'. The queries related to validations of the software, Database security, back up procedure, budgetary control, MIS, Reconciliation, Transfer entry & rectification and Documentation.

9. Presentation by Dr. Varesh Sinha, Pr. Secretary, Govt. of Gujarat

Shri Sinha made a presentation on the software 'E-Gram' in PRIs in Gujarat. This software is being implemented in the all the GPs with the help of private service providers. The software is capable of generating the required information and is compatible with the six digit classification accounting format of CAG.

10. Presentation by West Bengal:

Shri S K Gupta, Commissioner made a presentation on the status of adoption of the accounting formats in the PRIs and its computerization. Connectivity between GP, TP and ZP was suggested for achieving the full benefit of computerization.

11. Presentation by Shri A B Sawant, Chief Auditor, Maharashtra

Shri Sawant made a brief presentation on the status of the adoption of the accounting formats and the level of computerisation in Maharashtra.

12. General discussions:

DAI (LB) stressed that there was a need for uniformity in accounting systems of PRIs.

Dr. Varesh Sinha stated that (a) data/information needs at various levels (village, taluka, district & State) are different, (b) it is necessary to go for accrual based detailed accounting, which is possible with a good S/W (c) while many questions are raised by public under RTI, the information domain is quite weak, (d) there is a need to have convergence of the accounting system, formats should be simple to the extent that the PRIs are able to manage data punching and generate information. Some kind of technical group should test the requirement through questionnaires and then develop acceptable formats.

Shri Raghunandan, JS, MoPR stated that diversity and uniformity can co-exist. It is necessary to have a re-look at the design of formats issued in 2002 and the changes that have been happened since January, 2007. The six level classifications have been reduced to three levels, which itself is a good initiative for simplification. He further stated that the Heads of Accounts should mirror the 11th Schedule. This can be done by giving the major heads the same names as the items indicated in the Eleventh Schedule to ensure easy understanding and broad parity in expenditure classification of the Panchayat level. While this is a long-term objective, in the short-term, a classification matrix, which is aimed at slotting expenditure incurred under items in the eleventh schedule into the existing heads of account could be adopted. For this purpose, those heads that are frequently operated should be chosen and placed into category I. Category II might be for those items of expenditure that are relatively less frequent at the panchayat level. There is also a need to reduce the number of tax receipt heads to 7 or 8 as against 63 items identified as possible tax receipts by the 11th Finance Commission.

PD (LB) added that the formats of accounts will depend upon the information needs of the users of the accounts and formats of accounts is distinct from system of accounts which can be cash based accrual or single entry or double entry.

13. Secretary MOPR concluded the discussions with the following observations:

- (i) Model format should to be developed by CAG based on the discussions/inputs today. We need a simple but robust accounting system having appropriate MIS/DSS window, covering both the agency and core functions of PRIs.
- (ii) A sub-committee of this technical committee should be constituted which will go into various concerns such as requirements of RTI, capacities for accounting, review of the classification of accounts including equivalence of eleventh

schedule with heads of account system, etc. The Sub-committee should come out with broad consensus on accounting principles and standards.

- (iii) The format developed should be field tested in best of the states and worst of the states for ensuring that format is appropriate to the capacity & needs of Panchayats. NIC should be the nodal agency for software.
- (iv) A major capacity building programme need to be launched for preparing the system & people for running the modified accounting & audit regime.
- (v) While we may have cash accounting system to begin with, it should have inbuilt facility to move to accrual accounting.
- (vi) Since sanction of the posts of Panchayat Accountants and then their recruitment & training may take long time, one way to put the urgently needed new system in place, would be outsourcing as done in Karnataka.

14. Secretary, MoPR thanked Shri Raghubir Singh, DAI (LB) for readily agreeing to arrange the meeting at a very short notice and making the deliberations very pointed & purposeful.

The meeting ended with vote of thanks to the chair.

List of Participants:

Ministry of Panchayati Raj

1. Shri A N P Sinha, Secretary, Ministry of Panchayati Raj
2. Mrs. Rajwant. Sandhu, Addl. Secretary
3. Shri Sudhir Krishna, Addl. Secretary
4. Shri T.R. Raghunandan, Jt. Secretary
5. Shri P. Karupasamy, Director (Fin)
6. Ms. Susan George, Dy.Secretary
7. Shri P.K. Banerjee, Under Secretary

Comptroller & Auditor General

8. Shri Raghbir Singh, Deputy Comptroller & Auditor General
9. Shri V.N. Kaila, Controller General of Accounts
10. Shri Nand Kishore, Principal Director (LB)/Convenor
11. Dr. Jaideep Mishra, Dy. CGA

Ministry of Finance

12. Shri V.S. Senthil, Jt. Secretary, DOE
13. Shri Alok Chandra, Director DOE

Planning Commission

14. Shri R Sridharan, Jt. Secretary

Department of Posts

15. Shri B.B. Singh, DDG, Deptt of Post, New Delhi

16. Shri Joginder Singh, Sr.AO, Deptt of Post

States

17. Shri A.P. Joshi, Pr. Secretary, Karnataka

18. Shri Varesh Sinha, Pr. Secretary, Gujarat

19. Shri S.M. Vijayanand, Pr. Secretary, LSGD, Kerala

20. Shri Indraneel Shankar Dani, Pr. Secretary, PR, Madhya Pradesh

21. Shri R.K. Sharma, Pr.Secretary, Uttar Pradesh

22. Shri Sundaram Sethi, Secretary, PR, Rajasthan

23. Shri Anup Wadhavan, Secretary, PR, Uttarakhand

24. Shri Anil Ganeriwala, Secretary, PR, Sikkim

25. Shri Anshu Prakash, Commr & Secy, PR, Arunachal Pradesh

26. Shri Shrikant Baldi, Secretary, PR, Himachal Pradesh

27. Shri Mohd Yaqoob Zargar, Addl. Secretary, PR Deptt, J&K

28. Shri S.K. Monga, Director & Spl Secretary, PR, Haryana

29. Shri P.P. Soti, Director, Panchayats & Social Welfare, Chattisgarh

30. Shri Ashraful Hasan, Director, PR, Karnataka

31. Shri Sandeep Kumar, Director (Panchayat), Chandigarh

32. Dr. Bhupinder Singh, Asso Professor, SIRD, Punjab

33. Shri S.N. Deb Barma, Director & Jt. Secretary, RD, Tripura

34. Shri E Vallavan, Director, LAD, Puducherry

35. Shri Mayank Warwade, PR, Bihar

36. Shri Devinder Singh, Jt. Secy & Director, Panchayats, Govt. of NCT, Delhi

37. Shri Tulsi Ram, Dy. Director PR, Uttar Pradesh

38. Shri P. Rama Rao, Dy. Commissioner, PR, Andhra Pradesh

39. Shri A.B. Sawant, Chief Auditor, LFA, Maharashtra

40. Shri S.K. Gupta, Commissioner, PR, West Bengal

41. Shri M.M. Desai, CAO, RD, Gujarat

NIC

42. Shri D C Mishra, Sr. Technical Director, NIC

43. Ms Rama Hariharan, Technical Director, NIC

World Bank

44. Ms Les Kojima, Sr. Financial Mgmt Specialist

45. Shri Maninder Mawak, Sr. Financial Management Specialist

46. Shri Mohan Gopalakrishnan, Sr. Financial Management Specialist

Other agencies

47. Shri H.K. Amarnath, Sr. Economist, NIPFP

48. Shri Vikram Chandra, Project Director, IPAI

49. Shri Jayant Gokhale, Council Member, ICAI

50. Shri B.M. Oza, Vice President, IPAI

51. Shri P.N. Koul, IPAI



Model Account Formats
for
Panchayats

2009

Comptroller and Auditor General of India

&

Ministry of Panchayati Raj, Govt. of India

PANCHAYATI RAJ INSTITUTIONS

GUIDELINES FOR PREPARATION OF RECEIPTS & PAYMENT ACCOUNTS

Introduction

Based on the recommendations of the Eleventh Finance Commission, for exercising proper control and securing better accountability, the formats for the preparation of budget & accounts and database on finances of PRIs were prescribed by C&AG in 2002. These formats were further simplified in 2007 for easy adoption at grass root level. The Technical Committee on Budget and Accounting Standards for PRIs in the meeting held on 4th August 2008 co-chaired by Secretary, Ministry of Panchayati Raj, Govt. of India and Deputy Comptroller and Auditor General (LB), considered the need for developing simple but robust format of accounts and constituted a Sub-Committee co-chaired by Director General (LB) and Principal Secretary, Panchayati Raj Department , Govt. of Gujarat, for the purpose. The sub-committee included the members from Ministry of Panchayati Raj, Govt. of India, Planning Commission, Ministry of Finance, Representative from Govt. of West Bengal , Uttar Pradesh, Andhra Pradesh and representatives from Controller General of Accounts (CGA) and National Informatics Centre(NIC). Director(LB) was the member secretary of the Sub-Committee. The mandate of the Technical committee to the sub-committee *inter alia* include to prescribe simple but robust accounting system for PRIs, comprehensible to the elected representatives and functionaries of PRIs and facilitates generation of financial reports through Information and Communication Technology.

The Sub-Committee in the meeting held on 5th December 2008, entrusted the preparation of Simplified Accounting System to the Member Secretary of the Sub Committee and desired that the draft format of accounts be circulated among members of the sub-committee, for suggestion. The simplified accounting formats for PRIs have been prepared and circulated among the members of the Sub-Committee by 5th January 2009 and the committee in the meeting held on 15th January 2009 approved the Draft Simplified Format Accounts for PRIs. The Technical Committee on Budget and Accounting Standards for PRIs in the meeting held on 29th January 2009 approved the Simplified format of accounts for PRIs.

2. Salient features of the simplified format of accounts

The first four-digit classification in the simplified system is the major head represent function enumerated in the 11th Schedule of the Constitution. The second three-digit classification is the minor head represent the programme/unit of expenditure. However under few major Heads (2851,2406,2403,2211,2205 and 2202) the minor head represents the function due to clubbing of function enumerated in the Eleventh Schedule of the Constitution. The third tier two-digit (00 to 99) is the object head which represent the object item of expenditure.

Two-digit standardized object head has been recommended for most commonly used items of expenditure as detailed in para 7.A. PRIs may open separate object head as per requirements under each minor head. Similarly, object head under receipts head may be opened as per requirement. Wherever required the minor head '800-Other Receipts' may be opened under the receipts head and '800-Other Expenditure' under expenditure head.

For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads. Considering the number of state schemes and diversity among the states, two-digit Alpha- numeric sub-heads may be operated for state schemes. The two-digit standardised object heads may be operated for accounting the scheme requirements as per guidelines. Details are given at para 7.B.

For assigned revenue from State/Central Govt. minor head '901-Share of net proceeds assigned to Panchayats' has been opened under relevant receipts Major Heads.

The Accounts have to be kept in two parts, Part I to record transactions of all receipts and expenditure relating to Panchayat Fund and Part II to record transactions relating to provident funds, loans, deposits and advances etc, with close to balances.

3. Functions as per Eleventh Schedule and corresponding Major Head

All the 29 functions listed in the Eleventh Schedule of the Constitution are classified under 23 major heads. Besides, Major Head '2049- Interest Payments', 2071- Pension and Other Retirement Benefits' and 2515- Panchayati Raj Programmes' along With relevant receipts and capital Major Heads were opened to facilitate the PRIs to account their activities. Details of Functions and corresponding Major Heads are as follows:

Sl. NO	Functions listed in the XIth Schedule of the Constitution	Nomenclature of the Revised Major Head	Corresponding Major Heads		
			Receipts	Revenue Expenditure	Capital Expenditure
1	Agriculture, including Agricultural Extension	Agriculture, including Agricultural Extension	0435	2435	4435
2	Land Improvement, Implementation of Land Reforms, Land Consolidation and Soil Conservation	Soil and Water Conservation	-	2402	4402
3	Minor Irrigation, Water Management and Watershed Development	Minor Irrigation	0702	2702	4702
4	Animal Husbandry, Dairying and Poultry	Animal Husbandry, Dairying, Poultry and Fuel and Fodder	0403	2403	-
5	Fisheries	Fisheries	0405	2405	4405
6	Social Forestry and Farm Forestry	Forestry	0406	2406	4406
7	Minor Forest Produce	Minor Forest Produce	0406	2406	4406
8	Small Scale Industries, including Food Processing Industries	Village and Small Scale Industries	0851	2851	4851
9	Khadi, Village and Cottage Industries	Village and Small Scale Industries	0851	2851	4851
10	Rural Housing	Rural Housing	0216	2216	4216
11	Drinking Water	Water Supply and Sanitation	0215	2215	4215

12	Fuel and Fodder	Animal Husbandry, Dairying, Poultry and Fuel and Fodder	0403	2403	-
13	Roads, Culverts Bridges, Ferries, Waterways and Other Means of Communication	Transportation	-	3054	5054
14	Rural Electrification, including Distribution of Electricity	Rural Electrification	0801	2801	4801
15	Non-conventional Energy Sources	Non-conventional Sources of Energy	0810	2810	4810
16	Poverty Alleviation Programme	Poverty Alleviation Programme	-	2501	-
17	Education, including Primary and Secondary Schools	Education	0202	2202	4202
18	Technical Training and Vocational Education	Technical Training and Vocational Education	-	2203	-
19	Adult and Non-formal Education	Education	0202	2202	4202
20	Libraries	Art, Culture and Libraries	-	2205	4205
21	Cultural Activities	Art, Culture and Libraries	-	2205	4205
22	Markets and Fairs*	Market and Fairs	0206	2206	4206
23	Health and Sanitation , including Hospitals, Primary Health Centres and Dispensaries	Health and Family Welfare Water Supply and Sanitation	0210 0215	2210 2215	4210 4215
24	Family Welfare	Health and Family Welfare	-	2210	-
25	Women and Child Development	Women and Child Welfare	-	2211	-

26	Social Welfare, including Welfare of the Handicapped and Mentally Retarded	Social Security and Welfare	-	2235	4235
27	Welfare of the Weaker Sections, and in particular, of the Scheduled Castes and the Scheduled Tribes	Welfare of Scheduled Castes, Scheduled Tribes and Other Weaker Sections	-	2225	-
28	Public Distribution System	Public Distribution System		2408	4408
29	Maintenance of Community Assets	Maintenance of Community Assets	0059	2059	
	Additional Heads	Interest Receipts/Payment	0049	2049	
		Pension and Other retirement benefits	0071	2071	
		Panchayati Raj Programmes	0515	2515	4515

* New Major Head '2206 – Market and Fairs' along with the relevant Receipts and Capital Major Heads has been prescribed since large number of transactions under market and fairs takes place at PRI level.

4. Accounting of other Transactions

In addition, Panchayats may also operate the following separate major heads to record all transactions (Receipts and Payments/Disbursement) under Loans, Pension & Provident Fund, Insurance and Pension Fund, Deposit and Advances and Civil Advance, depending upon the requirement :

7610- Loans to Panchayat Employees

8009- Provident Fund

8011- Insurance and Pension Fund

8443- Civil Deposit

8550- Civil Advances

To record all unclassified transactions not immediately booked under the respective functional major heads due to lack of detail/proper classification in the challen/cheque/voucher, Panchayats may operate '8658-Suspense Accounts'.

Panchayat may operate other major heads of accounts to record transactions of each additional function devolved subsequently to the Panchayats by the State Government. The State Government may inform operation of the new major heads to the Pr.Accountant General /Accountant General (Audit) and Accountant General (A&E) of the respective States.

5. Accounting Procedure:

- (a)** The accounts are prepared on cash basis i.e. a transaction is only recorded when cash is received or paid.
- (b)** Period of accounts is a financial year. A financial year is defined as a period of 12 months ending 31st March in any year.
- (c)** Daily transactions shall be recorded in Cash Book. The receipts shall be recorded on receipts side and payments on payments side. Every day the cash book shall be closed and Closing Balance worked out would then form the Opening Balance for next day. Classification/head of account for each transaction shall be clearly mentioned.
- (d)** Every day the details of transactions as recorded in the cash book should be transferred to either Register of Receipts if the transaction is receipts or to Register of Payments if it is payment under the respective heads of account.
- (e)** At the end of the month the bank reconciliation and treasury reconciliation should be completed and it should be ensured that all differences between cash book and bank and treasury balances are rectified. If any differences are noticed the corrections should be made then and there in the Register of Receipts and Register of Payments. At the end of the month totals in Register of Receipts and Register of Payments can be struck. This would give the total expenditure under each head of account for the month. Where PRIs and Bank/Treasury are computerized, online reconciliation with Bank/Treasury may be followed.

- (f) At the end of each month the totals of Receipts and Payments (upto object head level) are to be posted to the Monthly Receipts and Payment Account.
- (g) The monthly figure is added to previous month's progressive total and the figures up to the end of the current month can be worked out in the Consolidated Abstract.
- (h) At the end of the year the progressive figure to the end of March can be worked out in the Annual Receipts and Payment Account.
- (i) After closing of March Accounts, Reconciliation of Receipts and Expenditure figures with the Departments (online, where facility is available) should be carried out to detect any misclassification and to clear the unclassified transaction booked in the Suspense accounts and all transactions appearing as Transfer entries. The final progressive figure under each head be worked upto the end of March which completes the accounting process for that year.
- (j) Receipts and Payment account is prepared on the basis of figures in the Consolidated Abstract.
- (k) The Budget of PRIs for the year may be prepared by adopting the classification prescribed in the Receipts and Payment Account/ List of Codes for functions, programmes and activities prescribed.
- (l) On the basis of these formats, the State Government may formulate Budgeting/Accounting rules and manuals for keeping of budget/accounts for Panchayati Raj Institutions in consultation with the State Accountants General.
- (m) Refund of revenues/re-imburement of expenditure of the current year is to be accounted as reduction of receipts/expenditure.
- (n) Bank/Treasury Reconciliation Statements. Register of Receivable and Payable, Register of Movable and Immovable property, Register of Inventory, Register of Demand, Collection and Balance form integral part of the annual accounts. Maintenance of these register would help in subsequent switch over to the modified accrual system of accounting.

6. Simplified Procedures for Transfer Entries

Transfer entries are passed to rectify misclassification of transaction in accounts and to facilitate eventual accounting under final heads of account. The procedure of transfer entries can pose difficulties in grassroots level organizations where the accounting systems are in a relatively nascent stage and may not have such intricacies and complexities requiring sophisticated degree of knowledge and skills as is expected in higher tiers of government.

To simplify the accounting process further, it is proposed that Transfer Entries may not be required for those tiers of PRIs where the number of transactions are less and corrections if any can be carried out manually by striking down the wrong entry with red ink and inserting the correct entry in the cash book as well as Register of Receipts and Payments and if required in the Monthly and Annual Accounts.

If the mistakes are noticed after closure of the monthly accounts and before closure of annual accounts, it can be rectified as detailed here under.

Example 1: A sum of Rs.1000/- being Property Tax collected in the month of June 2008 has been misclassified as Entertainment Tax. The mistake is noticed after the closure of Monthly Accounts in the month of December 2008.

Solution: Minus Credit under MH 0045-101 (to be deducted) is posted in Register of Receipts and a small note recorded indicating the reason for the minus credit. Credit is given under MH 0035-101 in Register of Receipts and a small note indicating the reason for the plus credit is recorded. This has to be done in the month in which the error/misclassification is noticed and rectified (December 2008).

Example 2: A sum of Rs.9000/- for the month of November 2008 towards payment of overtime allowance to Primary School Teachers of Education Department was misclassified as office Expenditure of Primary Health Centre of Health Department. This mistake is noticed after the closure of Monthly Accounts of November 2008.

Solution: Minus Debit (to be deducted from the expenditure of the head) is to be posted in the Register of Payments against the 2210-101-08 and a small note recorded indicating the reason for the minus debit. Similarly a contra debit is given in the Register of Payments against the 2202-101-03 and a small note recorded indicating the reason for the contra debit. This has to be done in the current month in which the error/misclassification is noticed and rectified.

If mistakes are noticed after closure of annual accounts

No need to change annual accounts but to have a true picture of revenue receipts and revenue expenditure, 'a note of error' will be made in the Annual Accounts against the Head where the error was committed. If any receipts on account of error/misclassification occurs the same will be taken into cash book with a small note and becomes part of the current balance.

If misclassification occurs in scheme expenditure and noticed after the closure of annual accounts:

If the mistake is noticed after the Annual Accounts are closed and the items of expenditure are related to different schemes under Revenue/Capital Heads, the progressive figures have to be changed by '+' and '-' entries against the heads concerned in order to arrive the correct figures if the schemes are continued further next financial year following the procedure explained in above categories.

7. A. LIST OF STANDARD OBJECT HEADS

01	Salaries (1)	10	Audit Fee	19	Subsidies
02	Wages	11	Printing	20	Share of taxes / duties
03	Overtime Allowance	12	Other Administrative Expenses	21	Motor Vehicles/hiring charges
04	Pensionary charges	13	Supplies and Materials	22	Machinery and Equipment
05	Honoraria	14	Petrol/Diesel	23	Major Works
06	Medical treatment	15	Advertising and Publicity	24	Write off / losses
07	Travel Expenses	16	Other Contractual Services	25	Deduct recoveries
08	Office Expenses (2)	17	Grants – in – aid	26	Maintenance
09	Rent, Rates and Taxes	18	Contributions	80	Other Expenditure

Note: (1) Items to be included in this object head are (i) Pay of officers, (ii) Dearness pay of officers, (iii) Dearness Allowance of Officers, (iv) Pay of establishment, (v) Dearness pay of establishment, (vi) Dearness Allowance of establishment, (vii) Bonus , (viii) Interim relief, (ix) Other allowances (CCA, HRA & other fixed allowances), (x) Children education allowances,(xi) LTC, (xii) Transport allowance.

Note: (2) Items to be included in this object head are (i) Local purchase of stationery, (ii) Liveries,(iii) Telephone & trunk calls, (iv) Furniture,(v) Service postage stamps,(vi) Purchase of books & publications, (vii) Office expenses and miscellaneous ,(viii) Staff car,(ix) Water cooler,(x) Typewriter, (xi) Purchase of accounting machine, (xii) Charges paid to the State Government for Police Guards,(xiii) Hot and cold weather charges,(xiv) Electricity & water charges,(xv) Purchase of photo copier,(xvi) Purchase of computer & laser printer.

7. B. LIST OF STANDARD SUB HEADS FOR CENTRAL SCHEMES

Proposed scheme code for simplified accounts for PRIs	Scheme Description
11	National Rural Employment Guarantee Scheme (NREGS)
12	Sampoorna Gramin Rozgar Yojana (SGRY)
13	Swaranjayanti Gram Swarozgar Yojana(SGSY)
14	Indira Awas Yojana (IAY)
15	National Rural Health Mission (NRHM)
16	Accelerated Rural Water Supply Programme (ARWSP)
17	Total Sanitation Campaign
18	Mid Day Meal Scheme

19	Sarva Shiksha Abhiyan
20	Pradhan Mantri Gram Sadak Yojana (PMGSY)
21	Integrated Watershed Management Programme
22	Integrated Child Development Services (ICDS)

Example to book expenditure of Central Scheme NRHM

2210 Health and Sanitation (**Major Head**)

101 Primary Health Centre (**Minor Head**)

15 NRHM (**Sub-Head**)

02 Wages (**Object Head**)

Example to book receipts of grants

Similarly, an example to book receipts of grants under various sub plans is indicated below:

1601 Grants and aid (Major Head)

101 Grants from GOI (Minor Head)

15 NRHM (Sub Head)

* Funds received under Central Scheme are allocated under three parts viz. 796 – Tribal Sub-Plan (TSP); 789 – Scheduled Caste Sub Plan (SCSP), 700 – Normal Plan. These may be booked in the accounts formats as per the example above.

8. Information and Communication Technology support

Information and Communication Technology (ICT) has demonstrated the ability to improve the efficiency, accuracy and analysis of many processes. Accounting is a very important task, requiring a high degree of accuracy and security. The use of ICTs to support the accounting processes can play a very important role in easy maintenance and management of accounts. In the context of Panchayati Raj Institutions (PRIs) many of which suffer from lack of trained manpower and ability to manage complex accounting procedures, the ICTs can make the entire process of accounting simple and easy

Ministry of Panchayati Raj (MoPR) has desired that CAG and NIC should work together to bring out the new version of PRIASoft (Panchayati Raj Institutions Accounting Software) that captures the 3-tier revised classification and generates all the reports in the formats prescribed by the sub-Committee on Budget and Accounting Standards for PRIs. Accordingly, NIC is working closely with CAG to come out with a new version of PRIASoft (PRIA Soft ver 2.0), which will have the following features:

1. The three tier accounting classification consisting of Major Heads, Minor Heads and Object Heads will be captured by the software. In addition, as defined by CAG in the revised classification, wherever Central/State scheme activities are to be captured as per the Scheme guidelines, the software will provide for accounting the scheme as a Sub-head under the respective Minor Head.
2. At the time of keying in the receipts and expenditure figures in to the system, the software will prompt the user to select the appropriate account heads from the three-tier classification. In case the expenditure is being booked under a scheme, the software will prompt the user to select the appropriate Sub-head out of the standardized scheme sub-head created. Once the receipts and expenditure entries are captured in the system, the software will automatically generate the reports in the revised formats prescribed by the CAG. Since the new format allows the user to book expenditure explicitly under sub-head provided for the scheme, scheme-wise expenditure will also be generated automatically.
3. In order to extend flexibility to states which want to retain their own existing classification relating to the schemes, the software will provide mapping of the state-specific classification to the revised classification proposed by CAG. This will enable the panchayats in those states to carry on with their ongoing accounting classification while at the same time enabling Government of India to view the accounting details of the PRIs as per the classification prescribed by the CAG.
4. In order to bring about accountability and transparency in the functioning of PRIs, the software will be a web-based software and all the accounting data of PRIs will be available online on a centralized system. However, in view of the lack of Internet connectivity in many PRIs, an offline version of the software

will be made available. Panchayat level users can enter their account details locally and periodically update the data on the online site. This will encourage even PRIs with no Internet connectivity to use the software.

5. In view of the high security need of the accounting system, the software will provide a strong authentication mechanism and also maintain detailed audit logs of all the transactions carried out through the software.

Kanwar Manjit Singh

**Director General (Local Bodies)
and Chairman/Sub-Committee**

New Delhi

Dated : 20th January 2009

MONTHLY/ANNUAL RECEIPTS AND PAYMENTS ACCOUNTS
of

Format-I

Zilla Panchayat/Panchayat Samiti (Block/Taluk level)/Village Panchayat for the month/year of.....

RECEIPTS			PAYMENTS							
Opening balance		Budget estimates	Amount	HEADS OF ACCOUNT			Budget estimates			Amount
i)	Cash in hand	(Rs.)	Actuals				(Rs.)			Actuals
ii)	Balance in bank									
iii)	Balance in Treasury									
iv)	Investments		(Rs.)							
HEADS OF ACCOUNT				Plan	Non-Plan	Total	Plan	Non-Plan	Total	
PART I – PANCHAYAT FUND				PART I – PANCHAYAT FUND						
Revenue Account - Receipts				Revenue Account - Expenditure						
Tax Receipts										
0028	Taxes on Profession, Trades etc.			2049	Interest Payments					
101	Profession Tax			101	Interest on Provident Fund					
102	Trade Tax			102	Interest on Insurance and Pension Fund					

103	Trade Licence Fees			103	Interest on Other Deposits and Accounts						
901	Share of net proceeds assigned to Panchayats			2059	Maintenance of Community Assets						
0029	Land Revenue			101	Maintenance & Repairs						
101	Land revenue			40	Work Charged Establishment Expenditure						
102	Surcharge on Land Revenue Tax			41	Other Maintenance Expenditure						
103	Taxes on Plantation			102	Furnishing						
901	Share of net proceeds assigned to Panchayats			103	Lease Charges						
0030	Stamps and Registration Fees			104	Machinery & Equipments						
101	Duty on Transfer by Sale			2071	Pensions & Other Retirement Benefits						
901	Share of net proceeds assigned to Panchayats			101	Superannuation & Retirement Allowance						
0035	Taxes on Property other than Agriculture Land			102	Commuted value of Pension						
				103	Gratuities						
101	Property Tax on Residential Building			104	Family Pension						
102	Property Tax on Non-Residential Building			105	Leave Encashment Benefit						

	Residential Building										
901	Share of net proceeds assigned to Panchayats			106	Other Pensionary benefits						
0041	Taxes on Vehicles			2202	Education						
101	Taxes on Cycle/Cart and other receipts from Non-Motor vehicles Act			101	Primary Education						
901	Share of net proceeds assigned to Panchayats			18	Mid-day Meal Scheme						
0042	Taxes on Goods and Passengers			19	Sarva Siksha Abhiyan						
101	Toll Tax			102	Secondary Education						
40	Road, Culvert Bridge			103	Adult Education						
41	Ferry			104	Non-formal Education						
42	Water Ways			2203	Technical Training and Vocational Education						
43	Others			101	Assistance to Universities/ Colleges for Technical Training						
102	Taxes on entry of Goods into Local Area			102	Technical Schools						
103	Taxes on Passengers/ Pilgrims			103	Polytechnic Colleges						

901	Share of net proceeds assigned to Panchayats			104	Vocational Education						
0044	Service Tax			2205	Art, Culture and Libraries						
101	Service Tax			101	Promotion of Art & Culture						
901	Share of net proceeds assigned to Panchayats			102	Public Libraries						
0045	Taxes on Duties and Commodities										
101	Entertainment Tax			103	Public Exhibition						
102	Advertisement Tax			104	Sports & Youth Services						
103	Receipts under Education Cess			2206	Market and Fairs						
104	Receipts under other Acts			101	Market						
105	Forest Development Tax			102	Fairs						
901	Share of net proceeds assigned to Panchayats										
				2210	Health and Family Welfare						
				101	Primary Health Centres						
				15	NRHM						

				102	Community Health Centres						
				15	NRHM						
				103	Hospitals & Dispensaries						
				15	NRHM						
				104	Health Sub-Centres						
				15	NRHM						
				105	Other System of Medicine						
				106	Family welfare Services						
Non-Tax Receipts				2211	Women and Child Welfare						
				101	Women Development Programmes						
0049	Interest Receipts			15	NRHM						
101	Interest on Bank Deposit			102	Child Development Programmes						
102	Interest on Loans and Advances			15	NRHM						
800	Other Receipts			2215	Water Supply and Sanitation						
0059	Maintenance of Community Assets			101	Maintenance of Water Supply Line						
101	Rent from Buildings			102	Maintenance and Repair of Tubewells						

102	Recovery of percentage charges			103	Sewerage and Sanitation						
103	Hire Charges of Machineries and Equipments			17	Total Sanitation Campaign						
0071	Contribution & Recoveries towards Pension and other Retirement Benefits			2216	Rural Housing						
				101	House site for Landless						
101	Pension Contribution			14	Indira Awas Yojana (IAY)						
102	Leave and Pension Contribution not levied separately			102	Construction of Houses						
0202	Education			14	Indira Awas Yojana (IAY)						
101	Primary Education			103	Maintenance & Repairs of Houses						
102	Secondary Education										
103	Adult Education										

104	Non-formal Education			2225	Welfare of Scheduled Castes, Scheduled Tribes and other Weaker Sections						
0206	Market & Fairs			101	Welfare of Scheduled Caste						
101	Receipts from Markets/Hut			40	Scholarship to Student for Primary Education						

102	Receipts from fairs			41	Scholarship to Student for Secondary Education						
				42	Scholarship to Student for Technical Education						
0210	Health & Family Welfare			43	Maintenance of SC hostels						
101	Receipts/Contribution from Patients and Others			102	Welfare of Scheduled Tribes						
0215	Water Supply & Sanitation			40	Scholarship to Student for Primary Education						
101	Receipts from Water Supply Schemes			41	Scholarship to Student for Secondary education						
102	Fees, Fines etc			42	Scholarship to Student for Technical Education						
103	Sewerage & Sanitation services			43	Maintenance of ST hostels						
0216	Rural Housing			103	Welfare of other weaker sections						
800	Other Receipts			40	Scholarship to Student for Primary Education						
0403	Animal Husbandry, Dairying, Poultry and Fuel and Fodder			41	Scholarship to Student for Secondary Education						
101	Receipts from Cattle and Buffalo Development			42	Scholarship to Student for Technical Education						

102	Receipts from Piggery			43	Maintenance of Weaker Sections' Hostels						
103	Receipts from Poultry Development			2235	Social Security & Welfare						
104	Receipts from Fodder and Feed Development			101	Social Welfare						
105	Receipts from Other Livestock Development			102	Welfare of Handicapped						
106	Receipts from Milk Supply Scheme			103	Welfare of Mentally Retarded						
0405	Fisheries			104	Assistance to Voluntary Organisations						
101	Sale of Fish, Fish Seeds etc			105	Deposit linked Insurance Scheme						
102	Auction of Fishing Rights			2402	Soil and Water Conservation						
103	Licence Fees, Fines etc			101	Land Improvement						
104	Services and Service Fees			102	Land Reforms						
0406	Forestry			103	Land Consolidation						
101	Social forestry			104	Soil and Water Conservation						
40	Sale of Timber & other Forest Produce			2403	Animal Husbandry, Dairying, Poultry and Fuel and Fodder						
42	Receipts from Forest Plantation			101	Cattle and Buffalo Development						

	Plantation										
43	Receipts from Firewood Plantation			102	Piggery Development						
102	Farm Forestry			103	Poultry Development						
40	Sale of Timber & Other Forest Produce			104	Fuel and Fodder Development						
42	Receipts from Forest Plantation			105	Insurance of Livestock and Poultry						
43	Receipts from Firewood Plantation			106	Dairy Development Projects/ Schemes						
103	Fees			107	Extension & Training						
0435	Agriculture including Agriculture Extension			2405	Fisheries						
101	Crop Husbandry			101	Processing, Preservation and Marketing						
40	Sale of Seeds			102	Fishery Cooperatives						
41	Receipts from Agriculture Farm			103	Extension & Training						
42	Sale of Manure and Fertilizers			104	Developmental Schemes						
43	Receipts from Commercial Crop			2406	Forestry						

102	Lease charges for Storage and Warehousing of Agricultural Product			101	Social Forestry						
0515	Panchayati Raj Programmes			40	Economic Plantation						
101	District Panchayat			42	Forest Conservation and Development						
40	Licence fee			102	Farm Forestry						

41	Fees for use of Quarry			40	Economic Plantation						
42	Rent for use of Land			42	Forest Conservation and Development						
43	Receipts from Community Development Project			103	Zoological Parks						
44	Other Rates & Fees except Tax Receipts			104	Public Garden						
45	Registration Charges (Other than those not covered under respective functional major heads)			105	Minor Forest Produce						
46	Other Service Fees			2408	Public Distribution System						
47	Other Fines			101	Procurement & Supply						
102	Panchayat Samiti			102	Assistance to co-operatives						

40	Licence Fee			103	Storage & Warehousing						
41	Fees for use of quarry			26	Maintenance of Warehouses						
42	Rent for use of Land			2435	Agriculture including Agriculture Extension						
43	Receipts from Community Development Project			101	Crop Husbandry						
44	Other Rates & Fees except Tax Receipts			40	Extension of Farmers Training						
45	Registration charges (Other than those not covered under respective functional major heads)			41	Crop insurance						
46	Other Service Fees			42	Scheme for small marginal farmers and agricultural labourers						
47	Other Fines			43	Horticulture and vegetable crops						
103	Gram Panchayat			44	Assistance to farmer cooperation						
				102	Watershed Development Programmes						
40	Licence fee			2501	Poverty Alleviation Programme						
				101	Central Schemes						
42	Rent for use of Land			11	NREGS						

43	Receipts from Community Development Project			102	State schemes						
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45	Registration Charges (Other than those not covered under respective functional major heads)			103	Panchayat Samity schemes						
46	Other Service Fees			104	Gram Panchayat schemes						
47	Other Fines			2515	Panchayati Raj Programmes						
0702	Minor Irrigation			101	District Panchayat Programmes						
101	Receipts from Water Tanks/Ponds			102	Panchayat Samiti Programmes						
102	Receipts from Tubewells			103	Gram Panchayat Programmes						
0801	Rural Electrification			2702	Minor Irrigation						
101	Sale of Power			101	Minor Irrigation Projects						
0810	Non-Conventional Sources of Energy			102	Water Management						
101	Sale of Bio-Energy										
102	Sale of Solar Energy			2801	Rural Electrification						
103	Sale of Wind Energy			101	Purchase of Power						
0851	Village and Small Scale Industries			102	Transmission & Distribution						

101	Handloom Industries			103	Maintenance of Street light						
102	Handicraft Industries			2810	Non-conventional Sources of Energy						
103	Khadi & Village Industries			101	Maintenance of bio-gas plants						
104	Sericulture Industries			102	Maintenance of Solar Energy Centre						
105	Powerloom Industries			103	Maintenance of Wind Energy Centre						
106	Food Processing Industries			2851	Village and Small Scale Industries						
107	Other Village Industries			101	Handloom Industries						
	Grants-in-aid			102	Handicraft Industries						
1601	Grants in aid			103	Khadi & Village Industries						
101	Grants from Central Government			104	Sericulture Industries						
11	NREGS			105	Powerloom Industries						
12	Sampoorna Gramin Rozgar Yojana (SGRY)			106	Food Processing Industries						
13	Swaranjayanti Gram Swarozgar Yojana (SGSY)			107	Other Village Industries						
14	Indira Awas Yojana (IAY)			3054	Transportation						
15	National Rural health Mission (NRHM)			101	Roads						
16	Accelerated Rural Water Supply Programme (ARWSP)			102	Culverts						

	Supply Programme (ARWSP)											
17	Total Sanitation Campaign			103	Bridges							
18	Mid Day Meal Scheme			104	Ferries							
19	Sarva Shiksha Abhiyan			105	Waterways							
20	Pradhan Mantri Gram Sadak Yojana			106	Other means of Transportation							
21	Integrated Watershed Management Programme											
22	Integrated Child Development Services											
102	Grants from State Government											
103	Grants from other institutions											
Total Revenue Receipts				Total Revenue Expenditure								
Capital Account- Receipts				Capital Account - Expenditure								
4000	Capital Receipts			4202	Capital Outlay on Education							
800	Other Receipts			101	Construction of Primary Schools							
				102	Construction of Secondary Schools							
				103	Construction of Centre for Adult & Non-formal Education							

					Non-formal Education						
				4205	Capital Outlay on Art, Culture and Libraries						
				101	Construction of Public Libraries						
				102	Construction of Sports Stadium						
				103	Construction of Training Centre for Art & Culture						
				4206	Capital Outlay on Market and Fairs						
				101	Construction of permanent structure for Market						
				102	Construction of permanent structure for fairs						
				4210	Capital Outlay on Health and Family Welfare						
				101	Primary Health Centres						
				102	Community Health Centres						
				103	Hospitals & Dispensaries						
				104	Health Sub-Centres						
				105	Other system of Medicine						

				4215	Capital Outlay on Water Supply and Sanitation						
				101	Laying of Water Supply Line						
				16	ARWSP						
				102	Drilling of Tubewell						
				16	ARWSP						
				103	Sewerage and Sanitation						
				17	Total Sanitation Campaign						
				4216	Capital Outlay on Rural Housing						
				101	Purchase of Land						
				14	IAY						
				102	Construction of Houses						
				14	IAY						
				4235	Capital Outlay on Social Security & Welfare						
				102	Construction of training centre for welfare of Handicapped						

				103	Construction of Anganwadi Centres						
				4402	Capital Outlay on Soil & Water Conservation						
				101	Land Improvement						
				102	Land Reforms						
				103	Land Consolidation						
				104	Soil & Water Conservation						
				4405	Capital Outlay on Fisheries						
				104	Construction of Fisheries/Ponds						
				4406	Capital Outlay on Forestry						
				103	Development of Zoological Park						
				104	Development of Public Garden						
				4408	Capital Outlay on Public Distribution System						
				103	Construction of Godowns & Warehouses						
				4435	Capital Outlay on Agriculture including Agriculture Extension						
				101	Construction of Training Centre						

				4515	Capital Outlay on Panchayati Raj Programmes						
				101	District Panchayat Programmes						
				102	Panchayat Samiti Programmes						
				103	Gram Panchayat Programmes						
				4702	Capital Outlay on Minor Irrigation						
				101	Construction of Works of Minor Irrigation Projects						
				102	Construction Works on Water Management						
				103	Construction Works Watershed Development						
				4801	Capital Outlay on Rural Electrification						
				102	Capital outlay on Construction of Sub-Station						
				103	Installation of Street Lights						
				4810	Capital Outlay on Non-Conventional Sources of Energy						
				101	Construction of Bio-Gas Plants						

				102	Construction of Solar Energy Centre						
				103	Construction of Wind Energy Centre						
				4851	Capital Outlay on Village and Small Scale Industries						
				101	Handloom Industries						
				102	Handicraft Industries						
				103	Khadi & Village Industries						
				104	Sericulture Industries						
				105	Powerloom Industries						
				106	Food Processing Industries						
				107	Other Village Industries						
				5054	Capital Outlay on Transportation						
				101	Construction of Village/District Roads						
				20	PMGSY						
				102	Construction of Culverts						
				20	PMGSY						
				103	Acquisition of Land for Construction of Roads/Bridges						

					of Roads/Bridges						
				20	PMGSY						
				104	Construction of Ferry Ghats/ Ferries						
	Total of Part I				Total of Part I						

Part-II			Part-II				
RECEIPTS			PAYMENTS				
HEADS OF ACCOUNT		Budget estimates (Rs.)	Amount (Rs.)	HEADS OF ACCOUNT		Budget estimates (Rs.)	Amount (Rs.)
PART II – PROVIDENT FUND ETC			PART II – PROVIDENT FUND ETC				
Loan Section			Loan Section				
7610	Loans to Panchayat Employees			7610	Loans to Panchayat Employees		
101	House Building Advance			101	House Building advance		
102	Motor Car/Motor Cycle Advance			102	Motor Car/Motor Cycle Advance		
103	Cycle Advance			103	Cycle Advance		
104	Festival Advance			104	Festival Advance		
Pension & Provident Fund Section			Pension & Provident Fund Section				
8009	Provident Fund			8009	Provident Fund		
101	Panchayat Employees General Provident Fund			101	Panchayat Employees General Provident Fund		

102	Panchayat Employees Contributory Provident Fund			102	Panchayat Employees Contributory Provident Fund		
Insurance & Pension Fund Section				Insurance & Pension Fund Section			
8011	Insurance & Pension Fund			8011	Insurance & Pension Fund		
101	Panchayat Employees Group Insurance Scheme			101	Panchayat Employees Group Insurance Scheme		
Deposit & Advances Section				Deposit & Advances Section			
8443	Civil Deposit			8443	Civil Deposit		
101	Earnest Money Deposit			101	Earnest Money Deposit		
102	Security Deposit			102	Security Deposit		
103	Panchayat Deposit			103	Panchayat Deposit		
Civil Advances Section				Civil Advances Section			
8550	Civil Advances			8550	Civil Advances		
101	Advances to PRI functionaries for Works & Supplies			101	Advances to PRI functionaries for Works & Supplies		
102	Advances to agencies for Works & Supplies			102	Advances to agencies for Works & Supplies		

Suspense Account				Suspense Account			
8658	Suspense Account			8658	Suspense Account		
101	Tax deduction at source suspense			101	Tax deduction at source suspense		
40	Income Tax			40	Income Tax		
41	Sale Tax			41	Sale Tax		
42	Profession Tax			42	Profession Tax		
102	Unclassified Suspense			102	Unclassified Suspense		
103	Treasury Suspense			103	Treasury Suspense		
	Total of Part II				Total of Part II		
					Closing Balance		
					Cash in Hand		
					Cash at Bank		
					Cash in Treasury		
					Investments		
	GRAND TOTAL				GRAND TOTAL		

Reconciliation Statement offor the month of

	With Bank	With Treasury
Balance as per Cash Book		
<u>A.Add</u>		
i) Cheques/Cash credited directly into the Bank/Treasury but not taken into the Cash Book		
ii) Details of Cheque etc. issued by PRIs but not yet encashed in Bank/ Treasury		
iii) Cheque drawn but actually not delivered to the parties		
iv) Cheque issued but dishonoured		
v) Bank interest not credited into cash book		
<u>B.Deduct</u>		

<p>i) Details of Cheques etc. received and entered into Cash Book but not actually deposited into the Bank /Treasury</p> <p>ii) Cheque received from parties and deposited into bank but dishnoured</p> <p>iii) Bank charges deducted from bank balance but not taken into Cash Book</p>		
Closing balance as per Cash Book		
Balance as per Bank/Treasury as intimated		
Amount of Difference (if any)		
Details of Difference		

Format of receivable and Payable

Format-IV

Statement of Receivable and Payable of.....at the end of the year.....

Receivable			Payable		
Heads of Accounts	Particulars	Amount Rs.	Heads of Accounts	Particulars	Amount Rs.

Grand Total			Grand Total		

Building, if acquired with the land		Utilization of the land/building	Amount paid Rs.	No. date and voucher remarks
Brief details of structure	Plinth Area			
10		11	12	13

(c) Others

Sl.No.	Date of acquisition, purchase, construction or received or transfer	No. and date of orders under which the property was acquired, purchased, constructed/transferred	Description and location of Assets	Purpose for which acquired	Valuation at the beginning of the year	Revaluation if any, the date and actual amount of revaluation (as per Rules)	Depreciation/Appreciation as per rules
1	2	3	4	5	6	7	8

Valuation of at the end of the year	If disposed Date of disposal	Reasons for disposal with authority	Amount realized on disposal (in Rupees)	Initials of competent authority	Remarks
9	10	11	12	13	14

Register of Movable Property of for the year.....

Sl No.	Date of acquisition, purchase, construction received on transfer	No. and date of orders under which the property was acquired, purchased, constructed/transferred	Description and situation of property	Whether the property is used for any purposes	Valuation at the beginning of the year	Revaluation if any, the date and actual amount of revaluation (as per Rules)	Depreciation as per rules
1	2	3	4	5	6	7	8

Valuation of at the end of the year	Whether disposed	Reasons /authority for disposal	Amount realized on disposal	Initials of competent authority	Remarks
9	10	11	12	13	14



**List of Codes for Functions, Programmes and
Activities of
Panchayati Raj Institutions**

2009

Comptroller and Auditor General of India

&

Ministry of Panchayati Raj, Govt. of India

List of codes for Functions, Programmes & Activities of Panchayati Raj Institutions

Tax Receipts					
Major Head	Nomenclature	Minor Head	Remarks	Object Head	Remarks
0028	Taxes on Profession, Trades etc.	101- Profession Tax			
		102- Trade Tax			
		103- Trade Licence Fees			
		901- Share of net proceeds assigned to Panchayats	This Minor Head will be operated where Panchayats do not collect taxes directly, but are received as 'Assigned Revenue' from State Govt.		
0029	Land Revenue	101- Land Revenue			
		102- Surcharge on Land revenue Tax			
		103- Taxes on Plantation			
		901- Share of net proceeds assigned to Panchayats	This Minor Head will be operated where Panchayats do not collect taxes directly, but are received as 'Assigned Revenue' from State Govt.		

0030	Stamps and Registration Fees	101- Duty on Transfer by Sale			
		901- Share of net proceeds assigned to Panchayats	This Minor Head will be operated where Panchayats do not collect taxes directly, but are received as 'Assigned Revenue' from State Govt.		
0035	Taxes on Property other than Agriculture Land	101- Property Tax on Residential Building			
		102- Property Tax on Non-Residential Building			
		901- Share of net proceeds assigned to Panchayats	This Minor Head will be operated where Panchayats do not collect taxes directly, but are received as 'Assigned Revenue' from State Govt.		
0041	Taxes on Vehicles	101- Taxes on Cycle/Cart and other receipts from non-Motor Vehicles Act.			Panchayats may operate separate object head for each class of vehicle.
		901- Share of net proceeds assigned to Panchayats	This Minor Head will be operated where Panchayats do not collect taxes directly, but are received as 'Assigned Revenue' from State Govt.		

0042	Taxes on Goods and Passengers	101- Toll Tax		40 Road, culvert bridge 41 Ferry 42 Water ways 43 Others	
		102- Taxes on entry of Goods into Local Area			
		103- Taxes on Passengers/ Pilgrims			
		901- Share of net proceeds assigned to Panchayats	This Minor Head will be operated where Panchayats do not collect taxes directly, but are received as 'Assigned Revenue' from State Govt.		
0044	Service Tax	101- Service Tax			Panchayats may operate separate object head for tax collected on each type of service.

		901- Share of net proceeds assigned to Panchayats	This Minor Head will be operated where Panchayats do not collect taxes directly but are received as 'Assigned Revenue' from State Govt.		
0045	Taxes on Duties and Commodities	101- Entertainment Tax			
		102- Advertisement Tax			
		103- Receipts under Education Cess			
		104- Receipts under Other Acts			Panchayats may operate separate object head for each type of tax collected as per Acts.
		105- Forest Development Tax			
		901- Share of net proceeds assigned to Panchayats	This Minor Head will be operated where Panchayats do not collect taxes directly but are received as 'Assigned Revenue' from State Govt.		

Non-Tax Receipts

0049	Interest Receipts	101- Interest on Bank Deposit			Panchayats may operate separate object head for each type of account
		102- Interest on Loans and Advances			Panchayats may operate separate object head for each type of loan/advance
		800- Other Receipts	Panchayats may operate this minor head for interest receipts from any other source		
0059	Maintenance of Community Assets (In States where there is no Public Works at PRI level, these receipts can be booked under 0515 – Panchayati Raj)	101- Rent from Buildings			Panchayats may operate object heads relating to rent realized from Public Works Circuit house and furniture and other special amenities relating to public works
		102- Recovery of Percentage Charges	This minor head will include establishment charges related to works done for other local bodies/private parties and recoveries made on percentage basis as determined by panchayats.		

		103- Hire Charges of Machineries and Equipments			
0071	Contribution & Recoveries towards Pension and other Retirement Benefits	101- Pension Contribution			
		102- Leave and pension Contribution not levied separately			
0202	Education	101- Primary Education	Each minor heads will include examination fees, tuition fees and other fees under separate object heads.		
		102- Secondary Education			
		103- Adult Education			
		104- Non-formal Education			
0206	Market and Fairs	101- Receipts from Markets/ Hut	This minor head will include all receipts from Market/ Hut organized by PRIs (daily, weekly, fortnightly, monthly) under separate object heads.		

		102- Receipts from fairs	This minor head will include all receipts from fairs organized by PRIs under separate object heads for each fair.		
0210	Health and Family Welfare	101- Receipts/ Contribution from Patients and Others	This minor head will record recoveries from patients for accommodation, supply of medicine, Laboratory test, supply of blood and other services rendered by Hospital/ Primary Health Centers/ Dispensaries under separate object heads.		
0215	Water Supply and Sanitation	101- Receipts From Water Supply Schemes	This minor head will include water charges received from various water supply schemes		
		102- Fees, Fines etc.	This minor head will also include deposits received for installation of household/ commercial water connection		

		103- Sewerage and Sanitation Services	This minor head will include fees, fines and Service fees under sewerage and sanitation		
0216	Rural Housing	800- Other Receipts	This minor head will include receipts from beneficiaries of various schemes under separate scheme heads.		
0403	Animal Husbandry, Dairying, Poultry and Fuel and Fodder	101- Receipts from Cattle and Buffalo Development			
		102- Receipts from Piggery			
		103- Receipts from Poultry Development			
		104- Receipts from Fodder and Feed development			
		105- Receipts from other Livestock Development			
		106- Receipts from Milk Supply Scheme			
0405	Fisheries	101- Sale Of Fish, Fish Seeds etc.			
		102- Auction of Fishing Rights			

		103- Licence Fees, Fines etc			
		104- Services and Service Fees	This minor head will include hire charges for mechanized fishing boats and fees collected for imparting fishing education		
0406	Forestry	101- Social Forestry		40 Sale of timber & other forest produce 42 Receipts from forest plantation 43 Receipts from firewood plantation	
		102- Farm Forestry		40 Sale of timber & other forest produce 42 Receipts from forest plantation 43 Receipts from firewood plantation	

		103- Fees	This minor head will include entry/other fees collected from parks and gardens		
0435	Agriculture including Agriculture Extension	101- Crop Husbandry		40 Sale of seeds 41 Receipts from agriculture farm 42 Sale of manure and fertilizers 43 Receipts from commercial crop	
		102- Lease charges for Storage and Warehousing of Agricultural Product			
0515	Panchayati Programmes Raj	101- District Panchayat		40 Licence fee	
		102- Panchayat Samiti		41 Fees for use of quarry	

		103- Gram Panchayat		quarry 42 Rent for use of land 43 Receipts from community development project 44 Other rates & fees except tax receipts 45 Registration charges (Other than those not covered under respective functional major heads) 46 Other service fees 47 Other fines	
0702	Minor Irrigation	101- Receipts from Water tanks/Ponds			

		102- Receipts from Tubewells			
0801	Rural Electrification	101- Sale of Power			
0810	Non-Conventional Sources of Energy	101- Sale of Bio-energy			
		102- Sale of Solar energy			
		103- Sale of Wind energy			
0851	Village and Small Scale Industries	101- Handloom Industries	These at the industrial minor heads will include receipts on account of rent, lease charges and other amenities provided estate under separate object heads.		
		102- Handicraft Industries			
		103- Khadi & Village Industries			
		104- Sericulture Industries			
		105- Powerloom Industries			
		106- Food Processing Industries			
		107- Other Village Industries			

Grants-in-aid

1601	Grants- in- aid	101- Grants from Central Government	These minor heads will include grants received from Central/ State Governments scheme-wise under separate sub heads	11-National Rural Employment Guarantee Scheme 12- Sampoorna Gramin Rozgar Yojana 13- Swarnajayanti Gram Swarozgar Yojana 14- Indira Awas Yojana 15- National Rural health Mission 16- Accelerated Rural Water Supply Programme 17-Total Sanitation Campaign 18- Mid Day Meal Scheme 19-Sarva Shiksha Abhiyan 20- Pradhan Mantri Gram Sadak Yojana 21- Integrated Watershed management Programme 22-Integrated Child	For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads . Considering the number of state schemes and diversity among the states, two-digit alfa- numeric sub-heads may be operated for state schemes. The two-digit standardised object heads may be operated under sub-head for accounting the scheme requirements as per guidelines.
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		102- Grants from State Government			
		103- Grants from other Institutions	This minor head will include grants/aids received from other institutions viz. LIC, HUDCO, NGOs etc under separate object heads		
Capital Receipts					
4000	Capital Receipts	800- Other Receipts			

Expenditure Heads					
2049	Interest Payments	101- Interest on Provident Fund			
		102- Interest on Insurance & Pension Fund			
		103- Interest on Other Deposit and Accounts			

2059	Maintenance of Community Assets	101- Maintenance & Repairs	This minor head will include expenditure on maintenance of buildings owned by panchayat (other than residential)	40 Work charged establishment expenditure	
				41 Other maintenance expenditure	
		102- Furnishing			
		103- Lease charges			
		104- Machinery & Equipments			
2071	Pension & Other Retirement Benefits	101- Superannuation & Retirement Allowance			
		102- Commuted value of Pension			
		103- Gratuities			
		104- Family Pension			
		105- Leave Encashment Benefit			
		106- Other Pensionary benefits			

2202	Education	101- Primary Education	These minor heads will include scholarships, book grants to students etc	18- Mid-day meal scheme	For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads. Considering the number of state schemes and diversity among the states, two-digit alphanumeric sub-heads may be operated for state schemes. The two-digit standardised object heads may be operated under sub-head for accounting the scheme requirements as per guideline.
		102- Secondary Education		19- Sarva Siksha Abhiyan	
		103- Adult Education			
		104- Non-formal Education			
2203	Technical Training & Vocational Education	101- Assistance to Universities/ Colleges for Technical Training			
		102- Technical Schools	Scheme wise expenditure on construction of schools/ centres will be booked under separate object heads		
		103- Polytechnic Colleges			

		104- Vocational Education	Expenditure on scholarships, books, orientation course, summer seminar etc.for conducting vocational courses will be booked under separate object heads		
2205	Art, Culture and Libraries	101- Promotion of Art & Culture	This minor head will record transactions with promotion of art & culture including imparting education in fine arts viz. music, drama, art etc., and assistance to non-government institutions for imparting such education under separate object heads.		
		102- Public Libraries			
		103- Public Exhibition	This minor head will record transactions relating to film shows, exhibitions etc		
		104- Sports & Youth services			
2206	Market and Fairs	101- Market	This minor head will include all expenditure incurred for maintenance of markets and all minor works under separate object head		

		102- Fairs	This minor head will include all expenditure in connection with conducting of fairs under different object heads		
2210	Health and Family Welfare	101- Primary Health Centres	This minor head will include scheme wise expenditure on prevention & control of diseases, cholera, leprosy, malaria etc. It will also include expenditure on distribution of free medicine under separate object heads.	15 NRHM	For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads. Considering the number of state schemes and diversity among the states, two-digit alpha- numeric sub-heads may be operated for state schemes. The two-digit standardised object heads may be operated under sub-head for accounting the scheme requirements as per guideline. The object of expenditure may be booked under these schemes.
		102- Community Health Centres		15 NRHM	
		103- Hospitals & Dispensaries		15 NRHM	
		104- Health Sub-Centres		15 NRHM	
		105- Other System of Medicine			

		106- Family Welfare Services	This minor head will include scheme wise expenditure on various family welfare schemes.		For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads. Considering the number of state schemes and diversity among the states, two-digit alphanumeric sub-heads may be operated for state schemes. The two-digit standardised object heads may be operated under sub-head for accounting the scheme requirements as per guideline. The object of expenditure may be booked under these schemes.
2211	Women and Child Welfare	101- Women Development Programmes	This minor head will include scheme wise expenditure on various women & child welfare schemes.	15 NRHM	
		102- Child Health Programmes	This minor head will include expenditure on immunization of infants and pre-school children against diseases like polio, typhoid etc, under separate object head and all nutritional programme among children.	15 NRHM	

2215	Water Supply and Sanitation	101- Maintenance of Water Supply line	This minor head will include expenditure incurred on maintenance of water supply scheme wise under different object heads.		
		102- Maintenance and Repair of Tube-wells	This minor head will include expenditure incurred on maintenance of tube-wells scheme wise under different object heads.		
		103- Sewerage & Sanitation	This minor head will include expenditure on survey & investigation, machinery & equipment, sanitation services and sewerage services under separate object heads.	17 Total Sanitation Campaign	
2216	Rural Housing	101- House site for Landless	This minor head will include expenditure on providing land for construction of houses to beneficiaries of various schemes under separate object heads	14 Indira Awaas Yojana (IAY)	For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads. Considering the number of state schemes

		102- Construction of Houses	This minor head will include expenditure on construction of houses to beneficiaries of various schemes under separate object heads	14 Indira Awaas Yojana (IAY)	the number of state schemes and diversity among the states, two-digit alphanumeric sub-heads may be operated for state schemes. The two-digit standardised object heads may be operated under sub-head for accounting the scheme requirements as per guideline. The object of expenditure may be booked under these schemes.
		103- Maintenance and Repairs of Houses	This minor head will include expenditure on maintenance of residential buildings		
2225	Welfare of Scheduled Castes, Scheduled Tribes and other weaker sections	101- Welfare of Scheduled Caste		40 Scholarship to student for primary education	
		102 Welfare of Scheduled Tribe			

	weaker sections	103- Welfare of Other Weaker Sections		<p>41 Scholarship to student for secondary education</p> <p>42 Scholarship to student for technical education</p> <p>43 Maintenance of SC/ST/weaker section's hostels</p> <p>Other scheme wise object heads may also be opened.</p>	
2235	Social Security & Welfare	101- Social Welfare			
		102- Welfare of Handicapped			
		103- Welfare of Mentally Retarded			
		104- Assistance to Voluntary Organisations			
		105- Deposit Linked Insurance Scheme			

2402	Soil and Water Conservation	101- Land Improvement			Panchayats may operate separate sub heads for various schemes under the minor head
		102- Land Reforms			
		103- Land Consolidation			
		104- Soil and Water Conservation			
2403	Animal Husbandry, Dairying, Poultry and Fuel and Fodder	101- Cattle and Buffalo Development	This minor head will include expenditure on prevention & control of diseases, cattle breeding, cattle show etc		
		102- Piggery Development	This minor head will include expenditure on prevention & control of diseases etc		
		103- Poultry Development	This minor head will include expenditure on prevention & control of diseases etc		
		104- Fuel and Fodder Development			
		105- Insurance of Livestock and Poultry			
		106- Dairy Development Projects/Schemes			

		107- Extension & Training			
2405	Fisheries	101- Processing, Preservation and Marketing			
		102- Fishery Co-operatives			
		103- Extension & Training			
		104- Developmental Schemes			
2406	Forestry	101- Social Forestry		40 Economic plantation 42 Forest conservation and development	Teak wood, eucalyptus, bamboo, matchwood etc
		102- Farm Forestry		40 Economic plantation 42 Forest conservation and development	Teak wood, eucalyptus, bamboo, matchwood etc

		103- Zoological Park			
		104- Public Garden			
		105- Minor Forest Produce			
2408	Public Distribution System	101- Procurement & Supply			
		102- Assistance to Co-Operative			
		103- Storage & Warehousing		26 Maintenance	
2435	Agriculture including Agriculture Extension	101- Crop Husbandry		40 Extension of farmers training 41 Crop insurance 42 Scheme for small marginal farmers and agricultural labourers 43 Horticulture and vegetable crops 44 Assistance to farming cooperation	Separate sub head may be operated for each scheme
		102- Watershed Development Programme			

2501	Poverty Alleviation Programme	101- Central Scheme	This minor head will include expenditure on national programmes/schemes under separate object head viz. NREGS, SGRY etc.	11 NREGA	For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads. Considering the number of state schemes and diversity among the states, two-digit alphanumeric sub-heads may be operated for state schemes. The two-digit standardised object heads may be operated under sub-head for accounting the scheme requirements as per guideline. The object of expenditure may be booked under these schemes.
		102- State Schemes	This minor head will include expenditure on state level programmes/schemes under separate object head.		
		103- Panchayat Samiti Schemes			
		104- Gram Panchayat Schemes			

2515	Panchayati Raj Programmes	101 District Panchayat Programmes	These minor heads will include all administrative expenditure in respect of district panchayat, panchayat samiti and gram panchayat under separate object heads		
		102- Panchayat Samiti Programmes			
		103- Gram Panchayat Programmes			
2702	Minor Irrigation	101- Minor Irrigation Projects			
		102- Water Management			
2801	Rural Electrification	101- Purchase of Power			
		102- Transmission & Distribution	This minor head will include transmission & distribution schemes under different object head		
		103- Maintenance of Street Light			
2810	Non-conventional Sources of Energy	101- Maintenance of Bio-gas Plants			
		102- Maintenance of Solar Energy Centre			

		103- Maintenance of Wind Energy Centre			
2851	Village and Small Scale Industries	101- Handloom Industries	These minor heads will include expenditure on account of amenities provided and developmental schemes at the industrial estate under separate object heads.		
		102- Handicraft Industries			
		103- Khadi & Village Industries			
		104- Sericulture Industries			
		105- Powerloom Industries			
		106- Food Processing Industries			
		107- Other Village Industries			
3054	Transportation	101- Roads	This minor head will include expenditure incurred on maintenance and repairs.	40 – Maintenance & repairs	For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads. Considering the number of state schemes and diversity among the states, two-digit alpha-
		102- Culverts			
		103- Bridges			
		104- Ferries			
		105- Waterways			

		106- Other means of Transportation			numeric sub-heads may be operated for state schemes. The two-digit standardised object heads may be operated under sub-head for accounting the scheme requirements as per guideline. The object of expenditure may be booked under these schems.
4202	Capital Outlay on Education	101- Construction of Primary Schools			
		102- Construction of Secondary Schools			
		103- Construction of Centre for Adult & Non-formal Education			
4205	Capital Outlay on Art,Culture and Libraries	101- Construction of Public Libraries			
		102- Construction of Sports Stadium			

		103- Construction of Training Centre for Art & Culture			
4206	Capital Outlay Market and Fairs	101- Construction of permanent structure for Market			
		102- Construction of permanent structure for fairs			
4210	Capital Outlay on Health & Family Welfare	101- Primary Health Centres	These minor heads will include scheme wise expenditure incurred on construction works.		
		102- Community Health Centres			
		103- Hospitals & Dispensaries			
		104- Health Sub-Centres			
		105- Other System of Medicine			
4215	Capital Outlay on Water Supply and Sanitation	101- Laying of Water Supply Line	This minor head will include expenditure incurred on laying of water supply line scheme wise under different object heads.	16 ARWSP	For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads. Considering the number of state schemes and diversity among the states, two-digit alphanumeric sub-heads may be
		102- Drilling of Tube-well	This minor head will include expenditure incurred on drilling of tube-well scheme wise under different object heads.	16 ARWSP	

		103- Sewerage & Sanitation	This minor head will include all expenditure on construction of drains public toilets etc. for improvement of sewerage and sanitation services and all scheme wise expenditure.	17 Total sanitation campaign	operated for state schemes. The two-digit standardised object heads may be operated under sub-head for accounting the scheme requirements as per guideline. The object of expenditure may be booked under these schems.
4216	Capital Outlay on Rural Housing	101- Purchase of Land	These minor heads will include scheme wise expenditure on purchase of land site and construction of houses under separate object heads	14IAY	
		102- Construction of Houses		14 IAY	
4235	Capital Outlay on Social Security & Welfare	102- Construction of Training Centre for Welfare of Handicapped			
		103- Construction of Anganwadi centres			
4402	Capital Outlay on Soil and Water Conservation	101- Land Improvement			Panchayats may operate separate sub heads for various schemes under the minor head
		102- Land Reforms			
		103- Land Consolidation			
		104- Soil and water conservation			

4405	Capital Outlay on Fisheries	104- Construction of Fisheries/Pond			
4406	Capital Outlay on Forestry	103- Development of Zoological Park			
		104- Development of Public Garden			
4408	Capital Outlay on Public Distribution System	103- Construction of Godowns & Warehouses	This minor head will include scheme wise expenditure on construction works		
4435	Capital Outlay on Agriculture including Agriculture Extension	101- Construction of Training Centre			Separate sub head may be operated for each scheme
4515	Capital Outlay on Panchayati Raj Programmes	101- District Panchayat Programmes	These minor heads will include construction of office buildings, acquisition of lands and other expenditure of capital nature to create concrete assets of permanent nature (not classifying under any other major head) in respect of district panchayat, panchayat samiti and gram panchayat under separate object heads		
		102- Panchayat Samiti Programmes			
		103- Gram Panchayat Programmes			

4702	Capital Outlay on Minor Irrigation	101- Construction of Minor Irrigation Projects			
		102- Construction Works on Water Management			
		103- Construction Works of Watershed Development			
4801	Capital Outlay on Rural Electrification	102- Capital outlay on construction of sub-station	This minor head will include expenditure on construction of sub-stations under various schemes under different object head		
		103- Installation of Street light			
4810	Capital Outlay on Non-conventional Sources of Energy	101- Construction of Bio-gas plants			
		102- Construction of Solar Energy Centre			
		103- Construction of Wind Energy Centre			
4851	Capital Outlay on Village and Small Scale Industries	101- Handloom Industries	These minor heads will include capital expenditure on account of developmental schemes at the industrial estate under separate object heads.		
		102- Handicraft Industries			
		103- Khadi & Village Industries			

		104- Sericulture Industries	separate object heads.		
		105- Powerloom Industries			
		106- Food processing Industries			
		107- Other village Industries			
5054	Capital Outlay on Transportation	101- Construction of Village/ District roads		20 PMGSY	For better planning, monitoring and decision making, the central schemes have been given distinct two-digit sub-heads. Considering the number of state schemes and diversity among the states, two-digit alphanumeric sub-heads may be operated for state schemes. The two-digit standardised object heads may be operated for accounting the scheme requirements as per guideline. The object of expenditure may be booked under these schemes.
		102- Construction of Culvert/Bridge		20 PMGSY	
		103- Acquisition of land for construction of roads/bridges		20 PMGSY	
		104- Construction of Ferry Ghats/Ferries			

Loan Section

Receipts				Payment		
7610	Loans to Panchayat Employees	101- House Building Advance	7610	Loans to Panchayat Employees	101- House Building advance	
		102- Motor Car/Motor Cycle Advance			102- Motor Car/Motor Cycle advance	
		103- Cycle Advance			103- Cycle Advance	
		104- Festival Advance			104- Festival Advance	

Pension & Provident Fund Section

Receipts			Payment		
8009	Provident fund	101- Panchayat Employees General Provident Fund	8009	Provident fund	101- Panchayat Employees General Provident Fund
		102- Panchayat Employees' Contributory Provident Fund			102- Panchayat Employees' Contributory Provident Fund

Insurance & Pension Fund Section					
Receipts			Payment		
8011	Insurance & Pension fund	101- Panchayat Employees Group Insurance Scheme	8011	Insurance & Pension fund	101- Panchayat Employees Group Insurance Scheme

Deposit & Advances Section					
Receipts			Payment		
8443	Civil Deposit	101- Earnest money deposit (1)	8443	Civil Deposit	101- Earnest money deposit (1)
		102- Security Deposit (2)			102- Security Deposit (2)
		103- Panchayat Deposit (3)			103- Panchayat Deposit (3)

(1) This includes earnest money deposit made by tenderers/contractors

(2) This includes the security money realized from the contractors

(3) This includes all class of deposits of panchayats other than savings and current accounts.

Civil Advances Section					
Receipts			Payment		
8550	Civil Advances	101- Advances to PRI Functionaries for Works & Supplies	8550	Civil Advances	101- Advances to PRI Functionaries for Works & Supplies
		102- Advances to Agencies for Works & Supplies			102- Advances To Agencies For Works & Supplies

Suspense Account	
Receipts	Payment

8658	Suspense Account	101- Tax deduction at source Suspense	8658	Suspense Account	101- Tax deduction at source Suspense
		40 Income Tax			40 Income Tax
		41 Sale Tax			41 Sale Tax
		42 Profession Tax			42 Profession Tax
		102 Unclassified Suspense			102 Unclassified Suspense
		103 Treasury Suspense			103 Treasury Suspense

Annex-III

A. Agenda for Regional Workshops

- I. Adoption of simplified accounting formats.
- II. Demonstration of PRIASoft software developed by NIC.
- III. Action Plan for clearance of arrears (accounts and audit).
- IV. Recruitment of skilled staff/cadre for PRI accounting staff.
- V. Outsourcing options.
- VI. Skill upgradation for Accounting staff- requirements and suggestions.
- VII. Engaging professionals for hand-holding during the introductory period of Simplified System of Accounting along with PRIASoft.
- VIII. Amendments required in State Laws and instructions to align with best practices.

B. Tentative Schedule for Workshops on Accounting for PRIs & other matters

Sl.No	Zone	States/UTs	Venue	Tentative Date
1	West	Rajasthan, Gujarat, Goa, Maharashtra, Daman & Diu, Dadra & Nagar Haveli	Jaipur	16.10.2009
	North	Himachal Pradesh, Jammu & Kashmir, Punjab, Haryana, Uttarakhand and Chandigarh	Shimla	23.10.2009
3	South	Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, A&N Islands, Puducherry and Lakshadweep	Mysore	30.10.2009
4	East	Bihar, Jharkhand, Orissa and West Bengal	Kolkata	06.11.2009
5	Central	Chhattisgarh, Madhya Pradesh and Uttar Pradesh	Lucknow	13.11.2009
6	North-East	Arunachal, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim	Guwahati	20.11.2009