

CHAPTER 12

STORES

INTRODUCTION

12.1 This chapter contains the recommended accounting system for stores related transactions.

12.2 The functions of the Stores, involving procurement, storage, issue, disposal and accounting of materials, may be performed either centrally by Central Stores (referred to as Municipal Stores) or by the Department Stores empowered by the ULB to perform the aforesaid functions for specific departments of the ULB. Generally, the ULB empowers the Public Works, Health - Sanitation, Health - Medical, Water Works, Workshop for Vehicles and Machinery repairs and Public Lighting Departments to maintain their own stores.

12.3 The financial transactions carried out by Stores will arise on account of:

- a. Receipt of Earnest Money Deposit (EMD) from the bidders to a contract
- b. Refund of EMD to the unsuccessful bidders
- c. Payment of advance to the contractor
- d. Delivery of material and its documentation e. Consumption of materials
- f. Payments to Suppliers
- g. Adjustments of Security Deposits
- h. Write-off / disposal of obsolete, scrap and unusable materials.

ACCOUNTING PRINCIPLES

12.4 The following Accounting Principles shall govern the recording, accounting and treatment of transactions relating to stores:

- a. Expenditure in respect of material, equipment, etc., procured shall be recognised on accrual basis, i.e., on admission of bill by the Local Body in relation to materials, equipment, etc., delivered.
- b. Accounting of 'goods received & accepted but no bills received' as at the cut off date shall be accounted based on purchase orders.
- c. The stock lying at the period-end shall be valued at cost in accordance with the First in – First out method.
- d. Revenue in respect of disposal of material shall be recognised on actual receipt.
- e. Finished goods and work-in-progress (WIP) related to goods produced for sale will be valued at cost or market value whichever is lower. Cost of finished and work-in-

progress includes all direct costs and applicable production overheads to bring the goods to the present location and condition.

ACCOUNTING RECORDS AND PROCEDURES

12.5 This section describes the records, registers, documents, forms, accounting entries, etc., in respect of accounting for transactions related to Stores. For the purposes of accounting of Stores there are certain forms, registers, etc., which are specific to Stores, e.g., Stores Ledger – Form ST-3. These Forms (Form ST - 1 to ST- 3) are annexed to this chapter and are prefixed “ST”.

12.6 In case tenders are floated for procuring materials, Earnest Money Deposit (EMD) may be collected from the bidders on such basis as prescribed by the ULB at the time of submitting their tenders. A receipt shall be issued for the amount collected in Form GEN – 8.

12.7 The following procedure shall be followed for accounting of receipt of EMD:

- a. The procedure to be followed for remittance and/or deposit of EMD to the Accounts Department or in the Bank shall be the same as provided for in the Chapter 5 on General Accounting Procedures.
- b. The Stores shall prepare a Summary of Daily Collection in Form GEN – 12, which shall be forwarded to the Accounts Department.
- c. Recording of Earnest Money Deposit received :On receipt of Summary of Daily collections, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
450-21-(a)	Bank Account *	Dr	500		
340-10-(a)	To From Contractors/ Suppliers – EMD Stores	Cr.		500	Cash Book, Ledger

**Specify name of the Bank and account number*

(a) Insert detailed Head Codes of Account as applicable

Note: The postings in the Ledger Account of “Earnest Money Deposit” Account shall be carried out as indicated in Chapter 5 – General Accounting Procedures. The postings in the Ledger Accounts shall be similarly carried out in respect of all other accounting entries described subsequently in this chapter. Whenever, the cash or the bank account is involved, there will be no entry in the Journal Book

12.8 The EMD shall be refunded as per the terms of tender issued to the unsuccessful bidders. The procedure followed for accounting of refund of EMD shall be as under:

- a. The Stores shall prepare a Payment Order (PO) in Form GEN – 14 for refund of deposits, make an entry in the Deposit Register (Form GEN – 18) against the relevant entries made therein and then forward the PO to the Accounts Department for payment.

b. Recording of refund of Earnest Money Deposit :After the receipt of approval for payment and upon payment, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
340-10-(a)	From Contractors/Suppliers – EMD Stores	Dr.	400		Cash Book, Ledger
450-21-(a)	To Bank Account *	Cr.		400	

* Specify name of the Bank and account number

(a) Insert Detailed Head Codes of Account as applicable

12.9 Recording of conversion of Earnest Money Deposit into Security Deposit :On receipt of intimation from the Stores for conversion of Earnest Money Deposit of successful bidder into Security Deposit payable by him, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount(Rs.) Illustrative figures	Credit Amount(Rs.) Illustrative figures	Books to be entered into
340-10-(a)	From Contractors/Suppliers – Earnest Money Deposit	Dr.	100		Journal Book, Ledger
340-10-(a)	To From Contractors/ Suppliers - Security Deposit Stores	Cr.		100	

(a) Insert Detailed Head Codes of Account as applicable

12.10 Recording of additional Security Deposit received :Where the terms of agreement entered into provide for collection of a certain percentage of Security Deposit in advance, a receipt (Form GEN – 8) shall be issued to the successful bidder for the amount collected. The procedure followed for accounting of Security Deposit is the same as described for Earnest Money Deposit. On receipt of additional Security Deposit, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
450-21-(a)	Bank Account *	Dr.	1,000		Cash Book, Ledger
340-10-(a)	To From Contractors/ Suppliers – Security Deposit Stores	Cr.		1,000	

* Specify name of the Bank and account number

(a) Insert Detailed Head Codes of Account as applicable

12.11 Recording of advance paid to suppliers :As per the terms of agreement, advance may be provided to the supplier. On receipt of an application for grant of advance, the Stores shall prepare a Payment Order and forward it to the Accounts Department. The procedure to be followed for payment of advance shall be the same as provided in the Chapter 5 on General Accounting Procedures. On payment, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
460-40-(a)	Advance to Suppliers & Contractors – Stores	Dr.	2,000		Cash Book, Ledger
450-21-(a)	To Bank Account*	Cr.		2,000	

* Specify name of the Bank and account number

(a) Insert Detailed Head Codes of Account as applicable

RECEIPT OF MATERIALS

12.12 As per the terms of the agreement with the Supplier, the materials shall be delivered to the ULB. The Stores shall prepare a Material Receipt Note in Form ST-1.

12.13 From the Material Receipt Note, the Stores shall record the receipt of materials in the Stores Ledger maintained in Form ST-2.

12.14 On receipt of bill from the supplier, the Stores shall verify the bill received with the Material Receipt Note and record it in the Register of Bills for Payment maintained in Form GEN – 13.

12.15 Recording of liability due in respect of materials purchased :On acceptance and approval of the material supplied and on receipt of the processed bill from the Stores Department, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
430-10-(a)	Stock in Hand -Purchase of Materials Stores To	Dr	4,000		Journal Book, Ledger
350-10-(a)	Creditors – Suppliers/ Contractors Stores	Cr.		3,800	
460-40-(a)	To Advance to Suppliers & Contractors Stores	Cr.		200	

(a) Insert Detailed Head Codes of Account as applicable.

12.16 Recording of payment made to supplier :The procedure to be followed for approval of a supplier's bill for payment and making payment shall be the same as provided in the Chapter 5 on General Accounting Procedures. On receipt of Payment Order (Form GEN – 14) together with the supporting documents and on making payment, the Accounts Department shall pass the following entry

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
350-10-(a)	Creditors – Suppliers/ Contractors Stores	Dr.	3,800		Cash Book, Ledger
450-21-(a)	To Bank Account*	Cr.		3,800	

* Specify name of the Bank and account number

(a) Insert Detailed Head Codes of Account as applicable

12.17 The Accounts Department shall intimate the Stores of the payment made.

RETURN OF MATERIALS

12.18 If the materials supplied are found to be defective or not in accordance with the terms specified in the agreement, the Stores shall return it back to the supplier concerned and make an entry for return of material in the Issue Column of the relevant folio in the Stores Ledger (Form ST – 2). The details of the materials returned shall be communicated to the Accounts Department

12.19 Recording of adjustment for material returned to Supplier, if payment is not made. In case the payment for materials received has not been made to the supplier, for reducing the amount of liability in respect of material returned, the Accounts Department shall pass the following entry

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
350-10-(a)	Creditors –Suppliers/ Contractors Stores	Dr.	1,000		Journal Book, Ledger
430- 10-(a)	To Stock in Hand –Purchase of Materials Stores	Cr.		1,000	

(a) Insert Detailed Head Codes of Account as applicable.

12.20 Recording of transactions for materials returned to Supplier, if payment has been already made. On receipt of communication from the Stores relating to return of materials, the Accounts Department shall pass the following entries

a. On raising of the claim

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
350-10-(a)	Creditors –Suppliers /Contractors Stores	Dr.	1,000		Journal Book, Ledger
430-10-(a)	To Stock in Hand–Purchase of Materials Stores	Cr.		1,000	

(a) Insert Detailed Head Codes of Account as applicable.

b. On receipt of money from the Supplier for materials returned

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
450-21-(a)	Bank Account*	Dr	1,000		Cash Book Ledger
350-10-(a)	To Creditors –Suppliers/ Contractors Stores	Cr.		, 1,000	

* Specify name of the Bank and account number

(a) Insert Detailed Head Codes of Account as applicable

VALUATION OF CLOSING STOCK AT PERIOD-END

12.21 At the end of every accounting period, the Stores shall send a Statement of Closing Stock in Form ST – 3. Such a statement shall consist of two parts; Part A shall show the items in respect of which the invoices/bills received from the suppliers have already been sent by the Stores to the Accounts Department after processing by the Stores. Part B shall consist of the items for which the materials have been received and accepted by the Stores but for which the invoices/bills have not been processed as yet by the Stores. This Statement shall be drawn from the entries made in the Stores Ledger.

12.22 At the end of the financial year, a reconciliation shall be carried out by the Stores-in-charge to match the physical stock with the book stock and discrepancies identified shall be incorporated in the Statement of Closing Stock.

12.23 The balances in various accounts of the item-wise Stores Ledger shall be extracted and valued as per First In First Out (FIFO) Method. The FIFO Method is explained as follows:

a. Under this method, the consignment of material, which shall be received first, shall be issued first.

b. The example below illustrates the FIFO method:

Opening Stock of TCL Powder as on 1st March was 200 nos. acquired at the rate of Rs.2 per unit. Subsequent purchase and issue transactions during the month of March were as follows:

Date	Transaction	Units	Rate
Mar 2	Purchase from ABC	200 nos.	Rs.3/- per unit
Mar 4	Purchase from B	600 nos.	Rs.4/- per unit
Mar 6	Issued to Dept. X	500 nos.	
Mar 10	Purchase from B	700 nos.	Rs.4/- per unit
Mar 18	Issued to Dept. Y	800 nos.	
Mar 20	Purchase from C	300 nos.	Rs.5/- per unit
Mar 23	Issued to Dept. Z	100 nos.	
Mar 31	Issued to Dept. Q	500 nos.	
Mar 31	Purchase from ASD	200 nos.	Rs.6/- per unit

12.24 Entries in Stores Ledger for the aforesaid transactions shall be made as depicted in Table 12.1 below.

Table 12.1

Entries in Stores Ledger for the financial year 20XX - 20XX

Item Description: TCL Powder

Item Code: XXXXXXXXX

Date	Receipts				Issues				Balance			Remarks
	MRN No.	Qty	Rate (Rs.)	Value (Rs.)	MRIN No.	Qty	Rate (Rs.)	Value (Rs.)	Qty	Rate (Rs.)	Value (Rs.)	
Mar 1	Opening Stock	200	2	400								
Mar 2		200	3	600					200	2	400	
									200	3	600	
									400		1000	
Mar 4		600	4	2400					200	2	400	
									200	3	600	
									600	4	2400	
									1000		3400	
Mar 6						200	2	400	500	4	2000	
						200	3	600				
						100	4	400				
						500		1400				
Mar 10									500	4	2000	
									700	4	2800	
									1200		4800	
Mar 18						500	4	2000	400	4	1600	
						300	4	1200				
						800		3200				
Mar 20									400	4	1600	
									300	5	1500	
									700		3100	
Mar 23						100	4	400	300	4	1200	
									300	5	1500	
									600		2700	
Mar 31						300	4	1200	100	5	500	
						200	5	1000				
						500		2200				
Mar 31									100	5	500	
									200	6	1200	
									300		1700	

MRN - Material Receipt Note

MRIN - Material Requisition-cum-Issue Note

Note: Details & break up of materials issued

Materials issued on 6th March is towards consumption for usage in production process

Materials issued on 18th March is towards repair works of the ULB

Materials issued on 23rd March is to the Contractors for the works undertaken by them

12.25 Accordingly, the closing stock of 300 units of TCL Powder shall be valued at Rs. 5 for 100 units and at Rs. 6 for the remaining 200 units. This is because the TCL Powder received earlier is still there in Stock on the valuation date, which has to be valued at the rates applicable for that consignment.

12.26 On the basis of Statement of Closing Stock, the Accounts Department shall compute the Stores consumed in the following manner:

Compute the total purchases made by the Stores during the accounting period. The value of the purchases made in the above illustration is Rs. 8500;

Add the Opening Stock at the Stores valued at Rs. 400 to the total purchases made to determine the total stores available for consumption. Thus total stores available for consumption as per above illustration, is Rs. 8900 computed as Rs. 8500

(purchases) + Rs. 400 (opening stock) ;

Deduct the Closing Stock valued at Rs. 1700, on the basis of Statement of Closing Stock, from the total stores available for consumption;

The balance value represents the stores that have been consumed during the accounting period i.e. Rs. 8900 (total stores available for consumption) – Rs. 1700

(closing stock) = Rs. 7200 (consumption).

12.27 Recording of Closing Stock.: On the basis of Statement of Closing Stock (Form ST –3) received from Stores, for recording closing stock, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
230-30-(a)	Consumption of Stores(1)	Dr	1,400		Journal Book, Ledger
230-(b)	Repairs and Maintenance (2)	Dr	3,200		
412-(b)	Capital work in progress(3)	Dr	2,200		
460-40-(a)	Advance to Contractors- Material Issued to Contractors/Stores (4) Stock in Hand –Stores Closing Stock	Dr	400		
430-10-(a)	To Stock in Hand –Purchase of Materials Stores	Dr	1,700		
430-10-(a)	To Stock in Hand - Stores	Cr		8,500	
430-10-(a)	Opening Stock	Cr.		400	

(a) Insert Detailed Head Codes of Account as applicable.

(b) Insert Minor & Detailed Head Codes of Account as applicable

(1) Consumption of Stores is debited for value of materials consumed in relation to production of any goods for sale.

(2) Repairs and Maintenance account is debited for value of materials used for any of the repairs and maintenance of ULBs assets.

(3) Capital work in progress account is debited for value of materials issued to the Capital works of the ULBs.

(4) Material Issued to Contractors account is debited for value of materials issued to the contractors.

12.28 Similar entries shall also be passed in respect of consumption/CWIP and closing stock

at each of the other stores.

12.29 The closing stock at the end of an accounting period shall be the opening stock of the subsequent accounting period for which the Accounts Department shall pass the following entry on the first day of the subsequent accounting period:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
430-10-(a)	Stock in Hand - Stores Opening Stock	Dr.	1,700		Journal Book, Ledger
430-10-(a)	To Stock in Hand -Stores Closing Stock	Cr.		1,700	

(a) Insert Detailed Head Codes of Account as applicable

12.30 Similar entries shall be passed for recognising closing stock of each of the other stores as opening stock of the subsequent accounting period.

FINISHED GOODS & WIP RELATED TO GOODS PRODUCED FOR SALE

12.31 At the end of every accounting period, the finished goods and work-in-progress related to goods produced for sale shall be valued at cost.

12.32 The cost of finished goods and WIP shall include all direct costs and applicable production overheads to bring the goods to the present location and condition. It shall include the following:

- a. Costs of purchase including duties and taxes, freight inwards and other expenditure directly attributable to the purchase. Trade discounts, rebates, duty drawbacks and other similar items should be deducted from the costs of purchase;
- b. Costs of direct labour for converting the materials into finished goods;
- c. Variable production overheads i.e. those direct costs of production that vary directly with the volume of production, such as, Power and other consumables. The variable production overheads are allocated to per unit of production;
- d. Fixed production overheads i.e. those indirect costs of production that remain constant irrespective of the volume of production, such as depreciation and maintenance costs of production facilities. The fixed production overheads are period costs, which are apportioned over the total units of production over that period.

12.33 The cost of finished goods and WIP shall, however, not include the following:

- a. Abnormal amount of wasted material, labour or other production costs;
- b. Storage costs, unless these are necessary in the production process prior to a further production stage;
- c. Administrative overheads that do not contribute to bringing the goods to their present location and condition;
- d. Selling and distribution costs;
- e. Interest and other borrowing costs.

12.34 Based on these guidelines each local body can develop detailed guideline for each of the manufactured product meant for sale. The Cost sheet would serve as a base for arriving at the value.

MATERIALS PURCHASED FROM ANY GRANT OR SPECIAL FUNDS

12.35 The accounting procedure to be followed for purchase of material, the cost of which is met from any Grant or from funds set aside under any Special Fund, and its issue shall be the same as provided earlier in this chapter. However, the accounting entries in respect of these have been described in Chapter 16 on Grants and Chapter 18 on Special Funds respectively.

12.36 The materials purchased in terms of any grant or special fund shall be recorded in separate folios in the Stores Ledger or in the Stock Account of Books and Forms and the procedure to be followed for valuation of closing stock shall be the same as provided earlier in this chapter.

PERIOD END PROCEDURE

12.37 At the period-end, the Stores Department shall ensure that all the bills in respect of stores received and accepted before the last date of the accounting period, are processed and forwarded to the Accounts Department for accounting and payment within one month where the accounting period is a financial year and in other cases in 15 days from the end of the accounting period. The accounting entry to be recorded shall be the same as provided above in para 12.15 in the section on "Receipt of Materials". In addition, in respect of 'goods received & accepted but no bills received' as at the cut off date shall be accounted based on purchase orders.

DISPOSAL OF MATERIAL

12.38 The unutilised/unusable material in the Stores of the ULB may be disposed of as per the principles framed by the State Government in this regard.

12.39 For such disposal of material by Stores, the accounting procedure to be followed and

accounting entries to be passed for receipt and refund of EMD and conversion of EMD into Security Deposit shall be the same as provided earlier in this chapter. The accounting procedures to be followed on realisation of sale value shall be the same as provided in Chapter 5 on General Accounting Procedures.

12.40 Recording of disposal of material :An entry for the material disposed shall be made in the records maintained at the Stores. The accounting entries passed in respect of disposal of stores are as follows:

a. Recording of receipt of sale proceeds: The Stores shall prepare a Summary of Daily Collection (Form GEN –12) for sale proceeds and forward it along with the collection to the Accounts Department. (For example an amount of Rs 600 realised against the sale of stores with a recorded value of Rs 500). On receipt of Summary of Daily Collections, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
450-21-(a)	Bank Account *	Dr.	600		Cash Book, Ledger
350-90-(a)	To Sale Proceeds from Stores	Cr.		600	

* Specify name of the Bank and account number

(a) Insert Detailed Head Codes of Account as applicable.

b. Recording of profit or loss on disposal In the example explained above, there is a profit amounting to Rs 100 the Accounts Department shall pass the following entry in respect of the same:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
350-90-(a)	Sale Proceeds from Stores	Dr.	600		Journal Book, Ledger
430-10-(a)	To Stock in Hand-Purchase of Materials Stores	Cr.		500	
150-12-(a)	To Sale & Hire Charges – Sale of Stores	Cr.		100	

Note: If the amount realised for sale is Rs 400, the difference of Rs 100 shall be debited to 'Loss to disposal of Stores'.

(a) Insert Detailed Head Codes of Account as applicable

WRITE-OFF OF MATERIAL

12.41 The pilfered/damaged material in the Stores of the ULB may be written-off as per the principle framed by the State Government in this regard.

12.42 Recording of write-off of material :An entry for the material written-off shall be made in the records maintained at the Stores. On the basis of intimation received from the Stores, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
270-40-(a)	Assets Written off -Stores	Dr	50		Journal Book, Ledger & Stores Register
430-10-(a)	To Stock in Hand –Stores Opening Stock	Cr.		50	

(a) Insert Detailed Head Codes of Account as applicable.

INTERNAL CONTROLS

12.43 The following internal controls shall be observed by the ULB in respect of Stores related transactions:

- a. The Accounts Department shall ensure budget availability with respect to the expenditure incurred at the time of accruing of the expenditure i.e Budget monitoring shall be on accrual basis rather than payment basis.
- b. The Accounts Department shall ensure that all the purchase bills/invoices were journalised before release of the payments.
- c. At the end of the financial year, the Stores-in-charge, the Accounts Department and the Executive Officer/Secretary & in case of M.Corp. the Official authorised by the Commissioner for this purpose shall physically verify the stock lying in stores and compare it with the stock as per the book records and in case of any difference, appropriate remedial steps as prescribed by the Director, shall be taken.
- d. The Stores-in-charge shall ensure availability of adequate budget allocation before procuring any material, after considering all commitments made against the budget allocation.
- f. At the time of issue of any material to the Departments, the Stores-in-charge shall ensure that there is an adequate budget provision in respect of that department.
- g. The Accounts Department shall ensure that all the dues recoverable including advance provided to supplier has been recovered before making the final payment to the supplier. Further, it should be ensured that only net amount has been paid to the supplier, as may be applicable to the materials actually received or accepted.
- h. Before releasing payment to the supplier, the Accounts Department shall ensure that the material received is recorded in the Stores Ledger. Further, it shall be ensured that the Payment Order provides reference to the Stores Ledger where the entry for receipt of material is recorded. In addition, at the time of payment to suppliers/contractors and any other creditors it shall be ensured that no amount is due from them, which may be adjusted before payment.

i. The Stores-in-charge shall ensure that materials in respect of which bills have been received but have not been forwarded to the Accounts Department are stated separately in the Statement of Closing Stock (Form ST – 3).

j. The Accounts Department shall ensure that the ‘Purchase of Materials’ account has been reconciled at the period and the balance has become nil on accounting of stock entries for the closing stock (on the basis of Statement of Closing Stock in Form ST – 3) and consumption of stores.

k. Also the Accounts Department shall ensure that the balance in the ‘Opening Stock’ account has become nil at the period end on accounting of stock entries and consumption based on the closing stocks.

l. The Commissioner/Executive Officer/Secretary of the ULB shall specify such appropriate calendar of returns /reports for monitoring.

12.44 All Reconciliation Statements shall be certified by the Executive Officer/Secretary and in case of MCorp, the Head of the Accounts Department.

PRESENTATION IN THE FINANCIAL STATEMENTS

12.45 The various heads of accounts used for the accounting of Stores shall be reflected in the Financial Statements or the Schedules attached to the Financial Statements of the ULB. All such Financial Statements and schedules should be affixed with signature and seal of the Commissioner or Authority designated by him for this purpose and for other ULBs the Executive Officer/Secretary.

12.46 The Schedules of the Income and Expenditure Statement in respect of Stores are presented below.

Schedule I-12: Schedule of Operations and Maintenance

Code No.	Expenditure	Amount (Rs.)	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
230-30-(4a)	Consumption of Stores			
230-51-(a)	Repairs & Maintenance –Infrastructure Assets			
230-52-(a)	Repairs & Maintenance – Civic amenities			
230-53-(a)	Repairs & Maintenance –Buildings			
230-54-(a)	Repairs & Maintenance – Vehicles			
230-59-(a)	Repairs & Maintenance – Others			
Total of Expense of Stores to be shown as part of				

(a) Insert Detailed Head Codes of Account as applicable

12.47 The Balance Sheet abstracts in respect of Stores are presented below.

Schedule B-7: Deposits Received*Amount in Rs*

Code No.	Expenditure	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
340-10-(a)	From Contractors/Suppliers – EMD		
340-10-(a)	From Contractors/Suppliers – Security		
340-80-(a)	From Others		
	Total		

(a) Insert Detailed Head Codes of Account as applicable

Schedule B-9: Schedule of Other Liabilities (Sundry Creditors)

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
350-10-(a)	Creditors - Suppliers /Contractors		
	Total		

(a) Insert Detailed Head Codes of Account as applicable

Schedule B-14: Stock in Hand (Inventories)

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
430-10-(a)	Stores		
430-20-(a)	Loose Tools		
430-30-(a)	Others		
	Total Stock in hand		

(a) Insert Detailed Head Codes of Account as applicable

Schedule B-17: Schedule of Cash and Bank

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
450-10-(a)	Cash Account		
450-21-(a)	Bank Account		
	Total		

(a) Insert Detailed Head Codes of Account as applicable

Schedules B-18: Schedule of Loans, Advances & Deposits

Code No.	Particulars	Opening Balance at the beginning of the year (Rs.)	Paid during the current year (Rs.)	Recovered during the year (Rs.)	Balance outstanding at the end of the year (Rs.)
460-40-(a)	Advance to Suppliers & Contractors – Stores				
460-40-(a)	Advance to Suppliers & Contractors – Material Issued to Contractors /Stores				
	Total				

(a) Insert Detailed Head Codes of Account as applicable.

ST-1

_____ *Name of the ULB*

MATERIAL RECEIPT NOTE

_____ Stores

Book No. _____

Receipt No. _____

Date _____

Received following material from _____ (name of the supplier)
vide their delivery challan number _____ bill number _____ dated _____
against Purchase Order No. _____

Sr. No.	Particulars (Product details and specifications)	Quantity Accepted	Inspected by	Remarks
	Material received by Stores Clerk		Entered in Store Records Entry No.: _____ Stores-in-charge	

_____ *Name of the ULB*

Item Description _____

STORES LEDGER

Receipt

Date of Receipt	Material Receipt No	Reference of Cash Book / Journal Book / Ledger where entry is recorded	Department for which purchase made	Qty.		Rate per unit (Rs.)	Value (Rs.)	Initials of Authorised Officer
				Number	Weight			
1	2	3	4	5	6	7	8	9

Balance

Date of Issue	Material Requisition cum Issue Note No	Department to which issued	Quantity		Rate per unit (Rs.)	Value (Rs.)	Initials of Authorised Officer	Quantity		Rate per unit (Rs.)	Value (Rs.)
			No.	Weight				No.	Weight		
10	11	12	13	14	15	16	17	18	19	20	21

Note:: For each entry made; record the Name, Designation and Signature of the person making the entry in the register and the person checking the entry

ST-3

_____ *Name of the ULB*

STATEMENT OF CLOSING STOCK AS ON ____

_____ *Stores*

Sr. No.

Reference No. of Stores Ledger	Item Description	Quantity	Unit rate for valuation (Rs.)	Amount (Rs.)	Remarks *
Total					
Details of Material issues					
Purpose	Reference No. of Stores Ledger	Item Description	Quantity	Unit rate for valuation (Rs.)	Amount (Rs.)
For Consumption					
For Repairs &					
For Capital Work In					
For Sale					
Written off					
Contractors**					
Total					
Verified by		Stores-in-charge / Authorised Officer			
* In case of obsolete, unservicable, defective inventory, please indicate so in the Remarks column					
** Contractor wise details of the Materials issued shall be given as per annexure attached with this form					

