

CHAPTER 13

EMPLOYEE RELATED TRANSACTIONS

INTRODUCTION

13.1 This chapter contains the recommended accounting system on matters (i.e., salaries, allowances, deductions, Provident Fund, Pension Fund, loans, advances, etc.) pertaining to the employees of the Urban Local Body (ULB). The Accounting principles and procedures explained below for maintaining the employee related transactions on the following assumptions

- ¾ The employee related funds (for e.g. PF fund account) are maintained within the ULB.
- ¾ Processing of payroll and related approvals are decentralised.

ACCOUNTING PRINCIPLES

13.2 The following Accounting Principles shall govern the recording, accounting and treatment of employee related transactions:

- a. Expenses on Salaries and other allowances shall be recognised as and when they are due for payment (i.e. at the month end).
- b. Statutory deductions from salaries including those for income tax, profession tax, provident fund contribution, etc., shall be recognised as liability in the same period in which the corresponding salary is recognised as expense.
- c. Formation of Trusts shall be considered for management of Provident Funds. However it will be the responsibility of the ULB to form the trusts and meet the shortfall of the fund, if any.
- d. Provident Fund money shall be invested as per the guidelines applicable to any Employee Provident Fund.
- e. Separate Funds may also be formed for meeting the pension and other retirement benefits including Gratuity and Leave Encashment. The State Governments can decide on this and can define the modus operandi also. The State may form Trusts either at the state level or at the municipal level.
- f. Contribution due towards Pension and other retirement benefit funds shall be recognised as an expense and a liability. State Government to define the rate of contribution.

One basis for such rate could be at the rate generally prescribed for state government employees on deputation. Actuarial valuation has not been considered due to practical limitations of the ULBs. If an ULB wants to make an actuarial valuation, their applicable state laws can guide this.

g. Interest receivable on loans given to employees shall be recognised as revenue at the end of the period in which these have accrued.

h. In respect of loans to employees, penal interest leviable on default in repayment of principal or payment towards interest shall be recognised on accrual basis.

i. Bonus, ex-gratia, overtime allowance, other allowances and reimbursements to the employees shall be recognised as an expense as and when they are due for payment.

ACCOUNTING RECORDS & PROCEDURES

13.3 This section describes the records, registers, documents, forms, accounting entries, etc., in respect of accounting for employee related transactions. For the purposes of accounting of employee related transactions there are certain forms, registers, etc., which are specific to employee related transactions, e.g., Pay bill – Form ES -1. These (Forms ES – 1 to ES – 6) are annexed to this chapter and are prefixed “ES”.

PAY BILL & DEDUCTIONS

13.4 A Pay Bill shall be prepared for each department on the basis of employee muster and service book maintained. The Pay Bill shall provide computation of gross salaries payable to the employees as per the conditions of service. From the gross salary, adjustments shall be made for deductions in respect of statutory payments such as income tax, profession tax, provident fund, etc., voluntary deductions such as group insurance premium, investment by employees, contribution to various societies, loan recovery for external agencies, etc., as well as recoveries in respect of loans, advances, etc., to arrive at the net salary payable to the employees.

13.5 The Accounts Department shall prepare a Consolidated Pay Bill summary in Form ES- 1 from the Departmental Pay Bills. Preparation of Consolidated Pay Bill summary would involve consolidation and summation of the individual Departmental Pay Bills.

13.6 On the basis of the Consolidated Pay Bill, the Accounts Department shall pass the following entries every month for recognising the expense and the corresponding liability:

a. Recording of salary, allowances and corresponding liability: For recognising the expense under various heads and the liability to the employees in respect of gross salaries,

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
210-(a)	Establishment Expenses –	Dr.	1,00,000		Journal Book, Ledger
350-11-(b)	To Employee Liabilities – Gross Salaries Payable	Cr.		1,00,000	

(a) Insert Major and Detailed Head Codes of Account as applicable

(b) Insert Detailed Head Codes of Account as applicable

Note: The postings in the Ledger Accounts of “Establishment Expenses” Account and “Gross Salaries Payable” 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.

b. The department-wise details of establishment expenses will be available in the Consolidated Pay Bill prepared by the Accounts Department, reference to which may be made at the time of preparation of Financial Statements.

c. The Accounts Department shall maintain a separate Functional Expense Subsidiary Ledger in Form GEN – 34 for recording Function-wise establishment expenses. On recording of establishment expenditure in the Journal Book, the Accounts Department shall immediately update the Subsidiary Ledger mentioned above. The procedure for updating Subsidiary Ledger has been provided in Chapter 5 – General Accounting Procedures, reference to which is invited

d. Recording of statutory and other deductions and recoveries from salaries : For accounting liabilities towards amounts payable to different authorities in respect of statutory deductions, and, dues towards settlement of obligations on behalf of employees (e.g. housing loan, contribution to various societies, loan recovery for external agencies, group insurance premium, investment by employees, etc.), recovery of instalments of loans or interest levied on loan and/or advances from employees, etc., 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
350-11-(a)	Employee Liabilities - Gross Salaries Payable	Dr .	100000		Journal Book, Ledger, Register of Employee Advances, Register of Loans to Employees, Register of Interest on Loans to Employees
350-20-(a)	To Recoveries Payable- TDS from Employees	Cr		1000	
350-20-(a)	To Recoveries Payable- Profession Tax	Cr		1000	
311-(b)	To- Provident Fund (for own employees	Cr		9000	

350-20-(a)	To Recoveries payable – Provident Fund for Employees on Deputation	Cr		1000	
460-10-(a)	To Loans to Employees	Cr		1500	
431-40-(a)	To Receivable from Other Sources- Interest due from Employees Loans	Cr		200	
350-20-(a)	To Recoveries Payable - Others*	Cr		7500	
460-10-(a)	To Advance to Employees	Cr		1500	
460-20-(a)	To Employee Provident Fund Loans	Cr		300	
350-11-(a)	To Employee Liabilities – Net Salaries Payable	Cr		77000	

* This may include voluntary deductions with respect to Insurance Premium deduction, deduction for Investment by Employees, deduction for Contribution to various Societies, Loan recovery for External Agencies, etc.

(a) Insert Detailed Head Codes of Account as applicable

e. Accounts Department shall update the Register of Employee Advances maintained in Form ES-2 for recovery of Loans / advances and Register of Interest on Loans to Employees maintained in Form ES-3 for recovery of loans and interest respectively.

f. Salaries may be paid to the employees either (i) by Cheque or (ii) by directly crediting the amount to employees' bank account; or (iii) in cash. (efforts may be made to move towards direct credit of salaries to bank accounts)

g. Recording of payment of salaries by cash :For accounting of payment of salary by cash, the Accounts Department shall pass the following entries:

Code of Account	Accounting Entry	Dr/ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
On Withdrawal of cash					
450-10-(a)	Cash Account	Dr.	7000		Cash Book
450-21-(a)	To Bank Account *	Cr		7000	
For payment of salary by cash (if paid fully)					
350-11-(a)	Employee Liabilities -Net Salaries Payable	Dr.	7000		Cash Book, Ledger
450-10-(a)	To Cash Account	Cr		7000	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

Note: If the salary is not fully paid, the accounting treatment is described subsequently.

h. Recording of payment of salaries through bank:For accounting of payment of salary by cheque or direct credit of the salary to employee bank account, 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
350-11-(a)	Employee Liabilities – Net Salaries Payable	Dr	70000		Cash Book, Ledger
450-21-(a)	To Bank Account*	Cr.		70000	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

Note: If the salary is not fully paid, the accounting treatment is described subsequently.

i. Recording of payment of statutory deductions made from salaries : For discharging liabilities towards statutory deductions (e.g., income tax, profession tax, etc.), on payment, the Accounts Department shall pass the following entries:

Code of Account	Accounting Entry	Dr/ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
350-20-(a)	Recoveries Payable – TDS from Employees	Dr.	1000		Cash Book, Ledger
450-10-(a)	To Cash Account	Cr.		50	
450-21-(a)	To Bank Account*	Cr.		950	
350-20-(a)	Recoveries Payable – Profession Tax	Dr	1000		Cash Book, Ledger
450-10-(a)	To Cash Account	Cr		100	
450-21-(a)	To Bank Account*	Cr		900	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

j. Recording of payment of other deductions made from salaries :For discharging liabilities towards voluntary deductions (e.g., group insurance premium, investment made by employees, contribution to various societies, repayment of loan to various external agencies, etc.) made on behalf of employees, 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
350-20-(a)	Recoveries Payable- Others	Dr	7500		Cash Book, Ledger
450-10-(a)	To Cash Account	Cr.		500	
450-21-(a)	To Bank Account*	Cr		7000	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

Note: Recoveries Payable – Others may include voluntary deductions with respect to Insurance Premium deduction, deduction for Investment by Employees, deduction for Contribution to various Societies, Loan recovery for External Agencies, etc.

Unpaid Salaries

13.7 If the salary remains unpaid to the employees, it shall be recorded in the Unpaid Salary Register maintained in Form ES-4. The register shall have the details for unclaimed salary as well as subsequent payment of salary. Cheques remaining unpaid and cash withdrawn for payment of salary remaining unpaid for a period of three (3) months shall be re-deposited in the Bank Account and the details recorded in the Unpaid Salary Register.

13.8 Recording of unpaid salaries (bank) :In case cheques issued to the employees have not been encashed for three months or such other period as may be prescribed by the State / applicable acts, such cheques shall be cancelled. On cancellation of cheques, 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.	1000		Cash Book, Ledger, Unpaid Salary Register
350-11-(a)	To Employee Liabilities – Unpaid Salaries	Cr.		1000	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

13.9 Recording of unpaid salaries if cash is withdrawn but not collected by the employee.

In case of salary payments by cash, if the amount has not been collected, the Accounts Department shall pass the following entries:

Code of Account	Accounting Entry	Dr/ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
Assuming that Rs. 500 is unpaid out of Rs. 7000 drawn and only Rs. 6500 has been paid, the entry for the payment would be:					
350-11-(a)	Employee Liabilities – Net Salaries Payable	Dr.	6500		Cash Book, Ledger, Unpaid Salary Register
450-10-(a)	To Cash	Cr		6500	
For depositing the cash lying in hand in respect of unpaid salary, the entry would be:					
450-21-(a)	Bank Account *	Dr.	500		Cash Book,
450-10-(a)	To Cash Account	Cr		500	
For recording the unpaid salary, the following entry shall be passed:					
350-11-(a)	Employee Liabilities – Net Salaries Payable	Dr	500		Journal book, Ledger, Unpaid Salary Register
350-11-(a)	To Employee Liabilities – Unpaid Salaries	Cr		500	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

13.10 Recording of payment of unpaid salaries. On payment of unpaid salaries, 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
350-11-(a)	Employee Liabilities –Unpaid Salaries	Dr.	700		Cash Book, Ledger, Unpaid Salary Register
450-10-(a)	To Cash	Cr.		100	
450-21-(a)	To Bank Account*	Cr.		600	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

The illustrative amount indicates that of Rs. 700 outstanding in Salaries Unpaid Account, Rs. 100 is paid in Cash and Rs. 600 is paid by cheque.

LOANS AND ADVANCES TO EMPLOYEES

Loans and Advances given

13.11 Recording of advances and loans to employees: ULB may grant loans (interest bearing or interest free) and advances (temporary, standing, etc.) to the employees. On payment of loans and advances by the ULB, the Register of Employee Loans / Advances (Form ES-2) shall be updated by the Accounts Department. These registers shall be maintained department-wise. For recording the payment of loans and advances to employees, the Accounts Department shall pass the following entries

Code of Account	Accounting Entry	Dr/ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
For Advances given to employees					
460-10-(a)	Advance to Employees	Dr.	6500		Cash Book, Ledger, Unpaid Salary Register
450-21-(a)	To Bank Account*	Cr		6500	
For Loans granted to employees					
460-10-(a)	Bank Account *	Dr.	500		Cash Book,
450-21-(a)	To Cash Account	Cr		500	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

13.12 The Accounts Department shall intimate the concerned department to update the respective Service Books for recording the loans and advances taken by the employees of that department.

Accrual of Interest on Loans provided to employees

13.13 Recognising interest on loans and advances granted to the employees at the period-

end. As per the terms and conditions of the loan agreement, interest is levied on the monthly outstanding balance of loans. The amount of interest accrued shall be communicated by the concerned department to the Accounts Department at the period-ends for which an entry shall be made in the Register of Interest on Loans to Employees (Form ES-3). On the basis of intimation received, 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
431-40-(a)	Receivable from Other Sources - Interest due on Employee Loans	Dr .	1000		Journal Book, Ledger, Register of Interest on Loans to Employees
171-20-(a)	To Interest on Loans and advances to Employees	Cr .		1000	

* Specify name of the Bank and Account number

(b) Insert Detailed Head Codes of Account as applicable

13.14 Recording of Penal Interest for non-payment of principal or interest installments : In case of default in either repayment of principal or payment of interest, penal interest shall be levied at the rates and in the manner prescribed. To record penal interest levied, the Accounts Department shall pass the entry passed in para 13.13 above.

Recovery of Loans and Advances

13.15 Normally as per the terms and conditions of service and loan agreement, recovery of the principal amount of loan assumes precedence over recovery of interest. Interest accrued for the intervening period, i.e., the period between the date of disbursement of loan and full repayment of loan shall be recognised as an asset, recoverable after the repayment of principal in full.

13.16 The Accounts Department shall update the Register of Employee Loans / Advances (Form ES-2) for the amount of advances and loans recovered. The entries for recovery of loans and advances every month from the Pay Bill, have already been described above in para 13.6 (d).

Recovery of Interest accrued on Loans provided to employees

13.17 Recovery of interest installments As per the terms and conditions of loan agreement, interest accrued and recognised, as an asset receivable shall be recovered in instalments. The accounting entry for interest recovery from the monthly pay-bill has already been described in para 13.6 (d) above.

PAYMENTS OTHERWISE THAN FROM PAY BILL

13.18 For various types of employee related payments such as leave travel concession, bonus & ex-gratia, overtime, medical reimbursement, hospitalisation claim, suspension allowance, gratuity, leave salary, house rent reimbursement, etc., the concerned department shall send the approved Payment Order along with the supporting documents to the Accounts Department.

13.19 Recording of payments otherwise than from Pay Bill : On payment being made, 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
210-(a)	Establishment Expenses-	Dr.	10000		Cash Book, Ledger
450-10-(a)	To Cash	Cr		4000	
450-21-(a)	To Bank Account*	Cr		6000	

* Specify name of the Bank and Account number

(a) Insert Major & Detailed Head Codes of Account as applicable

(b) Insert Detailed Head Codes of Account as applicable

Note: Separate entry shall be passed for each of the Payment Order

13.20 Upon payment, the Accounts Department shall immediately update the Function wise Expense Subsidiary Ledger maintained in Form GEN-34.

PROVIDENT FUND

Employees' Provident Fund Contribution

13.21 A deduction shall be made for employees' provident fund contribution from the salaries of the employees from the Pay Bill. The entry for this has already been described above in para 13.6 (d) and the amount so deducted shall be recorded in Provident Fund Ledgers in Form PF-1 to PF-5.

13.21 (a) (i) Each subscribers shall, as soon as after he joins the Provident Fund as possible, be called upon by the municipality to furnish a declaration in Form PF-10 in favour of one or more members of his family in such proportions as he may like showing what he wished to be done with the provident fund money at his credit in the event of his death.

(ii) A subscribers, who has no family, may nominate any other person or persons instead, provided that such a nomination shall be deemed to have been duly made in accordance with these rules only for as long as the subscriber has no family.

(iii) If a subscriber at any time acquires a family or remarriages, any declaration already made (I) or (II) above, as the case may be, shall be forthwith become null and void and unless

a revised declaration is received by the municipality .

13.22 Recording of transfer of money to Provident Fund Bank Account : The Accounts Department shall transfer the amount deducted as contribution from Main Bank Account to Provident Fund Bank Account and 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
450-41-(a)	Designated Bank Account*	Dr.	9000		Cash book
450-21-(b)	To Bank Account*			9000	

* Specify name of the Banks and Account number
(a) Insert Detailed Head Codes of Account as applicable

PAYMENT OF PROVIDENT FUND CONTRIBUTION IN RESPECT OF EMPLOYEES ON DEPUTATION.

13.23 Recording of payment of Provident Fund Contribution in respect of employees on deputation. Provident Fund Contribution deducted on behalf of State Government or their organisations/authorities from the salary of employees on deputation to the ULB shall be deposited with the relevant authority every month. 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
350-20-(a)	Recoveries payable - Provident Fund Contribution for Employees on Deputation	Dr.	9000		Cash Book, Ledger
450-21-(a)	To Bank Account*			9000	

* Specify name of the Bank and Account number
(a) Insert Detailed Head Codes of Account as applicable

Loans to Employees against Provident Fund

13.24 Recording of the loans granted against Provident Fund Contribution. As per the prescribed rules, the ULB may grant loans to the employees against balance standing to the credit of their Provident Fund account. On receipt of approved payment order, 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
460-20-(a)	Employee Provident Fund Loans	Dr	1000		Journal Book, Ledger,
450-21-(a)	To Bank Account*	Cr		1000	

* Specify name of the Bank and Account number
(a) Insert Detailed Head Codes of Account as applicable

Recovery of Provident Fund Loan

13.25 A deduction shall be made for recovery of loan given from the provident fund, from the salaries of the employees from the Pay Bill. The entry for this has already been described above in para 13.6 (d).

13.26 Recording of transfer of money to Provident Fund Bank Account: The Accounts Department shall transfer the amount deducted towards recovery of provident fund loans from Main Bank Account to Provident Fund Bank Account and 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
450-41-(a)	Designated Bank Account*	Dr.	300		Cash Book
450-21-(a)	To Bank Account*	Cr		300	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

Investments of Employees' Provident Fund Contribution

13.27 The Provident Fund money shall be invested as per the guidelines applicable to any Employee Provident Fund and detail of investment, interest on investment shall be recorded in the Provident Fund Ledgers in Form PF-6 to PF -9.

13.28 Investments made in respect of Provident Fund Contribution shall be entered in a Provident Fund Investment Register to be maintained in Form IN-1 (provided in Chapter 19 on Investments). The accounting procedures to be followed and the accounting entries to be passed in respect of investments of such moneys are similar to those followed in respect of other investments. They relate to investments, maturity of investment, recording of interest, profit/loss on sale/maturity of investments, etc. These have been described in Chapter 19 on Investments.

Interest on Provident Fund

13.29 For recording interest shortfall. Interest, which is earned on Investments made out of the Provident Fund Reserve, will be credited to the Provident Fund Reserve as well as individual employees. In situations wherein the interest earned is lower than the stipulated rate payable to the employees, the shortfall in payment of interest shall be made good by the ULB for which the Accounts Department shall pass the following entries:

Code of Account	Accounting Entry	Dr/ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
210-40-(a)	Other Terminal & Retirement Benefits- Provident Fund shortfall	Dr.	100		Journal Book, Ledger,
311- (b)	To Provident Fund	Cr		100	
For transfer of money from Main Bank Account to the Provident Fund Bank Account					
450-41-(a)	Designated Bank Account*	Dr	100		Cash Book
450-21-(a)	To Bank Account*	Cr.		100	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

Withdrawal from Provident Fund

13.30 The balance standing to the credit of the employee' s provident fund account may be withdrawn either at the time of employee' s retirement or otherwise in accordance with the prescribed rules in this behalf.

13.31 The employee may, in accordance with the prescribed rules, withdraw the balance standing to the credit of his/her provident fund account during the continuation of his/her employment. On receipt of approved payment order (Form GEN - 14), the Accounts Department shall pass the following entries:

Code of Account	Accounting Entry	Dr/ Cr	Debit Amount (Rs.) Illustrativ e figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
For recording the provident fund contribution and interest due to an employee					
210-40-(a)	Other Terminal & Retirement Benefits– Provident Fund shortfall	Dr.	1000		Journal Book, Ledger,
311- (b)	To Provident Fund				
For transfer of money from Main Bank Account to the Provident Fund Bank Account					
450-41-(a)	Designated Bank Account*				
450-21-(a)	To Bank Account*				

13.32 When any employee ceases to be an employee of the ULB, the Provident Fund account of the employee shall be closed and he shall be paid the amount to the credit of his Provident Fund account (contribution, interest, etc.) from the Provident Fund Bank Account. The Accounts Department shall pass the entries referred in para 13.23 above for recognition of liability, for payment of provident fund dues and for payment of the amount determined from the Provident Fund Bank Account.

RETIREMENT BENEFITS

13.33 Retirement benefits for employees of ULB usually consist of:

- a. Pension;
- b. Gratuity; and
- c. Leave Encashment.

Pension

13.34 The pension would be payable at the time of their retirement either on superannuation or otherwise in accordance with the prescribed rules. Details of pension liability for each pensioner shall be maintained separately in Pension Register in Form ES-6. The ULB may pay pension as per H.P. Municipal Employees (Pension, Gratuity and G.P.F) Rules 2000.

13.35 Payment of pension shall be made on the basis of the approved Pension Payment Order (PPO). The details of PPO shall be recorded in Pension Payment Order Register in Form ES-5.

Accounting for Pension

Creation of Fund

13.36 For creation of Pension Fund. Every month, contribution to the Pension Fund shall be made for the employees on the payroll. For recognising the liability in respect of Pension Fund contribution, 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
210-30-(a)	Pension-Pension/Family Pension Expense	Dr .	1000		Journal Book, Ledger,
311- (b)	To Pension Fund			1000	

(a) Insert Detailed Head Codes of Account as applicable

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

13.37 For transfer of money to Pension Fund Bank Account: An amount equivalent to the contribution to Pension Fund shall be transferred from Main Bank Account to Pension Fund Bank Account. On transfer, 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-(a)	Bank Account*	Dr .	1000		Cash Book, Pension Fund Cash Book
450-21-(b)	To Bank Account*	Cr		1000	

* Specify name of the Bank and Account number

(a) Insert Major & Detailed Head Codes of Account as applicable

(b) Insert Detailed Head Codes of Account as applicable

Payment of Pension to Employees

13.38 On retirement, as per the prescribed rules, the employee may have a choice of taking his full pension either through monthly payments or by commuting a portion thereof payable at the time of retirement and the balance through monthly payments after retirement.

Commuted Pension

13.39 On commutation of pension. On the basis of approved Pension Payment Order (Form ES-5), on payment of Commuted Pension, the Accounts Department shall pass the following entries:

Code of Account	Accounting Entry	Dr/ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
On creation of liability for commutation of pension					
311- (a)	Pension Fund	Dr.	100		Journal Book, Ledger Pension Register,
350-11-(b)	To Employee Liabilities -Pension	Cr.		100	
On payment of commuted pension					
350-11-(a)	Employee Liabilities –Pension Payable	Dr.	100		Ledger, Pension Register
450-41-(b)	To Designated Bank Account*	Cr.		100	

* Specify name of the Bank and Account number

(a) Insert Major & Detailed Head Codes of Account as applicable

(b) Insert Detailed Head Codes of Account as applicable

Uncommuted Pension

13.40 Recording of payment of uncommuted pension. A Pension Pay Bill shall be prepared for making monthly pension payment to the individual pensioners. On receipt of approved Pension Pay Bill, 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
311-(a)	Pension Fund	Dr.	500		Pension Fund Cash Book, Ledger, Pension Register
450-41-(a)	To Designated Bank Account*	Cr		500	

* Specify name of the Bank and Account number

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

(b) Insert Detailed Head Codes of Account as applicable

Pension Fund deficit

13.41 An amount equivalent to the deficit in the Pension Fund, i.e., the amount by which the Pension Fund is inadequate to pay pension to the pensioners, shall be transferred from the Main Bank Account to the Pension Fund Bank Account. On transfer of funds, 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
450-41-(a)	Designated Bank Account*	Dr.	200		Cash Book, Pension Fund Cash Book
450-21-(a)	To Main Bank Account*	Cr.		200	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

13.42 The shortfall in the Pension Fund Bank Account, which is met by way of transfer from the Main Bank Account, shall be treated as an expense of the accounting period in which such transfer is made. For this, 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
210-30-(a)	Pension-Pension/Family Pension Expense	Dr.	1000		Journal Book, Ledger,
311-(b)	To Pension Fund				

(a) Insert Detailed Head Codes of Account as applicable

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

Employees on Deputation

13.43 On payment of pension contribution in respect of employees on deputation at ULB. In respect of State Government employees or employees of other organisations/authorities, who have been deputed to the ULB, if pension contribution is payable by the ULB, to the concerned authorities, the Accounts Department shall pass the following entry on payment:

Code of Account	Accounting Entry	Dr / Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
210-30-(a)	Pension-Pension Contribution Employees on Deputation	Dr	200		Cash Book, Ledger,
450-21-(a)	To Bank Account*	Cr		200	

(a) Insert Detailed Head Codes of Account as applicable

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

GRATUITY AND LEAVE ENCASHMENT

13.44 The ULB may form separate funds for Gratuity and Leave Encashment as per the rules prescribed by the State Government in this behalf. The ULB shall make contribution to the Fund at the rates prescribed by the State Government in this behalf.

13.45 For recognising the liability in respect of contribution to the fund, 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
210-40-(a)	Other Terminal Expenses – Leave Encashment	Dr.	1000		Journal Book, Ledger,
210-40-(a)	Other Terminal Expenses- Gratuity Expense	Dr	500		
311- (b)	To Pension Fund	Cr		1500	

(a) Insert Detailed Head Codes of Account as applicable

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

13.46 The procedure and the accounting entries in respect of transfer of money to the fund bank account, payments from the fund, etc. shall be similar to as discussed above in respect of Pension Fund.

Employees on Deputation

13.47 On payment of Leave Encashment contribution in respect of Employees on deputation at ULB. In respect of State Government employees or employees of other organisations/ authorities, who have been deputed to the ULB and if leave encashment contribution is payable by the ULB to the concerned authorities, 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
210-40-(a)	Other Terminal Benefits –Leave Salary Contribution for Employees on Deputation	Dr.	200		Cash Book, Ledger,
450-21-(a)	To Bank Account*	Cr.		200	

* Specify name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

INVESTMENT OF RETIREMENT BENEFITS FUNDS

Investment of Pension Fund

13.48 Investments made in respect of Pension Fund shall be entered in a Pension Fund Investment Register to be maintained in Form IN-1 (provided in Chapter 19 on Investments). The accounting procedures to be followed and the accounting entries to be passed in respect of investments of such moneys are similar to those followed in respect of other investments. They relate to investments, maturity of investment, recording of interest, profit/loss on sale/maturity of investments, etc. These have been described in Chapter 19 on Investments.

Investment of Other Retirement Benefits Fund

13.49 Investments made in respect of other retirement benefits funds including gratuity and leave encashment shall be entered in a separate Investment Register to be maintained in Form IN-1 (provided in Chapter 19 on Investments). The accounting procedures to be followed and the accounting entries to be passed in respect of investments of such moneys are similar to those followed in respect of other investments, as described in Chapter 19 on Investments.

ACCOUNTING IN RESPECT OF TRUSTS FORMED BY THE ULB

13.50 The ULB may form Trusts for management of provident fund, pension fund, gratuity fund, leave encashment fund and other retirement benefits funds as per the guidelines of the State Government in this behalf.

13.51 In case Trusts are formed, the ULB shall transfer its contribution to the Trusts as per the prescribed dates. For recording the transfer of its contribution to the Trusts, 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
311-(a)	Provident Fund*	Dr.	9000		Journal Book, Ledger,
210-30-(b)	Pension- Pension/Family Pension	Dr	1000		
210-40-(b)	Other Terminal & Retirement Benefits -Leave Encashment Other	Dr	1000		
210-40-(b)	Terminal & Retirement Benefits – Gratuity Expense	Dr	500		
450-21-(b)	To Bank Account**	Cr		11500	

* Provident Fund contribution deducted from the monthly salaries of the employees, as shown under Para 14.7 (d), should be transferred to the Trust as per the prescribed dates.

** Specify name of the Bank and Account number

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

(b) Insert Detailed Head Codes of Account as applicable

13.52 The Trusts shall manage the funds transferred to it by the ULB. It shall invest the funds as per the rules prescribed by the State Government in this behalf.

13.53 The Trust shall maintain books of accounts to record transactions in respect of funds received by it from the ULB, the funds invested by it, the payments made to the employees, the interest received on the investments made, etc. The accounting entries to be passed by the Trusts would be similar to as discussed above under the section 'Provident Fund' and 'Retirement Benefits'. It may be noted here that the ULB shall only record the entry as discussed in Para 13.49 and all subsequent accounting entries would be passed by the Trust in its books of accounts.

13.54 At the end of the accounting period, the Trusts shall prepare financial statements in respect of the funds managed by it. A copy of the financial statements shall be provided to the ULB by the prescribed dates. The ULB shall attach these to the financial statements of the ULB.

INTERNAL CONTROLS

13.55 The following internal controls shall be observed by the ULB:

- a. Separate Pay Bills shall be prepared by the DDO.
- b. Consolidation of Pay Bills of DDO shall be made Department wise and Department bills are consolidated for ascertainment of ULB level information.
- c. Consolidated paybill summary shall be checked with previous month for ensuring the DDO and departments bills are included.
- d. A monthly reconciliation shall be carried out by the Accounts Department and the Establishment Department in respect of loans and advances outstanding between the balances in the Ledger Accounts maintained at the Accounts Department and the Register of Employee Advances and Register of Loans to Employees. Further, at the period-end, the Accounts Department shall ensure that accounting entry for recording income in respect of interest accrued on loans provided to employees has been passed.
- e. Every month, the Accounts Department shall ensure timely remittance of the various deductions made from the employees' salaries in the Pay Bill to the concerned authorities.
- f. The Accounts Department shall ensure that the total establishment expenditure incurred and recorded in the Functional Expense Subsidiary Ledger reconciles with the balance as per the respective Establishment Expense Ledger Account. The Subsidiary Ledger shall record total establishment expenses incurred, including that paid through Pay Bill.
- g. Every month, the Accountant or other officers of the ULB shall verify that

Provident Fund and Pension Fund contribution deducted for the employees on deputation have been deposited with the concerned authorities.

h. At every year-end, the Accountant or other officers of the ULB shall verify whether interest received or receivable on the provident fund investment is less than the statutory liability for interest payment to employees on their balance in the provident fund reserve account, and if so, ensure that the difference of interest payable is provided for and to that extent amount has been transferred from Main Bank Account to Provident Fund Bank Account.

i. The Commissioner/Executive Officer/Secretary or other Officer designated by him shall ensure that payment of pension and other retirement benefits to the employees at retirement should be made from the Pension Fund and other retirement benefits funds created by the ULB.

j. All the pension payments shall be made only from the Pension Fund Bank Account. To the extent of difference/deficit in the Pension Fund, an amount equivalent to the deficit shall be transferred from the Bank Account to the Pension Fund Bank Account. The transfer shall be made before making payment to the pensioners from the Pension Fund Bank Account.

k. The Accounts Department shall ensure that whenever the entries in para 13.6 (d) is passed, the equivalent amount of money in respect of deduction of provident fund contribution and provident fund loan is simultaneously transferred from the Main Bank Account to the Provident Fund Bank Account.

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

13.56 All Reconciliation Statements shall be certified by Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department.

PRESENTATION IN FINANCIAL STATEMENTS

13.57 The various heads of account used for the accounting of Employee Related Transactions 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.

13.58 The Schedules of Income and Expenditure Statement in respect of Employee Related Transactions are presented below.

Schedule I-8: Schedule of Interest Earned

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
171-20-(a)	Interest on Loans and advances to Employees		
Total Income earned from Employees to be shown Interest Earned Schedule			

Schedule I-9: Schedule of Other Income

Code No.	Heads of Account	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
180-40-(a)	Recovery from Employees		
Total Income earned from Employees to be shown Other Income Schedule			

(a) Insert Detailed Head Codes of Account as applicable

Schedule I-10: Establishment Expenses -Expense head wise

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
210-10-(a)	Salaries, Wages and Bonus		
210-20-(a)	Benefits and Allowances		
210-30-(a)	Pension		
210-40-(a)	Other Terminal & Retirement Benefits		
Total Expense of Employees to be shown as part of establishment expenses– expense head wise Schedule			

(a) Insert Detailed Head Codes of Account as applicable

Note: Details of any other establishment expenses incurred, which has not been specifically disclosed above, shall be collated and disclosed as Other Administrative expenses, provided the expense incurred does not exceed the disclosure limits prescribed in this Accounts Manual

13.59 The Balance Sheet Abstracts in respect of the Employee Related Transactions are presented below

Schedule B-2: Schedule of Earmarked Funds**Schedule B – 2: Special Funds**

Amount in Rs

Particulars	Pension Fund	General Provident fund
(a) Opening Balance		
(b) Additions to the Special Fund		
(i) Transfer from Municipal Fund		
(ii) Interest/Dividend earned on Special Fund Investments		
(iii) Profit on disposal of Special Fund Investments		
(iv) Appreciation in Value of Special Fund Investments		
(v) Other addition (Specify nature)		

Total (b)		
Total (a+b)		
(c) Payments out of funds		
(i) Capital expenditure on		
Fixed Assets*		
Others		
Sub –total		
(ii) Revenue Expenditure on		
Salary, Wages and allowances etc.		
Rent		
Other administrative charges		
Sub –total		
(iii) Other:		
Loss on disposal of Special Fund Investments		
Diminution in Value of Special Fund Investments		
Transferred to Municipal Fund		
Sub –total		
Total of (i+ii+iii) (c)		
Net balance at the year end – (a+b)-(c)		
Grant Total of Special Funds		

Note: All funds are to be shown as separate fund either in the schedule or in a separate schedule with the corresponding indication in the balance sheet under “Funds” on liability. Additions during the year:

a. Addition to Pension Fund would be out of the "Transfer to Funds" from Income and Expenditure Account as per the accounting principles.

b. Addition to General Provident and Contributory Provident Fund are the deductions from salary. c. Interest from investments of Funds would be added to respective Funds.

Deductions during the year:

a. Deductions from Pension Fund means payments made on account of Pension/Family pension b. Deduction from Gross Provident Fund/Contributory Provident Fund - Advances/Withdrawals.

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

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
350-11-(a)	Employee Liabilities –Gross Salaries payable		
350-11-(a)	Employee Liabilities –Salaries Unpaid		
350-11-(a)	Employee Liabilities –Net Salaries Payable		
350-11-(a)	Employee Liabilities –Pension payable		
350-11-(a)	Employee Liabilities –Provident Fund Payable		
350-11-(a)	Recoveries payable -Provident Fund Contribution for Employees on Deputation Payable		
350-11-(a)	Recoveries payable -Investment by Employees Payable		
350-11-(a)	Recoveries payable –Contribution to Societies Payable		
350-11-(a)	Recoveries payable -Loan Recovery for External Agencies Payable		

350-20-(a)	Recoveries Payable -TDS from Employees		
350-20-(a)	Recoveries Payable Profession Tax Payable		
350-20-(a)	Recoveries Payable Insurance Premium Payable		
Total			

(a) Insert Detailed Head Codes of Account as applicable

Schedule B-17: Schedule of Cash and Bank Balances

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
450-10-(a)	Cash		
450-21-(a)	Bank Account		
450-41-(a)	Designated Bank Account		
Total			

(a) Insert Detailed Head Codes of Account as applicable

Schedule B-18: Schedule of Loans, advances and 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.)
460-10-(a)	Loans and advances to employees Employee Provident Fund Loans				
460-20-(a)	Total				
461-(b)	Less: Accumulated Provisions against Loans, Advances and Deposits				
	Net total of Receivables from Employees				

(a) Insert Detailed Head Codes of Account as applicable

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

_____ *Name of the ULB*

CONSOLIDATED PAY BILL SUMMARY ROLL OF THE PERMANENT/TEMPORARY ESTABLISHMENT FOR THE MONTH OF _____

Serial No.	Section of establishment	Substantive pay (Personal pay or special pay, if any, should also be shown in this column as a separate entry below substantive pay)			Leave Salary	Officiating pay	Compensatory or other allowances	Total
Pay, officiating pay or leave salary held over for future payment	Deductions			Miscellaneous recoveries (Fines and advances, house rent, etc.)	Net amount payable	Remarks	Date of receipt of bill	
	Income Tax	Provident Fund Subscription	Other deductions *					
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.			
*Please specify the nature of Deduction								
Total (in words)								

Name of the ULB

REGISTER OF EMPLOYEE LOANS/ ADVANCES FOR THE YEAR 20__ to 20__

Month and date and name of the employee	Particulars of advance	Voucher or receipt number	Amount	Monthly Total	Repayments or adjustments					
			Rs.	Rs.	April	May	June	July	August	September
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	2	3	4	5	6	7	8	9	10	11
Repayments or adjustments						Total Repayment for the year **	Date and voucher number of repayment/ adjustment	Balance remaining unadjusted at the end of the year		Remarks
October	November	December	January	February	March					
12	13	14	15	16	17	18	19	20	21	

Entered By :# _____

Checked By :# _____

** Total repayment in Column 18 shall be the sum total of Columns 6 to 17

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

_____ Name of the ULB

REGISTER OF INTEREST ON LOANS TO EMPLOYEES FOR THE YEAR 20__ to 20__

Name of Employee	Particulars of Loans	Opening Cumulative Accrued Interest	Interest Accrued during the Quarters				Total Interest Accrued during the year	Total Cumulative Accrued Interest	Repayments or Adjustments *		
			Quarter	Quarter	Quarter	Quarter			April	May	June
			I	II	III	IV			Rs.	Rs.	Rs.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	2	3	4	5	6	7	8	9	10	11	12

Repayments or adjustments						Total Repayment for the year**	Date and voucher number of repayment/ adjustment	Balance remaining unadjusted at the end of the year***	Remarks
October	November	December	January	February	March				
12	13	14	15	16	17	18	19	20	21

Entered By :# _____

Checked By :# _____

** Total repayment in Column 18 shall be the sum total of Columns 6 to 17

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

_____ Name of the ULB

REGISTER OF INTEREST ON LOANS TO EMPLOYEES FOR THE YEAR 20 __ to 20 __

Name of Employee	Particulars of Loans	Opening Cumulative Accrued Interest	Interest Accrued during the Quarters				Total Interest Accrued during the year	Total Cumulative Accrued Interest	Repayments or Adjustments *		
			Quarter	Quarter	Quarter	Quarter			April	May	June
			I	II	III	IV	Rs.	Rs.	Rs.	Rs.	Rs.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	2	3	4	5	6	7	(4+5+6+7)	(3+8)	10	11	12

Repayments or Adjustments *									Total Interest Recovered during the year**	Balance remaining unadjusted at the end of the year***	Remarks
July	August	September	October	November	December	January	February	March			
13	14	15	16	17	18	19	20	21	22	23	24

Entered By :# _____

Checked By :# _____

** Column 22 shall be sum total of columns 10 to 21

*** Balance in Column 23 at the end of the accounting year shall be the opening balance of Column 3 in the next year

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

_____ *Name of the ULB*

UNPAID SALARY REGISTER FOR THE YEAR 20__ to 20__

Payments

Date	Serial No. of credit	Name of person	On what account	Amount (Rs.)	Initials of Authorised Officer
1	2	3	4	5	6

Payments

Date	Serial No. of payment	Name of person	Amount(Rs.)	Acquittance of payee	Initials of Authorised Officer
7	8	9	10	11	12

Entered By :* _____

Checked By :* _____

**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*

_____ *Name of the ULB*

REGISTER OF PENSION PAYMENT ORDER

Number of Pension Payment Order	Name of Pensioner	Monthly amount	Remarks
		(Rs.)	
1	2	3	4

Entered By :* _____

Checked By :* _____

** 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*

_____ *Name of the ULB*

PENSION REGISTER

Name of Pensioner _____

Orders sanctioning the pension _____

	20__ to 20__			20__ to 20__			20__ to 20__			20__ to 20__			Remarks
Month	Date of payment	Voucher No	Initials of Authorised Officer	Date of payment	Voucher No.	Initials of Authorised Officer	Date of payment	Voucher No.	Initials of Authorised Officer	Date of payment	Voucher No.	Initials of Authorised Officer	
April													
May													
June													
July													
August													
September													
October													
November													
December													
January													
February													
March													
Entered By :* _____						Checked By :* _____							

* 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

Form P.F. 1

PROVIDENT FUND LEDGER

Number of Account Name of the Subscriber.....Folio No. of Establishment
Check

Register

200- 200	Deposits		Contributions		Total		Withdrawals		Actual monthly balance in hand		Monthly balance on which interest is calculated		Monthly balance of withdrawals on which loss of interest is calculated		Remarks.
	Rs	P	Rs	P	Rs	P	Rs	P	Rs	P	Rs	P	Rs	P	
1	2		3		4		5		6		7		8		9
Opening balance															Recoverable in installments of Rs each
April															
May															
June															
July															
August															
Sept.															Recovered for loss of interest
Oct.															
Nov.															
Dec.															
Jan.															
Feb.															
March															
Total															

Form P.F. 3

SUBSCRIBERS ANNUAL ACCOUNT

.....Municipal Provident Fund.

Name of the Subscriber

Details	Amount	
	Rs.	P
Balance at credit of account on 31 st March,200		
Subscription and contribution received		
Interest accrued		
Total		
Less amount of advance outstanding		
Less interest on balance of advance		
Balance at credit of account on 31 st March, 200		

Any representation with regard to the correctness of this account which the subscriber may wish to make should be made in writing within one month from the date noted below to the Secretary/executive officer of the Committee/Corporation.

Date

.....
Secretary/Executive Officer, Municipal
Committee/ Corporation.....

Initials of Accountant.

PROVIDENT FUND BILL

..... Municipality/Municipal Corporation

No...... **Year**..... **Month**

Detailed Head of Account	No. and date of salary or establishment bill	Amount of subscription	Amount of contribution	Total
Total				

Date

Signature of Secretary/Executive Officer or Head of Deptt.

Pay Rs.....

Signature of officer authorized to order payment.

Examined and entered
 Accountant
 Date

Form P.F. 5

PROVIDENT FUND ACCOUNT

..... Municipality/Municipal Corporation

Date	Remitted to Savings Bank		Interest credited by savings Bank	Withdrawal from savings Bank		Balance after each transaction	Disposal of sums withdrawn						
							Investments		Payment to subscriber by way of advance		Payment to subscriber or his heirs on closure of account		Refunded to Municipal Fund
							Bill No.	Amount	Bill No.	Amount	Bill No.	Amount	
	Bill No.	Amount		No. of Challan crediting amount withdrawn to Municipal Fund	Amount								

		Rs			Rs	Rs		Rs		Rs		Rs	Rs
--	--	----	--	--	----	----	--	----	--	----	--	----	----

Form P.F. 6

PROVIDENT FUND INVESTMENT ACCOUNT

..... Municipality/ Municipal Corporation

Purchase of Investments										Sale of Investments					
S. No.	Date	Bill No	Descripti	Nominal	Cost Interest						Net price realized		Brokerage and Gross	No. of bill for repayment	Disposal of proceeds
					A	C	B	r	O	T	O	R			

Serial No. in Provident Fund Investments (Account (P.F.6)	Installments of interest due		Installments of interest received			Disposal of proceeds			Installments of interest received			Disposal of proceeds		
	Date	Amount	Date	No. and date of Challan with	Amount	No. and date of bill	Amount	Paid into Municipal Fund	Date	No. and date of Challan with	Amount	Paid into Provident Fund		
												No. and date of bill	Amount	Paid into Municipal Fund
		Rs			Rs		Rs			Rs			Rs	

200.....

200.....

Installments of interest received			Disposal of proceeds			Installments of interest received			Disposal of proceeds			
Date	No. and date of Challan with which remitted to treasury	Amount	No. and date of Bill	Amount		Date	No. & date of Challan with which remitted to treasury	Amount	No. & date of bill	Amount	Paid into Provident Fund	
											Paid into Provident Fund	Paid into Municipal Fund
		Rs		Rs				Rs		Rs		Paid into Municipal Fund

PROVIDENT FUND INVESTMENTS INTEREST ACCOUNT

Amount of interest on investments during the current financial year	Amount of interest received on the sum deposited in the Post Office	<i>Total</i>	Amount creditable to the depreciation fund	Balance to be distributed among subscribers at the close of March each year	Remarks
1	2	3	4	5	6

Note.--- The amount debitible to the depreciation fund under sub-rule (3) of rule 220 should be shown as minus entries in column 4 of this form and the particulars given in column 6

PROVIDENT FUND INVESTMENTS DEPRECIATION FUND ACCOUNT

..... Municipality/ Municipal Corporation

<i>Date</i>	Balance at credit	Amount credited to the Provident Fund Investment Depreciation Fund in the Post Office Saving Bank		Interest earned on the Investment Depreciation Fund money in the Post Office Savings Bank or State Bank of India	Payments		<i>Balance</i> (4 –5)b	Remarks
		State Bank of India			No. & date of the order of the President/Executive Officer sanctioning withdrawal from the fund	Amount		
		Folio No. of Register P.F. 8(a)	Amount					
<i>1</i>	2	3(a)	3(b)	4	5(a)	5(b)	6	7

			Rs	P		Rs	P			

Form P.F. 10

THE PROVIDENT FUND

Form of Declaration

For*

Subscriber)

I hereby declare that in the event of my death the amount at my credit in the Provident Fund shall be distributed among the persons mentioned below in the manner shown against their names.

The amount due to nominee who is a minor at the time of my death should be paid to the person whose name appears in column5.

Name and address of the nominee or of nominees	Relationship with the subscriber	Whether major or minor, if minor, state his age	Amount or share of deposit	Name and address of the person to whom payment is to be made on behalf of the minor	Sex and parentage of person mentioned in column 5	Remarks
1	2	3	4	5	6	7

- Here state unmarried, married or widower.

Two witness to signature of subscriber -----

Signature of Subscriber

Occupation of Subscriber

Witness No. I

Witness No. II

Signature.....

Signature.....

Address of Subscriber

Occupation.....

Occupation.....

Station.....

Address

Address

Dated.....

Note :- --- A subscriber having a family as defined in rule 213 is not permitted in this Form of Declaration to leave the amount of his accumulation in the fund or any part of it to any one outside his family.

Form P.F. 1

PROVIDENT FUND LEDGER

Number of Account Name of the Subscriber.....Folio No. of Establishment Check

Register

200-200	Deposits	Contributions	Total	Withdrawals	Actual monthly balance	Monthly balance on which	Monthly balance of	Remarks.

									in hand		interest is calculate d		withdraw als on which loss of interest is calculate d		
1	2		3		4		5		6		7		8		9
	Rs	P	Rs	P	Rs	P	Rs	P	Rs	P	Rs	P	Rs	P	
Opening balance															
April															Recoverable in installments of Rs each
May															
June															
July															
August															
Sept.															Recovered for loss of interest
Oct.															
Nov.															
Dec.															
Jan.															
Feb.															
March															
Total															
Interest for 200-200															Including recovered for loss of interest
Balance on 31 st March 200															

Balance at credit of account on 31 st March,200		
Subscription and contribution received		
Interest accrued		
Total		
Less amount of advance outstanding		
Less interest on balance of advance		
Balance at credit of account on 31 st March, 200		

Any representation with regard to the correctness of this account which the subscriber may wish to make should be made in writing within or month from the date noted below to the Secretary/executive officer of the Committee/Corporation.

.....

Date

Secretary/Executive Officer, Municipal
Committee/ Corporation.....

Initials of Accountant.

Form P.F. 4

PROVIDENT FUND BILL

..... Municipality/Municipal Corporation

No..... Year..... Month

Detailed Head of Account	No. and date of salary or establishment bill	Amount of subscription	Amount of contribution	Total
---------------------------------	-----------------------------------------------------	-------------------------------	-------------------------------	--------------

Total				

Date

Signature of Secretary/Executive Officer or Head of Deptt.

Pay Rs.....

Signature of officer authorized to order payment.

Examined and entered

Accountant

Date

Form P.F. 5

PROVIDENT FUND ACCOUNT

..... Municipality/Municipal Corporation

Date	Remitted to Savings Bank	Interest credited by savings Bank	Withdrawal from savings Bank	Balance after each transaction	Disposal of sums withdrawn							
					<i>Investments</i>		Payment to subscriber by way of advance		Payment to subscriber or his heirs on closure of account		Refunded to Municipal Fund	
					Bill No.	Amount	Bill No.	Amount	Bill No.	Amount		

	Bill No.	Amount		No. of Challan crediting amount withdrawn to Municipal Fund	Amount							
		Rs			Rs	Rs		Rs		Rs		Rs

Form P.F. 6

PROVIDENT FUND INVESTMENT ACCOUNT

..... Municipality/ Municipal Corporation

Purchase of Investments											Sale of Investments					
S. No.	Date	Bill No	Description of investment	Nominal Value	Cost Interest					Net price realized		Brokerage and other charge on account of sale	Gross Price realized	No.of bill for repayment to provident Fund Account in Savings Bank	Disposal of proceeds	
					Actual price debatable to provident fund	Brokerage and other charges debatable to municipal fund	Total Cost	Rate	Amount	Number of Challan with which remitted to treasury	Amount				Amount repaid	Difference debited (-) or credited (+) to municipal fund
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

									Rs		Rs				Rs	
--	--	--	--	--	--	--	--	--	----	--	----	--	--	--	----	--

Form P.F. 7

PROVIDENT FUND INVESTMENT INTEREST ACCOUNT

.....Municipality/Municipal Corporation

200.....

200.....

Serial No. in Provident Fund Investments (Account (P.F.6))	Installments of interest due		Installments of interest received			Disposal of proceeds			Installments of interest received			Disposal of proceeds		
						Paid into Provident Fund						Paid into Provident Fund		
	Date	Amount	Date	No. and date of Challan with	Amount	No. and date of bill	Amount	Paid into Municipal Fund	Date	No. and date of Challan with	Amount	No. and date of bill	Amount	Paid into Municipal Fund
		Rs			Rs						Rs			

200.....

200.....

Installments of interest received	Disposal of proceeds		Installments of interest received	Disposal of proceeds	
	Paid into Provident Fund			Paid into Provident Fund	
	Paid into Provident Fund	Paid into Municipal Fund		Paid into Provident Fund	Paid into Municipal Fund

Date	No. and date of Challan with which remitted to treasury	Amount	No. and date of Bill	Amount		Date	No. & date of Challan with which remitted to treasury	Amount	No. & date of bill	Amount	
		Rs		Rs				Rs		Rs	

Form P.F. 8

PROVIDENT FUND INVESTMENTS INTEREST ACCOUNT

Amount of interest on investments during the current financial year	Amount of interest received on the sum deposited in the Post Office	Total	Amount creditable to the depreciation fund	Balance to be distributed among subscribers at the close of March each	Remarks
---------------------------------------------------------------------	---------------------------------------------------------------------	--------------	--------------------------------------------	------------------------------------------------------------------------	---------

				year	
1	2	3	4	5	6

Note.--- The amount debit to the depreciation fund under sub-rule (3) of rule 220 should be shown as minus entries in column 4 of this form and the particulars given in column 6

Form P.F. 9

PROVIDENT FUND INVESTMENTS DEPRECIATION FUND ACCOUNT

..... Municipality/ Municipal Corporation

<i>Date</i>	Balance at credit	Amount credited to the Provident Fund Investment Depreciation Fund in the Post Office Saving Bank		Interest earned on the Investment Depreciation Fund money in the Post Office Savings Bank or State Bank of India	Payments		<i>Balance</i> (4 –5)b	Remarks
		State Bank of India			No. & date of the order of the President/Executive Officer sanctioning withdrawal from the fund	Amount		
		Folio No. of Register P.F. 8(a)	Amount					
<i>1</i>	2	3(a)	3(b)	4	5(a)	5(b)	6	7

			Rs	P		Rs	P			

THE PROVIDENT FUND

Form of Declaration

For*

Subscriber)

I hereby declare that in the event of my death the amount at my credit in the Provident Fund shall be distributed among the persons mentioned below in the manner shown against their names.

The amount due to nominee who is a minor at the time of my death should be paid to the person whose name appears in column5.

Name and address of the nominee or of nominees	Relationship with the subscriber	Whether major or minor, if minor, state his age	Amount or share of deposit	Name and address of the person to whom payment is to be made on behalf of the minor	Sex and parentage of person mentioned in column5	Remarks
1	2	3	4	5	6	7

- Here state unmarried, married or widower.

Two witness to signature of subscriber -----

Signature of Subscriber

Occupation of Subscriber

Witness No. I

Witness No.II

Signature.....

Signature.....

Address of Subscriber

Occupation.....

Occupation.....

Station.....

Address

Address

Dated.....

Note :- --- A subscriber having a family as defined in rule 213 is not permitted in this Form of Declaration to leave the amount of his accumulation in the fund or any part of it to any one outside his family.

