

## CHAPTER 14

### HEALTH & SANITATION

#### INTRODUCTION

14.1 This chapter contains the recommended accounting system for transactions relating to health and sanitation activities in the Urban Local Body (ULB).

14.2 The Health Department is primarily involved in operating the hospitals, dispensaries & maternity homes and in monitoring sanitation and other public health related activities, within the limits of the ULB.

14.3 The main sources of incomes earned by the Health Department are as follows:

a. Fees and User Charges (accounted under Code of Account -)

- Fees from Medical Institutions Registration.
- Fees for Patients Recovery of Cost of Medicines Examination Charges [X - Rays, Tests, Ultra-Sound, etc.]
- Ambulance Charges
- Funeral/Hearse Van Services
- License fees from Butchers and Traders of Meat
- Meat and Poultry Trade Licensing Fees, etc.
- Disposal Charges (Solid Waste)

b. Sale & Hire Charges (accounted under Code of Account -) Sale of Garbage/Manure.

14.4 Besides incurring the usual administrative expenses such as establishment expenses, printing, stationery, office expenses, etc., the Health Department incurs expenses related to its Health and Sanitation functions. Following is an illustrative list of the expenses incurred in respect of the Health Department:

a. Sanitation related expenses

- Ø Solid Waste Management related expenses
- Ø City cleaning and sweeping
- Ø Garbage clearance
- Ø Dumping ground maintenance

**Repairs and Maintenance – Solid Waste Management related expenses**

- Ø Dustbin repairs and maintenance
- Ø Cattle-shed maintenance

- Ø Crematoria operation and maintenance
- Own Programmes
- Consumption of Health Stores – Solid Waste Management, etc.
- Ø Purchase of cleaning material
- Ø Insecticides and pesticides
- Ø Insecticides and pesticide spraying
- b. Hospitals and Dispensaries related
  - Ø Medical related expenses,
  - Ø Testing & inspection fees,
  - Ø Repairs and Maintenance – Medical/Health related assets,
  - Ø Consumption of Medical Stores, etc.
- c. Public Health programme/scheme related
  - Ø Health Program related expenses,
  - Ø Family welfare expenses
  - Ø Pulse polio vaccination expenses
  - Ø School children health program related expenses
  - Ø Aids awareness expenses, etc.

## **ACCOUNTING PRINCIPLES**

14.5 The following Accounting Principles shall govern the recording, accounting and treatment of transactions relating to health and sanitation:

- a. Revenue in respect of the following shall be recognised on actual receipt.
  - i. Hospital fees, maternity homes fees, diagnostic centre fees and dispensaries fees
  - ii. Hospital training fees
  - iii. Rent and/or hire charges in respect of ambulance, hearse, suction unit, meat van and road roller
  - iv. Sale of fertilisers and waste, sale of animals and sale of scrap.
- b. Revenue in respect of Trade License Fees shall be accrued in the year to which it pertains and where the demand is raised based on applicable Acts of the state.
- c. Revenue in respect of rent of equipment provided to the contractors, deducted from their bills, shall be recognised as and when the deductions are made.
- d. All revenue expenditures incurred shall be recognised on admission of the bills for payment by the ULB.

## ACCOUNTING RECORDS & PROCEDURES

14.6 This section describes the records, registers, documents, forms, accounting entries, etc., in respect of accounting for transactions related to Health & Sanitation. For the purposes of accounting of Health & Sanitation all the forms applicable, are generally applicable in respect of the transactions of the ULB including in respect of Health & Sanitation.

## ACCOUNTING FOR INCOME AND OTHER RECEIPTS

### Medical Fees

14.7 The procedure to be followed for the collection and accounting of medical fees shall be as follows:

- a. The collection in respect of the medical fees shall be made at the respective units (i.e. Hospitals, Dispensaries, Maternity Homes, etc.). A Receipt (Form GEN-8) or pre-denominated tokens shall be issued to the person making the payment at the respective units.
- b. The amount collected by the units shall be deposited in a Designated Bank Account or forwarded to the Ward Office or to the Accounts Department.
- c. The procedures for cash/cheque collection, remittance and/or deposit have been described in Chapter 5 - General Accounting Procedures, reference to which is invited. These procedures should be followed for Health and Sanitation related transactions.
- d. Recording of collection of medical fees. On the basis of the Summary of Daily Collection (Form GEN-12) received from the various entities, i.e., Units, Ward Offices, Health Department, 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
450-21-(a)	Bank Account*	Dr	10,000		Cash Book, Ledger
140- (b)	To Charges**	Cr.		10,000	

\* Specify name of the Bank and account number

(a) Specify the Detailed head codes of account as applicable

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

*Note: The postings in the Ledger Account of “\_\_\_\_\_ Charges” 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*

### **Hospital Training Fees**

14.8 Recording of collection of hospital training fee. Hospital training fees are charges from medical colleges for granting internship facilities to their students in the hospitals owned by the ULB. The procedure followed for collection of hospital training fees shall be the same as described above for the collection of medical fees. To record the collection of hospital training fees, the Accounts Department shall pass the entry referred to in para. 14.7 (d).

### **Trade License Fees**

14.9 The income in respect of trade license fees shall be recognised on accrual basis. It shall be accrued in the year to which it pertains and where the demand is raised based on provisions of the Act.

14.10 The procedure and accounting entries in respect of demand raised for trade license fees, collections made, provisioning for unrealised fees, etc. shall be similar to as described under section ‘Accounting for Incomes to be accounted on Accrual Basis’ in Chapter 10 – Rentals, Fees, and Other Incomes.

### **Other Incomes**

14.11 The other incomes pertaining to the health and sanitation related activities such as ambulance rent, suction unit rent, dumping ground charges, etc., shall be accounted for in the manner as has been described under section ‘Accounting for Other Incomes to be accounted on Actual Receipt Basis’ in Chapter 10 - Rentals, Fees, and Other Incomes.

### **EXPENDITURES PERTAINING TO HEALTH AND SANITATION**

14.12 The accounting for expenditures pertaining to hospitals, dispensaries, sanitation, scavenging, etc., shall be similar to that described in Chapter 11- Public Works (for expenditure incurred through awarding of contracts to outside parties for carrying out certain activities), Chapter 12 - Stores (for expenditure incurred on purchase of stores such as medicines, insecticides, pesticides, etc.) and Chapter 15 - Other Revenue Expenditures in respect of all other expenditures pertaining to health and sanitation related activities.

## **INTERNAL CONTROLS**

14.13 The following internal controls shall be observed by the ULB in respect of health and sanitation related transactions :

- a. A quarterly reconciliation shall be carried out by the Accounts Department and the Health Function in respect of the amount collected under the various heads based on the balances standing in the Functional Income Subsidiary Ledger (Form GEN-33) in respect of Fees & User Charges and Sale & Hire Charges relating to Health Function maintained at the Accounts Department and the Collection Register (Form GEN- 11) maintained at the Health Department.
- b. The officers designated by the ULB for operating the Designated Hospital Bank Account shall co-ordinate with the banks on a daily basis and ascertain the status of the cheques deposited by them.
- c. The Accounts Department shall ensure budget availability with respect to the expenditure incurred at the time of accruing of the expenditure.
- d. The Accounts Department shall ensure that all the bills/invoices were journalised before release of the payments.
- e. The Commissioner/Executive Officer/Secretary of the ULB shall specify such appropriate calendar of returns /reports for monitoring.

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

## **PRESENTATION IN THE FINANCIAL STATEMENTS**

14.15 The various heads of accounts used for the accounting of Health and Sanitation 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 & for other ULBS the Executive Officer/Secretary.

14.16 The Schedules of Income and Expenditure Statement in respect of Health and Sanitation related income and expenses are presented below.

**Schedule I-4: Schedule of Income from Fees & User Charges – Income head-wise**

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
140-10-(a)	Empanelment & Registration Charges- Patients		
140-40-(a)	Other Fees- Health Fees		
140-50-(a)	User Charges-Medicines		
140-50-(a)	User Charges-Examination Charges		
140-50-(a)	User Charges-Ambulance		
<b>Total income of Health &amp; Sanitation to be shown as part of Fees &amp; User Charges – Income head-wise Schedule</b>			

(a) Specify the Detailed head codes of account as applicable

**Schedule I-5: Schedule of Income from Sale & Hire Charges – Income head-wise**

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
150-11-(a)	Sale of Forms		
150-41-(a)	Hire Charges of Equipment – Medical Equipment		
<b>Total income of Health &amp; Sanitation to be shown as part of Sale &amp; Hire Charges – Income head-wise Schedule</b>			

(a) Specify the Detailed head codes of account as applicable

**Schedule I-12: Schedule of Operations & Maintenance – Expenditure head-wise**

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
230-51-(a)	Repairs & maintenance - Civic Amenities		
230-52-(a)	Repairs & maintenance – Hospital Buildings		
230-53-(a)	Repairs & maintenance – Health Vehicles		
230-59-(a)	Repairs & maintenance – Others		
<b>Total expense of Health &amp; Sanitation to be shown as part of Operations &amp; Maintenance Expenses Schedule</b>			

(a) Specify the Detailed head codes of account as applicable

**Schedule I-14: Schedule of Programme Expenses**

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
250-20-(a)	Own Programmes		
250-30-(a)	Share in Programmes of others		
<b>Total expense of Health &amp; Sanitation to be shown as part of Program Expenses Schedule</b>			

(a) Insert the Detailed head codes of account as applicable

14.17 The Balance Sheet Abstract in respect of Health & Sanitation Expense is presented below:

**Schedule B-17: Schedule of Cash and Bank Balances**

<b>Code of Account</b>	<b>Particulars</b>	<b>Current Year Amount (Rs.)</b>	<b>Previous Year Amount (Rs.)</b>
450-10-(a)	Cash		
450-21-(a)	Bank Account		

(a) Insert Detailed Head Codes of Account as applicable

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