

## CHAPTER 16

# Grants

### INTRODUCTION

16.1 This chapter contains the recommended accounting system for transactions relating to Grants received by the Urban Local Body (ULB).

16.2 The ULB receives grants from the State and/or Central Government(s). The grants received by the ULB could be either for general purposes or for carrying out specific projects/schemes or in form of reimbursements for specific expenditures.

### NATURE OF GRANTS

16.3 Grants received by the ULB may be of a capital or revenue nature. A *Capital Grants* usually utilised for capital expenditure i.e. creation of a fixed asset (like purchase of land, building, equipment, facilities, etc.). The benefits of such expenditure are of an enduring nature and spread over an extended period of time. A *Revenue Grant* on the other hand, is generally utilised for meeting recurring expenditure, the benefits of which usually expire within the accounting year in which it is incurred. Revenue Grants are usually in the nature of a subsidy. Grants may be for a non-specific purpose, i.e., *General Grants* or for a specific purpose, i.e., *Specific Grants*. These are further described below.

### GENERAL GRANTS

16.4 Grants received for general (unspecified) purposes are usually in the form of a lumpsum payment from the State Government to facilitate meeting certain expenditure (usually revenue in nature) relating to the ULB's activities.

16.5 Following is an illustrative list of the General Grants that may be received by the ULB from the State Government:

- Ø Motor Vehicles Tax grant
- Ø Stamp Duty grant
- Ø District Court grant

### SPECIFIC GRANTS

16.6 The ULB usually also receive grants for carrying out specific projects/schemes or for

meeting specific expenditures. These can be Revenue or Capital in nature based on the purpose for which they are received. Certain Specific Grants can have both, capital and revenue components, e.g., grant for construction of new roads and subsequent repairs and maintenance of roads. Specific Grants may either be received in advance or as a reimbursement of the expenditure incurred by the ULB.

16.7 The following is an illustrative list of Specific Grants that may be received by the ULB:

Revenue Grants for meeting expenditure incurred during the ordinary course of activities of the ULB:

- Ø Dearness Allowance Expenditure Reimbursement Grant,
- Ø Grant for Chemicals used for Water Supply Works, etc.

Revenue Grants for operating specific projects/schemes:

- Ø Census Grant,
- Ø Pulse Polio Grant,
- Ø Family Welfare Grant,
- Ø Tuberculosis Control Grant,
- Ø Malaria Control Grant,
- Ø Aids Awareness Grant,
- Ø School Children Health Program Grant, etc.

Capital Grants for meeting capital expenditures under specific projects/schemes:

- Ø Backward Classes Development Grant,
- Ø Integrated Urban Areas Development/Integrated Development of Small and Medium Towns Grant,
- Ø Medium Towns Grant,
- Ø Public Toilets Construction grant, etc.

16.8 When a Specific Grant is received in advance, the ULB is required to submit an “Utilisation Certificate” in the manner, prescribed in the Grant Sanction Order.

16.9 The claim for grant receivable as a reimbursement of expenditure incurred is made by submitting “Statement of Expenditure” to the sponsoring agency at such intervals as prescribed in the Grant Sanction Order.

16.10 Some Specific Grants require opening of a Designated Bank Account from which all

expenditures in respect of the grant are paid and/or maintenance of separate Books of Accounts.

## **ACCOUNTING PRINCIPLES**

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

- a. General Grants, which is of a revenue nature, shall be recognised as income on actual receipt.
- b. Grants towards revenue expenditure, received prior to the incurrence of the expenditure, shall be treated as a liability till such time that the expenditure is incurred.
- c. Grants received or receivable in respect of specific revenue expenditure shall be recognised as income in the accounting period in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.
- d. Grants received towards capital expenditure shall be treated as a liability till such time that the fixed asset is constructed or acquired. On construction/acquisition of a fixed asset out of the grants so received, the extent of liability corresponding to the value of the asset so constructed/acquired shall stand reduced and the amount shall be treated as a capital receipt and shall be transferred from the respective Specific Grant Account to the Capital Contribution.
- e. Grants received as a nodal agency or as implementing agency for an intended purpose, which does not, result in the creation of assets with ownership rights for the ULB shall be treated as a liability till such time it is used for the intended purpose. Upon utilisation for the intended purpose, the extent of liability shall stand reduced by the value of such utilisation and no further treatment shall be required.
- f. Grants in the form of non-monetary assets (such as fixed assets given at a concessional rate) shall be accounted for on the basis of the acquisition cost. In case a non-monetary asset is received free of cost, it shall be recorded at a nominal value (e.g. Rupee One).
- g. Income on investments made from 'Specific Grants received in advance' shall be recognised and credited to the Specific Grant, whenever accrued. Profit/loss, if any, arising on disposal of investments made from the 'Specific Grant received in advance' shall also be recognised and credited/debited to the Specific Grant.

## ACCOUNTING RECORDS & PROCEDURES

16.12 This section describes the records, register, documents, accounting entries, etc., in respect of accounting for transactions related to Grants. For the purposes of accounting, the form Grant Register (Form G-1) is specific to Grants. This is annexed to this chapter.

16.13 The Accounts Department shall maintain a Grant Register in Form G-1 with separate registers for capital and revenue grants and separate pages for each grant for recording details of receipt of grant and expenditures incurred from it.

## GENERAL GRANTS

16.14 The amount of grant sanctioned by the State Government may be after deduction of certain charges/dues payable to the State Government by the ULB. For example loan liabilities/interest on the loans from the State Government/electricity charges payable etc Therefore recording of a grant received from the State Government of Rs.85,000 after deduction of 'Electricity charges payable' amounting to Rs 10,000 and Interest on Short-term loan from the State Government' amounting to 5,000 is explained as detailed below:

a. Recording of receipt of General Grant :Details of General grants received shall be entered in the Receipt Register (Form GEN-9) maintained at the Accounts Department and deposited into the Main Bank Account. A Receipt shall be issued in Form GEN-8 to the sponsoring agency. To record the receipt of grant, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into             |
|-----------------|------------------|---------|--|---|--------------------------------------|
| 450--(a)        | Bank Account *   | Dr      | 85,000                                     |   | Cash Book,<br>Ledger, Grant Register |
| 160-10-(b)      | To Revenue Grant | Cr.     |  | 85,000                                      |                                      |

\* Specify name of bank and Account number

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

(b) Insert Detailed Head Codes of Account as applicable

b. Recording of deductions made by the State Government at the time of payment:  
At the time of release, state government may deduct from the grants the payments to be made by ULB like Electricity Charges, Interest on Loans, Loan repayment etc. ULBs shall account for the gross amount of the grant as Income and book the relevant heads for the deductions made. As per the details of the deductions in the government order sanctioning the grant, the Accounts Department shall pass the following entry in its books:

| Code of Account | Accounting Entry                           | Dr./ Cr | Debit Amount (Rs.) Illustrative figures | Credit Amount (Rs.) Illustrative figures | Books to be entered into                                 |
|-----------------|--|---------|---|--|--|
| 240-20-(a)      | Interest on Loans from State Government    | Dr.     | 5,000                                   |  | Journal Book, Ledger, Loans Register and Grants Register |
| 220-11-(a)      | Office Maintenance.<br>Electricity Charges | Dr.     | 10,000                                  |  |  |
| 160-10-(a)      | To Revenue Grant                           | Cr.     |   | 15,000                                   |  |

(a) Insert Detailed Head Codes of Account as applicable

Note: The postings in the Ledger (Form GEN-3) of ‘Main Bank’ Account and “\_\_\_ Grant Income” Account shall be carried out as indicated in Chapter 5 – General Accounting Procedures. The postings in the Ledger 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 (Form GEN-2)

### SPECIFIC GRANTS

16.15 Specific Grants could either be received in advance or as a reimbursement of the expenditure already incurred. These could be Revenue or Capital in nature, or a combination of both. The accounting entries for Specific Grant will, depend on the nature of the receipt (in advance or as reimbursement) and the nature of the expenditure, which are expected to be incurred out of such grants (capital or revenue).

#### Specific Grants Received in Advance

16.16 Grants received in advance shall be deposited in their respective Designated Grant Bank Accounts and they shall be accounted for in the following manner.

#### Specific Grant in respect of Revenue Expenditure

16.17 The Specific Grants received in advance towards revenue expenditure shall be accounted as follows:

a. Recording of grant received in advance :The details of the Grant Sanction order shall be recorded in the Grant Register (Form G-1). On receipt of the grant, 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- 61-(a)     | Designated Bank Account*        | Dr.     | 1,00,000                                |  | Grant Cash Book, Ledger, Grant Register |
| 320-(b)         | To Grants for Specific Purposes | Cr.     |   | 1,00,000                                 |   |

\*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

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

b. Separate Cash Book (Form GEN-1) shall be maintained in respect of all grants.

c. The details of the receipt of the grant shall be updated in the Grant Register (Form G-1).

d. The accounting procedure to be followed in respect of revenue expenditure incurred against Specific Grants received in advance shall be the same as what is described in Chapter 11 – Public Works for repairs and maintenance expenses, Chapter 12 – Stores for stores purchased, and Chapter 15 - Other Revenue Expenditures for other revenue expenditures.

e. Payment of advance to contractor/supplier in respect of a Specific Grant received in advance . Any advance made to a supplier/contractor in respect of a Project/scheme to be carried out against a Specific Grant received in advance, shall be payable from the Designated Grant Bank Account only and not from the Main Bank Account. The entry for this shall be the same as described in the section “Advance paid to contractors/suppliers”. **Advance to Contractor/Supplier in respect of a Project/Scheme shall be paid against the work actually executed/material supplied at the site of the work.**

f.. Recording of liability on receipt of contractor/supplier bill : On receipt of processed bill in respect of material supplied or services rendered or works executed which is of a revenue nature, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry  | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into             |
|-----------------|---|---------|--|---|--------------------------------------|
| 2-(b)           | Expenditure   | Dr.     | 20,000                                     |   | Journal Book, Ledger, Grant Register |
| 350-10-(a)      | To Creditors-Payables against Specific Grants To                | Cr.     |  | 12,000                                      |                                      |
| 340-10-(a)      | From Contractors/ Suppliers -Security Deposit Specific Grant To | Cr.     |  | 2,000                                       |                                      |
| 350-20-(a)      | Recoveries Payable – TDS from Specific Grant                    | Cr.     |  | 1,000                                       |                                      |
| 350-20-(a)      | To Recoveries Payable – Works Contract Tax from Specific Grant  | Cr.     |  | 2,000                                       |                                      |
| 460-40-(a)      | To Advance to Suppliers/ Contractors– Specific Grants           | Cr.     |  | 3,000                                       |                                      |

(a) Insert Detailed Head Codes of Account as applicable

(b) Insert Major, Minor and Detailed Head Codes of Account as applicable

g. The details of the expenditure shall be recorded in the Grant Register (Form G-1) under the respective Specific Grant.

h. Recording of payment to the contractor/supplier :The payment to the contractor/supplier shall be made only from the respective Designated Grant Bank Account. 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                |
|-----------------|--|---------|---|--|---|
| 350-10-(a)      | Creditors – Payables against Specific Grants | Dr.     | 12,000                                  |  | Grant Cash Book, Ledger, Grant Register |
| 450- 61-(a)     | To Designated Bank Account*                  | Cr.     |   | 12,000                                   |   |

*\*Specify the name of the Bank and Account number*

(a) Insert Detailed Head Codes of Account as applicable

i. Recording of payment for deductions made. The deductions made on behalf of the Government in point "h" above shall also be paid from the respective Designated Grant Bank Account. On payment of deductions 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                |
|-----------------|--|---------|---|--|---|
| 350-20-(a)      | Recoveries Payable - TDS – Specific Grant                  | Dr.     | 1,000                                   |  | Grant Cash Book, Ledger, Grant Register |
| 350-20-(a)      | Recoveries Payable -Works Contract Tax from Specific Grant | Dr.     | 2,000                                   |  |   |
| 450-61-(a)      | To Designated Bank Account*                                | Cr.     |   | 3,000                                    |   |

*\*Specify the name of the Bank and Account number*

(a) Insert Detailed Head Codes of Account as applicable

j. Recording of transfer of money from Designated Grant Bank Account to Main Bank Account on utilisation of common stores .The amount equivalent to the cost of common stores utilised for the purpose of the Specific Grant shall be transferred from the respective Designated Grant Bank Account to Main Bank Account. Accounts Department shall update the Grant Register (Form G-1) for the same 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                   |
|-----------------|-----------------------------|---------|---|--|--|
| 450-21-(a)      | Bank Account*               | Dr.     | 1,000                                   |  | Grant Cash Book, Cash Book, Grant Register |
| 450-61-(a)      | To Designated Bank Account* | Cr.     |   | 1,000                                    |  |

*\*Specify the name of the Bank and Account number*

(a) Insert Detailed Head Codes of Account as applicable

k. Recognising grant income in respect of revenue expenditure incurred under Specific Grants. At the end of each quarter, the Accounts Department shall identify the revenue expenditure incurred under the Specific Grants received in advance (from the Grant Register). To record income against it, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry             | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into             |
|-----------------|------------------------------|---------|--|---|--------------------------------------|
| 320-(a)         | Grants for Specific Purposes | Dr.     | 21,000                                     |   | Journal Book, Ledger, Grant Register |
| 160-10-(b)      | To Revenue Grant             | Cr.     |  | 21,000                                      |                                      |

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

(b) Insert Detailed Head Codes of Account as applicable

#### Advance paid to contractors/suppliers

16.18 On payment of advance to contractors for work actually executed/material supplied under a Specific Grant, the Accounts Department shall pass the following entries:

a. To record the advance sanctioned. Suppose an advance of Rs. 20,000 is sanctioned to a contractor from which Rs. 1,000 is deducted on account of income tax. On deduction, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry  | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into             |
|-----------------|---|---------|--|---|--------------------------------------|
| 460-40-(a)      | Advance to Suppliers & Contractors – Specific Grant               | Dr      | 20,000                                     |   | Journal Book, Ledger, Grant Register |
| 350-20-(a)      | To Recoveries Payable TDS From Specific Grant                     | Cr.     |  | 1,000                                       |                                      |
| 350-10-(a)      | To Creditors –Contractors Advance Control Account Specific Grants | Cr.     |  | 19,000                                      |                                      |

(a) Insert Detailed Head Codes of Account as applicable

b. For recording payment of advance. On payment of balance advance, i.e., Rs.19,000 from the respective Designated Grant Bank Account, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry   | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into                |
|-----------------|--|---------|--|---|---|
| 350-10-(a)      | Creditors –Contractors Advance Control Account Specific Grants | Dr.     | 19,000                                     |   | Grant Cash Book, Ledger, Grant Register |
| 450-61-(a)      | To Designated Bank Account*                                    | Cr.     |  | 19,000                                      |   |

\*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

## Earnest Money Deposit

16.19 Any amount received or paid on account of Earnest Money Deposit in respect of any contract executed under Specific Grant received in advance shall be deposited in or refunded from the respective Designated Grant Bank Account. The accounting procedure to be followed for this shall be the same as described in Chapter 11 - Public Works, reference to which is invited.

16.20 Recording of receipt of Earnest Money Deposit . On receipt of Earnest Money 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                |
|-----------------|---|---------|---|--|---|
| 450-61-(a)      | Designated Bank Account*<br>To From Suppliers/<br>Contractors – EMD | Dr.     | 1,000                                   |  | Grant Cash Book, Ledger, Grant Register |
| 340-10-(a)      | Specific Grants   | Cr.     |   | 1,000                                    |   |

*\*Specify the name of the Bank and Account number*

(a) Insert Detailed Head Codes of Account as applicable

16.21 Recording of refund of Earnest Money Deposit. On refund of Earnest Money Deposit to the unsuccessful bidder, 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 Suppliers/ Contractors–<br>EMD Specific Grants | Dr.     | 900                                     |  | Grant Cash Book, Ledger, Grant Register |
| 450-61-(a)      | To Designated Bank Account*                         | Cr.     |   | 900                                      |   |

*\*Specify the name of the Bank and Account number*

(a) Insert Detailed Head Codes of Account as applicable

16.22 Conversion of Earnest Money Deposit to Security Deposit. On receipt of intimation from the concerned department for conversion of Earnest Money Deposit of the 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 Suppliers/ Contractors – EMD Specific Grants To           | Dr.     | 100                                     |  | Journal Book, Ledger, Grant Register |
| 340-10-(a)      | From Suppliers/ Contractors – Security Deposit Specific Grants | Cr      |   | 100                                      |                                      |

(a) Insert Detailed Head Codes of Account as applicable

## Security Deposit

16.23 Any amount received or paid on account of Security Deposit in respect of any contract executed under any Specific Grant shall be deposited in or refunded from the respective Designated Grant Bank Account. The accounting procedure to be followed in this respect shall be the same as described in Chapter 12 – Public Works, reference to which is invited.

16.24 Recording receipt of Security Deposit. On receipt of Security Deposit, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry  | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into                |
|-----------------|---|---------|--|---|---|
| 450-61-(a)      | Designated Bank Account*  | Dr      | 10,000                                     |   | Grant Cash Book, Ledger, Grant Register |
| 340-10-(a)      | To From Suppliers/ Contractors – Security Deposit Specific Grants | Cr.     |  | 10,000                                      |   |

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

16.25 Treatment of Security Deposit deducted from the contractor's/supplier's invoice has already been described in para. 16.16 (f) above.

16.26 Recording refund of Security Deposit. The refund of the Security Deposit collected/deducted in respect of any Specific Grant received in advance shall be made from the respective Designated Grant Bank Account. and the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry   | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into                |
|-----------------|--|---------|--|---|---|
| 340-10-(a)      | From Suppliers/ Contractors – Security Deposit Specific Grants | Dr.     | 12,000                                     |   | Grant Cash Book, Ledger, Grant Register |
| 450-61-(a)      | To Designated Bank Account*                                    | Cr.     |  | 12,000                                      |   |

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

## Specific Grant in respect of Capital Expenditure

16.27 Recording of grant received in advance. The details of the Grant Sanction Order shall be recorded in the Grant Register (Form G-1). On receipt of the grant, 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                |
|-----------------|---------------------------------|---------|---|--|---|
| 450-61-(a)      | Designated Bank Account*        | Dr.     | 3,00,000                                |  | Grant Cash Book, Ledger, Grant Register |
| 320-(b)         | To Grants for Specific Purposes | Cr.     |   | 3,00,000                                 |   |

\*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

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

16.28 The accounting procedure to be followed and accounting entries to be recorded in respect of:

- a. Advance provided to the contractor/supplier,
- b. Recovery of advance provided to contractor/supplier,
- c. Receipt of Earnest Money Deposit (EMD) from the bidders and its refund to unsuccessful bidders;
- d. Conversion of EMD of successful bidder into Security Deposit;
- e. Security Deposit received from contractor/supplier,
- f. Security Deposit deducted from the contractor's/supplier's bill,
- g. Refund of Security Deposit,
- h. Deduction of tax from the contractor's/supplier's bill,
- i. Payment of amounts deducted to the relevant authorities, etc.

shall be the same as what is described in the section "Specific Grant in respect of Revenue Expenditure" above.

16.29 Recording of receipt of bill for capital work-in-progress. On receipt of a progress bill in respect of capital works being executed under Specific Grants, 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             |
|-----------------|---|---------|---|--|--------------------------------------|
| 412-(a)         | Capital Work-in-Progress<br>_____ Specific Grants | Dr.     | 2,00,000                                |  | Journal Book, Ledger, Grant Register |
| 350-10-(a)      | To Creditors – Payables against Specific Grants   | Cr.     |   | 2,00,000                                 |                                      |

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

(b) Insert Detailed Head Codes of Account as applicable

16.30 Recording of receipt of bill for acquisition of fixed assets: On receipt of a bill in respect of acquisition/purchase of fixed assets under Specific Grants, 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             |
|-----------------|---|---------|---|--|--------------------------------------|
| 410-(a)         | Fixed Assets (Specify the name of the Asset)    | Dr.     | 1,00,000                                |  | Journal Book, Ledger, Grant Register |
| 350-10-(a)      | To Creditors - Payables against Specific Grants | Cr.     |   | 1,00,000                                 |                                      |

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

(b) Insert Detailed Head Codes of Account as applicable

16.31 Recording payment to contractors/suppliers: Payment in respect of any expenditure incurred for purchase, acquisition or construction of any fixed asset under any Specific Grant shall be made from the respective Designated Grant Bank Account. On payment, the Accounts Department shall pass the following:

| 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 - Payables against Specific Grants | Dr.     | 3,00,000                                |  | Grant Cash Book, Ledger, Grant Register |
| 450-61-(a)      | To Designated Bank Account*                  | Cr      |   | 3,00,000                                 |   |

\*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

16.32 Recording capitalisation of capital work-in-progress. On completion of construction of capital project, the capital work-in-progress shall be capitalised for which 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             |
|-----------------|--|---------|---|--|--------------------------------------|
| 410-(a)         | Fixed Assets (Specify name of the Asset)             | Dr.     | 2,00,000                                |  | Journal Book, Ledger, Grant Register |
| 412-(a)         | To Capital Work-in-Progress<br>_____ Specific Grants | Cr.     |   | 2,00,000                                 |                                      |

(a) Insert Minor Head Codes of Account under 3-07 & 3-08 as applicable

16.33 Recording of transfer of Specific Grant to 'Capital Contribution' on capitalisation. On capitalisation of capital work-in-progress or on acquisition of any fixed assets under a Specific Grant, an amount equivalent to the amount of capital expenditure incurred and capitalised shall be transferred from the Specific Grant to the Capital Contribution. To record this transfer, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry             | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into             |
|-----------------|------------------------------|---------|--|---|--------------------------------------|
| 320-(a)         | Grants for Specific Purposes | Dr.     | 3,00,000                                   |   | Journal Book, Ledger, Grant Register |
| 312-10-(b)      | To Capital Contribution      | Cr.     |  | 3,00,000                                    |                                      |

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

(b) Insert Detailed Head Codes of Account as applicable

16.34 The above entry shall be passed simultaneously along with the entry for purchase/acquisition or capitalisation of the fixed assets.

#### **Investment of Funds from Specific Grant received in advance**

16.35 Investments made from Specific Grants received in advance shall be entered in a Grant Investment Register to be maintained in Form IN-1 (provided in Chapter 19 - Investments). The accounting entries /procedures to be followed for 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 - Investments.

16.36 Interest earned on investments, profit/loss on disposal of Investments, if any, shall be updated in the Grant Register (Form G-1) by the Accounts Department.

#### **GRANTS RECEIVED AS NODAL/ IMPLEMENTATION AGENCY**

16.37 ULBs may receive grants as a nodal agency under certain schemes, wherein the expenditure of the schemes are for a set of beneficiaries. In some cases, the scheme expenditure is met by the ULB directly. In some other cases they are paid to the beneficiaries group who upon spending will produce the relevant expenditure / utilisation statement.

16.38 Recording of grant received ■ The details of the Grant Sanction Order shall be recorded in the Grant Register (Form G-1). On receipt of the Grant in advance, the Accounts department shall pass the following entry:

| Code of Account | Accounting Entry                | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into                |
|-----------------|---------------------------------|---------|--|---|---|
| 450-61-(a)      | Designated Bank Account*        | Dr      | 3,00,000                                   |   | Grant Cash Book, Ledger, Grant Register |
| 320-(b)         | To Grants for Specific Purposes | Cr.     |  | 3,00,000                                    |   |

\*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

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

16.39 Payment of advance to executing agency or beneficiary group The ULBs may pay advance to the executing agency / beneficiary group towards the works to be undertaken by

them. For recording the payment of advances, the accounts department will pass the following accounting entry:

| Code of Account | Accounting Entry                       | Dr./ Cr | Debit Amount (Rs.) Illustrative figures | Credit Amount (Rs.) Illustrative figures | Books to be entered into                |
|-----------------|--|---------|---|--|---|
| 460-50-(a)      | Advances for Project – Specific grants | Dr.     | 2,00,000                                |  | Grant Cash Book, Ledger, Grant Register |
| 450-61-(a)      | To Designated Bank account*            | Cr.     |   | 2,00,000                                 |   |

\*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

16.40 Recording of liability for ‘Scheme expenses’ on receipt of bill :ULBs may receive the bills for payment either directly from the contractors or from the implementing agency. The expenses incurred against Scheme to which the grant is received by the ULB shall be taken to a separate control to accumulate the expenditure incurred. For recording of the amounts payable to the contractors or nodal agencies the following entry shall be passed:

| Code of Account | Accounting Entry                                | Dr./ Cr | Debit Amount (Rs.) Illustrative figures | Credit Amount (Rs.) Illustrative figures | Books to be entered into |
|-----------------|---|---------|---|--|--------------------------|
| 460-80-(a)      | Other Current Assets – Scheme expenses          | Dr.     | 1,00,000                                |  | Journal Book and Ledger  |
| 350-10-(a)      | To Creditors – Payables against Scheme expenses | Cr      |   | 80,000                                   |                          |
| 350-20-(a)      | To Recoveries Payable TDS from– Scheme expenses | Cr.     |   | 10,000                                   |                          |
| 460-50-(a)      | To Advances for Project – Specific grants       | Cr.     |   | 10,000                                   |                          |

(a) Insert Detailed Head Codes of Account as applicable

16.41 Recording of payments made to contractor / implementing agency.

a. The payment for the bills shall be made only from the respective designated grant bank account. . 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                |
|-----------------|---|---------|---|--|---|
| 350-10-(a)      | Creditors -Payable against Scheme expense | Dr.     | 80,000                                  |  | Grant Cash Book, Ledger, Grant Register |
| 450-61-(a)      | To Designated Bank Account*               | Cr.     |   | 80,000                                   |   |

\*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

16.42 Recording of payment for deductions made: The deductions made on behalf of the Government in above shall also be paid from the respective Designated Grant Bank Account. On payment of deductions made, the Accounts Department shall pass the same entry as explained in Para 16.16.

16.43 Recording of transfer of money from Designated Grant Bank Account to Main Bank Account on utilisation of common store. The amount equivalent to the cost of common stores utilised for the purpose of the Specific Grant shall be transferred from the respective Designated Grant Bank Account to Main Bank Account before issue of any common stores. Accounts Department shall update the Grant Register (Form G-1) for the same and the accounting entry is same as explained in Para 16.16 (j).

16.44 Recording of Transfer of Scheme expenses on completion of the scheme or at period end. On completion of the scheme or at the period ends, the total amount of grant received for specific purpose as a nodal agency shall be adjusted to the extent of amounts utilised under the project. The accounting entry for such adjustment is as follows:

| Code of Account | Accounting Entry                          | Dr./ Cr | Debit Amount (Rs.) Illustrative figures | Credit Amount (Rs.) Illustrative figures | Books to be entered into             |
|-----------------|---|---------|---|--|--------------------------------------|
| 320-(a)         | Grants for Specific Purposes              | Dr.     | 3,00,000                                |  | Journal Book, Ledger, Grant Register |
| 460-80-(b)      | To Other Current Assets – Scheme Expenses | Cr      |   | 3,00,000                                 |                                      |

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

(b) Insert Detailed Head Codes of Account as applicable

### Period End Procedures

16.45 At the period-end it shall be ensured that the bills received in respect of revenue expenditure incurred as well as works executed or acquisition / purchase of fixed assets before the last date of the accounting period, are processed and forwarded to the Accounts Department for accounting and payment within 15 days from the end of the accounting period.

16.46 The accounting entry to be recorded in respect of revenue expenditure shall be same as provided in para 16.16 (f) above and the accounting entry to be recorded to recognise the grant income in respect of revenue expenditure incurred shall be same as provided in para

16.16 (k) above.

16.47 The accounting entry to be recorded for progress bill in respect of capital works being executed under Specific Grants shall be the same as provided in para 16.28 above and for bills in respect of acquisition / purchase of fixed assets under Specific Grants shall be the same as provided in para 16.29 above.

16.48 For grants received as a nodal agency, it shall be ensured that the transfer entry is made for expenses incurred against it and the balance in the 'Scheme Expenses – Nodal Agency' account has become nil.

### Repayment of unutilised Specific Grant received in advance

16.49 Recognition of liability for repayment of grant : Specific grants are normally to be used within a period specified in the Grant Sanction order. Generally the Specific grants shall be refunded in the following circumstances:

- Ø On expiry of the period for utilisation of the grant as per grant sanction order.
- Ø The total amount utilised out of the grant is lesser than the amount of the grant received.

| Code of Account | Accounting Entry             | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into             |
|-----------------|------------------------------|---------|--|---|--------------------------------------|
| 320-(a)         | Grants for Specific Purposes | Dr.     | 10,000                                     |   | Journal Book, Ledger, Grant Register |
| 350-40-(b)      | To Refunds Payable – Grants  | Cr.     |  | 10,000                                      |                                      |

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

(b) Insert Detailed Head Codes of Account as applicable

16.50 Payment of unutilised Specific Grant : The unutilised Specific Grant received in advance shall be repaid from the respective Designated Grant Bank Account. On payment, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry            | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into                |
|-----------------|-----------------------------|---------|--|---|---|
| 350-40-(a)      | Refund Payable –Grants      | Dr.     | 10,000                                     |   | Grant Cash Book, Ledger, Grant Register |
| 450-61-(a)      | To Designated Bank Account* | Cr.     |  | 10,000                                      |   |

\*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

### Specific Grants Received as Reimbursement of Expenditure incurred by the ULB

16.51 Specific Grants received as reimbursement of expenditures could be received towards revenue expenditures incurred during the ordinary course of activities of the ULB or for implementing a specific project/scheme or towards capital expenditure incurred under a specific project/scheme. These expenditures would be incurred from the Main Bank Account before claiming reimbursement. The grants receivable as reimbursement shall be accounted in the following manner.

**Specific Grant for revenue expenditure incurred during the ordinary course of activities of the ULB**

16.52 The grants receivable as reimbursement of revenue expenditures incurred during the ordinary course of activities of the ULB, shall be accounted in the following manner:

- a. Recognition of grant income on sanction of the grant :. The details on receiving the Grant Sanction Order in respect of the specific grant where application/details of expenditure submitted earlier shall be recorded in the Grant Register (Form G-1). To recognise the income, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry                   | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into             |
|-----------------|------------------------------------|---------|--|---|--------------------------------------|
| 431-50-(a)      | Receivable from Government -Grants | Dr.     | 50,000                                     |   | Journal Book, Ledger, Grant Register |
| 160-20-(a)      | To Re-imburement of Expenses       | Cr.     |  | 50,000                                      |                                      |

(a) Insert Detailed Head Codes of Account as applicable

- b. Recording of receipt of grant: On receipt of the grant, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry                      | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into          |
|-----------------|---------------------------------------|---------|--|---|-----------------------------------|
| 450-21-(a)      | Bank Account                          | Dr      | 45,000                                     |   | Cash Book, Ledger, Grant Register |
| 431-50-(a)      | To Receivable from Government -Grants | Cr.     |  | 45,000                                      |                                   |

(a) Insert Detailed Head Codes of Account as applicable

**Specific Grant for expenditure incurred under a specific project/scheme**

16.53 The grants receivable as reimbursement of expenditure incurred under a specific project/scheme shall be accounted as follows:

- a. The project/scheme is usually sponsored/sanctioned by a sponsoring agency. The details of the Grant Sanction Order shall be recorded in the Grant Register (Form G-1).
- b. The accounting entries/procedure to be followed for receipt of deposits, incurrence of expenditure, payment of contractor bills, payment of deductions made from the contractor bills, utilisation of common stores, completion of the asset and capitalisation of the asset, period end procedure for making provisions for unpaid bills, has been described in Chapter 11 - Public Works, Chapter 12 - Stores, Chapter 15 - Other Revenue Expenditures and Chapter 20 - Fixed Assets.

c. The department incurring the expenditure shall specify the name of the grant in respect of which the expenditure has been incurred in the Payment Order (Form GEN-14). As and when any expenditure is recorded in the books of original entry, i.e., Cash Book (Form GEN-1) or Journal Book (Form GEN-2) as well as utilisation of common stores, the Grant Register (Form G-1) shall also be updated correspondingly.

d. Recording of grant income in respect of revenue expenditure incurred under the grant. The grant becomes receivable on incurrance of expenditure under the grant. At period-end, the Accounts Department shall identify the revenue expenditure incurred and paid for during the period from the Grant Register (Form G-1). To recognise the grant income in respect of the revenue expenditure incurred under the grants during the period, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry                   | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into             |
|-----------------|------------------------------------|---------|--|---|--------------------------------------|
| 431-50-(a)      | Receivable from Government -Grants | Dr.     | 10,000                                     |   | Journal Book, Ledger, Grant Register |
| 160-30-(a)      | To Contribution towards scheme     | Cr.     |  | 10,000                                      |                                      |

(a) Insert Detailed Head Codes of Account as applicable

e. Recording of receipt of grant :The concerned department shall submit a ‘Statement of Expenditure’ at periodic intervals(as specified in the program/scheme details) to the sponsoring agency for claiming the amount of grant due. On receipt of the grant, the Accounts Department shall pass the following entry:

| Code of Account | Accounting Entry                      | Dr./ Cr | Debit Amount (Rs.)<br>Illustrative figures | Credit Amount (Rs.)<br>Illustrative figures | Books to be entered into          |
|-----------------|---------------------------------------|---------|--|---|-----------------------------------|
| 450-21-(a)      | Bank Account*                         | Dr.     | 9,500                                      |   | Cash Book, Ledger, Grant Register |
| 431-50-(a)      | To Receivable from Government -Grants | Cr      |  | 9,500                                       |                                   |

(a) Insert Detailed Head Codes of Account as applicable

### Period-end Procedure

16.54 At the period-end, it shall be ensured that revenue expenditure incurred under the grant scheme but remaining outstanding for re-imburement before the last date of the accounting period shall be recorded with matching the income corresponding to the expenditure being recorded. The accounting entry to be recorded shall be the same as provided in para 16.51 (a) above.

### Write-off of Grant Receivable

16.55 Recording of write-off of grant receivable. The Accounts Department shall, at the end of each year, review the recoverable position of Grants Receivables. The ULB may consider writing-off the grants that have remained outstanding for a period exceeding two years. If the

ULB decide to write-off any grants receivable, based on the Write-off 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             |
|-----------------|---------------------------------------|---------|---|--|--------------------------------------|
| 270-30-(a)      | Revenues Written off – Grants         | Dr.     | 500                                     |  | Journal Book, Ledger, Grant Register |
| 431-50-(a)      | To Receivable from Government –Grants | Cr.     |   | 500                                      |                                      |

(a) Insert Detailed Head Codes of Account as applicable

### **ADJUSTMENT OF GRANT RECEIVABLE FROM THE STATE GOVERNMENT AGAINST ULB’S DUES TO THE STATE GOVERNMENT**

16.56 The State Government may deduct any amount, which is due from ULB to any Government Corporation, Government Company or any other statutory authority constituted by it, from the grants payable to the ULB.

16.57 Recording of adjustment of State Government dues against grant receivable :  
On receiving the intimation from the State Government regarding such adjustment, 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             |
|-----------------|--|---------|---|--|--------------------------------------|
| 350-30-(a)      | Government Dues Payable*               | Dr      | 500                                     |  | Journal Book, Ledger, Grant Register |
| 431-50-(a)      | To Receivables from Government –Grants | Cr.     |   | 500                                      |                                      |

\*Specify the head of account of the government due, against which the grant is adjusted, e.g., State Education Cess Payable, Electricity Charges payable, Employment Guarantee Cess Payable, etc(

a) Insert Detailed Head Codes of Account as applicable

### **INTERNAL CONTROLS**

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

- a. The Commissioner/E.O/Secretary shall ensure that the grant received for a specific purpose shall not be utilised for any other purpose.
- b. The Accounts Department and the Department implementing the project/scheme sponsored by the grant shall quarterly reconcile the expenditure incurred during the period in respect of each of the grant from the Ledger (Form GEN-3) and the Grant Register (Form G-1) maintained at the Accounts Department and the relevant records maintained at the respective departments.
- c. The Accounts Department shall quarterly reconcile the amount of grant received

and receivable in the Ledger (Form GEN-3) and the Grant Register (Form G-1) maintained at the Accounts Department.

d. The E.O./Secretary & in case of Municipal Corporation the Head of the Accounts Department shall, after entry in CashBook in respect of grants received, ensure that the grant received is recorded in the Grant Register. Further, it shall be ensured that the Receipt in from GEN-8 Summary of Daily collections prepared, provides reference of Grant Register.

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

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

### **PRESENTATION IN FINANCIAL STATEMENTS**

16.60 The various heads of account used for the accounting of Grant related transactions should be reflected in the Financial Statements or in 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 .

16.61 The Schedule of the Income and Expenditure Statement in respect of Grants is provided below.

#### **Schedule I-6: Schedule of Revenue Grants, Contribution and Subsidies**

| Code No   | Particulars                  | Current Year Amount (Rs.) | Previous Year Amount (Rs.) |
|---|------------------------------|---------------------------|----------------------------|
| 160-10-(a)  | Revenue Grant                |                           |                            |
| 160-20-(a)  | Re-imburement of expenses    |                           |                            |
| 160-30-(a)  | Contribution towards schemes |                           |                            |
| <b>Total Income of Grants to be shown as part of Revenue Grants, Contributions and Subsidies Schedule</b> |                              |                           |                            |

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

#### **Schedule I-16 : Schedule of Provisions & Write off**

| Code No  | Particulars                          | Current Year Amount (Rs.) | Previous Year Amount (Rs.) |
|--|--------------------------------------|---------------------------|----------------------------|
| 270-30-(a)   | Revenues Written Off –Revenue Grants |                           |                            |
| <b>Total Expense of Grants to be shown as part of Provision &amp; Write Off Schedule</b> |                                      |                           |                            |

16.62 The Balance Sheet Abstract in respect of Grants is provided below.

**Schedule B-3: Schedule of Reserves**

| Code No                    | Particulars             | Opening balance (Rs.) | Additions during the year (Rs.) | Total (Rs.) | Deductions during the year (Rs.) | Balance at the end of the current year (Rs.) |
|----------------------------|-------------------------|-----------------------|---------------------------------|-------------|----------------------------------|--|
| 1                          | 2                       | 3                     | 4                               | 5 (3+4)     | 6                                | 7 (5-6)                                      |
| 312-10-(a)                 | Capital Contribution    |                       |                                 |             |                                  |  |
| 312-30-(a)                 | Special Funds(Utilised) |                       |                                 |             |                                  |  |
| <b>Total Reserve funds</b> |                         |                       |                                 |             |                                  |  |

(a) Insert Detailed Head Codes of Account as applicable

**Schedule B-4: Schedule of Grants & Contribution for Specific Purposes**

*Amount in Rs*

| Particulars   | Grants from Central Govt. | Grants from State Govt. | Grants from Other Govt. Agencies | Grants from Financial Institutions | Grants from Welfare Bodies | Grants from International Organisations | Others |
|---|---------------------------|-------------------------|----------------------------------|------------------------------------|----------------------------|---|--------|
| <b>Code No.</b>                                     |                           |                         |                                  |                                    |                            |   |        |
| <b>(a) Opening Balance</b>                          |                           |                         |                                  |                                    |                            |   |        |
| <b>(b) Additions to the Grants *</b>                |                           |                         |                                  |                                    |                            |   |        |
| (i) Grant received during the year                  |                           |                         |                                  |                                    |                            |   |        |
| (ii) Interest/Dividend earned on Grant              |                           |                         |                                  |                                    |                            |   |        |
| (iii) Profit on disposal of Grant Investments       |                           |                         |                                  |                                    |                            |   |        |
| (iv) Appreciation in Value of Grant Investments     |                           |                         |                                  |                                    |                            |   |        |
| (v) Other addition (Specify nature)                 |                           |                         |                                  |                                    |                            |   |        |
| <b>Total (b)</b>                                    |                           |                         |                                  |                                    |                            |   |        |
| <b>Total (a+b)</b>                                  |                           |                         |                                  |                                    |                            |   |        |
| <b>(c) Payments out of funds</b>                    |                           |                         |                                  |                                    |                            |   |        |
| <b>(i) Capital expenditure on</b>                   |                           |                         |                                  |                                    |                            |   |        |
| Fixed Assets*                                       |                           |                         |                                  |                                    |                            |   |        |
| Others  |                           |                         |                                  |                                    |                            |   |        |
| <b>Sub –total</b>                                   |                           |                         |                                  |                                    |                            |   |        |
| <b>(ii) Revenue Expenditure on</b>                  |                           |                         |                                  |                                    |                            |   |        |
| Salary, Wages and allowances etc                    |                           |                         |                                  |                                    |                            |   |        |
| Rent  |                           |                         |                                  |                                    |                            |   |        |
| Other administrative charges                        |                           |                         |                                  |                                    |                            |   |        |
| <b>Sub –total</b>                                   |                           |                         |                                  |                                    |                            |   |        |
| <b>(iii) Other:</b>                                 |                           |                         |                                  |                                    |                            |   |        |
| Loss on disposal of Grant Investments               |                           |                         |                                  |                                    |                            |   |        |
| Diminution in Value of Grant Investments            |                           |                         |                                  |                                    |                            |   |        |
| Grants Refunded                                     |                           |                         |                                  |                                    |                            |   |        |
| <b>Sub –total</b>                                   |                           |                         |                                  |                                    |                            |   |        |
| <b>Total (c) [i+ii+iii]</b>                         |                           |                         |                                  |                                    |                            |   |        |
| <b>Net balance at the year end – (a+b)-(c)</b>      |                           |                         |                                  |                                    |                            |   |        |
| <b>Total Grants &amp; Contribution for Specific</b> |                           |                         |                                  |                                    |                            |   |        |

Note: Plan funds received from Central/ State Government are to be shown as grant funds and not be mixed up with earmarked funds

\* For transferring completed capital assets, expenditure incurred will be capitalised and assets will be taken to Fixed Assets schedule (B-11) and Capital contribution will be increased by the same amount.

**Schedule B-7: Schedule of Deposits Received**

| Code No.   | Particulars  | Current Year Amount (Rs.) | Previous Year Amount (Rs.) |
|------------|--|---------------------------|----------------------------|
| 340-10-(a) | From Contractors and Suppliers – EMD Specific Grants               |                           |                            |
| 340-10-(a) | From Contractors and Suppliers – Security Deposits Specific Grants |                           |                            |
| 340-80-(a) | From Others Specific Grants  |                           |                            |
|            | <b>Total</b>   |                           |                            |

(a) Insert Detailed Head Codes of Account as applicable

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

| Code No    | Particulars  | Current Year Amount (Rs.) | Previous Year Amount (Rs.) |
|------------|--|---------------------------|----------------------------|
| 350-10-(a) | Creditors Payable against Specific Grant               |                           |                            |
| 350-10-(a) | Creditors Payable against Scheme Expense               |                           |                            |
| 350-20-(a) | Recoveries Payable- Works                              |                           |                            |
| 350-20-(a) | Recoveries Payable- Works Contract Tax Specific Grants |                           |                            |
| 350-40-(a) | Refunds Payable - Grants                               |                           |                            |
|            | <b>Total</b>   |                           |                            |

(a) Insert Detailed Head Codes of Account as applicable

**Schedule B-13: Schedule of Investments – Other Funds**

| Code No | Nature of investment                    | With whom invested | Face value | Cost | Remarks |
|---------|---|--------------------|------------|------|---------|
| 421-(a) | Investment Other Funds-Grant Investment |                    |            |      |         |
|         | <b>Total</b>                            |                    |            |      |         |

(a) Insert Detailed Head Codes of Account as applicable

**Schedules B-15: Schedule of Sundry Debtors (Receivables)**

| Code No    | Particulars                        | Gross Amount (Rs.) | Provision for doubtful receivables Amount (Rs.) | Current Year Amount (Rs.) | Previous Year Amount (Rs.) |
|------------|------------------------------------|--------------------|---|---------------------------|----------------------------|
|            | <b>Current Assets</b>              |                    |   |                           |                            |
| 431-50-(a) | Receivable from Government -Grants |                    |   |                           |                            |
|            | <b>Total</b>                       |                    |   |                           |                            |

(a) Insert Detailed Head Codes of Account as applicable

**Schedules B-17: Schedule of Cash & Bank Balances**

| Code No    | Particulars             | Current Year Amount (Rs.) | Previous Year Amount (Rs.) |
|------------|-------------------------|---------------------------|----------------------------|
| 450-10-(a) | Cash Account            |                           |                            |
| 450-21-(a) | Bank Account            |                           |                            |
| 450-61-(a) | Designated Bank Account |                           |                            |
|            | <b>Total</b>            |                           |                            |

(a) Insert Detailed Head Codes of Account as applicable

**Schedule B-18: Loans, advances and deposits**

| <b>Code No.</b> | <b>Particulars</b>  | <b>Opening Balance at the beginning of the year (Rs.)</b> | <b>Paid during the current year (Rs.)</b> | <b>Recovered during the year (Rs.)</b> | <b>Balance outstanding at the end of the year (Rs.)</b> |
|-----------------|---|---|---|--|---|
| 460-40-(a)      | Advance to Suppliers and Contractors – Specific Grants                                  |   |   |  |   |
| 460-50-(a)      | Advance to Others – Specific Grants   |   |   |  |   |
| 460-80-(a)      | Other Current Assets- Scheme Expenses   |   |   |  |   |
|                 | <b>Total</b>  |   |   |  |   |
| 461--(b)        | Less: Accumulated Provisions against Loans, Advances and Deposits [Schedule B – 18 (a)] |   |   |  |   |
|                 | <b>Net total of Loans, advances, and deposits</b>                                       |   |   |  |   |

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

\_\_\_\_\_ *Name of the ULB*

**GRANT REGISTER\***

| Sr. No.  | Name of the Grant | Order/Designation of the Authority sanctioning the grant | Nature of the Grant | Period of the Grant | Sanctioned Amount (Rs.) | Grant Received in Advance |              |
|----------|-------------------|--|---------------------|---------------------|-------------------------|---------------------------|--------------|
|          |                   |  |                     |                     |                         | Date                      | Amount (Rs.) |
| <i>1</i> | <i>2</i>          | <i>3</i>   | <i>4</i>            | <i>5</i>            | <i>6</i>                | <i>7</i>                  | <i>8</i>     |
|          |                   |  |                     |                     |                         |                           |              |

| Expenditure Incurred on Specific Grants |                |                       |              |                 | Grant unutilised on expiry of grant period (Rs.) | Refund of unutilised Grant |              |
|---|----------------|-----------------------|--------------|-----------------|--|----------------------------|--------------|
| Date                                    | Voucher Number | Nature of Expenditure | Amount (Rs.) | Date of Payment |  | Date                       | Amount (Rs.) |
| <i>9</i>                                | <i>10</i>      | <i>11</i>             | <i>12</i>    | <i>13</i>       | <i>14</i>  | <i>15</i>                  | <i>16</i>    |
|   |                |                       |              |                 |  |                            |              |

\* Maintain separate registers for Capital and Revenue Grants.

\* State whether Grants received from Central Govt., State Govt. or Other Govt. agencies

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

