

## CHAPTER 23

# SPECIAL TRANSACTIONS

### INTRODUCTION

23.1 Often ULBs have transactions which are not of usual nature. These are referred to as Special Transactions. These could include:

- i. Fixed assets created on behalf of ULBs by an executing agency, from the funds directly disbursed to them by the Government, or;
- ii. Grants given by ULBs to the School Boards or other undertakings established under an ULB.
- iii. Contributions made by ULBs in creation of assets not owned by it;
- iv. Joint Venture Investments

23.2 This chapter contains recommended accounting system for each of the above transactions.

### ACCOUNTING PRINCIPLES

23.3 The Accounting Principles governing the recording, accounting and treatment of transactions coming under Special Transactions are similar to those prescribed in similar situations in the other chapters of this Accounts Manual. For instance:

- Accounting Principles relating to construction of fixed assets and their repairs and maintenance shall be the same as what is described in *Chapter 11 on Public Works*;
- Accounting Principles in respect of procurement and consumption of Stores shall be the same as what is described in *Chapter 12 on Stores*;
- Accounting Principles in respect of grants received shall be the same as what is described in *Chapter 16 on Grants*;
- Accounting Principles in respect of Borrowings (Loans Received) shall be the same as what is described in *Chapter 17 Borrowings (Loans Received)*;
- Accounting Principles in respect of Investments and accrual of interest shall be the same as what is described in *Chapter 19 on Investments*;
- Accounting Principles in respect of fixed assets and depreciation provisioning shall be the same as what is described in *Chapter 20 on Fixed Assets*;
- Accounting Principles in respect of loans and advances shall be the same as what

is described in *Chapter 22 on Loans and advances*;

## **ACCOUNTING RECORDS AND PROCEDURES**

23.4 *This section describes the records, registers, documents, forms, accounting entries, etc., in respect of accounting for transactions related to Special Transactions. For the purpose of accounting the Form SPL-1 is specific to Grants provided to the School Boards or other undertakings established by the ULBs. This is annexed to this chapter*

23.5 The Accounts Department shall maintain a Register in Form SPL-1 for Grants provided to Schools/other undertakings. The details of the grants sanctioned shall be recorded in the Grants to Schools/other undertakings register. This Register shall be updated for each payment of the grant.

### **Creation of Fixed Assets by an Executing Agency**

23.6 Under certain schemes sanctioned by the State Government, the ULBs may have assets created by an executing agency, on their behalf. These projects may be funded by one or more of the following sources:

- a. Loans;
- b. Grants from State Government; or
- c. Own contribution, i.e., contribution by the ULBs. In accordance with a scheme sanctioned, the ULBs may raise a loan for the purpose of execution of an approved project. The loan may either be disbursed to the ULBs, which will then utilise it for execution of the scheme (accounting procedure and accounting entries in respect of which has been described in Chapter 18 on Borrowings (Loans Received), or may be disbursed directly to an executing agency. Likewise, Grants may be either disbursed to the ULBs (accounting procedure and accounting entries in respect of which has been described in Chapter 16 on Grants) or may be disbursed directly to an executing agency.

23.7 This section describes the accounting procedures and entries in situations in which loans and grants are disbursed directly to an executing agency on behalf of an ULB. There could be situations in which a large project is executed by an executing agency for the common benefit of more than one ULB. In this Chapter the accounting entries in respect of a particular ULB's share in such situation is also explained.

23.8 This is explained with the help of an illustration. Suppose a Water Works Scheme for Rs. 1.5 crores is sanctioned of which Rs. 1 crore would be receivable as loan and Rs. 40 lakhs as grant from State Government and the balance would be contributed by the ULB. The said scheme would be executed by an independent organisation i.e. the executing agency, on behalf of the ULB. The amount of loan and grant would be directly disbursed to the executing agency and the ULB would also remit its own contribution to the executive agency. The scheme of entries outlined below shall be passed for all projects executed by an

executing agency in respect of which funds are directly disbursed to the executing agency.

23.9 Recording of direct disbursement of Loan: On receipt of intimation of disbursement of loan to an executing agency, 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
460-50-(a)	Advance against Project*	Dr.	1,00,00,000		Journal Book, Ledger,
331-(b)	To Loans **	Cr.		1,00,00,000	

\* Specify name of the Project under execution and the Executing Agency executing it.

\*\* Specify the institution from which the funds have been borrowed or any other distinguishing feature of the loan raised for easy identification. In the case of Secured loans the code to be used is 330 instead of 331.

(a) Insert Minor Head Codes of Account as applicable

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

*Note: The postings in the Ledger Accounts of "Advance against Project Account and " Loan " 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.*

23.10 Recording of direct disbursement of Grant. For grants disbursed directly to the executing agency, on receipt of intimation from the government or executing agency, 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
460-50-(a)	Advance against Project*	Dr.	40,00,000		Journal Book, Ledger,
320-20-(a)	To Grants for Specific Purposes	Cr.		40,00,000	

\* Specify name of the Project under execution and the Executing Agency executing it.

(a) Insert Detailed Head Codes of Account as applicable

23.11 Recording of remittance of ULBs own contribution. In accordance with the terms of a sanctioned scheme, funds may be remitted by the ULBs as their contribution to executing agency. 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
460-50-(a)	Advance against Project*	Dr	10,00,000		Cash Book, Ledger,
450-21-(a)	To Bank Account**	Cr.		10,00,000	

\* Specify name of the Project under execution and the Executing Agency executing it.

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

(a) Insert Detailed Head Codes of Account as applicable

23.12 Recording of accrual and payment of interest. Interest on funds borrowed shall be accrued and paid as per the terms of the agreement. In such cases, the interest amount is paid to the executing agency, which in turn would pay to the lender. For accounting of interest accrued and its subsequent payment, the Accounts Department shall pass the following entries:

a. On accrual of interest :

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)	Advance against Project*	Dr	10,00,000		Journal Book, Ledger,
350-12-(a)	To Interest Liability on Projects	Cr.		10,00,000	

\* Specify name of the Project under execution and the Executing Agency executing it.

(a) Specify the Detailed Head Code of Account as applicable

b. On payment of interest

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
350-12-(a)	Interest Liability on Projects	Dr.	10,00,000		Cash Book, Ledger,
450-21-(a)	To Main BankAccount*	Cr		10,00,000	

\* Specify name of the bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

23.13 Recording of repayment of loan. In such cases, loan instalments may be paid to the executing agency for further payment to the lender. On payment of loan instalment, 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
331-(a)	Loans*	Dr.	10,00,000		Cash Book, Ledger
450-21-(b)	To Bank Account**	Cr.		10,00,000	

\* Specify the institution from which the funds have been borrowed or any other distinguishing feature of the loan raised for easy identification.

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

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

(b) Insert Detailed Head Codes of Account as applicable

23.14 Recording of capitalisation of asset under construction. On completion of construction and on receipt of Work Completion Certificate from the executing agency, for capitalisation of the work executed, 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	Dr.	1,60,00,000		Journal Book, Ledger,
460-50-(b)	To Advance against Project*	Cr.		1,60,00,000	

\* Specify name of the Project under execution and the Executing Agency executing it.

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

(b) Insert Detailed Head Codes of Account as applicable

23.15 Recording of completion of construction and capitalisation: On completion of construction and on capitalisation of the fixed asset, the amount received as Grant shall be transferred to the Grant Fund. 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
320-20-(a)	Grants for Specific Purposes	Dr.	40,00,000		Journal Book, Ledger, Grant to Schools/other undertakings register
312-10-(a)	To Capital Contribution	Cr.		40,00,000	

(a) Insert Detailed Head Codes of Account as applicable

### Revolving Fund

23.16 ULBs maybe required to open a separate designated bank account for depositing funds (usually both loans, grants), received from State Government, both loans and grants, aimed towards development of ULBs through creation of fixed assets. Further, the ULBs may be required to contribute certain percentage of the project cost towards the scheme sanctioned, which shall be deposited in the designated bank account.

23.17 The amount deposited in the designated bank account shall be utilised only for the purposes specified in the scheme sanctioned. Interest on loan and repayment of loan instalment shall be made from the Designated Revolving Fund Bank Account. The deficit in the designated bank account, if any, shall be met from the ULBs Main Bank Account.

23.18 This is explained with the help of an illustration. Suppose a Scheme has been formulated under a special programme approved by the Government for construction of a public facility. The cost of the project is Rs. 1 crore of which Rs. 25 lakhs would be received as loan and Rs. 15 lakhs as grant from State Government. The ULBs shall contribute the balance. The amount received as loan and grant together with ULBs own contribution shall be deposited in a separate designated bank account. The scheme of entries outlined below shall be passed for any other project executed under any other Revolving Fund.

23.19 Recording of receipt of Loan :The accounting procedures in relation to loan received from the State Government, payment of interest accrued on loan and repayment of loan has been described in Chapter 18 on Borrowings (Loans Raised). On receipt of loan, 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)	Bank Account *	Dr.	25,00,000		Cash Book, Special Fund Register, Register of Loans
331-(b)	To Loans**	Cr.		25,00,000	

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

*\*\*Specify the institution from which the funds have been borrowed or any other distinguishing feature of the loan raised for easy identification. Also specify the name of the project.*

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

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

23.20 Recording of receipt of Grant On receipt of grant from the Government, 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 Revolving Fund Bank Account*	Dr.	15,00,000		Cash Book, Ledger, Special Fund Register
311-(b)	To Revolving Fund**	Cr.		15,00,000	

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

*\*\* Specify the name of the Fund*

(a) Insert Detailed Head Codes of Account as applicable

(b) Insert the Minor and detailed Head as applicable

23.21 Recording of remittance of ULB' s own contribution. Contribution of the ULBs shall be transferred from the Main Bank Account to the Designated Revolving Fund Bank Account. On transfer of funds, the Accounts Department shall pass the following entries:

a. For transfer of funds from Municipal Fund to Revolving Fund

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 Revolving Fund Bank Account*	Dr.	60,00,000		Cash Book, Ledger, Special Fund Register
450-21-(a)	To Bank Account *	Cr.		60,00,000	

\*Specify name of the bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

23.22 ULBs may execute/operate the scheme by employing its own resource or outsourcing through tender. The accounting procedures and accounting entries in relation to following have been described in Chapter 18 on Special Funds read with Chapter 11 on Public Works:

- a. Receipt of Earnest Money Deposit (EMD) from the bidders and its refund to unsuccessful bidders;
- b. Conversion of EMD of successful bidder into Security Deposit and receipt of Security Deposit in advance;
- c. Provision of Advance to the contractor;
- d. Bills raised by the contractor for work executed and recording of capital work-in-progress;
- e. Payment of bills raised by the contractor after deducting Security Deposit; and
- f. Refund of Security Deposit received/deducted from the running account bills.

23.23 Any money received, including Security Deposits received from the tenants, from the properties constructed under the scheme shall be deposited in the Designated Revolving Fund Bank Account. If any revenue earned is credited to the Main Bank Account, the Accounts Department shall, at the end of every month, identify the transactions pertaining to the Revolving Fund and transfer the equivalent amount from the Main Bank Account to the Designated Revolving Fund Bank Account. Correspondingly, an equivalent amount shall be transferred from Municipal Fund to Revolving Fund. The accounting procedure and accounting entry with reference to these has been described in Chapter 18 on Special Funds.

23.24 Recording of payment of interest and repayment of loan. Interest up to the date of completion of construction of the qualifying fixed asset shall be capitalised and added to the cost of fixed asset. Both the payment of interest and repayment of loan shall be made from the Designated Revolving Fund Bank Account. In case of deficit in the designated bank account, payment shall be made from the Main Bank Account. The Accounts Department shall pass the following entries:

- a. Payment of Interest

i. For recording interest accrued

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	Dr.	1,50,000		Cash Book, Ledger, Special Fund Register
350-12-(b)	To Interest payable on Revolving Fund Loan	Cr.		1,50,000	

(a) Insert the Minor & detailed Head as applicable

(b) Insert Detailed Head Codes of Account as applicable

ii. For recording payment of interest:

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
350-12-(a)	Interest payable on Revolving fund Loan	Dr.	1,50,000		Cash Book, Ledger, Special Fund Register
450-41--(a)	To Designated Revolving Fund Bank Account	Cr.		1,50,000	

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

(a) Insert Detailed Head Codes of Account as applicable

b. Repayment of Loan

i. Recording repayment of loan made from Designated Revolving Fund Bank Account

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
331-(a)	Loans	Dr.	5,00,000		Cash Book, Ledger, Special Fund Register, Register of Loans
450-41-(b)	To Designated Revolving Fund Bank Account*	Cr.		5,00,000	

*\*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

ii. Recording of repayment of loan made from Main Bank Account in case of deficit in Designated Revolving Fund Bank Account:

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
311-(a)	Loans	Dr.	1,00,000		Cash Book, Ledger, Register of Loans
450-21-(b)	To Bank Account*	Cr.		1,00,000	

*\*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

23.25 Recording of capitalisation of capital work-in-progress:

On completion of construction and on capitalisation of capital work-in-progress 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
410-(a)	Fixed Assets (Name of the Fixed Asset)	Dr.	1,01,50,000		Journal Book, Ledger,
412-(a)	To Capital Work in Progress	Cr.		1,01,50,000	

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

Notes:

Fixed Assets of a particular class shall be accounted under; one broad fixed asset account head. For instance, ULBs may have more than one hospital building, then all the hospital buildings shall be recorded under one broad head of Buildings – Hospitals (Code of Account 4-10-(a)). Any new hospital building constructed, while it shall be recorded in a separate folio in the Register of Buildings, it shall be incorporated under the account head "Buildings – Hospitals"

23.26 Recording of transfer to Special Fund (Utilised) and Grant Fund. On completion of construction and on capitalisation of capital work-in-progress account, the Accounts Department shall transfer an amount equivalent to the amount of ULB' s contribution and loans repaid from the Designated Revolving Fund Bank Account from Revolving Fund to Special Fund (Utilised) and grant to Grant Fund 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
311-(a)	Revolving Fund	Dr.	75,00,000		Journal Book, Ledger, Register of Loans
312-10-(b)	To Capital Contribution	Cr.		15,00,000	
312-30-(b)	To Special Fund (Utilised)	Cr.		60,00,000	

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

(b) Insert Detailed Head Codes of Account as applicable

Note: ULBs own contribution of Rs. 60 lakhs shall be transferred to Municipal Fund and Grant received Rs. 15 lakhs to Grant Fund.

### Investment of revolving funds

23.27 Investments made from Revolving Fund shall be entered in Special Funds Register maintained in SF-1 (provided in Chapter 18 on Special Funds) and in a Special 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 funds 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 discussed in Chapter 19 on Investments.

23.28 Where the ULBs are required to furnish any Statement of Utilisation to the concerned authorities, the requisite details shall be collated from the books of accounts maintained by the Accounts Department.

## GRANTS GIVEN TO SCHOOL BOARDS OR OTHER UNDERTAKINGS:

23.29 ULBs may provide grants to The Municipal School Board or any other undertaking. ULB may provide the following recurring and non-recurring grants

- a. Revenue grant in the form of reimbursement of monthly expenses of the School Board or other undertakings;
- b. Revenue grant for any other revenue expenditure of the Board or other undertakings, etc.
- c. Capital grant for purchase/construction/modifications of any assets of the schools or undertakings;

23.30 The accounting entries in the books of the ULBs relating to the grants given are as follows:

- i. Recording of revenue grants either as reimbursement of the monthly expenses or towards any other revenue expenses:

Code of Account	Accounting Entry	Dr./ Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
260-10-(a)	Grant to School Board or other undertaking *	Dr.	45,000		Cash book, Ledger, Register of Grants to Schools/other undertakings
450-21-(a)	To Bank account**	Cr.		45,000	

\* Specify the name of the School Board or other undertaking

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

(a) Insert Minor Head Codes of Account as applicable

23.31 The accounting entries for recording of capital grants given for the purchase/construction/modification of the School Boards or other undertakings shall be the same as explained above.

## CONTRIBUTIONS MADE ULBs IN CREATION OF ASSETS NOT OWNED BY THE ULBs

23.32 ULBs may contribute as its share in some projects, which are created by external agencies. For e.g. contribution in any infrastructure projects like multi-modal transport. In such cases ULB does not have any ownership rights on the assets.

23.33 Recording of remittance of ULB' s own contribution. In accordance with the terms of understanding, funds may be remitted by the ULBs as their contribution to the executing agency.

23.34 With regard to the payment 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
260-20-(a)	Contributions to Projects	Dr.	25,000		Cash Book, Ledger
450-21-(a)	To Bank Account*	Cr.		25,000	

\* Specify the name of Account Number of the Bank

(a) Insert Detailed Head Codes of Account as applicable

## JOINT VENTURE

23.35 ULBs may also be involved in Joint venture projects. The investment in a joint venture shall be treated as an investment of the ULB. If investments are in kind like contribution land for development, the accounting treatment to be adopted will depend on agreement between parties. Public private partnerships are one form of joint ventures.

23.36 The Accounting procedures and principles for joint venture investments shall be same as explained in Chapter 19 on Investments.

23.37 Public Private Partnership (PPP) is an effective means of establishing cooperation between public and private actors and to bundle financial resources, know-how and expertise to address these urban environmental needs. PPPs offer alternatives to full privatisation, combining the advantages of both the public and the private sector. Public Private Partnership is evolved for development of various projects.

23.38 Some of the areas in which PPPs are evolved are listed below:

- Solid Waste Management
- Water supply
- Street Lighting
- Maintenance of Roads & Bridges
- Sewerage
- Parks
- Commercial complexes
- Markets
- Bus Shelters

23.39 A brief of a notable PPP initiative of ULBs is provided below: Alandur Municipality Alandur Municipality is situated on the southern boundary of the City of Chennai. Alandur has been the first municipality in the country where initiative has been taken to finance, develop and implement the sewerage project on commercially viable basis by using Public Private Partnership (PPP) as an option.

The major components of the project are:

- Sewerage network consisting of a main sewer line, branch sewer lines and manholes
- Sewerage pumping station and
- Sewerage treatment plant

The work of the proposed project was carried out in two phases.

First Phase: A sewage treatment plant was commissioned

Second Phase: A sewage collection system was introduced and operated through a Contractor for a defined period as per the contract entered into. The sewerage treatment plant was on build, operate and transfer (BOT) basis. The BOT operator is expected to make capital investment for the treatment plant and recover it over a period of 15-20 years. The collection of tariff and provision of new connections during O&M phase would be undertaken by the municipality directly.

#### **PERIOD END PROCEDURES**

23.40 The period end procedure for work executed but in respect of which bills have not been paid shall be the same as described in Chapter 11 on Public Works.

23.41 The period end procedure for materials received but in respect of which bills have not been paid and valuation of closing stock shall be the same as described in Chapter 12 on Stores.

23.42 At the end of the accounting period, for work executed relating to Grants, the Accounts Department shall pass the entries referred to in Chapter 16 on Grants.

23.43 At the end of the accounting period, the Accounts Department shall, for the interest accrued on loans raised, pass the accounting entries referred to in Chapter 17 on Borrowings (Loans Raised).

23.44 At the end of the accounting period, for the value of work executed pertaining to special fund/revolving fund, the accounts department shall pass the accounting entries referred to in chapter 18 on special funds.

#### **INTERNAL CONTROLS**

23.45 The following internal controls shall be observed by the ULBs:

- a. At the end of the financial year, the Accounts Department shall send a balance confirmation statement to the executing agency stating therein the amount paid by the ULBs towards repayment of loan and payment of interest. Further, the Statement shall state the balance amount of loan repayable as per the ULB's records. On the basis of reply received, the Accounts Department shall reconcile the difference, if any, as reported by the executing agency.
- b. The Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department shall ensure that the balance in the Designated Revolving Fund Bank Account is utilised for the purpose specified in the scheme. He shall also ensure that any revenue derived from the properties constructed under the scheme is deposited in the Designated Revolving Fund Bank Account.
- c. At the end of every month, the Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department or other officer

designated in this behalf shall reconcile the ledger balance of the Revolving Fund Account with the records maintained in Special Fund Register and the Revolving Fund Bank Account balance.

- d. The Head of the Executive Officer/Secretary & in case of Municipal Corporation the Accounts Department shall, at all times, ensure that the balances in the Designated Revolving Fund Bank Account is adequate to discharge the Security Deposit liability when due for payment.
- e. In case of deficit in the Designated Revolving Fund Bank Account, ULBs shall ensure that the same is made good from the Main Bank Account at the earliest.
- f. The Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department shall ensure deposit of any revenue received from the properties constructed under the terms of Revolving Fund in the Designated Revolving Fund Bank Account. In case any such sum is erroneously deposited in any other bank account, the same shall, immediately on knowledge of such error, be transferred to the designated bank account from that bank account.
- g. The Commissioner/ Executive Officer/ Secretary of the ULB shall specify such appropriate calendar of returns /reports for monitoring.

23.46 All the reconciliation statements shall be certified by the Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department.

#### **PRESENTATION IN FINANCIAL STATEMENTS**

23.47 The various heads of accounts used for the accounting of Special Transactions shall be reflected in the Financial Statements or the Schedules attached to the Financial Statements of the ULBs. All such Financial Statements and schedules should be affixed with signature and seal of the Commissioner or any authority as authorised by him in this behalf and in case of other ULBs the Executive Officer/Secretary .

23.48 The schedule of Income and Expenditure Statement in respect of Special Transactions is provided below.

### Schedule I-13: Schedule of Interest & Finance Charges

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
240-10-(a)	Interest on Loans from Central Government		
240-20-(a)	Interest on Loans from State Government		
240-30-(a)	Interest on Loans from Government Bodies & associations		
240-40-(a)	Interest on Loans from International Agencies		
240-50-(a)	Interest on Loans from Banks & Other Financial		
240-60-(a)	Other Interest		
240-70-(a)	Bank Charges		
240-80-(a)	Other Finance Expenses		
	<b>Total Interest &amp; Finance expenses</b>		

(a) Insert Detailed Head Codes of Account as applicable  
Details of any other interest and financial charges incurred, which has not been disclosed specifically, shall be collated and disclosed under Other Charges, provided the amount does not exceed the disclosure limits prescribed in the Accounts Manual

### Schedule I – 15 Schedule of Revenue Grants, Contributions and Subsidies –Expenses

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
260-10-(a)	Grants (give details)		
260-20-(a)	Contributions (give details)		
260-30-(a)	Subsidies (give details)		
	<b>Total.</b>		

(a) Insert Detailed Head Codes of Account as applicable

23.49 The Balance Sheet abstract in respect of Special Transactions is provided below.

### Schedule B-2: Revolving Fund

Particulars	Revolving Fund 1	Revolving Fund 2	Revolving Fund 3
(a) Opening Balance			
(b) Additions to the Revolving Funds			
(i) Transfer from Municipal Funds			
(ii) Interest/Dividend earned on Revolving Fund Investments			
(iii) Profit on disposal of Revolving Fund Investments			
(iv) Appreciation in Value of Revolving Fund Investments			
(v) Other addition (Specify nature)			
<b>Total (b)</b>			
<b>Total (a+b)</b>			
(c) Payments out of funds			
(i) Capital expenditure on			
Fixed Assets*			
Others			

<b>Total</b>			
<b>(ii) Revenue Expenditure on</b>			
Salary, Wages and allowances etc.			
Rent			
Other administrative charge			
<b>Total</b>			
<b>(iii) Other:</b>			
Loss on disposal of Revolving Fund Investments			
Diminution in Value of Revolving Fund Investments			
Transferred to Municipal Fund			
<b>Total</b>			
<b>Total (c)</b>			
<b>Net balance at the year end – (a)+(b)-(c)</b>			



**Schedule B-4: Grants & Contributions for Specific Purposes**

Particulars	Grants from Central Government	Grants from State Government	Grants from Other Government Agencies	Grants from Financial Institutions	Grants from Welfare Bodies	Grants from International Organisation	Others
(a) Opening Balance							
(b) Additions to the Grants							
(i) Grant received during the year							
(ii) Interest/Dividend earned on Grant Investments							
(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>Total</b>							
<b>(ii) Revenue Expenditure on</b>							
Salary, Wages and allowances etc							
Rent							
Other administrative charges							
<b>Total</b>							
<b>(iii) Other:</b>							
Loss on disposal of Grant Investments							
Diminution in Value of Grant Investments							
Grants Refunded							
<b>Total</b>							
<b>Total (c)</b>							
<b>Net balance at the year end – (a)+(b)-(c)</b>							

Note: Grants received in respect of Fixed assets created on behalf of the ULBs by an executing agency, from the funds directly disbursed to them by the Government shall be presented separately in above schedule

**Schedule B-3: Reserves**

Code No.	Particulars	Opening Balance at the beginning of the year (Rs.)	Additions (Rs.)	Total (Rs.)	Deductions (Rs.)	Balance outstanding at the end of the current year (Rs.)
312-10-(a)	Capital Contribution					
312-30-(a)	Special Fund (Utilised)					
	<b>Total</b>					

(a) Insert Detailed Head Codes of Account as applicable

**Schedule B-5: Secured & Unsecured Loans [Code No 330/331]**

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
330/31-10	Loans from Central Government		
330/31-20	Loans from State government		
330/31-30	Loans from Govt. bodies & Associations		
330/31-40	Loans from international agencies		
330/31-50	Loans from banks & other financial institutions		
330/31-60	Other Term Loans		
330/31-70	Bonds & debentures		
330/31-80	Other Loans		
	<b>Total Secured/Un Secured Loans</b>		

Note:

1. The nature of the Security shall be specified in each of these categories
2. Particulars of any guarantees given shall be disclosed
3. Terms of redemption (if any) of bonds/debentures issued shall be stated, together with the earliest date of redemption
4. Rate of Interest and Original Amount of loan and outstanding can be provided for every Loan under each of these categories separately;
5. For loans disbursed directly to an Executing Agency, please specify the name of the Project for which such loan is raised.

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

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

(a) Insert Detailed Head Codes of Account as applicable

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

<b>Code No.</b>	<b>Particulars</b>	<b>Current Year Amount (Rs.)</b>	<b>Previous Year Amount (Rs.)</b>
460-30-(a)	Loans to Others		
460-50-(a)	Advance for Projects		
	<b>Total</b>		

(a) Insert Detailed Head Codes of Account as applicable

REGISTER OF GRANTS TO SCHOOLS/OTHER UNDERTAKINGS

Sr. No	Date	Name and nature of the Grant given	Name of the School Board/Other Undertaking receiving the grant	Period of the Grant	Sanctioned Amount (Rs.)	Sanctioned by	Date of release of the grant	Key Conditions attached to the Grant	Remarks

Not:

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







