

## CHAPTER 29

### RECONCILIATION PROCEDURES

#### **INTRODUCTION**

29.1 This chapter describes the reconciliation procedures to be carried out periodically in respect of accounts by the Urban Local Body (ULB).

29.2 The objective of the reconciliation procedures is to ensure that if an accounting information is recorded at more than one place, there are no discrepancies between the different sets of records. For example, property tax transactions are recorded both at the Tax Department and at the Accounts Department. The recommended reconciliation procedures will ensure that the receivables figure is the same at both the locations and in both the sets of records. In case of differences, necessary adjustments may need to be carried out either by the Accounts Department or the Tax Department.

29.3 The reconciliation procedures are to be carried out by the Accounts Department, Audit Department and the concerned departments.

29.4 The procedures will include the following:

- a. Bank Reconciliation,
- b. Inter-unit reconciliation,
- c. Reconciliation of deposits,
- d. Reconciliation of receivables and collections in respect of:
  - i. Water supply;
  - ii. Property and other taxes;
  - iii. Cess;
  - iv. Other heads of revenues.
- e. Reconciliation of advances to:
  - i. Contractors/suppliers;
  - ii. Departments of the ULB; and iii. Employees of the ULB.
- f. Reconciliation of loans received (borrowings) ,

- g. Reconciliation of payables including contractors' payables,
- h. Reconciliation of balances with Government, quasi-Government agencies, Government Corporations, and
- i. Reconciliation of loans given to others
- j. Reconciliation of the accounts for the income and expense heads falling under the following categories with the Function wise Income / Expense Subsidiary Ledgers maintained at the Accounts Department in respect of those categories:
  - i. Fees & User Charges,
  - ii. Sale & Hire Charges,
  - iii. Establishment Expenses,
  - iv. Administrative Expenses, and
  - v. Repairs & Maintenance Expenses.

### **BANK RECONCILIATION**

29.5 Bank Reconciliation is a procedure which aims at reconciling the bank balance as shown in the Cash Book (Form GEN - 1) of the ULB with the bank balance as per the pass book/statement received from the bank. The Bank Reconciliation shall be carried out on a monthly basis or such other shorter time intervals as the ULB may decide for each of the bank accounts maintained by the ULB.

29.6 The bank balances as per the Cash Book and the Pass Book may not tally for the reasons listed in Table 29.1.

**Table 29.1**  
**Factors necessitating Bank Reconciliation**

Reconciliation factors	balance	Effect on bank balance as per Pass Book
Cheques issued but not presented for payment	Bank balance reduces by that amount	No effect
Cheques deposited but not cleared	Bank balance increases by that amount	No effect
Cheques received but not deposited	Bank balance increases to the extent of cheque received but not deposited	No effect
Debit of charges by bank for any services rendered	No effect	Bank balance reduces to the extent of charges levied
Direct deposit of amount in the bank account	No effect	Bank balance increases to the extent of deposit
Interest allowed and credited by the Bank	No effect	Bank balance increases to the extent of interest credited
Payment by the bank in respect of standing instructions given to the bank	No effect	Bank balance reduces to the extent of the payment made
Fixed Deposit or any other sum directly credited by bank to the account	No effect	Bank balance increases to the extent of money credited
Any other reason which may result in difference between bank balance as per Cash Book and Pass Book		

29.7 The procedure to be followed for reconciling the bank balance as per the Cash Book with the balance as per the Pass Book/Bank Statement is as under:

- a. The Bank Reconciliation shall be carried out on a monthly basis or at such shorter time intervals as the ULB may decide. In case the Bank Reconciliation is carried out monthly, it shall be completed within the first week of the next month.

#### **Receipt entries in the Cash Book**

- b. The credit entries in the Bank Pass Book shall be compared with the entries in the Receipt Register (Form GEN-9) and the entries appearing in both shall be ticked (4). The date when the cheques have been realised shall also be recorded in the Cheque Receipt Register.
- c. The daily total of cheques realised in the bank shall be derived from the Cheque Receipt Register and the total shall be tallied with the entry in the Cash Book.
- d. The unticked items represent the cheques received and deposited in the bank but not cleared for payment by the bank. Likewise, they may also represent those cases wherein cheques have been received but may not have been deposited with the bank.
- e. The unticked items shall appear in the Bank Reconciliation Statement (BRS) of that period. The entries appearing in the BRS shall be examined for credit in the subsequent period's Bank Pass Book and those items, which do not reconcile shall be carried forward to the next period's BRS.

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#### **Payment entries in the Cash Book**

- f. The debit entries in the Bank Pass Book shall be compared with the entries in the Cheque Issue Register (Form GEN-15) and the Cash Book and the entries appearing in both shall be ticked (4).
- g. The unticked item represents the cheques issued by the ULB but not presented to the bank for payment. Likewise, it may also represent those cases wherein cheques have been drawn and entered in the Cheque Issue Register but have not been issued to the payee.
- h. The unticked items in the Cash Book shall appear in the Bank Reconciliation Statement of that period. The entries appearing in the statement shall be traced for payment in subsequent period's Pass Book/Bank Statement and those which are not reconciled shall be carried forward to the next period's Bank Reconciliation Statement.
- i. All the cheques issued but not presented for payment within six months from their date of issue (or such shorter period as decided by the ULB) will become stale and shall be re-

debited to the relevant bank account with a corresponding credit entry in the Stale Cheques Account.

### **Other Entries in the Bank Pass Book/Bank Statement**

j. There may be instances of bank charging service charges/commission or making payment against the standing instructions issued by the ULB. Likewise, there may be instances of direct deposit with the bank by the debtor (e.g. property tax) or credit of interest by the bank. These entries in the first instance are recorded only in the Pass Book and later incorporated in the Cash Book. Care should be taken for identifying such items at the time of reconciliation and subsequently recording them in the Cash Book. Identification of bank charges entries in the Pass book is more important as these are identified only from the process of Bank reconciliation. Further, any unduly high bank charges shall also be identified and corresponded with the Bank for clarifications. It is to be ensured that all the Bank Charges entry identified in the process of reconciliation, shall be supported with the Bank's debit advice.

### **Bank Reconciliation Statement**

k. The unticked items both in the Pass Book and the Cash Book shall be extracted for reconciliation in the following format classified according to their nature:

**Table 29.2**

**Bank Reconciliation Statement for \_\_\_\_\_ Bank as on \_\_\_\_\_**

<b>Particulars</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>Bank Balance as per Cash Book</b>		
Add: Cheques issued but not presented into bank (a cheque-wise list to be appended)		
Add: Cheques drawn but not actually issued to parties (a list to be appended)		
Add: Cheque issued and payment stopped by ULB (a list to be appended)		
Add: Credits of investment proceeds in Bank (e.g. Fixed Deposits) accounted by the bank but not accounted for in Cash Book		
Add: Amount (Cash or Cheque) deposited by the depositor(s) into bank but not accounted for in Cash Book		
Add: Credit given by Bank either for interest or for any other account but not accounted for in Cash Book		
<b>Sub-total</b>		
Less: Cheques Deposited but not cleared		
Less: Payments directly made by the bank but not accounted for in Cash Book		
Less: Cheques deposited but dishonoured		
Less: Service Charges / Bank Charges or any other charge levied by the Bank but not accounted for in Cash Book		
<b>Bank Balance as per Pass Book/Bank Statement</b>		

29.8 Details of the difference shall be given under each of the broad heads depicted above with a serial listings of all the cheques deposited with the bank or issued for payment, to the extent possible. Any other factor impacting the bank balance as per the Cash Book and Pass Book should

be appropriately stated. .

**RECONCILIATION OF INTER – UNIT TRANSACTIONS**

29.9 Reconciliation of inter unit transactions is intended to identify the disputed / unaccepted inter unit transactions between an ‘originating AU’ and the ‘responding AU’ and take appropriate action for rectification. Further, reconciliation of inter unit account is necessary in the process of consolidation of ULB at the head office level as the balances of inter unit account balances shall be nullified. The process of inter unit account reconciliation is as follows:

i. The individual units shall generate the statement of accounts of other AUs for circulation to the respective AUs on a monthly basis or such other shorter time intervals as the ULB may decide. On receipt of the statement of accounts, the individual accounting units shall compare the balances as per their books and prepares reconciliation statement in the format given below in table 29.3 for any differences.

ii. Further, on a half-yearly basis or such other shorter time intervals as the ULB may decide, the reconciliation statements prepared by the individual accounting units shall be submitted to the Head office of the ULB. Based on review of the reconciliation statements of the individual AUs, the Head of the accounts department shall ensure that the all the reconciliation items are actioned and combined balance under all IUT account heads are tallied with the balance appearing in the Register of Inter Unit Transfer. In case of any disputed inter unit transactions identified during the reconciliation process, the ULBs’ accounts department shall take appropriate action in resolving the disputed IUTs.

**Table 29.3**  
**Name of Urban Local Body of \_\_\_\_\_ Name of Accounting Unit \_\_\_\_\_**

**Inter Accounting Unit Reconciliation Statement**  
**for the period.....**

Particulars	Amount (Rs.)		Remarks (Accepted/ Unacceptable)
	Debit	Credit	
Balance as per our books of account			
Add/ Deduct:	Add in debit balance	Deduct from credit balance	
ATCs raised by us but not accounted for by responding AU	Deduct from debit balance	Add in credit balance	
Add/ Deduct:	Add in debit balance	Deduct from credit balance	

ATDs raised by us but not accounted for by responding AU	Deduct from debit balance	Add in credit balance	
Add/ Deduct:	Deduct from debit balance	Add in credit balance	
ATCs raised by other AU but not received by us	Add in debit balance	Deduct from credit balance	
Add/ Deduct:			
ATDs raised by other AU but not received by us			
Add/ Deduct:			
ATDs received by us but not accounted for			
Add/ Deduct:			
ATCs received by us but not accounted for			
Balance as per Other AU (credit/ debit)			
Prepared by : Checked by :	Approved by :		

Note: Details of the difference shall be given under each of the broad heads depicted above with a serial listings of Advise Number, Date and Description

## **RECONCILIATION OF DEPOSITS**

29.10 Reconciliation of Deposits aims at reconciling the balance of Earnest Money Deposit, Security Deposit and any other deposits received by the ULB. The reconciliation shall be carried out between the records maintained at other departments and those maintained at the Accounts Department.

29.11 The Deposit Reconciliation shall be carried out quarterly or at such shorter time intervals as the ULB may decide.

29.12 The Department which had received the deposits shall prepare a Reconciliation Statement of Deposits Outstanding from the Deposit Register (Form GEN-18) in the format provided in Table 29.4 below for all the deposits received by it and forward it to the Accounts Department. This statement shall be prepared for each type of deposit. In case there is a discrepancy between the records of the two, this statement may have to be prepared for each contractor/supplier.

**Table 29.4**  
**Reconciliation Statement of Deposits Outstanding with the ULB**  
**Received by \_\_\_\_\_ Department as on \_\_\_\_\_**

<b>Particulars</b>	<b>Amount (Rs.)</b>
Deposits outstanding at the beginning of the accounting period	
Add: Deposits received during the current accounting period (specify all the Statement of Collections through which deposit has been received)	
Less Deposits returned during the current accounting period (specify all the Payment Orders through which the deposit has been refunded)	
Less Deposits Adjusted (Give details)	
Less Deposits Lapsed	
<b>Deposits outstanding at the end of the accounting period</b>	

29.13 The balances computed above would be reconciled with the balances for Deposits shown in the Ledger of the Accounts Department and the Deposit Register (Form GEN-18) maintained by the concerned departments. The reasons for differences, if any, shall be identified and rectification entries passed wherever required by the department, which has recorded the entry incorrectly.

## **RECONCILIATION OF RECEIVABLES AND COLLECTIONS**

29.14 The receivables and collections shall be reconciled on a quarterly basis or such other

shorter time intervals as the ULB may decide. The procedure for reconciling the outstanding balance of receivables and collections shall be the same for all kinds of receivables, viz.:

- a. Water Supply receivables;
- b. Property Tax receivables;
- c. Cess receivables;
- d. Receivables on account of other heads of revenues.

29.15 For instance, for reconciling water supply receivables and collections, the following shall be done:

- a. The Water Supply Department based on their records, especially the Demand Register (Form WS-1) and the Collection Register (Form WS-2) shall ascertain the information required in Table 29.5 below and forward the details to Accounts Department.

**Table 29.5**

**Reconciliation Statement of Receivables and Collection**

Details for \_\_\_\_ Department as on \_\_\_\_

Sr. No.	Particulars	Amount (Rs.)	Amount (Rs.)
<b>A</b>	<b>OPENING BALANCE OF DEMAND OUTSTANDING</b>		
I	Demand outstanding in respect of the previous quarters/accounting periods of the current accounting year		
II	Demand outstanding in respect of previous accounting years (This detail should be given year-wise, wherever applicable)		
<b>B</b>	<b>Add: Demand raised during the current Quarter/Period</b>		
<b>C</b>	<b>TOTAL DEMAND OUTSTANDING</b>		
<b>D</b>	<b>COLLECTIONS DURING THE CURRENT QUARTER/PERIOD</b>		
i.	Collection of demand pertaining to current quarter/accounting period		
ii.	Collection of demand pertaining to previous quarters/accounting periods of the current accounting year during the		

	current quarter/accounting period		
iii.	Collection of demand pertaining to demand for the previous accounting years collected during the current quarter/accounting period (This detail should be given year-wise, wherever applicable)		
iv.	Collection in advance pertaining to future accounting periods		
<b>E</b>	<b>Total collections during the current quarter/accounting period (i + ii + iii + iv)</b>		
<b>F</b>	<b>CLOSING BALANCE OF DEMAND OUTSTANDING</b>		
i.	Demand outstanding in respect of the current quarters/accounting periods [B – D(i)]		
ii.	Demand outstanding in respect of the previous quarters/accounting periods of the current accounting year [A(i) – D(ii)]		
iii.	Demand outstanding in respect of previous accounting years (This detail should be given year-wise, wherever applicable) [A(ii) – D(iii)]		

29.16 The Reconciliation Statement received by the Accounts Department shall be reconciled with the respective ledger accounts maintained by the Accounts Department. The reasons for differences, if any, shall be identified and rectification entries passed wherever required by the department, which has recorded the entry incorrectly.

**RECONCILIATION OF ADVANCES GIVEN**

29.17 This section describes the reconciliation procedure to be followed on a quarterly basis or such shorter intervals as the ULB may decide for reconciling the advances given to, namely:

- a. Contractors/Suppliers;
- b. Departments of the ULB; and
- c. Employees of the ULB.

**Reconciliation of advance given to Contractors/Suppliers**

29.18 The concerned Department shall maintain a record of the advances given to each of the contractors/suppliers. The Accounts Department shall also maintain a record of the advances provided in a Register of Advances (Form GEN-16).

29.19 The Department which had initially sanctioned advance to the contractor/supplier shall prepare a Reconciliation Statement of Advance Outstanding in the format provided in Table 29.6 below for all the contractors/suppliers and forward it to the Accounts Department. In case there is a discrepancy between the records of the two departments, this statement may

**Table 29.6**

**Reconciliation Statement of Advance Outstanding provided to Contractor/Supplier**

by \_\_\_\_\_ Department as on \_\_\_\_\_

<b>Particulars</b>	<b>Amount (Rs.)</b>
Advance outstanding at the beginning of the accounting period	
Add: Further advance given during the current accounting period (specify all the Payment Orders through which advance have been provided)	
<b>Total Advance Provided</b>	
Less : Advance recovered during the current accounting period (specify all the Statement of Collection through which advance had been recovered)	
Less : Advance Adjusted (Give details)	
<b>Advance outstanding at the end of the accounting period</b>	

29.20 The Reconciliation Statement of Advance Outstanding received by the Accounts Department shall be reconciled with the respective ledger accounts and the Register of Advances maintained by the Accounts Department. The reasons for differences, if any, shall be identified and rectification entries passed wherever required by the department, which has recorded the entry incorrectly.

**Reconciliation of advances given to Departments**

29.21 The departments receiving the advances from the Accounts Department shall maintain a record of the advances received by them in Register of Permanent Advance (Form GEN-17). The Accounts Department shall also maintain a record of the advances provided to the departments in a Register of Advance (Form GEN-16).

29.22 The head of the concerned department shall send to the Accounts Department a confirmation of the advances provided to his department stating the purpose for which it was provided in the format provided in Table 29.7 below. The confirmation received shall be tallied with the Register of Advances by the Accounts Department.

**Table 29.7**

**Reconciliation Statement of Permanent Advance provided to**

\_\_\_\_\_ Department as on \_\_\_\_\_

<b>Particulars</b>	<b>Amount (Rs.)</b>
Advance outstanding at the beginning of the accounting period	
Add: Further advance given /replenished during the current accounting period (specify all the Payment Orders through which advance have been provided/replenished)	
<b>Total Advance Provided</b>	
Less: Expenditure incurred against the advance provided	
<b>Advance outstanding at the end of the accounting period</b>	

29.23 The reasons for differences, if any, shall be identified and rectification entries passed wherever required by the department, which has recorded the entry incorrectly.

**Reconciliation of advance given to Employees**

29.24 The employees of the ULB may be provided with two kinds of advances namely - personal advance or miscellaneous advance.

29.25 The details of the personal advances granted to the employees shall be recorded in a Register of Advances in Form ES-2. The details of recovery of advances shall also be recorded in that Register. At the end of the accounting period, a confirmation statement shall be obtained from each of the employees to whom advance has been provided in the format provided in Table 29.8 below. The confirmation statement so obtained shall be reconciled with the record of the employees maintained at the Establishment Department, where a consolidated Statement of Advance provided to Employees shall be prepared and forwarded to the Accounts Department. The Accounts Department shall reconcile the total amount of advance provided with the control ledger accounts.

**Table 29.8**  
**Reconciliation Statement of Personal Advance provided to**  
**\_\_\_\_\_ (name of the employee) as on \_\_\_\_\_**

<b>Particulars</b>	<b>Amount (Rs.)</b>
Advance outstanding at the beginning of the accounting period	
Add Further advance given during the current accounting period (specify: all the Payment Orders through which advance have been provided/replenished)	
<b>Total Advance Provided</b>	
Less: Advance recovered including recovery from the salary during the current accounting period	
<b>Advance outstanding at the end of the accounting period</b>	

29.26 In case of miscellaneous advance provided to employees for incurring expenses in the course of performing the duties of office, a confirmation statement shall be obtained from the employee for the amount advanced stating therein, the expenditure already incurred together with its details and the balance remaining in hand, in the format provided in Table 29.9 below. The statement obtained shall be confirmed with the records maintained in the Register of Advances in Form GEN-16.

**Table 29.9**  
**Reconciliation Statement of Miscellaneous Advance provided to**  
**\_\_\_\_\_ (name of the employee) as on \_\_\_\_\_**

<b>Particulars</b>	<b>Amount (Rs.)</b>
Advance outstanding at the beginning of the accounting period	
Add: Further advance given during the current accounting period (specify all the Payment Orders through which advance have been provided /replenished)	
<b>Total Advance Provided</b>	
Less: Expenditure incurred against advance provided	
Less: Advance adjusted (Give details)	
<b>Advance outstanding at the end of the accounting period</b>	

29.27 In the case of any discrepancy, measures shall be taken for rectification of the discrepancies, by way of either recovery of advance or where there is an error in accounting, by passing the necessary accounting entries.

### **RECONCILIATION OF LOANS TAKEN**

29.28 The Accounts Department shall maintain a record of all the loans borrowed in Register of Loan (Form Loan - 1). At the end of each accounting year, the Accounts Department shall prepare and forward to the lender, a Confirmation Statement for loan borrowed in the format provided in Table 29.10 stating therein, the amount borrowed or disbursed directly to Executing Agency, the amount repaid and interest accrued and paid on the loan.

**Table 29.10**  
**Confirmation Statement of Loan borrowed from**

\_\_\_\_\_ (name of the lending agency) as on \_\_\_\_\_

<b>Particulars</b>	<b>Amounts in Rs.</b>	
<b>Loan outstanding at the beginning of the accounting year</b>		
Add: Instalments received during the accounting year		
<b>Sub-total loan outstanding</b>		
Less: Instalments paid during the accounting year		
<b>Net Loan outstanding at the end of the accounting year (A)</b>		
<b>Total Interest Payable at the beginning of the accounting year</b>		
Add: Interest accrued during the accounting year		
<b>Total Interest Payable</b>		
Less: Interest paid during the accounting year		
<b>Total Interest Payable at the end of the accounting year (B)</b>		
<b>Total amount due (principal plus interest) at the end of the accounting year (A+B)</b>		

29.29 Based on the reply received, the ULB shall take steps for reconciliation of the difference, if any.

**RECONCILIATION OF PAYABLES (SUPPLIERS AND CONTRACTORS)**

29.30 The concerned departments and the Accounts Department maintain a Register of Bill for Payment (Form GEN – 13) in which all bills submitted for payment are recorded. The concerned department shall ascertain the information required as per Table 29.11 below and forward the details to the Accounts Department.

**Table 29.11**  
**Reconciliation Statement of Payables**  
**Details for \_\_\_ Department as on \_\_\_**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>A</b>	<b>OPENING BALANCE OF UNPAID BILLS</b>		
i	Bill outstanding in respect of the previous quarters/accounting periods of the current accounting year		
ii	Bill outstanding in respect of previous accounting years (This detail should be given year-wise, wherever applicable)		
<b>B</b>	<b>Add : Bills received during the current quarter/period</b>		
<b>C</b>	<b>GROSS TOTAL LIABILITY OUTSTANDING (A+ B)</b>		
<b>D</b>	<b>PAYMENTS DURING THE CURRENT QUARTER/PERIOD</b>		
	<b>GROSS TOTAL LIABILITY OUTSTANDING (A + B)</b>		
i.	Payment of bills pertaining to current quarter/accounting period of the current accounting year		
ii	Payment of bills pertaining to previous quarters/accounting periods of the current accounting year during the current quarter/accounting period		
iii	Payment of bills pertaining to previous accounting years during the current quarter/accounting period (This detail should be given year-wise, wherever applicable)		
<b>E</b>	<b>Total payments during the current quarter/accounting period (i + ii + iii)</b>		
<b>F</b>	<b>CLOSING BALANCE OF UNPAID BILLS</b>		
i.	Bill outstanding in respect of the current quarters/accounting periods of the current accounting year [B – D(i)]		
ii	Bill outstanding in respect of the previous quarters/accounting periods of the current accounting year [A(i) – D(ii)]		
iii.	Bill outstanding in respect of previous accounting years (This detail should be		

	given year-wise, wherever applicable) [A(ii) – D(iii)]		
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29.31 The Reconciliation Statement received by the Accounts Department shall be reconciled with the respective ledger accounts maintained by the Accounts Department. The reasons for differences, if any, shall be identified and rectification entries passed wherever required by the department, which has recorded the entry incorrectly.

**RECONCILIATION OF BALANCES WITH GOVERNMENT, QUASI-GOVERNMENT AGENCIES, GOVERNMENT CORPORATIONS, ETC.**

29.32 Due to large number of transactions with various government, quasi-government and government owned agencies, it becomes imperative to reconcile the balances between the books of account of the ULB and the government/agencies.

29.33 At the end of each accounting year, the Accounts Department shall prepare and forward to the concerned authority/agency within 15 days from the end of the accounting year, a Confirmation Statement stating therein

- the amount receivable from the authority/agency in Table 29.12, or
- the amount payable to the authority/agency in Table 29.13,

depending on whether sum is receivable from or payable to the concerned authority/agency.

**Table 29.12**

**Confirmation Statement of balances receivable from \_\_\_\_\_ as on \_\_\_\_\_**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>A</b>	<b>AMOUNT OUTSTANDING AS AT THE BEGINNING OF THE ACCOUNTING YEAR</b>		
	Demand outstanding in respect of previous accounting years (This detail should be given year-wise, wherever applicable)		
<b>B</b>	<b>Add: Bills for Demand raised for Services rendered or Goods supplied during the current Accounting Year</b>		
<b>C</b>	<b>GROSS TOTAL DEMAND OUTSTANDING (A + B)</b>		
<b>D</b>	<b>COLLECTIONS RECEIVED DURING THE CURRENT ACCOUNTING YEAR</b>		
i	Collections pertaining to current accounting year		
ii	Collections pertaining to previous accounting years during the current accounting year (This detail should be given year-wise, wherever applicable)		
<b>E</b>	<b>Total collections made during the current accounting year (i + ii)</b>		
<b>F</b>	<b>CLOSING BALANCE OF DEMAND</b>		

	<b>OUTSTANDING</b>		
i	Demand outstanding in respect of the current accounting year [B – D(i)]		
ii	Demand outstanding in respect of previous accounting years (This detail should be given year-wise, wherever applicable) [A – D(ii)]		

**Table 29.13**

**Confirmation Statement of balances payable to \_\_\_\_\_ as on \_\_\_\_\_**

Sr. No	Particulars	Amount (Rs.)	Amount (Rs.)
<b>A</b>	<b>AMOUNT OUTSTANDING AS AT THE BEGINNING OF THE ACCOUNTING YEAR</b>		
	Bills outstanding in respect of previous accounting years (This detail should be given year-wise, wherever applicable)		
<b>B</b>	<b>Add Bills received for payment during the current Accounting Year</b>		
<b>C</b>	<b>GROSS TOTAL LIABILITY OUTSTANDING (A + B)</b>		
<b>D</b>	<b>PAYMENTS MADE DURING THE CURRENT ACCOUNTING YEAR</b>		
i.	Payments pertaining to current accounting year		
ii.	Payments pertaining to previous accounting years during the current accounting year (This detail should be given year-wise, wherever applicable)		
<b>E</b>	<b>Total payments made during the current accounting year (i+ ii)</b>		
<b>F</b>	<b>CLOSING BALANCE OF OUTSTANDING PAYMENTS</b>		
i	Bills outstanding in respect of the current accounting year – D(i)]		
ii.	Bills outstanding in respect of previous accounting years(This detail should be given year-wise, wherever applicable) – D(ii)]		

29.34 In case, where both the amount is due and payable to any authority/agency, both the Statements shall be submitted for balance confirmation to the authority/agency concerned.

29.35 Based on the reply received, the ULB shall take steps for reconciliation of the difference, if any.

**RECONCILIATION OF LEDGER BALANCES IN INCOME AND EXPENSE ACCOUNTS WITH FUNCTION WISE INCOME/EXPENSE SUBSIDIARY LEDGERS**

29.36 As explained in Chapter 5 – General Accounting Procedures, Function-wise Subsidiary Ledgers are to be opened in respect of all major income and expenses. The various incomes and expense accounts are to be posted directly from the Cash Book and/or Journal to the Main Ledger in the individual ledger accounts in respect of those income and expense heads. Simultaneously, entries are to be made in the Function-wise Subsidiary Ledger so that department-wise information is also readily available.

29.37 Periodically, the two sets of records viz., those in the Main Ledger and those in the Subsidiary Ledgers should be reconciled to ensure that the totals in the respective places are matched.

