

CIRCULAR NO. 174

SUBJECT :- Maintenance of the Register of Contribution and reconciliation thereof.

It is observed during the inspection of Regional offices by this office and by the audit that the balances recoverable at the end of such quarter are not struck out in the contribution Register as prescribed in circular No. 74 issued by this office on 18th August 1954, As a result the audit has objected that the contribution Register does not show the true position of outstanding balances every year.

The following procedure is now prescribed with a view to exercise an effective check on the maintenance of contribution Register and on the arrears of contribution.

(3) Every day the Accountant or the Junior Clerk posting the contribution Register should refer to the following documents and post the entries.

- (a) Demand notices issued during the day.
- (b) Receipts showing the contribution received during the day.
- (c) Register of objections against Demand Notice (Schedule XVI).
- (d) Register of Payment to show the contribution refunded.

It is pointed out that the remissions granted against the original Demands are at present being recorded in the remarks column of the Contribution Register. Instead it is directed that the column No.3 of the Register should be used to record demands made during the year (to be noted in blue ink) and to record remissions (to be noted in red ink). As regards recording entries concerning refund it should be borne in mind that only where the sum previously received and record in the Register of Receipts as "Contribution" is being refunded such payments should find place in column No. 8 of the Contribution Register. As soon as any entry is made in the contribution Register the balance receivable should be worked out on each line so that the latest position of outstanding contribution would be available any time.

(4) On the 31st March every year all the Accounts in the Contribution Registers should be closed as under :-

(a) Yearly totals of all the entries in column No.3 i.e. contribution demanded (separately for blue ink entries and red ink entries respectively), column 5 i.e. Amounts received and column No.8 i.e. Amounts refunded if any, of the contribution Register should be taken and these totals should be carried over to the Index Sheet to be prepared in each Register by sparing last few pages to show in abstract of date in respect of each trust. The not product of column No. 7 i.e. balance receivable should also be carried over to column No.6 in the Index Sheet. Such Index Sheet should be as under :-

Financial Year 1973-74

P.T.R. NO	Arrears of Contributi	Contributi on demand	Total (2 + 3)	Amount received	Balance receivable	Amount refunded if
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1	on at the beginning of the year 2	during the year 3	4	during the year 5	at the end of the year 6	any 7
1						
2						
3						
4						
5						

Total of abstract for contribution Register No.

The total of Index Sheets thus recorded in each Register should be summarised under the heading “Summary Sheet” either in the last of such Registers or in a separate Register as may be found convenient which will give the statistical information in the forms of Grand Totals of the demands made (column No. 4 blue ink entries) remissions granted (column No. 3 red ink entries) amount received during the year (column No.5) balance receivable at the end of the year (column No.6) and of the amounts refunded if any (column No.7) in respect of all the public Trusts in the Region.

(b) The work of carrying out reconciliation of the figures shown in the summary sheet should then be proceeded with as shown below :-

(i) A Register of Demands made during the year should be maintained date-wise in a manuscript register consisting of the following columns to record all the Demand Notices issued during the year serially.

Serial No.	Date of Issue	Demand Notice No.	T.T.R. No.	Amount demanded A/B/C/D/E/F (according to the Sections of Trusts)	Register No. and page No. of the contribution Register in which the entry is made	Remarks
1	2	3	4	5	6	7
1						

2						
3						
4						

Monthly abstract should be drawn after the class of each month according to the sections of the trust and a yearly abstract showing total demands made during the year should be drawn. The total demands made during the year as shown in this register should be agreed with the total of the demands shown in column No.3 (in blue ink) of the summary sheet of the contribution Register. Separate Registers of demands will have to be maintained in case more than one Accountant is attending to this work.

(ii) In schedule XVI (Register of objections against Demand Notices) an abstract should be drawn as on the 31st March, showing the cases finalised during the financial year in question as under :-

Serial No.	Reference to Serial No. of the Register of objection in Sch. XVI	Reference to Demand Notices No.	Amount of Remission granted	Date of the order
1	2	3	4	5
1				
2				
3				
4				

- 1.
- 2.
- 3.

Total remission granted during the financial year.

The total amount of remissions granted during the year as per abstract above, should agree with the grand total amount of red ink entries in column No.3 of the summary sheet. Applications pending at the close of the financial year should be carried forward and shown as opening entries in the next year's Register (Schedule XVI).

(iii) The total of column (5) amount received of the summary sheet of the contribution Register should agree with the figure of total collection on account of contribution in the Register of Receipts.

(iv) The total of column No.7 regarding amount refunded if any should agree with the total of "refund" as recorded in the register of payment. For this purpose the figure in column "Refunds in the register of payments should be analysed every month and the monthly abstract should show separately the figures of refunds of Contribution and other Refunds the totals of such Refunds of Contribution as recorded in the classified abstract in the Register of Payments' should be reconciled with the figures of refunds as appearing in the summary sheet as worked out in the contribution Register.

(5) To exercise effective checking of the postings in various Registers. prescribed as above, and at the same time avoiding duplication of work it is suggested that the initial entries in the Register of Contribution should be made by the Junior Clerk and checked by the Accountant, every day, who should initial in the column provided for on each line. The Superintendent (Accounts and Establishment) should carry out the test check of about 25 per cent entries every week and generally supervise the work and see that the posting is upto date and does not fall in arrears. However in respect of the postings of Demand Notices the Superintendent should check the postings in the contribution Register and put initials in the column provided for. The Regional Officer should see before the Demand Notices are signed by him that the Demands are properly posted in the contribution Register by the Superintendent. The reconciliation work to be carried out at the end of the year should be fully supervised by the Superintended (A and B) and a certificate regarding the carrying out the Reconciliation work, as per the procedure prescribed in this circular, be recorded by him below the summary sheet. After the work of reconciliation is carried out the closing balance of contribution outstanding at the close of the current year should be entered as opening balance of the new financial year. The above procedure should be implemented from 1st January 1974 and the schedule given in para 3 below should be followed for completion of the work.

(6) The arrears of outstanding contribution as at 31st March 1973 should be taken from the existing contribution Register and noted as opening balance for the year 1973-74 in pencil. The Opening balance the recorded in pencil should be got reconciled by adopting the same procedure as indicated above. The reconciliation work should be undertaken immediately and completed by November 1973. Monthly progress report about this reconciliation work should be submitted to this office by 5th of every month. After completion of the reconciliation work the pencil figures of opening balance should be inked out.

(7) Arrangements to get the blank Demand Notices bound suitably are being made separately. Each such bound book would be obtain 100 demand notices, each in triplicate, the first two folios being perforated so that they can be easily detached and the first copy issued to the trustees, and second copy being attached to the respective accounting return and the third copy remaining in the book as a counterfoil. The books and the forms therein will be got machine numbered.

- (8) To implement the above procedure following target dates are prescribed :-
- (a) Posting of Registers of Contribution Sectionwise and Districtwise under the above proceeding from 1st April 1973
 - (b) Reconciliation of the closing balances as on 31st March 1973, before November 1973.
 - (c) Annual closing of these Registers for the year 1973-74, transposing totals 15th may 1974 to the Index sheet in each Register, carrying over the abstract totals of each Register to the Summary sheet and recording 'Grand Totals' in the Summary Sheet upto 15th April 1974.
 - (d) Reconciliation of the posting in the contribution Register with the finalise books of Accounts. Before 31st May 1974.
- (9) In future the items mentioned at (c) and (d) is para (8) above should be completed by the 15th April and the 31st May annually. A note of this should be taken in the Register for Periodical returns.

Dated :17th August, 1973.

M. D. KAMBLI
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