



कार्यालय, रक्षा लेखा नियंत्रक
उदयन विहार, नारंगी, गुवाहाटी-७८११७१
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TTB / E-MAIL/SPEED POST

No:A/IV/65/Rev.Sec./Cert./Vol.-XXX

Date:24/03/2021

To,

All compiling sections in M.O./All AOGEs/Area Account Office Shillong/ PAO (ORs)
58 GTC/ PAO (ORs) ARC Shillong.

Sub: Misclassification of expenditure - regarding.

Ref: HQ Office letter No: A/B/I/13630/Misc/Vol.-IV/Comp No. 195 dated 23.03.2021.
(Through CDA Guwahati Website)

A copy of HQrs Office letter quoted under reference is forwarded herewith for
your information, guidance and necessary action please.

Encl: As stated above

Soumya
DCDA (A/Cs)

Copy to:

The Officer-in-Charge
IT & SW MO (Local)

} For uploading on CDA Guwahati Website

[Signature]
AO (A/Cs)

Speed Post/e-mail



कार्यालय रक्षा लेखा महानियंत्रक
CONTROLLER GENERAL OF DEFENCE ACCOUNTS
उलान बटार मार्ग, पालम, दिल्ली छावनी-110010
ULAN BATAR MARG, PALAM, DELHI CANTT-110010



File No. A/B/I/13630/Misc/Vol-IV/Comp No. 195

Dated: 23.03.2021

To

All PCsDA/CsDA/PCA (Fys)

Subject:- Misclassification of expenditure -regarding

Cases of misclassification of expenditure compiled in New Compilation System has been observed in the previous years resulting in incorrect depiction of receipt & expenditure figures in various reports including Appropriation Accounts. The cases of misclassification of expenditure have been adversely commented upon by DGADS/CGA/MoD (Fin) from time to time.

2. It appears from these misclassifications, that the basic checks which needs to be carried out by various Sections/Sub offices of PCsDA/CsDA are not being carried out before rendering review of compilation certificate to HQrs office.
3. A detailed review of misclassification of expenditure has revealed that there are many cases of incorrect usage of code heads/category prefixes. In order to ensure that correct compilation data is generated for monitoring the progress of expenditure at various level and also for budget forecasts, it is of paramount importance that the category prefixes/code heads are used correctly with relevant Services Heads/RDR Heads.
4. All minus transactions under Receipt and Charge Heads (other than deduct heads) may be reviewed and correctness of booking ensured.
5. All cases of adverse balances in the AROB 2019-20 should be reviewed and necessary rectification action may invariably be taken in the Current Financial year.
6. In this regard this HQrs office letter No. A/I/13311/ACA/2019-20 dt. 07/04/2020 under which copy of CGA OM No. S/11022/01/MF.CGA/DAMA/Prov/2019-20/550 dt. 31/03/2020 regarding certain common mistakes made at the time of submission of March Preliminary and Supplementary-I Accounts was forwarded for examination and compliance, may please be referred to (copy enclosed). Any omission in this regard would result in mismatch of accounts and may result in requirement of incorporation of the same through JEs which needs to be avoided.

8. Non punching of the PM should immediately be addressed to before closing of accounts for March(Pre) 2021 so that the requirement of correction of the same through J.E is avoided.

9 List of the misclassifications is forwarded herewith as Annexure A for detailed examination and compliance while finalization of March Preliminary and Supplementary – I Accounts for the year 2020-21.

10 In view of the above, it is requested that necessary directions may please be issued to all the Sections/Sub offices under the jurisdiction of your office for strict compliance of the above mentioned instructions at their end in order to eliminate the need for operation of J.Es


Jt. CGDA (A&B)

The following accounting transactions need special attention during compilation of
March(Pre)/Supplementary-I stages 2020-21

Please ensure that :-

1. The amendments carried out through correction slip Nos. 824 – 834 dated 6.1.2017 of LMMHA issued for the Major Heads '1601, 3601, 3602, 0049,2049, 6004, 7601 & 7602 necessitated by merger of Plan and Non-Plan classification in Budget & Accounts should be followed strictly. Old Sub-Major Heads and Minor Heads under these Sub Major heads should not be operated for fresh transactions w.e.f. 1.4.2017. (Correction slips are available at CGAs website: cga.nic.in).
2. Transactions made under minor head '502' – 'Expenditure Awaiting Transafer' (EAT) and under minor head '500' – 'Receipts Awaiting Transfer' (RAT) are cleared.
3. No expenditure is made under Major Heads 2552, 4552 and 6552 (Except in Grant No. 23 – Ministry of Development of North Eastern Region).
4. 'Health and Education Cess' is levied @ 4% of Income Tax (including surcharge) in lieu of Primary Education Cess and Secondary & Higher Education Cess from 2018-19 onwards.
5. Major Head 0006 – State Good & Services Tax (SGST) belongs to State Government. No booking under this head may be made in Central Government Accounts.
6. All transactions are booked as **Revenue Expenditure (Charged)** only under Major Heads '2048-Appropriation for reduction or avoidance of debt' and '2049 – Interest payments'.
7. No progressive positive booking should be made under minor heads from 901 to 913.
8. All residual transactions reported by RBI should also be included in March (Prelim.) accounts itself.
9. All receipts realized / became due through book adjustments or other wise on or before 31st March, 2020 , but yet to be accounted for should be incorporated.
10. Anymisclassification noticed during reconciliation process should be rectified before submission of Sy-I Accounts.
11. No accounting heads, which are deleted through Correction Slips to LMMH find place in the accounts, since the account code directory may have these heads still active for various reason. (Correction slips to LMMH are available on CGA's website for ready reference).
12. Booking of Government Contribution for Defined Contribution Pension Scheme should be under 207101117010004. Booking at the level of Minor Head should not be done.
13. As per correction slip No. 865 of List of Major & Minor Head of Account Interest on Loans to Government Servant may be looked under Minor Head 0049.03.118 instead of 0049.03.800.
14. No balance should remain under the **Major Head 8000 – Contingency Fund** at the end of the financial year.
15. Any transactions accounted for in a wrong Grant No. should be rectified through normal transfer entries only. Journal Entries (JEs) are not allowed for this purpose in the software system.
16. All minus transactions other than those which are authorized should be reviewed to ensure that there is no misclassification.
17. No transaction be made under dummy heads, i.e. minor head '000' or sub head '00' When there is standard sub major heads, like 01, 02, etc. are operational under a Major Head, digit '00' should not be operated. Conversely, if there is no standard Sub Major, digit '00' should not be operated. Conversely, if there is no standard Sub Major Head is operational, only the digits '00' will be operated under a Major Head.

Public Account Heads :-

18. **No credit entries** are made under the accounting head 801100101 – Portal Insurance end Life Annuity Fund. No fresh **credit** entries should be made under the account head '801401101 – Net PLI corpus as on 31st October, 2009.
19. **Under 834200117** – Defined Contribution Pension Scheme for Government Employees -- **no fresh credit booking should be carried out.**
20. All annual payments like interest on CGEGIS, Insurance amount etc. should be accounted for in March Prel. Accounts itself.
21. No Ministry / Department (except D/o Posts) should make 'Credit Entry' under the account head **8014.02.104 (RPLI head)** and Debt entries under the Major Head 8014. No Ministry except Deptt. Of Post should make transactions under Major Heads 8015 and 8016.
22. Under major head 8670 – Cheques and Bills, if the clearance during the year is more than the outstanding balance at the end of previous year or the clearance is being booked against the already existing adverse balance, the same should be **reviewed** and misclassification should be rectified.
23. No booking is made under **812100122** – State Disaster Response Fund.
24. In cases of expenditure incurred on behalf of other ministries/departments. Grant Nos. should be correct as per the Grant list for the Financial Year 2017-18.
25. In cases where funds have been closed and balances have been transferred to CFI, it should be ensured that no balance/adverse balance as per Union Government Finance Accounts.
26. Booking reflected under 8009 – GPF for Group 'D' staff may be reviewed as all Group 'D' officials have now been switched over to Group 'C'.
27. Booking of receipts under 8011 – CGEGIS should be at minor head level instead of sub-head level and Booking of expenditure under 8011-CGEGIS should be at sub head level instead of minor head level.
28. As per correction slip No. 932 of List of Major & Minor Head of Account, GST – Tax Deducted at Source may be booked under Minor Head **8658.00.139** instead of 8658.00.101.08.