
	<b>GOVERNMENT OF THE PUNJAB</b> <b>TECHNICAL EDUCATION &amp; VOCATIONAL TRAINING</b> <b>AUTHORITY</b> 96-H, GULBERG II, LAHORE PHONE: 042-99263055-59 <a href="http://www.tevta.gop.pk">www.tevta.gop.pk</a>	
	<b>(FINANCE WING)</b>	
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To

1. All Zonal Managers (Centre, South & North) TEVTA
2. All District Managers TEVTA with the request to circulate the same to their lower formations for information and implementation
3. The Manager (Service Centres) TEVTA, Lahore with the request to circulate the same to their lower formations for information and implementation
4. The Director (Apprenticeship Training) TEVTA, Lahore.
5. The Manager Trade Testing Board, Lahore.

Subject: TEVTA ACCOUNTING MANUAL

Please find enclosed herewith updated TEVTA accounting manual for information and implementation.

  
 (MIRZA UMAR FAROOQ)  
 GENERAL MANAGER (FINANCE)  
 TEVTA

A copy is forwarded for information to:

1. All General Managers TEVTA, Lahore.
2. The Manager (MIS) with the request to upload the same on TEVTA Website.
3. S.A to Chairperson TEVTA.
4. P.S to COO TEVTA.

**GOVT OF THE PUNJAB**

**Technical Education & Vocational Training Authority**



## **ACCOUNTING MANUAL**

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# **CHAPTER – I**

## **LAW, RULES AND REGULATIONS**

### **General**

#### **1.1 Introduction**

The accounting manual is meant for all those TEVTA officers / officials who perform financial as well as accounting function. The basic aim of the manual is to make familiar with TEVTA rules/regulations and implication of Financial /Accounting Management under such rules / regulations.

#### **1.2 Financial Administration**

The financial administration means the operations designed to make funds available to Institutes / Offices and to ensure their lawful and efficient use.

#### **1.3 Scope of Financial Administration**

The principal parties involved are:

- (i) Institutes/Offices, which need funds;
- (ii) Government / TEVTA which alone can grant funds;
- (iii) Institutes / Offices that control the expenditure of funds; and
- (iv) Auditing offices which determine the legality and propriety of the use of the funds.

In a small organization, the fiscal management is relatively simple but in big organizations like TEVTA, the set-up, procedures and problems are complex. The fiscal organizations deal with all the money aspects. The earning, saving, borrowing, spending and investing of monetary funds are parts of the fiscal management. It also consists of providing and utilizing the money, capital rights, credit and funds of any kind which are required in the operation of an organization.

#### **1.4 Functions / Duties of HOI (DDOs)**

- To ensure and maintain financial discipline at Institute/Office.
- To make expenditure as per approved rules & regulations.
- To ensure Pre-audit of each transaction of payment.
- To take care of monthly reconciliation of accounts with District Accounts office/AG office.
- Properly and timely submission of annual budget estimates to the District/Zone/H.O.
- Properly and timely submission of excess & surrender statement to DM/ZM/H.O.

- To provide monthly verified Receipt and Salary Expenditure Statement of the institute to DM office.
- To ensure that Cash book of all type (Non Salary, Non Govt. Funds, Non – subsidized scheme and TSTP etc.) is maintained on daily basis and reconciled with banks on monthly basis.
- Monthly submission of expenditure statements.
- To forward the Pay bills/attendance of the TEVTA employees to Districts.
- To ensure that purchases are made as per rules and regulations.
- To maintain record of all financial transactions as per approved procedure.
- To ensure internal control over each financial transaction.

## **LAW, RULES and REGULATIONS**

### **1.5 TEVTA Act -2010**

The TEVTA Ordinance 1999 was promulgated by the Governor of the Punjab on 5<sup>th</sup> June 1999 to establish Technical Education and Vocational Training Authority in the Province. The said ordinance has now been repealed by TEVTA Act-2010.

### **1.6 TEVTA RULES.**

The first TEVTA rules were notified by **Government of the Punjab** on 5<sup>th</sup> July 2001 under section 13 of repealed TEVTA Ordinance 1999. These rules have been repealed by new TEVTA Rules -2011 as notified by the **Government of the Punjab.**

### **1.7 TEVTA REGULATIONS**

TEVTA is empowered to frame its own regulations under section 24 and admin or financial powers can be delegated under section 11 of the TEVTA Act-2010. Some of the regulations and delegations of powers are discussed below:

- **Delegation of Financial Powers as notified from time to time.**

The Authority under section 11 of the TEVTA Act, 2010 and the Chairperson under section-6 may delegate any of its / his / her powers to any person, officer of the Authority or Institution under its control. As such Chairperson has been delegated its financial powers to the sub-ordinate officers from time to time and currently, the delegation of financial powers 2012 are in operation to regulate the expenditure on various heads of accounts.

- **Fee Structure of TEVTA Institutions**

Fee structure of each stream of TEVTA Institutions have been formulated and notified by the authority to regulate the fee collection and its utilization.

- **Pupil Funds Management**

The existing notified policy on pupil funds is the combination of two notifications. (1) the 2008 notification, where the usage of funds and delegation of powers are defined, (2) the July 2011 fee structure notification, where the rate of fee to be collected from students and its mode of collection / accounting methods are defined.

- **Curriculum / Manual Development and staff training regulations.**

A comprehensive and purpose built policy is notified to regulate the curriculum, manual development and staff training of TEVTA Institutes and offices.

- **2<sup>nd</sup> Shift**

Non – subsidized scheme was started in session 2005-06 to provide opportunity to those students who could not get admission in regular scheme. The other main objective of the scheme was to generate extra funds for development of Institutions. Now this scheme has been replaced with 2<sup>nd</sup> shift for which a comprehensive policy has been devised and notified for its successful operation, defining below procedures:

- Admission Schedule
- Mode of collection of fee
- Remuneration rates and staff strength for teaching & admin staff engaged in the scheme.
- Budget Planning and Control
- Banking Procedures and operation of accounts
- Scheme of funds utilization
- Financial Powers
- Accounting Procedures
- Internal Control System & Monitoring of Scheme.

- **Policy on Short Courses**

A comprehensive and purpose built policy is notified to regulate the short courses to run at existing TEVTA Institutes.

- **Punjab Procurement Rules - 2014**

The Punjab Procurement Rules-2014 have been adopted by TEVTA for smooth operation of its procurements.

- **Procurement Committees.**

The Chairperson may form such committees as may be necessary for the efficient performance of the day to day functions of the Authority. **All Procurements shall be made through such committees as notified by TEVTA from time to time.**



## 1.8 TEVTA SERVICE REGULATIONS

As per section 13(1) of TEVTA Act-2010, “The Authority may employ such officers, advisors, consultants and employees in its service as may be necessary for the efficient performance of its functions in such manner and on such terms and conditions as may be prescribed by the Authority”. The revised pay scales of TEVTA employees have been approved by the Authority and notified by TEVTA. The rule 11 of TEVTA Rules-2011 empowers authority to formulate its service regulations.

In view of above provisions of law, the TEVTA service regulations-2011 has been notified and implemented for the sake of smooth functioning of TEVTA Service. The salient features of said notified regulations are given below:

- (1) Recruitment Policy
- (2) Appointing authorities
- (3) Selection Committees
- (4) Merit based Selection Criteria
- (5) The Prescribed minimum qualification / experience
- (6) Pay and allowances.
- (7) Health and Group Insurance Policies
- (8) NOC for recruitment before advertisement
- (9) Terms & Conditions
- (10) E&D procedures
- (11) Travelling & Daily allowance
- (12) Leave Entitlement
- (13) Staff Training
- (14) Promotion policy

- **Delegation of Administrative Powers**

The Chairperson TEVTA may delegate any of his powers to any person, officer of the Authority or Institution under its control. As such Chairperson has been delegated its administrative powers to his sub-ordinate officers from time to time with following detail:

- (i) Leave Sanction
- (ii) GP Fund Sanction
- (iii) Medical Re – Imbursement for civil servants
- (iv) Medical Re – Imbursement for PSIC Employees
- (v) Authority for transfer of employees
- (vi) Issuance of NOC to apply for Job / to seek admission for studies.
- (vii) Departmental Promotion Committees
- (viii) Power of writing ACRs

## 1.9 GENERAL POLICY CIRCULARS

Apart from delegation of financial and administrative powers, a number of circulars and orders have been issued to manage and control various affairs of TEVTA.

- (i) Loan Policy of Institution
- (ii) Group Insurance of PSIC Employees
- (iii) Policy for House Rent deduction of TEVTA employees residing in government residences
- (iv) Auction Committee
- (v) Procedure for Creation of Post / New recruitment with NOC of budget availability of post
- (vi) Procedure for maintenance of Cash Book
- (vii) TSTP in Deeni Madaris
- (viii) Special Allowances for TEVTA Employees
- (ix) Up-gradation of Librarians /DPEs and Junior Instructors (Commerce Stream) having Master degree.
- (x) The Procedure for Re-appropriation of funds
- (xi) The minimum salary of contingent paid staff
- (xii) Procedure for declaring DDO Powers
- (xiii) Policy to run Matric Tech/Vocational
- (xiv) Procedure for disposal of finished Jobs/Projects
- (xv) Sources of utilization report of world bank funded project
- (xvi) ERP project is in the process of tendering and likely to complete the tendering process by the end of May 2015. The SOP is subject to implementation and completion of the project
- (xvii) The internal audit system is in the process of approval and hiring of internal audit team / firm is subject to approval of the competent authority and tendering process. The SOP will be issued after approval of the competent authority

## **CHAPTER –II**

### **BUDGET ESTIMATES**

#### **Introduction**

2.1 Annual Budget estimates for next financial year must be submitted on or before 30<sup>th</sup> of November each year,

Budget is an important tool of planning and control. Planning involves looking systematically at the future so the decisions can be made today which will bring the organization at its desired goals. Control is the process of measuring and correcting actual performance to ensure that plans for implementing the chosen course of action are carried out.

#### **2.2 Concept of Budget**

Budget is based on the idea of a plan. It is a plan relating to a period of time expressed in monetary and/or quantitative terms. The Chartered Institute of Management Accountants (C.I.M.A.) London, has defined a budget as “a financial and/or quantitative statement, prepared prior to a defined period of time, of the policy to be pursued during that period for the purpose of attaining a given objective.” It may include income, expenditure and employment of capital.

**2.3 Characteristics -** Budgets have the following characteristics:

- (i) A budget is primarily a planning device but it also serves as a basis for control or in both.
- (ii) A budget is prepared for a definite future period.
- (iii) Purpose of a budget is to implement the policies formulated by management for attaining the given objectives.

**2.4 Budgeting -** The act of preparing budgets is called budgeting.

#### **2.5 Concept of Budgetary Control**

Budgetary control is a system of controlling costs through preparation of budgets. Budgeting is thus only a part of the budgetary control. According to C.I.M.A. London, “Budgetary control is the establishment of budgets relating to the responsibilities of executives of a policy and the continuous comparison of the actual with planned policy.”

**2.6 Characteristics -** The main characteristics of **budgetary control** are:

- (i) Establishment of budgets for each function/department of the organization.

- (ii) Comparison of actual performance with the budgets on a continuous basis.
- (iii) Analysis of variations of actual performance with the budgeted performance to know the reasons thereof.
- (iv) Taking suitable remedial action, where necessary.
- (v) Revision of budgets in view of changes in conditions.

## 2.7 Forecast and Budget

It is important to note carefully the distinction between a forecast and a budget. A forecast is a **prediction of what may happen** as a result of a given set of circumstances. It is **an assessment** of probable future events. **A budget**, on the other hand, is a **planned exercise** to achieve **a target**. It is based on the pros and cons of a forecast. Forecasting thus the preparation of budget. As such the main point of distinction between the two is that the forecast can be made by anybody, whereas a budget, being an enterprise objective, can be set only by the authorized management.

## 2.8 Objectives of Budgetary Control

The following are the objectives of a budgetary control system.

- (1) Planning
- (2) Co-ordination
- (3) Communication
- (4) Motivation
- (5) Control
- (6) Performance evaluation

## 2.9 Budgeting Techniques

Pre-requisites for the successful implementation of a budgetary control system are as follows:

**1. Creation of budget centers.** A budget centre is a section of the organization of an undertaking. A budget centre may be a department or a part thereof. Budget centre must be clearly defined because a separate budget has to be set for each such centre with the help of the head of the department concerned. For example, in the preparation of TEVTA purchase budget, the purchase manager has to be consulted. Similarly, while preparing salary budget, the HR manager will be of great help. In a way, the Head of offices/Institutes involving in budgeting should consult each section of their office/Institute before finalization of annual budget.

**2. Introduction of adequate accounting records.** The accounting system of TEVTA has been so designed as to be able to record and analyze the information required for budget. The budget formats circulated for annual budgeting contain same classification of revenues and expenses as the chart of accounts of TEVTA contains for recording of financial transaction. The comparisons cannot be made if the classifications do not coincide.

**3. Preparation of an organization chart.** Proper organization is essential for a successful budget system. An organization chart should be prepared which clearly shows the plan of the Institute/office of TEVTA. Each member of management should know the exact scope of his authority and responsibility and his relationship to other members. For this purpose, copies of the organization chart and written supplement should be distributed to all concerned.

The organization chart will depend upon the nature and size of the Institute.

#### **4. Functions of budget committee.**

The budget committee usually comprise various heads of functional departments, like operations, R&D, Legal, Finance, etc. as shown in the above organization chart. Each member prepares his own departmental budget(s) which are then considered by the committee for coordination.

Functions: The main functions of a budget committee are as follows:

1. To provide historical data to all departmental heads to help them in estimating.
2. To issue instructions to department regarding requirements, dates of submission of estimates, etc.
3. To receive budget estimates from various departments for consideration and review.
4. To receive budget estimates from various departments for consideration and review.
5. To discuss difficulties with departmental heads and suggest possible revisions.
6. To evaluate and revise the estimates before preparing the final budget.
7. To make recommendations on budget matters where there is conflict between departments.
8. To prepare budget summaries.
9. To prepare a master budget after functional budgets have been approved.
10. To inform departmental heads of any revisions made in their budgets by the committee.
11. To coordinate all budget work.
12. To analyze variances and recommend corrective action, where necessary.

#### **5. Budget period.**

Budget period is a length of time for which a budget is prepared and operated. Budget periods vary between short term and long term and no specific period can be laid down for all budgets. In TEVTA being government organization, the budget period is usually a financial year, starting from July 01 to June 30, each year. It may be a quarter like, 1<sup>st</sup> Quarter, 2<sup>nd</sup> Quarter etc.

TEVTA budget is prepared for financial year which corresponds to the accounting year. It is then subdivided into quarters and in turn each quarter is broken down into three separate months.

Budgets for capital expenditure (ADP) are prepared on a long term basis. For example, in TEVTA, a new building is to construct which incur very heavy capital expenditure, the need for new building is forecast possibly three to five years in advance. Such long term budgets are supplemented by short term ones.

## **6. Determination of the key factor for Non – Development Budget**

Key factor is also known as limiting factor, governing the size of a particular head of budget. It is defined as the factor the extent of whose influence must first be assessed in order to ensure that functional budgets are capable of fulfillment. Such a factor is of vital importance and affects all budgets to a large extent. The key factor serves as the starting point for the preparation of budgets. The key or limiting factor for salary budget is the number of sanctioned posts and pay scales under the rules as the salary budget would be estimated on the basis of such sanctioned posts. The brief description of TEVTA Non Development budget is given below:

### **(a) Pay & Allowances – Civil servants**

The salary budget of civil servants transferred to TEVTA is based on filled sanctioned posts through SNEs approved prior to TEVTA. No budget for vacant posts is allowed under this head as such vacant posts are to be filled under the rules at TEVTA Pay Scales. The budget is sanctioned annually and released quarterly to AG/DAOs. The major heads of accounts are defined below:

<b><u>Code</u></b>	<b><u>Account Head</u></b>
<b>A011</b>	<b>Basic Salaries</b>
A01101	Pay of officers
A011051	Pay of other staff
<b>A012-1</b>	<b>Regular Allowances</b>
A01201	Sr. Post Allowance
A01202	House Rent Allowance
A01203	Conveyance allowance
A01207	Washing Allowance
A01208	Dress Allowance
A01211	Hill allowance
A01217	Medical Allowance
A01224	Entertainment Allowance
A01229	Special Compensation Allowance
A01236	Deputation Allowance
A01238	Charge Allowance

A01253	Science Teaching Allowance
A01256	Special Adhoc Relief Allowance
A01263	Research Allowance
A0120X	Adhoc Allowance (2010)
A0121A	Adhoc Allowance 2011
A0121M	Adhoc Relief Allowance 2012
A0121T	10 % Adhoc Relief Allowance 2013
A0121Z	10 % Adhoc Relief Allowance 2014
A0122C	7.5 % Adhoc Relief Allowance 2015
A01270	Others
A01270-030	Integrated Allowance
A01270-037	30% Social Security Benefit

<b>A012-2</b>	<b>Other Allowances</b>
A01271	Overtime Allowance
A01273	Honoraria
A01274	Medical Charges
A01277	Contingent Paid staff
A01278	Leave Salary
A01299	Others

**(b) Pay & Allowances – TEVTA employees**

All vacant CIVIL/PSIC / TEP posts created through SNE and newly created posts by TEVTA are to be filled by recruitment of TEVTA employees under rules at TEVTA Pay Scales. **All such posts can only be filled if budget against such vacant post is released from Finance Department, Government of the Punjab.** The respective appointing authorities are bound to get NOC from finance wing of TEVTA before advertisement of any vacant post; otherwise the appointment of such posts would be irregular for which the respective appointing authority would be personally responsible. The budget is sanctioned annually and released quarterly to TEVTA through PLA of Chairman. The major heads of accounts are defined below:

<b>A011</b>	<b>Basic Salaries</b>
A01101	Pay of officers
A011051	Pay of other staff
<b>A012-1</b>	<b>Regular Allowances</b>
A01202	House Rent Allowance
A01203	Conveyance allowance
A01217	Medical Allowance
A01229	Special Compensation Allowance
A01236	Deputation Allowance
A01238	Charge Allowance
A0120X	Adhoc Allowance (2010)
A0121A	Adhoc Allowance 2011
A0121M	Adhoc Relief Allowance 2012
A0121T	10 % Adhoc Relief Allowance 2013

A0121Z	10 % Adhoc Relief Allowance 2014
A0122C	7.5 % Adhoc Relief Allowance 2015
A01270-030	Integrated Allowance
<b>A012-2</b>	<b>Other Allowances</b>
A01271	Overtime Allowance
A01273	Honoraria
A01277	Contingent Paid staff
A01278	Leave Salary / (LFA)
A01299	Others

**(c) Pay & Allowances – PSIC employees**

The salary budget of PSIC employees transferred to TEVTA is based on filled sanctioned posts prior to TEVTA. No budget for vacant posts is allowed under this head as such vacant posts are to be filled under the rules at TEVTA Pay Scales. The budget is sanctioned annually and released quarterly to TEVTA through PLA of Chairman.

**(d) Pay & Allowances – TEP employees**

The salary budget of TEP employees transferred to TEVTA is based on filled sanctioned posts through SNEs approved prior to TEVTA. No budget for vacant posts is allowed under this head as such vacant posts are to be filled under the rules at TEVTA Pay Scales. The budget is sanctioned annually and released quarterly to AG/DAOs.

**(e) Non Salary Operating Expenses**

The operating expenses budget is also called non-salary recurring budget and includes following major heads of accounts.

<u>Code</u>	<u>Account Head</u>
• A031	Fee (Legal or Bank)
• A032	Communication
• A033	Utilities
• A034	Occupancy Costs (Rent & rates)
• A036	Motor Vehicles (Fuel/Insurance/Reg.)
• A037	Consultancy & contractual work
• A038	Travel & Transportation
• A039	General (Stationary/Training Material etc.)
• A041	Pension
• A052	Grants domestics (Financial Assistance)
• A061	Scholarship, Bonus and other awards
• A063	Entertainment & Gifts
• A130	Repairs & Maintenance



The budget is sanctioned annually and released monthly / quarterly through PLA of Chairman TEVTA.

## **2.10 2<sup>nd</sup> statement of excess and surrenders**

The 2<sup>nd</sup> statement of excess and surrender is to file by 10<sup>th</sup> of March each year. The statement is basically comprises of a revised budget estimate for the current year based on actual expenditure for the period from July 01, to February 28<sup>th</sup> of each current financial year and expected actual expenditure for the period from March 01, to June 30<sup>th</sup> of the said financial year. The expected actual salary expenditure for last 4 months must be estimated on the basis of salary for the month of February of that particular financial year while the operating expenses budget of these 4 months must be estimated on the basis of average actual monthly expenditure of 8 months plus any valid forecast for the period. The supplementary grant (if any) of that particular financial year is released on the basis of this 2<sup>nd</sup> statement of excess and surrender.

## **2.11 Reconciliation of Receipt & Expenditure**

Monthly reconciliation of receipts with District Accounts Offices and Accountant General Punjab is must so that same can be claimed from government for re-imbursement. The receipts so refunded are charged to TEVTA Own Receipts and same are utilized under TEVTA Regulations. The Bank Accounts also to be reconciled on monthly basis to have proper internal control over expenditures.

## **2.12 Re – appropriation, allocation and re-allocation of funds**

1. The re-appropriation of funds, allocation or re-allocation of Institute Own Funds shall be made in the following Heads of Accounts:

- Machinery & equipment
- Furniture & Fixtures
- Purchase of Vehicle
- AR/SR
- New Construction / modification in the existing infrastructure.

2. All such cases would be submitted along with a Concept Paper containing following information:

- Justification of the Expenditure
- Increase in capacity / enrolment due to provision of machinery/equipment/furniture/new construction
- Quantitative detail of the Item to be purchased
- Estimated rates and amount
- Balance available in the head from which re-appropriation is to be made.

- Amount of the Head for which re-appropriation is to be made.

3. In case of new construction or AR/SR, following additional information would be submitted.

- BOQ(s) for AR/SR or New Construction
- Drawing for New Construction
- Covered Area for AR/SR or Construction of new building

## **CHAPTER –III PAYMENT PROCEDURES**

### **3.1 Delegation of financial powers:**

- Financial powers delegated from time to time
- All procurements under such delegation of powers
- Sanction on case to case basis
- Sanction in advance
- Proper requisition for sanction
- Need base sanction

### **3.2 Punjab Procurement Rules-2014 and Purchase Committees**

- Purchase Committees as notified by TEVTA
- Up to Rs.50,000/- purchase, single quotation.
- Up to Rs.10,000/- purchase in cash.
- Payment by cross Cheque over Rs.10,000/-.
- Tender for Rs.100,000/- and above.

### **3.3 Check list for Payment Vouchers**

No Payment shall be made without fulfilling following requirements and completing the below mentioned documents.

- Properly written Requisition/Indent for Purchases /Services /Repairs /AR /SR /Civil Work etc.
- Sanction Order/Sanction Note duly approved by competent authority
- At least three quotations duly signed by concerned purchase committee.
- Comparative Statement duly approved by concerned purchase committee.
- Complete Tender Documents duly verified by purchase committee.
- Copy of Agreement/Contract in case of civil work or AR/SR etc.
- Copy of Supply Order / Work Order.
- Invoice/Bills for purchases or services etc.
- Certificate of Technical Expert/Member for Goods/Work completed as per specifications/drawings etc.
- Proof of goods received duly entered in stock register.
- Copy of cross cheque paid for purchases/civil work/ services etc.
- Any other relevant document/evidence.

### **3.4 Payment approval form**

- All payments on “payment approval form”
- The Payment approval form contains information about:
- Vendor Name, NTN and Sales Tax etc.
- Nature of Payment
- Sanctioning Authority
- Bank title and Bank Account No.
- Cheque Number & Date.
- Gross Amount of the Invoice
- Income Tax deduction
- Sales Tax deduction
- Net amount
- Form signed by Accounts Clerk, co- signatory and 1<sup>st</sup> signatory.

### **3.5 Rules regarding GST and Income Tax**

- GST Invoice adding 17% on Goods in all over Pakistan and PST(Punjab Sales Tax) 16% on Services in the Punjab to the bill.
- National Tax Number (NTN) and GST Registration Number and copies of Certificates
- 20% of 17% sales tax is to deduct as withholding sales tax and deposited to collector of sales tax from registered vendors.
- Total 17% sales tax is to be withheld as withholding sales tax and deposited to collector of sales tax from un-registered vendors.
- Income Tax is to be withheld as per applicable rate of FBR on gross amount of invoice (including sales tax if applicable) and deposited to Income Tax Officer.
- Sales Tax is charged to purchaser while Income Tax is charged to seller.
- Sales Tax on Services (16%) is not withheld in case of Company registered with Punjab Revenue Authority (PRA)with status Active on e-PRA Portal. If the status is inactive of the Company on PRA portal then whole amount of 16% is to be withheld and deposited into Bank in favor of Chairman Punjab Revenue Authority.
- Sales Tax on Services (16%) is to be withheld of whole amount of PST in case of other than company (AOP, Individual, Firm etc.) and deposited into Bank in favor of Chairman Punjab Revenue Authority.
- Total 16% sales tax is to deduct / withheld from un-registered vendor (Company or Other than Co.) and deposited into Bank in favor of Chairman Punjab Revenue Authority.

## CHAPTER –IV BOOK KEEPING, AUDIT AND PROJECT DOCUMENT

### 4.1 Book Keeping

#### 1 Method of recording Cash Book – Receipt and Payment side

- Cash Book is basically bank book, recording bank transactions during a specific period.
- Chronological record is to maintain on daily basis.
- Cheque No. Cheque date, nature of payment, folio & cheque amount is to record on both sides of cash book i-e Receipt and Payment.

#### 2 Daily Closing of Cash Book

- Daily closing means that each payment and receipt is to record on daily transaction basis and signed by DDO and cashier/accounts clerk.
- Closing balance of each page is carried forward on next page.

#### 3 Monthly Schedules of Receipts and Payments (as per formats)

- Monthly reporting of **Income** (Government dues and pupil funds) to AM (Finance) of concerned districts for recording in accounting Software.
- Monthly reporting of **grants** (development or non development) to AM (Finance) of concerned districts for recording in accounting Software.
- Monthly reporting of **expenditure** (development or non development) to AM (Finance) of concerned districts for recording in accounting Software.
- The Expenditure includes verified expenditure on purchases out of ADP or Special Allocation, Salary of TEVTA, PSIC, TEP or Government employees and Non Salary Expenditure.
- Monthly reporting of **expenditure** out of **pupil funds** (development or non development) to AM (Finance) of concerned districts for recording in accounting Software.
- Monthly reporting of **Income & expenditure** in respect of Non-subsidized scheme (development or non development) to AM (Finance) of concerned districts for recording in accounting Software.

#### **4 Monthly Reconciliation of Cash Book (Bank Column) with Bank Statement**

- All types of cash books are to be reconciled by concerned Institute staff on monthly basis and reconciliation report to be submitted to AM (F) to update the record in software.
- Petty Cash book (for expenditures up to Rs.10,000/-) is to maintain on daily basis and should be reconciled with main cash book.

#### **5 Physical Verification of Cash Book**

- Physical verification of cash book on daily basis by concerned DDO.
- Physical verification on monthly basis by concerned AM(F).

#### **6 Maintenance of all Cash Books for Salary (if any), Non Salary, Pupil Funds, Non – subsidized scheme / Second shift / R-2 and TSTP/Short Courses.**

- Separate Cash books of each bank account.
- Each Cash Book should be reconciled with concerned bank account.

#### **7 Preparation of Pay Bills**

- Pay bills of TEVTA/PSIC/TEP or Government employees
- Monthly submission to concerned office for payment
- Statutory deductions as per rules

#### **8 Deduction from Pay**

- Statutory deductions of PSIC employees by DM office concerned.
- Statutory deductions of TEVTA employees by DM office concerned.
- Statutory deductions of Government/TEP employees by District Accounts officer concerned.

#### **9 Preparation of TA Bills**

- TA Bills on prescribed format.
- Countersigned by competent authority.
- The Bill normally includes: (1) Traveling Allowance, (2) Daily Allowance and (3) Hotel accommodation as per entitlement.
- Bill is claimed for Journeys beyond 16 Km of the radius of Head Quarters.

## **10 Store Accounting and Stock Verifications**

### **1. *Store Registers***

- Such registers are maintained to depict receipts, issuance and balance store (Fixed Assets, consumables) at a particular day.
- Evidence of receipts and issuance is kept by the store keeper.
- The quantity and amount are shown on the register.

### **2. *Fixed Assets Registers - Permanent Stock Registers***

- Land, showing area and ownership
- Building, showing covered area and ownership
- Motor Vehicles, showing location, registration and possession.
- Office Equipment including lab equipment, showing location, quantity and value on a specific date.
- Electrical & Gas Equipment, showing location, quantity and value on a specific date,
- Computers and ancillaries, showing location, quantity and value on a specific date,
- Machinery and Equipment, showing location, quantity and value on a specific date,
- Library Books, showing location, quantity and value on a specific date.

### **3. *History Sheet Registers***

- History sheet registers are maintained to record expenditure on repair and maintenance of above listed fixed asset registers.
- Chronological record is maintained.
- Nature of repair, its date and bill number etc is recorded.

### **4. *Hot and Cold Registers***

- Such Registers are maintained for Coal and Ice purchases
- Chronological record is maintained.
- Quantity and value of items purchased along with date and bill number etc. is to be recorded.

### **5. *News Paper Registers***

- All purchases of News Papers and Periodicals are recorded in the register.
- Chronological record is maintained.
- Quantity and value of items purchased along with date and bill number etc. is to be recorded.
- Distribution of News Papers is also indicated in the register.

**6. *News Paper Advertisement Register***

- Advertisement approval is to record in the register
- Chronological record is maintained.
- Advertisement cutting, even concerned news paper is placed in the register.

**7. *Dead Stock Registers***

- Any fixed asset after declaring, damaged, unserviceable is to enter in the register.
- Location of the asset is to record in the register.
- Quantity and book value is to enter in the register.

**8. *Service Stamp Registers***

- Service stamps are used only for official mail delivery of government organizations.
- The receipt, issuance and balance on each day is to record in the register.
- The issuance must reconcile with the letters dispatched in a month.

**9. *Voucher and Cheque Register/file***

- The payment voucher must be passed on prescribed “payment approval form”.
- All relevant documents including copy of **cheque** must be attached with the “payment approval form”.
- Separate register/file for each bank account.
- Chronological record must be maintained.

**4.2 Audit of Accounts**

**1. *Internal Audit by TEVTA Staff***

- Purpose of audit is the improvement in the system
- Audit is conducted by TEVTA staff
- Audit observations are communicated to concerned staff for compliance and settlement.
- Observations are settled upon receiving of satisfactory reply.
- If reply is not satisfactory, the embezzlement and recovery cases are forwarded to enquiry section of TEVTA for proceedings under PEEDA Act 2006.



## **2. *External Audit by DG Commercial Audit***

- Statutory audit, compulsory under the rules.
- Checks and balance of government agencies
- Audit is conducted by DG Commercial Audit staff
- Audit observations are communicated to concerned staff for compliance and settlement.
- Observations are settled by DG Audit/DAC/PAC upon receiving of satisfactory reply.
- If reply is not satisfactory, the embezzlement and recovery cases are forwarded to enquiry section of TEVTA for proceedings under PEEDA Act 2006.

## **3. *Audit by External Auditors (CA Firm)***

- Statutory audit, compulsory under the rules.
- Checks and balance of TEVTA/Government of the Punjab.
- Audit is conducted by approved CA firm.
- Audit observations are communicated to concerned staff for compliance and settlement.
- Observations are settled by TEVTA/DAC/PAC upon receiving of satisfactory reply.
- If reply is not satisfactory, the embezzlement and recovery cases are forwarded to enquiry section of TEVTA for proceedings under PEEDA Act 2006.

## **4.3 *Project Document (Development Schemes)***

### **1. *ADP Schemes***

- For development of new Institution or Up-gradation of existing Institution, an ADP Scheme is needed and duly approved as per procedure laid down by TEVTA.
- The funds for purchase of any asset can be arranged through ADP scheme only.

### **2. *Guidelines for Preparation of Project document (PC-1)***

- PC-1 stands for Planning Commission form-1, It includes:
- Name of the Project
- Location of the Project
- Responsible Authority, for Sponsoring, Execution, Operation and concerned federal ministry.
- Plan Provision like, medium term/five year, current year, out of block provision.
- Project objectives and its relationship with sector's objective.

- Description, Justification and Technical parameters
  - Capital Cost estimates including revenue component
  - Annual recurring cost after completion
  - Demand and Supply
  - Financial plan and mode of financing
  - Project Benefits and Analysis
  - Implementation Schedule
  - Management structure during execution and operation
  - Additional projects
  - Certificate by TEVTA for adopting PC-1 form.
3. ***Other Documents of the Project***
- Existing facilities etc.
  - Detailed drawings, abstracts of cost etc.
4. ***Rules regarding utilization of Funds***
- No separate rules for ADP, TEVTA notified rules for purchases and civil work etc.
  - TEVTA delegation of powers
5. ***Submission of Reports on ADP Schemes***
- Monthly progress
  - Mid year review
  - Completion report
  - Post completion report
6. ***Inclusion of Salary part as per TEVTA Pay Scales in PC - 1***
- The salary portion of recurring budget as per TEVTA Pay Scales.
  - Government Pay Scales not to be mentioned in PC-1 as all recruitments are to be made under TEVTA Pay Scales
7. ***Evaluation of Project / Scheme***
- A Project closing document is prepared to show the completion status of the project from development side.
  - The Evaluation Committee evaluates and recommends the conversion of project from development to non development side. FD approves the SNE on such recommendation.

## **CHAPTER –V CHART OF ACCOUNTS**

### **5.1 Introduction**

1. The scheme of Chart of Account has been designed to allocate the accounting codes for classifying the various transactions. It is the logical and scientific arrangements of the accounts with flexibility for incorporation of new accounts with the increase in volume of operation and requirements without disturbing the original scheme of account.

2. The Chart of Account has been designed to ensure accurate computation of financial reports of the Authority and that they contain sufficient statistical information to aid the management in arriving at sound but prompt conclusions as to the efficiency (or otherwise) of its overall operations.

3. The Chart of Account shall meet the following specific requirements of the management.

- Maintenance of the accounting records in order to meet the different requirements of the management.
- Accurate and expeditious compilation of periodical financial statements and reports.
- Prompt and accurate provision of sufficient information to the management regarding operating results of the Authority for quick decision making.
- Facilitate the preparation of financial analysis and management information reports.

### **5.2 Scheme of Coding**

1. The coding system for General Ledger (GL) has been devised to ensure:

- Logical and scientific arrangement.
- Quick retrieval and easier handling
- Existence of flexibility for the expansion of accounts under any head.

2. There are four basic levels representing the following:

Level 1	Main Level	10001
Level 2	First Sub Level	10001-10
Level 3	Second Sub Level	10001-10-001
Level 4	Third Sub Level	10001-10-001-0001

3. The activity under each level is defined below:

**Level 1** Represents the organization code in which direct recording of transaction is not permitted. The five digits of main level represents TEVTA Secretariat, Departments taken over, Zones, districts and Institutes e.g. in the code 11001, first two digit 11 represents Lahore District Office, 002 and onwards represents any institute in the Lahore District. Similarly 12001 is for Kasur District and 13001 for Sheikhpura District in the same pattern. A detail of coding for each institute in a district is given in appendix “C”.

**Level 2** Represents the first sub control account where direct recording of `transactions is not permitted. The entries at level 4 automatically accumulate under this level.

**Level 3** Represents the second sub level of transactions where direct recording of transactions is not permitted. The entries at level 4 automatically accumulate at this level.

**Level 4** Facilitate the detailed level recording of transactions, which accumulate at level 3, 2 and 1. Any new account can be opened at this level as per the requirements of any Institute or office.

4. The main level representing the first five digits along with the 2nd level representing 2 digits have been designated to the main heads generally appearing in the financial statements via Balance Sheet and Income and Expenditure Accounts of any Institute, Office, Zones etc. The examples are given below:

10001-10	Govt. Fund
10001-20	Long Term Loans and Liabilities
10001-25	Reserves and Provisions
10001-26	Accumulated Depreciation
10001-30	Current /Deferred Liabilities
10001-35	Fixed Assets (from grants)
10001-36	Fixed Assets (from own sources)
10001-40	Short Term Investment/ Deposit
10001-45	Current Assets / Advances
10001-51	Income/ Receipts
10001-60	Salary Expenditure
10001-65	Non-Salary Expenditures
10001-66	Expenditure against Institute own Funds

- 5 The next three digits represent the sub level of the main categories, e.g. sub levels of Current Liabilities (10001-30) are given below:

10001-30-001	Sundry Creditors
10001-30-002	Expenses Payables
10001-30-003	G.P. Fund Payables

6 The last four digits represent the detail level, which further elaborate the preceding sub level of coding, e.g. the detailed level coding of Expenses Payables (10001-30-002) are given below:

10001-30-002-0001	Electricity Payable
10001-30-002-0002	Water expenses Payable
10001-30-002-0003	Telephone Bill Payable
10001-30-002-0004	Salary Payable
10001-30-002-0005	Leave Encashment Payable
10001-30-002-0006	Newspaper & Periodicals Payable
10001-30-002-0007	POL Charges Payable
10001-30-002-0008	Sui Gas Charges Payable
10001-30-002-0009	Office Rent Payable

### 5.3 Nature of Accounts

1 The Scheme of coding defines the nature of accounts under following classification:

- Government Funds
- Loans & Liabilities
- Assets
- Income
- Expenditures

### 5.4 Explanatory Notes to the General Scheme

1. The scheme for the general ledger in the shape of Chart of Account is given in appendix: 'C'. The explanatory notes to the scheme are set out here under to facilitate quick understanding of its physical operation.

#### **GOVT. FUNDS (10001-10)**

Code	Title	Description
10001-10-001-0001	Seed Money	Initial Fund released by the Govt. of the Punjab. This head is only for TEVTA Secretariat.
10001-10-002-0001	Punjab Govt. Fund/ Aid	Account maintained for Capital Fund / Reserve
10001-10-003-0001	Federal Govt. Fund/ Aid	Account maintained for Capital Fund / Reserve

#### **SURPLUS/ (DEFICIT) (10001-15)**

10001-15-001-0001	Surplus (Deficit)	Surplus or deficit
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**LONG TERM LOANS AND LIABILITIES (10001-20)**

10001-20-001-0001	Punjab Govt. Loan	Loan taken from the Punjab Govt. for service centers or from any financial institution.
10001-10-003-0001	Federal Govt. Loan	Loan taken from the Federal Govt. for service centers or from any financial institution.

**RESERVES & PROVISION (10001-25)**

10001-25-001-0001	Pension / Gratuity	Provision of Pension for deputation employees
10001-25-002-0002	Pension / Gratuity	Provision of Pension for PSIC employees

**ALLOWANCES FOR DEPRECIATION (10001-26)**

10001-26-001-0001	Allowance for Depreciation (Building)	Accumulated depreciation of Building. Accounts for other assets can be opened.
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**CURRENT LIABILITIES (10001-30)*****Sundry Creditors***

<b>Code</b>	<b>Title</b>	<b>Description</b>
10001-30-001-0001	XYZ & Co.-01	Creditors for the supply of misc. items, material and services. Accounts of individual creditors can be opened.

***Expenses Payable***

10001-30-002-0001	Electricity Expense payable	Expense incurred but not yet paid
10001-30-002-0002	Water Expense payable	-do-
10001-30-002-0003	Telephone Expense payable	-do-
10001-30-002-0004	Salary Payable	-do-
10001-30-002-0005	Leave Encashment payable	-do-
10001-30-002-0006	Newspaper &	-do-

	Periodicals	
10001-30-002-0007	POL Charges Payable	-do-
10001-30-002-0008	Sui Gas Charges Payable	-do-
10001-30-002-0009	Office Rent Payable	-do-
10001-30-002-0010	Hot & Cold Charges	-do-
10001-30-002-00---	And so on	

**Funds Payable or Deferred Liability**

10001-30-003-0001 to 10001-30-003-0010	G.P. Fund Payable etc.	G. P. Fund that has been deducted from the salary of certain employees whose salary is not paid through A. G. Office and to be deposited into nominated bank account.
10001-30-003-0011	Security Payable	Amount of securities received either from students or suppliers which is to be payable at the end of session or contract as the case may be.
10001-30-003-0012	Income Tax Payable	Income Tax deducted at source on supplies, services, contract or salaries etc. and payable within stipulated period under I. Tax ordinance.
10001-30-003-0013 and onward	Deferred Grant for ADP, Salary, Non-Salary and other grants.	Account maintained for grant received or utilized.

**FIXED ASSETS (10001-35) – From Grants**

Code	Title	Description
10001-35-001-0001	Land	Original cost or revalued amount of land acquired or transferred to TEVTA.
10001-35-002-0001	Building	Original cost of building purchased, constructed or transferred to TEVTA under the head main building, roads, boundary walls, land mapping, residential accommodations etc.
10001-35-003-0001	Vehicles	Original cost of each class

		of motor vehicles purchased or transferred to TEVTA i.e. cars, vans, jeeps, loaders, buses etc.
10001-35-004-0001	Furniture & Fixture	Original cost of office furniture, fixture and fittings purchased or transferred.
10001-35-005-0001	Office Equipment	Original cost of office equipment i.e. photocopier, fax machine, printers and other equipment purchased or transferred.
10001-35-006-0001	Computers	Original cost of computers and accessories purchased or transferred.
10001-35-007-0001	Plant & Machinery	Original cost of Plant & Machinery purchased or transferred and for manufacturing processes in the service centers.
10001-35-008-0001	Electric & Gas Ins.	Original Cost of Electric & Gas Installations purchased or transferred.
10001-35-009-0001	Books	Original Cost of Books purchased or transferred.

**FIXED ASSETS (10001-36) – From Own Funds**

<b>Code</b>	<b>Title</b>	<b>Description</b>
10001-36-001-0001	Land	Land acquired or transferred to TEVTA.
10001-36-002-0001	Building	Building purchased, or constructed under the head main building, roads, boundary walls, land mapping, residential accommodations etc.
10001-36-003-0001	Vehicles	Motor vehicles purchased i.e. cars, vans, jeeps, loaders, buses etc.
10001-36-004-0001	Furniture & Fixture	Furniture, fixture and fittings purchased.
10001-36-005-0001	Office Equipment	Office equipment i.e. photocopier, fax machine, printers and other equipment purchased.



10001-36-006-0001	Computers	Original cost of computers and accessories purchased.
10001-36-007-0001	Plant & Machinery	Original cost of Plant & Machinery purchased.
10001-36-008-0001	Electric & Gas Ins.	Original Cost of Electric & Gas Installations purchased.
10001-36-009-0001	Books	Original Cost of Books purchased.

**SHORT TERM INVESTMENT / DEPOSIT (10004-40)**

10001-40-001-0001	TDR	Fixed deposit by the TEVTA Secretariat.
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**CURRENT ASSETS (10001-45)**

*Stocks*

10001-45-001-0001	Raw Material	It includes the stock of raw material purchased by the service centers manufacturing or processing of different products.
10001-45-001-0002	Work in Process	Material under process during in the production process of service centers.
10001-45-001-0003	Finished Goods	Finished goods finally produced by the service centers.

*Current Accounts*

<b>Code</b>	<b>Title</b>	<b>Description</b>
10001-45-002-0001	North Zone	TEVTA Secretariat
10001-45-002-0002	South Zone	TEVTA Secretariat
10001-45-002-0003	Center Zone	TEVTA Secretariat
10001-45-002-0004	AG Office	Current Account with AG Office for crediting Salary Grant from the Govt. of the Punjab and payment of salary or other payments to the Govt. Officials.

*Receivables*

10001-45-03-0001	Fee Receivable	Fees receivables from the students who got the admission but yet not paid.
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***Security Refundable***

10001-45-004-0001	Rental Security	Security paid for buildings on rent and returnable on vacating building.
10001-45-004-0002	Sui-Gas Security	Security paid at the time of Sui gas installation.
10001-45-004-0003	Telephone Security	Security paid at the time of taking telephone connection.
10001-45-004-0004	Retention Money	On Sales of Service Centers.
10001-45-004-0005	Electricity Security	Security paid at the time of taking Electricity connection.

***Advances to Staff (for official expenses only)***

10001-45-005-0001	Mr. ABC	Advances given to employees against official expenses.
10001-45-005-0002	Mr. XYZ	-do-

***Advances to Suppliers***

10001-45-006-0001	XYZ & Co.-01	Advances given to the suppliers against supply. Further accounts can be opened as and when necessary.
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***Sundry Debtors***

10001-45-007-0001	XYZ & Co.-01	The amount receivables from the trade debtors in <b>service centers</b> .
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***Other Receivable***

10001-45-008-0001	I. Tax deducted at Source	Income tax deducted at source of <b>service centers</b> on supplies.
10001-45-008-0002	Interest Receivables	Interest usually on bank interest that is due but not credited by the bank in to the concerned Bank account.

***Prepaid Insurance (subject to approval from the authority)***

10001-45-009-0001	Prepaid Insurance on Vehicles	Paid in advance for the next financial year or month.
10001-45-009-0002	Prepaid Group Life Insurance	Paid in advance for the next financial year or month.
10001-45-009-0003	Prepaid Group Health Insurance	Paid in advance for the next financial year or month.

***Prepaid Rent***

10001-45-010-0001	Prepaid Rent	Paid in advance for the next financial year or month.
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***Cash & Bank***

10001-45-011-0001	Bank of Punjab A/c # ----- (Salary)	Salary Funds received and payments drawn in the respective account by TEVTA Secretariat and <b>filed offices</b> only.
10001-45-011-0002	NBP A/c # ----- (Non Salary)	Non – Salary Funds received and payments drawn
10001-45-011-0003	NBP-A/c #----- (Securities)	Securities of students received and payments made by Institutes only
10001-45-011-0004	NBP-A/c #----- (Pupil Funds)	Pupil Funds received and payments made by Institutes only
10001-45-011-0005	BOP A/C # ----- (Non-subsidized scheme)	Self Finance Funds received and payments made by Institutes only
10001-45-011-0006	BOP A/C # ----- (R-2 scheme)	R-2 Funds received and payments made by Institutes only
10001-45-011-0007	BOP A/C # ----- (Fee Collection Account)	Account maintained for fee collection from students through challan.
10001-45-012-0001	Cash Account	Cash balance maintained by the TEVTA Secretariat and other offices and institution to meet day to day expenditures.

10001-45-012-0002	Cash A/c- A.G. Office	An account created to represent the cash payment for salary purposes though A.G. Office.
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**SALES (10001-50)**

<b>Code</b>	<b>Title</b>	<b>Description</b>
10001-50-001-0001	Sales	Income from sale made by the service centers.

**INCOME (10001-51)**

10001-51-001-0001	Tuition Fee	Secretariat will record Income upon receipt from field formation. Field formation will record payable to TEVTA Secretariat on receipt from students.
10001-51-001-0002	Admission Fee	Same as Above.
10001-51-002-0001	Income from Pupil Funds 25% TEVTA share 75% Institute share	It includes the income generated from Welfare fund, Stationary / Exam Fund, Computer Fund, Machinery and Equipment Breakage Fund Parking stand Fund etc including all those funds which are not payable to Govt. treasury, Board/ University. Institute will record 25% as payable to TEVTA Secretariat and 75% as Income.
10001-51-003-0001	Interest Income	It includes the interest income earned from the bank deposits.
10001-51-004-0001	Other Income	It includes the income earned from the sources other than described above e.g. auction of assets, recoveries from the staff etc.
10001-51-005-0001	Government Grants (Salary)	Amortization Income from Salary grant.
10001-51-005-0002	Government Grants (Non Salary)	Amortization Income from Non-Salary grant.
10001-51-005-0003	Amortization Income (amortization of deferred credit for assets)	Amortization Income from cost of assets at depreciation rates.
10001-51-005-0003 and onward	Other revenue grants foreign or local	Amortization Income from other revenue grants.

**COST OF Goods Sold (10001-55) – (Service Centers only)**

10001-55-001-0001	Raw Material	It includes direct material purchased by the <b>service centers</b> for producing end products.
10001-55-002-0001	Wages	It includes the wages paid by the <b>service centers</b> to workers on contract and production staff.
10001-55-003-0001 and onward	FOH- Indirect material (Specific title of account)	Expenses relating to production in the service centers separately for each head of account.
10001-55-004-0001	FOH - Plant & Mach. (Dep.)	It includes the depreciation on plant & machinery charged to production in the <b>service centers</b> . Heads for other assets can be opened for other production related depreciation expenses as per requirements.

**SALARY EXPENDITURE (10001-60)**

<b>Code</b>	<b>Title</b>	<b>Description</b>
10001-60-001-0001	Pay of Officers	Basic Pay of gazetted staff paid directly by the A.G. Office.
10001-60-001-0002	Pay of Other Staff	Basic Pay of non-gazetted staff paid either directly by AG Office or respective Officer or Institute.

***Regular Allowances***

10001-60-002-0001	House Rent Allow.	Self explanatory
10001-60-002-0002	Conveyance Allow.	Self explanatory
10001-60-002-0003	Washing Allow.	Self explanatory
10001-60-002-0004	Dress Allow.	Self explanatory
10001-60-002-0005	Medical Allow.	Self explanatory
10001-60-002-0006	Compensatory Allow.	Self explanatory
10001-60-002-0007	M/Cycle Maint. Allow.	Self explanatory
10001-60-002-0008	Special Allow.	Self explanatory
10001-60-002-0009	Cycle Maint. Allow.	Self explanatory

10001-60-002-0010	Spl. Addl. Allow.	Self explanatory
10001-60-002-0011	Adhoc Relief Allow.	Self explanatory
10001-60-002-0012	Cash Handling Allow.	Self explanatory
10001-60-002-0013	Car Maintenance Allow.	Self explanatory
10001-60-002-0014	Dearness Allow.	Self explanatory

***Other Allowances***

10001-60-003-0001	Medical Charges	Self explanatory
10001-60-003-0002	Contingent Paid Staff	Self explanatory
10001-60-003-0003	Leave Salary	Self explanatory
10001-60-003-0004	Sr. Post Allow.	Self explanatory
10001-60-003-0005	Orderly Allow.	Self explanatory
10001-60-003-0006	Personal Allow.	Self explanatory
10001-60-003-0007	Entertainment Allow.	Self explanatory

***TEVTA Employee Salary***

<b>Code</b>	<b>Title</b>	<b>Description</b>
10001-60-004-0001	Pay & allowances of TEVTA employees	Salary of TEVTA employees
10001-60-004-0002	House Rent Allowance	Self explanatory
10001-60-004-0003	Conveyance Allowance	Self explanatory
10001-60-004-0004	Medical Allowance	Self explanatory
10001-60-004-0005	Adhoc Allowance 2010	Self explanatory
10001-60-004-0006	Adhoc Allowance 2013	Self explanatory
10001-60-004-0007	Adhoc Allowance 2014	Self explanatory
10001-60-004-0008	Adhoc Allowance 2015	Self explanatory

**NON- SALARY EXPENDITURE (10001-65)**

***Repair of Durable Goods***

10001-65-001-0001	Repair of Transport	Self explanatory
10001-65-001-0002	Repair Machinery & Equipment	Self explanatory
10001-65-001-0003	Repair of Furniture & Fixtures	Self explanatory

10001-65-001-0004	Repair of Building	Self explanatory
10001-65-001-0005	Repair of Office Equipment	Self explanatory

***Commodities & Services***

10001-65-002-0001	Traveling Allowance	Self explanatory
10001-65-002-0002	Freight Charges	Self explanatory
10001-65-002-0003	POL Charges	Self explanatory
10001-65-002-0004	Conveyance Charges	Self explanatory

***Communication***

10001-65-003-0001	Postage & Telegraph	Self explanatory
10001-65-003-0002	Telephone & Telex	Self explanatory
10001-65-003-0003	Internet, DSL & other communication charges	Self explanatory

***Utilities***

10001-65-004-0001	Sui Gas Charges	Self explanatory
10001-65-004-0002	Water Charges	Self explanatory
10001-65-004-0003	Electricity Charges	Self explanatory
10001-65-004-0004	Hot & Cold W/Charges	Self explanatory

***Rent, Rates and Taxes***

10001-65-005-0001	Office Rent	Self explanatory
10001-65-005-0002	Rates & Taxes	Self explanatory
0001-65-005-0003	Others	Self explanatory

***Other Operating Expenses***

<b>Code</b>	<b>Title</b>	<b>Description</b>
10001-65-006-0001	Office Stationary	Self explanatory
10001-65-006-0002	Printing Charges	-do-
10001-65-006-0003	Newspaper & Liveries	do
10001-65-006-0004	Uniforms & Liveries	do
10001-65-006-0005	Legal Charges	do
10001-65-006-0006	General repair	do
10001-65-006-0007	Gen. Rep. & Maintenance	do
10001-65-006-0008	Electricity Repair	do
10001-65-006-0009	Advertisement	do
10001-65-006-0010	Cost of other store/training Material	do
10001-65-006-0011	Others	do

***Scholarship Bonus and Other Awards***

10001-65-007-0001	Scholarship Bonus & Award	Self explanatory
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***Pension Contribution***

10001-65-008-0001	Pension Benefits	Only for PSIC employees at secretariat level
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***Entertainment & Gifts***

10001-65-009-0001	Entertainment & Gifts	Self explanatory
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***Contribution & Subscription***

10001-65-010-0001	Contribution & Subscription	Self explanatory
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***Depreciation***

10001-65-011-0001	Office Building	Self explanatory
10001-65-011-0002	Computers	Self explanatory
10001-65-011-0003	Vehicles	Self explanatory
10001-65-011-0004 and onward		

***Bank Charges***

10001-65-012-0001	Bank Charges	Self explanatory
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***Insurance***

10001-65-013-0001	Vehicle Insurance	Self explanatory
10001-65-013-0002	Group Life Insurance	<b>-do-</b>
10001-65-013-0003	Group Health Insurance	<b>-do-</b>

***Expenses from Pupil Funds***

10001-66-001-0001	Repair & Maintenance of	Self
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	Infrastructure	explanatory
10001-66-001-0002	Extra Curricular activities	<b>-do-</b>
10001-66-001-0003	AR / SR of building	<b>-do-</b>
10001-66-001-0004	Salary of visiting faculty/contingent paid staff	<b>-do-</b>
10001-66-001-0005	Expenses on students exam/financial assistance	<b>-do-</b>
10001-66-001-0006	Utilities Expenses	<b>-do-</b>
10001-66-001-0007	Expenses on students sports/study tours	<b>-do-</b>
10001-66-001-0008	Expenses on purchase of training material	<b>-do-</b>
10001-66-001-0009	Medical Expenses	<b>-do-</b>

## **CHAPTER –VI ACCOUNTING PROCEDURES**

### **6.1 Release of Funds (Budget) from Finance Department**

1 Finance Department releases budget to TEVTA on quarterly basis for development and Non development. The development grant is released through ADP for (a) Capital (Grant No.42) for Buildings and (b) Revenue (Grant No.36) for purchase of Machinery, equipment or furniture. The non- development (recurring grant) is released for salary and non-salary. Salary component is for the payment of salary of Civil Servants/PSIC employees/TEVTA employees where as non-salary component is meant for repair of assets and other contingencies such as utility expenses, transportation, communication, stationary/printing expenses etc.

#### ***Development Grant***

2. The development grant is released through PLA of chairperson TEVTA .The funds are credited in PLA and are directly utilized from PLA by issuing treasury cheques in the name of contractors/ suppliers.

#### ***Non Development Grant***

#### **Salary Grants**

3. The salary grant for civil servants is released through A.G. Punjab/District accounts officers while the grant for PSIC/TEVTA employees is released through PLA of Chairperson TEVTA. The Finance wing of TEVTA, upon release from F.D. issues allocation letters to the District Managers and respective D.A.O for onward monthly payments to the employees. The Finance wing of TEVTA Secretariat allocates the budget in the primary units of accounts. The Institute/office utilizes budget according to the budget limit set by the Head office. If re-appropriations of funds are required in the primary units of accounts, the same is done as per rules of delegation of financial powers.

#### **Non Salary Grant**

4. The non salary grant is released through PLA of Chairperson TEVTA. The Finance wing of TEVTA upon release from F.D. allocate/ release the amount to the District Managers for onward distribution to the Institutes. The Finance wing of TEVTA Secretariat allocates the budget in the primary units of accounts. The Institute/office utilizes budget according to the budget limit set by such allocation. If re-appropriations of funds are required in the primary units of accounts, the same is done as per rules of delegation of financial powers.

## 6.2 Accounting for Development Grant No.42

### a. If Grant is received to TEVTA from F.D. (Govt. Treasury)

#### Secretariat level.

ADP 42 grant is received in TEVTA Secretariat PLA Account, from where the disbursement to the contractor is made directly.

1. The Accountant of the Secretariat, on receipt of grant will pass following entry:

Bank/PLA Account	Dr.	
Deferred Liability (ADP –42)		Cr.

2. On distribution of the grant to the districts/Institutes **or release to C&W directly from secretariat**, the accountant of the Secretariat will pass the following entry:

Deferred Liability (ADP –42)	Dr.	
C&W /C&W Contractor Payable		Cr.
Security payable		Cr.
Tax deductions Payable		Cr.

C&W / C&W Contractor Payable	Dr.	
Security payable	Dr.	
Tax deductions Payable	Dr.	
Bank/PLA		Cr.

#### DM Office / Institute level

1. Similarly, the accountant of the DM Office, **on receipt of grant** from the TEVTA Secretariat will pass the following entry in the books of DM office:

Bank Account	Dr.	
Deferred Liability (ADP –42)		Cr.
(with the amount of funds released)		

2. (a) The accountant of the DM Office, **on transfer** of the funds to the Institute or **utilization on behalf** of the Institute grant will pass the following entry in the **books of DM office**

Deferred Liability (ADP –42)	Dr.	
Bank Account		Cr.

2. (b) The accountant of the DM Office, **on transfer** of the funds to the Institute will pass the following entry in the **books of Institute**

Bank Account	Dr.	
Deferred Liability (ADP –42)		Cr.

2. (c) The accountant of the DM Office, **on utilization** of the grant by DM office **on behalf** of the Institute will pass the following entry in the books of respective Institute

Capital Work in Progress	Dr.	
Deferred Liability (ADP –42)		Cr

2. (d) The accountant of the DM Office, **on utilization** of the grant by the Institute will pass the following entry in the books of respective Institute

Capital Work in Progress	Dr.	
Bank Account		Cr

## OR

3. The accountant of the DM Office, **on direct release from TEVTA Secretariat to C&W/contractor** will pass the following entry in the books of respective Institute/office (In lieu of entry no.2 at above)

Capital Work in Progress	Dr.	
Deferred Liability (ADP –42)		Cr

4. The accountant of the DM Office, **on completion of Building** and receiving handing over/taking over certificate from C&W will pass the following entry:

Building Account	Dr.	
Capital Work in Progress		Cr

The buildings will be capitalized on completion of complete work and after proper handing over / taking over. Till the completion of building the funds released will be charged to CWIP. After completion of building and proper handing over/taking over, the amount of CWIP will be transferred under the head building.

**If Grant No.42 is directly released to C&W from F.D. (Govt. Treasury)**

### **Secretariat level**

No entry

### **Institute level**

1. The accountant of the DM Office, **on direct release of grant** to C&W (PWD) from the Government treasury will pass the following entry in the books of respective Institute:

C&W	Dr.	
Deferred Liability (ADP –42) (with the amount of fund released)		Cr

2. The accountant of the DM Office, **on utilization** of the grant will pass the following entry in the books of respective Institute

Capital Work in Progress	Dr.	
C&W (PWD)		Cr

3. The accountant of the DM Office, **on surrender of grant by C&W** on 30<sup>th</sup> June each year (For balance amount not utilized, 1-2 above) will pass the following entry in the books of respective Institute/office

Deferred Liability (ADP –42)	Dr.	
C&W (PWD)		Cr

4. The accountant of the DM Office, **on completion of Building** and receiving handing over/taking over certificate from C&W will pass the following entry:

Building Account	Dr.	
Capital Work in Progress		Cr

### **6.3 Accounting for the Development Grant No.36**

#### **Secretariat level**

1. The Accountant of the Secretariat, on the receipt of revenue grant from TEVTA Secretariat for the purchase of machinery, equipment or furniture (**Grant # 36**) will pass the following entry:

Bank Account	Dr.	
Deferred Liability (ADP –36)		Cr.

2. On payment/distribution of the grant to the districts/Institutes, the accountant of the Secretariat will pass the following entry:

Deferred Liability (ADP –36)	Dr.	
Bank Account		Cr.
Security Payable		Cr.

#### **Institute level**

1. Similarly, the accountant of the DM Office, on receipt of grant **directly in the bank account of the Institute** from the TEVTA Secretariat, will pass the following entry in the books of respective Institute:

Bank Account	Dr.	
Deferred Liability (ADP –36)		Cr

2. The accountant of the DM Office, on purchase/utilization of the grant will pass the following entry in the books of the Institute:

Assets (Individual head of Account)	Dr.	
Bank Account		Cr

### **DM office level purchases on behalf of the Institute**

1. The accountant of the DM Office, on receipt of grant **in the bank account of the District Manager Office** from the TEVTA Secretariat, will pass the following entry in the books of DM office:

Bank Account	Dr.	
Deferred Liability (ADP –36)		Cr

2 (a) The accountant of the DM Office, on purchase/utilization of the grant will pass the following entry in the books of DM office.

Deferred Liability (ADP –36)	Dr.	
Bank Account		Cr

2(b) The accountant of the DM Office, on purchase/utilization of the grant will pass the following entry in the **books of the Institute**

Assets (Individual head of Account)	Dr.	
Deferred Liability (ADP –36)		Cr

### **Funds Transfer from DM office for purchase to the Institute**

1. The accountant of the DM Office, on receipt of grant **in the bank account of the District Manager Office** from the TEVTA Secretariat, will pass the following entry in the books of DM office:

Bank Account	Dr.	
Deferred Liability (ADP –36)		Cr

2 (a) The accountant of the DM Office, on transfer of the grant to Institute will pass the following entry in the books of DM office.

Deferred Liability (ADP –36)	Dr.	
Bank Account		Cr

3(a) The accountant of the DM Office, on transfer /receipt of grant **in the bank account of the Institute from District Manager Office**, will pass the following entry in the **books of Institute**:

Bank Account	Dr.	
Deferred Liability (ADP –36)		Cr

3(b) The accountant of the DM Office, on purchase/utilization of the grant will pass the following entry in the **books of the Institute**

Assets (Individual head of Account)	Dr.	
Bank Account		Cr

4. In case TEVTA Secretariat directly makes payment to the suppliers then following entry will be posted

Assets	Dr.	
ADP 36		Cr.

**The grant will be amortized equal to depreciation.**

#### **6.4 ACCOUNTING FOR SALARY GRANT AND EXPENDITURE**

##### **a. (Salary grant - Civil Servants)**

1. The Accountant of the District on allocation of grant in the head of Salary for civil servants by TEVTA Secretariat will pass the following entry:

A.G. Office -Current A/C	Dr.	
Grant Income for Salary (civil servants)		Cr.

2. The accountant of the respective institute/office would pass following entry for recording of salary expenditure of gazetted and non gazetted staff.

##### **For Gazetted Staff (paid by A.G office through Bank A/C)**

Pay of Officer	Dr.	
Regular Allowances (Individual)	Dr.	
Other allowances (Individual)	Dr.	
A.G. Office Current A/C (Payment)		Cr.
A.G. Office Current A/C (Deductions)		Cr.

##### **3. For Non-gazetted Staff (paid by A.G office through Bank A/C)**

Pay of other Staff	Dr.	
Regular Allowances (Individual)	Dr.	
Other allowances (Individual)	Dr.	
A.G. Office Current A/C (for paid amount)		Cr.
A.G. Office Current A/C (for deductions)		Cr.

##### **4. For Non-gazetted Staff (paid by A.G office through Cash book/DDO)**

##### **On receipt of cash from A.G Office**

(a) Cash A/C A.G Office	Dr.	
A.G. Office Current A/C		Cr.

##### **(b) At the time of payment**

Pay of other Staff	Dr.	
Regular Allowances (Individual)	Dr.	
Other allowances (Individual)	Dr.	
Cash A/C A.G. Office		Cr.
A.G. Office Current A/C (for deductions)		Cr.

(Any difference between **net payment** and **gross pay** due to **deductions** made by the A.G. Office for G.P. Fund/B. Fund / G. Insurance / Income Tax, etc would be adjusted in the in the A.G. Office current account).

5. The accountant of the DM Office, **on saving and surrender of grant by District Account Officer** on 30<sup>th</sup> June each year (For balance amount not utilized) will pass the following entry in the books of respective Institute/office

Grant Income for Salary (civil servants)	Dr.	
A.G. Office -Current A/C		Cr.

**b. (Salary Grant - TEVTA or PSIC employees)**

**Secretariat Level**

1. The Accountant of the Secretariat, on the receipt of Grant in the head of Salary for TEVTA/ PSIC employees from the Government of the Punjab will pass the following entry:

Bank Account	Dr.	
Deferred Liability for Salary (TEVTA or PSIC)		Cr.

2. On distribution of the grant to the districts, the accountant of the Secretariat will pass the following entry:

Deferred Liability for Salary (TEVTA or PSIC)	Dr.	
Bank Account		Cr.
Deductions at Head Office		Cr.

**District level – TEVTA employees**

1. Similarly, the accountant of the Institute/ Office, on receipt of grant from the TEVTA Secretariat, will pass the following entry:

Bank Account	Dr.	
Deductions (by H.O)	Dr.	
Deferred Grant for TEVTA employees		Cr.

2. **When monthly TEVTA employees salary is paid by DM office**

(a) TEVTA employees salary expense	Dr. (for DM office employees)	
Deferred Grant for TEVA employees	Dr. (for Institute's employees)	
Salary payable		Cr.
Income Tax Payable		Cr.
Deductions		Cr.

**At the time of Payment**

(b) Salary payable	Dr.	
Income Tax Payable	Dr.	
Bank Account		Cr.

c. (At the time of recognizing income against the expense of DM office **for DM office TEVTA employees only**)

Deferred Grant for TEVTA employees	Dr.	
Grant Income for TEVTA employees		Cr.



- d. (At the time of recognizing income against the expense of **institute's employees**)

TEVTA employees salary expense	Dr.	
Grant Income for TEVTA employees		Cr.

**District level - PSIC employees**

1. Similarly, the accountant of the Institute/ Office, **on receipt of grant** for PSIC employees from the TEVTA Secretariat, will pass the following entry:

Bank Account	Dr.	
Statutory Deductions (by H.O)	Dr.	
Deferred Grant for PSIC employees		Cr.

2. **When monthly PSIC employees salary is paid by DM office**

- |     |                                   |                                 |     |
|-----|-----------------------------------|---------------------------------|-----|
| (a) | PSIC Salary expense               | Dr. (for DM office employees)   |     |
|     | Deferred Grant for PSIC employees | Dr. (for Institute's employees) |     |
|     | Head Office Deductions            |                                 | Cr. |
|     | Income Tax Payable                |                                 | Cr. |
|     | Salary Payable                    |                                 | Cr. |

**At the time of Payment**

- |     |                    |     |     |
|-----|--------------------|-----|-----|
| (b) | Salary payable     | Dr. |     |
|     | Income Tax Payable | Dr. |     |
|     | Bank Account       |     | Cr. |
- (c) (At the time of recognizing income against the expense of DM office **for DM office PSIC employees only**)

Deferred Grant for PSIC employees	Dr.	
Grant Income for PSIC employees		Cr.

- (d) (At the time of recognizing income against the expense of **institute's employees**)

PSIC employees salary expense	Dr.	
Grant Income for PSIC employees		Cr.

**PENSION / GRATUITY OF PSIC Employees**

- 1 There are certain non cash expenditures like depreciation, Amortization Leave provision & gratuity / pension etc. For PSIC Institutes, the provision of gratuity and pension will be created by passing the following general entry **at Secretariat Level.**

- |     |   |     |     |
|-----|---|-----|-----|
| (a) | Deferred Grant Non Salary                     | Dr. |     |
|     | Gratuity / Commutation / Pension Contribution |     | Cr. |
- (At the time of contribution to Pension Fund from Non salary grant.)

- |     |  |     |     |
|-----|--|-----|-----|
| (b) | Gratuity / Commutation / Pension (expense) | Dr. |     |
|     | Bank                                       |     | Cr. |

(On the time of payment.)

### **IN CASE OF CONTRIBUTION BY SERVICE CENTRES FROM OWN SOURCES**

Gratuity / Commutation / Pension (contribution to Fund*)	Dr.	
Bank		Cr.

(On the time of payment.)

\* Fund account is maintained at Secretariat level.

### **LEAVE SALARY TO PSIC EMPLOYEES**

1 The grant for leave salary will be recorded at the time of receipt and following general entry **at district Level by the District Accountant** shall be passed.

Bank Account	Dr.	
Deferred Grant (PSIC employee salary)		Cr.

2 The leave salary expense will be recorded at the time of payment and following general entry **at Institute Level by the District Accountant** shall be passed.

Deferred Grant (PSIC employee salary)	Dr.	
Bank Account (For un-availed leave balance)		Cr.

3 On payment of leave salary to any employee, the following entry will be passed **at Institute Level by the District Accountant to recognize income.**

PSIC employee salary (Leave Salary)	Dr.	
Grant Income (Salary)		Cr.

### **6.5 ACCOUNTING FOR NON-SALARY GRANT AND EXPENDITURE**

For non-salary expenditure Finance Department releases funds in the PLA of the Chairperson TEVTA. After getting quarterly request from the TEVTA, the Finance Department issues sanction letter which then got audited from the Finance Department. The audit copy of the sanction is submitted to the A.G. Punjab for the issuance of authority. After getting authority from A.G. Punjab, verified cheque along with authority is submitted to the Treasury Office for approval. After getting approval from the Treasury Office, the payment is released to TEVTA in its Bank Account.

TEVTA Secretariat on receipt of funds release non-salary budget to the institutes after through its Budget Branch. Budget branch after getting approval from the competent authority release budget into the institutes accounts. The District Manager or in some case a competent authority allocate budget into

primary unit of accounts. The DDO of the institute/office will utilize the budget with set limit.

### **Secretariat Level**

1. The Accountant of the Secretariat, on the receipt of Grant in the head of Non-Salary from the Government of the Punjab, will pass the following entry:

Bank A/c	Dr.	
Deferred Grant for Non Salary		Cr.

2. On distribution of the grant to the Institutes/ offices, the accountant of the Secretariat will pass the following entry:

Deferred Grant for Non Salary	Dr.	
Bank A/c		Cr.

### **DM Office / Institute Level**

1. The District Accountant on receipt of non salary grant for DM office or Institutions from TEVTA Secretariat would pass the following entry in the books of DM office:

Bank A/c	Dr.	
Deferred Grant for- Non Salary		Cr.

2. The Accountant on expense from non salary grant for DM office expenses would pass the following entry:

(a) Expense Non-Salary (Individual)	Dr.	
Bank Account		Cr.
(b) Deferred Grant for Non Salary	Dt	
Grant Income- Non Salary		Cr.

(To recognize income out of Deferred Grant for the amount of an expense)

3. On distribution of the grant to the Institutes, the accountant of the DM office will pass the following entry in the books of DM office:

Deferred Grant for Non Salary	Dr.	
Bank A/c		Cr.

4. The accountant of DM office on transfer/receipt of non salary grant from DM office would pass the following entry in the **books of Institute:**

Bank A/c	Dr.	
Deferred Grant for- Non Salary		Cr.

5. The Accountant on expense from non salary grant for Institute expenses would pass the following entry in the **books of Institute:**

(a) Expense Non-Salary (Individual)	Dr.	
Bank Account		Cr.

(b) Deferred Grant for Non Salary	Dr.	
Grant Income- Non Salary		Cr.

(To recognize income out of Deferred Grant for the amount of an expense)

## **6.6            Accounting for TSTP Grant and Expenditure**

### **1            Entry for budget received at institute level**

Bank (Non Salary)	Dr.	
Deferred Grant for TSTP		Cr.

### **2            (a)    Entry for purchases & operating expenses**

Assets (for Individual head of Account)	Dr.	
TSTP Expenditure	Dr.	
Bank (Non Salary)		Cr.

### **(b) Entry for recognition of income against TSTP expenditures for the amount of expense**

Deferred Grant for TSTP	Dr.	
Grant Income for TSTP		Cr.

### **(c) Entry for the amount of assets purchased**

Deferred Grant for TSTP	Dr.	
Deferred Grant for TSTP-CAPITAL		Cr.

### **3            Entry for refund of TSTP balances to TEVTA at the end of Batch**

Deferred Grant for TSTP	Dr.	
Bank (Non Salary)		Cr.

## **6.7            ACCOUNTING FOR DEPRECIATION EXPENSE**

### **1 The depreciation expense will be recorded as under at Institute Level**

Depreciation expense (Individual Asset)	Dr.	
Provision for depreciation (Individual Asset)		Cr.

### **2. The entry of the amortization will be passed as under at Institute Level**

Deferred Grant for TSTP- capital portion	Dr.	
Deferred Grant for non-salary- capital portion	Dr.	
Deferred Grant for ADP-36	Dr.	
Deferred Grant for ADP-42	Dr.	
Grant Income from amortization		Cr.

## 6.8

## ACCOUNTING FOR FEE INCOME

1 A source of income for the Institutes is fees received from the students. No fee will be collected in cash. The institute will provide printed challan to the students. The student will directly deposit the fee in TEVTA Fee Collection Account of the institute. The admission fee, tuition fee and 25 % of the pupil fund will be transferred to TEVTA Central fee Collection Account maintained at head office. The fee received from the students is divided into seven categories:

- (a) **Fee payable to TEVTA Secretariat includes the followings**
  - Admission fee
  - Tuition fee
  - Re-admission fee
  - 25 % Pupil Fund
- (b) **Registration fees payable to Board/ University**
- (c) **Verification Fee Payable**
- (d) **Securities**
- (e) **Institute's own income (75 % Pupil Funds)**
- (f) **Second Shift charges**
- (g) **Short Course fee**

### Fees payable to TEVTA Secretariat

2 Fees payable to TEVAT Secretariat includes Admission Fees , Tuition fees and 25 % pupil Fund . .The accountant of the Institute will pass the following entry when he received these fees:

Bank A/C	Dr.	
TEVTA Fee Payable		Cr.

On depositing these receipts to TEVTA, the following entry will be passed:

TEVTA Fee Payable	Dr.	
Bank A/C		Cr.

### Fees payable to Board/ University

3 Fee payable to the Board/ University includes the Registration Fee. This fee is payable to Punjab Board of Technical Education (PBIT) or to University of the Punjab. The accountant of the Institute will pass the following entry on receiving the fee:

Bank	Dr.	
PBTE / University dues payable		Cr.

4 On depositing these receipts to Board/ University, the following entry will

PBIT/ University dues payable	Dr.	
Bank A/C		Cr.

5. For Verification of Documents fee is collected from students in fee and is paid to concerning board.

At the time of collection

Bank	Dr.	
Board Dues Payable		Cr.

4 On depositing it to Board

Board Dues payable	Dr.	
Bank A/C		Cr.

### **Student Securities**

1 This includes the College Security, Hostel Security , Mess Security and Library Security etc. These securities are refundable to the students at the end of session: The accountant of the Institute will pass the following entry when he received securities:

Bank A/c	Dr.	
Securities Payable		Cr.

2. On refunding securities to the students, the following entry will be passed:

Securities Payable	Dr.	
Bank A/c		Cr.

### **Pupil Fund income**

1 The other funds received by the Institute i.e. pupil funds, Welfare fund, Exam. Fund, Bus card etc. will be the Institute's own income. It also includes the receipts like sale of Prospectus, Canteen fund, Short Course Fees & Non-subsidized scheme fee etc. These funds can be utilized for the purpose for which these funds are received. On receiving these funds the Accountant will pass the following entry:

Bank A/C	Dr.	
Pupil Fund		Cr.
Pupil Fund Payable to TEVTA		Cr.

2. On submitting TEVTA Share to TEVTA Central Fee Collection Account

Pupil Fund Payable to TEVTA	Dr.	
Bank		Cr.

3. On incurring expenditure from these funds, following entry should be passed:

Expenditure A/c (Title of Expenditure)	Dr.	
Bank A/c		Cr.

3. On incurring expenditure from scheme, following entry should be passed:

Assets (Individual)	Dr.	
Expenses	Dr.	
Bank A/C (Non-subsidized scheme)		Cr.

4. On incurring expenditure from short course funds, following entry should be passed:

Short course expenses	Dr.	
Bank A/C (Short Course)		Cr.

### TEVTA Own Receipt

1 The receipts, which are deposited into the Govt. Treasury by the Institutes, are refundable from the Govt. Treasury as a Supplementary Grant. When the amount from the Govt. Treasury is received, the following entry will be **passed by the accountant in the head office.**

Bank A/c	Dr.	
TEVTA own receipt		Cr.

2 When the amount is released to district/Institute from Head Office, the following entry will be **passed by the accountant in the head office.**

TEVTA Own Receipt	Dr.	
Bank Account		Cr.

3 When the amount is received by district/Institute from Head Office, the following entry will be **passed by the accountant of DM office/Institute.**

Bank account	Dr.	
TEVTA Own Receipt		Cr.

4 When the amount is incurred for purchases /capital/revenue expenditure, by district/Institute, the following entry will be **passed by the accountant of DM office/Institute.**

Assets (Individually)	Dr. (code 36 be used)	
Expenses (Individually)	Dr.	
TEVTA Own Receipt		Cr.

## 6.9 ACCOUNTING FOR YEAR END ADJUSTMENT

At the end of financial year, there are certain expenditures which are incurred the payments against these expenditures are still due and payments are made after 30 June (i.e. in the next financial year). As the Institute/Offices have enjoyed the benefits against these expenditure, although the payment has not been made, logically it is necessary to book these expenditures in the year in which the expenditure was incurred instead of in the year in which the payment was made. For example, the bills of electricity, gas. Water etc. were of the month of June but the payment was made in July or August next year. For closing the year on 30 June, the following entries would be made:

Entry at 30 June to record the expense in the year in which expenditure was incurred

Expense A/c	Dr.	
Expense Payable		Cr.

On payment in the next financial year (i.e. after 30 June), following entry should be made:

Expense payable	Dr.	
Bank A/c		Cr.

**6.10 (a) Allocation of Funds in AR/SR /Civil Work or procurement of machinery & equipment/Furniture under pupil funds/TEVTA Own Funds**

1 **At the time of allocation**  
(No Entry)

2 **At the time of utilization of funds**

AR/SR (Pupil Funds)	Dr. (Under code 66)	
Assets ((Individual Account)	Dr. (Under Code 36)	
Bank A/c (Pupil Fund)		Cr.

3(a) **Civil Work at the time of utilization of funds**

Capital Work in Progress (Pupil Funds)	Dr. (Under code 36)	
Bank A/c (Pupil Fund)		Cr.

3(b) **Civil Work at the time of completion of building**

Building Account	Dr. (Under code 36)	
Capital Work in Progress (Pupil Funds)		Cr.

**6.10 (b) ACCOUNTING FOR AR / SR Grant and Expenditure**

**Government Grant for AR/SR**

1	Bank (Non Salary)	Dr.	
	Deferred Grant Non-Salary-AR/SR (On receipt of Funds)		Cr.

2	AR/SR Expenditure A/C	Dr.	
	Bank (Non Salary) (Funds utilized for AR/SR works)		Cr.

3	Deferred Grant Non-Salary-AR/SR	Dr.	
	Grant Income for Non-Salary-AR/SR		Cr.

(Recognition of income out of deferred grant equivalent to AR/SR expenses)

**6.11 Special Allocation for procurement of assets from TEVTA own funds**

1	Bank A/C	Dr.	
	TEVTA Own Receipts (For funds received by Institute on account of procurement of assets)		Cr.



2	Assets (Individual- code 36)	Dr.	
	Bank A/C		Cr.
	(Funds utilized through procurement of assets)		

**6.12 Special Allocation for AR/SR from TEVTA own funds**

1	Bank A/C	Dr.	
	TEVTA Own Receipts		Cr.
	(for funds received by Institute on account of AR/SR)		
2	AR/SR (Own Funds)	Dr.	
	Bank A/C		Cr.
	(Funds utilized for AR/SR)		

**6.13 Accounting for Foreign Grants and Donation in kind (Foreign or Local)**

1	Bank A/C	Dr.	
	Deferred Grant (foreign)		Cr.
	(at the time of grant received from UNIDO , ILO etc.)		
2	Assets (Individual)	Dr	
	Expense against foreign grant	Dr	
	Bank A/C		Cr.
	(Funds utilized for the purchase of assets & recurring expenses)		
3	Recognition of income against expenses		
	Deferred Grant (foreign)	Dr.	
	Foreign Grant Income		Cr.
4	Amortization Income for the amount of depreciation on assets purchased		
	Deferred Grant (foreign)	Dr.	
	Amortization Income (Capital)		Cr.
5	<b>Booking of assets donated by Local or Foreign donor</b>		
	Assets (Individual)	Dr.	
	Government Fund		Cr.

**(In case the cost of assets are not available then the valued cost determined as per accounting policy will be cost of the asset.)**

**6.14 Accounting for payments from PLA-ADP**

<b>1.</b>	<b>At the time of grant credited at PLA( By Secretariat)</b>		
	PLA	Dr.	
	Deferred Grant (42 or 36)		Cr.
<b>2.</b>	<b>At the time of receiving of Bills</b>		
	Deferred Grant (42 or 36)	Dr.	
	Party /Security/Tax Payable		Cr.
<b>3.</b>	<b>At the time of payment of Bills</b>		
	Party/Security/Tax Payable	Dr.	
	PLA		Cr.
<b>4.</b>	<b>Institute Level( on receiving cheque from Secretariat in the name of party)</b>		
	W.I.P or Assets	Dr.	
	Deferred Grant (42 or 36)		Cr.

**5. Institute Level( on handing over of building)**

Building

W.I.P

Dr.

Cr.

**6.15 Errors & Omissions**

In case of any error is pointed out in Financial Statements of any institute / Center / District or office, the same would be rectified in the current year financial statements.

## **CHAPTER –VII ACCOUNTING POLICIES**

### **7.1 FOR INSTITUTES OTHER THAN SERVICE CENTERS**

#### **1 STATUS AND OPERATIONS**

Technical Education and Vocational Training Authority (TEVTA) is a body corporate constituted under the Punjab Technical Education and Vocational Training Authority Act, 2010. The principal activity of the Authority is to administer, co-ordinate, supervise and provide guidelines for smooth functioning of Polytechnics, Commercial Training Institutes and Colleges, Technical and Vocational Training Centres, Apprentices Training Centres. The Authority has taken over on or after 05 June 1999 Polytechnics, Commercial Training Institutes and Colleges, Technical and Vocational Training Centres, Apprentices Training Centres under the administrative control of the various Departments or Agencies of the Government including service and Training Centres of the Punjab Small Industries Corporation (PSIC).

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of Preparation**

These financial statements have been prepared under the historical cost convention, except for lands, buildings and some other fixed assets carried at fair value.

##### **2.2 Government grants**

Grant from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Authority will comply with all attached conditions. Fair value signifies the amount received in cash and current market value in case of grant received in kind.

Government grants relating to costs are deferred and recognized in the income and expenditure account over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, machinery or equipment are included in non-current liabilities as deferred Government grants and are credited to the income and expenditure account over the expected lives of the related assets.

## **2.3 Employees' benefits**

### **2.3.1 Government Employees**

Pension, Gratuity, G.P. Fund and other similar payments of Government employees transferred to TEVTA are the liability of Government as per notification No. SO (T-II) 21/16/98 (P-IV) dated 8 April 2002 issued by Industries, Mines and Minerals Department, Government of Punjab. Therefore, liability for retirement benefits of Government employees is not made in the financial statements. Service records of these Government employees are maintained by Auditor General (AG) Office Punjab / District Account Officers.

### **2.3.2 Employees on Contract**

There are no retirement benefits available to contract employees.

### **2.3.3 PSIC Employees**

#### **a) Pension / Gratuity**

Pension / gratuity fund scheme covers all permanent employees under the PSIC rules applicable to them. Annual provision is made to cover the obligation as per below mentioned formulas:

Liability for pension / gratuity (A) = (B) x 12 x factor for year purchased as per commutation table given in Punjab Esta Code

Whereas (B):

Monthly gross pension / gratuity = Last Running Basic Pay Drawn Plus pension-able allowances (if any) x 7/300 x Length of service maximum up to 30 years.

Provision for pension / gratuity at each balance sheet date is made for the differential amount of liability for pension / gratuity calculated for two consecutive balance sheet dates as per above stated formula (A).

At the time of retirement, per month pension is calculated and paid at 65% of (B) and 35% of (B) above is used in formula given in (A) for the calculation of gratuity payable.

Share of TEVTA out of total liability of pension / gratuity of employees transferred from PSIC is determined on the basis of total number of months served in TEVTA.

**b) General Provident Fund - Non Contributory**

Monthly contributions to the fund are made by the employees transferred from PSIC at the minimum rate of 10% of monthly pay defined in Rule 8 of PSIC Employees Provident Fund Rules, 1979. The contributions of employees are deposited to the G.P. Fund maintained by PSIC.

**c) Benevolent Fund**

Equal Monthly contributions to the fund are made by the employer and employees transferred from PSIC at the rate of 1% of basic salary. The contributions of employees are deposited to the Benevolent Fund maintained by PSIC.

**d) Leave salary**

Earned leaves are calculated for four days in each calendar month of duty rendered. There is no maximum limit on the accumulation of these leaves. It is at the option of employees to en cash up to the maximum of leaves earned in a respective financial year.

**2.4 Accrued and other liabilities**

Liabilities for accrued and other amounts payable are initially recognized at fair value which is normally the transaction cost.

**2.5 Taxation**

Provision for income tax is not made in the financial statements being considered as exempted Government organization under section 49(2) of Income Tax Ordinance, 2001 under reference to Tax Free Number of 9020301-1 issued in favor of TEVTA by the Federal Board of Revenue.

**2.6 Property, machinery, or equipment and depreciation**

**a) Cost**

Operating fixed assets except freehold and leasehold lands are stated at cost / fair value less accumulated depreciation and accumulated impairment losses (if any). Freehold and leasehold lands are stated at cost / fair value less accumulated impairment losses (if any). Cost in relation to assets comprise of purchase price , non-refundable taxes and cost directly attributable to bring the assets at required condition and location fair value means the value assessed by the management of the Authority where original cost was not available.

Land acquired through donation or free of cost will be valued at D.C / Revenue department rates of current year.

Capital work-in-progress is stated at cost. The buildings will be capitalized on completion of complete work and after proper handing over /taking over. Till the completion of building the funds released will be charged to CWIP. After completion of building and proper handing over / taking over the amount from CWIP will be transferred under the head building.

Building acquired through donation or free of cost will be valued as per MRS rates of Building department of current year.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure account during the period in which they are incurred.

#### **b) Depreciation**

Depreciation on all operating fixed assets is charged to income on reducing balance method so as to write off the cost of the assets over its estimated useful life at the following rates. Depreciation on additions is charged from the month in which the assets are available for use and on deletions up to the month in which assets are deleted. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Buildings	5%
Machinery and equipment	10%
Electric and gas installations	10%
Laboratory equipment	10%
Computer and ancillaries	30%
Office equipment	10%
Furniture and fixtures	10%
Books	10%
Vehicles	20%

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

**c) De-recognition**

An item of property, machinery or equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income and expenditure account in the year the asset is derecognized.

**2.7 Intangible assets**

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprises purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Authority. The useful life and amortization method is reviewed and adjusted, if appropriate, at each balance sheet date.

**2.8 Inventories**

Inventories, including stores in transit are stated at cost. Cost is determined as follows:

**2.9 Stores and spares**

Useable stores and spares are valued principally at cost, while items considered obsolete are carried at nil value. In transit stores and spares are valued at cost comprising invoice value plus other charges paid thereon.

**2.10 Trade and other receivables**

Trade debts and other receivables are carried at original invoice amount. Debts considered irrecoverable are written off and provision is made for debts considered doubtful of recovery.

**2.11 Revenue recognition**

a) Admission fee and tuition fee (Government dues) collected from students at institutes / centers are deposited in Government treasury on receipt. Subsequently these are received from Finance Department, Government of Punjab and recognized as revenue under the head "TEVTA Own Receipt" in the financial statements of TEVTA Secretariat on receipt basis.

- b) Fees from students of Non-subsidized scheme are recognized on receipt basis.
- c) The pupil funds (Non-Government Dues) are recorded on receipt from students at institute level separately in each head of account.
- d) Interest on bank deposits is recognized on time proportion basis.

## **2.12 Provisions**

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

## **2.13 Impairment**

The carrying amounts of the authority's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognized in the income and expenditure account. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the initial cost of the asset. A reversal of the impairment loss is recognized in income and expenditure account.

## **2.14 Errors & Omissions**

In case of any error is pointed out in Financial Statements of any institute / Center / District or office, the same would be rectified in the current year financial statements.

## **7.2 ACCOUNTING POLICIES FOR SERVICE CENTRES**

### **1 STATUS AND OPERATIONS**

Technical Education and Vocational Training Authority (TEVTA) is a body corporate constituted under the Punjab Technical Education and Vocational Training Authority Ordinance, 1999. The principal activity of the Authority is to administer, co-ordinate, supervise and provide guidelines for smooth functioning of Polytechnics, Commercial Training Institutes and Colleges, Technical and Vocational Training Centres, Apprentices Training Centres. The Authority has taken over on or after 05 June 1999 Polytechnics, Commercial Training Institutes and Colleges, Technical and Vocational Training Centres, Apprentices Training Centres under the administrative control of the various Departments or Agencies of the Government including service and Training Centres of the Punjab Small Industries Corporation (PSIC).



## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of Preparation**

These financial statements have been prepared under the historical cost convention, except for lands, buildings and some other fixed assets carried at fair value.

### **2.2 Government grants**

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Authority will comply with all attached conditions. Fair value signifies the amount received in cash and current market value in case of grant received in kind.

Government grants relating to costs are deferred and recognized in the income and expenditure account over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, machinery or equipment are included in non-current liabilities as deferred Government grants and are credited to the income and expenditure account over the expected lives of the related assets.

### **2.3 Employees' benefits - PSIC Employees**

#### **a) Pension / Gratuity**

Pension / gratuity fund scheme covers all permanent employees under the PSIC rules applicable to them. Annual provision is made to cover the obligation as per below mentioned formulas:

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Whereas (B):

Monthly gross pension / gratuity = Last Running Basic Pay Drawn Plus pension-able allowances (if any) x 7/300 x Length of service maximum up to 30 years

Provision for pension / gratuity at each balance sheet date is made for the differential amount of liability for pension / gratuity calculated for two consecutive balance sheet dates as per above stated formula (A).

At the time of retirement, per month pension is calculated and paid at 65% of (B) and 35% of (B) above is used in formula given in (A) for the

calculation of gratuity payable.

Share of TEVTA out of total liability of pension / gratuity of employees transferred from PSIC is determined on the basis of total number of months served in TEVTA.

**b) General Provident Fund - Non Contributory**

Monthly contributions to the fund are made by the employees transferred from PSIC at the minimum rate of 10% of monthly pay defined in Rule 8 of PSIC Employees Provident Fund Rules, 1979. The contributions of employees are deposited to the G.P. Fund maintained by PSIC.

**c) Benevolent Fund**

Equal Monthly contributions to the fund are made by the employer & employees transferred from PSIC at the rate of 1% of basic salary. The contributions of employees are deposited to the Benevolent Fund maintained by PSIC.

**d) Leave salary**

Earned leaves are calculated for four days in each calendar month of duty rendered. There is no maximum limit on the accumulation of these leaves. It is at the option of employees to en-cash up to the maximum of leaves earned in a respective financial year.

**2.4 Accrued and other liabilities**

Liabilities for accrued and other amounts payable are initially recognized at fair value which is normally the transaction cost.

**2.5 Taxation**

Provision for income tax is not made in the financial statements being considered as exempted Government organization under section 49(2) of Income Tax Ordinance, 2001 under reference to Tax Free Number of 9020301-1 issued in favor of TEVTA by the Central Board of Revenue.

## 2.6 Property, machinery, or equipment and depreciation

### a) Cost

Operating fixed assets except freehold and leasehold lands are stated at cost / fair value less accumulated depreciation and accumulated impairment losses (if any). Freehold and leasehold lands are stated at cost / fair value less accumulated impairment losses (if any). Cost in relation to assets comprise of purchase price, non-refundable taxes and cost directly attributable to bring the assets at required condition and location fair value means the value assessed by the management of the Authority where original cost was not available.

Land acquired through donation or free of cost will be valued at D.C / Revenue department rates of current year.

Capital work-in-progress is stated at cost. The buildings will be capitalized on completion of complete work and after proper handing over /taking over. Till the completion of building the funds released will be charged to CWIP. After completion of building and proper handing over / taking over the amount from CWIP will be transferred under the head building.

Building acquired through donation or free of cost will be valued as per MRS rates of Building department of current year.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income and expenditure account during the period in which they are incurred.

### b) Depreciation

Depreciation on all operating fixed assets is charged to income on reducing balance method so as to write off the cost of the assets over its estimated useful life at the following rates. Depreciation on additions is charged from the month in which the assets are available for use and on deletions up to the month in which assets are deleted. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Buildings	5%
Machinery and equipment	10%
Electric and gas installations	10%
Laboratory equipment	10%

Computer and ancillaries	30%
Office equipment	10%
Furniture and fixtures	10%
Books	10%
Vehicles	20%

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

**c) De-recognizing**

An item of property, machinery or equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the income and expenditure account in the year the asset is de-recognized.

**2.7 Intangible assets**

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprises purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Authority. The useful life and amortization method is reviewed and adjusted, if appropriate, at each balance sheet date.

**2.8 Inventories**

Inventories, including for stock in transit and waste stock are stated at cost. Cost is determined as follows:

**2.9 Stores and spares**

Useable stores and spares are valued principally at cost, while items considered obsolete are carried at nil value. In transit stores and spares are valued at cost comprising invoice value plus other charges paid thereon.

**2.10 Stock in trade**

Raw material is recognized at cost.

Cost of work-in-process and finished goods comprises cost of direct material, labor and appropriate manufacturing overheads. Cost of goods purchased for resale are based on actual cost.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

### **2.11 Trade and other receivables**

Trade debts and other receivables are carried at original invoice amount. Debts considered irrecoverable are written off and provision is made for debts considered doubtful of recovery.

### **2.12 Revenue recognition**

a) Revenue from sale is recognized on dispatch of goods to customers.

b) Admission fee and tuition fee (Government dues) collected from students at institutes / centres are deposited in Government treasury on receipt. Subsequently these are received from Finance Department, Government of Punjab and recognized as revenue under the head "TEVTA Own Receipt" in the financial statements of TEVTA Secretariat on receipt basis.

c) Fees from students of non-subsidized scheme are recognized on receipt basis.

d) The student funds (Non-Government Dues) are recorded on receipt from students at institute level separately in each head of account.

e) Interest on bank deposits is recognized on time proportion basis.

### **2.13 Provisions**

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

### **2.14 Impairment**

The carrying amounts of the authority's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of such assets is

estimated and impairment losses are recognized in the income and expenditure account. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the initial cost of the asset. A reversal of the impairment loss is recognized in income and expenditure account.

### **Capitalization Policy**

All assets shall be capitalized at Invoice Value plus incidental charges paid there on as per below schedule:

Land	actual cost
Buildings	actual cost
Machinery & Equipment	actual cost
Laboratory equipment	actual subject to minimum Rs.2000/-
Electric & Gas Installations	actual subject to minimum Rs.2000/-
Office Equipment	actual cost
Computers & ancillaries	actual cost
Furniture and fixtures	actual subject to minimum Rs.1000/-
Vehicles	actual cost

### **Errors & Commission**

In case of any error is pointed out in Financial Statements of any institute / Center / District or office, the same would be rectified in the current year financial statements.

## **CHAPTER –VIII**

### **Service Matters**

#### **8.1 Service Book of Non Gazetted Staff.**

- Service Book of Non Gazetted Staff must be maintained by concerned Institute / Office.
- Service Book of Gazetted Staff is maintained by concerned DAOs / AG office.

#### **8.2 Method of Preparing –First Entry**

- Initial Pay
- Admissible Allowances
- Statutory deductions
- Basic Pay Scale
- Date of appointment
- Date of Joining
- Name, designation and address of the employee etc.

#### **8.3 Fixation of Pay**

- After appointment or promotion, pay is fixed.
- Initial Pay, annual increment earned and admissible allowances are considered for pay fixation.

#### **8.4 Annual Increment.**

- TEVTA employees on 1<sup>st</sup> day of July each year.
- Government/PSIC/TEP employees on 1<sup>st</sup> day of December each year.
- At least, 6 months service for 1<sup>st</sup> increment.

#### **8.5 Yearly Verification of Service Book.**

- All Service Books needs to get verified by DAOs / AG office
- Transaction base verification of service book by concerned DDO.

#### **8.6 Pension of Govt./PSIC Employees.**

- Pension of Government employees is the liability of Government
- Pension of PSIC employees is the liability of TEVTA / PSIC.
- TEVTA is liable to make pension contribution of PSIC employees only for the period served in TEVTA.

### **8.7 Documents regarding Pension.**

- Pension Papers along-with Form 6 (Pen).
- Four attested photographs.
- An attested copy of N.I.C.
- Copy of Pay slip.
- Copy of retirement notification.
- No demand/No enquiry certificate.
- Specimen signatures.
- Thumb and fingers impressions.
- List of family members.
- Declaration of non-receipt of pension/anticipatory pension or gratuity/commutation.
- No demand certificate from the Building Department.
- No demand certificate from Income Tax Department.
- Copy of undertaking.
- Service Book (in originals).

### **8.8 Documents regarding Pension on Disability/Death.**

- 03 Photographs of the widow.
- No Marriage Certificate on Stamp Paper.
- Attested copy of death certificate.
- Description Roll.
- List of family members.
- An attested copy of N.I.C card of the widow and deceased officer.
- Specimen signature of the widow.
- Thumb and fingers impressions of the widow.
- An attested copy of pension book.

### **8.9 Leave Rules Government Employees.**

- Leave Rules 1981 as amended from time to time are applicable
- Various kinds of leaves are admissible, such as casual, medical, earned, education, extra ordinary, maternity, ex-Pakistan etc.

### **8.10 Leave Rules of TEVTA employees**

- Leave Regulations as per TSR are applicable
- Various kinds of leaves are admissible, such as casual, medical, earned, extra ordinary, maternity, special disability etc.

### **8.11 Leave Fare Assistance**

- Once in a calendar year
- One gross salary at the time of each year of completion of service
- 10 days earned leave are adjusted against one LFA



- Can be accumulated only for two years
- Only for TEVTA employees

#### ***8.12 Recruitment of TEVTA employees***

All recruitment will be made as per TSR

- Recruitment against approved/sanctioned vacant post.
- NOC from finance wing is must before advertisement
- Notified merit based procedure
- Notified appointing authorities for each post
- Selection committees
- Selection Criteria
- Appointment only against TEVTA revised pay scales