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Accountant General (A&E)-Gujarat, Rajkot

MANUAL OF GENERAL PROVIDENT FUND SECTION

Office of the Accountant General (A&E) Gujarat, Rajkot

PREFACE

This Manual is issued in accordance with Para 2.2 of the Comptroller and Auditor General's Manual of Standing Orders and contains orders and instructions issued from time to time by the Government of India, Government of Gujarat, the Comptroller and Auditor-General of India and by this Office in connection with the Administration of Government Provident Funds. These rules and instructions are supplementary to the general rules and orders contained in other authorized codes, manuals and publications, embodying the several Provident Fund Rules issued by the Government of India and the Government of Gujarat.

- 2) The Branch Officers and Assistant Accountants Officers of the Fund sections are expected to scrutinize the contents of the Manual carefully in the course of their work and to bring to notice any inaccuracies or omissions or orders which have become obsolete or require amendments.
- 3) The Sr. Accounts Officer of Fund-I section is responsible for keeping the manual up to date by promptly incorporating in it all relevant orders issued from time to time.

ACCOUNTANT GENERAL

Rajkot.

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CHAPTER - I

GENERAL

CONSTITUTION, STRENGTH & DUTIES

1.01 Constitution and Strength:-The Funds group comprises of several sections each in charge of AAO/ Section Officer. The Group is under the supervisory control of Deputy Accountant General, who is assisted by Sr. Accounts / Accounts Officers.

The standard norms fixed by the Comptroller and Auditor General of India and the distribution of work among various sections are given in Appendix I and Appendix II respectively.

Fund-1 Section is the controlling section for this group and is responsible for the co-ordination of work in the group.

1.02 Scope of the Group:

The work of the group consists of :

- (i) Scrutiny of applications for admission from intending eligible subscribers to the fund.
- (ii) Receipt and check of the fund schedules, vouchers and voucher-wise deduction statement from the compilation sections.
- (iii) Maintenance of all fund accounts in the prescribed form and in the manner required in respect of computer set up of posting.
- (iv) Check of temporary, non refundable and final withdrawals from the fund.
- (v) Check of withdrawals for payment of insurance premium already in existence.
- (vi) Calculation of interest due for the year and preparation of annual account statement of the subscriber.
- (vii) Authorisation of final refund amount and residual balance in respect of subscribers who have retired on superannuation, voluntary resignation or in case of death. Calculation of Deposit Link Insurance Scheme only in respect of death cases.
- (viii) Preparation of Budget estimates.
- (ix) Maintenance of various books and registers connected with fund accounts and Submission of periodical reports to the Comptroller and Auditor General of India as required by him.

Note (I): The provident fund accounts of subscribers have been computerised from 1997-98 onwards.

1.03 The following are the fund accounts that are maintained by this office:

- (i) General Provident Fund of O.T. Cl. IV
- (ii) Contributory Provident Fund (only of re-employed person)
- (iii) All India Services Provident Fund
- (iv) Divisional Accountants
- (v) Dadra & Nagar Haveli (Central)
- (vi) The rules relating to the several funds issued by the various rule making authorities should be referred to in regard to matters relating to the respective funds. The subsidiary instructions and orders issued by competent authorities from time to time are indicated in subsequent chapters of this manual.

1.04 Provident Fund Accounts of Divisional Accountants

Divisional Accountants working in connection with the State Divisions are paid from the State Consolidated Fund. Their provident fund accounts should, therefore, be kept in the state Section of Accounts. In order to distinguish the P.F. transactions of the Divisional Accountants who are governed by the G.P. Fund rules of the Central Government from the transactions of the state, the former transaction should be accounted for under a separate detailed head mentioned in the classification given below. State Provident Fund –General Provident Fund –State –Divisional Accountants.

1.05 The G.P. Fund accounts of Audit office clerks who are recruited as Divisional Accountants should, however, continue to be maintained in the Central Section of Accounts till they are confirmed as Divisional Accountants.

(CAG' s letter No. 2718-Tech. Admn.II / 402-68 dt the 13th November 1968 file No.P.F.Misc/K-348).

1.06 (A) Duties of P.F.Staff:**Fund-1 section:**

- 1) Co-ordination work and all general matters relating to the entire Group
- 2) Internal personnel management, i.e. distribution and posting of staff in the Group
- 3) Consolidation and submission of periodical reports to Group Officer and Accountant General and sending reports on the state of work in the Group to Headquarter Office.
- 4) Maintenance of Consolidated Unit Broad sheet
- 5) Preparation of staff proposal and budget estimates
- 6) Ensuring prompt supply of Ledger Cards, schedules and stationery
- 7) Issue of general circulars, Office orders etc.
- 8) Examination of important cases/references received from other sections in the Group
- 9) Approval of proposals relating to collateral evidence and ad-hoc and affidavit adjustments sent by the sections
- 10) Attending to write off proposals and connected work
- 11) Drawing programme for posting of debit/credits and watching the progress of work
- 12) Watching clearance of unposted and missing credits/debits
- 13) Maintenance and updating of model Calander of Returns,GPF Rules and the Provident Fund Manual
- 14) Review of various registers maintained in the sections
- 15) Finalisation of honorarium claims
- 16) Making arrangement to send annual accounts statements
- 17) Census of Ledger Cards
- 18) Annual adjustment of interest based on actuals
- 19) Drawing programme for sending parties to Treasuries and departmental offices
- 20) Preparation of annual indent for forms, stationery,consumables etc. and printing of forms and registers for the Group
- 21) Follow up action on ITA's Triennial Review and Test Audit Reports and Director of Inspection's Report
- 22) Review of complaints received from Headquarters Office and AG's Secretariat

- 23) Maintenance of consolidated register of impounded documents sent to Police,PAC,Court etc.
- 24) Marking of disputed letters to the sections concerned within the Group
- 25) Any other work allotted by Branch Officer/Group Officer

(B) Duties of other P.F.sections:

Note : In this office, the G.P.F. Accounts are computerised. Hence, EDP Section functions as accounting section while other sections function as manual sections.

- 1) Receipt and check of schedules and vouchers, arranging the same and collecting/calling for wanting items. (Schedules containing corrections and over writings should be checked critically. Doubtful cases should be cheked with the schedules of previous/subsequent months)
- 2) Scrutiny of applications for admission to the Fund and allotment of Account Numbers.
- 3) Checking and review of credit and debit posting made by Data Entry Operators doing posting work.
- 4) Handing over of schedules and vouchers to Old Records.
- 5) Attending to ITA's objections (Triennial review and Test Audit)
- 6) Review of individual accounts and finalization of FW/Transfer of balance cases.
- 7) Clearance of unposted, 'Full Want and Part Want' Items
- 8) Issue of authorizations for final withdrawals and residual balances
- 9) Review and despatch of annual accounts statements to the subscribers
- 10) Ensuring that all adjustments have been carried out and Transfer Entries are posted.
- 11) Other items of work as entrusted by the Branch Officer/ Group Officer.

(C) ELECTRONIC DATA PROCESSING SECTION:

- 1) Maintenance of GPF accounts of State Government Employees in computer files- creating and maintaining Master files, all other related work.
- 2) System maintenance including LAN security.
- 3) Maintenance of Log books, giving and changing of pass words, creating restrictions for users in terms of time, accessibility etc.

- 4) Reporting any hardware problem to the concerned agencies and ensuring remedial action.
- 5) Attending to various trouble shooting work.
- 6) Writing computer programme required for generating various reports and/or making programme modifications.
- 7) Daily Checking to ensure that there are no unauthorized program and computers viruses are running.
- 8) Year end jobs like verifying the correctness of OB with reference to the CB of previous year
- 9) Data Management-General maintenance of entire data, keeping back up files in a separate place/building etc.
- 10) Assessing the annual and periodical requirement of stationery and other consumables.
- 11)Co-ordinating with Fund Section's staff and helping them to take printouts and view the data
- 12)Generating various reports required by AG, Group officer, Branch Officers and Sections.
- 13)Taking printouts of Status Reports relating to the Final Withdrawal Cases
- 14)Preparation of Annual Accounts Statements
- 15)Other items of work as entrusted by the BO/Group Officer
- 16)Parallel run of Oracle GPF package.

(D) Job Description for Different cadres in PF Group:

A. ACCOUNTANTS/SR.ACCOUNTANTS:

1. Admission /Allotment to GPF Account Numbers and related correspondence.
2. Collection and checking of schedules and vouchers with Abstract and Booked figures, schedule totals, Treasury documents, etc.
3. Listing of missing vouchers,schedules or challans and missing details in vouchers, schedules and other documents, collection of missing documents from DC Section and TOs/DDOs and related correspondence.
4. Maintenance of records relating to wanting vouchers,schedules,challans and related correspondence.
5. All works relating to finalization of FW/RB/TOB cases,clearance of missing credits and other miscellaneous correspondence and ensuring proper despatch of authorization to DDOs,TOs and subscribers.

6. Suo-moto clearance of unposted items including full want / part want items and related correspondence.
7. Custody of schedules and vouchers for transfer to Old Records.
8. Checking of annual accounts statements and ledger cards and despatch of Annual Account Statements.
9. Any other work assigned by the Supervisory Officer.

A. DATA ENTRY OPERATORS/ CONSOLE OPERATOR/ SR. CONSOLE OPERATORS.

1. Assisting Sr.Accountant/Accountants in collection of vouchers, schedules and other documents,checking of vouchers, schedules and challans with List of Payments, abstract of schedules/vouchers etc. and arranging them for data entry.
2. Data entry of schedules, vouchers and TEs to complete the accounts.
3. Reconciliation with reference to schedules and vouchers.
4. Assisting the section in validation of credit/debit postings.
5. Return of all vouchers and schedules after data entry in complete shape to the Accountant/Sr.Accountants of the section.
6. Assisting Sr.Accountant/Accountant in clearance of unposted items including full want/ part want items and missing credit papers relating to previous years.
7. Any other job assigned by the Supervisory Officer.

B. ASSISTANT ACCOUNTS OFFICER / SECTION OFFICER.

1. All administrative matters relating to supervising and controlling of the Section, maintenance of records and submission of various reports.
2. Fixing of targets fo DEOs/Sr.Acctts/Acctts. and others under their control.
3. Monitoring the progress of the work in the Section as a whole.
4. Test checking the posting done in the accounts maintained and reports generated by the EDP personnel.
5. Monitoring the performance of DEOs/COs/SCOs and reporting to the Group Officer/Accountant General.
6. Guiding the Sr.Accountants/Accountants/SCOs/COs/DEOs to ensure efficiency in data entry and getting better quality work.
7. Ensuring monthly and annual agreement of DB and BROADSHEET figures.
8. Ensuring complete maintenance of accounts of any individual subscriber account from admission to finalization of final withdrawal and residual balance cases.
9. Sorting out administrative and technical problems in the Section and solving them.
10. Any other job assigned by the Branch Officer.

C. SR.ACCOUNTS OFFICERS / ACCOUNTS OFFICERS.

1. Supervision of the work of the staff and overall co-ordination of Sections.
2. Fixing targets for the Sections.
3. All administrative matters.
4. Guiding AAOs/SOs/DP for system maintenance and development or modifications.
5. Guiding all subordinate staff in maintenance of subscribers' accounts.
6. Ensuring prompt submission of various returns to the Group Officer/Accountant General.

7. Test check of accounts, posting and reports generated in the system
8. Authorisation of FW/RB cases.
9. Sorting out administrative and technical problems in the Branch and solving them.
Any other job assigned by the Group Officer/Accountant General.

(Authority: DAG/Funds orders dated 23-7-2003 in Fund-1 file)

1.07 Role of Branch Officers in Proper Maintenance of P.F. Accounts

- (1) The Branch Officers are responsible for the general supervision of the sections under them. Checks to be applied by Branch Officers in the proper maintenance of PF Accounts are detailed below:

It is however, necessary that he should involve himself directly in the management of these sections. For this purpose he should inspect them personally from time to time to see the state of records and progress of work in each section.

There should be adequate arrangement for keeping personal files and ledger cards.

- 2) Branch officer should personally review the ledger cards and other registers maintained in the sections.

i) Register of Missing Schedules/Vouchers:

The instructions prescribe that the Group Officers of IAD/Funds should send a joint report in respect of missing schedules/vouchers to the Accountant General. Branch Officer should see that follow up action has been taken on the report/(s).

ii) Register of Unposted Items:

- a) Register of un-posted items should be maintained by the Fund section
- b) Branch Officer should critically examine this register every month and see that there are no lump sum postings and if such postings are inescapable, it should be seen that adequate action to call for details has been taken and followed up at higher levels. All debit entries are brought to his personal notice for immediate action.

iii) **Final/Residual Balance Payment cases:**

The register should be critically reviewed every month to see that references and reminders are issued to the Head of the Department in respect of incomplete final payment applications are duly signed by the Group Officer.

iv) **Register of Missing Credits/Debits:**

This is posted and closed half-yearly but is put up to the Branch Officer monthly. He should see that action is taken for adjustment either through available records or on C.E. on the basis of information already furnished. If no information is furnished, it should be called for. He should consider whether peripatetic parties may be formed to obtain the information.

v) **Acceptance of Balances:**

After the issue of the Account statements, returns of the detachable slips containing the acceptance of balance is required to be watched. A report to the Branch Officer is submitted every month after September. The Branch Officer should not only watch the receipt of acceptance and initiate action for those which are not being received but should also initiate action on those which have been received and where the balances have not been accepted for stated reasons.

vi) **Complaint Cases:**

Outstanding complaints should be reviewed by the Branch Officer to see that action at appropriate level has been taken and to consider whether information should be obtained through peripatetic parties.

vii) **Review of Sectional Dak:**

Branch Officer should have the dak registers routed through him with a view to seeing the nature of complaints and to mark cases which need special attention.

viii) **Triennial Review by I.T.A:**

After the triennial review is completed by the I.T.A and the results of review are intimated to the Branch Officer, he would examine them critically and see why the deficiencies pointed out were not detected by him earlier.

ix) **Overall:** the Branch Officer should be aware of the State of work in the Sections under his charge at all times and of action taken on the deficiencies noticed by him personally or during the course of work in those sections.

(C.A.G.'s letter No.128-TA.II/302-78 I dt.8.2.79)

DUTIES OF RECORD CLERK ATTACHED TO COMPUTER SECTION:-

1. He will index letters/Registers received in computer cell from subscribers and entitlement sections and distribute the same to concerned DEOs and Accountants and see that Registers, letters etc are returned to concerned sections.
2. He will also arrange supply of stationary and other consumables like printer ribbon etc to the staff involved in printing of reports in computer Section.
3. Any other work assigned by the Sectional Head.

CHAPTER-II

GENERAL ORDERS RELATING TO PROVIDENT FUND

2.01 The General Provident Fund (Central Services) Rules, 1960, which came in to effect from 1-4-1960, have been framed by Government of India under the powers conferred by the proviso to article 309 and clause (5) of article 148 of the constitution. Under the same provision, read with Section 81 (6) of the Bombay Re-organisation Act, 1960, the Gujarat Government has extended the Bombay General Provident Fund Rules through out the State of Gujarat.

The Bombay General Provident Fund Rules so extended apply also to :-

- (a) all persons appointed on or after 1-11-1956 to the services and posts in connection with the affairs:-
- (i) of the State of Bombay as constituted on that dates and who have as from 1-5-60 continued to hold the same posts and offices in the State of Gujarat by virtue of the provisions of section 82 of the Bombay Re-organisation Act, 1960 or
 - (ii) of the State of Gujarat and falling within the category specified in Rule 4 of B.G.P.F. Rules.
- (b) all persons (being persons appointed to services and posts in connection with the affairs of the former State of Saurashtra, Kutch, Madhya Pradesh, Hyderabad) who, as from 1-11-1956, were holding the posts or office in that State in accordance with the provisions of section 116 of State Re-organisation Act, 1956, and who have as from 1-5-1960 continued to hold posts and offices in the State of Gujarat.
(Authority:- Notification No. PFR-2462/444/J dated 15-7-1963 of F.D. of Government of Gujarat).

2.02 It is desirable that as far as possible, there should be uniformity of interpretation of identical rules, and for this reason, the Government of India communicate to State Governments for information any important interpretation of rules that they issue.
(G.I.F.D.No.F.22-XII-R II/34 dt.25 th June 1934.)

2.03 With a view to securing uniformity of interpretation of identical rules, when the interpretation of a rule given by a State Government is doubtful and when the rule and any other relevant rules are identical in substance with the Government of India rule, the accounts Officer should suggest to the State Government that it should consult the Government of India in the matter.
(Auditor General's No.T.867-NGE/262-34 dt.10th August 1934).

2.04 There is no legal bar to the granting to a Government Servant's estate the benefit of an amendment or a new rule introduced between the date of the Government Servant's death and the date of payment to his estate of the balance at his credit.
(Secretary of State No.F.6773-27 dated 24 th Nov.1927 and G.I.F.D No.F.42-VII/R.II dated 9th Feb.1928 received with G.I.F.D No.F.42-VII-R II dated 20 th February 1928 A.G.C.R's Manual)

Note: Vide also in this connection Art.313 of the constitution of India regarding Transitional Provision.

2.05 The rules of procedure laid down in connection with General Provident fund deposits will apply mutatis mutandis to other provident funds, so far as they are not inconsistent with the provisions of the Provident Fund Rules themselves.

(Letter No.T.123.Admn.I/42-36 dated 6 th May 1936 from Auditor General A.G.C.R.'s Manual)

2.06 All correspondence in connection with the PF is received from the Heads of Offices for Non-Gazetted establishments and from Gazetted Officers direct on their own behalf. *

2.07 The amounts at credit of subscriber, compulsory or optional are under section 2(a) of the Provident Fund Act of 1925 compulsory deposits and therefore protected from attachment by a Court of Law under Section 3 bid.

(G.I.F.D No.6212-P dt.11th Dec.1909.)

2.08 The definition of compulsory deposits covers the deposit of optional subscribers as well as optional part of the subscriptions of compulsory subscribers.

2.09 It has been decided that it is inconsistent with Section 3(l) of the Provident Fund Act 1925 for government to deduct any amount due to them by a subscriber from his accumulations in the General Provident fund at the time of payable to a subscriber's nominee in the event of the subscriber's death, in service or after retirement as the case may be even though the consent of the subscriber or nominee may have been obtained.

2.10 In cases where a subscriber or nominee is willing to repay the amount due to Government, the best course would be to treat the repayment as a second transaction. The whole of the money should first be paid intact and without any compulsion. Thereafter, the payee may be called upon to make good the Government dues.

(G.I.F.D.No.20(2) R.II-45, dated 28th February 1945, and Government of Bombay P.and S.Deptt.No. 1575-34 dated 16th April 1945.)

2.11 The immunity provided by section 3(1) of the Provident Fund Act, against deductions from accumulations in a Provident Fund of any debt incurred or

liability owed does not extend of the liabilities incurred by the subscriber's nominee after the subscriber's death. The Provident Fund balances resting in a dependent are liable to attachment for debts incurred by the dependent after the subscriber's death and where such debts are due to the Government by whom the balances are payable, they could be set off against such balances under the general law relating to the setting off of claims and counter claims between the two parties.

(Government of India, Min.of Finance Deptt.of Revenue and Expenditure Letter No.30(2)-EV/53 dated 28th May 1953)

- 2.12** Even money due to Government by a deceased officer on account of advance of pay or on account of embezzlement of Government money found after his death cannot legally be deducted from any amount standing at his credit in the fund.

(G.I.F.D.No. 99-FA dated 10.3.1913 and 302-FE dated 10.4.46 C.G.'s letter No.1071 F.331-6 dated 22.5.1916).

- 2.13** Since deposits in the General Provident Fund are protected under the P.F. Act, against all creditors, Government should not use their position as custodians of the fund to put themselves in a better position than other creditors. Government has issued definite orders on the subject with the object of making it perfectly clear that, whatever be the legal position, the amounts detected as overpayments in the course of audit and other claims of Government should not be compulsorily recovered from the balance at depositor's credit in the General Provident Fund.

(G.I.F.D.No.1753-FE dated 21.7.1923, G.R.F.D.No.2453 dated 3.8.1923)

- 2.14** The deposits at credit of subscribers in the General Provident Fund or their own deposits in a Contributory Provident Fund are not to be confiscated in satisfaction of a fine imposed on a subscriber by a criminal court or in recoupment of defalcations of public money committed by him. It has been recognised throughout that any statutory power given to Government to make good their losses from the deposits of a subscriber to his fund would be inconsistent with the principles of a Provident Fund.

(G.I.F.D.letter No. F/66-II-FE-27 of 19.9.1927 to the Bombay Government and G.R.F.D) No.5435-F dated 18.10.1927).

2.15 In no circumstances should an Accountant General ignore an order of attachment of a court even though the order is correctly understood by him to be bad in law. He must maintain the attachment until the order is either withdrawn by the court which imposed it or cancelled by a Superior Court. It may be stated in this connection that it has been ruled in Mr.Virchand 's case(89 Bom 259) that a deposit once compulsory remains compulsory and is not liable to attachment between the time when it becomes due for repayment and the time when it is actually repaid.

(G.I.F.D. endorsement No.2631.FE, dated 20.12.1921)

2.16 When an order for an attachment or a notice of assignment or other encumbrance is received, the Accounts Officer will at once proceed to move the court or party concerned to have the order or notice against the deposits of the subscriber in the General Provident Fund withdrawn. The amount at credit cannot, however, be paid unless and until the order or notice is withdrawn.

(G.I.F.D.No.2328-FE, dated 10.11.1922)

N.B:- A formal application should be made to the Government either personally or through the Central Government Pleader and no correspondence should be carried with the court reg: the validity of the Order.

(G.I.M.L and D.L.A. Letter No.F.4(1)/61 dated 17.8.1961 received with C. and A.G.'s endst.No.1548-Admn.III/42-59 dated 28.9.61).

2.17 A subscriber to the G.P.Fund furnished a declaration as a married depositor making an adopted son and the son's step mother, the nominees of a G.P.Fund money. It was assumed that the second nominee was the subscriber's wife and the declaration was not challenged. After the death of the subscriber, it came to light that the second nominee was not his legal wife and that the adoption was not valid under the Mohammedan Law.

On enquiry , it was found that the depositor when furnishing his declaration was a widower with a married daughter whose husband was alive and that he did not marry afterward. There being no widow or minor children to participate and as all the conditions of relevant rules were fulfilled on the date of the declarations was submitted, it was decided that the nominees were entitled to receive the G.P .Fund money. The married daughter of the subscriber, however, obtained a succession certificate to inherit the G.P. Fund money lying at the credit of her deceased father and claimed it and a Government Pleader suggested that it would be safe to make the payment to her as she had obtained a succession certificate. The question was referred to the CAG who referred the case to the Solicitor to the Government of India. The latter officer was of the opinion that the request of the depositor who was in the Government service at the time of his death must be treated as effective, and that the succession certificate obtained by the daughter of the deceased was altogether in-operative and must be disregarded on the grounds that the Succession Certificate Act(VII of 1889) did not enable a succession certificate to be granted except in respect of debt due on a security belonging to a deceased person and that the sum in question was neither a debt due to the deceased (he having died in Government service) nor a security within the meaning of the Act.

(Auditor General's letter No.3179-E-665-18, dated 10th December 1918 para 162 of A.G.M.P.'s Manual)

- 2.18.** The Government of India, Ministry of Finance have, in consultation with the ministry of law, held that payment of P.F.money in accordance with the nomination earns a valid discharge for the Government. But if any Court of Law decrees that payment should be made to person(s) other than the nominee(s) before actual payment has been made to the nominees, the orders of the court will have to be complied with.

(CAG's letter No.1993-T.Admn.II/128-68 dated 19.9.69 File No.PF Misc./C 135

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2.19 The nomination for provident fund submitted to the head of office before the death of the subscriber should be treated as a valid nomination, notwithstanding the fact that it did not reach the Accounts Officer before the subscriber's death. Such nomination should therefore be acted upon and payment should be made to the nominee.

(CAG's letter no.993-A/3-62 dated 23.11.62).

2.20 The question whether the names of nominees and the share of deposit allotted to each as given in the nominations for P.F should be indicated in the acknowledgements thereof has been examined by C.A.G of India in consultation with the Government of India. It has been decided that such information should not be indicated in the acknowledgements of receipt of nomination.

(CAG's letter No. 905-Admn.II/407-60 dt.22.5.63)

2.21 It has been clarified by the office of the C.A.G of India in respect of Permanent Transfer of a Government servant to Government Company/Corporation vis-à-vis the grant of retirement benefit, that Accounts Officer responsible for maintaining the PF accounts of the concerned Government servant should calculate the Government share of contribution towards Contributory Provident Fund Account of the government servant together with interest at the rate of 2% thereon for the period of qualifying service and arrange payment to the autonomous body with a view to extinguishing liability on this account .

(CAG's letter No.841-T.Admn.II/63-67 dt.10.4.1967 addressed to the A.G.Orrissa).

2.22 In case an officer was prematurely retired from service under F.R. 56(1) and thereupon final payment of GP Fund was made to him. On an appeal, the order of premature retirement was quashed by High Court. In the meantime, the officer had already attained the age of super-annuation. On a reference in that case to the Government of India whether G.P. Fund subscription could be deducted from the arrears of salary for the period of suspension, the Ministry of Finance in consultation with Ministry of Law decided that there can be no question of recovery of arrears of subscription after the subscriber has quitted service.

2.23 Member of an all India service was placed under suspension until termination of all the criminal proceedings against him in a Court of Law. During the pendency of the court proceedings, he was prematurely retired under Rule 16(3) of A.I.S.(DCRG) Rules,1958. Final payment of the balance at credit of the Provident Fund account was also made. Thereafter on acquittal from the Court, the State Government ordered that as the officer would have been reinstated but for retirement from service, the period of absence was to be treated as duty and full pay to which he would have been entitled but for suspension may be paid to him. A question arose whether any deduction could at all be made from his arrears of salary for the period of suspension as he was no longer in service and final payment had already been made and if so, whether the subscription should be limited to the rate at which he subscribed before suspension in view of the decision mentioned in para 1 above, it has been held by Headquarters office that Provident Fund subscription could not be deducted from arrears pay bill of the All India Service Officer mentioned above.

(CAG's letter No.666-Audit/87-79 dt.18.9.79 File No.PF Misc./C.135 Vol.IV C)

2.24 Execution can not be sought against the Provident Fund money by way of appointment of a receiver. The fact that the P.F. amount was not paid to the subscriber, after the date of his retirement, does not make it any less a compulsory deposit within the meaning of the Provident Fund Act. The meaning has been made clear by the definition in Section 2 of the Act under which, any deposit 'remaining to the credit of the subscriber or a depositor after the happening of any such contingency is also a compulsory deposit and the contingency may be 'retirement from service'. (Judgement of the Supreme Court of India in Civil Appeal No. 132 of 1951. The Union of India verses Smt. Hira Devi received under CAG's letter no. 992-A/80-53 dated 22-9-1953.

2.25 A deposit once compulsory remains compulsory and is not liable to attachment between the time when it becomes due for repayment and the time when it is actually repaid. The orders of the Government of India should, however, be obtained in all cases in which attachment orders are received, before a sum sufficient to cover the amount of the attachment order in each case, is actually repaid to the subscriber or his nominees.

(Authority:- Government of India, F.D. letter No. D/2303/R.- II dated 23rd July, 1932).

2.26 All moneys standing at credit in the Provident Fund of subscribers, compulsory or optional, are compulsory deposits within the meaning of Section 3(2) of the Provident Funds Act, 1925 and are , therefore, protected from attachment of Courts of Law. When, however an order of attachment or a notice of assignment or other encumbrance is received, the Accounts Officer will at once proceed to move the court or party concerned to have the order withdrawn inviting reference to the following:-

- (a) the decision of the Calcutta High Court dated 15th June, 1922, in the case “Secretary of State v/s Rajkumar Mukharjee’ reproduced in para 68 of the Bengal Manual (Fund Section).
- (b) The decision of the Madras High Court, dated 23rd April, 1946, in the case Civil Revision Petition No. 1548of 1945 (a taken up case) between the Accountant General, Madras v/s Pushpavati Ammal o. Govidammal Numerrumal Naidu and Chengammal’.

The amount at credit can not, however, be paid unless and until the order or notice is withdrawn.

An order of attachment of a Court should not, however, be ignored eventhough it is correctly understood to be bad in law and the attachments should be maintained until the oreder is either withdrawn by the Court which imposed it or is cancelled by a Superior Court.

(Authority:- Government of India. F.D. letter No. 2630-FE dated 20th December, 1921).

2.27 Overpayments detected in course of audit and other claims by Government are not compulsorily and without payee’s consent recoverable from the balance at the credit in the G.P.F/ of a deceased subscriber.

(Authority:- G.I.F.D. Resolution No. 1042-F.E. dated 17-5-1923).

CHAPTER-III

GENERAL PROCEDURE

DEPARTMENTAL SYSTEM OF ACCOUNT NUMBERS.

3.01 Owing to the introduction of Departmental System of account numbers in the G.P. Fund, the following departmental series of account numbers have been adopted.

Series	Department Concerned
P/GUJ	For Police
GA/GUJ	For General Administration
EXC/GUJ	For Excise Department
STAMP/GUJ	For Stamps
F/GUJ	For Forest
REG/GUJ	For Registration
AJ/GUJ	For Administration of Justice
IND/GUJ	For Industries
STY/GUJ	For Stationery
ED/GUJ	For Education Department
MED/GUJ	For Medical Department
PH/GUJ	For Public Health
AGRL /GUJ	For Agriculture
VET/GUJ	For Veterinary
PW/ GUJ	For Public Works Departments
OT /GUJ	For other Taxes
SCI/GUJ	For Scientific Department
MVT /GUJ	For Moter Vehicle
IAS /GUJ	For Indian Administrative Service

IPS /GUJ	For India Police Service
IFS /GUJ	For Indian Forest Service
CON /GUJ	For Contributory Provident Fund

(II) ADMISSION TO GENERAL PROVIDENT FUND

- 3.02** (i) No one should be allowed to subscribe for the first time without getting account number allotted to him by this office. If, however, a new name appears in the schedule of G.P.Fund deductions, the eligibility should be checked and application in Form No.3 should be called for.
- (ii) The state Government has introduced “ New Defined Contributory Pension Scheme” in place of existing pension and GPF scheme with effect from 1-04-2005. Accordingly, those Government employees who joined service on or after 1-04-2005 will not be covered by BGGPF Rules.
(Authority:- Govt. of Gujarat, F.D. Resolution No. npn-2003-GOI-10-P Dated 18-3-2005).
- (iii) The Heads of Offices are required to forward to the Accounts Office the applications for admission to the P.F. well in advance of the crucial date from which Government servant is required to subscribe to the Fund. The intention is that the Government Servants start contributing to P.F. from the date they become eligible to subscribe and to avoid possibility of recovery of arrears of subscriptions.
- (vii) When an application for admission to the provident fund is received in this office in duplicate, his name should be entered in the General Index Register by computer sheet and the account number allotted should be intimated to the Drawing Officer. The duplicate copy of the application form duly signed by G.O. is returned with the account number allotted.
- (viii) When new departmental numbers are assigned to old subscribers(in case of transfer from one series to another), the new departmental number should be shown as numerator and the old number as denominator in the General Index Register so that their post records may be traced easily whenever required.
(Para 2.14 of C&A.G.'s Manual of standing order (A&E) Vol.I)

- (ix) Application for admission not accompanied by nomination should not be returned without allotment of account number. The new account should be opened if the application is otherwise in order and action to call for nomination taken separately.

(Authority:- C.& A.G's letter no. 2485- TA II/35-67 dt. 26-9-1967).

3.03 GENERAL INDEX REGISTER

This register is an important basic record of subscribers to G.P.Fund and as such should be kept upto date. A separate G.I.R. should be maintained for each series. The names of the subscribers should be written in full and in legible handwriting. The designation of the subscriber, his office address, his date of birth and his date of appointment should invariably be noted in the register at the time of admission of the application to the P.F. When the subscriber's account is closed due to transfer, death, retirement or resignation etc. a note of the event should be taken in the register against the name of the subscriber and the account number should be encircled in ***red ink***.

CHAPTER - IV

GENERAL PROVIDENT FUND SCHEDULES/ PAYMENT VOUCHERS

4.01 General Provident Fund schedules are prepared by the drawing officers in three parts as follows:

PART-I:- (Subscribers as on 31st March):- To consist of all subscribers in the office as on 1st March.

Names of subscribers should be arranged according to series and got stenciled in the beginning of every financial year. New subscribers admitted and those transferred in the last year should be included in Part I in the order of their account numbers under the respective series. In case the salary of a subscriber is drawn in other bill, this name should be struck off. When he is transferred to other office, the details of the office to which he is transferred should be mentioned in the remarks column.

PART-II:- New subscribers admitted during the year.

Names of subscribers/admitted to the fund during the course of the year are indicated in this part.

PART-III:- Persons transferred from other offices.

Names of persons transferred from other department during the course of the year are indicated.

4.02 Separate schedules are required to be prepared for different series. These schedules are received in DC sections of this office along with monthly establishment bills. After verifying the general correctness of the bills, the PF schedules are sent to the concerned Fund sections.

4.03 In cases where the G.P.Fund schedules are not received with the establishment bills, it is the responsibility of DC sections to prepare schedules in manuscript with reference to bills(vouchers) and send them to P.F. Section.

(CAG's letter No.342-Tech.Admn.II/283-64 dt. 8.3.1965)

4.04 Check of General Provident Fund Schedules

Immediately on receipt of bills, the accountant in compilation section should see that the necessary General Provident Fund schedules are attached to them and if not, call for them at once quoting the number and date of the memo, issued on the vouchers. After the checks prescribed in para 12.35 of the C&AG's M.S.O(A&E) Vol-I are exercised and the necessary certificates recorded and attested, the schedules should be passed on by him to the PF section. The accountant should also see that all the schedules are complete in respect of (1) the name of month for which the pay is due,(2) the number of vouchers and the month to which the payment relates and (3) the name of the Treasury in which the payment of the bill is made.

The PF- section will see that the name of the office from which the subscriber has been transferred is noted in the schedules in the case of all new names, and all information necessary regarding new names, dates of leave, retirement, or death, if not already given in the schedules should be called for and recorded in the remarks column.

- 4.05** As the maximum and minimum rates of subscription are applicable in respect of the pay drawn in April or would have been so drawn had the subscriber been on duty, the column for 'pay' in the schedule may be left blank for other months but in the case of an officer who was on leave on the 31st March and had elected not to subscribe during leave, the rate of pay on the date of return to duty should be noted in the schedule for the month in which he joins duty. For the first eleven months of the year, G.P.Fund schedules should be made over monthly to the PF- section by the compilation section on the day following that on which the accounts are passed. But to enable the Fund Section to close and despatch the annual accounts before 31st August special efforts should be made to send the schedules for March to PF-sections as soon as the vouchers are received i.e., before the Departmental Accounts are compiled.

(Auditor General's No. 1437-Admn.5/21-27 dated 22nd October 1927 and C.C.A.'s No.211-Admn.521 of 10.2.1928.)

- 4.06** Cases of incorrect preparation of schedules as well as the payment vouchers, should be brought to the notice of the departmental officers explaining to them the correct method and in the case of payment vouchers, the inherent risk of overpayment, fraud etc. and if the irregularity persists bring it to the notice of the State Government through letters and also in his periodical meeting with the Finance Secretary/Chief Secretary.

4.07 Delays in respect of Schedules/Payment Vouchers

Delays in respect of PF Schedules from DC sections have often upset the time schedule for posting fixed by Comptroller & Auditor General.

4.08 On receipt of schedules:-

- i) they should be checked with covering abstract.
- ii) schedules found wanting should immediately be obtained.
- iii) the total should be verified.

4.09 If the PF section fails to make a report in time about the non-receipt of the schedules, it shall be assumed that these schedules had been received in the PF- Section and that they had been lost by that section. Responsibility where necessary should be fixed on this presumption.

(C.A.G.'s Office D.O. letter No.2459-T.A. II/302-78dt. 3.10.78)

Objections to be raised by the Internal Audit Section.

4.10.A Objections regarding (1) irregular subscriptions, (2) non-recovery of irregular recovery of advances, and (3) want of reasons for non-recoveries in the fund schedules, should be raised by the internal audit sections when necessary.

Acceptances of subscriptions by T.Os in respect of Officers on Foreign Service

4.11 Treasury Officers are required to accept subscriptions to the G.P.Fund from officers on foreign service when it is not convenient for the latter to remit the subscriptions direct to the Accounts Office.

(C.A.G.'s letter No. 1462-E.649-13 dt.the 18th July 1913)

4.12 Subscription through Demand Draft

In respect of Government servants who are on deputation to Central Governments or are on foreign service, the subscription to Provident Fund are received through Bank Drafts. These bank drafts are usually for 'net' amounts

i.e., payment made on account of P.F. advances or part withdrawals are deducted from total credits. When drafts are received it should be seen that:-

- a) they are promptly encashed.
- b) they are accompanied by proper schedules and payment vouchers.
- c) credits received through bank are properly classified.
- d) subscribers' account are promptly credited.

(C.A.G.'s office D.O.letter No. 2459.TA.II/302-78 dt. 3.10.78)

CHAPTER-V

MISSING CREDITS/DEBITS

5.01 The Comptroller & Auditor General's office has prescribed a register for watching the missing credits/debits detected during six monthly review of ledger cards. This register should be closed every half-yearly on the following dates.

Period of account	Date of closing of the Register
April to September	28 th February
October to March (Sy)	15 th September

(Vide CAG's office letter No.1088-TA II/153-81 dt.31.8.81 read with letter No.1344-TA II/153-81 dt. 27.11.81).

5.02 The following further instructions have been issued by the CAG's office in regard to maintenance of this register, and for pursuance of items of missing credits and debits.

- a) The ledger cards should be reviewed six monthly by PF-Sections once after posting of September Accounts and next after annual closing of accounts and all missing credits/debits should be posted in the space provided there for in the ledger card. The particulars of adjustments made should also be noted therein.
- b) The letters should be issued to the Drawing and Disbursing Officers at the end of mid-year i.e., six monthly review requesting for details of missing items relating to the period from April to September each year.
- c) After closing of annual accounts for the year and before issue of Annual Accounts Statements, ledger cards should be reviewed online by PF- sections and missing credits and debits covering the period of accounts from October to March(Including March final and March supplementary) each year identified and noted in the ledger cards. Up-to-date missing credits and debits with particulars of months should be noted in the Account Statements of Subscribers. Number of up-to-date missing credits and debits along-with the year-wise details should also be noted in the register of missing credits and debits. The register should be closed and an abstract prepared to indicate the closing balance of missing credits/debits at the time of previous closing additions and clearance made during six months and closing balance at the end of present closing.
- d) The statements pertaining to each Drawing and Disbursing officer should be sent along-with a covering list dealing with the particulars of the subscribers in respect of whom the statements are sent as well as a forwarding letter

requesting the Drawing and Disbursing officer to send details in a standard proforma in respect of credits, probable missing debits which have been shown in the statements of the individual subscribers to facilitate tracing and adjustment of missing credits and debits. He may also be requested to forward the statement of such subscribers who have been transferred in the meanwhile to the new Drawing and Disbursing Officer.

- e) The register of missing credits/debits should be reviewed by the Section Officer and Branch Officer at the end of every six months to see that the action is being taken to pursue the missing items.
- f) It should be ensured that the replied received from the Drawing and Disbursing Officers/subscribers are properly recorded, processed and the missing items traced out. After the missing credits/debits are traced in the fund section they should be entered in the Adjustment Register, which should be mentioned in the following format.

S.NO	Wrong A/c No.	Abstract MH Try	Name	correct a/c No.	Int. Month	Sub	Ref	Others	AAO/ SO	Remarks
1	2	3	4	5	6	7	8	9	10	11

The register should be submitted to Group Officer on 20th of every month and sent to PF-Computer section once a month on 10th of each month. On receipt of the adjustment Register in PF computer section the item should be verified at their end and posted to the correct account. After completion of the posting, the register should be returned to the fund section along with a printout, after carrying out thorough check with reference to the corrections of the items posted and also to see that all the items proposed (other than objectionable) one posted. Any objections should be bring to the fund section through the said register. On receipt of the adjustment register in the entitlement section the concerned Accountant should also verify the correctness of the posting.

- g) A report of incomplete accounts, and missing credits/debits should be sent to Head Quarters office on quarterly basis i.e. by 15th of the next month following the quarter ending 30th June, 30th September, 31st December and 31st March of each year.

(CAG office letter No.312-AC-II/207-2003-III dt. 17-06-2004)

UNPOSTED ITEMS

The DEO should post all the debits/credits in the ledger cards and reference should be made to each Drawing and Disbursing Officer every month in a standard form. The Branch Officer should also ensure that the action prescribed above had been taken before finalizing the register of un-posted items/ master cards. The Accountant of PF sections shall pursue these references to clear the un-posted items on the basis of the replies received. Some procedure as mentioned in the clearance of missing credits may be adopted.

(Para 12.65 of C&AG's M.S.O.(A&E)Vol.I).

ADJUSTMENT OF MISSING CREDITS/DEBITS ON COLLATERAL EVIDENCE.

5.03 Every effort should be made to ensure that all missing credits/debits in the G.P.Fund Account; of the subscribers are adjusted by tracing the credits/debits. When such efforts fail to locate the credits/debits, the procedure prescribed in the following paras should be followed, for the adjustment of the missing credits/debits in the accounts of the accounts of the subscribers to lessen hardship to them particularly those who retire/die, quit service.

a) acquaintance rolls, audit registers, certificates of deductions from the Drawing and Disbursing officers etc. If they relate to a period not later than the year for which the annual account statement has been issued to the subscriber. In the case of final closure of accounts, such adjustment may be made irrespective of the period to which the missing transactions relate

(CAG's letter No.889-A.I./236-59 dt.16.6.1959 and No.1428.T.A.II/273-72 dt. 23.8.1978).

b) In cases of final payments, only the missing credits of a subscriber may be adjusted on the basis of evidence received through DDO's even if that officer was functioning under the account control of a difference Accountant General(CAG's letter No.113-TA-II/91-67-Vol.II dated 22.1.1976).

c) In cases where the originating Accountant General indicates that particular credits/debits were passed on through exchange/settlement accounts giving full details of that account based on the evidence in the records of his office, such information may be treated as sufficient collateral evidence. Full particulars of such account are required to be furnished in the pro-forma -II appended to CAG's office letter No.1661.Tech.Adm.II/91-67 dated 6.7.1967.

- d) If the originating Accountant General is not able to give full details of Exchange Account/Settlement Account, because the records for old period are not available, a clear certificate about the recoveries having been made and passed on may be treated as sufficient collateral evidence for adjustment of missing credits on ad-hoc basis.(CAG's letter No.562-Tech.Adm.II/91-67 dt. 4.4.1973). It will be sufficient if the fact of deduction is certified/ countersigned by the originating Accountant General for carrying out the ad-hoc adjustment in cases where subscriptions had been recovered in the other accounting circle.

The certificate of credits having been actually passed on by the originating A.G. through respective accounts need not be insisted upon.

(CAG 's letter No.1170-TA.II/91-67 dated 15.7.1974)

- e) The Comptroller & Auditor General of India has clarified that the procedure outlined in circular letter dt. 15.7.74((d) above) should be resorted to only if the particulars required for purposes of collateral evidence under earlier instructions issued from time to time, are not readily available and cannot be furnished.

The adjustment of missing credits involving exchange settlement account is made in the subscriber's account on collateral evidence basis by operation of the Head " PF Suspense". It will be necessary for the originating Accountant General to furnish expeditiously the details of Exchange/Settlement Accounts to the adjusting Accountant General to enable the latter to trace the relevant items in his account and to clear the PF Suspense in his books.

(CAG's office letter No.693-TA.II/91-67 dated 26.4.1975).

- f) In case where the missing credits can neither be traced in the accounts nor adjusted with reference to recognized varieties of collateral evidence as detailed above, the Accountant General can obtain the sanction of the State Government in such cases after having personally satisfied himself that the adjustment of missing credits on ad-hoc basis with reference to an affidavit from the subscriber is justifiable and is the only way of completing his account.

(CAG's letter No.1654-TA.II/273-32 dated 3.10.1972 . File No. PF Misc/GenI/K-334- Vol.I).

5.04 Each such Ad-hoc adjustment will require the approval of the Accountant General. Similarly a report of missing credits/debits adjusted on collateral basis is prepared by PF I. section and submitted to the A.G. on 15th of the month. A record of all such ad-hoc adjustments should be maintained and they should be reported in a separate statement to the CAG 's office along with the report of completion of

incomplete P.F. Accounts, on the basis of Collateral Evidence as per CAG's Office circular letter No.227-Admn.II/236-A.I/59 dated 7.12.1959.)

5.05 The Broadsheet of Provident Fund Suspense is maintained in Fund I Section along with a control register of items relating to the head. Separate Register are also maintained by each Section for purpose of watch and control over suspense items for pursuance and clearance. The Registers and the Broadsheets are closed every month and the outstanding cases are reviewed by IAD with the register maintained in Fund-I, by the 1st of the second month following the month to which the transactions relate.

5.06 The proposal for operating Provident Fund Suspense should be submitted in the following proforma:-

1. Name of Fund Section submitting the proposal:
2. Head of PF A/c under which credit / debit is to be afforded:
3. Name and Designation of the Subscriber:
4. Fund A/c. Number:
5. Month(s) of account in which the credit(s) / debit(s) is/are missing:
6. Amount:
7. Evidence on which it is proposed to adjust the item:
 - (a) Number and date of letter from drawing Officer/Departmental Officer in which it is stated that the credit/debit was recovered/paid:
 - (b) Number and date of the letter from Treasury Officer, Accounts Officer confirming the deduction / payment:
8. Remarks of Accounting Section as to whether credit/debit are traceable or outstanding (with reference to the records maintained in that Section):
9. whether the lists of unposted items have been verified and the relevant credits do not appear therein :
10. General remarks of the section explaining the necessity to adjust the item on collateral evidence and further action to be taken to clear the head 'P. F. Suspense' :

S.O / Asstt.Accounts Officer

Remarks of the Branch Officer

Orders of the Dy.Accountant General/ Sr.Dy Accountant General(FUND).

5.07 All transactions to be adjusted on the basis of collateral evidence should be adjusted by contra adjustment of PF Suspense. Subject to fulfillment of conditions in note above, the following powers have been delegated to B.Os/Group Officers for adjustment of missing credits/debits on collateral evidence basis.

Branch Officer - Upto Rs.3000/- at a time on the basis of documentary Collateral evidence.

Group Officer - In excess of Rs3000/-
(Vide C&AG's letter No.147-ACII/290-2004 dt. 20-04-2006.)

Prompt action should be taken to clear the items from PF Suspense to final head of account to ensure that occasions do not arise to write off large amounts from suspense. In order to keep a watch over the progress of clearance of items from PF Suspense, a report indicating the particulars in the following Form should be submitted to the Accountant General every month. Such consolidated report will enable the Accountant General to have an overall control over the adjustment made on the basis of collateral evidence and to ensure that the scheme in question is being utilized properly.

(Authority:- CAG's letter No. 3603-Tech.Admn. II-364-66 dated 21-11-1966).

Subject :- Report regarding completion of incomplete accounts on the basis of collateral evidence for the month of.....

Sr.No.	Name of Subscriber	Account No.	Amt. Adjusted on the basis of collateral evidence Cr / Dr	Month to which the Cr/Dr pertains in the subscriber's Account	Reason for delay in making the regular adjustment	Nature and particulars of collateral evidence on which adjustment is

						made.
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(Authority:- Branch Order No. FI/G(I)/A/III dated 26-12-1966.)

A Half yearly report showing the position of outstanding items in P.F. Suspense should be submitted to the C.A.G. Office by P.F-I Section.

(Authority:- H.Q.'s Office letter No. 668-AC-II/312-2002 KW dated 23-12-2005.)

The statement showing the amounts written of by the Sr.D.A.G./A.G. should be appended to the report on the balance under PF Suspense.

The statement mentioned in the preceding clause should be accompanied by the certificates to the effect that:-

- a) the amounts written off were got thoroughly examined by Internal Audit Section.
- b) the A.G. has personally satisfied himself that a dead end had been reached and a write off is unavoidable.
- c) the error was one of book-keeping only.

A quarterly report on items written off by DAG(F) under the powers delegated to him/her should be submitted to the Accountant General for review on 10th February, 10th May, 10th August and 10th November and half-yearly report on write off of suspense to Comptroller & Auditor General on 10th May and 10th November in form 58 (Para 12.66 of C&AG's M.S.O.(A&E)Vol.I).

(CAG's letter No.299-Compl/18-72 dt. Nil C.S.277 to Account Code Vol.I)

WRITE OFF OF P.F.SUSPENSE

- 5.08** All items outstanding under write off of P.F.Suspense are cleared by write off to "8680-Misc.Govt.Accounts". The powers to sanction the write off of the amounts Rs.500/- to Rs.5000/- lying outstanding under the head P.F.Suspense are delegated to the Sr.DAG(F) and the A.G. respectively, vide C& AG's letter No.327/AG.II/28-87 dt. 10.5.93.

WRITE OFF OF UNRECONCILED BALANCES/DIFFERENCE.

- 5.09** Instructions contained in Comptroller & Auditor General's Office letter No.1344 AC/203-75 dt. 30.6.1976 and No.712-Comp/87-88-II dated 11.12.1979(vide

Appendix VII) should be followed before proposals for write off of un-reconciled balances/differences is forwarded to CAG's Office.

CHAPTER-VI

TEMPORARY ADVANCE AND NON-REFUNDABLE ADVANCE

Limitation of Advance:

6.01 The fund is designed solely for the protection of a subscriber's family against his sudden death or if he survives till retirement, to provide him and his family with additional resources in his old age; anything which interferes with a subscriber's normal accumulation detracts from these purposes and tends to defeat the true object of the fund. The rule for the grant of temporary advances from Provident Funds are to be strictly interpreted, so that the fund may not be regarded as a banking account. Sanctioning authorities ought to have no hesitation in resisting any attempt to use the fund as a cheap loan and in enforcing the altogether exceptional character of rules as a provision to meet urgent needs which could not ordinarily have anticipated. Every prudent married man, for example should be prepared to meet a certain demand upon his resources on account of doctor's bill and it is only when the burden is exceptionally prolonged or the necessity unusually grave and sudden the he ought to think of making use of the Provident Fund for this object.

(G.I.F.D.No. 1309-F.E. dated 24th Nov.1916).

Drawal of Temporary Advance:

6.02 Temporary withdrawals from the fund may be sanctioned by the authority empowered by the fund rules whose duty is to see that the conditions prescribed in the rules are fulfilled. The amounts sanctioned by the competent authority may be drawn from the Government Treasuries on simple receipt by Gazetted Officer on their own behalf and by heads of offices on behalf of their establishments. In the latter case the head of the office concerned should disburse the amount in same way as pay and obtain the payee's receipt in office acquittance roll.

Sanction to Advances should be communicated to the Office:

6.03 Orders sanctioning an advance should in all cases be communicated by the sanctioning authority at the earliest possible date to the Accounts Officer for information. The Name and Account No. with the designation and pay of the Government servant concerned and the office in which he is serving should be furnished in the sanction. The sanction should also quote the purpose for which the advance is granted together with the reasons for the special treatment

wherever they are required by the rules of the fund. In every case the sanction should quote the number of installments in which the advance is to be repaid the recovery being directed in not more than installments fixed in accordance with the rules of the fund.

Certificate regarding balance covering the advance:

- 6.04** In order to determine the admissibility of the withdrawal applied for by the Government servant, the sanctioning authority will be mainly guided by the Accounts Statement issued by the Accounts Officer concerned. It is, therefore, necessary to ensure that all the amounts withdrawn by the Government servant, are duly posted in the ledger accounts withdrawn by the subscriber, and incorporated in the statement of the year, as otherwise it may result in over payment. Government is therefore pleased to direct that the following certificate should be recorded on all sanctions for withdrawals :-

“ Shri was last sanctioned a part final withdrawal by this office for an amount of Rs._____Vide.....”.

* “Shri is understood (as stated by him) to have been last sanctioned a part final withdrawal of Rs.....”

(Sanctioning Authority)

- The alternative certificate mentioned above should be recorded in sanctions of those subscribers in whose case particulars of last sanction for part final withdrawal are not available with the office for reasons such as transfer of an employee .

(Authority:- GRFD No. PFR-2473-2639-CH Dated 13-9-1974).

**ACCOUNTS OFFICER NOT TO DIS-ALLOW ADVANCES SANCTIONED BUT
MAY BRING TO NOTICE VIOLATIONS:**

- 6.05** Advances from the Provident Funds may be made on the authority and responsibility of the sanctioning authority : but in cases in which an accounts officer considers that the advance is improperly granted, he should bring the matter in the first instance to the notice of the sanctioning authority. The rules do not empower the Accounts Officer to disallow advances sanctioned by

competent authority but he should bring to the notice of the Government alleged violations of the spirit of the rules of the fund.

(Auditor General No.752-E/76-21, dated 21.2.1921 and No.5408-E-284-22, dated 23-12-1922 and G.I.F.D.No. D/6973-R-II-28, dated 31-12-1928).

6.06 A register of irregular advances is maintained in the Fund Section in which the following particulars are noted:-

- 1) Serial Number
- 2) Name of the subscriber
- 3) Sanctioning Authority
- 4) Number and date of the sanction
- 5) Amount sanctioned
- 6) Purpose of Advance
- 7) Date, Month and voucher number
- 8) Number and date of objection memorandum
- 9) Initials of the Gazetted Officer
- 10) Remarks.

The register should be submitted to Branch Officer Officer-in charge each time an irregular sanction is challenged, along with the draft of the letter bringing to the notice of the sanctioning authority the irregularity involved in it. Any items accepted on proper explanation or cancelled by recovery on the amount of advance may be removed from the register under the initials of the Gazetted Officer-in-charge.

6.07 The correspondence, relating to the irregular advances, should be separately cased for each year. The cases should not be considered as finally disposed of until the report is sent to Government and Government pass orders thereon. A report to Government need be made only when no satisfactory reply for regularisation of irregular advance is received either from sanctioning authority or other competent authorities.

6.08 During the course of monthly postings and review of postings, it should be seen that there is no undue delay in receipt of debits on account of sanction noted, that the recoveries are started immediately and are made regularly. It should also be seen that the principal and interest are dully recovered wherever due.

NON-REFUNDABLE ADVANCES

REGISTER FOR WATCHING THE DEBITS ON ACCOUNT OF NON-REFUNDABLE ADVANCES.

6.09 Non-Refundable advances are granted for certain purposes as given in the B.G.P.F.Rules and various orders issued by Government. As these advances are permanent withdrawals from the Provident Fund, a close watch is to be kept over the appearance of the debit in this regard in the ledger account and also the disbursement of the amount.

6.10 The vouchers regarding non-refundable advances are to be filled separately and they are to be pasted on the ledger cards after the currency of the ledger card is over.

CHECK OF VOUCHERS:

6.11 The checks to be applied in respect of vouchers for temporary advances, consists among other things in seeing:-

- 1) that they are supported by the original sanction or a copy of the sanction duly attested by a Gazetted Officer or the Head of the Office.
- 2) that the sanction order contains all the information such as a) Name, Designation and pay of the Govt. Servant b) account number c) amount and purpose of the advance d) the number of installments of recover, duly fined in whole rupees and in equal amounts e) balance at the credit of the subscriber as verified from the account last rendered by A.G.(A&E) and subsequent deposits and withdrawal. f) brief particulars of previous advances out-standings.
- 3) that the voucher is otherwise in order and balance at the credit of the subscriber and
- 4) that the amount of the voucher is covered by the balance at the credit of the subscriber and corresponds to the amount sanctioned.

6.12 At the time of auditing the vouchers for temporary advances and for payment of Insurance Premia a suitable not showing the actual date of payment should be

taken in the ledger cards. This is required to enable the calculation of interest correctly particularly in cases where payments made at sub-treasuries by the end of the month, are incorporated in the Treasury Accounts of the next month.

The number and date of voucher should be entered in the remarks column of the ledger card in all cases under the dated initials of the section officer or the Gazetted Officer in charge.

CHAPTER – VII

FINAL WITHDRAWAL.

Important Instructions:

- 7.01** The sum which accumulates to the credit of a subscriber in the G.P.Fund will not be his absolute property and will not be refunded until he finally quits service of Government or until his death.

Whenever final payment of Provident Fund balances is required to be made before the subscriber

finally quits service or proceeds on L.P.R. thereby relaxing the conditions required to be satisfied under the various P.F. rules for making final payment. Audit should object to such orders of relaxation, refrain from making final payment and point out to the Government that the relaxation is in contravention of the provisions contained in Section 2(a) and 4 of the P.F. Act 1925.

(CAG's office circular letter No.1254-Audit/14 a-66 dated 10.10.1966)

- 7.02** On the question whether it would be in order for a Government to permit a subscriber to withdraw his entire accumulation in the GPF account before he actually proceeds on LPR or actually retires, by resort to Rule 37 of BGPF (C.S.) Rules, the Government of India decided that in so far as the payment of the PF to a subscriber in such a case is contrary to Section 2(a) of the P.F. Act, 1925, it can not be done by Government purporting to act under rule 37. Only such relaxation to rules can be made by Government acting under rule 37, as would not be contrary to the provisions of the Act.

(G.O.I. M/F (DE) OM No. 41(15)-EV/67 dated 13-6-1967 endorsed for AIS PF vide GOI M/H No. 5/14/57 AIS (II) dated 6-9-67, same position under state P.F. vide P & S Deptt. No. PFR-1054-D dated 1-6-54).

- 7.04** The final payment of P.F. Balances should not be deferred for the reasons that the application for final withdrawal has not been sent in the prescribed form provided that all the details germane to the closing of P.F. Accounts have been supplied.

(CAG's letter No. 1447-Audit.I/59 dated 19.10.1959)

- 7.05** Final payments of fund balances should not be held up on account of the fact that the individual accounts are not complete. In such cases such portion of the deposits as can be paid off without any risk should be paid off as soon as possible and steps taken to ensure very early settlement of the balance.

(Auditor General's letter No.620-Admn/194-47 dt. 3.6.1947)

- 7.06** Payment of full or the available balance should be invariably made within sixty days from the date of receipt of the application of the retired person or the beneficiary. While issuing authority for the available balance missing credits and probable/suspected debits should be listed in the endorsement to the Drawing & Disbursing Officer, with the request that the particulars in respect of those be furnished to enable early full settlement. Where the missing items pertain to some other drawing and disbursing officers, a reference should simultaneously be made to them also. The retired subscriber, beneficiary should also be kept informed by adding suitable endorsement in the authority letter itself so that the details of amounts withheld/missing credits are also known to him.
- 7.07** No final payment applications should be returned without approval of the Group Officer. Before an application is returned, final payment calculation may be done on provisional basis, missing credits/probable missing debits listed and details therefore called from the Drawing & Disbursing Officers concerned. The subscriber should be informed of the action taken on his application.
- 7.08** Each residual balance case should be reviewed every quarter to ensure adequate action and the maximum period between the first payment of available balance and the final payment should not exceed six months. The Accountant General may get all cases delayed beyond 6 months examined by the I.A.D. to satisfy himself that adequate action is being taken. The subscriber should be kept informed of the references made to the Drawing & Disbursing officers from time to time.
- 7.09** There may be residual balance cases where in spite of the references to the subscriber/Drawing & Disbursing Officers to obtain detail of missing credits there has been no response either from the subscriber or the Drawing & Disbursing Officer. In such cases, a registered acknowledgement due letter be sent to the subscriber giving him three months' time for furnishing the required details either directly or through his Drawing & Disbursing Officer to enable tracing of the missing credits. In case, there is still no response from him within this period another final notice should be given to the D.D.O. to respond within one month. If no reply has been received the case is treated as closed. However, if the subscriber is able to furnish details later, the case may be re-opened.
(CAG's Office D.O. letter No.2459-TA II/302-78 dt. 3.10.1978)

- 7.10** The recoveries and withdrawals made during the last few months of the subscriber's service should on receipt of the application for final payment be posted even before the normal work of posting for those months is taken up.
(CAG's letter No.787-T.Admn II/140.70 dt. 6.5.70)

CHECKING OF GENERAL PROVIDENT FUND ACCOUNTS:-

- 7.11** The individual subscriber's accounts for the year in which the event necessitating its closure occurs and five years immediately preceding that year is required to be reviewed in detail. However the period of review should be extended upto the year for which the agreement of P.F.Balance is in arrears.
(CAG's letter No.125 Tech.Admn.II/159-67 dt.16.1.68)
- 7.12** In order to verify the correctness of the amounts worked out in the ledger a questioners / check memorandum in the prescribed form should be prepared showing the amounts as it should be agreeing to the net amount as worked out in the ledger card. The check memorandum prepared by one accountant should be checked by examiner / another accountant. The section officer and the Branch Officer should ensure that all the columns in the check memorandum are correctly filled in by the accountants and that they are signed by both the accountant (one who prepares and one who checks the same). For post computerization period the year for which Ledger Cards are not printed or are not available, status report of the concerned year should be obtained from PF (EDP) for review.
- 7.13** At the time of making final payment of the provident fund balance to the subscriber it should be verified that-
- a) the ledger cards bear the distinctive seal of the office.
 - b) In the case of a dead subscriber whether proportionate recovery of subscription is made for the month in which the death occurred and whether the death certificate is enclosed.
 - c) The attachment order, if any, against the deposits of the subscriber withdrawn.
 - d) In the case of a subscriber who has been declared insane under the India Lunacy Act of 1912 payment is authorised only to the Manager appointed to his estate by the competent Civil Courts.
 - e) In the case of nominees who are minors, guardianship certificate or indemnity bonds duly stamped and executed with two surities are furnished whenever required by the rules and that they are in order.

ISSUE OF AUTHORISATION

- 7.14** The payment authorities should be prepared in form No. Spl. A.G. GPF-1. The bound books containing the authority forms should be issued only to Assistant Accounts officer/ Section Officers/Supervisors in charge of the concerned sections. Immediately on receipt of the bound books in the section, the AAO/ Section Officer/Supervisor of the section, should count the number of forms contained in each and record a certificate of count on the fly leaf. They will be personally held responsible for the custody of the forms with a view to ensuring that they are used for bona fide purpose only. For watching the disposal of the authority forms so kept in the custody of AAO/S.O./Supervisor of Section they should maintain a register in the following form.

Register of Authority Forms

Name of the Authority receiving the Form	Sr.no.of the first&Last form in the Bound book	Date of Receipt of the bound book in the section	Sr.No.of the form issued	Dated initial of accountant
1	2	3	4	5

The above register should be submitted to the Branch Officer on 10th of each month and to the supervisory Sr.D.A.G./DAG once in a quarter viz 15th January, 15th April, 15th July and 15th October.

(CAG's office letter No.1490.TA.II/127.68 dt. 17.9.71)

VALIDITY OF AUTHORISATION FOR FINAL WITHDRAWAL

- 7.15** The authority issued within the state or on other Accounts Officers will be valid for six months from the date of its issue and will have to be revalidated if any claim is required to be paid after this period. For this purpose the time barred payment authority should be re-called with a non-payment certificate of the

Treasury Officer/Drawing & Disbursing Officer with intimation to the subscriber/beneficiary.

(CAG's D.O.Letter no. 2459-TA.II/302-78 dt. 3.10.78 File No.P.F.Misc/Genl/K.457- Vol.I)

REGISTER OF CLOSED ACCOUNTS

- 7.16** In the cases of final payments relating to non-gazetted subscribers authorised through their Heads of Offices, the receipt of the certificates of disbursement should be watched through the Register of Closed Accounts maintained in form No. M.S.O.(T)70. The register should be closed and submitted to the Branch Officer on the 5th of every month. The receipt of the disbursement certificate should be noted in the ledger card.

(Authority:- para 12.27 of CAG's M.S.O.(A&E)Vol.I).

REGISTER OF PROMPT SETTLEMENT OF FINAL PAYMENT CASES

- 7.17** As soon as intimation is received about the event necessitating a final payment in respect of a subscriber's balance (a subscriber quitting service finally by resignation/removal/dismissal or proceeding on LPR or in the event of his death), a note is made in the Register of Prompt Settlement of Final Payment cases, for watch and pursuance to finality. This Register should be maintained in the prescribed Form as shown below:-

Sr.No	No & Dt of receipt	From whom receipt	Name of Subscriber & A/c No.	Nature & date of Event.	No and Date of Preliminary enquiry.	No. & Dt.of payment authority
1	2	3	4	5	6	7

Residual Balance if any, to be paid.	When actually Issued.	Remarks.
8	9	10

In the case of retirement, the G.P. Fund deposits will be paid to the officer through the head of the office from which he served last. The head of the office/Drawing and disbursing Officer will submit the bill on the authorization letter issued by this office to the concerned Treasury Office and make payment to Government servant.

(Authority:- Govt. of Gujarat, F.D. Resolution No. SSP-1096-509-Z dated 16-10-1996).

Note:- In the case of final withdrawal the receipt of disbursement certificates should be watched through the Register of closed accounts maintained in form 33 as prescribed in para 12.34 of the CAG's Manual of Standing Orders(A&E) Vol.I.

(CAG's letter No.3883-T.Admn.II.15.65 dated 20.12.1966)

DATE ON OR AFTER WHICH THE TREASURY OFFICER SHOULD MAKE THE PAYMENT TO BE FIXED BY ACCOUNTS OFFICER AND INTEREST TO BE ALLOWED.

7.21 For the purpose of Rule 14(4) of the G.P. Fund (CS) no distinction is intended to be made between payments made by cheques in Presidency town and in cash in the mofussil. In the case of payments by cash, the intention of Government of India is that interest should be paid up to the end of the month preceding that of the date to be entered by the Accounts Officer in authorisation on or after which the Treasury Officer should make the payment and not upto the end of the month preceding that in which the authorisation is issued. The date on or after which the Treasury Officer should pay, should be fixed by the Accounts Officer after taking into account the normal time which should expire before the presentation of the bills, on receipt of authorisation.

(CAG's No. 317-NGE/580-33 dt.9.3.1934)

7.22 In respect of final refund order issued on or after 15th of a month it is likely that the amount authorised may not be actually paid to the party concerned before the last day of the month. In such cases interest should be allowed upto the end of that month provided the period beyond the month in which the P.F balance has become payable to the end of the month preceding the month of authorisation is less than six months. The authorisation issued on or after 15th of a month should, therefore, be specifically marked as payable on or after the first day of the succeeding month provided the period beyond the month in which the

P.F.balance payable to the end of the month preceding the month of authorisation is less than six months.

(CAG's letter No.1469-Tech.Admn II/261-68 dated 28.8.68)

Note:- When however, a payee desires to take payment before the end of the month the departure from the foregoing convention may be made, interest being allowed to the end of the previous month only.

(CAG's circular letter No.317-NGE.580-33 dated 9.3.1934, adopted from A.G.Kerala Manual Para 83-Note)

SUPPLEMENTARY REFUND ORDER:

- 7.23** Then it is noticed subsequently that a credit has not been taken into account at the time of closing either for refund or final withdrawal or for transferring the account to another audit officer, care should be taken to take immediate action to authorise a supplementary refund or transfer this amount to the Accounts Officer to whom the original account was transferred. No interest should be allowed in respect of the credit unless it is due under the Rules of the Fund. The balance remaining on the books after payment to the beneficiaries should not be carried forward unless it is ascertained that the principal amount is likely to be claimed within a short period. Interest can be allowed on the principal amount of the balance under rules and if the amount is not claimed in time, it should be transferred to "Deposits" and the party concerned informed of the action taken.

SUBSCRIBERS TO BE INFORMED IN RESPECT OF OBJECTIONS ON FINAL REFUND CASES:

- 7.24** It has been decided that whenever any objections are raised in connection with any final refund case, the subscribers should be simultaneously informed of the nature of objection to be settled by the Administrative authority for which the claim for the refund of Provident Fund dues could not be settled as soon as the case is referred back to the Administrative Authority. The subscribers should also be informed that if they desire, they could take up the matter with the appropriate administrative authorities. In this connection, the Accountant General has also ordered that the facts of the case should be explicitly stated so that our objections will be understandable even by a layman. This will avoid back reference from the subscribers also.

(CAG's letter No.1293-Admn. II/274-61 dt. 1.8.1961)

**DELAY IN SETTLEMENT OF FINAL REFUND CASES IF ATTRIBUTABLE TO
DEPARTMENTAL AUTHORITIES SHOULD BE COMMENTED UPON IN THE
APPROPRIATION ACCOUNTS:**

- 7.25** It has been decided that where the reasons for the delay in the settlement of such cases are in the main attributable to departmental authorities, the accountant General should include suitable paragraphs in the Audit Reports on the Appropriation Accounts under ' Other topics of interest'. The time lag between the date of retirement of the official and the date of the P.F. money becoming due for payment and the receipt of the application, therefore, in A.G.'s Office along with other persistent types of delays may be specified therein. The cases of delays ranging from 3 months to more than 6 months on the part of Departmental authorities in supplying the requisite information and documents should be included.
- (CAG's letter No.36-Ren-10-61 dated 5.1.1961).

**PRESERVATION OF PAPERS AND NOMINATIONS RELATING TO FINAL
PAYMENT CASES:**

- 7.26** When final payment is made to the subscriber himself on account of retirement, resignation or dismissal, the nomination form should not be returned to the subscriber. The papers pertaining to each final payment should be separately filed with the nomination form attached thereto. The files should be preserved for the following periods:-
- 1) Cases when the final payment is made to the subscribers themselves or to the nominee or nominees other than minors in accordance with the nomination forms --- 3 years.
 - 2) Cases when the final payment is made to other than subscribers (1) to minors (2) to other than minors not in accordance with the nomination forms -25 years.

(Vide period of preservation fixed in Chapter XI of the Auditor General's Manual of Standing Orders).

The period of preservation and year of destruction should be prominently noted on the cover of each file.

(Auditor General's letter No.3238-Tech.Admn II/294-66 dt. 15.10.66).

AUDIT OF VOUCHERS

POINTS TO BE SEEN WHILE AUDITING VOUCHERS:

- 7.27** The audit consists in seeing (1) that a duly attested copy of the order sanctioning the advance is attached to the bill and that it is in accordance with the copy of the order already received and accepted by the accounts office and (2) that the voucher is otherwise in order. If it is found that a copy of the order sanctioning the advance has not been already received in the Accounts Office and accepted, the sanction should be subjected to the checks prescribed in para above.

NO PAYMENT TO BE MADE WITHOUT EXPRESS AUTHORITY OF THE ACCOUNTANT GENERAL.

- 7.28** Excepting the advances from Provident funds which may be drawn from the treasury in accordance with the rules no payment on account of any fund, whether as a refund of a subscription overpaid or as a repayment on the whole or a part of the amount accumulated at the credit of the subscriber can be made without the express authority of the Accountant General. Payments authorised by the Accountant General will be made only on the personal receipt of the depositor, if a Gazetted Officer, or to the Head Office, if a non-gazetted Officer.

Bills for final withdrawals should be admitted on the authority issued by the Accounts Officer. This authority should be quoted in the bills. Further verification should be done on receipt of the disbursement certificate in cases where the payment has been authorised through the Head of the Office.

ENTITLEMENT PAYMENTS

- 1) As mentioned earlier, the system does not provide for the issue of payment authorities. This has to be done manually. The system, however provides a copy of ledger card of the subscriber. This printout shows all the transactions taken place to the subscriber's account during the current year. The Entitlement section then has to calculate the interest and issue an authority. The amount of interest has to be entered into the system. To do so, earmark on MH, say 2049 for noting the interest amounts. Create an abstract for this MH in the month of accounts on hand. Then post the interest amount as and when authorized by selecting 'Other' and choosing category 'Interest'
- 2) All the accounts for which final payment is authorized during the year should be closed before calculation of annual interest at the end of respective financial year, so that system may not count interest on such accounts.
- 3) Calculation of interest for Annual TE:

There are two figures for the interest amount. One is calculated manually and the second is arrived at when the system calculates interest at the year-end. The manually calculated figures are known through special abstract created for the purpose. A print-out of amount of interest calculated by the system can be taken at the year-end.

UN-CLAIMED DEPOSITS

Provident Fund Balances should not be transferred to 'Unclaimed deposits' without vigorous efforts to pay them.

7.29 The balances in P.F. Account should not be transferred to 'deposits' on the grounds that the amounts were not claimed by the subscribers/claimants concerned. Every endeavor should be made to locate the subscribers/claimants.

7.30 In no case the P.F. Balances should be transferred to unclaimed deposits unless the Deputy Accountant General in charge of fund section has satisfied himself personally that:-

- 1) No claim is forthcoming despite vigorous action taken to obtain it and the amount has ceased to bear interest and
- 2) Whereabouts of the subscribers/claimants cannot be ascertained even after making enquiries from the Departmental authorities, treasuries and consulting pension papers etc.

(CAG's letter No.2262-Tech.Admn.II/209-65 dated 6.11.65)

CONNECTED CASES OF ITEMS TRANSFERRED TO UNCLAIMED DEPOSITS SHOULD BE KEPT IN FUND SECTION.

7.31 The connected cases of items transferred to 'Unclaimed Deposits' should not be transferred to the Deposit Section but should be retained in the section and filed separately as the latter is responsible for the proper disbursement of the money. The file should be preserved permanently.

PROCEDURE FOR AUTHORISING REFUND OF AMOUNTS TRANSFERRED TO UNCLAIMED DEPOSITS.

7.32 When a refund is claimed, the section will be required to point out the year in which the particular item was transferred to 'Deposits' and to settle the formalities for the withdrawal of money from the Fund. A note will be made in the Register maintained for the purpose. Refund will then be authorised by the

Deposit Section and the amount will be debited to the head 'Unclaimed Deposits'. If it is lapsed deposit it will be classified accordingly.

REGISTER OF UNCLAIMED DEPOSITS.

7.33 Under the Controller of Civil Accounts letter No.T.726-AC-189-26 dated 6.7.1929, to the A.G. Bengal, the transfer of the provident fund money to Deposits does not alter the fiduciary capacity in which the money is held by Government or relieve the Accounts Officer of the duty of ascertaining the proper person legally entitled to receive the amount at the subscriber's credit or of the responsibility of paying the amount to that person. To enable this being done, enquiries will be made in such cases as are necessary as per entries in the Register of 'Unclaimed Provident Fund Deposits' at the time of transferring the unclaimed amounts of the year to 'Deposits'. This register will be submitted to the Gazetted Officer on the 20th July each year.

Annual adjustment, transferring items to deposits is carried out in Fund-I section, in a consolidated manner obtaining the approval Accountant General.

CHAPTER – VIII

TRANSFER OF ACCOUNTS

8.01 When an officer is transferred to another Government it should first be ascertained from the proper authority whether he has been permanently transferred to that Government. If so his account should be transferred to that Government.

8.02 In the case of transfer of Provident fund Accounts from one account circle to another, the transfer of balance should be effected well within two months after the acceptance of the transfer thereof by the new Accounts Officer. The accounts to be transferred should before their transfer to the new Accounts Office, be completed in all respects as far as possible upto the month preceding that from which the credits are to be accounted for in the new circle by resorting to hand posting of the credits including those received through exchange accounts. where delay is apprehended in the completion of such accounts they should still be transferred within the stipulated period of 2 months after indicating the full particulars regarding the missing credits/debits thereon. The credits/debits if any, pending accountal should be subsequently transferred to the new account circle.

(CAG's letter No.293.Tech.Admn.II/37-66 dt. 5.2.66)

8.03 With a view to avoiding delay in adjustment of missing credits and unadjusted items in respect of Provident Fund transactions passed on through Exchange Accounts and in the transfer of account to the new circle, in respect of cases of transfer of subscriber to a new circle, the following procedure should be followed to obtain the information required for transfer of balance to other accounts circle.

- 1) When at any time it is found that credits in respect of the Provident Fund Account of a subscriber have started appearing through an Exchange/Settlement Account but no information in regard to the nature and duration of the transfer of the subscriber to the other circle of account have been received from the subscribers/Head of Offices, the concerned section maintaining the Fund Account of that subscriber should immediately initiate action to obtain the necessary information from the subscriber/Head of Office concerned with suitable noting in the ledger card in this regard. On receipt of this information, if it is found that the account has to be transferred to the New Circle, prompt steps should be taken to transfer the account of the subscriber to the new Accounts Officer within the period and in the manner prescribed in sub-para above.
- 2) The above instructions will not apply to the members of a service/department whose P.F. Accounts have been centralised in the office of a particular Accountant General as in these cases, it is not a case of transfer of the subscriber to a New Accounts circle.

(CAG's circular letter No.729.Tech.Admn.II/42-68 dated 28.3.68)

8.04 In respect of Provident Funds governed by Central Rules no interest for the portion of the year within which the transfer is made should be allowed. In the case of Provident Funds governed by State Rules, interest must be allowed upto the end of the month preceding the month in which the transfer is made.

8.05 The procedure prescribed for Final Refund cases should invariably be observed in the case of transfer of accounts from one account circle to another and from one Provident Fund to another.

(CAG's circular letter No. 125.Tech.Admn.II/159-67 dt. 16.1.1968)

8.06 An encasement showing the reasons for the amount transferred, the number and date of transfer entry etc., should be made in the remarks column of the ledger card under the initials of the Branch Officer. The amount transferred should be posted as minus figure in the "subscription" column.

Along with the advice of transfer in G.P.F. Form No.18, the following documents should be sent to the Accounts Officer concerned:-

- 1) a copy of the subscriber's ledger account for the year:
- 2) his nomination in original; and
- 3) a statement showing
 - a) details of the temporary advance, if any with the outstanding balance, the number of installments etc;
 - b) details of the withdrawals for payment of life insurance premium;
 - c) whether the subscriber is a compulsory or optional subscriber and, if the latter, the number of breaks if any.

These particulars should be called for in the case of transfers from other Accounts Office, if not already furnished by them.

- 8.07** The Insurance Policy or Policies, if any, should be reassigned and returned to the subscriber under intimation to the Accounts Officer to enable the former to execute a fresh assignment in favour of the Governor of the State to which he is transferred. Any sum withdrawn under the fund rules and which remains to be recovered should also be communicated.

(Para 12.34 of C&AG's M.S.O.(A&E)Vol-I)

- 8.08** On the central side, the head for the transfer of G.P.F. balance from one PAO to another in respect of an account arises consequent on transfer of the subscriber from one Department to another such transfer would not be accompanied by the original ledger card/folio maintained by PAO. An extract of such ledger card with other details need be sent. The original ledger cards should be retained in the "Old Pay & Accounts Office and preserved for a period of three years, after settlement of all the missing credits and debits(upto the month of transfer) in transferred provident fund account.

(Para 12.31 of CAG's M.S.O.(A&E) Vol.I and CAG's circular letter No. 868-Tech.II/7-66, dt. 11.4.67)

- 8.09** In the case of Provident Fund Accounts receivable from other Accountant General but not received in time, a new Ledger Account from the date of transfer should be opened to keep the postings of the credits/debits in order, so that there may be no accumulation of arrears to take over later, on receipt of the ledger accounts. A fresh account number should be assigned to those new cards and the remarks "Supplemental to be attached to original account awaited from Accountant General" should be written on the top of such newly opened ledger account/cards. The receipt of the ledger account for the previous years from

other Accountants General is to be watched through a separate register in the following form:-

**REGISTER FOR WATCHING TRANSFER OF PROVIDENT FUND ACCOUNTS
DUE FROM OTHER ACCOUNT/AUDIT CIRCLE**

Sr. No.	Name of the Subscriber	Due From	A/c No. Allotted by other Account/Audit Office	Department Addressed in	A/c No. allotted by this office
1	2	3	4	5	6

Month of which account number maintained here	Reference to Transfer Advice	When Adjusted	Remarks
7	8	9	10

When eventually the ledger cards are received, the closing balance shown therein should be brought forward in the new ledger account.

8.10 The receipt of ledger cards from the "old Account Officer has to be watched only in the case of proforma adjustments. In the case of transfer of Government servant from one Government to another or from one account/audit circle to another, only the receipt of the balances in his former account with the "Old Accounts Officer" need be watched as the old ledger cards have to be retained by the old Accounts Officer.

(CAG's circular letter No.808-Tech.Admn.II/7-66 dated 11.4.1967)

8.11 In receipt of the first salary bill of a Gazetted Officer coming on transfer from another Accounts/Audit circle or on receipt of his L.P.C. as also on receipt of the Establishment Pay bill in which the salary of a non-gazetted Government servant transferred from another circle of Accounts/Audit is drawn for the first time in the new Accounts/Audit circle, the GEI sections concerned should immediately initiate action to obtain the necessary information regarding the likely period of “ transfer from the appropriate departmental authority and should pass on the information so obtained to the concerned Fund section. If the information received from the Department shows that the transfer has been made for a period which would justify the transfer of Provident Fund Accounts, the concerned Fund Section should promptly take up the matter with the previous Accounts/Audit Officer to have the balances transferred to this office. The receipt of the balances from the previous Accounts Officer should be watched through the Register prescribed in Sub-Para of Para 10.11 above.

8.12 Till the matter in regard to the Transfer of the Accounts is settled with the previous Accounts Officer, the credits and debits on account of Provident Fund transactions pertaining to the account in question should continue to be passed on to the Accounts Officer maintaining the Provident Fund Account.

(CAG's circular letter No.1339.Tech.Admn.II/142-68 dated 15.6.68)

8.13 The register for watching the receipt of ledger accounts should be submitted to the Branch Officer on the 5th of every month. The month from which the credits will be accounted for in the new circle should be made clear to the accountant General who was originally maintaining the accounts of the subscriber.

(CAG' s letter No. 910-Admn.III/KW/361 Admn.11/58 dated 29.4.1960)

ADJUSTMENT OF PROPORTIONATE INTEREST CHARGES ON THE BALANCES OF PROVIDENT FUND ACCOUNTS TRANSFERRED FROM ONE STATE TO ANOTHER.

8.14 The Government of India have decided that where permanent transfer of officers are made from one Government to another, the transferring Government should bear interest charges on the officer”

Provident Fund balances to the end of the month preceding that in which such balances are transferred. In cases, of temporary transfers and of officers of joint cadre, the balance may continue to be kept by the parent Government or the Government to which the Officer permanently belongs.

		transferred					
1	2	3	4	5	6	7	8

At the close of the year, interest will be calculated as usual for the accounts received from other States without reference to the amount of interest already credited to Suspense Accounts.

TRANSFER OF ACCOUNTS FROM ONE DEPARTMENT TO ANOTHER IN THE SAME GOVERNMENT:-

- 8.18** Fresh Account Number may be allotted on receipt of intimation that a subscriber is transferred permanently to a new Department in the same Government provided there is a change in the P.F. Series consequent on permanent transfer. The section which has dealt with the subscriber's account prior to the transfer has to complete in all respects the accounts upto the period of transfer.
- 8.19** The old ledger card with up to date interest should then be transferred to section which has opened the new ledger card and the receipt of that section should be obtained against the entry in the General Index Register. With the introduction of polythene jackets the ledger cards(old and new) will be kept in one jacket.

CHAPTER –IX
ANNUAL CLOSING

The work of annual closing and proving of the ledger accounts is of the greatest importance and involves the following stages:

- 1) Calculation of interest for each account and its inclusion in that account by debit to Government.
- 2) Printing of annual accounts statements.

The work is undertaken soon after the March accounts are posted. The work is done on task work basis outside office hours. The CAG of India has sanctioned honorarium for this work at the rate specified in Para 12.09.

- 1) The first process is the calculation of the interest which is done by a computer program as per the following logic:
 - a. Interest on opening balance.
 - b. Add Interest on deposits of the current year computed on the basis of monthly average.
 - c. Add Interest on previous years credit adjustments.
 - d. Less Interest on withdrawals during the year.
 - e. Less Interest on previous years debit adjustments.
- 2) The second process is the printing of annual accounts statement on pre-printed stationery. The annual accounts statement are printed department wise/DDO wise and sent to DDOs for handing over to individual subscribers.

As soon as the calculation of interest is completed the total amount of interest allowed for the year on the subscriber's account of each Provident Fund should be ascertained and transfer entries should be made crediting the amounts to the funds concerned by debit to the head 2049 Interest on Payments State Provident Fund etc. The entries should be made in time for inclusion in the March (S) accounts of the year.

The statements of accounts of all the subscribers working under a particular DDO including the slips of self drawing DDOs are , jointly sent by registered post to the concerned Drawing & Disbursing Officers along with a covering list detailing

the particulars of the subscribers in respect of whom the statements are sent. In the case of officials working in our missions abroad, the P.F. account slips should not be sent direct to the officials but should be sent through the Ministry of External Affairs.

(CAG's letter No. 703-TA-II/138-71 dated 21.5.71)

If the latest addresses are not known, they should be collected from the Provident Fund Schedules for March or even of later months, if the subscribers are currently subscribing. If not, and if their whereabouts are not available or known, the information should be obtained from the Head of Office under whom the subscriber was serving when the last noted subscription was credited. The Accounts statements of such subscribers should be issued at the address furnished by the Departmental Authorities. In case the Head of the office pleads inability to furnish the address, the matter should be reported to the Head of the Department. If the information is not available even after the reporting to the Head of the Department, the statements should be kept along with their respective ledger cards, so that they may be issued as soon as the addresses are known. The fact that the Head of Office/Department has not been able to furnish the address should also be noted in the respective cards.

(CAG's letter No. 466-Admn.III/26-62 dated 17.3.62.)

The dispatch of account statements to the DDO's may be given wide publicity through the press and the subscribers be requested to collect the statements from their DDO's.

The State Governments should be apprised of the steps being taken to ensure receipt of the statement by the subscribers and the Governments in turn be also requested to instruct their DDO 's for (a) distribution of statements to the subscribers (b) transmission of the statements of such employees as may have been transferred in the meanwhile, to their new addresses, (c) furnishing certified details of all missing credits/probable missing debits as asked for in the letter forwarding the statements to the DDO 's and (d) informing the Head of the Department of the complete distribution of statements and sending him a list of persons whose statements could not be distributed.

The statements should be despatched not later than 31st July including those involving exchange account transactions. A report on the dispatch of Annual

Account Statement to the subscribers should be sent to the Comptroller & Auditor General in the form prescribed below so as to reach him by the 30th September, each year. Only the statements despatched to subscribers after the above due date should be shown in the report as having been delayed;

Form of Report on the despatch of Annual Account Statements:

- 1) Total number of accounts involved.
- 2) (a) No. of accounts despatched by the due date;
(b)(Percentage which the number at 2(a) bears to the total number of accounts.
- 3) (a) Number of Accounts which could not be despatched by the due date.
b) Percentage which the number at 3(a) bears to the total number of accounts.
- 4) Reasons for the delay in the despatch of accounts mentioned at (3) above and the date/dates by which they are expected to be despatched.

The following is the programme for this work:

	Commencement	Completion
March Accounts postings Including sy-I and sy-II	20 th May	5 th July
Data cleaning including Clearance of unposted	1 st June	10 th July
Indexing	11 th July	
DDO updation	12 th July	
Interest calculation.	15 th July	16 th July
Slip creation	17 th July	18 th July
Preparation of Annual Accounts Statements.	19 th July	25 st July
Despatch of Accounts		

Statements.(Including
those involving exchange
accounts transactions)

26th July

31st July

Report on the despatch of Account Slips due to the Comptroller and Auditor General of India- 31st August.

(CAG's letter No.155-Admn.II/407-58 dated 20.1.1959 and No. 54.Tech.Admn.II/314-65 dated 7.1.66)

Self drawing Gazetted Officers should themselves acknowledge the balance in their accounts. Heads of Offices should give a consolidated acknowledgement for the accounts of non-gazetted subscribers working under them. a separate despatch register should be maintained series-wise, for the despatch of Account Slips and the receipt of the individual acknowledgements watched through it. The register should be closed every fortnight from the 1st week of August and submitted to the Branch Officer along with the closing of the regular Despatch Register. A note of acceptance of the balance by the self-drawing Gazetted Officer should be made in his ledger card. The acknowledgements should then be filed by the departments and serially by account numbers for facility of reference in case of need. Where any subscriber does not accept the balance shown in the annual statement and furnishes the particulars for the wanting credits/debits(duly certified by the Head of Office in the case of non-gazetted Government Servants) action should be initiated immediately to locate the missing credits/debits and to adjust them in the subscribers' accounts. In the cases where any delay is apprehended in tracing the credits/debits in the accounts, the missing items should be adjusted on collateral evidence in the manner indicated in para 8.06 to 8.07. As soon as an account is completed the fact should be intimated to the Head of Office concerned in the case of non-gazetted officer and to the subscriber if he is a self drawing gazetted officer.

(CAG's letter No. 568-Tech.Admn.II/275 – Admn.II/68 dated 13.4.1964).

- 9.10** Receipt of acceptance of balances individually in the case of self drawing officers and collectively in the case of Non-Gazetted Officers as envisaged in Para 431 of M.S.O. (Tech.) Vol.I need not be watched in accounts beyond 3 months from date of receipt of Account Statements by subscribers. However acknowledgement for receipt of Account Statements by subscribers individually in the case of self drawing Gazetted Officers and in the form of certificate from

Heads of Offices in the case of Non-Gazetted Officers, to the effect that the Annual Accounts Statements have been duly handed over to the respective subscribers should invariably be watched through the dispatch register as prescribed above. The discontinuance of the procedure of watching receipt of acceptance of balances beyond 3 months does not mean that Accounts Officer will no longer be responsible to investigate discrepancies in Provident Fund Accounts pointed out by subscribers after the lapse of the period mentioned above. All the complaints received from subscribers should be vigorously pursued to the satisfaction of the subscribers concerned irrespective of the period to which the discrepancies pertain.

(CAG 's circular letter No. 1199-T.Admn.II/249-66 dated 7.6.1969)

CHAPTER – X

INTEREST

Subscriptions paid by Book Adjustment:

10.01 Payment of interest on GPF deposits is regulated in accordance with Rule 11 of GPF(C.S)Rules.

No interest is admissible on the amount recovered on account of subscription in excess of the actual amount due.

(CAG 's letter No.1753-396-15 dated 5th October 1915 reproduced in para 81 of A.G.M.P. 's PF Manual)

UNAUTHORISED SUBSCRIPTIONS TO BE CREDITED TO GPF HEAD OF ACCOUNT.

Unauthorised subscriptions to Provident Fund should not be adjusted under '309/311 Miscellaneous' as such recoveries are not in the nature of the revenue to the Government. Such recoveries should be credited to the relevant PF Head of Account.

TREATMENT OF ERRONEOUS RECOVERIES

Erroneous recoveries of subscriptions to PF can be of the following four categories.

- a) Excess payment of subscriptions to the fund
- b) Unauthorised subscriptions in cases where subscriber continues to subscribe to a Provident Fund beyond the date upto which he is eligible to subscribe; and
- c) Unauthorised subscriptions in cases where the Government servant is not eligible to subscribe to a Provident Fund.

As regards category (a) above, the provisions of the note below para 12.18 of CAG's M.S.O.(A&E) Vol.I should be followed and the excess recovery of subscriptions may be got adjusted by deduction from the subscription to the subsequent month under intimation to the subscriber and the head of the office. The final settlement of such excess recoveries should be watched through objection book.

The credits on account of unauthorized subscription in (b) above should continue to be adjusted in the subscriber's account with the indication that these are unauthorized. The payment of these subscriptions should be made at the time of final settlement of accounts unless requested earlier by the subscriber, but without interest on such subscriptions. The fact that the subscriptions are being

erroneously made should, however, invariably be made known to the subscriber and drawing officer as soon as they come to notice and they should be advised to stop the subscription forthwith.

As regards unauthorized subscriptions at (c) above it should be ensured that such subscriptions appear as un-posted items in the Master Card. Their settlement is required to be watched through these records. Whenever unauthorized recoveries are refunded to the Government Servant concerned, the relevant un-posted items pertaining to the various months should be linked.

Note 1:- No interest is admissible on unauthorized subscription of the categories described in this Para. Such unauthorized subscriptions will not enjoy immunity from attachment as such subscriptions have been made contrary to the provisions of the PF rules and cannot, therefore, be treated as compulsory deposit under Section 2(a) of the Provident fund Act 1925.

Note 2:- Unauthorized subscriptions remaining unclaimed over two years should be transferred to unclaimed deposits only with the approval of the officer of the rank not lower than the Deputy Accountant General, who should personally satisfy himself before approving such transfer that the whereabouts of the government servant concerned are not known. These unclaimed deposits will lapse to Government after a period of three years prescribed for lapsing of similar unclaimed deposits.

(CAG 's letter No. 2950-TA.II/292-67 dated 23.11.67).

When the excess payment of subscription is adjusted by short payment in subsequent months, interest should be allowed for those months on the full amount due and not only on the amount actually recovered, the balance having been already received in the former months.

INTEREST NOT ADMISSIBLE ON AMOUNT PAID AT A SUB-TREASURY AFTER THE SUB-TREASURY ACCOUNTS ARE CLOSED:

Amount paid at Sub-Treasuries after the sub-Treasury accounts are closed for the month, on account of withdrawals from the G.P.Fund will not carry interest for that month though such payments are not exhibited in the Treasury accounts in the month of payment, but shown in the subsequent month.

ADJUSTMENT OF INTEREST ON THE ARREARS OF SUBSCRIPTION:

It has been decided that the additional amount of arrears payable in monthly installments should be calculated by determining the amount of interest which the subscriber concerned would have earned had he paid the arrears in lump sum (during the period of recovery of arrears in installments) and diminishing from it the amount the amount of interest earned on the amount of arrears installments paid from month to month till the full recovery of arrears.

(Govt.of India, Ministry of Finance (Deptt.of Expdr) O.M.No.F.25(3)-EV57 dated 4.12.1957)

PREPARATION OF A TRANSFER ENTRY FOR THE TOTAL INTEREST TO BE CREDITED TO THE ACCOUNT:

The interest allowed for the year will be available on preparing the balance compilation sheet in GPF Form No. 74-A. Transfer entry for the total interest credited to the Account should be made and the amount added to the receipts by debit to 2049 Interest on Debt and Other obligations-B interest on unfunded debt-State Provident Funds-Interest on General P.F.’ This entry should be made in time to be included in March final Accounts. This transaction must include the debits on account of interest paid during the year on closed accounts, which during the currency of the year is debited to the fund itself.

According to the CAG ‘s letter No.208-AG/9-69 dated 20.2.69 when a fund account is closed finally during the course of a year the interest charges should invariably be taken to the final head viz., “ 2049 Interest”. The following further instructions have been issued in the matter:-

- 1) Each PF Section should maintain the Interest Adjustment Register. The interest paid on closed accounts either on account of final payment or Residual Balance Payment or transfer of accounts to other accounts Officer during a month should be noted in that Register as and when final payment or Residual Balance Payment is made or account is transferred. At the end of the month the register should be closed and interest charges should be taken to the final head of PF by debit to “ 2049 Interest on Debt and Other Obligations”. This register should be submitted to the Branch Officer on 5th of every month and the submission of the Register to the B.O. may be watched through the calendar of returns.
- 2) When the adjustment of interest charges is done monthly, the amount of interest is posted against that column., in cage provided for annual closing in the ledger card.

- 3) The interest figures may be copied in the interest column of the Broad-sheet only annually from the ledger along with the other annual interest charges. For the purpose of closing PF account every month, the total of the interest adjusted every month as available from the "Interest Adjustment Register" may be posted every month in the Unit Broad-sheet in lump against the item "Interest adjusted on closed accounts in the closing page of the Broadsheet and added with the total credit for a month to arrive at the grand total of LF Credit for the month in respect of a particular Unit Broad-sheet.
- 4) At the time of making adjustment of interest during the annual closing the total of interest adjusted in all the months through the interest payment register should be deducted from the grand total of interest in the balance compilation sheet and the adjustment under "2049 Interest" should be carried out for the remaining amount.

(CAG 's letter No. 1449-TA.II/374-70 dt. 11.8.1970)

ADJUSTMENT OF INTEREST ON ACCOUNTS TRANSFERRED FROM OTHER STATES GOVERNMENT ETC :

The Government of India have decided that where permanent transfer of officers are made from one Government to other the transferring Government should bear interest charges on the Officer's Provident Fund balances to the end of the month preceding that in which such balances are transferred and that in cases of temporary transfers and of transfers of officers of joint cadres the balance may continue to be kept by the parent Government or the Government to which the officer permanently belongs.

The interest should be credited by the transferring government to the transferred Government along with the balance at the credit of the subscriber concerned and should be shown as a separate entry. This interim interest should be kept under "Suspense" in the books of the receiving, Accounts Officer, pending its addition to the Fund Account balance of the subscriber at the end of the year.

When a fund account is finally closed during the course of a year, the interest charges should invariably be taken to the final head viz "2049 Interest" on Debt and other obligations etc. before making actual payment to the subscriber. These adjustments are required to be made monthly.

(CAG 's letter No.208-AG/9-69 dated 20.2.69 File No.PF Misc/Genl/K.30-A)

This decision takes effect from 19th July 1941.

(G.I. Letter No. 1 D.N.D.6652-F/41 dated 19.7.1941 to the Financial Secretaries of all Provincial governments)

NO PROTECTION TO GUARANTEED RATE OF INTEREST TO SUBSCRIBER TRANSFERRED TO SERVICE UNDER CENTRAL GOVERNMENT:

The Government of India has clarified that in the case of a subscriber who in the State Government was entitled to guaranteed rate of interest, will not be entitled to get protection where he is transferred to services under the Central government. In such cases where excess interest has been allowed it will have to be recovered.

(CAG 's letter No. 1207/A-.II/112-59 dated 3.9.1959)

CHAPTER – XI

OTHER FUNDS

PF ACCOUNTS OF NON-ICS HIGH COURT JUDGES

- 11.01** In accordance with the provisions of Section 20 of the High Court Judges(Conditions of Service) Act, 1954 every Judge shall be entitled to subscribe to General Provident Fund (Central Services) except in the case of a

Judge who is a member of the ICS or has held any other pensionable civil post under the Union or a state, who will continue to subscribe to the Provident Fund, to which he was subscribing before his appointment as Judge.

11.02 The General Provident Fund Accounts of the Judges who were subscribing to General Provident Fund(Central Services) were hitherto being maintained by the concerned Accountant General in the Central Section of Accounts. After the departmentalisation of accounts, a question arised as to how the Accounts of the High Court Judges, who are subscribers to General Provident Fund(Central Services) are to be maintained. While the pay of the Judges is debitale to the State Exchequer, the General Provident Fund subscriptions are creditale to Central Fund and the accounting thereof, has to be done by the concerned Pay and Accounts Officer of the Ministry of Law and Justice and Company Affairs after departmentalisation of accounts.

11.03 The following procedure has been prescribed in consultation with Government of India, Ministry of Finance(special Cell) for the maintenance of Provident Fund Accounts of High Court Judges consequent on departmentalisation of accounts.

- I) The State accountant General would continue maintaining dummy Provident Fund Accounts of High Court Judges who are subscribers to General Provident Fund(Central Services) The State Accountant General may also continue making payment of advances and final settlement of cases after retirement. These transactions(both credits and debits) may be carried out in the State Section of the Accounts by keeping transactions initially under the head ' 8658 Suspense Account-PAOs Suspense' and cash settlement effected before the close of the financial year with the concerned PAO.
- II) The State Accountant General should also work out the annual interest on the Provident Fund balances of these accounts and make the posting of interest in the individual Dummy Provident Fund ledger accounts. He should also communicate the total figure of Interest to the Pay and Accounts Office to enable him to carry out the adjustment in the account by debit to the head, Interest and credit to Provident Fund in the Account of the year.

(The concerned Pay and Accounts Officer in the Ministry of Law and Justice and Company Affairs is the PAO department of Legal Affairs, Indian Law Institute Building, Bhagwan Dass Road, New Delhi)

(CAG 's letter No.907-TA.II/242-71 dated 17.5.77)

PROVIDENT FUND ACCOUNTS OF AIS BORNE ON STATE CADRE

11.04 Maintenance of the Fund Accounts of Officers governed by All India Provident Fund Rules, General P.F.(C.S.) Rules but whose balances are maintained in the State Section of Accounts.

The fund accounts of these officers should be maintained by the Accounts Officer of the State on whose cadre the officers are borne and Provident Fund transactions should be adjusted in the State Section of the Accounts as in the case of the officers of ICS and IP.

(G.I.M.F.H.A.NO. 20-24-49 GS dt.6th July 1949)

11.05 They will contribute compulsorily towards Provident Fund from the date they are made permanent.

(G.I.M.H.A.No.60/44/47-GS dt. The 23rd September 1948)

The probationers are not debarred from subscribing voluntarily to the GPF during the period of their probation and are free to discontinue their voluntary subscription to the fund as per rule 7(i) of GPF Rules.

(G.I.M.H.A. No. 60-4-47-GS dt.18.11.1948)

CONTRIBUTORY PROVIDENT FUND (Bombay) :

ELIGIBILITY OF SUBSCRIBERS:

11.06 The general principles that are to be adopted in considering recommendations for admission under rule 4 will be as follows:-

- 1) As a rule admission will be limited to technical specialist. Exception to this rule may occasionally be made with the concurrence of Finance Department on grounds of administrative convenience.
- 2) Government servants not at present entitled to the benefit of any Contributory Provident Fund should be admitted to this fund merely because they belong to category mentioned in (1) above.

- 3) Eligibility to subscribe or to receive contributions should be co-terminous with service.

Facilities for subscribing to the C.P.F. (Bombay) by the Re-employed pensioners

11.07

- (a) Re employed officers may be permitted to contribute to the Contributory Provident Fund, provided that where the term of re employment is initially for a year or less but is later extended so as to exceed one year, the Government contribution with interest will be credited only after the completion of one year's re-employed service. The Government contribution with interest shall be payable for the entire period for which the re-employed officer is allowed to contribute to the C.P.F. if such period exceeds one year.
- (b) It has been decided that the Government contribution should be calculated with reference to the subscriber's net pay exclusive of all pensionary elements including portion of pension commuted. Even in cases where the pension is held abeyance, the Government contribution should be based on net pay, i.e. gross pay minus the gross pension including portion of pension commuted held in abeyance.
- (c) The following clarifications are issued by Government in this matter :-
- (i) The Contributory Provident Fund benefits are admissible in respect of re-employment in any post
 - (ii) whether pensionable or non-pensionable.
 - (iii) The re-employed officer can not subscribe to the C.P.F. during a period of leave preparatory to
 - (iv) retirement and the subscription to C.P.F. should commence only from the date of expiry of the leave preparatory to retirement. However, the re-employed officer may be permitted to subscribe to the Fund during the period of refused leave running concurrently with the period of their re-employment.
 - (v) The re-employed officers may be allowed to subscribe to the C.P.F. from the date of commencement of re-employment subject to (ii) above but not earlier than 25th November, 1958. The Government contribution will be credited only if the period of re-employment exceeds one year.
 - (vi) For the purpose of eligibility to Government contribution the period of re-employment should be reckoned from the date of re-employment and re-employed officers may be permitted to subscribe to the contributory Provident Fund during the period of

refusal leave running concurrently with the period of the re-employment.

(G.R.G. AD. No. PFR-2461/3538/B dated 11th January, 1962, G.R. F.D. No. PFR-1063/2728-J dated 29th August, 1963.)

11.08 In cases in which it has been agreed to admit “ Contract Officer” (appointed on probation in the first instance) to the benefit of the fund from the date of his confirmation such officer may be allowed on confirmation to deposit in the fund arrears subscriptions for the period of probation together with an amount equal to the amount of interest that would have been earned on those subscriptions for that period and Government will then make a contribution to his account equivalent to that which would have been made under Rule 11 of the Contributory Provident Fund Rules had the officer originally been admitted to the benefits of the fund from the date of his appointment on probation and also pay the interest thereon which would have been earned under rule 12 of these Rules. (G.I.F.D.No.8802-F, dated 24/29 July 1935)

11.09 Government has decided that where it has been decided to admit a non-contract officer appointed on probation in the first instance, to the benefits of the Contributory Provident Fund Rules such an officer should be admitted to the Fund with effect from the date of his confirmation and allowed on confirmation to deposit in the Fund arrears subscriptions for the period of his probation together with an amount equal to the amount of interest that would have been earned on those subscriptions for that period and he should be allowed Government Contribution equivalent to that which would have been made under Rule 11 of the Contributory Provident Fund Rules(Bombay) had he originally been admitted to the benefits of the Fund from the date of his appointment on probation and also interest thereon which would have been earned under Rule 12 of those Rules.

(Government, political and Service Department letter No.1638/34-D, dated 3-12-1944).

11.10 The words “ Every non- pensionable servant of Government” used in the amended sub-rule(1) of Rule 4 of the contributory Provident Fund Rules (Bombay) mean both Superior and Class IV Government Servants.

(Government decision in their Political and Service Department letter No.1638/34-D, dated the 28th November, 1941)

11.11 A Government servant who is a subscriber to the Contributory provident Fund (Bombay) on his Appointment to a tenure post, should not be deemed to have been transferred permanently to pensionable service or allowed the option admissible under Rule 28 of the C.P.F. (Bombay). He should , however, be allowed to continue subscribing to the contributory Provident Fund and the emoluments for the calculation should be the emoluments in the post to which the benefit of the contributory Provident Fund is attached.

(Authority:- Government Resolution, P. & S.D. No. PFR-1154 dated 20-4-54)

CHAPTER – XII

MISCELLANEOUS

PERSONAL FILES

12.01 personal file for each subscriber should be maintained in Provident Fund Sections, in order that all correspondence with him is recorded therein till his account is finally settled. This will ensure that a subscriber's letters and complaints have been adequately dealt with information given by him regarding nomination, missing credits, withdrawals and advances is always on record and assurances given to him regarding adjustment of missing credits etc. have been fulfilled. The file will also contain details of his posting/transfers from time to time to the extent this information is available and would enable references being made to the proper drawing and disbursing officer in case any missing credit for a past period is required to be traced.

(CAG 's Office DO letter No. 2459.TA.II/302-78 dt.3.10.78)

Change in names of subscribers:

12.02 The Heads of Departments may, on sufficient cause being shown, sanction the change of names in the case of non-Gazetted Officers, sending an intimation of the fact to the Accountant General. Cases of Gazetted Officers should be submitted for the sanction of Government.

(G.R.F.D. No.2556-dated 13th July 1882)

**BUDGET PROPOSALS IN RESPECT OF STAFF REQUIRED BY
FUND SECTIONS.**

The Budget proposals in Provident Fund group normally fall under the following categories:-

(1) Proposals for staff requirement which are to be sent to Administration section on 1st July every year.

The requirement of the staff is based on the total number of live accounts(excluding dormant cards) as on 31st March of each year without any further addition thereto for possible increase in the number during the year. The proposals are required to be furnished in four parts viz. (i) Present requirement, (ii) additional requirement if any during the current year, (iii) additional requirement if any during the ensuing year, (iv) casual/seasonal posts required during the subsequent year. The rate of live accounts per accountant/data entry operators when there is manual system of posting or Computer system of posting, are given in the Appendix I.

(CAG's letter No.3713/ADMNI/739-62 dt. 10th Dec. 1962). & No.101. O&M/53-79 dt. 31-3-79)

REGISTERS AND REPORTS :

Departmental Note Book:

12.03 A departmental Note book is maintained in which are entered all important departmental orders, Government Resolution and sanctions etc. This register is submitted to the Gazetted Officer in charge on the 1st of each month.

12.04 Calendar of Returns: A calendar of returns in the prescribed form should be maintained in order to observe the due dates prescribed for the various kinds of

work in the section. The actual date on which the work is completed should be filled in by the Section Officer /Asstt.Accounts Officer in each case and Calendar submitted to the Gazetted Officer every Monday. It should also be submitted with the monthly Progress report.

12.05 Arrears Report of Sections: The monthly progress report (printed book) should also be submitted to Dy. Accountant General Funds through the Branch Officer. The sectional arrears reports should invariably indicate the arrears in respect of the following items:

- a) Posting of PF Schedule
- b) Transfer of accounts
- c) Final Refund cases
- d) Residual Final Refund Cases
- e) Missing Credit/Debit
- f) Wanting disbursement certificates
- g) Audit and review
- h) Submission of Broad-Sheet
- i) Unposted items
- j) Outstanding Account Slips
- k) Master cards
- l) Agreement of balances etc.

12.06 In computing the arrears the following rates may be adopted.

- | | |
|--------------------------------------|---|
| a) FP Cases | : 3 cases per day(to be shown as external / internal arrears according to causes) |
| b) Residual Final Refund cases | : 5 cases per day |
| c) Missing credits | : 20 minutes per item |
| d) Wanting disbursement Certificates | : 5 minutes per item |
| e) Transfer of accounts | : 3 cases per day |

12.07

REGISTERS AND BROAD-SHEET TO BE MAINTAINED BY FUND SECTIONS:

The following registers which are special to PF Sections should be maintained by all the sections:-

- 1) Index Register
- 2) Register of FR & RB Cases

- 3) Account closed register
- 4) Register of Missing credits/debits
- 5) Half Margin Register
- 6) Register of Irregular Advances
- 7) Suspense Register
- 8) Progress Report Register
- 9) Register of Un-claimed Deposits
- 10) Register of Test Audit Reports
- 11) Register of Triennial Review Reports
- 12) Register of despatch of account slips
- 13) Register of Incomplete Accounts
- 14) Objection book
- 15) Adjustment Register
- 16) Broad sheets
- 17) Register of Transfer of Accounts i.e., TE Register

12.08 Destruction of records.

The Sections will keep the current and previous years' records in the section and sent the remaining records to the old Records for preservation until they are due for destruction and its preservation will be regulated by the relevant provisions in the Record Department Manual.

RATES OF HONORARIUM TO BE PAID FOR ANNUAL CLOSING/OPENING OF NEW LEDGER CARDS:

- 12.09** The H.Qs Office vide letter No. 502-AC-II / 60-92 dated 9-6-1993 has prescribed the for various items of work done in Provident Fund Group. These rates are applicable when such calculations etc. are done on a task work basis by accountants in addition to their own duties outside the normal office hours.
- 12.10** In the case of Section Officers/the examiners of PF Sections, honorarium for checking of cards will be admissible in respect of ledger cards in addition to normal percentage which they are required to check. However the supervisory staff not belonging to Fund sections are to be given honorarium on the basis of total cards checked without any deductions.
- 12.11** If the Accountant General finds that the work of despatch of account slips can be got done promptly by payment of honorarium he may do so.
(CAG 's letter No, 1515-NGE-I/224-61 dt. 1.8.1961)

12.12 The claim for payment of honorarium in connection with the annual closing of account should also generally be examined by Internal Test Audit before making payment in order to ensure that the work has generally been carried out in accordance with the prescribed instructions and that the relevant records have been maintained. Internal Test Audit should also check some of the Account Statements before issue to ensure that there are no deficiencies in the statement prepared by the Fund Section.

12.13 The CAG of India has ordered that whenever any complaint is received by the Accountant General either directly through the Headquarters office in regard to the issue of incomplete or deficient account statement, the responsibility should immediately be fixed with a view to effecting recovery of the honorarium paid or to initiate disciplinary proceeding against the defaulting officials.

(CAG 's office letter No. 944-TA II/222-81 dt. 17.8.1982)

HONORARIUM FOR POSTING OF EXTRA CREDITS.

12.14 The CAG of India has considered the grant of remuneration to the staff for posting additional credit resending arrears of pay and allowance credited to PF Account and has decided that honorarium at the rate of 0.16 paise (sixteen paise only) per extra credit may be allowed for posting such extra credits, keeping in view the provisions of item No.22 of Section B of CAG's MSO (Admn.) Vol.II. The claims for honorarium shall be checked by the IAD before they are passed.

Period of preservation of correspondence file:

12.15 The following correspondence files should be maintained and file number assigned to each class of correspondence should be strictly followed:-

File Subject Matter	Period of preservation in Complete account years.
1. Rules and orders, Government Resolutions and other important Correspondence (separate file For each Fund)	permanent
2. Advance from Provident Fund	3 years
3. Refund orders of final payment	follows the period of

	of GPF	preservation of GPF vouchers for final payment
4.	Advances for payment of insurance premia	3 years
5.	Accounts transferred to other Accounts Offices	3 years
6.	Annual Deposit Accounts	1 year
7.	Application for admission to GPF	1 year
8.	Misc. Correspondence regarding discontinuance of subscription, irregular subscription printing of forms, subscriber's nomination forms, schedules not received.	
	Note:- Half margin memos. Should Be filed separately according to Serial number	1 year
9.	Balance remaining unpaid and transferred to permanent deposits	permanent
10.	Routine correspondence of contributory provident fund	3 years
11.	Refund orders of final payment of all funds other than the GPF and vouchers All India Services Provident Fund	follows the period of preservation of or final payments
12.	Provident Fund Ledger Cards	-do-
13.	Provident Fund Ledger and Registers	35 years

PRESERVATION OF RECORDS:

12.16 The records of the section other than those mentioned Chapter XI of the Comptroller & Auditor General's Manual of Standing Orders(Admn.) should be preserved for the period mentioned against each in the following lists:-

Sr. No.	Name of the Record	Period of preservation in complete account Years	Authority
1	PF Schedule	Three years where the work of agreement of balances is complete and is not in arrears. In cases where the work of agreement of balances is in arrears PF schedules may be retained beyond a period of 3 years upto the period for which the work of agreement has not been completed.	CAG's circular No.33/TA.II/1981 issued under No.263.TA-II/260-80 dt. 4.3.81
2	Broad-sheets	5 years	
3	Master cards	2 years	Item 19(ii) of v chapter XI of CAG M.S.O.
4	Register of temporary withdrawals	5 years	Item 19(iv) of CAG's M.S.O.
5	Transfer Entry Book	3 years	Item 6 of CAG's MSO
6	Objection Book	5 years	
7	Balance compilation statements	5 years	
8	Monthly verification statements	5 years	
9	Correspondence files in connection with final withdrawals	Follows the period of preservation for GPF vrs.for final payment	CAG's order dated 23-12-1939
10	General Index Register	Permanent	
11	Register of PF balances transferred to Deposit.	Permanent	
	Insurance Stock Files	35 years	DAG's orders Dt.6.8.1959
	Exchange Account abstracts and GPF schedules received from other audit offices	10 years	

12.17 Forms required for maintaining the accounts of State Government employees are obtainable from the State Government Press free of Cost. A.G. being the Head of Department concerned can obtain approved special forms on triennial indent to be submitted to the Director of Government Printing and Stationery. A.G. is also competent to sanction additions and alterations, if any, in the forms for which Government Sanction is not necessary. If AG desires to have annual supply instead of triennial he may inform the Director of Government Printing and Stationary the circumstances in which the annual supply is necessary.

(Govt. of Maharashtra, GAD letter No.PFR.1063/6353-J dated 5.12.1963)

CHAPTER – XIII

POSTING OF FUND ACCOUNTS AND RECONCILIATION

Schedule of General Provident Fund deductions and payment vouchers

- 13.01** The following are the sources from which the Fund Accounts are posted:-
- a) Schedules of credits/debits for each major head received from DC/Treasury sections.
 - b) Schedules of credits/debits appearing in the Treasury Cash accounts and list of payments received from Treasury Section.
 - c) Credits/debits appearing in NA Adjustment Account received from AC Section.
 - d) Credits/debits appearing in the D.H.T.E. abstract.

Posting Procedure

- 13.02** The following procedure shall be followed for posting the credits/debits to the subscribers account:
- a. A copy of the covering abstract , Treasury Wise and Major Head wise should be created detailing the month of account, the total of the covering sheet and the details of the voucher. A unique number to indentify the accounts of a particular treasury and major head for each month would be generated by the Computer system and the same shall be noted by the DEO in a conspicuous place on the covering sheet.
 - b. The posting of credits/debits to the individual accounts of the subscriber shall be done on the basis of schedules/ vouchers received. The amount of credit posted under each schedule/ voucher should be agreed with the amount of schedule/ voucher captured vide sub para 19.02(a).
 - c. On completion of posting of all schedules/ vouchers, the total amount captured should be agreed with the total amount of the abstract and discrepancies if any should be reconciled by checking the posted details with the schedule details.

General Consolidation Register Maintained in PF- I Section:

- 13.03** General Accountant will maintain a General Consolidation Register to collect together the figures from the VLC section and distribute the same to the GPF computer section. The computer section will make agreement of the posted figure with the figure obtained from VLC .

Note:- The period of preservation of provident fund credit schedules is fixed as three complete account years. It should be ensured that all available particulars

of the unposted items in the schedules are noted in the suspense registers and that no further reference to these schedules is necessary at later date in respect of unposted items.

Consolidated Broad-sheet of Provident Fund:

- 13.04** As soon as the posting of Monthly accounts is completed, the General Accountant of the Computer section will generate a consolidated report for both credits and debits . The detailed Book figure received in PF- I for the month will be entered in the computer in the appropriate field provided for the purpose by the of Section Officer / Asstt.accounts Officer, Computer Section and the difference between the Broad-sheet and the detailed book figures arrived at. This report will then be submitted to the Branch Officer.

CHAPTER –XIV

Orders, interpretations, and decisions issued by the Governments in connection with the General Provident Fund Rules:

Item No.	Reference to Rule of the General Provident Fund			Orders, Interpretations & decisions	Authority
	Secretary of States Services GPF Rules	Central Services	Bombay services		
(1)	(2)	(3)	(4)	(5)	(6)
1	Rule 2(4)	Note 2 below Rule 2(1)(e)	Note 2 below Rule 2(1)(e)	In a case in which a person has given his child in adoption to another person and if under the personal law of the adopter, adoption is legally recognized as conferring the status of a natural child, such a child should, for the purpose of the Provident fund rules, be considered as excluded from the family of the natural father.	GIFD No.F. 229(1)B II/ 36, dated 30 th January 1936 to the A.G.P.T.(Ind P.F.382)
2	Rule 5	Rule 5	Rule 7	As sub Rule (9) of Rule 8 of the General Provident Fund (Central Services) and General Provident Fund (Secretary of States Services) Rules give Continued validity to the old Nominations no longer valid Under the new Rules declar-	GIFD No.22 (30R.II3/6, dated, 5 th Feb 1937 Ind. No.PF770 &Bombay Govt. and S.deptt. No. 1575 /34, dated 25 th

ation forms under old rules
Wherein guardians have been nominated to receive payment on behalf of minors remain valid and payment have to be made to such guardians even under the new rules.

Feb.1937(Ind
No.PF 820)

Under Rule 15 of the old General Provident Fund Rules a nomination became invalid on the marriage or remarriage of a subscriber even if such nomination had been made in favour of a member of his family. A declaration made in favour of a member of a subscriber's family and accepted under the old rules would continue to be valid automatically after the new rules came into force. Thus the new set of rules legalizes nominations which would have become invalid if the old set of rules had continued

GIFD No.22(3)
R.II/36, dt. 17th, March,
1937, Ind.No.837 B'bay
Govt.P. No.1575-34-D,
Dated 22nd,April 1937.

A declaration with conditions or in favour of legal heirs cannot be accepted. A subscriber who desires to include the money at his credit in his will and does not wish with to file a declaration should be informed that the GPF money will be disposed of in terms of GPF Rules. In such a case, the necessary note Should be taken in a declaration form And kept on the file of declaration for Record.

CG's No. 253-D, dt.20-4-1910

Incomplete declaration should not be Accepted and depositors cannot be Completed to submit declarations.

The fact that the GPF Rules exclude A married daughter whose husband Is alive from participating in the distribution of the amount at her father's Father dying without making any Declaration does not debar a subscriber from directing in the form of Declaration that the amount should be paid to his married daughter Whose husband is alive.

It would clearly be beyond all reasons to recognize an anticipatory nomination in favour of a lady, misdescribed as the subscriber's wife when realisation of marriage would automatically have voided the nomination in her favour.

RLA's No. 4159, dt. 29th July, 1931-Ind.

Govt. of India, FD letter No. F.19-XI/R 11-33, dt. 24.3.1933
To the Govt. of India Home Deptt.
(Ind. 295) of (1933-34) case of GPF money of late Mr. J.A. Sleaf, sergeant, Bombay Civil Police.

A declaration made by a Mohamedan subscriber in favour of his adopted child should not be accepted as adoption is not recognised by Mohammendan Law.

No.1377-L.R.dt. the 19th April, 1927 referred in para 104-A of Assam Manual.

In cases in which all that is Proved is that maintenance has been granted by a Criminal Court to the wife of a subscriber She should not be considered to From her husband and nominations, therefore, in favour of Persons other than members of the family as defined in rule 2(c)i of the Bombay General Provident Fund Rules,should not be accepted.

No.1574/34-D Political & Services department Bombay dt.6th Feb 415 (Case file No. 1-141).

The expression "Person" used In sub-rule (3) of rule 7 of the Bombay General Provident Fund Rules must be construed in the ordinary sense of an individual, i.e. A natural person, a human being and a company or association or

No.1574/34-D, Political and services department,B'bay dt.the 5th March 1941 (In-ward PF No.449),and G.of IMTDE F.8(5) Dt. 22.11.63 EV(B)/63(GPF)

body of individuals whether incorporated or not.

iii) A subscriber to the GPF cannot create a lien in favour of Government on the sum at his credit in the Fund with a view to substitution to such lien for existing Security Deposits.

iv) In case of a nomination made in respect of more than one member (for which no contingent Notice of cancellation is attached)

If the nomination in respect of Member becomes invalid owing to To the nominee predeceasing the Subscriber or any other cause, then The nomination still continues to Remain valid in respect of other Members mentioned therein to the Extent provided in the nomination, i.e . a nomination can be treated as partly valid and partly invalid, and in respect of that portion which becomes

GIFD No.1020
-P dated the
25th February
1910.

Govt.of B'bay P&SD No. 1574-34-D,
dated 14-12-45 in the case of shri
D.R.Dolli-(AJ 643) clerk of the
subject's court, Bagalkot,
confirming the view expressed
in this office letter No. PF-4 -9675
dt.22-10-45.

invalid, the amount should be paid as though no valid nomination exists.

Letter No.
PF-4-9675
dt. 22.10.45.

The additions to the old nominations forms which were carried out so as to conform with the provisions of section 5 of the PF Act, 1925 as amended by PF (Amendment) Act, of 1946, were intended to provide for cases where a nominee predeceases a subscriber. As a corollary to this the validity of nominations in old forms will not be affected in cases in which the nominees survive the Subscribers, unless such nominations are happening of contingencies like the latter acquiring family after the date of nomination, etc. Nominations need not, therefore, be treated as become invalid solely for the reason that they were in old forms.

GIMF
letter No.
F.28(16)-
DV/50,dt.
25.7.1950

A subscriber had nominated his wife in his nomination for his PF balances. The wife of the subscriber was living with him for some time and consequently subscriber declared that the amount at his credit in his fund account be paid to his parents. The wife of the

Govt.of Bombay
letter No. – A&FDVet.
4358-171185-D,
dated 8.7.59.

subscriber though not judicially separated from him. The Government of

case of Shri B.B. Sonar,A/c
No.AGV Bom-614.

Bombay held that under provisions of Rules 7(4) of B.C. S.R.S. cancellation of nomination is required to be notified in writing as such the nomination will stand inspite of a declaration to the contrary. Under the provision to Rule 7(1) of GPF Rules

a subscriber having a family cannot make a nomination in favour of any body else. The payment of the money to the parents of the subscriber is not permissible and was ordered to be paid to the widow of the subscriber.

So long as the amount at the credit of the subscriber is not actually paid, it retains the character of Provident Fund and hence there should be no objection

to the subscriber changing the nomina-

tion in this regard even after retirement /discharge etc provide the changes or revised nomination are made and notified in accordance with the provisions of the relevant Provident Fund Rules.

A nomination once executed during the life time of a

G.I.M.F. O.M.No.
52(13)- EV/60,dt16.7.60.
recd. C&AG's letter No.1619/
Admn-III/176-Audit/59
dated 9.8.60.
(Authority C& AG's letter No
993-A-7-62 dt.

subscriber does not become

inoperative just because it has not reached the Accounts Officer before the death of the subscriber. It is sufficient if the same had been filed with the head of office prior to the death of subscriber.

23.11.62, file F-1 K-217
GMCAD letter 42794/
1827-J dt. 8.4.71.

Rule 7 Rule 11 Rule 13

Government of India have decided That the rate of interest during each Financial year shall be average Redemption yield, during five calendar years immediately preceding of all Government of India Rupees loans with an un-expired term exceeding five years, the average being rounded off to the nearest quarter per cent. In future therefore, the rate of interest on deposits and balances at the credit of subscribers to the Provident Funds will be calculated according to the formula in each calendar year and the rate so determined will be published in the Gazette of India to be taken effect from the beginning of the following financial year.

GIFD No.F-37-V-R-II
dated the 6th December 1930.

The additional amount of interest on the diminishing amounts of arrears payable in monthly installments

GIMF Dept.of Expenditure
No.F.25(3)- EV/57,dt. 4.12.57.

should be calculated by determining the amount of interest earned on the amount of arrears installments, paid from month to month till the full recovery of arrears.

The Government contribution may be adjusted in proportion to the recovery of arrears of subscription in a year even in cases where it may not be possible to complete the recovery of arrears of subscription or any portion of interest on such arrears due to death, retirement, etc. Interest may also be allowed on the arrears of subscription as and when they are recovered and it is not necessary that the arrears subscription and interest thereon should be recovered completely before any interest is allowed.

The Comptroller & Auditor General has decided that the final withdrawals permitted Under:-

The authority who is competent to sanction temporary advance for can also sanction a non-refundable advance for the same purpose under

GIMF Deptt.of Expenditure
N.F. 25/3/EV 57 dt 23.4.59

C & AG 's letter No.2217
N,II, dt.7.6.56.

G.I.M.F.O.M.No.F-26 (16)-
EV-54, dt. 28-12 and
Dated 28-12-

CR and SD No.PFR-1055-P, dated
16.1.56.

GI GAD PFR1066/ 98617
11.11.66 file C -134 Vol. II

intimation to higher authority.

No interest should be recovered on installments refunded in respect of a refundable advance the balance of which has been converted into non-refundable advance.

For the purpose of grant of advance under rule 12(1) (c) of the General Provident Fund(Central Services) Rules, if the ceremony, which involves the expenses, is incumbent on the subscriber to perform in virtue of his religion, it matters not whether a direct descendant or a collateral basis is the object of the expenditure and the question of financial dependence does not enter into it.

Govt. of India, Finance Deptt
U.No.84 R-II/41 dt. 9-5-41
to auditor General copy received
with the Ar. Genl' UOI No.
1050-NGE - 160-41, dt. 11.7.41

3

Vacation combined with leave should Be treated as leave also for the purpose Of repayment of an advance.
If the repayment is made either by Deduction from emoluments or the Amount is forwarded in cash before The 5th of the month, the last month Of excluded for purpose of calculating Interest as the advance has been

GIFD letter No. F.22(2)
R-II 37 of 18-01-37 and
Bombay Govt. GRP & R Deptt.No.
1575-34, dt.1.2.37.

Completely repaid but if the instalment is paid on or after the 5th of the month The last month of repayment should be Taken into account in calculating interest Under rule 14(3) of the Rules.

4 Rule 21 Rule 31 Rule 28

(i) A subscriber cannot be considered to quit service finally when he reassign service under one Government to accept an appointment under any other Government or when he transfers his service from one branch of Government to another. In such cases, he is not entitled To the return of his deposits if The rules governing the Provident Fund in question do not permit Of the final withdrawal of deposits Until he has quitted service. If the Subscriber quits service and Accepts another appointment Under Government he is not Entitled to the return of his Deposits until he finally quits Service, if refund of his deposits Is not actually made between the Date of quitting service and Accepting the new appointment. These orders apply to all cases In which it is known that the Officer concerned is not quitting Service.

GIFD NO.1909- F.E., dated 11.5.23 and No D.3677-F.E the 4th January, 1962 (Ind P.F. No. 134) 195s(Case File

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|--|---|--|
| (ii) Final withdrawals are Permissible when a subscriber Who has gone military duty, Resigns his civil appointment. | GIFD No.967- F.E.,dt.17.5.22 | |
| (iii) An Officer should be Treated as having quitted The service when his Services are permanently Transferred to a colony. | GIFD No.D-1684-R-II of 11.7.30 quoted in Bengal Manual. | |
| (iv) The subscriber who is Granted refused leave shall Be deemed to have quitted Service from the date of Compulsory retirement or on The date of an expiry of an Extension of service. As the Date of proceeding on Refused Leave is the date of retirement The Government servant is Not eligible to subscribe during Refused Leave. | Govt.of Maharashtra GADR No.PFR/1059 -650/92/J, dt. 2.5.61. | |
| 5 Rule 21 Rule 32 Rule 29(a) (Proviso) | (i) The intention of rule 32 is that when vacation precedes the leave preparatory to retirement, the amount | GIFD letter No.F.22 (6)-R-II/36, dt.7.5.36 addressed to the A.G.U.P. |

standing at the credit of a subscriber shall upon application made to the Accounts Officer, become payable at any time between the commencement of such vacation and the date of actual retirement.

(ii) In the case of subscriber who applies for refund while on leave preparatory to retirement the maximum interest that can be allowed in his case is up to six months following the month in which he applies for refund, and the maximum period should not be reckoned from the month following the date of his actual retirement.

Govt.of Bombay, P&
SD letter No.PFR/
1056/123912-J, dt.
5.12.56.

6 Rule Rule Rule
22 33 30

(i) The title of widow, who is the nominee according to the declaration, to receive payment of GPF money at credit of GPF money at credit of her deceased husband is not affected by her subsequent remarriage, as the money vested in her at the time of the subscriber's death.

GIFD No.F.
20(3)-R.II/36,dt.
7.4.36.

(ii) When final withdrawal is proposed to be made under section 4(i) (b) of the Provident Fund Act, 1925, under discretion vested in the Accounts officer, the orders of the accountant General should be obtained before the payment is actually authorized. The discretion vested in the Accountant General is, however subject to the instructions of the Government from time to time.

(iii) The mere possession of succession certificate cannot affect the question of payment of the Provident Fund money as succession to money goes according to the Provident Act and the Rules made thereunder and not according to the law of succession applicable to subscriber.

GIFD No.2106-K.E.,
dt. 18.9.23.

(iv) According to Mohamedan Law it is not necessary that parties should have recourse to a judicial Court to obtain a divorce but this may be effected by a writing or even verbal declaration on the part of the husband of his intention to dissolve the marriage.

Solicitor
to Govt.
No.2130,
dt.
18.10.27
(Case
File No.
172)

(v) Under section 4 (1) (b) of the Provident Fund Act of 1925 and Rule 17 (b) of the GPF Rules Government is bound to make payment to the person nominated in the declaration who has attained the age of majority, unless the executor to the will left by the deceased can prove by obtaining an authoritative judicial ruling that the executor has legal claim to the money. In such case the money should be kept for three months un-paid to enable the executor to bring a suit against the nominee for a declaration of the title to his client to the money (Mr. R.C. Zarakar's case).

Auditor-General's,
letter No.
1164-E-899-20,
dt. 11.3.21.

(vi) The payment on account of the General-Provident Fund should be made to the person nominated on behalf of the minor in the declaration from disregarding any other person whether appointed a guardian of the property of a minor beneficiary or not, so long as the person, whom the deceased has appointed to receive the money on behalf of the

Advocate General's
opinion communicated
by the solicitor to Govt.
in his letter No. 1501, dt.
13-08-11. (Ind PF 1706)

minor is alive and capable or receiving the money.

(vii)The payment of Provident fund money from the GPF C.P.F.(Central) can be made to the Hindu Widow mother in respect of her own minor children irrespective of the amount involved without production of Indemnity

Bond or the Guardianship certificate unless there is anything concrete to show that the interest of the mother are adverse to those of her minor children. the Government of India have made applicable these orders in the case of widower he being the natural guardian in respect of his own children. in cases where the natural guardian is other than Hindu widow or widower the payment up to Rs.5000/- (or the first Rs.5,000/- where the amount payable exceeds Rs. 5000/-)

Govt. of Maharashtra
GAD Resol.No.PFR-
1065-2516-J dt. 10-8-65
& 1067/70854/4592-J
dt. 13.4.68, Govt. of
India, MF(D.E)O.M
MOF-25(2)-EV(B)-63
dt. 14.5.65 & GOIMF
(D.E) O.M.F 25(2)-
EV(B)-65 dt. 24.10.66
and G.O.M.F.(D.E)
O.M.No. F.35(3)-EV-68,
dt. 17.1.69 File B 108
and B.99-GMGAD
Circular No.PFR 1079
/XIII-Adt. 26.2.1980.

on the behalf of the minors should be allowed to be made to his/their natural guardian without insisting for an indemnity Bond and also guardianship certificate. In respect of payments above Rs.5,000/- production of guardianship Certificate should be insisted upon.

In cases where the payments on behalf of the minors are to be made to the persons (other than those mentioned above) considered fit by the head of Office to receive payment on behalf of the minor(s) the payment up to Rs,5000/- (or the first Rs.5,000/- where the amount payable exceedsRs.5,000/-) should be madeto them on production of an Indemnity Bond signed by two sureties but without insisting for a guardianship certificate. The persons receiving money should also be called upon to produce an Affidavit that he is in-charge of the property of the minor, is looking after it or that

if the minor has no property other than the Provident Fund money, the minor is in his custody and care. The payment above Rs.5,000/- should be made to such other persons after production of Guardianship certificate. (viii) For payment of Provident Fund money to the persons (other than the family members) considered fit by the Accounts Officer please refer to the provisions of Section 4 of the PF Act of 1925 reproduced at Appendix A to the GPF(CS) Rules 1960.

(ix) The indemnity bond referred to above should be stamped under Article 34 read with 57(a) and 15 in schedule I to the Indian Stamps Act, 1899.

(x) In cases where the natural guardian is a Hindu widow/widower the payment of Provident Fund money on behalf of her/his minor children shall be made to her/him irrespective of the amount involved without production of the guardianship Certificate or Indemnity Bond unless there is

G.I.F.D.No.
F-XXV-III-R-II-
33 dt.22nd
October 1933.

(Govt. of India, Ministry of
Finance(D.E.) O.M.No.F-35(3)
with O.M. No.F-25(2)- EV(B)-65
EV-68 dated 17.1.1969, read

anything concrete to show that the interests of the mother/father are adverse to those of the minor children.

Under the State Provident Fund rules, similar orders have been issued in respect of a Hindu widow only.

A scheduled caste person, on conversion to Buddhism ceases to be Hindu, but the change of religion by the husband does not operate as a dissolution of his marriage with his wife. The change of religion does not affect the right of guardianship. Even if all members of the family were converted to Buddhism the provision of Hindu Minority and Guardianship Act, 1956 would apply to them as they apply to Buddhist also. According to the provisions of the above Act, the natural guardian of a minor sons property is the father and after him, the mother. in view of the above provisions, there will be no objection to treat the mother as natural guardian of their minor sons or

Govt of Mah. GAD Circular
No.PER-1061-1246-J, dated
17-5-62.

daughters after expiry of the father, in case of these families who are converted Buddhist irrespective of whether only the father or both the father and mother or the whole family is so converted.

(xi)The father and the mother can be the natural guardian of a minor. The step-mother is not the natural guardian of her minor step-children(her husbands minor children by another wife) even though she may be a de facto guardian.

(xii)In the case of a deceased, minor child alive on the date of death of a subscriber payment due to the minor child may be made without asking for a succession certificate to the mother on its behalf as the payment due to such a minor child would have been made to the mother as guardian and the child after its' death can

Solicitor to Govt
No.541,dt.
6.3.1931.Case
File 200-R-L.A.
No.571, dated
the 16th March
1923. Case File
93 & Correspondence
Ending with
solicitor to Govt
No.1502-of11.7.52
(P.F.5-41).

Govt. of
Bombay P&SD
No.PFR-1058-
615536.12689- J,
dt 27.11.1958
in the refund of
PF of
consultants
Shri Renchod
Raiji A/c No.
PN(Bom)-8479.

have no legal successor
except the mother.

(xvi) A certificate from the
Administrator General under
section 31 of Act III of 1913
will have the same authority
as producing probate of the
Will from a competent Civil
Court, if the amount involved
is less than Rs.2000/- (vide
Section 4(c) (ii) of the
Provident Fund Act,1925).

RLA 's endorsement
No.320-, dt.the25th January
1927(Case File No.191).

(xvii) Under section 32 of Act
III of 1913 the Administrator-
General can in his official
capacity administer an estate
if the amount is below Rs.2,000
without obtaining letters of
administration.

RLA 's No.4198
dated the 18th August 1932
in the case of refund of the
Provident Fund Of late
Mr. D. Costa.
Govt. H.B. Circular No.
9976-2 of dated 26-9-39.

(xix) Heir ship certificate
granted by a Magistrate or
a Mamlatdar shall not be

accepted for purpose of disposal of the Provident Fund assets under section 3(i) of the PF Act, 1925, as the certificate contemplated by that section for determining the proper heir or heirs to receive the Provident Fund standing to the credit of the deceased subscriber either a succession certificate granted under the Indian Succession Act, 1925 or an heirship certificate granted under the Bombay Regulation VIII of 1827. Guardianship certificate or Succession certificates Granted by Court or other Authorities in India States Shall not be acted upon for Purposes of disposal of the Provident Fund Money. Each such certificate shall be referred to Government For orders which will be Passed after Government Satisfy themselves that The certificate is granted By the competent Civil Court and that it is Countersigned by the British Resident or other Political Officer in the State.

Bombay Political and Service Deptt. No. 1514-34, dated the 22-11-39 to the Resident for Baroda Gujarat States.

7 Rule
30

(xx) A daughter already divorced by her husband at the time of her parent's death will be on the same footing as an unmarried daughter or a widow and will, therefore, be entitled to a share in the subscriber's Provident Fund.

G.M.L.&J.Deptt.
letter No.549/A/29 dt.
dt.7.1.77.

(xxi) Children by marriage which is held void under the Hindu Marriage Act will fall Under the definition of 'Family' And will be entitled to a share In the PF balance of the Deceased subscriber. The share due to minor Child in such cases can be Paid to the natural mother As natural guardian even Though the she may not Have the status of legal Wife of the deceased Subscriber without Insisting on guardian-ship Certificate. However in such Cases the natural mother Of the child should be asked to Execute Indemnity Bond Prescribed under Govt. Resolution, GAD No.PFR-1067/66144-J dt. 16.11.1973.

G.M.GAD No. Letter
No.PFR-1078-255-
XIII A dt. 4.5.79.

APPENDIX –I
(Vide Chapter I- Para 1.01)

Standard rates for Staff Proposals of PF Group

A.

U.D.C.s (Hand Posting System)

- (i) 1 U.D.C. for every 1000 GPF Accounts, plus one Examiner for every 5 U.D.C. Clerk for every 830 Accounts without Examiner. (In this office we have adopted the former standard, The Examiner's post is that of an S.G.U.D.C.).
- (ii) One UDC is allowed for the work of concurrent settlement of mistakes for every 25000 Accounts or fraction thereof, subject to a ceiling limit of 4 UDCs for one office.

B.

	For C.P.Fund	Weightage of ¼ of the Rates for GP Fund A/cs	Same as column 3	CAG's letter No.952-Tech Admn.II/151-67 dt. 20.4.19667.
--	---------------------	---	-------------------------	--

C.

Strength of P.F. section for purpose of supervision has been fixed as One superintendent/ Accountant for every 9 UDCs.

(Authority: CAG's letter No. 995-TAI/360-63 dated 21-4-1964).

APPENDIX – II**(Vide Chapter I –Para 1.01)****Distribution of work among PF Sections.**

Sections	Series dealt with	Remarks
1	2	3
EDP	Not Applicable	
PF- 1	AIS, CPF, AJ	
PF- 2	POLICE	
PF -3	CASH / DEBIT	
PF- 4	POLICE	
PF- 5	GAD	
PF- 6	PWD / DA	
PF-7	Medical, PH, DNH	
PF-8	COOP,EXC,IND,JAIL,MVT,OT,REGI,S CI,STAMP,STY, VET	
PF-9	AGRI,FOR,EDU	

(Auhtority: Accountant General's orders dated 16.09.2008)

APPENDIX – III

PF Section(Schedule Unit)
Local

No.PF-

Date:

The Accounts Officer,
In-charge DC Section(Local).

Sub:- Defects/omissions noticed in the PF Schedules Sent by DC.....
Section. Month..... Major Head.....

Sir,

The following defects/omissions were noticed in the PF Schedules referred to in the subject matter-mentioned above.

- a) Certificates on the covering list of each Treasury not signed by the Section Officer.
- b) PF Schedule for Rs..... in respect of voucher No. not received with the covering list.
- c) Total of the covering list works out to Rs..... and not Rs..... as stated in the list.
- d) Total of the PF Schedule for Rs..... in respect of voucher No.....is not correct. The correct total should be Rs..... and not.....as stated in the schedule.
- e) Total amount of PF Schedules shown in the covering list does not tally with the accounted figure of the major head. The total of the covering list works out to Rs..... while the accounted figure is Rs..... .
- f) The following items are mis-classified under 805-GPF other than Class IV.

	<u>Voucher No.</u>	<u>Amount</u>	<u>Correct Classification</u>
1)			
2)			

Accounts Officer/PF-

APPENDIX – III**(Para 1.08 (i))****Covering list indicating the details of PF Schedules sent by DC Section to PF Section**

Major Head Month of Account.....DC..... Section

Voucher No.	Amount Rs.	Amount relating to other series transferred to that Series	Net amount of the list given for posting.	Remarks
1	2	3	4	5
Column 1 & 2 only to be Filled in by DC section.		Column 3 & 4 to be filled in by PF-I schedule unit accountant.		
TOTAL				

Certificates

Certified that

- 1) GPF deductions shown in the PF schedules enclosed to this list are checked and agreed with those shown in the vouchers.
- 2) The total of the covering list as indicated in Col.2 above agrees with the total deductions on account of PF accounted for by the Section through the respective vouchers for the month of that major head.

Section Officer/D.C.

APPENDIX -IV

Office of the Accountant
General(A&E),
Gujarat, Rajkot
Date:-

No.PF-/

To,
The Treasury Officer,
.....

Sub:- Misclassification in Treasury Accounts PF transactions.

Sir,

The following debits were misclassified under the Head '8005-State General Provident Fund other than Class IV' in your accounts for the month of

Sr.No.	Voucher No.	Amount	Head of A/c which the debit should have been classified.	Remarks
1)				
2)				
3)				
4)				
5)				

It is observed that some of the debits were misclassified because correct and complete classification was not recorded on the voucher by the head of the office. As per code rules the responsibility of ensuring correct and complete recording of classification on the voucher devolves on the Treasury Officer. The misclassification has since been rectified in this office. You are however requested to avoid such mistakes in future. Requisite instructions in the matter may please be issued to all the Drawing and Disbursing Officers in the district if necessary and their strict observance ensured before the bills are passed for payment at the treasury or sub-treasuries under your control.

Yours faithfully,

Accounts Officer/Sr.Accounts officer.

APPENDIX – V**Report of incomplete Provident Fund Accounts and Missing Credits/debits.**

Name of the Provident Fund	Total No if, PF A/cs maintained	Opening Balance		Addition	
		Incomplete A/cs	Missing Cr/Dr.	Incomplete A/cs	Missing Cr/Dr.
1	2	3	4	5	6

Total		Clearance	
Incomplete A/cs	Missing Cr/Dr.	Incomplete A/cs	Missing Cr/Dr.
7	8	9	10

Incomplete A/cs	Closing Balance	
Incomplete A/cs	Percentage of Incomplete Total accounts to total accounts	Missing Crs/Drs
11	12	13

* Note:-Year-wise details of the incomplete accounts and missing credits should be shown in a separate statement.

APPENDIX- VI**REPORT OF UNPOSTED ITEMS COVERING THE ACCOUNTS UPTO.....**

Name of the Fund	No. of PF A/cs maintained	Opening Balance		Addition	
		Unposted Credits	Unposted Debits	Unposted Credits	Unposted Debits

Percentage of accretion of Unposted Credit Items to total Credits during the quarter	Clearance		Closing Balance	
	Unposted Credits	Unposted Debits	Unposted Credits	Unposted Debits

Note: (1) Year-wise details of un-posted Items should be shown in Separate statement.

(2) Percentage of accretion of Un-posted items should be worked out with reference to total credits during the quarter (Total number of Provident Fund Accounts multiplied by 3).

APPENDIX – VI

Measures to restore efficiency in Provident Fund Sections.

Attention of all accounting sections is invited to O.O.No.PF-I/Genl/C-119/1535 dated 15th December 1964 in which instructions for accounting the PF transactions adjustable on the books of other accounts offices have been issued. It is noticed that a large number of PF credits/debits which are adjustable on the books of the Accountant General-II, Nagpur and other accounts offices are still being classified under GPF with the result that these credits/debits are required to be passed on by PF-I section thereby resulting in delay in adjustment of credits/debits to the accounts of the subscribers. All accounting sections (particularly DC Sections) should, henceforth, ensure that such transactions are invariably accounted for under “Nagpur Area Adjusting Account” or “I.S.S.A/c. etc. at the time of compilation only.

2. Incidentally, it is noticed that various other irregularities as listed below are also committed by DC Sections although instructions for transmission of PF schedules and accounting for PF transactions have been detailed in Para 12.35 of the C & AG 's Manual of Standing Orders (A&E).Vol.I.

(i) PF Schedules are not transmitted with Form A.O. 3 even if received with the pay bills. Where the schedules are wanting they are not prepared on the basis of information given by the drawing officers in the pay bills.

- (i) Transmission of PF schedules to PF section is inordinately delayed.
- (ii) Totals in Form A.O. 3 are not actually taken and agreed with those appearing in the classified Abstract (including T.E's Suspense Slips etc).
- (iii) Misclassifications of Fund transactions relating to other funds, advances or other Heads of Accounts and other accounts circle and vice versa are not rectified.
- (iv) Certificate of verification of entries in the schedules with the deductions made in the pay bills or their certificate of check of pay for March is not recorded. Sometimes, they are recorded without actually exercising the prescribed checks.

- (v) Transfer Entries affecting the PF head are booked without the prior acceptance of PF Sections.
 - (vi) Requisition from the PF Sections are not amended to promptly.
3. The Comptroller & Auditor General has emphasized the need for taking immediate steps to remove the irregularities cited above, wherever they occur. The Branch Officers and SO s/AAO s of all accounting sections and particularly DC Sections are hereby directed that they should take effective steps to ensure the timely transmission of PF Schedules to Fund Sections, the correct accounting of fund transactions, and prompt rectification of omissions and errors. In case, the irregularities continue to exist a report of defaulting sections should be made by PF-I section periodically. Such cases would be viewed very seriously by me.
(PF Sectional O.O.No.2 dated 16th September 1967)
4. Audit objection received from Audit Party should be entered in a separate register and ensured that it is pursued regularly till the objection is finally settled/closed. This register should be submitted to the Branch Officer/Dy. A.G. on 1st Monday of each month stating the action taken in respect of each objection until it is finally closed. The format will be the same as that of register of pending cases.
(Authority:- D.A.G.'s order dated 14.12.2001)
1. Minus balance cases: Minus balance cases should be entered in a register and it should be pursued regularly till the case is settled. This register should be submitted to Branch Officer/Group Officer on 1st of every month.
(Authority: D.A.G.'s order dated 17.1.2002)

APPENDIX- VII

Instructions for dealing with write off proposals

The following requirements should be fulfilled before the proposals for the write off are forwarded to CAG 's office for approval.

- 1) The proposals should give full details about the individual items which are to be written off the period to which they relate, and the reasons for their remaining outstanding.
- 2) The correspondence in the pursuit of old outstanding balance is usually not current and only routine reminders over B.O. 's signature are issued without pursuing the matter at higher levels. The special efforts made in the direction of settling the outstanding items should be mentioned.
- 3) If the balances are outstanding due to non completion of records, defective procedure followed in the A.G.'s office or timely action not taken by the section concerned, the proposals should deal with the responsibility aspect.
- 4) In cases where the non-clearance of outstanding is due to loss of records in Audit Office, the circumstances thereof and the responsibility there for should be investigated.
- 5) In certain cases of out-standings under " Unclassified Suspense" etc. no efforts appear to have been made to link them with possible out-standings under other Debt heads like PF suspense, House Building Advance, Motor Car Advance etc. This aspect should be properly looked into.
- 6) It should be categorically stated that the proposal had been thoroughly scrutinized by the I.T.A. section and write off recommended.
- 7) The proposals should be seen by the Accountant General personally who should be satisfied that a dead end has reached, rendering the write off an un-avoidable necessity.
- 8) The write off proposals should be submitted after obtaining concurrence of the Finance Department of the State Government. Attested copies of the A.G. 's reference made to the State Government and that of Government's sanction should be furnished with the proposal.
- 9) It should be certified that the proposal has been examined in the light of the instructions contained in this office circular letter No.1344.-AC/203-75 dated 30.6.76 and remedial measures have been taken to avoid recurrence of any lapses in future.

(CAG' s office letter No. 712-Comp/87-88 II dated 11.12.1979)

APPENDIX – VIII

Remedial steps taken on the lapses and the details of such lapses to be furnished before forwarding proposal for write-off.

Copy of CAG 's office letter No. 1344.AC/203-75 dt. 30.6.75 addressed to All Civil Accountants General.

While scrutinising proposals for write off received from the field offices, in terms of Govt. Accounting Rule No.2, it has generally been observed that certain items, for which approval for write off is sought from this office, remained outstanding mainly due to missing vouchers/schedules, adjustment of debits and credits to wrong Departmental Adjusting Account, lack of follow up action and wrong posting in the classified abstract. Wherever such items for write off are investigated, it should also be examined at your end whether there have been any lapses in your own office, such as loss of vouchers and schedules, wrong adjustment of debits and credits and mis-posting. If so, details thereof and the remedial steps taken to avoid such lapses should also be intimated to this office along with the proposals for write off.

APPENDIX – XI
(Chapter IX– Para 9.17)

SECTION: _____

CHECK MEMORANDUM

1. Name of the subscriber/beneficiary
In case of death. :
2. Designation :
3. GPF Account Number :
4. Event necessitating closure(Such as Retirement, Death, Resignation, Dismissal, Transfer etc) : _____ on _____
5. Last Fund Deduction :
6. Interest allowed upto :
7. Account closed in :
8. whether the subscriber was financing any insurance policy/policies from his/her account. If so, give details, State : No.
the action taken for reassigning the : 1.
policy, if it is still in force.(This should : 2.
be got certified by Insurance : 3.
Accountant
9. Whether the accounts for the years from 77-78 to 89-90 have been generally reviewed, cross totals arithmetically checked and balances found correctly brought forward from year to year.
(Note: - The O.B. for 90-91 should be attested with dated initials by SO in the calculation sheet).
10. Indicate the missing credits/debits : Credit Debit
or any other discrepancies noticed such : Month Amt. Month Amt.
as un-authorized subscriptions lumpsum : 1977-78
credits etc. during such cursory review : 1966-67
for the period from 77-78 to 89-90. : 1967-68
: 1968-69
: 1969-70
(Note: - These must be listed out in the : 1970-71
latest ledger card). : 1971-72
: 1972-73

Please indicate Item/vol. Nos.
of missing credit/debit register.

11. A) Total amount as finally
worked out for authorisation : Rs.

B) Amount withheld, if any(State
Reasons for with holding the
Amount. : Rs.

C) Net amount proposed to be
Authorised (A-B) : Rs.

Reconciliation with the Ledger Card(For current Year)

A) <u>As in the Ledger Card.</u>	:	(B) <u>As it should be(after recast : from the Calculation Sheet)</u>
O.B. as on 1 st April	:	O.B. as on 1 st April
Deposits	:	Deposits

<u>Interest</u>	:	<u>Interest</u>
Interest for Current Year.		
“ Adjustment for earlier years.		

<u>Incentive Bonus.</u>	:	<u>Incentive Bonus</u>
.....		

IB for current year	:	
“Adj. For earlier years.	:	Total
	:	

Total	:	Withdrawal
.....		

Withdrawal	:	Balance
.....		

Balance	:	Less: Withheld
.....		

Less: withheld		Amount proposed be authorised.
.....		

Amount proposed
To be authorised.

13. Total amount of the residual balance, if any, which remains to be authorised later indicate the month and nature of amount on the the letter of authority as well as on the ledger card. :
14. Whether the requisite entries have been made in the following registers. please indicate the item number of the relevant register:- :
- 1) General Index Register :
 2) FR Register : It. No.
 3) R.B. Register : It. No.
 4) DLIS Register : It. No.
 5) Interest/Adjustment Register on closed/ transferred accounts. : It. No.
15. Calculation by Shri/Smt./Kum : Signature:
 : Date :
- Checked by Shri/ Smt./Kum. : Signature:
 : Date :
- Checked for Rs. : Signature:
 By Section Officer. : Date :

Branch Officer.

CALCULATION SHEET**1973-74****Rate of Interest:**

6% up-to 10,000/-
5.3% above 10,000/-

O.B.

Subscription

Refund of withdrawals

Int.

: _____

Total

Less:

Withdrawal

: _____

C.B.

: _____

1974-75**Rate of Interest:**

6.5% upto 15,000(up-to 7/74)

5.8% up-to 25,000(from 8/74
onwards)7% above 25,000(from 8/74
onwards)

O.B.

:

Subscription

:

Refund of withdrawals.

:

Int.

: _____

Total

:

Less:

Withdrawal

: _____

C.B.

: _____

1975-76**Rate of interest**

7.5% upto 25,000

7% above 25,000

O.B.

Subscription

Refund of withdrawals.

Int.

: _____

Total

:

Less:

Withdrawal

: _____

C.B.

: _____

1976-77**Rate of Interest**

7.5% up-to 25,000/-

7% above 25,000/-

O.B.

Subscription

Refund of Withdrawals

Int.

: _____

Inventive Bonus

: _____

Total

:

Less:

Withdrawal

: _____

C.B.

: _____

1977-78**Rate of Interest:**

8% up-to 25,000

7.5% above 25,000/-

O.B

Subscription

Refund of withdrawals

Int.

Incentive Bonus

: _____

Total

:

Less:

Withdrawals

: _____

C.B.

: _____

1978-79**Rate of Interest:**

8% up-to 25,000

7.5% above 25,000

Bhole arrears

(Interest from 8/78 onwards)

O.B.

Subscription

Refund of withdrawals

Int. :

Inventive Bonus : _____

Total : _____

Less: withdrawals : _____

C.B. : _____

1979-80**Rate of interest:**

8% up-to 25,000

7.5% above 25,000

O.B.

Subscription

Refund of withdrawals.

Int. : _____

Total : _____

Add: I.B. : _____

Less: Withdrawals : _____

C.B. : _____

1980-81**Rate of Interest;**

8.5% up-to 25,000/-

8% above Rs. 25,000

O.B.

Subscription

Refund of withdrawals.

Int. : _____

Total : _____

Add: I.B. : _____

Less: withdrawals : _____

C.B. : _____

1981-82**Rate of interest:**

9% up-to 25,000/-

8.5% above 25,000

O.B.

Subscription

Refund of withdrawals.

Int.

: _____

Total

Add: I.B.

Less: withdrawals

: _____

C.B.

: _____

1982-83

O.B.

Subscription

Refund of withdrawals.

Int.

: _____

Total

Add: I.B.

Less: withdrawals

: _____

C.B.

: _____

APPENDIX – XII
(Chapter IX-Para 9.23)

PROFORMA-I
REGISTER OF FINAL REFUNDS

Sr.	Date of Receipt Of Application	Name of Subscriber	P.F.A/c No.	<u>Date/Reasons for Refund</u> Yet to retire cases	Date of retirement of resignation dismissal, death, termination in cases received after the event.	No.& date of reference of return/ part-payment /final payment	Amount
1	2	3	4	4 (a)	4(b)	5	6
<u>Residual Balance</u>				Entry No. in		Initials	
Year	No. of credits/debits ACCTT/S.O. (as mentioned in authority letter)			R.B. Register			
7(a)	7(b)			(8)			
(9)							

NOTE:- In col.4(b): The following words may

Be used to denote:-

For retirement : RET
 “ resignation : RSG
 “ dismissal : DIS
 “ termination : TER
 “ death : DTH

APPENDIX – XIII
(Chapter IX– Para 9.26)

PROFORMA – I(a)
REVIEW SHEET OF POSITION OF F.R./ R.B. CASES

Due Date B.O./DAG 5th of.

Sn/ Series	O.B. Additions	Clearance	C.B.	Break up of Closing Balance.	Reasons
retire(A)				Less than 3 months.	Yet to
&				More than 3 months	Death
invalid claims				But less than 6 Months.	(B)
	Certificate of			More than 6 months	
	withdrawals			But less than 1 Year.	
year.	Wanting(C)				More than 1
	Other		defects (D)		
Missing				More than 2 years.	
Credits/debits.					(E)
Transfers					
Awaited(F)					

203

APPENDIX – XIV
(Chapter IX- Para 9.24)

PROFORMA- II
REGISTER OF RESIDUAL BALANCE CASES

Sr. S/No. in No Register Of final Refund.	Name of subscriber	PF A/c No.	Residual Bal. Year	Drs./Cr.	No. & date of first Reference	Date of final authority	Amount finally authorised
1	2	3	4	5	5(b)	6	7
8							

APPENDIX XVI – ALTERNATIVE METHOD OF CALCULATING INTEREST.

- (a) **On any uniform sum beginning in any month and continuing till the end of the year:-**

TABLE

April	May	June	July	Aug.	Sept	Oct	Nov	Dec	Jan	Feb	Mar.
78	66	55	45	36	28	21	15	10	6	3	1

Multiply the rate of subscription with the figure shown below the month in which the subscription is commenced and allow interest on that sum at the rate current for the year with the aid of the interest table.

Example:- Rate of subscription is Rs. 20 payment commences in May
And is continued till the end of the year:-
Interest = 20 x 66 = Rs.1,320.

	Principal	Interest
Taking the rate at 4% for ..	Rs.1320	Rs.4.40

.. Rounded off to the nearest Rupee Rs.4/-.

- (b) **On any uniform sum beginning in April and discontinuing from any month during the year:-**

TABLE

April	May	June	July	Aug.	Sept	Oct.	Nov	Dec	Jan	Feb	March
12	23	33	42	50	57	63	68	72	75	77	78

Multiplying the rate of subscription with the figure below the month in which the last installment is paid and allow interest on that sum at the rate current for the year with the aid of the interest table.

Example:- Rate of subscription Rs.20 last installment paid in September.
Interest = 20x57 = Rs.1140

	Principal	Interest
Taking the rate at 4% for ..	Rs.1140	Rs. 3.80
	Total	<hr/> Rs. 3.80
Rounded off to the nearest rupee.. Rs.4/-.		

(c) On a single sum deposited or withdrawn in any one month:-

Multiply the rate of subscription with the number of month remaining in the year including in which the deposit or the withdrawals is made, and allow interest on that sum at the rate current for the year with the aid of the interest table.

Example:- Rate of subscription is Rs.20, deposited in October.

$$\text{Interest} = 20 \times 6 = \text{Rs.120}$$

	Principal	Interest
Taking the rate at 4% ..	Rs. 120	Rs. 0.40

Note:- Interest is rounded to the nearest Rupee in the case of Provident Funds.

Note:- The procedure explained in the circular below is based on Central Government Orders issued from time to time.

GOVERNMENT OF MAHARASHTRA
FINANCE DEPARTMENT
Circular No.PRF-1468-10198-VII.
Sachivalaya, Bombay- 32 (BR), dated 1st November 1969.

Subject:- Rate of Interest on Provident Fund Deposits Method of Computing Interest.

The rates of interest on deposits and also on balances at the credit of subscribers to the General Provident Fund and other similar funds during the financial year 1968-69 and 1969-70 have been fixed at 5.10% per annum and at 5.25 per cent per annum respectively, for the first Rs.10,000/- And at 4.80% per annum for any same in excess of Rs.10,000/- Accumulation upto Rs.10,000/-(inclusive of deposits and withdrawals) will carry interest at 5.10 per cent per annum (during 1968-69) and at 5.25 per cent per annum(during 1969-70) and interest rate of 4.80 per cent per annum will apply to sums in excess of Rs.10,000.

1. It has been brought to the notice of Government that difficulties would arise in the calculation of interest in accordance with the provisions of Rule 13(2) of the Bombay Civil Service Provident Fund Rules, 1961, and similar provisions in other Provident Fund Rules, if the slab system of computing the interest is to be applied. This difficulty would be felt in cases where the balance at the credit of a subscriber is Rs. 10,000 or less at the commencement of the year 1968-69 and 1969-70 and increases on credit of further subscriptions to over Rs.10,000 at any time during the year, or where the balance at the credit of a subscriber is more than Rs.10,000 at the commencement of the years 1968-69 and 1969-70 but falls below Rs.10,000 during the course of the year on account of withdrawals etc. In order to obviate the difficulty it has been decided that in relaxation of the provisions of Rule 13(2) of the Bombay Civil Services Provident Fund Rules, 1961 and similar provisions in other Provident Fund Rules, the interest may be calculated at the appropriate rate on the average monthly balance for the year in the individual subscriber's account as indicated in the enclosed Statement *I.

2. A doubt has also been raised whether in the case of Contributory Provident Fund, the limit of Rs.10,000 for crediting interest at the higher rate should be applied separately to the subscription and Government contribution portions of the subscriber's account. The correct position is explained in the succeeding paragraph.

4. The balance in a subscriber's Contributory Provident Fund account at the beginning of a financial year will consist of the subscriber's own subscription including interest thereon plus Government's contribution including interest thereon up to the end of the preceding financial year. If, "A" and "B" represent these amounts respectively, then the balance at the commencement of the financial year in question will be Rs. A + B. During the financial year the subscriber will make his own subscription, whereas Government's contribution will be credited only at the end of the financial year. In case, Rs. C and Rs. D be the subscription during the financial year and Government's contribution at the end of the financial year respectively, interest on Rs. A+B+C will have to be calculated in accordance with the method set out in the statement attached to the Circular. Similarly, interest of Rs. A+C should be calculated following the same method to determine the interest on the subscription portion. The interest on Government contribution will be interest on Rs. A+B+C minus interest on Rs. A+C. These instructions also apply for the calculation of interest for a part of a year.
5. A point has also been raised as to how the interest for the balances in the General Provident Fund and other accounts closing during the year should be calculated. The interest in such cases will be calculated at the appropriate rate on the average monthly balance for such part of the year for which interest is admissible. The method of calculation is indicated in the enclosed Statement. II.

**ACCOMPANIMENT TO GOVERNMENT CIRCULAR, FINANCE
DEPARTMENT, NO. PRF-1468-10198-VII, DATED THE 1ST NOVEMBER
1969.**

**STATEMENT - I
Method of Calculation of Interest
Balance as on 1.4.1968 =9.500**

Month	Subscription (Rs.)	Refunds (Rs.)	Withdrawals (Rs.)	Balance at the end of each month.(Rs)
April 1968	100	-	-	9,600
May 1968	100	-	-	9,700
June 1968	100	-	-	9,800
July 1968	100	-	-	9,900
August 1968	100	-	-	10,000
September 1968	100	-	-	10,100
October 1968	100	-	-	10,200
Novembe r 1968	100	-	1,200	9,100
December 1968	100	-	-	9,200
January 1969	100	50	-	9,350
February 1969	100	50	-	9,500
March 1969	100	50	-	9,650
Total				1,16,100
Average Monthly Balance			$\frac{1,16,100}{12}$ i.e., 9675	9,675

Rate of Interest to be applied 5.10% on Rs. 9675/-

Note:- If the average monthly balance works out to more than Rs.10,000 say Rs.12,000 interest will be calculated as follows:-

- (i) On Rs.10,000 .. At 5.10% (during 1968-69)
 .. At 5.25% during 1969-70
 (ii) On the balance, viz., Rs.2,000 .. At 4.80% .

**METHOD OF CALCULATING INTEREST (APPENDIX XVII)
STATEMENT-II**

		Deposit	Withdrawal	Progressive Balance
Opening balance (i.e., C.B. of 1968) 42,053				
	April 1968	400	..	42,453
	May 1968	400	18,000	24,853
	June 1968	400	20,000	5,253
	July 1968	5,253
	August 1968	5,253
	Total	1,200	38,000	83,065

Progressive total as above 83,065.

Monthly average upto 8/68 (5 months 83,065/16,613) therefore (i) Interest on first 10,000 (out of average of 16,612) is

$$\text{Rs. } 10,000 \times \frac{5}{12} \times \frac{51}{10} \times \frac{1}{100} = 212.50$$

and (ii) the remaining amount of interest is

$$6613 \frac{\times 5}{12} \frac{\times 24}{5} ** \frac{\times 1}{100} = 132.26$$

Total interest (i)	Rs.	212.50
(+)	(ii)	Rs. <u>132.26</u>
		<u>344.76</u>
		i.e., Rs. 345/-.

* At 5.10% (during 1968-69) and 5.25%(during 1969-70)

** At 4.80% (on the balance remaining after the first Rs.10,000)

(PJR)

FORM – 10

(For Gazetted and Non-Gazetted Government servants)

FORM OF APPLICATION FOR FINAL PAYMENT/TRANSFER TO CORPORATE BODIES/OTHER GOVERNMENTS OF BALANCE IN THE _____ PROVIDENT FUND ACCOUNT.

To
The Accountant General,

(Through the Head of Office)

Sir,

I am to retire/have retired/have proceeded on leave preparatory to retirement for _____ months/have been discharged/_____ dismissed /have been permanently transferred to _____
_____ have resigned finally from Government service/have resigned service under _____
_____ Government to take up appointment with _____
_____ and any resignation has been accepted with effect from _____ forenoon/afternoon. I joined service with _____ on _____ forenoon/afternoon.

2. My Provident Fund Account Number is _____

3. I desire to receive payment through my office/through the _____
_____ Treasury/sub-Treasury particulars of my personal marks of identification, left hand thumb and finger impressions(in the case of illiterate subscriber) and specimen signature(in the case of literate subscribers) in duplicate, duly attested by a gazetted officer of the Government are enclosed.

PART – I

(To be filled in when the application for final payment is submitted up to the year prior to retirement)

4. I request that the amount of Rs. _____ standing to the credit in my General Provident Fund Account as indicated in the _____

+ This applies only when payment is not desired through the Head of Office. Accounts Statements issued to me for the year _____ (enclosed) as appearing in my ledger account being maintained by you may please be arranged to be paid to me as first installment of final payment by you at _____ Treasury/Sub-Treasury/Head Office.

5. The under mentioned Life Insurance Policies were being financed by me from my Provident Fund Account.

<u>Policy No.</u>	<u>Name of the Company</u>	<u>Sum</u>
<u>assured.</u>		

- 1.
- 2.
- 3.

6. After payment of the first installment of my Provident fund balance, I will apply for the payment of subsequent installments in part I of the form immediately on retirement.

Yours faithfully,

Station _____

Date:

Signature:

Name and

Address:

FOR USE BY HEADS OF OFFICES

1. Forwarded to the Accountant General _____
_____ for necessary action.

2. The Provident Fund Account Number of Shri Smt./Kumari _____
_____ as verified from the
statements furnished to him/her from year to year is
_____.

3. He/ She is due to retire from Government service on _____
_____.

4. Certified that He/ She had taken the following advances in respect of which
_____ installments of Rs. _____
are yet to be recovered and credited to the Fund Account. The details of
the final withdrawals granted to him/her after the period covered by the
aforesaid Account Statement are indicated below:-

Temporary Advances.

Final Withdrawals.

- 1.
 - 2.
 - 3.
-
5. Certified that the following amounts were withdrawn from his/her account to
finance the Life Insurance Policy.
- 1.
 - 2.
 - 3.
 - 4.

Signature of the Head of Office.

PART-II

In continuation of earlier application dated _____ for the final payment of Provident Fund balances, I request that the entire balance at my credit with interest due under the rules may be paid to me.

OR

I request that the entire amount at my credit with interest due under the rules may be paid to me/transferred to _____

Signature:

Name and

Address:

(FOR USE BY HEADS OF OFFICES)

1. Forwarded to the Accountant General/_____ For necessary action in continuation of endorsement No._____ Dated _____.
2. He/ She has finally retired/will proceed on leave preparatory to retirement for _____ months/has been discharged/dismissed/has been permanently transferred to _____has resigned finally from Government service/has resigned service under _____

Government to take up appointment with _____And his/her resignation has been accepted with effect from _____Forenoon/afternoon. He joined service with _____On _____forenoon/afternoon.

3. The last fund deduction was made from his/her pay in this office Bill No. _____ dated _____ for Rs. _____ (Rupees _____) cash voucher No. _____ of _____ Treasury the amount of deduction being Rs. _____ and recovery on account of refund of advance Rs. _____.
4. Certified that he/she was neither sanctioned any temporary advance for any final withdrawal from his/her provident fund account during the 12 months immediately preceding the date of his/her quitting service under _____ Government/proceeding on leave preparatory to retirement or thereafter.

OR

Certified that the following temporary advances/final withdrawals were sanctioned to him/her and drawn from his/her provident fund account during the 12 months immediately preceding the date of his/her quitting service under Government/proceeding on leave preparatory to retirement or thereafter.

<u>No.</u>	<u>Amount of Advance/Withdrawals</u>	<u>Date</u>	<u>Voucher</u>
1.			
2.			
3.			

6. Certified that no amount was withdrawn/the following amounts were withdrawn from his/her provident fund account during the 12 months immediately preceding the date of his/her quitting service under _____ Government/ proceeding on leave preparatory to retirement or thereafter for proceeding on leave preparatory to retirement or thereafter for payment of Insurance premia or for the purchase of a new policy.

	<u>Amount.</u> <u>Number.</u>	<u>Date</u>	<u>Voucher</u>
1.			
2.			
3.			
*6			It is certified that no demand/following demands of Government are due for recovery.
@7			Certified that he/she has not resigned from Government service with prior permission of the State Government to take up an appointment in another Department of the State Government or under another Government/or under body corporate owned or controlled by the State or under the Central Government.

Signature of Head of Office/Department.

* Certificate Number 6 to be furnished in the Case of Contributory Provident Fund only.

@ Please score out if not necessary.
