

FOOD CORPORATION OF INDIA
HEAD QUARTERS : NEW DELHI

Ref. No. Accts/9(17)/92

Dt : 5.3.1993

Circular no. 623/Accts.

Consequent upon changes in the Accounting Policies for the year 1992-93 the following para's have undergone changes in the relevant chapters of Account Manual and be substituted as under :-

Para 2.3.10 :

In cases where the bills exceeding Rs. 1 lakh in each claims/bill which has been received but not paid for till the close of the year on account of certain reasons, the accounting unit shall create necessary liability by Operating the Sundry Creditors Account through the journal BE-10. Similarly, where the sundry supplies had been made or services rendered by outside parties before the close of the year for which bills had not been received before closing of the accounts for the year, the concerned accounting unit will on its own, estimate the liability and bring the same into the books by operating sundry creditors account through the journal BE-10, in case the estimated liability in respect of a party exceeds Rs. 1lakh. For this purpose, the administrative authorities shall endorse copies of all service/ supply orders issued by them from time to time to the accounts section. In cases where no supply/service is rendered by 31st March, a statement of such service/supply orders shall be obtained by the accounts section from the administrative section by the 15th April of the following year.

Para 13.2.1(b) :

All payments exceeding Rs. 1 lakh in each claim/bill made in the subsequent accounting period upto 31st May but relating to the period for which accounts are being finalised will be brought into account by debit to the concerned account heads and credit to sundry creditors outstanding liabilities. Liability is to be determined for the gross amount for which claims have been admitted for payment and not for the net amount after deductions.

Para 13.2.1(c):

In cases where the exact amount of the liability is not known, a fair estimate of the liability will be made and provided in case it exceeds Rs. one lakh in each case. Subsequently when the final payment is made, the liability should be liquidated first and the short/excess amount paid to be shown in relevant head of account. In any case, the differential amount should not be treated as income/Expenditure of the previous year.

The above procedure may also be followed in regard to provision of liabilities for traveling and Medical expenditure remaining unpaid/unadjusted in respect of journeys completed and treatment undertaken upto 31st March, exceeding Rs. 1 lakh in each claim/bill. This supersedes instructions issued under items 'e' of accounts circular 366/Accounts dated 9.8.85. It should also be ensured that instructions issued in regard to submission of TA Bills/Medical Bills are strictly followed so that advances paid are adjusted against bills and do not remain outstanding beyond the stipulated period.

The above changes are effective from 1st April, 1992.

Sd/-
(A.K. CHAKRABORTY)
JOINT MANAGER (A/cs)