

Government of the People's Republic of Bangladesh



Ministry of Local Government,  
Rural Development and Co-operatives  
Local Government Division

Handbook  
On  
Paurashava Accounting and Reporting

May2018



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Ministry of Local Government,  
Rural Development and Co-operatives  
Local Government Division  
and  
Japan International Cooperation Agency (JICA)



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# **1. Introduction**

## **1.1. Paurashava accounting and reporting**

Any entity, private or public, maintains records of all transactions of its day to day operations in formal way with evidential instruments such as-vouchers, receipts, records of billing documents etc. according to their own financial or business policy.

As Local government body, Paurashava maintains records of all transactions (receipts & payments) according to its specific accounting system provided by the Government of Bangladesh through specific Acts, Rules, Instructions and applicable policy.

*Paurashava accounting is mainly budget based accounting. It follows the annual approved budget. From the starting date of fiscal year it starts execution of the said budget under direction of the concerned Paurashava Management/or, Authority.*

## **1.2. Objective of the Operational Handbook on Paurashava Accounting and Reporting**

Accounting and reporting are the most important functions of Paurashava as the registered Public entity as it reflects all source-wise income and expenditure as well as day to day businesses operations of the Paurashavas.

Handbook on Paurashava Accounting and Reporting has been designed and prepared for developing capacity of the concerned representatives and municipal staff to the required level so that they can provide their services efficiently and effectively for ensuring transparency and accountability in Paurashava operations.

This handbook is targeting on improving the knowledge and skills of paurashava staff and concerned elected representatives for exercising the legal instruments such as Acts, Rules and Instructions provided by the Government of Bangladesh, Ministries/Department/Agencies for Accounting and reporting.

## 2. Legal background

Applicable Rules and Regulations for Paurashava Accounting and reporting are as follows:

- **Local Government (Paurashava) Act, 2009**
- **The Bengal Municipal Account Rules, 1935**
- **Paurashava Budget (preparation and approval) Rules, 1999**

**Local Government (Paurashava) Act, 2009** explains that a paurashava need to maintain the records of income and expenditure, and prepare annual statements after the end of year.

### **Local Government (Paurashava) Act, 2009**

#### **Article No 93**

- (i) Paurashava Income and Expenditure Accounts should be kept in selected forms and system.
- (ii) Annual Accounts statement to be prepared after end of each financial year.
- (iii) A copy of annual accounts should be displayed in an open space of the Paurashava office as public projection, and Paurashava will consider all objections and suggestions given by the public.



The detailed accounting and summarization process are mostly explained in Bengal Municipal Account Rules, 1935 which are explained referred in the following section.

Accounting and reporting are basically under the responsibility of Accounting and Audit related Committee, which is composed of a mayor and four councillors. The formation of Establishment and Finance related standing committee will be as follows:

Sl. No.	Name	Designation	Position in the Committee
01		Councillor (General/Reserve), Ward No.	President
02		Mayor, by virtue of position	Member
03		Councillor (General/Reserve), Ward No.	Member
04		Councillor (General/Reserve), Ward No.	Member
05		Councillor (General/Reserve), Ward No.	Member

The mandate of Accounting and Audit standing committee is as follows;



**Circular on Formation of Municipal Standing Committee & sending a copy of sub rules regarding activities of committee, dated 02.01.2013**



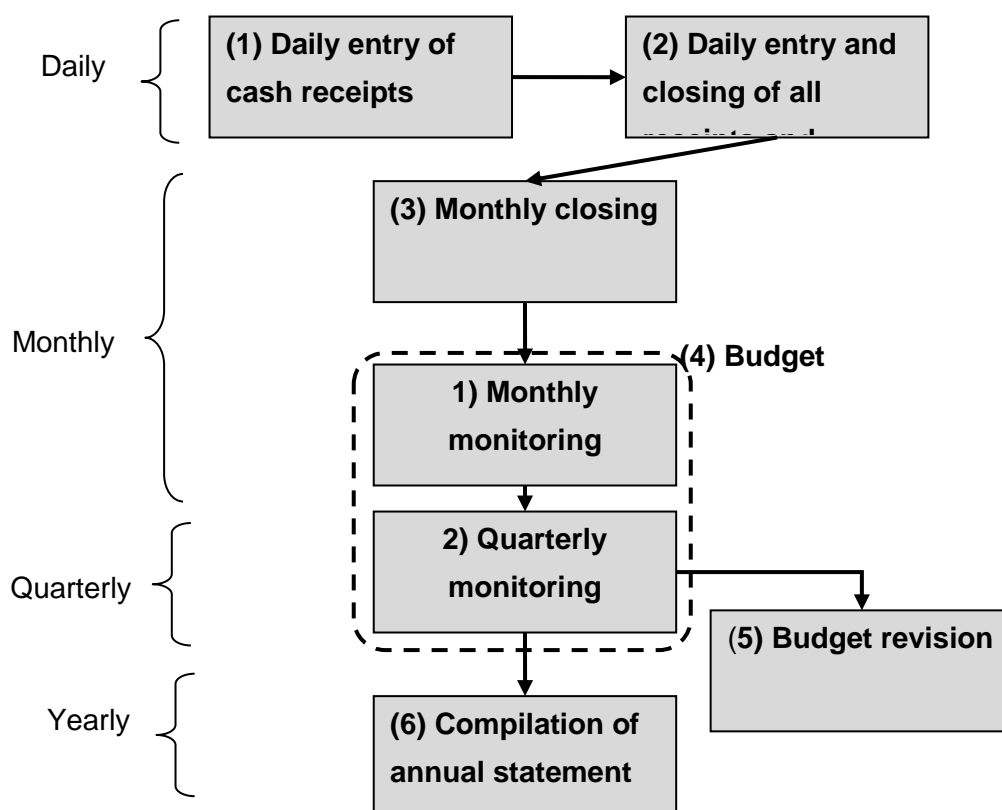
- 2. Activities of Committee
  - 2.1 Assisting all in proper maintenance of all accounts
  - 2.2 Regular inspection of collection and reserve
  - 2.3 Ensuring that all activities of municipal are run as per government guidelines
  - 2.4 Assisting all in publishing all accounts in public to ensure transparency and accountability
  - 2.5 Audit the accounts annually and present the report on annual general meeting
  - 2.6 Formulating plans for overall computerization of accounts department and assisting in implementation
  - 2.7 Internal audit after periodic interval
  - 2.8 If there is computer software for accounts, then continuing use
  - 2.9 Committee can co-opt the District or Sub-district accountant as an expert member
  - 2.10 Other activities

### 3. Accounting and reporting process

#### 3.1. Outline of the accounting and reporting process

A paurashava makes financial transactions (receipt and payments) in its daily operations. The paurahava records such receipts and payments in cashbook, and also monitor the budget execution progress compiling receipts and payments information every month and every quarter. The paurashava then prepares an annual statement and publish it to citizens.

Accounting and reporting are the series of daily, monthly, quarterly and annual processes which can be summarized as in the following chart;



#### (1) Daily entry of cash receipts

In the daily operations, a purashava receives cash and cheques from tax payers, water users or business owners.

Cash and cheques are received by a cashier of the paurashava and the cashier recorded the cash receipts in a cashier's cashbook. The cash is deposited by the cashier to a bank account on the same day or the next working day. Then, the cashier gives the deposit slip to an accountant (or account officer), and the accountant enters the data into an accountant's cashbook.

## **(2) Daily entry and closing of all receipts and payments**

All receipts and payments of a paurashava, excluding cash and cheque receipts, are done through bank accounts. For example, a paurashava receives land transfers or government grant through bank accounts and the paurashava makes daily payments by cheques.

An accountant (account officer, accountant or assistant accountant) enter receipts and payments, including the receipts of cash and cheques, into an accountant's cashbook.

At the end of the day, the accountant closes the cashbook of the day, and then calculates the closing balance of each account.

## **(3) Monthly closing**

At the end of every month, the accountant calculate the closing balance of each account and then examines if the closing balance on the accountant's cashbook and the balance of the relevant bank accounts are consistent.

The accountant's cashbook is then checked by a secretary and a mayor.

## **(4) Budget monitoring (monthly and quarterly)**

### **1) Monthly monitoring**

Every month, the accountant summarizes all receipts and payments according to budget heads. This is to examine whether the expenditure of each budget item is not exceeding approved budget amount.

Monitoring the progress of revenue surplus (revenue income – revenue expenditure) and tax, rate and fee revenue, comparing to their pre-fixed targets is also essential.

## **2) Quarterly monitoring**

The accountant also summarizes quarterly budget executions (**Quarterly and Annual Account of Receipt and Payment**). This is prepared through compiling monthly statements. Quarterly statements are utilized in the budget revision process mentioned below.

Such summaries should be also submitted to the accounting and audit standing committee of paurashava.

## **(5) Budget revision**

Paurashavas are authorized to make revisions to budget whenever necessary. Paurashavas, however, revise budget at the third quarter (March), reviewing the budget execution progress until the 3<sup>rd</sup> quarter.

## **(6) Compilation of annual statement**

After the end of the fiscal year, the paurashava formulates its annual statement, and publish it to the public.

Providing information to citizen is typically necessary to explain how the tax paid by citizens were used to public services and infrastructure development. The level of satisfactions of citizens increases when they are given more information.

Such information can be given to citizens through a Town Level Coordination Committee (TLCC) meeting, a Word Council (WC) meeting or an Open budget meeting.

Submitting annual statement to the accounting and audit standing committee of paurashava is also necessary.

### 3.2. Individual process

The accounting and reporting processes summerized in “3.1 Accounting and Reporting” are explained in detail in this section.

#### (1) Daily entry of cash receipts

In the daily operations, a paurahava receives many types of money such as tax, rates, fees, lease, rent, water bill, sale of forms, tender schedule, government’s revenue or development grants, project fund, donation, loan in cash or cheque or bank draft, through different sections.

A cashier of the paurashava is responsible for receiving such cash or cheques. The cashier receives cash and cheques, enter the cash receipt transactions into cashier’s cashbook, and deposit cash and cheques to bank accounts every day.

In case of water section, all cash and cheques are received and registered by a water section account assistant (or a bill clerk) separately.

The cashier gives the deposit slip to an accountant, and the accountant enters the receipts into an accountant’s cashbook.

#### (i) The format used by a cashier

A cashier receives all type of money (cash or cheque) collected by all sections. The cashier then records the receipts of cash and cheques into a cashiers’ cashbook, as specified in **Rule 203 of Bengal Municipal Account Rules, 1935.**

The format of the cashbook used by the cashier is **Form 78** shown in the rule.

#### **Bengal Municipal Account Rules 1935**

203. All money received at the municipal office shall immediately and without reservation be brought to account in the cashier's Cash Book to be kept in Form 78 under the direct supervision of the Vice Chairman. The receipts shall be classified in the column provided according to the budget heads.



The cashier’s cashbook (Form 78) is as follows;

**Form 78**  
**(Vide rule 203)**

**Cashier's Cash-book of ..... Municipality for the month of ....**

Date	No. of miscellaneous bill if any	From whom received	On what account	Classification of receipt			Total of each item	Total remitted to treasury as per chalan	Remarks
1	2	3	4	5	6	...	13	14	15
				Rs.	Rs.	...			

One cashbook is used for one fiscal year, and it is closed at the end of the fiscal year. The paurashava prepares a new cashbook when the next fiscal year starts. Basically, a cashier's cashbook is prepared for revenue account Part 1 (general).

In "classification of receipt" of the cashier's cashbook, budget heads (of Revenue account receipts) are indicated, as specified in the budget document (Form Ka and Form Kha of Paurashava Budget (preparation and approval) Rules, 1999).

An example of cashier's cashbook is as follows;

(Form 78, vide rule 203)

**.....Paurashava**  
**Cashier's Cash Book**

For the Month of: .....

Financial Year: .....

Date	No. of misc. bill any	From whom received	On what account	Taxes		Rates		Fees		Gov't Donation (Except Dev't Grant)	Total of each item.	Total remitted to treasury as per chalan	Remarks
				Holding Tax	...	Lighting	...	License	...				
1	2	3	4	5		14		17		33	34	35	36
1-Jul	7534-40	Abul Bashar	Tax	27,305		15,900					43,205		Sonali Bank-C/A-354
1-Jul	7687-00	Sohel Rana	Tax	12,025							12,025		
1-Jul	7457-64	Amol Bosh	Fees					9,000			9,000		
		Sub-Total		39,330		15,900		9,000			64,230	64,230	

\_\_\_\_\_  
Signature  
Cashier

\_\_\_\_\_  
Signature  
Accountant

This example of the cashier's cashbook shows the cash and cheque receipts on 1<sup>st</sup> July. As mentioned above, the transactions made in the following day (e.g. 2<sup>nd</sup> July) will be registered in the following page.

One line of the cashier's cashbook is for one transaction. In this case, the first line is for the tax and rate payment (holding tax TK. 27,305 and Lighting rate TK. 15,900) by Mr. Abul Bashar on 1<sup>st</sup> of July. Similarly, the second line is cash receipts of holding tax from Mr. Sohel Rana on the same day.

Each line shows a number of bill (money receipt), so that the transactions registered in the cashier's cashbook can be double-checked by secretaries and accountants.

The cashier is supposed to deposit the cash and cheque received into the relevant bank deposit account as often as possible, as mentioned in **Rule 207 of Bengal Municipal Account Rules 1935**. The paurashavas are strongly recommended to deposit the cash and cheques on the same day of receipts, and should not keep cash and cheques in hand.

The cashier then gives the deposit slip to an accountant, so that the account can also record the receipts into an accountant's cashbook.

The cash received cannot be used for payments, as depicted in **Rule 207 of Bengal Municipal Account Rules, 1935**.

***Bengal Municipal Account Rules, 1935***

**207.** All money received on account of the Commissioners shall be remitted to the treasury as often as can be conveniently managed and shall on no account be appropriated toward expenditure.



**(ii) Closing cashier's cashbook at the end of the day**

The cashier closes the cashier's cashbook every day, and calculate the total receipts of each budget item.

Then, the secretary of the accountant and secretary of the paurashava checks the cashier's cashbook, and examines all the entries and calculations are appropriate. The accountant and secretary should also make sure that all the cash and cheques

received are deposited to bank account on the same day, by checking bank deposit slips.

**Bengal Municipal Account Rules, 1935**

**206.** At the close of each day's transaction the cash shall be verified by actual count and the details of the cash balance shall be recorded in a bound book in Form 79.



The cash balance certificate should be signed by the cashier and the Vice-Chairman or other Commissioner or municipal officer in charge of the cash-chest. The latter officer shall verify the cash balance and see that it agrees with the balance of the cashier's Cash-book for the same day (Form 78).

**Summary of (1) Daily entry of cash receipt**

**Cashier**

- Enter cash and cheque receipts to a cashier's cashbook every day.
- Deposit the cash and cheque received to the relevant bank accounts every day.
- Do not use the cash received for payments.
- Calculate the total amount of receipts of each budget item on the cashier's cashbook every day.

**Accountant (account officer, accountant or assistant accountant)**

- Check whether the entries in a cashier's cashbook are correct.
- Check whether the calculation of total receipts of each budget item is correct.
- Check all cash and cheques received are deposited to relevant bank account on the same day.

**Chief Executive Officer / Secretary**

- Check whether the calculation of total receipts of each budget item is correct.
- Check all cash and cheques received are deposited to relevant bank account on the same day.



## (2) Daily entry and closing of all receipts and payments

All financial transactions, including the cash and cheque receipts, are recorded by an accountant (account officer, accountant or assistant accountant), in an accountant's cashbook.

At the end of the day, the accountant closes the cashbook of the day, calculate the closing balance, and transfer the closing balance to the following day (as opening balance).

### (i) The format used by accountant

The format used by accountant for recording daily receipts and payments, which is called as "accountant's cashbook" or "cashbook", is **Form 83** of **Bengal Municipal Account Rules, 1935**, as specified in **Rule 221** of the rule.

**Form 83** is as depicted in the following table,

#### Format of Accountant's cashbook

Cash book Form No- 83 (Rule No- 187 and 221) For ..... Pourashava of .....month					
Debit					
Date	Memo no	Particulars of receipt	Taka	Total of each memo	Name of sector of abstract register
1	2	3	4	5	6

Date	Particulars of payment	Voucher no	Amount of money	Cheque no	Amount in the cheque	Name of sector of abstract register
7	8	9	10	11	12	13

#### Bengal Municipal Account Rules, 1935

221. The Cash-book shall be kept in English in Form 83 by the accountant. It shall be a substantially bound volume, containing a sufficient number of pages to contain at least one year's transactions. It shall be carefully pages before being brought into use.



One page of the accountant's cashbook is used only for one day. The transactions of more than one day should not be recorded in one page. The left side of the

accountant's cashbook is for the receipts (e.g. receipts of tax or fees), and the right side is for the payments.

One accountant's cashbook is used for one fiscal year, and separate accountant's cashbooks are prepared for each account, including;

- Revenue account Part 1
- Revenue account Part 2 (Water section)
- Development account
  - Development projects by own fund
  - Development projects by ADP (Annual development, funded by the central government)
  - Development projects by donors
- Capital account

The accountant's cashbook of Revenue account Part 2 (Water section) is maintained by account assistant or bill clerk of the water section of the paurashava.

A paurashava also prepares several accountants' cashbooks for Development account. Accountant's cashbook for Development account are prepared for (i) Development projects by own fund, (ii) Development projects by ADP (Annual development, funded by the central government), and (iii) Development projects by donors, such as UGIIP-3, NOBIDEP, MGSP, or BMDF.

Another cash book is prepared for Capital account. Transactions of gratuity fund, depreciation fund, security money, and loan are recorded in this accountant's cashbook.

An example of the accountant's cashbook for Revenue account Part 1 of a paurashava is as in the table below. This is a page of an accountant's cashbook of a paurashava on 1<sup>st</sup> July (only for one day)

## Example of an accountant's cashbook (1<sup>st</sup> July) for Revenue account Part 1

Cash Book  
(Form: 83 Vide rule:187 and 221)  
Municipality: XXXX  
For the Month of :.....

Date	Memo/ money receipt No.	Particulars of Receipt	Taka	Total of each memo / money receipt	Name of sector of abstract register	Date	Particulars of payment	Voucher no.	*Amount of money	Cheque No.	Amount in the cheque	Abstract Register/L edger Folio
1	2	3	4	5	6	7	8	9	10	11	12	13
1-Jul		<b>Opening Balance</b>		<b>1,010,500</b>		1-Jul	Salary	1	5,000	7890382	5,000	1
1-Jul	7534-40	Holding Tax	39,930		1	1-Jul	Telephone bill	2	2,450	7890383	2,450	1
1-Jul	7687-92	Lighting Rate	15,900		1	1-Jul	Electricity bill	3	4,500	7890384	4,500	1
1-Jul	7457-64	Conservancy Rate	2,800		1							
1-Jul	7789-90	Trade License Fee	9,000		1							
1-Jul	7987-88	Compensation for Road Cutting	5,000		1							
1-Jul	8211-12	Sale of Various Certificates	1,200		1							
1-Jul	8222-23	Sale of Various Forms	1,000		1							
1-Jul	8344-45	Sale of Tender Schedule	500	<b>74,730</b>	1							
		<b>Total receipts of the day</b>		<b>74,730</b>			<b>Total payments of the day</b>				<b>11,950</b>	
							<b>Closing Balance</b>				<b>1,073,280</b>	
		<b>Total of the page</b>		<b>1,085,230</b>			<b>Total of the page</b>				<b>1,085,230</b>	

At the bottom of the accountant's cashbook, the closing balance of the day is calculated every day. Calculation of the closing balance every day is very important to know the available amount of money in bank accounts.

<p>[Closing balance (of the day)]          = [Opening balance] + [Total receipts of the day] – [Total payments of the day]</p>
--

Some other paurashavas do not even calculate the closing balance every day, and calculate it at the end of each month. This is not appropriate, as the paurahsava cannot know the outstanding balance of bank account form cashbook, when paurashavas issues cheques for payments.

### How to fill accountant's cashbook (left side: Receipts)

The left side of the accountant's cashbook, which is enlarged in the following table, shows the receipts, such as receipts of tax, rates, and fees.

## Example of an accountant's cashbook (1<sup>st</sup> July) for Revenue account Part 1, Receipts

Date	Memo/ money receipt No.	Particulars of Receipt	Taka	Total of each memo / money receipt	Name of sector of abstract register
1	2	3	4	5	6
1-Jul		<b>Opening Balance</b>		<b>1,010,500</b>	
1-Jul	7534-40	Holding Tax	39,930		1

1-Jul	7687-92	Lighting Rate	15,900		1
1-Jul	7457-64	Conservancy Rate	2,800		1
				<b>58,030</b>	
1-Jul	7789-90	Trade License Fee	9,000		1
1-Jul	7987-88	Compensation for Road Cutting	5,000		1
1-Jul	8211-12	Sale of Various Certificates	1,200		1
1-Jul	8222-23	Sale of Various Forms	1,000		1
1-Jul	8344-45	Sale of Tender Schedule	500	<b>16,700</b>	1
		<b>Total receipts of the day</b>		<b>74,730</b>	
		<b>Total of the page</b>		<b>1,085,230</b>	

At the top of the left side of the accountant's cashbook, [Opening balance] (TK. 1,010,500) is indicated. This must equal to the closing balance of the previous day.

In this example, a total of TK. 74,730 was registered as a receipt of the day. In this case, the cashier received TK. 74,730 of cash or cheques on 1st July, made two deposits (TK 58,030 and TK 16,700) on the same day, and the accountant recorded this in the accountant's cashbook.

As in this example, the deposited amounts (TK. 74,730) were entered in several budget heads of the accountant's cashbook, such as holding tax (TK.39,930), lighting rate (TK. 15,900) or conservancy rate (TK. 2,800).

The reason why the entries of receipts were separated into several budget heads is because this makes it easier to summarize the monthly receipts and payments at the end of every month.

Holding tax (TK. 39,930) is the summation of the receipts from several payers, whose tax receipt numbers are from 7534 to 7540. Similarly, the entry of lighting rate (TK. 15,900) is the summation of the receipts (receipt number from 7687 to 7692).

[Total receipts of the day] is also indicated at the bottom of the sheet. Please note that [total receipts of the day] does NOT include [Opening balance]. [Total of the page], which is obtained by Adding [Opening balance] to the [Total receipts of the day] is indicated at the bottom of page.

"Name of sector of abstract register" on this cashbook is showing the relevant page number of Abstract register, which is explained later in this operational handbook.

**Bengal Municipal Account Rules, 1935**

**222.** As soon as the Pass-book is received back from the Treasury (see rule 211), the accountant shall compare and verify the entries in the Pass-book with the duplicate challans and the cashier's Cash-book to ensure that all remittance have been duly brought to account in the Treasury and the accountant will then write up the receipt side of his Cash-book (Form 83) from the challans and the cashier's Cash-book.



In writing up his Cash-book the accountant shall transcribe the totals only under the various account headings in the cashier's book into his Cash-book, but at the same time he shall prove the compilation of the account and test the accuracy of the amount and the classification of the items forming the totals by referring to all the forms and registers in which receipts are given or collections recorded. All miscellaneous receipts and license book counterfoils shall thus be checked daily by the accountant, but the collections of municipal taxes should be compared only with the sarker's collection registers after they have been duly checked without scrutinising the counterfoils of the bills.

The date of receipt to be shown in the accountant's Cash-book shall be the date on which the challan is received by the Treasury Officer as shown by his stamp and initials on the counterfoil.

**How to fill accountant's cashbook (right side: Payment)**

The right side of the accountant's cashbook, which is enlarged in the following table, shows the payments, such as salary payments or telephone bills.

**Example of an accountant's cashbook (1<sup>st</sup> July) for Revenue account Part 1,  
Payments**

Date	Particulars of payment	Voucher no.	*Amount of money	Cheque No.	Amount in the cheque	Abstract Register/ Ledger Folio
7	8	9	10	11	12	13
1-Jul	Salary	1	5,000	7890382	5,000	1
1-Jul	Telephone bill	2	2,450	7890383	2,450	1
1-Jul	Electricity bill	3	4,500	7890384	4,500	1
	<b>total payments of the day</b>				<b>11,950</b>	
	<b>Closing Balance</b>				<b>1,073,280</b>	
	<b>Total of the page</b>				<b>1,085,230</b>	

The payments indicated in this accountant's cashbook were paid through a bank account (for Revenue account Part 1) by issuing cheques. For example, the first line shows the salary payment of TK. 5,000 made by a cheque (Cheque number 7890382).

At the end of each line, "**abstract Register/Ledger Folio**" is indicated. This shows the page number of this item in Abstract Register, which is used for summarizing the payments of this item in this month.

At the bottom of the page, [Total payments of the day] and [Closing balance] are filled. The closing balance of the day is calculated as follows;

$$\begin{aligned} &[\text{Opening balance}] + [\text{Total receipts of the day}] - [\text{Total payments of the day}] \\ &= [\text{Closing balance (of the day)}] \end{aligned}$$

[Total of the page], which is obtained by Adding [Total payments of the day] to [Closing balance] is indicated at the bottom of page. This must equal to the [Total of the page] indicated on the left side of the accountant's cashbook.

### **Record keeping of cheques**

As mentioned above, when a paurashava makes a payment, it issues a cheque, as the paurashavas are not allowed to make payments by cash.

Upon payments, an accountant obtains approvals on payment itself after receiving invoices. Then an accountant prepares a cheque and a "cheque register", and have them signed by authorized signatories of the bank account of the paurashava (e.g. secretary and mayor).

### Sample of a Cheque Register:

<b>Name of Bank</b>	:		<div style="border: 1px solid black; padding: 5px; width: fit-content;">             These are signed by the same signers of cheques.           </div>				
<b>Branch</b>	:						
<b>Account No</b>	:						
<b>Account Type</b>	:						

Date	No. of Cheque	Name of Payee	Head of Accounts	Amount-Tk.	Signature Secretary	Signature Mayor	Remarks

When making payments by the cheque, the accountant fills a “payment voucher”. Upon payments, the recipient signs on the voucher and counterfoil of the cheque. The format of the payment voucher is not specified in rules, but the format normally used by paurahsvas is as follows;

## Payment Voucher Form

<b>Monogram</b>	<b>.....Paurashava</b>
	<b>Payment Voucher</b>
<b>Date:</b>	<b>Voucher No:</b>
Paid	
To:.....	
.....	
Cheque	Bank Name and Account No:.....
No:.....	

Head of Accounts	Particulars	Taka
<b>Total</b>		.....

Taka in word:.....

<i><b>Received by</b></i>	<i><b>Accounts officer/ Accountant</b></i>	<i><b>Chief Executive Officer/ Secretary</b></i>	<i><b>Mayor</b></i>
---------------------------	--	--	---------------------

After the recipient signed on the voucher, the voucher is also examined and signed by the accountant, secretary (or CEO) and mayor. Then the accountant records the payment to the accountant's cashbook.

### **Bengal Municipal Account Rules, 1935**

**223.** The payment side of the Cash-book shall be posted from the details of the vouchers and on the cheques drawn. The amount of each cheque shall be entered as soon as the cheque is signed.



### **(ii) Closing accountant's cashbook at the end of the day**

#### **Calculation of closing balance by accountant**

An accountant's cashbook is closed every day, and receipts and payments of the following day should be registered in the following pages (receipts and payments of more than one day should not be registered on the same page).



Upon closing accountant's cashbook, the closing balance is calculated. Calculation of the closing balance is typically necessary, when issuing cheques for payments. An accountant should make sure that there is enough balance in bank accounts before cheques are issued.

As mentioned above, [Closing balance] of the day will be calculated from [Opening balance], [Total receipts of the day] and [Total payments of the day].

The relationship among [Opening balance], [Total Receipts of the day], [Total payments of the day] and [Closing balance] are depicted as follows;

$$[\text{Opening balance}] + [\text{Total receipts of the day}] - [\text{Total payments of the day}] = [\text{Closing balance (of the day)}]$$

<Day 1, 15<sup>th</sup> September>

Debit		Credit	
Receipt		Payment	
Opening balance	3,000		
Receipt (1)	100	Payment (1)	200
Receipt (2)	100	Payment (2)	100
Page total (receipt)	200	Page total (Payment)	300
		Closing balance	2,900
Total of the page	3,200	Total of the page	3,200

In this case, the opening balance of the day (which is same as the closing balance of the previous day) was TK. 3,000. This paurashava received TK. 200 and paid TK.300 on this day, and thus the closing balance on this date is TK. 2,900.

The closing balance of the day (TK.2,900) will be the opening balance of the following day. This can depicted as in the following tables.

<Day 2, 16<sup>th</sup> September>

Debit		Credit	
Receipt		Payment	
Opening balance	2,900		
Receipt (3)	600	Payment (5)	200
Receipt (4)	300	Payment (6)	300
		Payment (7)	100
Page total (receipt)	900	Page total (Payment)	600
Total of the page	3,800	Closing balance	3,200
		Total of the page	3,800

[Total receipts of the day] is TK.900, and the [Total payment of the day] is TK.600.

[Closing balance] is then TK.3,200, which is calculated as [Opening balance] TK. 2,900 + [Total receipt of the day] TK. 900 - [Total payment of the day] TK. 600.

### Checking of accountant's cashbook by secretary and mayor

The daily entries of the accountant's cashbook are checked both by accountant and secretary.

Secretary checks every day;

- whether all the entries are made based on vouchers (e.g. deposit slips or money receipts),
- whether the closing balance is appropriately calculated (e.g. Opening balance + total receipts – total payments = closing balance)

### Checkpoints of cashier's cashbook

Debit		Credit	
Receipt		Payment	
Opening balance	2,900		
Receipt (3)	600	Payment (5)	200
Receipt (4)	300	Payment (6)	300
		Payment (7)	100
Page total (receipt)	900	Page total (Payment)	600
Total of the page	3,800	Closing balance	3,200
		Total of the page	3,800
Accountant		Secretary	

(i) Check the consistency with vouchers.

(iii) Check if the calculation is correct.

### **Summary of (2) Daily entry and closing of all financial transactions**

#### **Accountant (account officer, accountant or assistant accountant)**

- Prepare accountant's cashbook for each account (e.g . Revenue account Part 1, Part 2, Development account and capital account).
- Record all financial transactions to accountant's cashbook every day.
- Calculated the closing balance from opening balance, total receipts of the day and total payments of the day.

#### **Chief Executive Officer / Secretary**

- Check the consistency between the data entry in the accountant's cashbook and vouchers.
- Check if the calculation of the closing balance is correct.

#### **Tips: Record transactions as soon as possible**

When transactions are made, the data entry should be made as soon as possible. For example, when checks are issued to recipients, such payment transactions should be recorded in the cashbook at the same time.

When accountants try to record several transactions later, some of them might be missed out. In this case, double checking would take more time than necessary and quality of cashbook registration would be worse.

A frequent data entry and checking is the key to achieve quality in data entries.

### (3) Monthly closing

In addition to the daily accounting closing, the accountant (account officer, accountant, or assistance accountant) calculates the closing balance of each account at end of every month.

At the same time, the accountant obtains bank statements of bank accounts, and checks the consistency between the closing balance of the accountant's cashbook and that of the relevant bank account.

#### **Bengal Municipal Account Rules, 1935**

**224.** The Cash-book shall be balanced on the last working day of each month and signed by the Chairman or Vice-Chairman in token of the correctness of every entry made therein. The balance brought out shall be stated both in words and figure and shall within three days of the close of the month be agreed with the balance shown in the Treasury Pass-book, thus:-



Monthly account closing is done by (i) an accountant (or account officer), and then checked by (ii) a secretary (or chief executive officer) and (iii) a mayor.

#### **(i) Monthly account closing by accountant**

An accountant (an accountant or an account officer) examines the consistency between the closing balance of the accountant's cashbook and that of relevant bank account at the end of every month.

Theoretically, the closing balance of the accountant's cashbook and that of relevant bank account should be consistent. However, they might not be always consistent because of several reasons such as;

- There were mistakes in the data entries in cashbooks,
- There were some transactions which were not recorded in cashbooks, and
- There were some cheques which were not settled.

Then, after obtaining bank statements, accountants have to check whether there are not any mistakes in the data entries in cashbooks, by examining the consistencies with the data entries in bank statements.

Accountants then have to examine whether there are any transactions recorded in bank statements but not recorded in the accountant cashbook. Such transaction would include;

- Deposit interest revenues
- Bank fees or charges, and
- Other deposits (e.g. land transfers).

When accountants identify such transactions, they should record them in the relevant cash books.

Even after this, the closing balances of the accountant's cashbook and that of relevant bank account statement might not be consistent because some cheques received or paid might not be settled. The cheques paid or received are recorded in cashbooks but they do not appear in bank statements if they are not settled.

Accountants then have make adjustments to the closing balances of cashbooks. Such adjustment processes, normally called as "bank reconciliation", are conducted as follows;

- Identify the cheques paid but not settled
- Identify the cheques received and deposited but not settled, and
- Make adjustment to the closing balance on the accountant's cashbook

#### Identify the cheques paid but not settled

As mentioned above, the checking process starts from obtaining a bank statement. Comparing the bank statement and the accountant's cashbook, the accountant identifies which cheques paid by the paurashava are not settled yet.

This is because the amounts of cheques paid but not settled reduces the closing balance of the accountant's cashbook, but does not reduce the bank account balance.

Then the accountant identifies the number, date of issue, payee and the amount of the cheques which have not been settled until the end of the month.

#### Identify the cheques received and deposited but not settled

Similar gap might happen when cheques received (e.g. from a tax payer) and deposited, but not settled before the end of the month.

The amounts of cheques received and deposited but not settled will increase the closing balance of the accountant's cashbook, but does not increase the bank account balance.

This is because when a paurashava deposits cheques in a bank account, it will take at least 3 days (if the cheque is issued in the same region), and sometimes about 15 days (if the cheque is issued at remote place) to settle.

#### Make adjustment to the closing balance on the accountant's cashbook

The gap between the closing balance of the accountant's cashbook and that of bank statement comes from unsettled cheque paid and unsettled cheques deposited. The relationships among them is depicted as follows;

<div style="display: flex; justify-content: space-between;"> <div>[Closing balance of cashbook]</div> <div>+ [Unsettled cheques paid] – [Unsettled cheques deposited]</div> </div> <div style="text-align: right; margin-top: 5px;">= [Balance of bank account]</div>
---

This is calculated on the accountant cashbook as follows;

#### **Calculation of the adjusted closing balance (at the end of month)**

<b>Closing balance (as per accountant's cashbook)</b>	<b>TK. 50,000</b>
<b>Plus (+)</b> Cheque have been issued but yet unpaid in the bank	
Cheque no- 345287/Date 25 July 20X4/Fuel bill/Jamal Petrol Pump Ltd.	TK. 10,000
Cheque no- 352289/Date 27 July 20X4/Stationary Bill/ Rana Stationary.	TK. 5,000
<b>Sub-Total</b>	<b>TK. 15,000</b>
<b>Minus (-)</b> Cheque/ memo have been deposited from cashbook but not included in pass book/ bank account	
Cheque no- 67543 /Date 02 July 20X4/Tax collection/ .....	TK. 12,000
Cheque no- 786412/Date 23 July 20X4/Lease money/ .....	TK. 6,000
<b>Sub-Total</b>	<b>TK. 18,000</b>
<b>Adjusted closing balance</b> (TK 50,000+15,000-18,000) = Balance of the bank account	<b>TK. 47,000</b>

In this example, there are two cheques (TK.10,000 and TK. 5,000) which are paid but not settled until the end of this month.

At the same time, there are two cheques (TK.12,000 and TK.6,000) which were deposited in bank account but not settled until the end of the month.

The closing balance on the accountant's cashbook was TK. 50,000. Then the adjusted closing balance which should be consistent with the balance of bank account is TK. 47,000.

The adjustment is indicated on the accountant's cashbook (of the last working day of every month) as follows;

## How to indicate the adjusted closing balance in accountant's cashbook

Debit		Credit	
Receipt		Payment	
Opening balance	49,000		
Receipt (1)	1,500	Payment (3)	1,000
Receipt (2)	500		
Total receipts of the day	2,000	Total payments of the day	1,000
		Closing balance	50,000
Total of the page	51,000	Total of the page	51,000

Accountant

Check the consistency with bank statement.

Closing balance

50,000

Unsettled cheques paid(+)

15,000

Unsettled cheques deposited(-)

18,000

47,000

Adjusted closing balance

Secretary

Chief Executive Officer

Mayor

#### Tips: When the adjusted closing balance and bank closing balance are not consistent

The gap between the bank statement balance and the closing balance comes from unsettled cheques and mistakes of entries in the accountant cashbook.

Then, if the adjusted closing balance and bank closing balance are not consistent, check once again;

- 1) Whether the unsettled cheques paid and unsettled cheques deposited are correctly identified,
- 2) Whether the adjusted closing balance is appropriately calculated at the end of the month,
- 3) Whether daily closing balance was appropriately calculated on the accountant

- cashbook, and
- 4) Whether daily receipts and payments are appropriately entered in the accountant's cashbook .

## (ii) Monthly checks on account closing by a secretary

At the end of every month, accountant's cashbook is checked both by a secretary (or chief executive officer) and a mayor.

The secretary examines;

- Whether the unsettled checks paid and unsettled cheques deposited are appropriately indicated on the accountant 's cashbook.
- Whether the adjusted closing balance is appropriately calculated, and
- Whether the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement are consistent.

### How to examine the adjusted closing balance

Debit		Credit	
Receipt		Payment	
Opening balance	49,000	Payment (3)	1,000
Receipt (1)	1,500		
Receipt (2)	500		
Total receipts of the day	2,000	Total payments of the day	1,000
Total of the page	51,000	Closing balance	50,000
		Total of the page	51,000

(a) Check if unsettled cheques are appropriately indicated.	<b>Closing balance</b>	50,000
	Unsettled cheques(+)	15,000
	Un deposited cheques (-)	18,000
(b) Check if the calculation of adjusted closing balance is correct.	<b>Adjusted closing balance</b>	47,000
Accountant	Secretary	
	Chief Executive Officer	
(c) Check if the adjusted closing balance is consistent with the balance	Mayor	

## (iii) Monthly checks on account closing by a mayor



A mayor also checks the accountant's cashbook at the end of every month.

The mayor typically examines;

- (c) Whether the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement are consistent.

Summary of (3) Monthly closing
<b><u>Accountant (account officer, accountant or assistant accountant)</u></b> <ul style="list-style-type: none"><li>- Obtain banks statement of the month and identify the unsettled cheques paid and unsettled cheques deposited.</li><li>- Indicated such unsettled cheques paid and unsettled cheques deposited onto the accountant's cashbook.</li><li>- Adjust the closing balance of accountant's cashbook by adding the amount of unsettled cheques paid and deducting the amount of cheques deposited.</li><li>- Examines the consistency between the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement.</li></ul>
<b><u>Chief Executive Officer / Secretary</u></b> <ul style="list-style-type: none"><li>- Checks whether the unsettled checks paid and unsettled cheques deposited are appropriately indicated on the accountant 's cashbook.</li><li>- Checks whether the adjusted closing balance is appropriately calculated, and</li><li>- Examines the consistency between the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement.</li></ul>
<b><u>Mayor</u></b> <ul style="list-style-type: none"><li>- Examines the consistency between the adjusted closing balance of the accountant's cashbook and the closing balance of the bank statement.</li></ul>

#### (4) Budget monitoring

Paurashavas need to monitor the budget execution progress every month and every quarter, as specified in **The Bengal Municipal Account Rules 1935**.

##### **Bengal Municipal Account Rules, 1935**

247. At the close of every month, the totals under the various heads of account recoded in the Abstract Registers shall be entered in English by the accountant in the separate register in Form 89 and 90 against the corresponding heads under the appropriate month.

If it is desired to show the expenditure in greater details than according to the prescribed budget heads, additional details heads may be inserted in the Register of Expenditure.



Monitoring of budget execution is important, as paurashavas have to follow certain rules in budget execution processes; such as;

- Upper limit of the establishment cost
- Restrictions on expenditure more than approved budget and adaptations

As specified in **Article 11 (1) of Paurashava Budget (preparation and approval) Rules, 1999**, paurashavas cannot spend more than 50% of revenue income for establishment cost. Therefore, paushava need to monitor the revenue income and expenditure, and make sure that they are not spending more than the upper limit.



##### **Paurashava Budget (preparation and approval) Rules, 1999**

11. Expenditure restriction:

(1) The Paurashava will not expend more than 50% of collected revenue income for establishment in the relevant financial year;



As specified in **Article 11(2) of Paurashava Budget (preparation and approval) Rules, 1999**, paurashava cannot make expenditure which is not included in the approved budget. Paurashava cannot adapt any allocation from one head or sub-head to another head or sub-head either, as in **Article 12**.

<b>Paurashava Budget(preparation and approval) Rules,1999</b> 11.Expenditure restriction: (2) Paurashava cannot expend in any means excluded the approved budget;	
<b>Paurashava Budget(preparation and approval) Rules,1999</b> 12.Adaptation of expenditure head: Paurashava cannot adaptation any allocation from one head or sub-head to another head or sub-head: But to tackle any disaster or critical situation, adaptation can be made with the prior approval of the Prescribed Authority;	

Therefore, a paurashava again needs to monitor the budget executions, and make sure that they are complying with these rules.

Monitoring of revenue income and revenue surplus (revenue income – revenue expenditure) is typically necessary, especially when paurashavas are allocating more revenue income for development expenditures.

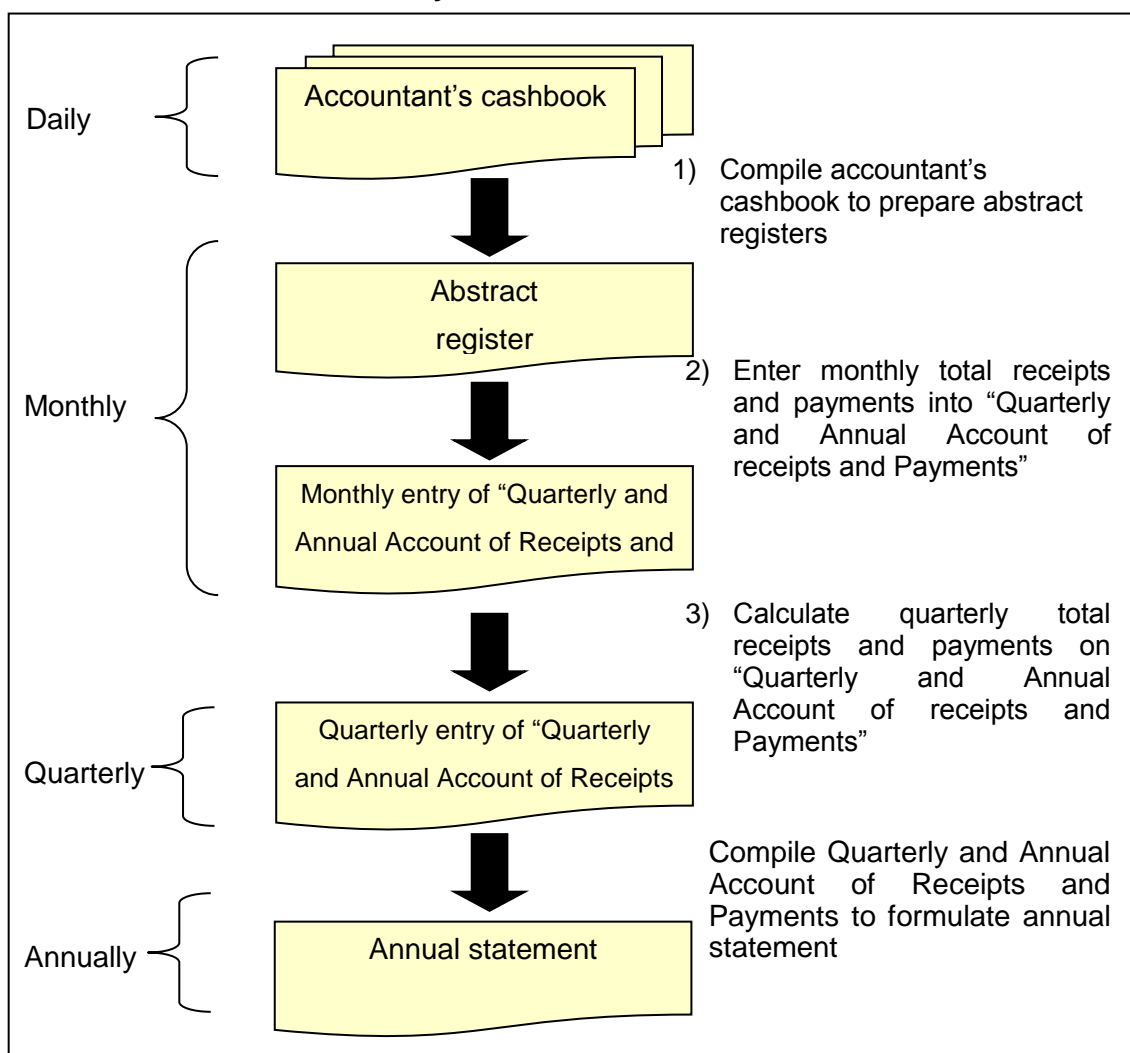
Therefore, it is highly recommended to set targets on revenue income (tax revenue) and also on revenue surplus and then to monitor the progress every month.

Receipts and payments registered on accountant's cashbook are compiled for monthly and quarterly monitoring as follows;

- 1) An accountant fill “abstract register” of each budget head from the receipt and payment entries in accountant's cashbook
- 2) The total receipt and payment amounts of each budget item calculated in abstract registers are then filled in Quarterly and Annual Account of Receipts and Payments every month.
- 3) The amounts of quarterly receipts and payments of each budget head are then calculated compiling monthly totals on Quarterly and Annual Account of Receipts and Payments.

Compiling the Quarterly and Annual Account of Receipts and Payments, an annual statement of the paurashava can be easily prepared. This process can be described in the following diagram.

### Diagram for preparation of quarterly and Annual Accounts of Receipts and Payments of Paurashava



#### 1) Compile accountant's cashbook to prepare abstract registers

Monitoring of budget executions starts from compiling receipts and payments data. However, it is not easy to sum up all receipts and payments of each budget head.

Then, "**Abstract register**" is used to compile receipt and payment data of each budget item every month.

The format of **Abstract Register**, which is given in **Bengal Municipal Account Rules, 1935**, and the related rules are as follows;

<b>Form 86</b> <b>(Vide rules 186 and 240)</b> Abstract Register of Receipts of the Municipality of ..... for the month of .....						
Heads of receipt as in budget form						Cross total carried to next page
Cash transaction						
Total cash transaction						
Adjustment	Add					
	Deduct					
Net total						

<b>Form 87</b> <b>(Vide rules 240)</b> Abstract Register of Payment of the Municipality of ..... for the month of .....						
Heads of receipt as in budget form						Cross total carried to next page
Cash transaction						
Total Cash transaction						
Adjustment	Add					
	Deduct					
Net total						

#### **Bengal Municipal Account Rules, 1935**

186. All sums of money received by way of security deposit from contractors or others and all sums received are not the property of the Commissioners and have been placed with the municipal authorities for a temporary purpose only shall be received to the head "Deposit received" in the Abstract register of Receipts (Form 86)...



#### **Bengal Municipal Account Rules, 1935**

240. All the entries on the receipt side of the Cash-book (Form 83) shall be posted by the accountant one by one direct from the Cash-book into the Abstract Register of receipts (Form 86) and all the entries on the payment side of the Cash-book shall be similarly posted into the Abstract Register of expenditure (Form 87).



When transactions under any head are very numerous, it will be best to open two or more columns with the same headings, and the headings under which there can be no transactions may be omitted.

241. The Abstract Registers shall be kept in English and shall be posted as often as may be convenient, but in no case later than 10 days after the close of the month to which the account relates.

242. The cash transaction in the Abstract Registers shall be totalled every month and the grand totals of the different heads of receipts and expenditures must necessarily be equal to and shall be compared by the Mayor, Executive Officer or Secretary with the total receipts and payments in the Cashbook. He shall initial the Abstract Registers in token of having made this comparison.

As mentioned in these rules, an accountant transcribe receipts and payments entries from the accountant's cashbook to the **Abstract Register**. Then, the accountant calculates the total amount of receipts and payments of each budget head in the abstract register within ten days from the end of each month.

An example of the abstract register of receipts is as in the following table. The abstract register is showing all receipts of Revenue account Part 1, such as receipts of tax, rates and fees.

Please note that this is an example used by several paurashava, which seems to be most feasible. The Abstract Register of other paurahsvas might look different.

#### **An example of abstract register (receipts)**

Date	Cash book Folio No/Page No	Taxes		Rates		Fees		Others		Government Donation (Except Dev't Grant)	Grand total
		Holding Tax	...	Lighting	...	License	...	Hat-Bazar Lease	...		
<b>1</b>	<b>2</b>	<b>5</b>		<b>14</b>		<b>17</b>		<b>22</b>		<b>33</b>	<b>34</b>
1-Jul	1	27,305		15,900		9,000					
1-Jul	1	12,025									
2-Jul	2	34,350		23,300		7,000		20,675			
<b>Total</b>		<b>73,680</b>		<b>39,200</b>		<b>16,000</b>		<b>20,675</b>			<b>149,555</b>

In this example, names of budget heads are shown at the top to table. The receipts of each budget head are described one by one.

At the bottom of each budget head, the total amount of receipts of each item is calculated. The totals calculated in this abstract register will be then input in "Quarterly and Annual Account of Receipts and Payments", which is explained in the following section.

If all entries of any budget head in an accountant's cashbook cannot be transcribed into one page of abstract register, you can continue transcribing in the next page of abstract register. In such case, the subtotals of the page are indicated at the bottom of each page, and the subtotal will be carried over to the following page.

The grand total amount of receipts and payments in abstract register will be compared to the total amount of receipts and payments in accountant's cashbook by a secretary and mayor. This is necessary to examine all the entries in the cashbook are transcribed in the abstract register.

As described in **Rule 247 of Bengal Municipal Account Rules 1935**, “At the close of every month, the totals under the various heads of account ... shall be entered in the separate register in Form 89 and 90 against the corresponding heads under the appropriate month”.

Form 89  
(Vide rules 180 and 243)  
Quarterly and Annual Account of Receipts

33

Form 90  
(Vide rule 247)

Quarterly and Annual Account of Payments

Head of expenditure	Budget estimate as sanctioned	Jul	Aug	Sep	Total 1 <sup>st</sup> Quarter	...	Total 4 <sup>th</sup> Quarter	Total of the year
1	2	3	4	5	6		20	21
Total Expenditure								
Closing balance at the end of previous fiscal year								

How to fill the format (Quarterly and Annual Account of Receipts and Payments)

In these formats, total of receipts and payments of each budget item are entered every month. Compiling receipts and payments of three month (e.g. July – September), it is also possible to calculated the receipts and payments amount of each quarter.

The items indicated in Quarterly and Annual Accounts of Receipts and Payments should be consistent with those of budget documents (Form Ka and Form Kha of Paurashava Budget (preparation and approval) Rules, 1999).

One sheet of Quarterly and Annual Accounts of Receipts and Payments sheet, which are used for one fiscal year, should be printed on two pages facing each other.

Examples of Quarterly and Annual Accounts of Receipts and Payments are as follows;



Form 89  
(Vide rules 180 and 243)

Quarterly and Annual Account of Receipts (Revenue account Part 1)

Head of receipt	Budget estimate as sanctioned	Jul	Aug	Sep	Total 1 <sup>st</sup> Quarter	...	Total 4 <sup>th</sup> Quarter	Total of the year
1	2	3	4	5	6		20	21
Holding tax	900,000	73,680	75,000	50,000	198,680			
...								
Lighting	500,000	39,200	45,000	30,000	114,200			
...								
License	240,000	16,000	12,000	10,000	38,000			
...								
Hat lease	250,000	20,675	25,000	20,000	65,675			
...								
Total Receipts	1,890,000	149,555	157,000	110,000	416,555			
Opening balance	200,000	200,000	244,555	300,555	200,000			

Form 90  
(Vide rule 247)

Quarterly and Annual Account of Payments (Revenue account Part 1)

Head of expenditure	Budget estimate as sanctioned	Jul	Aug	Sep	Total 1 <sup>st</sup> Quarter	...	Total 4 <sup>th</sup> Quarter	Total of the year
1	2	3	4	5	6		20	21
Honorarium	260,000	20,000	22,000	21,000	63,000			
Salary	1,000,000	80,000	75,000	78,000	233,000			
Telephone	25,000	2,000	1,500	1,800	5,300			
Electricity Bill	40,000	3,000	2,500	2,000	7,500			
...								
Total Expenditure	1,350,000	105,000	101,000	102,800	308,800			
Closing balance at the end of previous fiscal year	200,000	244,555	300,555	307,755	307,755			

Quarterly and Annual Accounts of Receipts and Payments can be filled from abstract registers as follows;

### Example of filling monthly summary from abstract registers

Abstract register (receipts, Revenue account Part 1) of July								
Date	Cash book Folio No/Page No	Taxes		Rates		Fees		Government Donation (Except Dev't Grant)
		Holding Tax	...	Lighting	...	License	...	
1	2	5		14		17		33
1-Jul	1	27,305		15,900		9,000		
1-Jul	1	12,025						
2-Jul	2	34,350		23,300		7,000	20,675	
Total		73,680		39,200		16,000	20,675	149,555

Form 89 (Vide rule 180 and 243) Quarterly and Annual Account of Receipts (Revenue account Part 1)								
Head of receipt	Budget estimate as sanctioned	Jul	Aug	Sep	Total 1 <sup>st</sup> Quarter	....	Total 4 <sup>th</sup> Quarter	Total of the year
1	2	3	4	5	6		20	21
Holding tax	900,000	73,680						
...								
Lighting	500,000	39,200						
...								
Licence	240,000	16,000						
...								
Hat lease	250,000	20,675						
...								
Total Income	1,800,000	149,555						
Opening balance	200,000	210,000						

Examine if this is consistent with the total expenditure in

The upper table is the Abstract register of Revenue account Part 1 in July, and the lower table is the Quarterly and annual account of Receipts and payment of the same account. The budget items shown on both tables are same (the budget items on the accountant's cashbook should be also same).

In this example, the total revenue of holding tax calculated in the Abstract register (July) is TK. 73,680. This is then input into the relevant cell (Holding tax, July) in the Quarterly and Annual account of Receipt.

### **How to check if the data entries in Quarterly and Annual Account Receipts and Payments are collect.**

After all entries are made in Quarterly and Annual Account of Receipts and payments, it is necessary to examine if all the data entries are correct or not.

Then, the accountant examines if the total receipts and payments of each account are same between (i) Quarterly and Annual Account of Receipts and Payments and (ii) Abstract Register. The closing balance of (i) Quarterly and Annual Account of Receipts and Payments should be also consistent with the closing balance calculated on the (iii) Accountant's cashbook.

The entry to quarterly and annual account of receipts and payments are made by an accountant, and checked by a secretary and a mayor.

### **How to monitor the progress of budget execution**

Quarterly and Annual Account of Receipts and Payments produced above is used for the monitoring of budget executions.

Typically, the accountant, secretary and mayor examines if the actual budget execution amount (expenditures) of each budget item is not exceeding the amount of approved budget.

They should also examine if the actual establishment expenses are not exceeding 50% of revenue income.

The paurashavas are also recommended to monitor the progress of revenue surplus and tax revenue, comparing to their annual targets.

The Quarterly and Annual Account of Receipts and Payments are then submitted and explained to the standing committee of Account and Audit of the paurashava.

### **3) Calculate quarterly total receipts and payments on “Quarterly and Annual Account of receipts and Payments”**

Paurashavas continue the monitoring of budget execution every month using the Quarter and Annual account of Receipts and Payments.

Every month, an accountant fills the Quarter and Annual Account of Receipts and Payments of each account (Revenue account Part 1 and 2, Development account and Capital account). Then the accountant will calculate the quarterly totals of each budget head from the monthly totals.

The accountant, secretary and mayor examines if the actual budget execution amount (expenditures) of each budget item is not exceeding the amount of approved budget. They examine if the actual establishment expenses are not exceeding 50% of revenue income, and monitor the progress of revenue surplus and tax revenue, comparing to their annual targets.

The statements are then submitted and explained to the standing committee of Account and Audit of the paurashava.

Summary of (4) Budget monitoring
<p><b><u>General</u></b></p> <ul style="list-style-type: none"> <li>- It is highly recommended to set targets on (i) Revenue surplus amount and (ii) tax, rate and fee revenue amount, before a fiscal year starts.</li> </ul> <p><b><u>Accountant (account officer, accountant or assistant accountant)</u></b></p> <p>&lt;Monthly&gt;</p> <ul style="list-style-type: none"> <li>- Prepare abstract registers of each account transcribing receipt and payment entries from relevant accountant's cashbooks.</li> <li>- Transcribe the total amount of each budget of abstract register to Quarterly and Annual Account of Receipts and Payments.</li> <li>- Examines the consistency between the total amount of receipts and payments of (ii) abstract registers and (iii) Quarterly and Annual Account of Receipts and Payments.</li> <li>- Examine if the actual expenditures of all budget items are within approved budget amounts.</li> <li>- Examine the progress of the revenue surplus and tax, rate and fee revenue.</li> </ul> <p>&lt;Quarterly&gt;</p> <ul style="list-style-type: none"> <li>- Summarize monthly receipts and payments on Quarterly and Annual Account of Receipts and Payments to show the quarterly progress of budget executions.</li> <li>- Examine if the actual expenditures of all budget items are within approved budget amounts.</li> <li>- Examine the progress of the revenue surplus and tax, rate and fee revenue.</li> </ul> <p><b><u>Chief Executive Officer / Secretary</u></b></p> <p>&lt;At the beginning of the fiscal year&gt;</p> <ul style="list-style-type: none"> <li>- Take initiatives to set targets on the revenue surplus and tax, rate and fee revenue</li> </ul> <p>&lt;Monthly&gt;</p> <ul style="list-style-type: none"> <li>- Examines the consistency between the total amount of receipts and payments of (i) accountant's cashbooks and (ii) Abstract registers.</li> <li>- Examines the consistency between the total amount of receipts and payments of (ii)</li> </ul>

abstract registers and (iii) Quarterly and Annual Account of Receipts and Payments.

- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.
- Submit the monthly statement to the standing committee of account and audit.

<Quarterly>

- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.
- Submit the quarterly statement to the standing committee of account and audit.

#### Mayor

<At the beginning of the fiscal year>

- Take initiatives to set targets on the revenue surplus and tax, rate and fee revenue

<Monthly>

- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.
- Submit the monthly statement to the standing committee of account and audit.

<Quarterly>

- Examine if the actual expenditures of all budget items are within approved budget amounts.
- Examine the progress of the revenue surplus and tax, rate and fee revenue.
- Submit the quarterly statement to the standing committee of account and audit.

## (5) Budget revision

Paurashavas are authorized to make revisions to the approved budget any time before the end of fiscal year, as specified in **Article 92 (5) of Local Government (Paurashava) Act 2009**.

If paurashavas expect that expenditure of some budget heads / sub-heads would be more than approved amounts through monthly monitoring, paurashavas revise budget, have it discussed in council meetings and TLCC meetings, and have it approved.

In many cases, paurashavas revise their budget after March (9 months from the beginning of a fiscal year).

Therefore, in March, the budget summary until third quarter is prepared.

Upon necessity and the progress of budget execution, the planned budget is revised and indicated in the proposed budget for the next fiscal year.

### **Paurashava Budget (preparation and approval) Rules, 1999**

14. Revised budget: As per rules 6,7 & 8, if needed, Paurashava can prepare and approve revise budget in any time before closing the financial year;

15. Fund for special project: Government can provide fund to the Paurashava for implementation of any special project. If Paurashava obtain these type of fund, they will include it to the relevant financial years' budget or revised budget;



### **Local Government (Paurashava) Act, 2009**

92. Budget:

(5) At any time before the expiry of the financial year to which a budget relates, a revised budget for the year may, if necessary, be prepared and sanctioned, and such revised budget shall, so far as may be, subject to provisions of this section.



## (6) Compilation of annual statement

At the end of fiscal year, paurashavas prepare an annual statement, compiling the income and expenditures of the relevant fiscal year.

The annual statement is then posted onto a conspicuous place in the office of paurashavas (such as a notice board at a paurashava office).

The annual statement prepared by paurashava should be then presented to a TLCC meeting and a council meeting. In these meetings, it is most recommended to explain

how the revenue income, especial tax revenue, was spent (e.g. how many percentage(%) of spent for salary expenses and how many percentage (%) was for education / health services and infrastructure development).

The annual statement is most useful when setting up a mid-long term financial forecast, which can be used for mid-long term development plan of a paurashava.

**Local Government (Paurashava) Act, 2009**

93. Accounts- (1) Accounts of the receipts and expenditure of the municipality shall be kept in the prescribed manner.

(2) An annual statement of the accounts shall be prepared after the close of every financial year.

(3) A copy of the annual statement of accounts under sub section shall be placed at a conspicuous place in the office of the municipality for public inspection, and all objections or suggestions concerning such accounts received from the public shall be considered by the municipality.



The format of the annual statement is **NOT** specified in **Local government (Paurashava) Act, 2009**. However, as **Bengal Municipal Account Rules, 1935** explains that the format to be used for annual statement in Form 91 and rule 247, the annual statement should indicate (1) Budget of current year, (2) Actual budget execution, and (3) the difference between budget and actual execution.

**FORM 91**

(Vide rule 248 and 249)

**Annual Account of the .....Municipality for the year ending.....**

Receipts				Disbursements			
1				2			
(Head as in prescribed list)	Budget	Actual	Variance	(Head as in prescribed list)	Budget	Actual	Variance
	Tk.	Tk.	Tk.		Tk.	Tk.	Tk.
Opening balance							
...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...
Sub-Total	...	...	...	Sub-Total	...	...	...
				Closing balance	...	...	...
Grand Total	...	...	...	Grand Total	...	...	...

However, Form 91 of **Bengal Municipal Account Rules, 1935** is not necessarily consistent with the budget format (Form Ka and Form Kha) specified in **Paurashava Budget (preparation and approval) Rules, 1999**.

Therefore, it is most recommended to prepare the statement following Form Ka and Form Kha (a) (b) and (c) of **Paurashava Budget (preparation and approval) Rules, 1999** for preparing annual statement, indicating (1) Budget of current year, (2) Actual budget execution, and (3) the difference between budget and actual execution. Some paurashava might want to indicate actual budget execution of the previous year as well.

The budget items indicated in the annual statement should be same as the ones of Form Ka and Form Kha (a) (b) and (c).

The following table shows the example of annual statement of Revenue account Part 1, which is relevant to Form Kha (a) Part 1.



# FORM 91

(Vide rule 248 and 249)

**Annual Account of the .....Municipality for the year ending.....**

Receipts				Disbursements			
1				2			
Revenue (Head as in prescribed list)	Estimate	Actual	Estimate - Actual	Expenditure (Head as in prescribed list)	Estimate	Actual	Estimate - Actual
1	2	3	4(2-3)	5	6	7	8(6-7)
<b>Taxes</b>				<b>General Establishment</b>			
Holding Tax	20,00,000	18,50,500	1,49,500	Honorarium of Mayor and Councillors	9,00,000	8,20,000	80,000
Tax on Immovable Property	15,00,000	13,20,000	1,80,000	Salary (except water section)	22,00,000	20,60,000	1,40,000
Building Construction and Reconstruction	2,00,000	1,50,000	50,000	Transfer to Gratuity Fund	3,05,000	2,90,000	15,000
Profession, Business and Calling	--			Transport Repair and Fuel	3,60,000	3,50,000	10,000
Birth and Marriage	50,000	45,000	5,000	Telephone	55,000	50,000	5,000
Advertisement	1,00,000	50,000	50,000	Electricity Bill	1,00,000	85,000	15,000
Pet Animal				Others	6,00,000	5,50,000	50,000
Cinema, Theatre and Audio Visual	30,000	25,000	5,000	<b>Education Expenses</b>			
Transport	30,000	25,000	5,000	Salary (Teachers and Staff)	3,00,000	2,90,000	10,000
<b>Rate</b>				Books of Library	30,000	20,000	10,000
Lighting	9,00,000	8,00,000	1,00,000	Others	20,000	5,000	15,000
Conservancy	20,00,000	17,00,000	3,00,000	<b>Health and Sanitation</b>			
Water	25,00,000	23,00,000	2,00,000	Medicine and Treatment	6,00,000	4,50,000	1,50,000
<b>Fees</b>				EPI	2,00,000	1,75,000	25,000
License	25,00,000	24,00,000	1,00,000	Drain Cleaning	3,00,000	2,00,000	1,00,000
Slaughtering	60,000	50,000	10,000	Solid waste cleaning	6,00,000	5,30,000	70,000
Paura Market	24,00,000	22,00,000	2,00,000	Tools as cleaning equipment	1,00,000	80,500	19,500
Fair and Agricultural Exhibition	--			Tax Collection Expense	1,20,000	1,05,000	15,000
Others	5,00,000	4,00,000	1,00,000	Plantation	1,00,000	80,000	20,000
<b>Others</b>				Donation to Social and Religious Institutions			
Hat-Bazar Lease	20,00,000	19,00,000	1,00,000	Social Institutions	2,00,000	1,80,000	20,000
Bus stand Lease	5,00,000	4,00,000	1,00,000	Religious Institutions	3,00,000	2,50,000	50,000
Ferighat Lease	3,00,000	2,00,000	1,00,000	Land Development Fee	10,000	7,500	2,500
Graveyard/Buried Place	50,000	25,000	25,000	Audit Expenses	--	-	-
Road Roller/Mixer Machine Rent	2,00,000	1,50,000	50,000	Legal Expenses	1,00,000	80,000	20,000
Compensation for Road cutting	5,00,000	4,50,000	50,000	Celebration of National Days/Festivals	1,60,000	1,20,000	40,000
Various Certificate	3,00,000	2,00,000	1,00,000	Sports and Culture	1,50,000	1,00,000	50,000
Various Form	40,000	10,000	30,000	Emergency Relief	2,00,000	1,50,000	50,000
Tender Schedule	2,00,000	50,000	1,50,000	Transfer to Development Account	1,11,50,000	1,03,30,000	8,20,000
Fine	30,000	10,000	20,000				
Government Donation (Except Development Grant)	5,00,000	4,00,000	1,00,000				
<b>Total of Receipts</b>	<b>1,93,90,000</b>	<b>1,71,10,500</b>	<b>22,79,500</b>	<b>Total of Expenditure</b>	<b>1,91,60,000</b>	<b>1,73,58,000</b>	<b>18,02,000</b>
<b>Opening balance</b>	<b>3,20,000</b>	<b>1,010,500</b>		<b>Closing balance ...</b>	<b>5,50,000</b>	<b>7,63,000</b>	
<b>Total</b>	<b>1,97,10,000</b>	<b>1,81,21,000</b>		<b>Total</b>	<b>1,97,10,000</b>	<b>1,81,21,000</b>	

This format is most useful when examining if all receipts and expenditures are not exceeding the approved budget. The same statement should be prepared for Form Kha (a) Part 2, Form Kha (b) and Form Kha (c).

However, this is not sufficient to look at the overview of the budget executions. Therefore it is recommended to summarize the budget executions, following Form Ka of Paurashava Budget (preparation and approval) Rules 1999, and Form 91 of Bengal Municipal Account Rules 1935.

Such format is as depicted as follows;

Particulars	Estimate-Tk.	Actual-Tk	Estimate - Actual – Tk.
<b>A. Revenue account</b>			
Income from Part-1	1,250,000	1,190,000	+60,000
Income from Part-2	800,000	790,000	+10,000
<b>Total Income :</b>	<b>2,050,000</b>	<b>1,980,000</b>	<b>+70,000</b>
<b>Less: Revenue Expenditure</b>			
Part-1	750,000	700,000	+50,000
Part-2	626,000	600,000	+26,000
<b>Total Expenditure:</b>	<b>1,376,000</b>	<b>1,300,000</b>	<b>+76,000</b>
<b>Total revenue surplus</b>	<b>674,000</b>	<b>680,000</b>	<b>-6,000</b>
<b>B. Development account</b>			
Government Grant	1,000,000	900,000	+100,000
Revenue surplus	674,000	680,000	-6,000
Others	-	-	
<b>Total :</b>	<b>1,674,000</b>	<b>1,580,000</b>	<b>+94,000</b>
<b>Less: Development expenditure</b>	<b>1,520,000</b>	<b>1,500,000</b>	<b>+20,000</b>
<b>Overall Surplus/shortage</b>	<b>154,000</b>	<b>80,000</b>	<b>+74,000</b>
<b>Add: Opening balance</b>	<b>36,000</b>	<b>36,000</b>	<b>0</b>
<b>Closing balance:</b>	<b>190,000</b>	<b>116,000</b>	<b>+74,000</b>
<b>C. Capital account</b>			
Total income :	50,000	40,000	+10,000
Total expenditure :	40,000	30,000	+10,000
<b>Closing balance of capital account :</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>

## 4. Others

In additions to the forms explained above, there are several more formats which are supposed to be filled every quarter.

### **The Bengal Municipal Account Rules, 1935**

**225.** The Vice-Chairman shall at least once a quarter review the Register of Works (see rule 167), the Stores Registers (see rule 168 and 169), the Indent Register (see rule 171), the Register of Unpaid Bills (see rule 219) and the Register of Lands (see rule 256) and shall submit to the Commissioners at a meeting, a consolidated balance sheet in **Form 84** showing their assets and liabilities.

The Chairman shall submit a copy of the balance sheet to the District Magistrate not later than the 20<sup>th</sup> day after the close of the quarter to which the statement relates.



Major ledgers and records as mentioned in the Table below are supposed to be maintained by the Paurashava as per The Bengal Municipal Account Rules, 1935 for transparent operations.

Sl. No.	Forms /Register for Accounting Requirement
1	Consolidated Balance Sheet
2	Stock and Store Register
3	Statement of receipts, issues and balance of stock
4	Advance Ledger
5	Loan Register
6	Register of Unpaid Bills
7	Quarterly and Annual Accounts of Receipts
8	Quarterly and Annual Accounts of Payments
9	Register of Bank cheque book

### **4.1. Consolidated balance sheet**

Consolidated balance sheet is prepared to know the financial position of Paurashava at the end of the year. The user of it can easily understand about the assets and liabilities of the concerned Paurashava.

It serves the internal and external stakeholders of the paurashava such as Paurashava management, controlling authority, investors, donor agencies, suppliers, contractors, overall the citizen of the Paurashava.

The format of the consolidated balance sheet is as follows;

**FORM 84**

**(Vide rule 225)**

.....of .....on.....

**Consolidated balance sheet showing assets and liabilities of the  
Municipality**

<u>Liabilities</u>			<u>Assets</u>		
Sl. No.		Taka.	Sl. No.		Taka.
1	<b>Loan</b>				
2	Special Fund balance (a) Provident Fund (b) Trust and endowment funds and special funds		1	Value of block (a) Item financed out of loan (b) Other Item	
	2		General Assets		
3	Paper securities of contractors				
4	Securities of Municipal		3	Government and other securities (market value)	
5	Cash deposits		4	Interest accrued but not realised	
6	Other Liabilities		5	Advances	
7	The excess of the value of block plus the closing balance of the loan funds over the loan liabilities of the municipality		6	Value of stores in hand	
8	Balance of the revenue fund if the assets exceed the liabilities		7	Paper securities of contractors	
			8	Securities of municipal employees- (a) Government paper (b) Cash in Post office savings bank	
			9	Provident Fund- (a) Market value of paper securities (b) Cash in Post office savings bank (c) Cash value of postal cash certificate	
			10	Cash balance- (a) Municipal Funds (b) Loan Funds (c) Other Funds	
				Closing entry if the liabilities exceed the assets	
<b>Total</b>				<b>Total</b>	

**Loan Account (1)**

Capital account (loan account Tk. ----- Sanctioned in Government order no).

## 4.2. Stock and store register

Stock and store register shows different types of materials receipts and issues in the paurashava. This register is used for item wise material record keeping. Management can easily understand about how may quantity have purchased and issued for using the material. They can monitor the utilization of materials, justification purchase requirement, value of stock materials, etc. It can contribute the best utilization of materials.

### FORM 62

(Vide rule 168)

#### Stock and store register of the .....Municipality. Name of article.....

Balance	Received				Total	Issued			Balance	Value of stores	Signature of officer, in acknowledgement of his having received the articles	Remarks
	Date	No. and date of voucher for purchase	Number of articles	Value of stores		Date	Purpose for which issued	Number of articles				
1	2	3	4	5	6	7	8	9	10	11	12	13

## 4.3. Statement of showing receipts, issues and balance of stock:

This statement is used to know the stock amount and value of it on a particular month. Management can understand about the purchase and using quantity of materials, purchase quantity level and value of closing stock also.

### FORM 64

(Vide rule 169)

#### Statement of showing receipts, issues and balance of stock for the month of ..... year .....

Description	Unit	Balance remaining in store as per last month's return	Receipts during the month	Total	Issue during the month.	Balance remaining in store at the end of this month	Value of stock in hand	Re-marks
1	2	3	4	5	6	7	8	9

#### 4.4. Advance Ledger

Advance ledger is used for individual staff wise recording of advance made for official purpose and recovered/adjusted amount in detail information given in the table showing below. Management can easily understand staff wise advance balance from this ledger, and aware to recover it.

#### FORM 70

(Vide rule 183)

Name:

Advance made					Advance recovered or adjusted					Debit balance after each transaction
Date	Purpose	No. of Voucher	Amount TK.	Total	Date	Whether in cash or by work bill	No. of item in each task, if recovered in cash or No. of voucher if adjusted by work bills	Amount TK.	Total	
1	2	3	4	5	6	7	8	9	10	11

## 4.5. Loan Register

Loan register is used for recording of receipt and repayment of loan amount (principal and interest) with detail information given in the table showing below.

In this ledger the amount deposited into the sinking fund is recorded in separate column also. Loan repayment principal and interest amount recorded here separately. Management can understand the loan balance amount on a particular date.

### FORM 75

(Vide rule 192)

### Loan Register

**Amount of loan of Tk:..... received from ..... as per ----**

#### Conditions of Loan

To bear interest at ...percent to be paid half-yearly on -----, and to be repaid by half-yearly installments

of Tk.----- (in addition to accruing interest) or (within --- years) or (in ---- equal installments) or (by half-yearly/yearly) payment of Tk. .... (into a sinking fund).

Receipt		Payment							Payment into the Sinking Fund		Remarks
		Of Principal			Of Interest						
Date	Amount	Amount	Voucher No. and date	Balance	Period	Amount on w hich due	Amount paid	Voucher No. and date	Amount paid	Voucher No. and date	
1	2	3	4	5	6	7	8	9	10	11	12
	Tk.	Tk.		Tk.		Tk.	Tk.		Tk.		

#### 4.6. Register of Unpaid bills

Approved unpaid bill is recorded in this register.

Management can understand about the outstanding balance of unpaid bills from this register in detail. The details of bill and reason for withholding payments, payment amount with date against bill are recorded as following the format given below.

**FORM 81**

(Vide rule 219)

### Register of Unpaid bills

Serial No and Order Book No.	Date	Particulars	Amount of bill	Reason for withholding payments	Payments		Balance outstanding on 30 <sup>th</sup> June	Remarks
					Date	Amount		
1	2	3	4	5	6	7	8	9
Total								



## Annex 1: Calculation of closing balance by accumulated total receipts and payments

At paurshavas, there are mainly two methods to calculate the closing balance of the day, as in (a) and (b).

(a)	[Closing balance (of the day)] = [Opening balance] + [Total receipts of the day] – [Total payments of the day]
(b)	[Closing balance (of the day)] = [Opening balance of the year] + [Total accumulated receipts of the period/year] – [Total accumulated payments of the period/year]

In (a), [Closing balance (of the day)] is calculated from [Total receipts of the day] and [Total payments of the day].

In (b), [Closing balance (of the day)] is calculated from [Total accumulated receipts of the year] and [Total accumulated payments of the year].

In this operational handbook, (a) is recommended to all paurashavas, and the examples of this handbook were explained based on this. However, as there are some paurashavas which employ (b) in the calculation of closing balance, (b) is explained in this annex.

An example of the accountant's cashbook for Revenue account Part 1 of a paurashava is as in the table below. In this example, the closing balance of the day will be calculated by [Total accumulated receipts of the year] and [Total accumulated payments of the year].

## Example of an accountant's cashbook (2<sup>nd</sup> July) for Revenue account Part 1

Cash Book  
(Form: 83 Vide rule:187 and 221)  
Municipality: XXXX  
For the Month of :.....

Date	Memo/ money receipt No.	Particulars of Receipt	Taka	Total of each memo / money receipt	Name of sector of abstract register	Date	Particulars of payment	Voucher no.	*Amount of money	Cheque No.	Amount in the cheque	Abstract Register/L edger/ Folio
1	2	3	4	5	6	7	8	9	10	11	12	13
2-Jul	7541-52	Holding Tax	34,350		1	2-Jul	Salary	5	25,000	7890386	25,000	1
2-Jul	7801-14	Lighting Rate	23,300		1	2-Jul	Fuel	6	6,900	7890387	6,900	1
2-Jul	7465-72	Conservancy Rate	117,050		1	2-Jul	EPI	7	7,500	7890388	7,500	1
2-Jul	8135-40	Trade License Fee	7,000		1	2-Jul	Drain Cleaning	8	5,400	7890389	5,400	1
2-Jul	8192-8211	Slaughtering House	5,000		1	2-Jul	Plantation	9	8,000	7890390	8,000	1
2-Jul	8213-15	Rent of Paura Market	6,000		1	2-Jul	Tax collection expenses	10	5,000	7890391	5,000	1
2-Jul	8222-35	Roller Rent	5,000		1	2-Jul	Sports and Culture	11	4,000	7890392	4,000	1
2-Jul	8311-49	Hatbazar	20,675	218,375	1	2-Jul	Transfer to Dev't Account	12	9,30,000	7890393	9,30,000	1
		<b>Total receipts of the day</b>		218,375			<b>Total payments of the day</b>				61,800	
		<b>Accumulated Total receipt</b>		293,105			<b>Accumulated Total payments</b>				73,750	
		<b>Opening balance of the year</b>		1,010,500			<b>Closing Balance</b>				1,229,855	
		<b>Grand total</b>		1,303,605			<b>Grand total</b>				1,303,605	

At the bottom of the accountant's cashbook, the closing balance of the day is calculated every day.

### How to fill accountant's cashbook (left side: Receipts)

The left side of the accountant's cashbook, which is enlarged in the following table, shows the receipts, such as receipts of tax, rates and fees.

**Example of an accountant's cashbook (2<sup>nd</sup> July) for Revenue account Part 1,  
Receipts**

Date	Memo/ money receipt No.	Particulars of Receipt	Taka	Total of each memo / money receipt	Name of sector of abstract register
1	2	3	4	5	6
2-Jul	7541-52	Holding Tax	34,350		1
2-Jul	7801-14	Lighting Rate	23,300		1
2-Jul	7465-72	Conservancy Rate	117,050		1
2-Jul	8135-40	Trade License Fee	7,000		1
2-Jul	8192-8211	Slaughtering House	5,000		1
2-Jul	8213-15	Rent of Poura Market	6,000		1
2-Jul	8222-35	Roller Rent	5,000		1
2-Jul	8311-49	Hat-bazar	20,675	<b>218,375</b>	1
		<b>Total receipts of the day</b>		<b>218,375</b>	
		<b>Accumulated Total receipt</b>		<b>293,105</b>	
		<b>Opening balance of the year</b>		<b>1,010,500</b>	
		<b>Grand total</b>		<b>1,303,605</b>	

In this example, a total of TK. 218,375 was registered as [total receipt of the day]. [Accumulated Total Receipt] is TK.293,105. This is calculated adding [Total receipt of the day] to [Accumulated Total receipt] of the previous day.

[Grand total] which is calculated from adding [Opening balance of the year] to [Accumulated total receipt] is indicated at the bottom of the sheet.

**How to fill accountant's cashbook (right side: Payment)**

The right side of the accountant's cashbook, which is enlarged in the following table, shows the payments, such as salary payments or telephone bills.

**Example of an accountant's cashbook (2<sup>nd</sup> July) for Revenue account Part 1,  
Payments**

Date	Particulars of payment	Voucher no.	*Amount of money	Cheque No.	Amount in the cheque	Abstract Register/ Ledger Folio
7	8	9	10	11	12	13
2-Jul	Salary	5	25,000	7890386	25,000	1
2-Jul	Fuel	6	6,900	7890387	6,900	1
2-Jul	EPI	7	7,500	7890388	7,500	1
2-Jul	Drain Cleaning	8	5,400	7890389	5,400	1
2-Jul	Plantation	9	8,000	7890390	8,000	1
2-Jul	Tax collection expenses	10	5,000	7890391	5,000	1
2-Jul	Sports and Culture	11	4,000	7890392	4,000	1
2-Jul	Transfer to Dev't Account	12	9,30,000	7890393	9,30,000	1
	<b>Total payments of the day</b>				<b>61,800</b>	
	<b>Accumulated Total payments</b>				<b>73,750</b>	
	<b>Closing Balance</b>				<b>1,229,855</b>	
	<b>Grand total</b>				<b>1,303,605</b>	

At the bottom of the page, [Total payments of the day] and [Accumulated total payments] are indicated. [Accumulated total payments] which shows the total payments since the beginning of the fiscal year, can be calculated from adding [Total payment of the day] to [Accumulated total payments] of the previous day.

Then [Closing Balance] of the day is indicated on this sheet. [Closing balance] of the day will be calculated as follows;

$$\begin{aligned}
 &[\text{Opening balance of the year}] \\
 &+ [\text{Accumulated Total receipts}] - [\text{Accumulated Total Payments}] \\
 &= [\text{Closing balance (of the day)}]
 \end{aligned}$$

[Grand Total], which is obtained by adding [Accumulated Total Payments] to [Closing balance] is indicated at the bottom of page. This must equal to the [Grand Total] indicated on the left side of the accountant's cashbook.

**(i) Closing accountant's cashbook at the end of the day**

**Calculation of closing balance by accountant**

An accountant's cashbook is closed every day, and receipts and payments of the following day should be registered in the following pages (receipts and payments of more than one day should not be registered on the same page). Upon closing accountant's cashbook, the closing balance is calculated.

As mentioned above, [Closing balance] in this case will be calculated from [Opening balance of the year], [Accumulated Total Receipts] and [Accumulated Total Payments] as follows;

$$\begin{aligned}
 &[\text{Opening balance of the year}] \\
 &+ [\text{Accumulated Total receipts}] - [\text{Accumulated Total Payments}] \\
 &= [\text{Closing balance (of the day)}]
 \end{aligned}$$

**<Day 1, 15<sup>th</sup> September>**

Debit		Credit	
Receipt		Payment	
Receipt (1)	100	Payment (1)	200
Receipt (2)	100	Payment (2)	100
Total receipt of the day	200	Page total (Payment)	300
Accumulated total receipt	5,200	Accumulated total payment	5,500
Opening balance of the year	3,200	Closing balance	2,900
Grand total	8,400	Grand total	8,400

In this case, the paurashava received TK 200 on this day, and the accumulated total receipt from the beginning of the year is TK.5,200. The opening balance of the year was TK. 3,200.

At the same time, the total payment of this day was TK. 300, and the accumulated total payments of the year was TK.5,5500.

Then, closing balance of the day, which is calculated as [Opening balance of the year] + [Accumulated total receipts] - [Accumulated total payments] is TK. 2,900.

**<Day 2, 16<sup>th</sup> September>**

Debit		Credit	
Receipt		Payment	
Receipt (3)	600	Payment (5)	200
Receipt (4)	300	Payment (6)	200
		Payment (7)	100
Total receipt of the day	900	Page total (Payment)	500
Accumulated total receipt	6,100	Accumulated total payment	6,000
Opening balance of the year	3,200	Closing balance	3,300
Grand total	9,300	Grand total	9,300

[Total receipts of the day] is TK.900, and [Accumulated total receipts] is TK. 6,100, as the accumulated total of the previous day was TK. 5,200.

Similarly, [Total payment of the day] is TK. 500, and [Accumulated total payment] is TK. 6,000, as the accumulated total payments was TK. 5,500.

[Closing balance] is then TK. 3,300, which is calculated as [Opening balance of the year] TK. 3,200 + [Accumulated total receipts] TK. 6,100 - [Accumulated total payments] TK .6,000.

**Checking of accountant's cashbook by secretary and mayor**

The daily entries of the accountant's cashbook are checked both by accountant and secretary.

**Secretary** checks every day;

- (i) whether all the entries are made based on vouchers (e.g. deposit slips or money receipts),
- (ii) whether the closing balance is appropriately calculated (e.g. Opening balance + total receipts – total payments = closing balance)

### Checkpoints of cashier's cashbook

Debit		Credit	
Receipt		Payment	
Receipt (3)	600	Payment (5)	200
Receipt (4)	300	Payment (6)	200
		Payment (7)	100
Total receipt of the day	900	Page total (Payment)	500
Accumulated total receipt	6,100	Accumulated total payment	6,000
Opening balance of the year	3,200	Closing balance	3,300
Grand total	9,300	Grand total	9,300
Accountant		Secretary	

(i) Check the consistency with vouchers.

(iii) Check if the calculation is correct.

### Cashier's cashbook

Note: Get the signature of accountant after cash is deposited in bank deposite (every day).

**Singnature**

**Secretary**



### Accountant's cashbook

Form No- 83 (vide Rule No. 187 and 221)

## Cashbook

For ..... Pourashava of .....month

[illegible]

Note: Do not enter the transactions of more than one day.

Signature

Signature

Signature

Accountant

Secretary

Mayor

## Cheque Register

<b>Name of Bank</b>	:	
<b>Branch</b>	:	
<b>Account No</b>	:	
<b>Account Type</b>	:	

Date	No. of Cheque	Name of Payee	Head of Accounts	Amount- Tk.	Signature Secretary	Signature Mayor	Remarks

## Payment Voucher Form

<b>Monogram</b>  <b>Date:</b> Paid To:..... ..... Cheque No:.....	<b>.....Paurashava</b> <b>Payment Voucher</b>  <b>Voucher No:</b>  Bank Name and Account No:.....
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Head of Accounts	Particulars	Taka
<b>Total</b>		.....

Taka in word:.....

<b>Received by</b>	<b>Accounts officer/ Accountant</b>	<b>Chief Executive Officer/ Secretary</b>	<b>Mayor</b>
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**Abstract Register of Receipts of Revenue Account Part 1, Form 86 (vide rule 186 & 240)**

[illegible]

**Abstract Register of Payments of Revenue Account Part 1, Form 87 (vide rule 240)**

[illegible]

**Abstract Register of Receipts and Payments of Revenue Account Part 2, Form 86 (vide rule 186 & 240)**

[illegible]

**Abstract Register of Receipts and Payments of Development Account, Form 86 (vide rule 186 & 240**

[illegible]

### Quarterly and Annual Account of Receipts

Form 89

(Vide rules 180 and 243)

Quarterly and Annual Account of Receipts of the Municipality of .....for the year .....

[illegible]

### Quarterly and Annual Account of Payments

Form 90  
(Vide rule 247)

Quarterly and Annual Account of Payments of the Municipality of .....for the year .....

[illegible]



## Annual Statement

### FORM 91

(Vide rule 248 and 249)

#### Annual Account of the .....Municipality for the year ending.....

Receipts				Disbursements			
1				2			
(Head as in prescribed list)	Budget	Actual	Variance	(Head as in prescribed list)	Budget	Actual	Variance
	Tk.	Tk.	Tk.		Tk.	Tk.	Tk.
Opening balance							
...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...
Sub-Total	...	...	...	Sub-Total	...	...	...
				<i>Closing balance</i>	...	...	...
Grand Total	...	...	...	Grand Total	...	...	...