



UNIVERSITY OF DELHI

दिल्ली विश्वविद्यालय

No. IAUS-III/314-35/Cash Book/2016/952

Dated 10.11.2016

18.11.2016

CIRCULAR

Subject: - **Physical verification of Cash Book and Cheque Books**

Scrutiny of cashbook and cheque book maintained in the Finance Sections revealed the following glaring inconsistencies which require immediate remedial action:


- i. Counterfoils are not being filled by the dealing assistant.
- ii. Cheque books are being kept with Section Officer / Dealing Assistant of the branch;
- iii. Entries in cash book are not being attested by the Competent Authority;
- iv. Counterfoils are not being signed by the Competent Authority;
- v. Cuttings and overwriting in cash book are not being initialed by Competent Authority.

2. In order to obviate probable irregularity and to streamline the procedure for maintenance of cash book and cheque books, the following guidelines are being issued which should be complied with scrupulously:

- i. Every entry in the Cash Book will be made in ink neatly and correctly so as to avoid corrections as far as far as possible on a day-to-day basis;
- ii. Erasing or overwriting in the cash book are strictly prohibited. If any mistake creeps in, it should be corrected by circling the incorrect entry and putting the correct figure above the same. Each and every correction should bear dated initial of the DDO;
- iii. Each folio of the Cash book should be machine page numbered and DDO should verify the number of pages in cash book and endorse a certificate to the effect in the opening page;
- iv. All transactions should be entered in the cash book as soon as they occur;
- v. Cheque / Draft should be considered as cash. The same should be entered in the cash book immediately on receipt of the same. Date of encashment of said cheque / draft should be entered in the cash book;
- vi. Cash book should be closed and reconciled at the end of each day. Any transaction arising after the closure of cash book for the day require the sanction of the Competent Authority. The closing balance is required to be mentioned in figures and words duly initialed by the cashier and DDO;
- vii. DDO is expected to personally verify all the entries in the cash book with original documents i.e. receipt book counterfoil, bill register, cheque register, vouchers, payment receipts etc. and initial each entry in the cash book having verified the correctness of the entries made therein;

- viii. Closing balance of cash book should be reconciled daily at the bottom of the folio of the cash book and cash transaction folder to assess first hand information about the transactions related to un-disbursed amount or the instrument issued for which cash is not credited to University's account should be spelt out citing reference to relevant vouchers etc;
- ix. At the end of the month, the Head of Office should verify the cash balance in the cash book and cash in hand and record a certificate to that effect in the cash book with his dated signature;
- x. The monthly verification of cash should be supplemented by a surprise check of cash by some responsible official to be nominated by the Head of Office.
- xi. Any temporary advance when made out of Departmental Cash should be recorded in the cash book. There are columns in the cash book for the purpose of recording advances and their adjustments. In offices where there are number of cases of advances, it is better to open a separate advance register and sum of the transaction of the day may be entered in the cash book in the relevant column;
- xii. The Officer who handles University money should not, except with the special sanction of the Head of Office, be allowed to handle non-university funds. Separate accounting books should be maintained to account for University and Non-University funds;
- xiii. No money shall be drawn from University account unless it is required for immediate disbursement;
- xiv. The money received by University shall be deposited into the Bank immediately latest by the next working day. No official is authorized to make expenditure out of departmental receipts except with the special sanction of the Competent Authority;
- xv. As soon as any misappropriation of loss or shortage of money is detected, the Head of Office / DDO shall forthwith report the matter to higher authority and the Finance Officer and initiate action to recover the loss.
- xvi. Based on the bank statement received from the bank and cash book maintained by the section, a Bank Reconciliation Statement should be drawn up every month explaining the difference between balance shown in bank statement and corresponding amount shown in cash book.

It is pertinent to mention here that the broad guidelines spelt out above are supplementary to and in amplification of the rules on the subject and nothing in it will be held to supersede any of the standing rules or regulations or orders of the Government of India with which it may be at variance.


(Z.V.S. Prasad)
Finance Officer

Copy to:-
As per mailing list