



**GOVERNMENT OF KARNATAKA
URBAN DEVELOPMENT DEPARTMENT**

**KARNATAKA MUNICIPAL ACCOUNTING MANUAL
VOLUME 2 - CHART OF ACCOUNTS**



MRC
driving municipal reforms

MUNICIPAL REFORMS CELL

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"Karnataka Municipal Accounting Manual Volume 2 - Chart of Accounts"

Updated June 2009

June, 2009
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Published by
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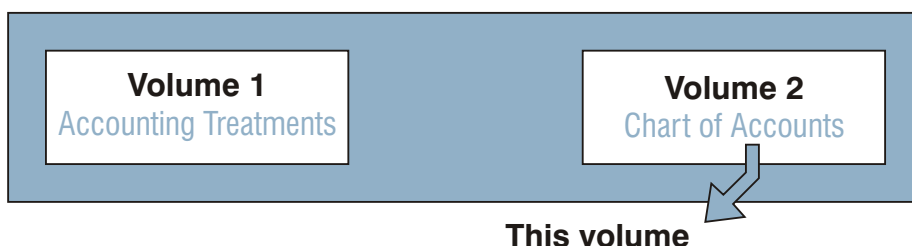
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CHART OF ACCOUNTS

Chart of Accounts

Introduction

1.1 This manual is intended to provide guidance on the accounting treatments, financial statements and reporting requirements in municipalities at the state level.



Volume 1 - Accounting Treatments

1.2 Volume I covers the accounting treatment of common municipal financial transactions. It is a policy guide as well as a repository of transaction entries that need to be passed in case of various municipal activities. This Volume is the central document of the Manual.

Volume 2 - Chart of Accounts

1.3 Volume 2 records in detail, the coding system and the standard list of accounts which shall be used for municipal accounting in all municipalities. This Volume shall be referred to, for identifying the exact head of account to which a transaction, referred to in Volume I, needs to be debited / credited.

Chart of Accounts Structure

1.4 The Chart of Accounts provides the structure for recording and reporting financial transactions in a uniform manner by all municipalities. A common understanding and usage of

the accounts, facilitates not only a comparison across municipalities but also over different time periods and consolidation at the State level.

1.5 The National Municipal Accounting Manual (NMAM) released by the Ministry of Urban Development and Poverty Alleviation in December 2004, has recommended a uniform structure, for chart of accounts across the country. The NMAM allows the states to develop their own detailed account heads for accounting. The NMAM recommended structure has been adapted in Karnataka Municipalities Accounting and Budgeting Rules (KMABR), 2006, with modifications to suit the requirements of our municipalities.

- 1.6 The structure of the account codes shall be based on the following fields:
- Fund
 - Function
 - Account Code

1.7 The Government laid down the account codes (Schedules IVA to IVD to the Karnataka Municipalities Accounting and Budgeting Rules, 2006) upto sub-minor code (4 digits) level. The Detail Code (last two digits) shall be decided by the ULBs, depending on their information needs. The codification structure is explained below.

Codification Structure

1.8 The Chart of Accounts is based on numeric codes. The codification structure satisfies the requirement to have a proper budgeting and accounting system. The account codes are linked to Fund codes to give fund accounts and financial statements. The account codes, linked to function codes, enable budgetary control and analysis. Thus, the codification structure achieves the twin objectives of accounting, and budgetary control.

1.9 The codification structure is diagrammatically presented as follows :

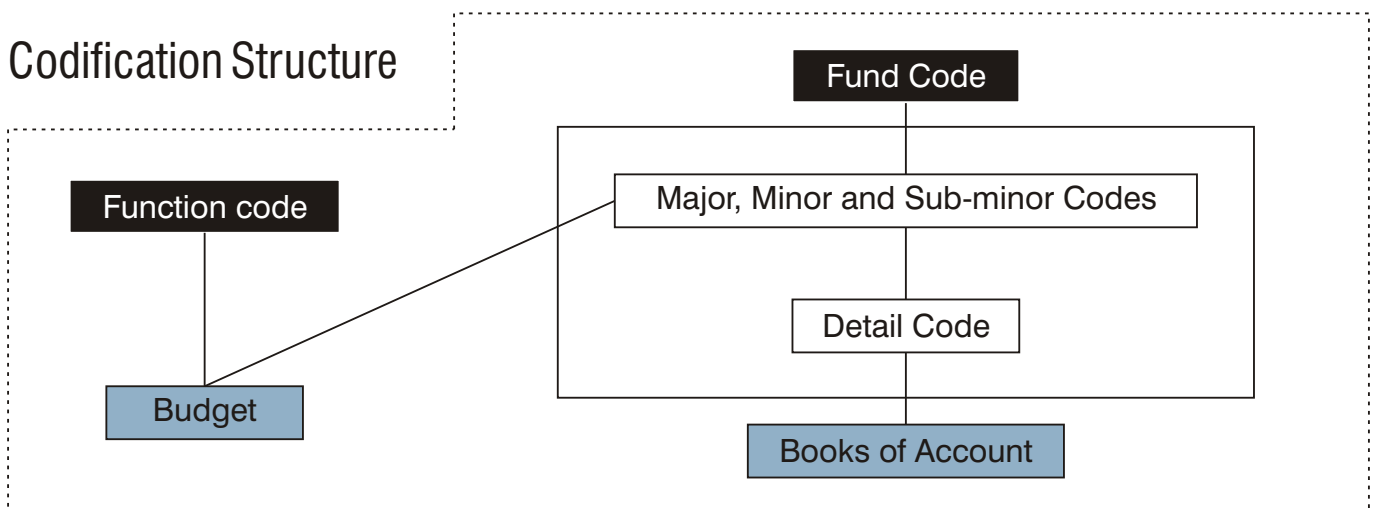


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Fund

1.10 Under this structure, the ULBs shall identify their transactions with appropriate 'Funds'. There are three Funds General Fund, Water Supply & Sewerage Fund, and Enterprise Fund. The basic fund coding, as given in Schedule II to KMABR, 2006, is shown below :

Code	Fund	Description
101	General Fund	This is the residual Fund, and all transactions which cannot be classified under either Water Supply and Sewerage Fund or Enterprise Fund are accounted under this Fund. All assets, liabilities, incomes and expenses pertaining to this Fund are accounted here.
102	Water Supply and Sewerage Fund	All transactions pertaining to Water Supply and Sewerage activities of the ULB are accounted under this fund code. All assets, liabilities, incomes and expenses pertaining to this Fund are accounted here.
201	Enterprise Fund	Transactions pertaining to commercial activities which the ULB carries out such as commercial complex lease, etc. All assets, liabilities, incomes and expenses pertaining to this Fund are accounted here.

1.11 Accounting of transactions using the account codes as explained in the preceding paragraphs, prefixed by the applicable fund code will furnish separate fund-wise books of account.

Functions

1.12 'Functions' represent the various activities or services (obligatory or optional) carried out by the ULB, for example, "City and Town Planning", "Public Health", "street lighting", etc. Budgets are prepared based on functions. The use of functions in budgeting is to ensure that the ULB plans the various services or activities it is going to undertake during a particular year, and matches the cost of such services or activities with the resources. The different functions and function groups to be used by the ULBs are given in Schedule III to KMABR, 2006. The function code has 2 digits. The first digit denotes the function group, and the next digit denotes the individual function.

1.13 The structuring of "Functions" is based on the structure prescribed in the National Municipal Accounting Manual. The "Function Groups" which are mandatory are retained in entirety, whereas from the "list of Functions", only those which are most relevant for ULBs of Karnataka are adopted for the sake of simplicity. The Function codes are the same as prescribed in the National Municipal Accounting Manual.

1.14 Schedule III prescribes 10 function groups, and within these function groups, it prescribes 37 functions. Under each Function Group, the first Function represents the General or Residual Function which can be used if the transaction is not covered by specific functions prescribed within that Group. For example, under the Function Group General Administration (Group Code '0'), it has four functions, namely, General Administration-General (Function Code '00') which is the residual function, and, General Administration-Municipal Body (Function Code '01'), General Administration-Estate (Function Code '06'), and General Administration-Census (Function Code '09').

1.15 The account code, headed by the 'function code' forms the 'budgeting code'. The main advantage of having budgeting codes linked to accounting codes is 'Budgetary control'. In this case, the actuals can be compared with the budget at any point of time, or at periodical intervals, to generate 'Variance Analysis' reports. Causes for 'favourable' and 'unfavourable' variances can be analysed, and control can be exercised on items showing unfavourable variances.

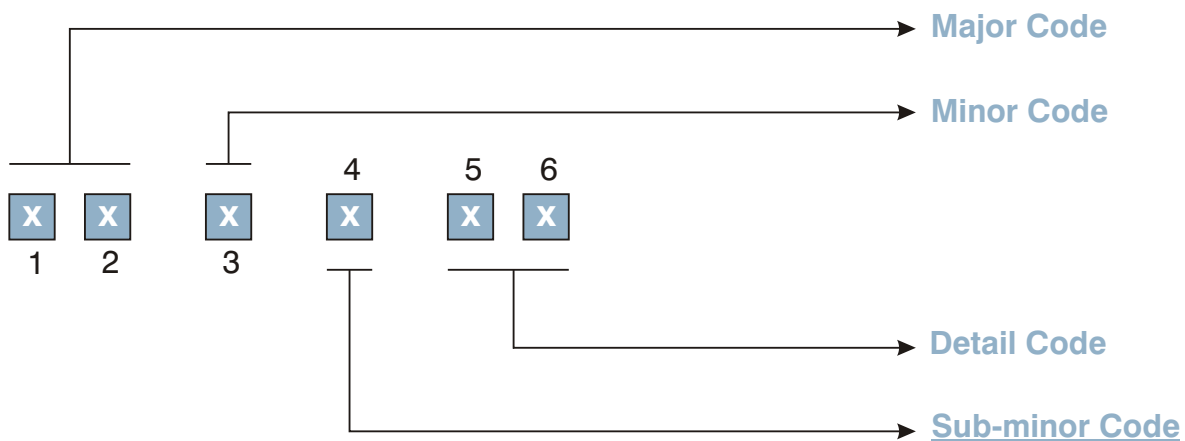
1.16 The use of “functions” in the budget is explained in detail in Volume 1, Chapter 26 Budget and Budgetary Control.

Account Codes:

1.17 The Account codes are made up of six (6) digits, consisting of :

- a. Major Code (2 digits)
- b. Minor Code (1 digit)
- c. Sub-minor Code (1 digit)
- d. Detail Code (2 digits), to be added at the ULB level

The Account Code structure is shown below:



1.18 The Major Code, Minor Code and Sub-minor Code for each account code are prescribed in the following Schedules to KMABR, 2006:

- Schedule IVA : for income account heads
- Schedule IVB : for expense account heads

Chart of Accounts

- Schedule IVC : for liability account heads and
- Schedule IVD: for asset account heads

Major Codes

1.19 The Major Code is made up of 2 digits. The first digit is 1, or 2, or 3, or 4 indicating the nature or type of the account.

- '1' denotes an account of the type 'Income'
- '2' denotes an account of the type 'Expense'
- '3' denotes an account of the type 'Liabilities'
- '4' denotes an account of the type 'Assets', including 'Deferred Expenditure to be written off'

1.20 The second digit of the Major Code denotes the group codes for the various head of accounts. For example,

- Code 1-1 denotes accounts belonging to the group 'Tax Revenue'
- Code 2-1 denotes accounts belonging to the group 'Establishment Expenses'
- Code 3-8 denotes accounts belonging to the group 'Other Liabilities'
- Code 4-1 denotes accounts belonging to the group 'Fixed Assets'

The financial statements of a ULB shall be drawn at the Major Code level, i.e., using 2 digit account codes.

Minor and Sub-minor Codes:

1.21 The Minor Code and the Sub-Minor Codes are of 1 digit each. They provide the next two levels of grouping of accounts. For example, to the Major Code 13 relating to 'Rental Income from Municipal Properties', Minor Codes "1', '2', '3', '4', '8', and '9' are added to give the following classifications :

Rent from Civic Amenities	13-1
Rent from Municipal Buildings	13-2
Rent from Travellers Bungalow & Guest Houses	13-3
Rent from Lease of Lands	13-4
Other Rents	13-8
Rent-Remission and Refund	13-9

1.22 To each of the above Minor Codes, sub-minor codes are added for further sub-classification of rental income. For example, under "Rent from Civic Amenities (13-1)", the following sub-classifications are created :

Rent from Markets	13-1-1
Rent from Kalyan Mandapas & Auditoriums	13-1-2

Rent - Ground Rent from Shandies, Jatra, Santes, etc.,	13-1-3
Rent from Civic amenities others	13-1-8

1.23 Under the Major Code 22 relating to 'General Expenses', the Minor Code 5 denotes 'Professional Fees, Other Fees and Charges', with Sub-minor Codes 1 to 5 and 8, to give the following account classifications :

Audit Fees	22-5-1
Legal expenses	22-5-2
Professional expenses	22-5-3
Consutancy fees	22-5-4
Service Charges	22-5-5
Professional Fees, Other Fees and Charges-Others	22-5-8

1.24 Under the Major Code 38 relating to 'Other Liabilities', the Minor Code 1 denotes 'Creditors'. The following sub-classifications are prescribed under this :

Creditors-Suppliers Payable	38-1-1
Creditors-Contractors Payable	38-1-2
Creditors-Expenses Payable	38-1-3
Creditors-Others	38-1-8

1.25 Similarly, under the Major Code 41 relating to 'Fixed Assets', the Minor Code 3 denotes 'Roads, Bridges, Surface Drains & Lighting'. The sub-minor codes 1 to 5 denote the following sub-classifications under which 'Roads, Bridges, Surface Drains & Lighting' are to be segregated:

Roads & Pavements & Footpaths	41-3-1
Roadside Drains	41-3-2
Stormwater Drains, Open Drains, Culverts and Causeways	41-3-3
Flyovers, Bridges & Subways	41-3-4
Street Lighting, Traffic Lights, etc.,	41-3-5

1.26 It is to be noted that the schedules to the financial statements of the ULB shall be drawn at minor codes level of account codes.

1.27 Up to this level, the codes are fixed by the Government (vide Schedule IV A to IVD to the Rules). No changes can be made by individual ULBs. Requests for any additional heads and codes may be sent to the Government through the Director of Municipal Administration for approval and adoption.

Chart of Accounts

Detail Codes

1.28 The Account Codes prescribed in Schedule IVA to IVD to KMABR, 2006, are of 4 digits. The ULBs shall use the relevant codes, by adding detail codes (consisting of two digits), with appropriate detail heads. Wherever, the classification provided by the four-digit account code in the Chart of Account is sufficient, the ULB shall use the detail code '00', which is referred to, as the 'default detail code'. In this case, the account head shall remain the same as the account description in the Chart of Accounts. If the ULB finds the need for further sub-classification of transactions under a particular account code, it shall use the detail codes from 01 to 99 in chronological order.

1.29 For example, under “Allowances and Benefits - Others (Account Code 2118)”, if the ULB intends to have further sub-classification such as 'City Compensatory Allowance', 'Medical Allowance', 'Conveyance Allowance, etc.', it can use the following detail heads and codes :

Allowances & Benefits Others- City compensatory Allowance	2118-01
Allowances & Benefits Others- Medical Allowance	2118-02
Allowances & Benefits Others- Conveyance Allowance	2118-03

However, if the ULB intends to account all the above allowances under one account head, without the above sub-classification, it can do so, in the following manner:

Allowances & Benefits Others	2118-00
------------------------------	---------

1.30 Under “Grants & Contributions for Specific Purposes from Central Government - Schemes / Programmes (3411)”, if the ULB wants to segregate different types of grants such as SJSRY, IDSMT, etc., it can create detail codes 01, 02, etc., and have the following classification of grants :

Grants & Contributions for Specific Purposes from Central Government- Schemes / Programmes - SJSRY	3411-01
Grants & Contributions for Specific Purposes from Central Government- Schemes / Programmes - IDSMT	3411-02

1.31 As far as possible, once detail codes are created, the same detail codes shall be continued in all subsequent years. Wherever any detail codes between 01 and 99 are used, the default detail code (00) shall not be used. For example, in the example given in 1.27 above, if the ULB was using the default detail code for 'Allowances & Benefits-Others' (2118-00), without any sub-classification, and in the current year, it is desired to separately account the various types of benefits and allowances, it shall create detail codes 01, 02, 03, etc., as shown above. Balance, if any, in the account 'Allowances & Benefits Others (account code 2118-00)', shall be transferred to the appropriate detail head 01, 02, 03, etc.

Mandatory Detail Codes

1.32 Even though creations of detail codes are the prerogative of ULBs, for certain transactions, it is necessary to maintain accounts in a particular manner. For example, KMABR, 2006, prescribes provisioning for Receivables outstanding for more than the specified period, and therefore, it is necessary to maintain year-wise break-up of receivables. This is done by using detail codes indicating the age of the Receivables.

1.33 KMABR, 2006, prescribes mandatory detail codes for a few items, in Schedules IVA to IVD. The following are a few examples of items for which mandatory detail codes are prescribed :

- Receivables - Detail codes to indicate the year to which the demand pertains
- Individual Bank accounts - Detail code to indicate the account particulars such as name of the Branch and account number
- Water supply and UGD Charges - Detail Codes to segregate water charges and UGD Charges
- Recoveries from employees' salaries, and from contractors/suppliers dues - Detail codes to indicate different types of recoveries

Detail codes for Receivable Accounts

1.34 In this case, the detail code indicates the year to which the receivable pertains. For example, the Account Code 4611 denotes 'Receivables Property Tax'. A Detail code of two digits may be used for different years as shown under:

Receivables-Property tax-Suspense	4611-98
Receivables Property Tax 2000-01 and earlier	4611-01
Receivables Property Tax 2001-02	4611-02
Receivables Property Tax 2002-03	4611-03
Receivables Property Tax 2003-04	4611-04
Receivables Property Tax 2004-05	4611-05
Receivables Property Tax 2005-06, and so on	4611-06

1.35 Detail codes indicating the year to which the dues pertain, shall be maintained in respect of other types of receivables also.

Detail Codes for Bank Accounts

1.36 Rule 5(4) of KMABR, 2006, prescribes three-digit detail codes in the case of bank accounts. In this case, the detail code indicates the bank account details. They are used in conjunction with

Chart of Accounts

the Cash / Bank Account heads to denote the exact account name / number of the bank. For example, the Account Code 4722 denotes 'Nationalised Banks Collection Accounts'. A detail code of 3 digits may be used for different banks as shown under:

- Collection Bank 1, eg. SBI Jayanagar Branch - Bank Account No 1121 4722-001
- Collection Bank 2, eg. SBI Jayanagar Branch - Bank account No 1235 4722-002
- Collection Bank 2, eg. PNB City Branch - Bank Account no 5674; and so on 4722-003

Detail Codes for Fixed Deposit Accounts

The account "Fixed Deposits in Banks (account code 4798)" has been listed under Cash and Bank Balances in the Chart of Accounts. However, as an exception to the requirement that a bank account shall be maintained in a bank book, no bank book shall be maintained in the case of a fixed deposit account. It shall be maintained in the General Ledger, like any other account, other than a cash or bank account

Detail Codes for Loans

1.37 Detail codes may be maintained to indicate individual loan details under different types of loans. For example, the Account Code 3552 denotes 'Loans from KUIDFC'. A Detail code of two digits may be used for different loans as under:

- Secured Loan from KUIDFC- KUDCEMP Phase I 3552-01
- Secured Loan from KUIDFC- KUIDP, Phase II 3552-02

Control Account & Sub-ledgers

1.38 Apart from the above mentioned account and detail codes, the ULB shall maintain subsidiary ledgers for individual contractors and suppliers, wherein, each transaction may be recorded at the work / purchase order level.

1.39 The Accounts Creditors-Suppliers Payable (Account code 3811), and Creditors Contractors Payable (Account Code 3812), prescribed in the Chart of Accounts shall be maintained in the General Ledger (KMF No 5), and shall be considered as Control Accounts.

1.40 In addition, two separate ledgers shall be maintained in the same format as the General Ledger. Instead of the composite accounts Creditors - Suppliers Payable (Account code 3811), and Creditors - Contractors Payable (Account Code 3812), these ledgers shall have the individual accounts of the Suppliers and Contractors. As and when entries are posted from books of prime entry to General Ledger, they shall also be posted to the individual accounts of the suppliers or contractors maintained in the sub-ledgers. At the end of the month, both the control accounts and the sub-ledger accounts shall be totalled and balanced. Separate Sub-

ledger Schedules shall be prepared for suppliers and contractors listing out the month-end balances. The totals of these schedules shall be tallied with the balances in corresponding control accounts. Differences, if any, shall be immediately reconciled.

1.41 The ULB may maintain other sub-ledgers in addition to the above, if found convenient, for example, sub-ledgers for deposits, employees' recoveries, contractors' recoveries, etc.

General Guidelines and Instructions for Using Chart of Accounts

1.42 The following guidelines should be strictly followed while using the chart of accounts:

- The Funds, Functions, and Account Codes given in KMABR, 2006, would apply uniformly to all ULBs.
- Any requirement for change / addition to the funds, functions and account codes (except detail codes) shall be represented by the ULB to the Government through the Director of Municipal Administration. Only the Government can add new codes in these heads.
- The ULBs shall account their transactions using six digit account codes. The ULBs shall maintain the mandatory detail codes prescribed in Schedule IVA, IVB, IVC and IVD. For other accounts, they can either use default detail codes (00), or any other detail codes, depending on their internal requirements.
- The Accounts Department shall maintain a master index of all the account codes being used by the ULB.
- Ledger Accounts corresponding to the account codes need to be opened by ULB only in respect of those transactions which arise at that ULB. Thus, all the Account Codes given in this Manual and Schedule IV to the Rules may not be used by every ULB.

Application of Codes to Transactions - An Illustration

1.43 Recording of transactions under these codification levels, is explained with the following illustration :

”Electricity charges for Water Supply” paid amounting to Rs.20,000 for electricity of water supply pumps of the ULB:

Fund Code: Since this transaction pertains to Water Supply & Sewerage Fund, it shall be accounted in the books of account of this Fund, using the fund code 102 (Refer Schedule II to KMABR, 2006).

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Function Code: This falls under the activity of 'Water Supply' (Function Code 51-Refer Schedule III to KMABR, 2006).

Account Code to be debited: Electricity charges paid for running water supply pumps is a revenue expenditure, under the major head "Operations and Maintenance". The relevant account head (at sub-minor code level) in the Chart of Accounts (Schedule IVB) is "Electricity charges for Water Supply & Sewerage" (Code 2312-Refer Schedule IVB) to KMABR, 2006. Assuming that no further sub-classification is required by the ULB, the default code "00" shall be used.

Account Code to be credited: The Bank account will be credited under the Asset head cash and Bank Balances. (Code 4721-Refer Schedule IVD to KMABR, 2006)

Detail Code: The specific Bank Account which is being credited, say 006 which may denote SBI Bank, City Branch, A/c 1156.

The Accounting Entry to be passed is given below:

Fund:102		Function: 51		<i>(Amount in Rs.)</i>	
Account Code	Accounting Entry	Dr./Cr.	Debit Amount	Credit Amount	
2312-00	Power & Fuel Electricity Charges for Water Supply & Sewerage	Dr.	2,000		
4721-006	To Bank account-Nationalised banks-General	Cr.		2,000	

1.44 Account codes are to be captured for every debit and credit in an entry, whereas, the Function code is required only for the respective budgetary control accounts. For example, Expense, Income and Capital Expenditure. Once a transaction is identified to a fund, all debits and credits are accounted in the same Fund.

Source of Financing

1.45 This field identifies the source of financing of a transaction. For example, cost of maintenance of roads may be met from 'Own Source' of the ULB, while a capital project of construction of a new road may be funded by a loan or grant of the government. The objective of recording the source of financing is to enable the ULBs to trace the receipt and utilisation of all sources of funding. It will give, for instance, the exact status of every scheme's fund utilisation such as SJSRY, Ashraya, etc. The broad financing source categories are:

Code	Fund	Description
01	Own Source	The revenues which belong to the ULB including Taxes, User Charges, Fees, assigned revenues, other income, etc., that are normally accounted under income code commencing from 1111 and ending with 1888. (except general grant)
02	General Grants	Grants which are not classified as Specific Grants.
10-49	Specific Grants	Specific Grants which are given to the ULB with conditions / restrictions on usage. The ULB can select codes within this range for each of their specific grants. For example, they could use: 10 for SJSRY 11 for NSDP 12 for NOAPS 13 for BMS 14 for Malaria Grant. 15 for MPLAD of _____ MP 16 for MLALAD of _____ MLA. etc.,
50-89	Loans & Bonds	This range covers the external sources, i.e., bonds and loans which have become sources of funding for the ULB. It will provide a statement of the receipt, utilisation and status of all borrowings made by the ULB. The ULB may select codes within this range for each of their bond / loan. For example, they could use: 51 for Loan from KUIDFC under KUIDP Phase I 52 for Bonds for Water Supply under GBWASP 53 for Loan from State Government for Roads, etc., 54 for Loan from World Bank through State Government. 55 for Loan from Asian Development Bank through State Government 56 for Loan from Central Government through State Government
90-99	Earmarked Funds	Funds set aside may be monitored by assigning Source of Financing codes to them in this range. It would include 18% Fund for Backward Classes Development, any slum development / city development funds created, sinking funds, escrows, etc. For example, the ULB could use: 91 for 18% SC / ST Development Fund 92 for Sinking Fund for Repayment of State Government Loan for Roads, etc.

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1.46 The ULB may create source of financing codes within this range, as it is essentially for better internal management of each source of funds. It is to be remembered that funds received from Assigned Revenues, etc., belong to the ULB and are to be recorded under 'Own Source'.

1.47 When used together with account code, function and fund code, the Source of Financing Code can distinguish how an activity or a particular account head is financed.

ANNEX 1

Income Account Heads - Description

The income codes shall, generally, have credit balances, except in a few cases such as Remissions and Refund Accounts, Profit / Loss on sale of fixed assets or investments (in case of loss), etc.

Code	Income Heads	Description
Tax Revenue (11)		
1111	Property Tax Income	<p>Income in respect of property tax for the year.</p> <p>On existing properties, income is accounted on accrual basis at the beginning of the year, by debiting Receivables-Property Tax, and crediting this account.</p> <p>On new buildings constructed during the year, property tax shall be accounted either when SAS return is filed, or when demand is raised, whichever is earlier.</p> <p>Any increase or decrease in the property tax demand for the year, on account of change in demand/ assessment shall be credited or debited to the same account, if it occurs within the same year.</p>
1121	Advertisement Tax	<p>Tax levied under Sec 94 (1) (b) (xiii) of the Act and Rule 70 of the Karnataka Municipalities Taxation Rules, for erection, exhibition or display of any advertisement in the Municipal area.</p>

cont.

Code	Income Heads	Description
		<p style="text-align: right;">cont.</p> <p>Income from advertisement tax on existing advertisements shall be accounted on accrual basis, at the beginning of the year. Tax in respect of new advertisements shall be accounted as and when new advertisements are sanctioned.</p> <p>The receivables account (Account Code 4612) shall be debited while crediting the income account.</p>
1188	Other Taxes	<p>Used to account income from tax (if any), other than property tax and advertisement tax.</p> <p>The receivables account (Code 4618) is debited while crediting the income account.</p>
1191	Tax Remission & Refund - Property Tax	<p>When a remission of property tax is granted to an assessee by the Council under special circumstances such as a natural calamity, it shall be debited to this account, and credited to the relevant receivables account.</p> <p>If it is already received, it shall be either credited to Refunds Payable-Property Tax (3861), or to Advance collection of Revenues Others (3871) depending on whether the amount is going to be refunded, or treated as property tax received in advance, to be adjusted in future dues.</p>
1192	Tax Remission & Refund - Advertisement Tax	<p>When a remission of advertisement tax is granted to the assessee by the Council under special circumstances such as a natural calamity, it shall be debited to this account, and credited to the relevant receivables account.</p> <p>The accounting treatment in the case of refund or adjustment in future dues is the same as in the case of property tax. Relevant account codes are 3862 and 3872.</p>

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Code	Income Heads	Description
1198	Tax Remission & Refund - Other Taxes	When a remission of any tax other than property tax or advertisement tax is granted to an assessee by the Council under special circumstances, it shall be debited to this account, and credited to the relevant receivables account. The accounting treatment in the case of refund or adjustment in future dues is the same as in the case of property tax. Relevant account codes are 3862 and 3872.
Assigned Revenues & Compensations (12)		
1211	Stamp duty Surcharge Collected by State Government	<p>Amount received by the ULB from the Government in respect of its share in the Stamp Duty collected by the State Government under the Stamp Act.</p> <p>It is accounted on cash basis, on credit of the amount in the treasury account.</p> <p>At the end of the year, if any sanction order is received from the District Registrar for the amount due to the ULB, but the amount is not yet credited in the Treasury Account, the amount may be accounted as income, by debiting corresponding receivable account (Code 4653).</p>
1218	Taxes and Duties Collected by Others - Others	<p>Amount of assigned revenues (if any), received by the ULB from other agencies who are collecting it on its behalf. (Residual Head under 121)</p> <p>This collection is on actual basis and no accrual entry shall be passed.</p>
Rental Income from Municipal Properties (13)		
1311	Rent from Markets	<p>Income from letting-out shops within markets of the ULB. The income shall be accounted at the beginning of the year, by crediting this account, and debiting the Receivable account (Code 4621).</p> <p>In respect of properties newly let-out during the year, accrual entry shall be passed for rent due for the remaining period within the year, as and when, the property is let out.</p>

Code	Income Heads	Description
1312	Rent from Kalyan Mandapas and Auditoriums	Income from letting-out of Community Halls, Auditorium and other such buildings of the ULB. This is accounted only on actual collection, on permitting the parties to use the premises.
1313	Rent - Ground Rent from Shandies, Jatra, Sante and other Ground Rent	It shall be accounted on cash basis, on actual collection. In case the right to collect is leased out to a contractor, the amount due from the contractor during the year as per the terms of the contract, shall be accounted on accrual basis, by debiting the Receivables account (Code 4621), and crediting this account.
1318	Rent from Civic Amenities - Others	Residual account head, to be used in respect of any rent from civic amenities, not covered above.
1321	Rent from Buildings - Commercial Complex	Rental income from shops in commercial complexes owned by the ULB. For existing buildings, income shall be accounted in the beginning of the year, by debiting receivables account (Code 4621), and crediting this account. In respect of properties newly let-out during the year, accrual entry shall be passed for rent due for the remaining period within the year.
1328	Rent from Buildings - Others	Amount receivable as rent for use of other buildings belonging to the ULB. (Residual Head under 132). The accounting treatment is the same as in the case of 1321.
1331	Rent from Travellers Bungalow & Guest Houses	Amount collected as rent from travellers' bungalows and guest houses belonging to the ULB. This is accounted on cash basis, as and when, income is received.
1341	Rent from lease of land - Residential	Amount charged as rent for land given on lease for residential, purposes. This is accounted on accrual basis through receivables code 4621.

Chart of Accounts

Code	Income Heads	Description
1342	Rent from lease of land - Commercial	Amount charged as rent for land given on lease for commercial purposes. The accounting treatment shall be the same as for account code 1341.
1381	Ground Rent on Advertisements	ULB collects ground rent for use of municipal land occupied by the advertiser, along with advertisement tax. This income shall be accounted on accrual basis - the relevant Receivable account code is 4621.
1388	Rent - Others	Amount received as rent for any other assets, not classifiable under minor heads 131 to 134 above. This is accounted on cash or on accrual basis depending on the nature of transaction.
1391	Rent - Remissions & Refund	If any remission / reduction in rent is granted by the Council under special circumstances, it shall be debited to this account and credited to the relevant receivables account. If it is already received, it shall be either credited to Refunds Payable-Other Income (3863), or to Advance collection of Revenues Others (3874) depending on whether the amount is going to be refunded or treated rent paid in advance, to be adjusted in future dues.
Fees, User Charges and Other Charges (14)		
1411	Fees for Birth / Death Certificate	It shall be accounted on actual receipt.
1412	Fees for Katha Extract	It shall be accounted on actual receipt.
1413	Fees for Katha Transfer	It shall be accounted on actual receipt.
1418	Fees for other certificates and extracts - Others	Residual Head under 141 - It shall be accounted on actual receipt.

Code	Income Heads	Description
1421	Fees for Trade License	Income under fees for issue of Trade License by the ULB under Section 256 of the Act. Accrual entry shall be passed in the beginning of the year, debiting the Receivable Account Code 4631. In case of new licenses issued during the year, income shall be accounted when license is issued.
1422	Fees relating to Building Regulation (EC/BC/CC)	Amount collected for grant of any permission / certificate under building regulation purpose including building authorisation, completion, occupancy certificate, etc. It shall be accounted on actual receipt.
1423	Fees for empanelment / registration of contractors, plumbers, etc.	It shall be accounted on actual receipt.
1428	Fees for Licenses - Others	Residual head for other license fees, other than trade license fees, and building license fees. It shall be accounted on actual receipt.
1431	Development Charges - Building	Amount collected as Development Charges, if any, along with Building Sanction fees. It shall be accounted on actual receipt.
1432	Betterment Fees	Amount collected as Betterment Fees along with Building Sanction fees. It shall be accounted on actual receipt.
1438	Development Charges - Others	Residual head under major code 143. It shall be accounted on actual receipt. The development charges collected, on behalf of Local

cont.

Chart of Accounts

Code	Income Heads	Description
		<p style="text-align: right;">cont.</p> District Development Authority like Mysore Urban Development Authority, Gulbarga Development Authority, etc., and payable to them shall be accounted under State Government dues payable Others (code 3858).
1441	Regularisation Charges - Water Supply & UGD Connections	Amount collected towards regularisation of unauthorised water supply connections. It shall be accounted on actual receipt.
		Detail codes may be used to segregate water supply connection charges, and UGD connection charges, if the ULB is collecting both.
1442	Regularisation Charges - Others	Amount collected towards regularisation of any other act which was prohibited or illegally done, but is now permitted to be regularised on payment of penalty / fine by the offender. It shall be accounted on actual receipt.
1443	Penalties and Fines - Property Tax	Penalty levied for under-assessment/late or non-payment, or late or non-filing of return of property tax by assessees. It shall be accounted on accrual basis, on issue of notice.
1448	Penalties and Fines - Others	Amount collected as penalty or fine for any other purpose not covered above (Residual Head under 144). It shall be accounted on accrual basis, if the income head to which it pertains, is to be accounted on accrual basis.
1451	Fee - (SWM) Fees	Fees recoverable from the building owners as decided by the Municipal Council, through its bylaws. It shall be accounted on actual receipt.

Code	Income Heads	Description
1452	Fee - Jatra or Urs Fees	It shall be accounted on actual receipt.
1453	Fees - Market Fees	It shall be accounted on accrual basis, if the right to collect market fees is leased out. In case of departmental collection of daily market fees, income shall be accounted on actual receipt.
1454	Fees - Entry Fees	Amount collected as entry fees for parks, playgrounds, etc. It shall be accounted on actual receipt.
1455	Fees - Parking Fees	Amount collected as parking fees for vehicles in the municipal area. It shall be accounted on accrual basis, if the right to collect parking fees is leased out. In case of departmental collection of parking fees, income shall be accounted on actual receipt.
1458	Fees - Others	Fees received for any other purpose not covered above (Residual Head under 145).
1461	User Charges - Water Supply and UGD Charges	Income in respect of Water charges shall be accounted on accrual basis, at the beginning of the year. The relevant Receivable Account code is 4632.
1461-01	Water Charges	Income in respect of new connections during the course of the year shall also be accounted as and when new connections are sanctioned, using the same Receivable Account Code. Income from the time of sanction, till the end of the year shall be considered.
1461-02	UGD Charges	UGD Charges : If the Council decides to levy monthly charges, for proper maintenance UGD (sewerage) mains, including maintaining the sewerage farm, monthly charges may be levied and collected in the same manner as water charges through the receivables code 4632

cont.

Chart of Accounts

Code	Income Heads	Description
		<p>Mandatory detail codes 01 and 02 are prescribed for this account code (refer below). Therefore, accounting shall not be done using the default detail code, i.e., 1461-00 shall not be used.</p>
1462	User Charges - Water Supply and UGD Connection Charges	<p>Charges collected for providing new water and UGD connection to users.</p> <p>To be accounted on actual collection, in the Water Supply and Sewerage Fund.</p>
1462-01	Water Supply Connection Charges	
1462-02	UGD Connection Charges	<p>Since the mandatory detail codes 01, 02 and 03 are prescribed for this (refer below), no accounting shall be done using 1462-00.</p>
1462-03	Initial Water Supply Deposit	<p>Initial Water Supply Deposit :</p> <p>The deposit, which is a pre-requisite to give new service connection, collected at the time of sanctioning estimate, is not normally refunded. Hence, it shall be treated as income on collection. If in exceptional situations where a refund is made, it shall be treated as an expense.</p>
1463	User Charges - Road Cutting & Restoration Charges	<p>Charges collected for road cutting and restoration.</p> <p>It shall be accounted on actual collection.</p> <p>It shall be accounted in the General Fund.</p>
1464	User Charges - Solid Waste Management Charges	<p>To keep the town / city clean and to maintain higher level of solid waste management, by providing a separate dumping yard or yards faraway from the town / city, by acquiring land or lands in various locations, the council may decide to levy and collect solid waste management charges. In such cases, income in respect of SWM charges shall be accounted at the beginning of the year. The relevant Receivable Account code is 4638.</p>

Code	Income Heads	Description
1468	User Charges - Others	<p>Residual head under User charges (146). Any other amount collected from users of specific services, not included above shall be accounted under this code.</p> <p>Income such as user charges for burial and burning grounds, electrical crematoria, user charges for pay and use toilets, etc., for which no specific account codes are prescribed, may be accounted here, with separate detail codes.</p> <p>To be accounted on accrual or cash basis, depending on whether demands are raised for such incomes.</p>
1471	Cess Collection Charges	<p>Amount retained by the ULB as collection charges, for collection of various cesses collected along with property tax.</p> <p>It shall be accounted on cash basis, on collection of cess.</p>
1472	Service charge in lieu of property tax	<p>The amount accrued as service charge in lieu of property tax in respect of properties belonging to the Central Government, State Government and other properties exempt from property tax u/s 94 (1-A) of the Act.</p> <p>It shall be accounted on accrual basis.</p> <p>The relevant receivable account code is 4638.</p>
1478	Service/Administration Charges - Others	<p>Any other amount received from any other agency as service/administration charges (Residual head under 147).</p> <p>To be accounted on accrual or cash basis, depending on whether demands are raised for such incomes.</p>
1488	Other Charges - Others	<p>Any other charges collected by the ULB not classifiable under minor heads 141 - 147 above. Residual head under Other charges. It includes charges collected for dishonour of cheques.</p> <p>It shall be accounted on actual receipt.</p>

Chart of Accounts

Code	Income Heads	Description
1491	Remission & Refund of Trade License Fees	Remission of License Fees granted by the Council, under special circumstances. The amount of remission shall be credited to the Receivable Account, if the license fee is not yet received. If it is already received, it shall be either credited to Refunds Payable-Other Income (3863), or to Advance collection of Revenues Others (3878) depending on whether the amount is going to be refunded, or treated as advance trade license fees, to be adjusted in future dues. cont.
1492	Remission & Refund of Water Supply and UGD Charges	Accounting treatment shall be the same as in the case of remission of license fees explained above.
1493	Remission & Refund - Service Charge in lieu of Property tax	Accounting treatment shall be the same as in the case of remission of license fees explained above.
1498	Remission & Refund - User Chargers & Other Charges - Other	Accounting treatment shall be the same as in the case of remission of license fees explained above.
Sale & Hire Charges (15)		
1511	Sale of Solid Waste, Debris & Silt	Amount received on sale of rubbish/ debris / silt etc., by the ULB. To be accounted on actual receipt. The sale amount of silt shall be accounted under the Water Supply & Sewerage Fund.
1512	Sale of Compost Manure	Amount received on sale of solid waste, compost, manure, etc. It shall be accounted on actual receipt.
1518	Sale of Products - Others	Amount received on sale of any product of the ULB, like flower plants, etc., not covered under minor codes 151 above. Sale of Fixed Assets will not be covered under this head. It shall be accounted on actual receipt.

Code	Income Heads	Description
1521	Sale of Tender Forms	Amount received for sale of tender forms to contractors and suppliers. It shall be accounted on actual receipt.
1528	Sale of Forms & Publications - Others	Amount received for sale of other publications such as forms, books, guides, etc., sold by the ULB. It shall be accounted on actual receipt.
1538	Sale of Stores & Scrap - Others	Amount received from disposal of stores and scrap items by the ULB. It is accounted on actual receipt.
1541	Hire Charge for Vehicles	Charges collected on the letting on hire of vehicles owned by the ULB. This is accounted on actual receipt, if collectible in advance. In case it is due to be collected, after the vehicle is given out on hire, then, the income shall be accounted on accrual basis (Relevant Receivable Account Code 4638).
1551	Hire Charges for Equipment	Charges collected on the letting out equipment for hire owned by the ULB like road roller, mixing plant etc. The accounting treatment shall be the same as above.
1581	Other Sales	Income on sale of other items - it shall be accounted on actual receipt.
1582	Other Hire Charges	Any other hire charges that are collected in the name of 'hire charges'. The accounting treatment shall be the same as in the case of Account Code 1541.
Grants & Contributions (16)		
1611	Grants Received - SFC Salary Grants	Amount received as grants for meeting salary expenses under the State Finance Commission recommendations.

cont.

Chart of Accounts

Code	Income Heads	Description
		<p>Accounted on actual receipt. cont.</p> <p>In case a sanction order for the grant is received before the end of the year, but the amount is not received during the year, the amount shall be accounted as income, by using the Receivable Account code (4652).</p>
1612	Grants Received - SFC - Electricity Grants	Amount received, if any, as grants under the State Finance Commission recommendations, towards electricity charges.
		As electricity charges paid by the Government on behalf of ULBs, are adjusted in SFC Grants, SFC Grants are accounted at gross amounts, and the amounts deducted are debited to electricity charges.
1613	Grants Received - Untied SFC Grants	<p>Amount received as untied general grants for development purposes.</p> <p>Accounted on actual receipt.</p> <p>In case a sanction order for the grant is received before the end of the year, but the amount is not received during the year, the amount shall be accounted as income, by using the Receivable Account code (4652).</p>
1614	Grants Received - SFC - Other Purposes	<p>Amount received, if any, as grants under the State Finance Commission recommendations, other than salary grant.</p> <p>Accounted on actual receipt.</p> <p>In case a sanction order for a grant is received before the end of the year, but the amount is not received during the year, the amount shall be accounted as income, by using the Receivable Account code (4652).</p>
1618	Grants Received - Others	Amount received as untied general grants, other than those covered above (Residual Head under 161).

Code	Income Heads	Description
1621	Grants received for Reimbursement of Expenses - Census Grant	<p>Amount received from the government as a reimbursement towards expenditure incurred for conducting census activities.</p> <p>Accounted on actual receipt.</p> <p>In case a sanction order for a grant is received before the end of the year, but the amount is not received during the year, the amount shall be accounted as income, by using the Receivable Account code (4652).</p>
1628	Grants received for Reimbursement of Expenses - Others	<p>Amount received as a reimbursement of revenue expense incurred for any purpose, other than that explained above. Residual Head under 162.</p> <p>Accounted on actual receipt.</p> <p>In case a sanction order for a grant is received before the end of the year, but the amount is not received during the year, the amount shall be accounted as income, by using the Receivable Account code (4652).</p>
1638	Contribution Towards Revenue Expenses of Schemes - Others	<p>Amount received as contribution from the Government / other agencies for meeting revenue expenses of any Government / ULB scheme.</p> <p>Accounted on actual receipt.</p> <p>In case a sanction order for a grant is received before the end of the year, but the amount is not received during the year, the amount shall be accounted as income, by using the Receivable Account code (4652).</p>
1648	Transfer from Deferred Income in respect of Assets Created out of Specific Grant - Others	<p>If any specific grant is utilised for capital expenditure (creation of a fixed asset), a proportionate amount shall be transferred from Specific Grant (Liability) Account (relevant account code under minor code 341 to 348) to Deferred Income in respect of Assets created out of Grants & Contributions (3491).</p>

cont.

Chart of Accounts

Code	Income Heads	Description
		<p style="text-align: right;">cont.</p> <p>This account shall be shown on the liabilities side of the Balance sheet. On capitalisation of the asset, an amount proportionate to depreciation charged shall be transferred from “Deferred Income in respect of Assets created out of Grants & Contributions (3491)” to this account (Account Code 1648).</p> <p>This will have the effect of matching the proportionate amount of a specific grant against the depreciation charged on the fixed asset created.</p>
1658	Transfer from Specific Grant (liability) in respect of Revenue Expenditure Incurred	<p>If any specific grant is utilised for revenue expenditure, a proportionate amount shall be transferred from the Specific Grant (Liability) Account to this account, with a corresponding debit to the Specific Grant (Liability) Account (relevant account code under minor code 341 to 348).</p> <p>This will have the effect of matching the proportionate amount of the specific grant as income, against expenses incurred.</p>
Interest / Dividend earned (17)		
1718	Interest from Investments	Amount received as interest on investments such as debentures, etc. Interest on Fixed Deposits is not covered here and should be accounted through 1738 below.
1728	Dividend from Investments	Amount received as dividend from investment in shares of companies, etc.
1738	Interest from Bank Accounts	Interest earned on fixed deposits (FD), savings accounts, and balances with banks (both short term and long term FD).
1748	Interest on Loans & Advances to Employees	Amount of interest earned on loans and advances given to employees of the ULB.

cont.

Code	Income Heads	Description
		To be accounted on accrual basis, at the beginning of the year. cont.
1758	Interest on Loan to Others	Amount of interest earned on loans and advances given to those other than employees.
1788	Interest - Others	Any other interest that could not specifically classified under the above codes would be accounted here. Residual head under "Interest".
Other Income (18)		
1811	Deposits Forfeited	Deposits forfeited by the ULB out of deposits made by the contractors / suppliers due to non / un-satisfactory performance of contracts or for various other reasons.
1812	Deposits Lapsed	Deposits remaining unclaimed within the prescribed time transferred to income after verification of the Register of Deposits, and with the approval of Commissioner.
1821	Solid Waste Management Cess	<p>The Government, as a matter of policy, and with a view to keep the town in a better hygienic /sanitary condition, i.e., to maintain 'litter free zones', may direct the municipalities to levy and collect a cess, in the nature of revenue income, for being utilised for this purpose.</p> <p>To be accounted on accrual basis</p> <p>Relevant Receivable account code is 4648.</p>
1822	Infrastructure Cess	This shall be accounted on actual collection.
1823	Slum Improvement Cess	It is collected along with fees for building regulation. 30% of the amount, which is retained by the ULB, shall be accounted as income under this account code. 70% of the amount, which is payable to the Slum Clearance Board, shall be treated as a liability, and accounted under account code 3851-05.

Chart of Accounts

Code	Income Heads	Description
1828	Cess Income - Others	<p>Any other cess, which is collected, but not payable to any authority, shall be accounted under this head.</p> <p>Sanitary cess and other cesses collected as per the decision of the Council, based on the instruction of the DMA may be accounted using this code.</p> <p>Cess income shall be accounted either on accrual basis or on actual collection, depending on the accruality of the income.</p>
1838	Income from Projects taken up on commercial basis	<p>In cases of projects taken up, completed and sold on a commercial basis, there should be some margin between the cost price and sale price. The difference should be treated as income to the ULB.</p> <p>This is accounted on cash basis.</p>
1841	Profit / Loss on Disposal of Fixed Assets	<p>The balance in the asset disposal account, being the difference between the written down value of the asset, and the sale proceeds, shall be transferred to this account from "Fixed Assets under disposal" Account (Account Code 4181) on conclusion of the sale.</p> <p>This account shall be credited if there is profit on sale of fixed assets, and shall be debited if there is a loss.</p>
1842	Profit / Loss on Disposal of Investments	<p>The profit or loss on sale of investment shall be transferred to this account on sale of an investment.</p> <p>This account shall be credited if there is a profit, and shall be debited if there is a loss.</p>
1851	Recoveries from Employees	Amount recovered / recoverable from the employees upon detection in audit.
1852	Recoveries - Bank charges on dishonour of cheque	Amount recovered from the tax payers or other persons, for bank charges paid by the ULB on cheques which have been dishonoured by the payer's bank.

Code	Income Heads	Description
1853	Recoveries - Law Charges and Court Cost	Amount of legal / court charges recoverable from assesseees whose properties have been attached for recovery of amounts due to the ULB.
1854	Recoveries from Contractors & Suppliers	Recoveries ordered on the Contractor / Supplier by the Engineer, Commissioner or the Council as per the legally valid agreement. In some cases, such recoveries shall be adjusted from the EMD & Security Deposit available in their names. Here, the income shall be accounted by a Journal Voucher, by debit to EMD / Security Deposit and credit to this account.
1858	Recoveries - Others	Any other recoveries ordered by the Commissioner shall be accounted here.
1861	Stale Cheques - Written Back	<p>Cheques issued by the ULB, which have not been presented by the recipient for a considerable period of time, and are to be written back.</p> <p>Presently not applicable, since the prescribed accounting treatment in respect of stale cheque, is to reverse the original entry.</p>
1862	Unclaimed Refund/ Liabilities - Written Back	Any liabilities which have not been claimed by the recipient for a considerable period of time, and are to be written back. These are taken as income in the accounts.
1871	Excess Provisions written back - Doubtful Receivables	Provision for doubtful receivables made in earlier years, which is now found in excess and needs to be written back as income in the accounts.
1878	Excess Provisions written back - Others	Provision other than for doubtful receivables made in earlier years, which is now found in excess and needs to be written back as income in the accounts.
1881	Income from Educational Institutions	Amount received as fees, tuition charges, etc., by schools and other educational institutions run by the ULB.

Chart of Accounts

Code	Income Heads	Description
1882	Income from Hospitals & Dispensaries	Amounts received from hospital and dispensaries like bed charges, X-ray / scanning charges, etc. This is on actual basis.
1888	Other Income - Others	Any other source of income not covered above (Residual Head under 188) like insurance claim.

ANNEX 2

Expense Account Heads - Description

The Expense heads shall, generally have debit balances. However, there can be a few exceptions such as prior-period incomes.

Code	Expense Heads	Description
Human Resource Expenses (21)		
2111	Pay	<p>The pay, personal pay and special pay of permanent employees and other employees in the time scale of pay shall be accounted, on accrual basis, on the basis of the monthly Pay Bill.</p> <p>The corresponding liability account is “Pay, Allowances and Benefits Payable” (Account Code 3821).</p> <p>Supplementary pay bill, if any, shall also be accounted in the same manner.</p> <p>“Equal work, equal pay” shall also be accounted under the same account code, with a separate detail code.</p>
2112	Dearness Allowance	<p>DA shall be accounted at the end of every month and shall be accounted on accrual basis, on the basis of the monthly Pay Bill.</p> <p>The corresponding liability account is “Pay, Allowances and Benefits Payable” (Account Code 3821).</p>

cont.

Code	Expense Heads	Description
		<p style="text-align: right;">cont.</p> DA in respect of “Equal work, equal pay” employees shall also be accounted under the same account code, with a separate detail code.
2113	House Rent Allowance	<p>The accounting treatment shall be the same as explained above.</p> <p>HRA in respect of “Equal work, equal pay” employees shall also be accounted under the same account code, with a separate detail code.</p>
2114	Leave Encashment to Employees	<p>The amount of leave encashment paid to employees during service shall be accounted under this head. This amount includes all components of leave encashment, like pay, DA, HRA, etc., as per Government orders from time to time.</p> <p>It shall be accounted on cash basis, i.e., on actual payment.</p>
2115	Staff Welfare Expenses	<p>The amount paid / payable towards any welfare expenses of the staff shall be accounted under this head.</p> <p>It shall be accounted on actual payment.</p>
2118	Allowances and Benefits - Others	<p>Any allowances and benefits other than DA and HRA shall be accounted under this account head. They include city compensatory allowance, special allowance, uniform allowance, interim relief, conveyance allowance, etc. Separate detail codes may be used for each of these items, to keep track of these items.</p> <p>Allowances in respect of “Equal work, equal pay” employees shall also be accounted under the same account code, with a separate detail code.</p> <p>The accounting treatment shall be the same as in the case of pay, DA and HRA.</p>

Chart of Accounts

Code	Expense Heads	Description
2121	Wages	<p>The gross amount of wages to temporary employees and casual workers engaged by the ULB (other than wages for departmental works) shall be accounted under this head.</p> <p>It shall be accounted on accrual basis at the end of every month.</p> <p>The corresponding liability account is “Employees related Liabilities Wages Payable” (Account Code 3822).</p>
2131	Pension Contributions for Municipal Employees	<p>It shall be accounted on accrual basis, the corresponding liability account being “Employee related Liabilities-Contributions Payable” (Account Code 3823).</p> <p>Separate detail codes may be used for different types of contributions.</p>
2132	Pension Contribution for Employees on Deputation	<p>Pension contribution in respect of deputed staff working in the ULB.</p> <p>Accounting treatment shall be the same as explained in the case of account code 2131.</p>
2133	Leave Salary Contribution for Employees on Deputation	<p>Leave salary contribution in respect of deputed employees working in the ULB.</p> <p>Accounting treatment shall be the same as explained in the case of account code 2131.</p>
2134	Contribution towards KMAS Officers	<p>Contribution to the Karnataka Municipal Administrative Service (KMAS), under Section 367 of the Karnataka Municipalities Act.</p> <p>Accounting treatment shall be the same as explained in the case of account code 2131.</p>

Code	Expense Heads	Description
2138	Contribution - Others	Any other contribution that directly relates to the officers and the staff members would be accounted under this code. (Residual head under 213).
2141	Leave Encashment at end of service	It shall be accounted on accrual basis, when due for payment. The corresponding liability account is "Terminal & Retirement Benefits Payable" (Code 3824).
2142	Death cum Retirement Gratuity	The accounting treatment shall be the same as in the case of account code 2141.
2148	Terminal and Retirement Benefits - Others	Other terminal benefits applicable to municipal employees. Use detail code for each scheme payment. The accounting treatment shall be the same as in the case of account code 2141.
2151	Uncommuted Pension	In case of municipal employees entitled to receive pension, as per the pension rules, from the municipal fund, the monthly pension shall be accounted under this code. It shall be accounted on accrual basis. The corresponding liability account is "Pensions Payable" (Account Code 3825).
2152	Commutated Pension	The amount of commuted value of pension payable to municipal employees (lump sum), as per the pension rules. The accounting treatment shall be the same as in the case of account code 2151.

Chart of Accounts

Code	Expense Heads	Description
General Expenses (22)		
2211	Rent	Rent including related taxes paid by the ULB for properties taken on rent for municipal purposes.
2212	Rates and Taxes	Any tax, cess, land revenue or other levies on the ULB, if applicable.
2213	Insurance	Insurance premium paid in respect of insurance of properties owned or occupied by the ULB.
2221	Books & Periodicals	Expenses in respect of any newspapers, magazines, books, periodicals purchased / subscribed by the ULB. Cost of law books, Rules books, etc., that are necessary for municipal administration may be accounted here.
2222	Printing, Stationery & Photocopying Charges	Purchase of stationery items, printing, photocopying, duplicating, etc., charges in respect of forms, registers, notices, etc., of the ULB.
2231	Travelling & Conveyance	Expenses incurred for travelling and conveyance of the officer and other staff members of the ULB. It represents the cost of journey outside the town / city, and also petty conveyance charges in and outside town / city limits.
2232	Petrol, Oil & Lubricants for Vehicles	Expenses in respect of petrol, oil, etc., for vehicles owned by the ULB. Fuel cost of SWM vehicles, and other civic service vehicles shall not be accounted here, but shall be covered by account codes 2315/2318.
2241	Honorariums	Monthly honorarium, if any, prescribed by GoK, paid to the President, Mayor and the Councilors.
2242	Sitting Fees	Sitting fees for attending of meetings by the President / Mayor and the Councilors in the council / committee meetings, etc., if such fees are applicable.

Code	Expense Heads	Description
2243	Meeting Expenses	Incidental expenses for the conduct of meetings at the rates prescribed by GoK, held by the President, Mayor or Chair person of the committee.
2244	Travelling & Conveyance of Council Members	Expenses incurred for travelling and conveyance of the Councilors of the ULB. It shall include car hire, reimbursement of fuel costs, etc.
2248	Council Related Expenses - Others	Any other Council related expenses that have been authorized by GoK would be accounted here.
2251	Audit Fees	It includes fees for Statutory audit, Financial Statements audit or Special audit of municipal accounts, if any, ordered by GoK / DMA in extraneous circumstances.
2252	Legal Expenses	Expenses incurred for recovery of tax revenues through legal channels and include payments to lawyers, court fees and all related expenses regarding attachment and sale of properties.
2253	Professional Fees	Professional charges in respect of any professional services availed by the ULB.
2254	Consultancy Fees	Gross fees paid for any technical / consultancy services by the ULB.
2255	Service Charges	Any service charges not covered under any specific account head may be accounted here.
2258	Professional Fees, Other Fees & Charges - Others	Residual head under minor code 225 to be used in respect of any professional fees, other fees, etc., not covered above.
2268	Advertisement and Publicity charges	Advertisement and publicity charges incurred by the ULB, such as cost of publication of notices in newspapers, official bulletins, government gazettes, etc.

Chart of Accounts

Code	Expense Heads	Description
2271	Office Expenses - Electricity Charges	Electricity charges paid for administrative office premises. Electricity for civic services and its offices shall be accounted as 'Power & Fuel' under code 231.
2272	Office Expenses - Security Charges	Security services (such as for guards, security staff, etc., engaged on contract basis), etc. The pay and allowances of day / night watch man, if any, in the municipal / corporation offices shall be accounted in code 2111 2121.
2273	Office Expenses - Communication Expenses	All communication expenses such as postage, courier, stamps, facsimile, telex, telephone, email, etc. Separate detail accounts may be maintained under this head for each such sub-head, if found necessary.
2274	Office Expenses - Water Charges	Cost of water purchased and consumed by the staff members and elected representatives, provided within the office premises.
2278	Office Expenses - Others	Any office expenses incurred for the office and not covered under the heads above. (Residual Head under 227)
2281	Membership Fees & Subscriptions	Includes amount incurred on membership and subscription to professional organisations, urban development bodies, etc.
2288	Other General Expenses - Others	All other administrative expenses other than those covered above. (Residual head under 228.) Separate detail account codes may be used for various category of expenses under this, if found necessary.
<p>Expenses in respect of procurement of goods and services, supported by a work order, or supply order, or indent shall be accounted on accrual basis. All other expenses shall be accounted on cash basis i.e., on payment. In such cases, unpaid bills, if any, at the end of the year shall be accounted by debiting respective expenses account, and crediting Creditors - Expenses Payable (Account code 3813).</p>		

Code	Expense Heads	Description
Operations & Maintenance (23)		
2311	Electricity Charges - for Street Lighting, Traffic Signals, etc.	Power consumption bills of public lighting, including traffic signals. It shall be accounted on cash basis i.e., on payment.
2312	Electricity Charges - for Water Supply & Sewerage Systems	Power consumption bills of water supply generation and supply and maintenance of sewerage plants, machineries, etc. It shall be accounted on payment.
2313	Electricity Charges - for SWM Plant	Power consumption bills of SWM plants like incinerator plant (incinerator is a device for destroying rubbish by burning). It shall be accounted on payment.
2314	Electricity Charges - Others	Power consumption at other facilities (which form Operation and Maintenance cost) of the ULB, i.e., markets, bus stand, parks and gardens, burial and cremation ground, electrical crematoria, etc. It shall be accounted on payment.
2315	Petrol, Oil & Lubricants Charges - SWM Vehicles	Cost of petrol, diesel, etc., used in solid waste management (SWM) vehicles of the ULB. Accounting treatment shall be the same as in the case of Account Code 2311. It shall be accounted on payment.
2316	Petrol, Oil & Lubricants Charges - Other Vehicles	Cost of petrol, diesel, etc., in non-SWM vehicles used directly in service delivery (i.e., other than administrative use) of the ULB. It shall be accounted on payment.

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Code	Expense Heads	Description
2318	Power & Fuel - Others	<p>Cost of petrol, diesel, etc., purchased for generator, maintenance cost of inverter, etc.</p> <p>Accounting treatment shall be the same as in the case of Account Code 2311.</p> <p>It shall be accounted on payment.</p>
2321	Bulk Purchases - Water	<p>Purchase of water in bulk by the ULB for water supply, i.e., getting water from sources other than municipal water source. The amount paid to PWD, to get water from its source may also be accounted here.</p>
2328	Bulk Purchases - Others	<p>Purchase of other bulk consumption items, except for those routed through stores.</p>
2331	Consumption of Conservancy Related Stores	<p>Consumption of sweeping materials and other cleaning materials including bleaching powder.</p> <p>This shall be accounted by a journal voucher debiting this account, and crediting "General Stores -Conservancy related Stores (Code 4511)".</p>
2332	Consumption of Water Supply Related Stores	<p>Consumption of water purifying materials such as chlorine, filters, etc.</p> <p>This shall be accounted by a journal voucher debiting this account, and crediting "General Stores-Water supply related Stores (Code 4512)".</p>
2333	Consumption of Medical Supply Stores	<p>Consumption of medical consumables, etc., supplied to hospitals and dispensaries for being provided to the patients through their pharmacy.</p> <p>This shall be accounted by a journal voucher debiting this account, and crediting "General Stores-Medical Supply related Stores (Code 4513)".</p>

Code	Expense Heads	Description
2334	Consumption of Lighting Stores	Consumption of consumables related to electrical and street lighting equipment such as tubes, chokes, etc. This shall be accounted by a journal voucher debiting this account, and crediting "General Stores-Lighting related Stores (Code 4514)".
2335	Consumption of Food Grain Stores	The value of food grains issued from ULB stores for revenue expenditure. This shall be accounted by a journal voucher debiting this account, and crediting "General Stores-Food Grain Stores (Code 4515)".
		Value of food grains used for capital works under employment oriented scheme shall be accounted under the respective asset account code.
2338	Consumption of Stores - Others	All other consumption items which do not fall under any of the above accounts (Residual head under 233). This shall be accounted by a journal voucher debiting this account, and crediting "General Stores-Others (Code 4518)".
2341	Repairs & maintenance - Parks & Gardens	
2342	Repairs & maintenance - Markets & Slaughter Houses	
2343	Repairs & maintenance - Public Toilets	
2348	Repairs & Maintenance - Other Civic amenities	
2351	Repairs & Maintenance - Roads, Pavements & Footpaths	

Chart of Accounts

Code	Expense Heads	Description
2352	Repairs & Maintenance - Roadside Drains	It only covers regular repair / maintenance expense of revenue nature. If the expenditure is of a capital nature, it shall be capitalised as an asset.
2353	Repairs & Maintenance - Storm Water Drains, Open Drains, Culverts and Causeways	
2354	Repairs & Maintenance - Flyovers, Bridges & Subways	
2355	Repairs & Maintenance - related to Sewerage Assets	If the work is carried out by a contractor, the contractor's bill is accounted on accrual basis. The relevant liability account code is 3812.
2356	Repairs & Maintenance - related Water Supply Works Assets	If the work is carried out by the ULB departmentally, the expenses are accounted on cash basis.
2357	Repairs & Maintenance - Street Lighting, Traffic Signals, etc.	The account codes 2348 and 2358 are residual account heads for repairs and maintenance of other civic amenities, and other infrastructure assets.
2358	Repairs & Maintenance - Other Infrastructure Assets	Under "Repairs & Maintenance Civic Structures -Others" (Account Code 2362), expenses of repairs and maintenance of structures such as bus shelters, structures in parks and gardens such as swings, fountains, benches, tanks and reservoirs, etc., shall be accounted.
2361	Repairs & maintenance Buildings	
2362	Repairs & maintenance - Civil Structures - Others	
2371	Repairs & maintenance - Plant & Machinery & Equipment	

cont.

Code	Expense Heads	Description
2372	Repairs & Maintenance - Vehicles	
2373	Repairs & Maintenance - Office Equipment, Furniture, Fixtures & Fittings	
2378	Repairs & Maintenance - Other Fixed Assets - Others	
2381	Operating Expenses - Tanker Water Supply	<p>Where expense is incurred for supplying water through tankers, the amount payable for such supply shall be recorded under this head.</p> <p>If the work is carried out by a contractor, the contractor's bill is accounted on accrual basis. The relevant liability account code is 3812.</p> <p>If the work is carried out by the ULB departmentally, the expenses are accounted on cash basis or accrual basis, depending on the nature of expenses.</p>
2382	Operating Expenses - Dumping or Tipping Charges	<p>Any operating cost for dumping or tipping of garbage including maintenance of dumping site for solid waste management services shall be recorded under this head.</p> <p>If the work is carried out by a contractor, the contractor's bill is accounted on accrual basis. The relevant liability account code is 3812.</p> <p>If the work is carried out by the ULB departmentally, the expenses are accounted on cash basis or accrual basis, depending on the nature of expenses.</p>

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Code	Expense Heads	Description
2383	Equipment & Vehicle Hire Charges	<p>Any charge paid for hire of equipment / vehicles, which cannot be classified with any of the services mentioned above, shall be recorded under this head.</p> <p>It shall be accounted on accrual basis, if the vehicle is hired on contract basis. In other cases, where equipment and vehicles are hired based on requirement, it shall be accounted on cash basis.</p>
2384	Lease Rental Expense	Any lease rental expenses other than those specifically mentioned shall be recorded under this head.
2385	Labour Charges	Labour charges paid other than those specifically mentioned above shall be accounted here.
2388	Operating Expenses - Others	Any other operating cost which cannot be classified under any of the above heads (Residual head under 238).
2391	Outsourced SWM Expenses	<p>Where SWM operating / maintenance services are outsourced, the contractors' bills shall be accounted under this account head.</p> <p>The relevant liability account is "Creditors-Contractors Payable" (Account code 3812).</p>
2392	Outsourced Street Lighting Expenses	<p>Where public lighting operating / maintenance services are outsourced, the contractors' bills shall be accounted under this account head.</p> <p>The relevant liability account is "Creditors-Contractors Payable (Account code 3812)".</p>
2393	Outsourced Water Supply & UGD Expenses	<p>Where water supply operating / maintenance services are outsourced, the contractors' bills shall be accounted under this account head.</p> <p>The relevant liability account is "Creditors-Contractors Payable (Account code 3812)".</p>

Code	Expense Heads	Description
		<p>Detail codes shall be used for water supply and UGD expenses.</p> <p>The expenses shall be accounted in the Water supply and Sewerage Fund.</p>
2398	Outsourced Expenses - Others	Residual head for outsourced expenses. Any outsourced operating expenses, which could not be clearly classified under any specific head, shall be accounted, using this account code.
Interest & Finance Charges (24)		
2418	Interest on Loans from Central Government	It shall be accounted as and when due for payment, by passing accrual entry.
2428	Interest on Loans from State Government	It shall be accounted as and when due for payment, by passing accrual entry.
2438	Interest on Loans from Government Bodies & Development Agencies	<p>Interest on loans received from Government Bodies & Development Agencies such as KUIDFC, HUDCO, etc.</p> <p>It shall be accounted as and when due for payment, by passing accrual entry.</p>
2448	Interest on Loans from International Agencies	<p>Interest on loans received from International Agencies such as ADB, World Bank, etc.</p> <p>This account is to be used only if the amount of loan is directly received by the ULB from International Agencies. If the loan is received through the State Government or Government agency, the interest paid on such loans shall be recorded under 2418 or 2428 above.</p> <p>It shall be accounted as and when due for payment, by passing accrual entry.</p>

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Code	Expense Heads	Description
2458	Interest on Loans from Banks & Other Financial Institutions	Interest on loan / OD from Banks and FIs such as Nationalised Banks, Scheduled banks, LIC, etc. It shall be accounted as and when due for payment, by passing accrual entry.
2468	Bank Charges	Charge paid by the ULB for services rendered by the bank such as for DD / cheque clearing charges / return of cheque on dishonour / standing instructions charge, etc.
2481	Rebate / Discount on prompt payment	The Rebate allowed to assessees on prompt payment of taxes shall be accounted by debiting this account, and crediting the relevant receivables-property tax account. Eg. Property tax rebate of 5% is allowed, if paid within 30 days from the beginning of the financial year.
2482	Commitment charges on Loans	Amount to be paid towards commitment charges, if any, on loans to be borrowed.
2488	Finance Charges - Others	Residual head under 248. Any other expenses that comes under 'finance charges' that could not be classified under any specific account head, shall be accounted here.
Programme Expenses, Grants, etc. (25)		
2518	Election Expenses	Expenses incurred by the ULB for conducting elections to the Municipal Council. It shall be accounted on cash basis.
2528	Programme Expenses	Expenses incurred for programmes and schemes, whether ULB's own programmes and schemes, or sponsored by the Government or other agencies.

Code	Expense Heads	Description
2538	Share in programme of others	Where any contribution is made by the ULB in any programme of another agency, such as another ULB, a development agency, etc., in order to further the objectives of the ULB, they shall be recorded under this head.
2548	Grants made by ULB	Grants paid by the ULB to other bodies such as educational institutions, NGOs, etc. Separate detail codes shall be maintained for each such grant category. It shall be accounted on cash basis.
2558	Contributions made by ULB	Contribution made by the ULB for welfare or other programmes of other organizations, bodies, NGOs, etc. It shall be accounted on cash basis.
2568	Subsidies granted by ULB	Any specific subsidy (i.e., special benefit intended to lower the cost of the final service provided by the other agency) shall be recorded under this head. It shall be accounted on cash basis.
Provisions and Write-off (26)		
2611	Provisions for Doubtful Receivables - Property Tax	Provision required in respect of property tax receivable, as per the provisioning norms for property tax. If the existing provision in Account Code 4661 is less than the required amount of provision, additional provision shall be made by debiting this account, and crediting Account code 4661. On the other hand, if the existing provision in Account Code 4661 is more than the required amount of provision, the extra provision shall be removed by crediting account code 1871, and debiting account code 4661.

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Code	Expense Heads	Description
2612	Provision for Doubtful Receivables - Other Taxes	Provision required on advertisement and other taxes, if any, shall be calculated as per the provisioning norms. The accounting treatment is the same as in the case of account code 2611.
2613	Provision for Doubtful Receivables - Rent	The accounting treatment is the same as in the case of account code 2611.
2614	Provisions for Doubtful Receivables - Water & UGD Charges	Provision required on receivables in respect of water & UGD charges shall be calculated as per the provisioning norms. The accounting treatment is the same as in the case of account code 2611.
2615	Provisions for Doubtful Receivables - Other Fees, User charges and other charges	Provision required on receivables in respect of other fees and user charges, shall be calculated as per the provisioning norms. The accounting treatment is the same as in the case of account code 2611.
2618	Provisions for Doubtful Receivables - Others	Provision required on receivables other than those mentioned above, shall be calculated as per the provisioning norms. The accounting treatment is the same as in the case of account code 2611.
2621	Provisions for Doubtful Loans, Advances and Deposit	Amount provided during the year in respect of loans, advances and deposits receivable according to prescribed provisioning norms. Provision shall be made by debiting this account, and crediting Provision Others (Account Code 3988).
2622	Provision for diminution in value of Long term Investments	Amount provided for any fall in the value of long term investments, other than short term investments.

Code	Expense Heads	Description
2628	Provisions - Others	Residual head under minor code 262.
2638	Revenues - Written Off	<p>When any receivable is established as irrecoverable, after exhausting all measures in the Act and Rules, such an amount can be written off with the specific sanction of the Council.</p> <p>If there is an existing provision in the books of account, the amount shall be written off by debiting such Provision account (relevant Account code under 466). If no such provision exists, the write-off shall be made, by debiting this account. In either case, the relevant receivable account code shall be credited.</p>
2641	Stores - Written Off	<p>Any store item the cost of which has become irrecoverable due to damage or loss may be written off with due permission of the council.</p> <p>It shall be accounted by debiting this account and crediting relevant account code under Stock-in-Hand (451/452).</p>
2642	Fixed Assets - Written Off	<p>Any fixed asset, the cost of which has become irrecoverable due to damage, by efflux of time or loss may be written off with due permission of the Council. For doing this, the cost of the asset and the accumulated depreciation shall be transferred to Assets Under Disposal Account (4181), as in the case of sale or disposal of a fixed asset. The residual value shall be written off, by transferring to this Account (Account code 2642).</p>
2643	Current Assets - Written Off	<p>Any other assets which are classified as current assets, the cost of which has become irrecoverable, after exhausting all possible measures, available under the Act, rules and the legally valid agreements, may be written off with due permission of the Council by debiting this account, and crediting the relevant asset account.</p>

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Code	Expense Heads	Description
2651	Loan Issue Expenses	<p>Any expenditure incurred on a loan/bond/debenture issued by the ULB shall be treated as a “deferred revenue expenditure” by debiting “Loan Issue Expenses-Deferred (Account Code 4911)”, or “Bond Issue Expenses-Deferred (Account code 4912)”.</p> <p>Even though this expenditure is of a revenue nature, it shall not be fully debited to the Income & Expenditure Account immediately. It shall be shown on the asset side of the balance sheet, and charged to Income & Expenditure over a number of years, for example, five years, as decided by the Council, by debiting proportionate amount to this account, and crediting 4911 or 4912, as the case may be. The balance of Loan Issue Expenses shall be shown in the balance sheet under “Miscellaneous Expenditure to be written off” till it is fully written off.</p>
2652	Discount on Issue of Loans	<p>When the municipal loan is floated in the open market with the guarantee given by the GoK, the loan papers may provide an element of discount on loan, to attract more investors. In such cases, the loan amount receivable shall be less than the amount of loan bond, which means a discount has been given to the borrower, the ULB being the lender. This expenditure shall be first treated as a “Deferred Revenue Expenditure”. The accounting treatment for such expenditure shall be the same as in the case of “Loan Issue Expenses” explained above. (Also refer Account code 4912).</p>
2658	Miscellaneous Expenditure - Others	<p>The deferred expenses (under major code 492 and 498) are required to be 'written off' over a period of time in the same manner as explained in the case of 2651 and 2652. The amounts of such 'write-off', charged to the current year's income & expenditure account, shall be recorded under this code.</p>
Depreciation (27)		
2721	Depreciation on Buildings - Class I	<p>Depreciation shall be calculated on straight-line method, based on the estimated useful life of the asset, prescribed in Schedule VII to KMABR, 2006.</p>

cont.

Code	Expense Heads	Description												
2722	Depreciation on Buildings - Class II	The amount of depreciation shall be debited to this account, and credited to accumulated depreciation. cont.												
2728	Depreciation on Civil Structures - Others	Mapping of depreciation account codes to accumulated depreciation account codes : <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;">Depreciation</th> <th style="text-align: left;">Accumulated Depreciation</th> </tr> </thead> <tbody> <tr> <td>2721</td> <td>4221</td> </tr> <tr> <td>2722</td> <td>4222</td> </tr> <tr> <td>2728</td> <td>4228</td> </tr> </tbody> </table>	Depreciation	Accumulated Depreciation	2721	4221	2722	4222	2728	4228				
Depreciation	Accumulated Depreciation													
2721	4221													
2722	4222													
2728	4228													
2731	Depreciation on Roads, Pavements and Footpaths	The accounting treatment of depreciation is the same as in the case of minor code 272.												
2732	Depreciation on Roadside Drains	<table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;">Depreciation</th> <th style="text-align: left;">Accumulated Depreciation</th> </tr> </thead> <tbody> <tr> <td>2731</td> <td>4231</td> </tr> <tr> <td>2732</td> <td>4232</td> </tr> <tr> <td>2733</td> <td>4233</td> </tr> <tr> <td>2734</td> <td>4234</td> </tr> <tr> <td>2735</td> <td>4235</td> </tr> </tbody> </table>	Depreciation	Accumulated Depreciation	2731	4231	2732	4232	2733	4233	2734	4234	2735	4235
Depreciation	Accumulated Depreciation													
2731	4231													
2732	4232													
2733	4233													
2734	4234													
2735	4235													
2733	Depreciation on Storm water Drains, Open Drains, Culverts and Causeways													
2734	Depreciation on Flyovers, Bridges and Subways													
2735	Depreciation on Street Lighting, Traffic Lights, etc.													
2741	Depreciation on Underground Drainage Lines	The accounting treatment of depreciation is the same as in the case of minor code 272.												
2742	Depreciation on Sewerage Related Plant & Machinery including STPs	<table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;">Depreciation</th> <th style="text-align: left;">Accumulated Depreciation</th> </tr> </thead> <tbody> <tr> <td>2741</td> <td>4241</td> </tr> <tr> <td>2742</td> <td>4242</td> </tr> <tr> <td>2748</td> <td>4248</td> </tr> </tbody> </table>	Depreciation	Accumulated Depreciation	2741	4241	2742	4242	2748	4248				
Depreciation	Accumulated Depreciation													
2741	4241													
2742	4242													
2748	4248													

cont.

Chart of Accounts

Code	Expense Heads	Description
2748	Depreciation on Sewerage - Others	cont.
2751	Depreciation - Water Supply Source and Transmission Systems	The accounting treatment of depreciation is the same as in the case of minor code 272.
2752	Depreciation - Water Distribution Systems	Depreciation Accumulated Depreciation 2751 4251 2752 4252 2753 4253
2753	Depreciation - Water	2754 4254
	Distribution system (Mini Water Systems)	2758 4258
2754	Depreciation - Plant and Machinery related to Water Supply	
2758	Depreciation - Water Works - Others	
2761	Depreciation on Plant & Machinery	The accounting treatment of depreciation is the same as in the case of minor code 272.
2762	Depreciation on Equipments	Depreciation Accumulated Depreciation 2761 4261 2762 4262
2771	Depreciation on Vehicles - Heavy Vehicles	The accounting treatment of depreciation is the same as in the case of minor code 272.
2772	Depreciation on Vehicles - Light Vehicles	Depreciation Accumulated Depreciation 2771 4271 2772 4272 2778 4278
2778	Depreciation on Vehicles - Other Vehicles	

Code	Expense Heads	Description
2788	Depreciation on Other Fixed Assets - Others	The accounting treatment of depreciation is the same as in the case of minor code 272. Depreciation Accumulated Depreciation 2788 4288
2791	Depreciation on Office Equipments	The accounting treatment of depreciation is the same as in the case of minor code 272. Depreciation Accumulated Depreciation
2792	Depreciation on Office Furniture	2791 4291 2792 4292
		2793 4293
2793	Depreciation on Office Fixtures and Fittings	
Accounting of depreciation shall be done by using journal vouchers, as it does not involve any payment. The entries shall be supported by depreciation work sheets for each kind of asset, showing the rate of depreciation, age of the asset, remaining period of estimated useful life, etc. The work sheets shall be duly authenticated by the Engineer or the Officer responsible.		
Prior Period Item (28)		
2811	Prior-Period Income - Property Tax	Any amount of property tax income pertaining to a previous year, which was not accounted in the respective year due to error or omission, and for which demand is raised in the current year. Such amounts shall be accounted by debiting receivable account of the relevant year, and crediting this account.
2818	Prior-Period Income - Other Taxes	Any amount of advertisement tax, or any other tax pertaining to a previous year, which was not accounted in the respective year due to error or omission, and for which demand is raised in the current year. Such amounts shall be accounted by debiting receivable account of the relevant year, and crediting this account.

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Code	Expense Heads	Description
2828	Prior-Period Income - Others	Income (non-taxable) pertaining to any earlier year, which was not accounted in the respective year due to error or omission, and for which demand is raised in the current year. Such amounts shall be accounted by debiting receivable account of the relevant year, and crediting this account.
2861	Refund of Prior Period Taxes	A remission granted during the year, in respect of any tax pertaining to a previous year.
2862	Refund of Prior Period Other Incomes	A remission granted during the year, in respect of any income (non-tax) pertaining to a previous year.
2888	Prior-Period Other Expenses - Others	Any other expense pertaining to an earlier year, the claim for which has arisen during the year (Residual head for Prior Period Expense).
Transfer to Reserves and Funds (29)		
2911	Transfer to Reserves	Appropriation to any Reserve (Major Code 33), out of the income for the year, shall be accounted by debiting this account and crediting respective reserve account. The appropriation shall be made by using a journal voucher.
2921	Transfer to SC / ST Development (18%) Fund	<p>Appropriation to SC / ST Development (18%) Fund shall be accounted by debiting this account, and crediting the SC / ST Development (18%) Fund Account (Account code 3211). The appropriation shall be made by using a journal voucher.</p> <p>Inter-fund transfer entries shall be passed for appropriation from Water Supply & Sewerage Fund, or Enterprise Fund, since the SC/ST Development (18%) Fund account is maintained in the books of account of General Fund.</p> <p>Amounts equivalent to the appropriations made, shall be transferred from the main bank account of the respective Fund (General Fund/Water supply and Sewerage Fund/</p>

cont.

Code	Expense Heads	Description
		Enterprise Fund) to SC/ST Development (18%) Fund bank Account. cont. Inter-fund transfer entries shall be passed wherever necessary.
2922	Transfer to Welfare Funds - Others	Any amount appropriated to 'Welfare Fund Others' (account code 3218) shall be recorded under this account. Accounting treatment is the same as explained in the case of account code 2921.
2923	Transfer to Sinking Fund - Loan Repayment	Appropriation to sinking fund for any loan repayment, shall be debited to this account, and credited to the sinking fund account (Account Code 3251).
2924	Transfer to Sinking Fund - Asset Replacement	Appropriation to sinking fund for any asset replacement, shall be debited to this account, and credited to the sinking fund account (Account Code 3252).
2928	Transfer to Earmarked Funds - Others	Residual head under 292. Appropriation to any other sinking fund shall be debited to this account, and credited to "Other Earmarked Funds - Others account (Account Code 3288)".

ANNEX 3

Liability Account Heads - Description

Code	Liability Heads	Description
Municipal Fund Balance (31)		
3111	Fund Balance	This forms the corpus of the ULB. In the opening balance sheet, this is arrived at, by deducting the total liabilities from the total assets of the ULB.
3112	Opening Balance Adjustment	This account is used to adjust any difference in the value of any asset or liability, detected after the first audited financial statements are adopted by the Council. This account shall be transferred to Fund Balance Account in due course.
3121	Income & Expenditure Account	The balances in all income and expense accounts at the end of the year shall be transferred to this account, maintained in the General Ledger. The balance in this account, representing surplus or deficit for the year, shall be transferred to the Fund Balance.
Earmarked Funds (32)		
3211	SC/ST Development (18%) Fund	The Earmarked Fund required to be created for welfare of SC / ST by appropriating 18% of ULB's receipts during the year in the manner prescribed in Circular NAE 144 GEL 07, dated 25-6-2007.

Code	Liability Heads	Description
3218	Welfare Funds - Others	Any other earmarked fund created by the ULB for any welfare activities. Separate detail codes shall be used for each such Fund.
3251	Sinking Funds for Loan Repayment	Any earmarked fund created for the purpose of repayment of loans on due dates. Separate detail codes shall be used for each such sinking fund. The amount appropriated to this fund shall be transferred to a separate bank account, and shall be invested in income generating investments, till the money is required to repay the loan amount along with interest.
3252	Sinking Funds for Asset Replacement	Any earmarked fund created for the purpose of replacement of an asset at the end of its useful life. Separate detail codes shall be used for each such sinking fund. The amount appropriated to this fund shall be transferred to a separate bank account, and shall be invested in income generating investments, till the money is required to replace the asset.
3278	Trust & Agency Funds - Others	<p>The amount of any fund created in trust and agency such as employee pension fund, etc., with corresponding investment in securities for the purpose. Separate detail codes shall be used for each such Trust and Agency fund.</p> <p>Funds received under the Ashraya Scheme are in the nature of trust and agency funds, and shall be accounted under this account code.</p>
3288	Other Earmarked Funds - Others	Residual account under 328. Accounting treatment shall be the same as in the case of other earmarked funds.
Reserves (33)		
3311	Capital Contribution for Assets Roads, Bridges, Surface Drains and Lighting	

cont.

Chart of Accounts

Code	Liability Heads	Description
3312	Capital Contribution for Assets - Sewerage	<p>Any amount received as Capital Contribution (from State / Central Government, etc.,) for supporting any capital works. (Presently not applicable to ULBs).</p>
3313	Capital Contribution for Assets - Water Works	
3314	Capital Contribution for Assets - SWM	
3318	Capital Contribution for Assets - Others	
3321	Capital Reserve	Any amount set apart as Capital Reserve by the ULB. In case there is more than one such reserve, separate detail heads are to be maintained for each one. (Presently not applicable to ULBs).
3331	Earmarked Funds (Utilised)	The portion of any earmarked fund (major code 32), that is utilised for any capital purpose shall be transferred to this account. Any amount used from the earmarked fund for revenue expense shall be directly debited to the earmarked fund account itself.
3341	Statutory Reserve	Any reserve amount set apart by the ULB pursuant to the provisions of any Act, Rule or Order of the government. In case there is more than one such reserve, separate detail heads are to be maintained for each one. (Presently not applicable to ULBs).
3351	General Reserve	Any amount set apart as General Reserve by the ULB from its Surplus in Income & Expenditure Account. (Presently not applicable to ULBs).
3361	Revaluation Reserve - Land	<p>An increase in value of fixed assets through revaluation shall be accounted through these heads (3361 to 3368). Depreciation on the original cost of a revalued asset shall be debited to relevant depreciation account, whereas depreciation</p>
3362	Revaluation Reserve - Buildings	

cont.

cont.

Code	Liability Heads	Description
3363	Revaluation Reserve - Roads, Bridges, Surface Drains & Lighting	calculated on the increased value of the asset shall be debited to the relevant Revaluation Reserve Account. At the end of the estimated useful life of the asset, the revaluation reserve shall show nil balance. cont.
3364	Revaluation Reserve - Sewerage Assets	
3365	Revaluation Reserve - Waterworks Assets	
3366	Revaluation Reserve - Plant & Machinery	
3368	Revaluation Reserve - Other Fixed Assets	
Grants and Contributions for specific purposes (34)		
3411	Grants and contributions for Specific Purposes from Central Government - Schemes/Programmes	Specific Grants received from Central Government for schemes / programmes. Separate detail codes are to be maintained for each such scheme / programme.
3412	Grants and contributions for Specific Purposes from Central Government- Central Finance Commission Grant	Specific Grants received from Central Finance Commission. Separate detail codes are to be maintained for grant from each such Finance Commission such as 11th Finance Commission, 12th Finance Commission, etc.
3413	Grants and contributions for Specific Purposes from Central Government-MP Local Area Development Scheme (MPLADS)	Specific Grants received for the purpose of carrying out any MPLAD Scheme by the ULB. Separate detail codes are to be maintained for each such MPLAD grant received.

Chart of Accounts

Code	Liability Heads	Description
3414	Grants and contributions for Specific Purposes from Central Government - in Kind	Specific Grants received from Central Government, in kind, such as in the form of food grains, etc. Separate detail codes are to be maintained for each such grant in kind received.
3418	Grants and contributions for Specific Purposes from Central Government - Others	Specific Grants received from Central Government other than those covered above (Residual head under 341). Separate detail codes are to be maintained for each such grant received.
3421	Grants and contributions for Specific Purposes from State Government Schemes / Programmes	Specific Grants received from State Government for schemes / programmes. Separate detail codes are to be maintained for each such scheme /programme.
3422	Grants and contributions for Specific Purposes from State Government-State Finance Commission Grant	Specific Grants received from State Finance Commission. Separate detail codes are to be maintained for grant from each such Finance Commission such as 1st SFC, 2nd SFC, etc.
3423	Grants and contributions for Specific Purposes from State Government-MLA Local Area Development Scheme (MLALADS)	Specific Grants received for the purpose of carrying out any MLALAD Scheme by the ULB. Separate detail codes are to be maintained for each such MLALAD grant received.
3424	Grants and contributions for Specific Purposes from State Government - in Kind	Specific Grants received from State Government, in kind, such as in the form of food grains, etc. Separate detail codes are to be maintained for each such grant in kind received.

Code	Liability Heads	Description
3428	Grants and contributions for Specific Purposes from State Government-Others	Specific Grants received from State Government other than those covered above (Residual head under 342). Separate detail codes are to be maintained for each such grant received.
3438	Grants & contributions for Specific Purposes from Other Government Agencies - Others	Specific Grants received from government agencies such as KUIDFC, etc. Separate detail codes are to be maintained for each such grant received.
3448	Grants & contributions for Specific Purposes from Financial Institutions - Others	Specific Grants received from Financial Institutions such as LIC, etc. Separate detail codes are to be maintained for each such grant received.
3458	Grants & contributions for Specific Purposes from Welfare Bodies - Others	Specific Grants received from Welfare Bodies. Separate detail codes are to be maintained for each such grant received.
3468	Grants & contributions for Specific Purposes from International organisations - Others	Specific Grants received directly by the ULB from international agencies such as ADB, World Bank, etc. Separate detail codes are to be maintained for each such grant received.
3488	Grants & contributions for Specific Purposes from Others - Others	Grants and contribution received, other than those covered in the minor codes above. Separate detail codes are to be maintained for each such grant received.
3491	Deferred Income in respect of Assets created out of Grants and Contributions	

Chart of Accounts

Code	Liability Heads	Description		
<p><i>The following are the "sequences of accounting entries, in respect of a grant of Rs. 20,00,000 received from the local MP fund through the Deputy Commissioner of the district for constructing a municipal community hall". The construction was over, with Rs.19,50,000.</i></p> <p style="text-align: right;"><i>(Amount in Rs.)</i></p>				
Account Code	Accounting Entry	Dr./ Cr.	Debit Amount	Credit Amount
i) On receipt of Grant :				
4724	Bank Account -Nationalised bank Specific Grants	Dr.	20,00,000.00	
3413	To Grants & contributions for specific purposes from Central Govt. MPLADS			20,00,000.00
<i>(Type of voucher : Receipt voucher)</i>				
ii) Cost of construction of Community Hall through a contractor :				
4321	CWIP-Building class I	Dr.	19,50,000.00	
3812	To Creditors-Contractors' Payable			18,13,500.00
3845	To Recoveries Payable-Tax Deducted -Contractors			1,36,500.00
<i>(Type of voucher : Journal voucher)</i>				
iii) For capitalization of the Asset on completion of construction :				
4121	Buildings-class I	Dr.	19,50,000.00	
4321	To CWIP-Building class I			19,50,000.00
<i>(Type of voucher : Journal voucher)</i>				
iv) For transfer to "Deferred Income" at the end of the year :				
3413	Grants & contributions for specific purposes from Central Govt. MPLADS	Dr.	19,50,000.00	
3491	To Deferred Income in respect of Assets created out of Grants and Contributions			19,50,000.00
<i>(Type of voucher : Journal voucher)</i>				

Code	Liability Heads	Description		
(Amount in Rs.)				
Account Code	Accounting Entry	Dr./ Cr.	Debit Amount	Credit Amount
v) For providing for depreciation on the Asset :				
2721	Depreciation on buildings - Class I	Dr.	39,000.00	
4221	To Accumulated Depreciation on Buildings- Class I			39,000.00
<i>(Type of voucher : Journal voucher)</i>				
vi) For transferring proportionate amount from 'Deferred Income' to Income, on capitalization of the Asset :				
3491	Deferred Income in respect of Assets created out of Grants and Contributions	Dr.	39,000.00	
1648	To Transfer from Deferred Income in respect Assets created out of specific Grants - Others			39,000.00
<i>(Type of voucher : Journal voucher)</i>				
Notes :				
i) Detail codes shall be used as prescribed.				
ii) The entry for transfer from Deferred Income to Income shall be passed every year, during the estimated life of the Asset (50 years in the case of Buildings-Class I)				
Secured Loans (35)				
3518	Secured Loans from Central Government - Others	Loans received from the Central Government against the security of municipal assets. Separate detail codes are to be maintained for each such loan.		
3528	Secured Loans from State Government - Others	Loans received from State Government against the security of municipal assets. Separate detail codes are to be maintained for each such loan.		
3538	Secured Loans from Government Bodies & Associations - Others	Loans received from Government bodies and association, against the security of municipal assets. Separate detail codes are to be maintained for each such loan. (Residual head under 353)		

Chart of Accounts

Code	Liability Heads	Description
3548	Secured Loans from International Agencies - Others	Loans received directly from International Agencies, such as, ADB, World Bank, against security of municipal assets. Separate detail codes are to be maintained for each such loan.
3551	Secured Loans from HUDCO	Loans received directly from HUDCO, against security of municipal assets. Separate detail codes are to be maintained for each such loan.
3552	Secured Loans from KUIDFC	Loans received from KUIDFC against the security of municipal assets. Separate detail codes are to be maintained for each such loan.
3558	Secured Loans from Banks & Financial Institutions - Others	Loans received directly from Banks and Financial Institutions, against security of municipal assets. Separate detail codes are to be maintained for each such loan (Residual Head under 355).
3578	Secured Bonds & Debentures - Others	Any bond or commercial paper issued by the ULB, which is secured against its assets. Separate detail codes are to be maintained for each such bond.
3588	Secured Loans - Others	Any other secured loan which does not fall under any of the codes above. Separate detail codes are to be maintained for each such loan.
Unsecured Loans (36)		
3618	Unsecured Loans from Central Government - Others	Loans received from the Central Government without any tangible security. Separate detail codes are to be maintained for each such loan.
3628	Unsecured Loans from State Government - Others	Loans received from State Government without any tangible security. Separate detail codes are to be maintained for each such loan.
3638	Unsecured Loans from Government Bodies & Associations-Others	Loan received from Government bodies and association without any tangible security. Separate detail codes are to be maintained for each such loan.

Code	Liability Heads	Description
3648	Unsecured Loans from International Agencies	Loans received directly from International Agencies, such as, ADB, World Bank, without any tangible security. Separate detail codes are to be maintained for each such loan.
3651	Unsecured Loans from HUDCO	Loans received directly from HUDCO, without any tangible security. Separate detail codes are to be maintained for each such loan.
3652	Unsecured Loans from KUIDFC	Loans received from KUIDFC without any security. Separate detail codes are to be maintained for each such loan.
3658	Unsecured loans from others	Unsecured loans from any other agency not covered above.
3678	Unsecured Bonds & Debentures - Others	Any bond or commercial paper issued by the ULB, which is not secured by any tangible security. Separate detail codes are to be maintained for each such bond.
3688	Unsecured Loans - Others	Any other unsecured loan which does not fall under any of the minor codes above. Separate detail codes are to be maintained for each such loan.
Deposits (37)		
3711	EMD from Contractors / Suppliers	Amount Collected, towards earnest money deposit from contractors / suppliers.
3712	Security Deposits / Retention Money from Contractors and Suppliers	The amounts of security deposits or retention money deducted from contractors' or suppliers' bills, and retained for a specified period as per the terms of the contract or order, to ensure quality of work executed or the supplies made.
3721	Deposits - Revenues - Rent Deposit	Refundable deposits collected from persons to whom shops or buildings owned by the ULB are let out.

Chart of Accounts

Code	Liability Heads	Description
3728	Deposits - Revenues - Others	Refundable deposits collected by the ULB against any other revenue.
3738	Deposits from Staff - Others	Refundable deposits collected by the ULB from its staff for any purpose.
3748	Deposit Works given to the Municipality - Others	Deposit or advance received by the ULB from any department of GoK, or other organisations to execute a work, complete it and hand it over to the department / organisation. The amount may be adjusted against the amount due to the ULB for carrying out the work. For example, there may be cases where the amount is given under MPLADS & MLALADS, for constructing private school building and handing over it to the private school authority. The ULB shall provide a periodical statement of account to the Deputy Commissioner of the District, through whom this amount was received.
3788	Deposits from Others - Others	Any refundable deposit other than those specifically mentioned above. Separate detail codes may be maintained for each such deposit. (Example, deposits from candidates during election).
Other Liabilities (38)		
3811	Creditors - Suppliers Payable	<p>Amount owed by the ULB to suppliers of material, stores and capital goods, against procurement orders.</p> <p>All suppliers' bills against procurement orders shall be accounted by debiting the relevant expenditure account code and crediting this account. On payment to suppliers, this account shall be debited.</p> <p>A sub-ledger shall be maintained to account individual dues to each supplier, and shall be reconciled with this account (control account) on monthly basis.</p>

Code	Liability Heads	Description
3812	Creditors - Contractors Payable	<p>Amount owed by the ULB to contractors for repair works or capital works against contracts/work orders.</p> <p>All such contractors' bills against work orders shall be accounted by debiting the relevant expenditure account code and crediting this account. On payment to contractors, this account shall be debited.</p> <p>A sub-ledger shall be maintained to account individual dues to each contractor, and shall be reconciled with this account (control account) on monthly basis.</p>
3813	Creditors - Expenses Payable	<p>Amount owed by the ULB to creditors in respect of expenses other than towards supplies and works (services such as professional services, audit, consultancy services etc).</p> <p>All such expenses shall be accounted by debiting relevant expenditure account code, and crediting this account. On payment of the bills, this account shall be debited.</p> <p>A sub-ledger may be maintained to account individual dues to each such creditor, in case of large number of creditors, if found useful.</p>
3818	Creditors - Others	Amount owed by the ULB to any other creditor, not covered above (Residual head under 381).
3821	Employee Related liabilities - Pay, Allowances and benefits - Payable	<p>On the basis of pay bills for permanent employees, entries shall be passed every month debiting various accounts under minor code 211 (Pay, Allowances and Benefits), and crediting this account. On payment of salary, this account shall be debited.</p> <p>The same procedure shall be followed in the case of supplementary pay bills, if any.</p>

Chart of Accounts

Code	Liability Heads	Description
3822	Employee Related liabilities - Wages payable	<p>On the basis of pay bills of temporary employees, entries shall be passed every month debiting Wages (Account Code 2121), and crediting this account. On payment of wages, this account shall be debited.</p> <p>The same procedure shall be followed in the case of supplementary pay bills, if any.</p>
3823	Employee Related liabilities - Contribution payable	<p>Contributions payable on behalf of officers and other municipal employees. The amounts shall be debited to contributions (Code 213), and credited to this account every month.</p> <p>On payment, this account shall be debited.</p>
3824	Employee Related liabilities Terminal and retirement benefits payable	<p>Terminal and retirement benefits payable to the employees. The amounts shall be debited to Terminal and Retirement Benefits (Code 214), and credited to this account whenever payment is due.</p> <p>On payment, this account shall be debited.</p>
3825	Employee Related liabilities Pensions payable	<p>Pension payable. The amount shall be debited to Pension (Code 215), and credited to this account whenever payment is due.</p> <p>On payment, this account shall be debited.</p>
3828	Employee Related liabilities - Others	<p>Other employee related liabilities not covered above. Residual head under "Employee related Liabilities (382)".</p> <p>The accounting treatment shall be the same as explained above.</p>
3831	Interest Accrued & Due on Loans from Central Government	

cont.

Code	Liability Heads	Description
3832	Interest Accrued & Due on Loans from State Government	<p>If the ULB has borrowed funds from Central Government, State Government, or other Agencies, interest on such borrowings shall be accounted on due dates, by debiting the relevant expense code (2418/ 2428/ 2438 or 2458), and crediting the Interest Accrued and Due Account. On payment of interest, the Interest Accrued and Due Account shall be debited.</p>
3833	Interest Accrued & Due on Loans from Government Bodies & Associations	
3834	Interest Accrued & Due on Loans from International Agencies	
3835	Interest Accrued & Due on Loans from Banks & Other Financial Institutions	
3837	Interest Accrued and Due - Bonds and Debentures	
3838	Interest Accrued and Due on Loans - Others	
3841	Recoveries payable - General Provident Fund (GPF)	<p>GPF deducted from the Gross Pay of employees shall be credited to this account. This entry shall be passed from the Pay Bill every month.</p> <p>On remittance to Authorities, this account shall be debited.</p>
3842	Recoveries payable - Employees' Insurance	<p>Insurance premium deducted from the Gross Pay of employees shall be credited to this account. This entry shall be passed from the Pay Bill every month.</p>

cont.

cont.

Chart of Accounts

Code	Liability Heads	Description
3842-01	Recoveries payable - Employees' - Insurance - KGID	On remittance, this account shall be debited. Mandatory detail codes 01 to 04 are prescribed in KMABR, 2006. Therefore, account code 3842-00 shall not be used for passing entries.
3842-02	Recoveries payable - Employees' - Group Insurance	
3842-03	Recoveries payable - Employees' Insurance - LIC	
3842-04	Recoveries payable - Employees' Insurance - Others	
3843	Recoveries payable - Employees - Tax deducted	Taxes deducted from the Gross Pay of employees shall be credited to this account. Mandatory detail codes 01 and 02 are prescribed in KMABR, 2006, for income tax deducted at source, and for professional tax. If there are any new taxes, further detail codes shall be used. Account code 3843-00 shall not be used for passing entries, since mandatory detail codes are prescribed.
3843-01	Income tax deducted at source	
3843-02	Professional Tax	This entry shall be passed from the Pay Bill every month. On remittance, this account shall be debited.
3844	Recoveries payable- Employees - Others	Any recoveries from the Gross Pay of employees, other than those mentioned above, shall be credited to this account. Mandatory detail codes 01, 02 and 03 are prescribed under this code for Family Benevolent fund, Loan installments, and subscriptions to Employees Union.
3844-01	Family Benevolent Fund	
3844-02	Loan Installments	On remittance, this account shall be debited.

cont.

cont.

	Liability Heads	Description
3844-03	Subscription to Employees Union	cont.
3845	Recoveries payable - Tax Deducted - Contractors	Tax deducted from Contractors' bills. Mandatory detail codes are provided for deduction of income tax (01), and works contract tax (02). The detail code 00 shall not be used since mandatory detail codes are prescribed. On remittance of these taxes, the respective accounts shall be debited.
3845-01	Income Tax	
3845-02	Works contract Tax	
3846	Recoveries payable - Tax Deducted - Others	Any tax deducted, other than those in respect of employees and contractors shall be accounted under this head. Mandatory detail code 01 is prescribed for income tax deducted at source. TDS from bills other than contractors' bills shall be credited to this account. Remittances of such tax shall be debited to this account. Further detail codes may be created for any other taxes.
3846-01	Income Tax	
3847	Recoveries payable - Other deductions from Contractors	Any deductions other than those mentioned above, from contractors' bill, shall be accounted under this head (residual head). Mandatory detail codes 01 and 02 are prescribed for 'royalty' and 'CBF' deductions. Additional detail codes may be created, for any other deductions, if required.
3847-01	Royalty	
3847-02	CBF	
3848	Recoveries payable - Others	Any other amount deducted from payments, and to be remitted to external authorities, and not covered under the above heads (Residual head under 384). Use separate detail heads for each such item under this code.
3851	State Govt. dues payable-Cess payable	cont.

Chart of Accounts

Code	Liability Heads	Description
3851-01	Cess Payable - Health Cess	<p style="text-align: right;">cont.</p> <p>Cess that has to be collected by the ULB from the public along with property tax, or any other fees or charge, and have to be remitted to appropriate authorities.</p> <p>Mandatory detail codes 01 to 04 are prescribed for Health Cess, Library Cess, Beggary Cess and Education Cess collected along with property tax.</p> <p>Detail code 05 is prescribed for Slum Improvement Cess collected along with building license fees.</p>
3851-02	Cess Payable - Library Cess	
3851-03	Cess Payable - Beggary Cess	
3851-04	Cess Payable - Educational Cess	
3851-05	Cess Payable - Slum Improvement Cess	Out of the total slum improvement cess, 30% shall be credited to this account, and remitted to Slum Clearance Board. Balance 70% which has to be retained by the ULB shall be treated as Income. (Refer account code 1823).
3852	State Government Dues payable - Attachment of properties	Any amount payable to the state government (as administrative costs, etc.,) for attachment of properties by the ULB.
3858	State Government Dues payable - Others	Any other amount payable to the state government not covered above (residual head under 385).
3861	Refunds Payable - Property Tax	<p>Any refund payable on account of any excess tax, fees or other charges received, or any decrease in demand, remission, etc., shall be credited to the relevant "Refund Payable" Account. On actual refund of the amount, this amount shall be debited.</p>
3862	Refunds Payable - Other Taxes	
3863	Refunds Payable - Other Incomes	
3864	Refunds Payable - Attached Properties	
3868	Refunds Payable - Others	

Code	Liability Heads	Description
3871	Advance Collection of Revenues - Property Tax	Advance collection of any type of revenue shall be credited to the relevant account code (3871 to 3878). When the item falls due for payment, this account shall be debited, and the relevant income account shall be credited.
3872	Advance Collection of Revenues - Other taxes	
3873	Advance Collection of Revenues - Water Charges	
3874	Advance Collection of Revenues - Rent	
3878	Advance Collection of Revenues - Others	
3881	Non-refundable Premium (Lump Sum) Received for Lease of Assets	Lump sum lease amount shall be treated as a liability under this head at the time of receipt. A proportionate amount shall be transferred to income (rent) over the period of lease.
3882	Sale Proceeds - Attached Properties	When a property attached by the ULB for recovery of any dues, is sold by the ULB, the sale proceeds shall be credited to this account. A journal entry shall also be passed to adjust the dues by transferring the balance due from the party to this account. After adjusting the cost of attachment, dues from the party, etc, if any balance is left, it shall be credited to Refund Payable - Attached Properties (Account code 3867), and refunded to the Party.
3883	Current Liabilities - Others	Any other current liability not covered under the minor codes above. Use separate detail codes for each such liability sub-head.
3888	Other Liabilities - Others	Any other liabilities not covered under the minor codes above. Use separate detail codes for each such liability sub-head.

Chart of Accounts

Code	Asset Heads (ver 1.0)	Description
Provisions (39)		
3918	Provision for Expenses - Others	After the end of every year, the concerned departments shall make a list of all bills pending for approval as at 31st March. All such bills shall be processed, and approval of the Commissioner shall be obtained, and sent to the Accounts Department. The Accounts Department shall pass a journal voucher debiting respective expenditure (revenue or capital), and crediting this account.
		At the beginning of next year, a reversal entry shall be passed, debiting this account, and crediting the respective expenditure account. On actual accounting of the bill in the next year, the credit in the expenditure account shall get adjusted.
3928	Provision for Interest Accrued but not due - Others	Provision for interest applicable for the period from the last due date till the end of the year. For example, if the due dates for payment of interest are June and December, provision shall be made for interest for the period from January to March, by debiting relevant 'interest' account, and crediting this account. In April next year, the entry shall be reversed.
3988	Provision - Others	Any other provision felt necessary by the ULB to keep in line with the requirements of the principle of prudence.

ANNEX 4

Asset Account Heads - Description

Code	Asset Heads (ver 1.0)	Description
Fixed Assets (41) (For further details please refer to “Schedule VII of KMABR, 2006” and “Preparation of Opening Balance Sheet Guide lines - March, 2006”.)		
4111	Land - Grounds	Cost of Purchase / Acquisition / Improvement of different categories of land belonging to the ULB, whether or not any construction is made on it.
4112	Land - Parks & Gardens	
4113	Land - Under Roads	
4118	Land - Others	
4121	Buildings - Class I	Cost of purchase /construction/improvement of Class I buildings, class II buildings, and other civil structures shall be debited to this account.
4122	Buildings - Class II	
4128	Civil Structures - Others	
4131	Roads, Pavements & Footpaths	Cost of construction of roads, pavements & footpaths, including cost of widening / improving the road but not including repairs and maintenance of roads.

cont.

Code	Asset Heads (ver 1.0)	Description
4132	Roadside Drains	Cost of construction of road side drains. cont.
4133	Storm Water Drains, Open Drains, Culverts and Causeways	Cost of construction of storm water drains, open drains, culverts and causeways.
4134	Flyovers, Bridges and Subways	Cost of construction of flyovers, bridges, subways, causeways, pedestrian subways, pedestrian over-bridges, etc., belonging to the ULB.
4135	Street Lighting, Traffic Lights, etc.	<p>Cost of purchase / acquisition / construction of Public Lighting assets (street light fittings with electrical poles wherever necessary) belonging to the ULB.</p> <p>(Separate detail heads may be used for different types of roads such as black top roads, asphalt concrete and cement concrete roads, etc.)</p>
4141	Underground Drainage Lines	Cost of underground drains constructed under sewerage system.
4142	Sewerage Related Plant & Machinery Including STPs	Cost of plant & machinery purchased and used in a sewerage system, including sewerage treatment plants.
4148	Sewerage Related Assets - Others	Cost of other assets related to sewerage system.
4151	Water Supply Source & Transmission Systems	<p>Cost of purchase / acquisition / construction of water works assets such as bore wells, treatment plants, reservoir, overhead tanks, low level reservoirs, ground level reservoirs, etc.</p> <p>(Note that land and building used for this purpose are already covered under 4111 and 4121 above).</p>
4152	Water Distribution Systems	Cost of GI pipes, CI pipes, PVC pipes, public water taps, etc. cont.

Chart of Accounts

Code	Asset Heads (ver 1.0)	Description
4153	Water Distribution Systems (Mini Water Supply)	Mini water supply is one where bore wells are provided at a particular point in the area to supply water to selected streets only, in case of availability of limited water resource. cont.
4154	Plant & Machinery Related to Water Supply	Cost of electric motors, pumps, generators and other plant and machinery relating to water supply system.
4158	Water Works - Others	Any water supply system related asset, other than those covered above.
4161	Plant & Machinery	Cost of purchase / acquisition / construction of any plant and machinery except those related to water supply, drainage and sewerage which are already accounted under account codes 4142 and 4154.
4162	Equipments	Cost of purchase / acquisition of any equipment related to operations. Office equipments are covered by 4191.
4171	Heavy Vehicles	Cost of heavy vehicles such as bulldozers, road rollers, cranes, lorries, tractors, tippers, water tankers, etc.
4172	Light Vehicles	Light vehicles such as ambulances, jeeps, cars, power tillers, motor cycles, mini lorry, etc.
4178	Vehicles - Others	Cost of other vehicles like bicycle, tricycle and other vehicles not run by propulsion.
4181	Fixed Assets under Disposal	Cost of Fixed Assets which have been identified for disposal shall be transferred to this account, by debiting this account, and crediting the respective 'Fixed Asset' Account. The accumulated depreciation on the Asset and sale proceeds shall be credited to this account. cont.

Code	Asset Heads (ver 1.0)	Description
		cont. The difference, being profit/loss on sale of the asset shall be transferred to “Profit/Loss on disposal of Assets (Account Code 1841)”. No depreciation is to be charged on assets recorded under this account head.
4188	Other Fixed Assets - Others	Any other fixed asset, which cannot be classified under any of the above heads, shall be accounted under this head. (Residual head under fixed assets).
4191	Office Equipment	Cost of office equipment such as computers, printers, fax machines, photocopy machines, etc.
4192	Office Furniture	Cost of purchase / acquisition of all office furniture like chairs, tables, racks, cupboards, etc.
4193	Fixtures & Fittings	Cost of purchase / acquisition of fittings and fixtures, including electrical fittings such as fans, air conditioners, etc.
Accumulated Depreciation (42)		
4221	Accumulated Depreciation on Buildings - Class I	Depreciation on each of the category of assets (Major code 41) shall be accumulated under these account heads. By debiting the relevant depreciation account (code 27), and crediting respective Accumulated Depreciation Account.
4222	Accumulated Depreciation on Buildings - Class II	
4228	Accumulated Depreciation on Civil Structures - Others	
4231	Accumulated Depreciation on Roads, Pavements & Footpaths	
		cont.

Chart of Accounts

Code	Asset Heads (ver 1.0)	Description
4232	Accumulated Depreciation on Roadside Drains	cont.
4233	Accumulated Depreciation on Storm Water Drains, Open Drains, Culverts & Causeways	
4234	Accumulated Depreciation on Flyovers, Bridges and Subways	
4235	Accumulated Depreciation on Street Lighting, Traffic Lights, etc.	Depreciation on each of the category of assets (Major code 41) shall be accumulated under these account heads. By debiting the relevant deprecation account (code 27), and crediting respective Accumulated Depreciation Account.
4241	Accumulated Depreciation on Under Ground Drainage Lines	
4242	Accumulated Depreciation on Sewerage Related Plant & Machinery including STPs	
4248	Accumulated Depreciation on Sewerage Related Assets - Others	
4251	Accumulated Depreciation on Water Supply Source and Transmission Systems	

Code	Asset Heads (ver 1.0)	Description
4252	Accumulated Depreciation on Water Distribution Systems	cont.
4253	Accumulated Depreciation on Water Distribution Systems (Mini Water Supply)	
4254	Accumulated Depreciation on Plant & Machinery Related to Water Supply	Depreciation on each of the category of assets (Major code 41) shall be accumulated under these account heads. By debiting the relevant deprecation account (code 27), and crediting respective Accumulated Depreciation Account.
4258	Accumulated Depreciation on Water Works - Others	
4261	Accumulated Depreciation on Plant & Machinery	
4262	Accumulated Depreciation on Equipments	
4271	Accumulated Depreciation on Heavy Vehicles	
4272	Accumulated Depreciation on Light Vehicles	
		cont.

Chart of Accounts

Code	Asset Heads (ver 1.0)	
4278	Accumulated Depreciation on Vehicles - Others	cont.
4288	Accumulated Depreciation on Other Fixed Assets - Others	
4291	Accumulated Depreciation on Office Equipment	
		Depreciation on each of the category of assets (Major code 41) shall be accumulated under these account heads. By debiting the relevant depreciation account (code 27), and crediting respective Accumulated Depreciation Account.
4292	Accumulated Depreciation on Office Furniture	
4293	Accumulated Depreciation on Fixtures and Fittings	
Capital Work - in - progress (CWIP) (43)		
4321	CWIP - Class I Buildings	Expenditure on fixed assets under construction shall be accounted under relevant CWIP accounts. On completion of construction, and issue of completion certificate, the total cost of the asset shall be transferred to relevant Fixed Asset under major code 41, by crediting this account, and debiting the relevant fixed asset account.
4322	CWIP - Class II Buildings	
4323	CWIP - Civil Structures - Others	
4331	CWIP - Roads, Pavements & Footpaths	
4332	CWIP - Roadside Drains	
		cont.

	Asset Heads (ver 1.0)	Description
4333	CWIP - Storm Water Drains, Open Drains, Culverts & Causeways	<p style="text-align: right;">cont.</p> <p>Expenditure on fixed assets under construction shall be accounted under relevant CWIP accounts. On completion of construction, and issue of completion certificate, the total cost of the asset shall be transferred to relevant Fixed Asset under major code 41, by crediting this account, and debiting the relevant fixed asset account.</p> <p style="text-align: right;">cont.</p>
4334	CWIP - Flyovers, Bridges & Subways	
4335	CWIP - Street Lighting, Traffic Lights, etc.	
4341	CWIP - Underground Drainage Lines	
4342	CWIP - Sewerage Related Plant & Machinery including STPs	
4348	CWIP - Sewerage Related Assets - Others	
4351	CWIP - Water Supply Source and Transmission Systems	
4352	CWIP - Water Distribution Systems	
4353	CWIP - Water Distribution Systems (Mini Water Supply)	
4354	CWIP - Plant and Machinery Related to Water Supply	
4358	CWIP - Water Works - Others	

Chart of Accounts

Code	Asset Heads (ver 1.0)	Description	
4381	CWIP - Other fixed Assets	cont.	
Investments (44)			
4411	Investments in Central Government Securities - General	Investments in Central/State Government securities, shares, debentures, bonds, etc., with separate heads for investments general, investments-specific grants, investments-earmarked funds, etc.	
4412	Investments in Central Government Securities - Specific Grants		
4413	Investments in Central Government Securities - Earmarked Funds		
4421	Investments in State Government Securities - General		
4422	Investments in State Government Securities - Specific Grants		
4423	Investments in State Government Securities - Earmarked Funds		
4431	Investments in Debentures and Bonds - General		
4432	Investments in Debentures and Bonds - Specific Grants		
			cont.

Code	Asset Heads (ver 1.0)	Description
4433	Investments in Debentures and Bonds - Earmarked Funds	
4451	Investments in Equity Shares - General	
4452	Investments in Equity Shares-Specific Grants	
4453	Investments in Equity Shares - Earmarked Funds	
4481	Other Investments - General	Investments in Central/State Government securities, shares, debentures, bonds, etc., with separate heads for investments general, investments-specific grants, investments-earmarked funds, etc.
4482	Other Investments - Specific Grants	
4483	Other Investments - Earmarked Funds	
4498	Provision for Diminution in Value of Investments	If there is any permanent diminution in the value of long term investments, it shall be accounted by debiting "Provision for diminution in the value of long term investments" - 262200, and crediting this account.
Stock - in- hand (45)		
4511	Conservancy Related Stores	Cost of different types of material purchased shall be debited to the relevant stores account. On the basis of a monthly "Summary of Material Issued to Other Departments", sent to the Accounts Department by the 7th of next month, the relevant consumption account (relevant account under code 233) shall be debited, and this account shall be credited, for issue of material consumed for revenue purpose. In the case of material issued for capital works carried out departmentally, <small>cont.</small>
4512	Water Supply Related Stores	
4513	Medical Supply Stores	
4514	Lighting Related Stores	

Chart of Accounts

Code	Asset Heads (ver 1.0)	Description
4515	Food Grains Stores	<p style="text-align: right;">cont.</p> the relevant CWIP account shall be debited for issue of material. Material issued to the contractor shall be debited to “Creditors' Contractors Payable (Account code 3811)”, and credited to the relevant stores account, on the basis of MINs (KMF No 55).
4518	Stores - Others	
4528	Public Works Related Stores	
Receivables (46)		
4611	Receivables - Property Tax	Receivable accounts for different types of taxes.
		<p>Receivables Property Tax :</p> <p>At the beginning of the year, property tax due for the year shall be estimated, and accounted. The debit to Receivables shall be inclusive of total cess. Property tax shall be credited to property tax income (Account code 1111), and the cess amount shall be credited to Cess control account (4691).</p> <p>The daily collections of property tax, inclusive of cess shall be credited to Receivables Property tax Account. Separate journal entries shall be passed to transfer the cess collected from Cess Control Account to respective Cess Payable Accounts.</p> <p>Separate accounts shall be maintained for the Receivables of different years, for current year, and five previous years. All transactions pertaining to previous years earlier to this shall be maintained in one combined account.</p>
4612	Receivables - Advertisement Tax	Receivable accounts in respect of advertisement tax income (Account Code 1121, and other taxes 1188) shall be maintained under these account codes.
4618	Receivables - Other Taxes	
		At the beginning of the year, total tax due under the respective heads shall be estimated, and debited to these accounts, crediting the respective income account. Daily collections of taxes shall be credited to these accounts.

Code	Asset Heads (ver 1.0)	Description
4621	Receivables - Rent / lease rental	All receivable accounts in respect of rental income (Major code 13) shall be maintained under this account code. Accounting treatment shall be the same as in the case of receivables in respect of advertisement tax and other taxes.
4631	Receivables - Trade License Fees	These receivable accounts are mapped to their respective income account codes as follows :
4632	Receivables - Water & UGD Charges	4631 - 1421 (Fees for trade license)
4638	Receivables - Fees, User Charges & Other Charges - Others	4632 - 1461 (Water Supply and UGD Charges) 4638 - 1458 (Fees-Others) 1468 (User Charges-Others)
4638-01	Receivables - Other charges Service charge in lieu of Property tax	Receivable account corresponding to "Service Charge in lieu of Property tax (Income Account Code 1472)". Accounting treatment is the same as in the case of other accruable incomes.
4641	Receivables - Interest from Employees	Interest, if any, on loans and advances given to employees shall be debited to this account, and credited to "Interest on Loans and Advances to Employees (Code 1748)" at the beginning of the year. On collection, this account shall be credited.
4642	Receivable - Interest from Others	Interest, if any, on other loans and advances shall be debited to this account, and credited to "Interest on Loans to Others (Code 1758)" at the beginning of the year. On collection, this account shall be credited.
4648	Receivables - Others Incomes - Others	Residual head for receivables pertaining to other accruable income.
4651	Receivable from Central Government Grants	The sanctioned amount of the Grant, if any, to be received from the Central Government at the end of the year.

Chart of Accounts

Code	Asset Heads (ver 1.0)	Description	
4652	Receivable from State Government Grants	The sanctioned amount of the Grant, if any, to be received from the State Government at the end of the year.	
4653	Receivable from Government Assigned Revenues	Assigned revenues in respect of any advice received from the State Government at the end of the financial year, but the receipt of which is in the next year. This entry shall be reversed in the beginning of the next year.	
4661	Provision for Doubtful Receivables - Property Tax	<p>Provision shall be made on all receivables accounts, by debiting the relevant provision (expense) major code 26, and crediting the relevant provision (liability) account under this head. The amount of provision required shall be calculated as per provisioning norms, at the end of every year. Additional provision shall be made if the balance in this account (code 466) is less than the required amount of provision, and the existing provision shall be reduced, if the existing provision is more than the required amount of provision.</p> <p>The provision accounts are mapped to the respective receivable accounts as follows :</p> <p>4661 - Receivables-Property Tax (4611) 4662 - Receivables-Advertisement Tax (4612) Receivables-Other Taxes (4618) 4663 - Receivables-Rent/Lease Rental (4621) 4664 - Receivables-Water & UGD Charges (4632) 4665 - Receivables-Trade License (4631) Receivables-Fees, User Charges & Other Charges Others (4638) 4668 - Receivables-Interest from Employees (4641) Receivables-Interest from Others (4642) Receivables-Other Incomes-Others (4648)</p>	
4662	Provision for Doubtful Receivables - Other Taxes		
4663	Provision for Doubtful Receivables - Rent		
4664	Provision for Doubtful Receivables Water & UGD Charges		
4665	Provision for Doubtful Receivables Fees, User Charges & Other Charges		
4668	Provision for Doubtful Receivables Other Income		
4691	Cess Control Account - Property Tax		The total amount of cess on property tax receivables shall be shown in this account. This account will have a credit balance. As and when cess is collected along with property tax, it shall be transferred from this account, cont.

Code	Asset Heads (ver 1.0)	Description
		to the respective Cess Payable accounts (Account code 3851), and remitted to the appropriate authorities. (Refer to explanation given in respect of Receivables-Property Tax (Account Code 4611)).
4698	Cesses Control Account - Others	Residual head under the code 469. Presently not applicable.
Cash and Bank balance (47)		
4711	Cash in Hand	Cash in hand account is maintained in the Cash Book. All cash receipts are shown on the cash column of the “receipts” side of Cash Book (or, in other words, debited to Cash in Hand Account). All payments are shown on the cash column of the “payments” side of the Cash Book (or, in other words, credited to Cash in Hand Account). The two columns are totaled, and balanced at the end of the day. The cash balance is carried forward on daily basis. The cash balance represents the cash in the currency chest of the ULB.
4712	Cheques in hand	Cheques in hand account are maintained in the Cash Book. All cheques received are shown on the “Cheques in Hand” column of the “receipts” side of Cash Book (or, in other words, debited to Cheques in Hand Account). Cheques deposited in the bank are shown on the “Cheques in Hand” column of the “payments” side of the Cash Book (or, in other words, credited to Cheques in Hand Account). The two columns are totaled, and balanced at the end of the day. The balance of cheques in hand is carried forward on daily basis. It represents the cheques yet to be deposited in the bank.
4721	Bank Account - Nationalised Banks - General	
4722	Bank Account - Nationalised Banks - Collection	

cont.

Chart of Accounts

Code	Asset Heads (ver 1.0)	Description
4723	Bank Account - Nationalised Banks - Earmarked Funds	<p style="text-align: right;">cont.</p> <p>A bank account is maintained in the relevant Bank Book. All cheques deposited in the bank, and all transfers and credits received are shown on the “Receipts” side of the Bank Book (or, in other words, debited to Bank Account). All cheques issued, transfers from the bank account, and</p>
4724	Bank Account - Nationalised Banks - Specific Grants	
4731	Bank Account - Other Scheduled Banks - General	
4732	Bank Account - Other Scheduled Banks - Collection	<p>amounts debited by the bank in respect of bank charges, etc., are shown on the “payments” side of the Bank Book” (or, in other words, credited to bank Account). The two sides are totaled and balanced at the end of the day, and the balance is carried forward. It represents the bank balance.</p>
4733	Bank Account - Other Scheduled Banks - Earmarked Funds	<p>Three-digit Detail codes shall be used for each bank account, to indicate the Branch and the individual account number.</p>
4734	Bank Account - Other Scheduled Banks - Specific Grants	
4741	Treasury Account - General	
4742	Treasury Account - Salaries & Other Tied Grants	
4743	Treasury Account - Earmarked Funds	
4744	Treasury Account - Specific Grants	
4781	Other Banks - General	

Code	Asset Heads (ver 1.0)	Description
4782	Other Banks - Collection	
4783	Other Banks - Earmarked Funds	
4784	Other Banks - Specific Grants	
4798	Fixed Deposits in Banks	Fixed deposits in banks shall be accounted under this head.
Loans, Advances and Deposits (48)		
4811	Advances - Festival Advance	Advances paid to employees are debited to the respective advance accounts. Recoveries from their monthly pay shall be credited to the respective advance accounts.
4812	Advances - Vehicle Advance	
4813	Advances - House Building Advance	
4814	Advances - Travel / Transfer Advance	
4814-01	Travel Advance to Employees	
4814-02	Transfer Advance to Employees	
4818	Advances to employees - Others	
4821	Loans to Others - Ashraya Scheme	Any loan provided by the ULB for the purpose of construction of Houses, out of funds provided under the Ashraya Scheme. On recovery of the principal amount, this account shall be credited. Recovery of interest <small>cont.</small>

Chart of Accounts

Code	Asset Heads (ver 1.0)	Description
		shall be credited to the Ashraya (Trust & Agency fund Account (Account Code 3278). Remittances of principal and interest to the nodal agency shall be debited to account code 3278.
4822	Loans to Others - Swarna Jayanti Shahari Rozgar Yojana	Loan provided, if any, under the SJSRY scheme for providing employment to the people.
4823	Loans to Others - Other Schemes	Any loan given to others on proper authorisation under any Scheme, other than the one mentioned above, shall be accounted here and adjustment watched.
4828	Loans to Others - Others	Residual head under Loans to Others.
4831	Advances to Suppliers	Amount paid to suppliers (of capital asset/stores) in accordance with the terms of the procurement order. (Presently not applicable, since the amount of advance shall be debited to Creditors-Suppliers Payable (Account Code 3811), instead of this account.
4832	Advances to Contractors	Amount paid to contractors (Presently not applicable, since the amount of advance shall be debited to Creditors-Contractors' Payable (Account Code 3812).
4833	Advance to Government type Agencies - Deposit Works	Advance paid to any government agency (such as PWD) as Deposit Works Arrangement for any work to be carried on by the PWD.
4834	Advance to Delegated Loan Works	Loan amount released by the government or other agency, directly to the executing agency, for execution of work on behalf of the ULB under a delegated loan work.
4838	Advances to Suppliers / Contractors - Others	Residual head under Advances to Suppliers, or Advances to contractors. (Presently not applicable).

Code	Asset Heads (ver 1.0)	Description
4841	Permanent Advance	Any amount paid to the municipal officers for meeting petty expenses in cash.
4842	Advance against Projects	Any advance made against a project of the ULB. Separate detail heads to be maintained for each project, under this account head.
4843	Advance against Schemes / Grant	Any advance made against a scheme or grant of the ULB. Separate detail heads are to be maintained for each such advance, under this account head.
4851	Electricity Deposit	The amount of refundable deposit with the electric supply company, for supply of power to the ULB.
4852	Telephone Deposit	The amount of refundable deposit with the telephone / mobile service provider, for providing telephone connections to the ULB.
4853	Rent Deposit	The amount of refundable deposit kept with the owner of any building / asset, taken on rent by the ULB.
4854	Lump sum paid for Lease of assets	The lump sum amount paid for lease of an asset for a long term. The amount will be charged to revenue account over the term of the lease.
4861	Inter-fund Transfer Account - General Fund	Since separate books of account are maintained for the three Funds, whenever a transaction involving two Funds take place, it requires entries to be made in the books of account of both the Funds involved. These are running accounts in the books of each Fund, reflecting the transactions with the other two funds. The General fund shall have the accounts 4862 and 4863 in its books of account. Similarly, Water supply & Sewerage fund shall have the accounts 4861 and 4863, and Enterprise Fund shall have the accounts 4861 and 4862 in its books of account. The balances in the inter-fund transfer accounts shall always nullify each other. For example, if there is a debit balance of Rs 5,30,000 in account '4862' in the books of General fund, there shall be a credit
4862	Inter-fund Transfer Account - Water Supply & Sewerage Fund	
4863	Inter-fund Transfer Account - Enterprise Fund	

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Code	Asset Heads (ver 1.0)	Description
		balance of Rs 5,30,000 in account '4861' in the books of Water Supply & Sewerage Fund. The balances in the various inter-fund transfer accounts shall be reconciled on monthly basis, and the differences, if any, shall be identified, and rectified immediately.
4881	Prepaid Expenses	Any expense paid in the current year, but pertaining to a subsequent year. (e.g.. office expenses paid in advance, insurance premium for period beyond current financial year, etc.) The amount shall be treated as an asset in the year in which it is paid, and shall be transferred to the relevant expense account in the year to which it relates.
4888	Other Loans, Advances & Deposits - Others	Residual head under Minor Code 488.
4898	Provisions for doubtful Loans, Advances & Deposits - Others	Provisions, if any, made in respect of Loans, advances and deposits (pertaining to Major code 48) done on case to case basis. For making any such provision, "Provision for Doubtful Loans, Advances and Deposits (Account Code 2621)" shall be debited, and this account shall be credited.
Miscellaneous Expenditure (49)		
4911	Loan Issue Expenses - Deferred	Amount of expenditure incurred on loan issue, which is going to be written off over a specified number of years. This account shows the deferred loan issue expense, to the extent not written off. The amount to be written off shall be transferred to account code 2651 by a journal entry every year, till the amount is fully written off.
4912	Bond Issue Expenses - Deferred	Amount of expenditure incurred on bond issue, which is going to be written off over a specified number of years. This account shows the deferred loan issue expense, to the extent not written off. The amount to be written off shall be transferred to account code 2651 by a journal entry every year, till the amount is fully written off.

Code	Asset Heads (ver 1.0)	Description
4921	Discount on Issue of Bonds - Deferred	Where a bond is issued at lower than the face value, the difference is treated as discount on issue of bonds. If it is decided to write off this expenditure over a specified number of years, it is treated as a deferred expenditure under this head. The balance in this account represents the deferred bond issue expenditure, to the extent not written off. The amount to be written off shall be transferred to account code 2652 by a journal entry every year, till the amount is fully written off.
4981	Software Expenses - Deferred	The ULB may decide to treat expenditure on software as deferred revenue expenditure, since the benefit of this expenditure is likely to be enjoyed over a longer period of time. Such expenditure shall be accounted through this account. The balance in this account represents the expenditure to the extent not written off. The amount to be written off shall be transferred to account code 2658 by a journal entry every year, till the amount is fully written off.
4988	Other Miscellaneous Expenditure - Others - Deferred	Any other expenditure incurred, the benefit of which is known to be available over future years, shall be recorded in this account. The balance shows the amount of such expenditure, to the extent not written off. The amount to be written off shall be transferred to account code 2658 by a journal entry every year, till the amount is fully written off.

ANNEX 5

Functions - Description

Function Group : 0 - General Administration:

This function group covers activities involving, direction, management, overseeing the activities & operations of the Urban Local Bodies.

Functions :

- 00 General Administration General
- 01 - Municipal Body
- 06 - Estate
- 09 - Census

Expenses related to the municipal body (council) such as council elections, meetings, tours of the councilors, providing infrastructure in office, allowances and benefit to councilors, etc., are covered by the Function "Municipal Body: Expenses related to land and buildings of the ULB, such as administration, buying, disposal etc, are covered by "Estate". Expenses in respect of census work carried out by the ULB, and reimbursement of such expenses from the Government are covered by "Census". All other general administrative expense, including the pay of administrative staff and officers are covered by the residual Function "General Administration-General".

Function Group : 1 - Planning and Regulation:

This function group covers, the ULB's role in Planning, permission & building regulations approval, trade regulations & control in planning & development within urban area.

cont.

Functions :

cont.

- 10 - Planning & Regulation - General
- 11 - City & Town Planning
- 15 - Trade License/ Regulations

Items such as building plan sanction fees, trade license fees, etc., as well as, expenses in respect of city and town planning, licensing and regulations, including the establishment expenses of concerned staff are covered by these Functions.

Function Group : 2 Public Works

This function group covers activities relating to Construction or maintenance of basic infrastructure assets owned or maintained by ULBs.

Functions :

- 20 - Public works General
- 21 - Roads, Pavements, Footballs & Road-side Drains
- 22 - Bridges, Flyovers & Subways
- 24 - Street Lighting
- 25 - Storm Water Drains, Open Drains, Culverts & Causeways
- 26 Traffic Signals

All expenditure, whether revenue or capital, including specific grants utilised for the purpose of construction of such assets are covered under relevant Function under this Function Group.

Function Group : 3 Health

This function group covers all activities carried to accomplish the maintenance and preserving of Hygienic & Congenial atmosphere in Urban areas.

Functions :

- 30 Health - General
- 31 Public Health
- 35 Hospital Services
- 36 Burials and Cremations
- 37 Vital Statistics

Activities such as fogging of mosquitoes, spraying of bleaching powder at public places to

cont.

maintain hygiene, publicising of health measures to the general public, etc., are covered under “Public Health”. The Function “Burials and Cremations” covers construction of crematoriums, maintenance of crematoriums and burial grounds, financial help to the poor to conduct burial and cremation, etc. The Function “Vital Statistics” refers to activities such as maintenance of birth and death records, issue of birth and death certificates, maintenance of statistics of epidemics and diseases, etc.

Function Group : 4 - Sanitation and Solid Waste Management

This function group covers activities relating to hygienic means of preventing human contact from the hazards of wastes and to promote health by supervised handling of waste material from generation at the source through the recovery processes to disposal.

Functions :

40 - Sanitation and Solid Waste Management - General

41 - Sanitation and Solid Waste Management Solid Waste Management

45 - Sanitation and Solid Waste Management Slaughter Houses

Solid waste management refers to collection, transportation and disposal of solid waste or garbage (household waste, construction and demolition debris, sanitation residue and waste from streets). The Function “Sanitation and Solid Waste Management Slaughter Houses” covers construction and maintenance of slaughter houses to avoid unhygienic and uncongenial environment in the urban area by providing specific place for slaughtering of animals.

Function Group : 5 Civic Amenities

This Function Group covers activities relating to construction and maintenance of civic amenities meant for providing comfort or convenience to general public, such as swimming pools, health club facilities, water supply, markets, sewerage management, parking facilities, etc.

Functions :

50 Civic Amenities General

51 - Civic Amenities Water Supply

52 - Civic Amenities Sewerage

58 - Civic Amenities Municipal Markets

Function Group : 6 - Urban Forestry

This Function group covers activities relating to caring and management of Urban Forests, i.e., tree populations in urban settings for the purpose of improving the urban environment. Planting and maintaining trees, support appropriate tree and forest preservation, conduct research and promote the many benefits trees provide.

Functions :

- 60 Urban Forestry General
- 61 Urban Forestry Parks and Gardens

Function Group : 7 - Urban Poverty Alleviation & Social Welfare

This function group covers activities of planning and organising urban development policies to improve human settlement managements in a sustainable way.

Activities such as eradication of poverty in urban areas as well as social welfare, such as providing amenities like low-cost water supply, sanitation, health care, nutrition, training in occupational skills such as tailoring, etc., helping the urban poor in setting up micro enterprises, providing funds for upgradation of housing and shelter, etc., are covered by this Function Group.

Functions :

- 70 Urban Poverty Alleviation & Social Welfare General
- 75 Urban Poverty Alleviation & Social Welfare Welfare of SC, ST & OBCs
- 76 Urban Poverty Alleviation & Social Welfare Slum Improvements
- 78 Urban Poverty Alleviation & Social Welfare Urban Poverty Alleviation

Function Group : 8 - Other Services

This function group covers activities pertaining to services rendered by the ULB, which are not covered under any of the other functions.

Functions :

- 80 - Other Services General
- 82 Other Services Education

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Function Group : 9 Revenues

This Function primarily covers tax revenues and revenues which cannot be covered by any of the other Function Groups. It also covers expenses incurred in collecting such revenues, such as, pay and wages of concerned officers and staff.

Functions :

- 90 Revenues General
- 90 Revenues Property Taxes
- 90 Revenues Advertisement Tax
- 90 Revenues Other Taxes



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