

**CHECK POINTS FOR PREPARATION OF ANNUAL ACCOUNTS 2020-21**

1.	<b>Reply of Audit Observation</b>	-The <b>replies to Audit Observations</b> of the Separate Audit Report 2019-20 need to be mentioned in <b>Notes to Accounts (Sch. 23)</b> mandatorily.
2.	Accepted Closing balance 2019-20 <b>(Sch.1, Sch.2, Sch.3, Sch.5, Sch.7, Sch.9A and Sch.9B)</b>	Tallied with <b>Opening Balance 2020-21</b>
2.	Closing Bank Balance	Tallied with <b>Closing balances shown in the R&amp;P Account, Schedule 7</b> and should also tally with the <b>Sum of break-up</b> shown in <b>Annexure 'G'</b> .
4.	Under <b>Sch. 4 Current Liabilities &amp; Provision</b> , all expenses payable during Current Financial Year, but not paid,	This should be accounted for as <b>Current liability</b> on the basis of <b>accrual accounting</b> .
5.	<b>'Grants received and refunded'</b> in Schedule 9A	Tallied with <b>grants received and refunded shown in R&amp;P Account</b> .
6.	Figures of <b>'Work in Progress'</b> in <b>R&amp;P Account (New Format)</b>	Tallied with <b>Work in Progress</b> in <b>Schedule 5</b> .
7.	<b>"SUM"</b> figures of <b>each Schedule</b>	Tallied with <b>Income &amp; Expenditure Account and Balance Sheet (Assets &amp; Liabilities)</b>
8.	<b>Amount Utilized</b> towards <b>'Capital Expenditure'</b> in <b>Schedule 9, 9A and 9B</b>	Tallied with <b>R&amp;P Account (New Format)</b> against the head – <b>'Expenditure on Fixed Assets and Capital Work-in-Progress'</b> . The same <b>amount</b> should be capitalized in <b>Schedule-I 'Capital Fund'</b> .
9.	Likewise the <b>'Establishment, Administrative, Research and Miscellaneous expenditure'</b> in <b>R&amp;P Accounts</b>	Tallied with <b>'Revenue Expenditure'</b> in <b>Schedule 9A &amp; 9B</b> .
10.	The <b>book value</b> reduced from <b>fixed assets</b>	Equal to the <b>cash realized on sale of assets plus/minus, Profit/loss on sale</b> .
11.	<b>Unutilized Govt. Grant and NAHEP</b> in <b>Schedule 9 and Schedule 9A</b> .	Tallied with under <b>'Current Liabilities'</b> in <b>Schedule 4 and Annexure 'G'</b> .
12.	In case of any <b>negative balance</b> under the head of <b>Govt. Grant</b> in <b>Schedule 9A</b>	This amount is to be added under <b>"Claim Receivable"</b> at <b>Sch. 7</b> and <b>not to be accounted for</b> in <b>Sch. 4</b> under <b>"Unutilized grants from Govt. of India – to be refunded -Govt Grant"</b> .

13.	<b>5Annex. to Sch. 9A</b>	<ul style="list-style-type: none"> <li>Scheme exp. +Institute Exp. From the Annex. to Sch. 9A to be tallied with Capital + Revenue Exp. In Sch. 9A of Annual Accounts.</li> <li>It is mandatory to check that the Scheme Code &amp; PFMS Code tally with the codes assigned by to respective Schemes by the Council.</li> <li>Funds received from the outside sources/agencies are not to be included in the ICAR Schemes in Annex. to Sch. 9A.</li> </ul>
14.	If the <b>Grants under Govt. Grant and NAHEP</b> are utilised in <b>excess of remittance</b>	The same may be shown under <b>Current Assets (Claim Receivable) in Schedule 7B</b>
15.	The <b>recoverable amount of loan and advances in Schedule 7B</b>	This should also be shown in <b>Schedule 4 as the same is refundable to the Council.</b>
16.	Recovery of accrued Interest on Loans and Advances, if any, will not be taken as Revenue in Income and Expenditure Account but will be reduced from accumulated accrued Interest figure of last year in Balance Sheet	The current year figure will be worked out by taking <b>Opening Balance of accrued interest(Sch.7B) + accrued interest during the year(Sch.13) – Recovery of accrued interest during the year(Sch.9 at Annex-A).</b> However, the interest recovered during current year pertaining to loans and advances disbursed during the year will be shown as <b>interest on loans and advances directly in the income schedule of Income &amp; Expenditure Account.</b>
17.	The total of all <b>Negative Closing balances of any Sponsored Projects/schemes</b> as shown in <b>Sub-Schedule to Schedule 4</b>	The same should be taken to <b>Schedule 7B “Claim Receivable”</b> , whereas only <b>sum of Positive Closing balances</b> should be shown in <b>Schedule 4, Current Liabilities &amp; Provisions No. A.7(c).</b> Netting off, of the negative and positive closing balances should not be carried out.
18.	Progeny of livestock will be valued for the expenditure for their upkeep & feed and are shown as asset.	This should be shown as <b>‘Capital Expenditure’ in Capital Reserve in Schedule 2</b> and simultaneously in <b>Schedule 5 of Balance Sheet.</b>
19.	If there are outstanding expenses like outstanding salaries etc. related to the current financial year but not paid during the year.	The same may be added under the <b>relevant schedule of expenditure in Income &amp; Expenditure Account</b> and the same will be shown as <b>current liabilities in Schedule 4 of the Balance Sheet.</b> Accordingly, <b>past liabilities</b> which have been <b>liquidated in current year</b> will get <b>reduced from Schedule 4</b> and <b>only unsettled liabilities</b> will be carried forward in <b>next year’s accounts.</b> Similarly, if there is <b>accrued income like accrued interest on Loans &amp; Advances</b> , the same may be added under the relevant schedule of income in <b>Income &amp; Expenditure Account</b> and the same would be shown in <b>Current Assets in Schedule 7 of the Balance Sheet.</b>

20.	<b>Land Status (Schedule 5)</b>	<ul style="list-style-type: none"> <li>- The value of land has to be <b>mandatorily</b> shown in <b>Sch-5, Fixed Asset</b> by all units as provided in the format under the <b>“Freehold” or “Leasehold”</b> category as applicable. Further in case of <b>leasehold land</b>, where the value has become <b>Zero/Nil</b> after amortization or is categorized as <b>“gifted land”</b> the same should be shown at a <b>Nominal value of Rs. 1/-</b> in the annual accounts and details of the same may be brought in <b>Notes to Accounts</b> in such cases. It may be ensured that no annual account is submitted with <b>‘Nil’</b> balance showing <b>under Land in Schedule-5</b> by any unit, if it possesses Land. If not, suitable disclosure in <b>notes to accounts</b> would be necessary.</li> <li>- All Fixed assets added/ acquired/ capitalized during the Current Financial Year in <b>Schedule-5</b> <b>should not be categorised</b> under <b>“Others”</b>. All fixed assets should be shown under the respective category of assets in <b>Schedule-5</b>.</li> <li>- Detail of disputed/encroached land has to be provided in <b>Notes to Account</b>. In case of no such disputed/encroached land, the column needs to be filled as <b>Not Applicable/Nil</b></li> </ul>
21.	The funds received and utilized towards <b>“Loans &amp; Advances”</b>	This must be shown in <b>Schedule 9B only</b> .
22.	The advances given for <b>purchases/works, T.A. / L.T.C. etc.</b>	This should be <b>deducted</b> from the <b>relevant head of expenditure schedule under Income &amp; Expenditure Account</b> and the same figure should be shown in <b>Schedule 7 under Current Assets</b> . Accordingly, the <b>past advances</b> which have been <b>adjusted in the current year</b> will be <b>carried forward in next year accounts</b> .
23.	<b>Prepaid expenses</b>	Prepaid expenses on the basis of Accrual Accounting. This should be <b>deducted</b> from the <b>relevant head of expenditure under Income &amp; Expenditure Account</b> and the same figure should be shown in <b>Schedule 7 under Current Assets</b> .
24.	Detailed break up of Institute <b>Scheme expenditure and releases made out of Schemes to ICAR Units/SAUs</b>	This may be attached in prescribed format ( <b>Annexure to Schedule 9(A-1)</b> ).

25.	Status of Advances given out of Government Grant during 2020-21 and which are unsettled till 31.03.2021.	This may be furnished in <b>Annexure to Schedule 7</b> . 'It may be noted that <b>ONLY</b> advances given out of Government Grants alone during 2020-21 and the ones remaining unsettled till 31.03.2021 out of such advances should be included in this annexure'. <b>THIS FIGURE WOULD NOT TALLY WITH THE ONES SHOWN IN SCHEDULE 7B</b> unless your institute was established during 2020-21.
26.	<b>Scheduled 22 and Schedule 23</b> related to Significant Accounting Policy and Notes to Accounts	This must <b>invariably be attached with the Annual Accounts</b> .
27.	<b>Adjustment from Capital Fund:</b> <b>Schedule – 1:</b>  <b>Schedule – 2:</b>	<p>The adjustment Permitted from <b>Capital Fund</b> from the Council is to the extent of ('Revenue Resource Generated at Unit' (-) 'Revenue utilized towards Revenue Expenditure' (-) 'Recovery of Loans &amp; advances')</p> <p>The assets acquired/donated out of Sponsored Projects fund has been discontinued therefore <b>closing balances for the year 2019-20 of Capital Reserve in Schedule-2</b> would be shown as additions to the <b>Capital Fund in Schedule-1</b>. Details of such adjustments would have to be disclosed in <b>Schedule-23 Notes to Accounts</b>. Any other adjustment made out of Capital Fund may be explicitly disclosed in <b>Schedule-23 Notes to Accounts</b>. "It may be noted that no balancing figure adjustment would be permitted in Capital Fund".</p>
28.	<b>In Schedule 23, Notes to Accounts</b>	<ul style="list-style-type: none"> <li>- Full disclosures relating to "Capital contracts remaining to be executed, Contingent Liabilities i.e. Claims against the entity not acknowledged as debts, court cases/disputed liabilities which have not been admitted and being contested, Outstanding Letter of Credit opened by the bank on behalf of ICAR and pending, disputed demands of statutory dues" etc. to be disclosed in 'Notes to Accounts and appended with Annual Accounts'.</li> <li>- The value of <b>Re. 1/-</b> should be entered against the <b>leasehold/ freehold land</b> instead of 'Nil'. Detail of such land may be provided in '<b>Notes to Account</b>'.</li> <li>- Details of any <b>disputed/encroached land</b> should be disclosed in <b>Notes to Accounts</b>. In case of no such disputed/encroached land status is there, the respective column should be filled as "<b>Not Applicable/Nil</b>".</li> </ul>

		<p>- The reference of <b>GPF Accounts</b> which is maintained separately in the unit must be included in the '<b>Notes to Account</b>'.</p> <p>- Wherever, under various Schedules of Annual Account, the head "<b>Others</b>" has been indicated such as <b>Sch-4, Sch-6, Sch-7, Sch-10, Sch-11 and Sch-12</b> is required to be indicated specifically in '<b>Notes to Accounts</b>'</p> <p>- <b>Asset Register</b>: All units are hereby instructed to reconcile the figures of Fixed Assets provided in their annual accounts with Fixed Asset Register maintained at the institute level. Reconciled figures need to be put in the Accounts and it should be duly certified as per proforma.</p> <p><i><b>"It is hereby certified that the figures of Fixed Asset as show in the Annual Accounts of (name of institute) for the FY 2020-21 have been duly reconciled with the figures of Fixed Asset Register maintained at the institute level."</b></i></p> <p>- <b>Accrued Interest</b>: A certificate with regard to the amount of accrued interest shown in Sch-7 vis-a-vis Sch-13 should be furnished in Notes to Accounts, as follows</p> <p><i><b>"It is hereby certified that amount of Accrued interest shown in the Annual Accounts of (name of institute) for the FY 2020-21 has been duly reconciled with manual record registers maintained at institute level and no discrepancy has been observed in the same."</b></i></p> <p><b>Interest Bearing Advances</b>: A certificate with regard to the amount of accrued interest shown in Sch-7 vis-a-vis Sch-4 should be furnished in Notes to Accounts, as follows</p> <p><i><b>"It is hereby certified that the amount of Interest-Bearing Advances shown in the Annual Accounts of (name of institute) for the FY 2020-21 has been duly reconciled with manual record registers maintained at institute level and no discrepancy has been observed in the same."</b></i></p> <p>(Institute also required to maintain detailed record in this regard which may be made available to internal audit team at the time of conduct of audit).</p>
--	--	---

29.	Interest on FDR/TDR	This may be accounted for on accrual basis. However, interest on Savings Bank Account may be accounted for on cash basis, wherever the banker is unable to provide such details of accrued interest.
30.	Furnish project/scheme wise list of funds released to State Agricultural Universities/ other agencies outside ICAR and status of provisional UCs in the prescribed format, i.e. Annexure to Schedule-19	<ul style="list-style-type: none"> <li>• <b>Annual Accounts</b> must invariably carry the information sought in the table below <b>Schedule-19</b> and also in <b>Annexure-19</b>. (Break-up of releases made in <b>3 heads</b> i.e. 'Grant in Aid Capital', 'Grant in Aid Salaries' and 'Grant in Aid General' <b>MUST</b> be indicated in the <b>Annexure-19</b> as desired by <b>Financial Advisor, ICAR</b>)</li> <li>• Details of Grants given under the head of G-I-A Capital, Salaries and Revenue to be tallied with the summary of Detailed Expenditure (<b>Annexure to Sch. 19</b>).</li> </ul>
31.	Swachh Bharat Mission	The expenditure of <b>Up-keeping of office and residential campus, Up-keeping and cleanliness of Institute farm, Housekeeping of Institute Guest House and other such activities, Recycling of waste material towards reducing garbage and Expenditure related to any other activities taken towards cleanliness</b> is to be depicted separately in <b>Swachh Bharat Mission</b> at the Bottom of 'Annexure B'.
32.	Bank Reconciliation Statement	A copy of <b>BRS (Proforma 1-IV) upto the month of March, 2021 of all bank accounts</b> and bank details in the prescribed proforma which is attached with Sch. 7 and its Certificates operational in the unit must be <b>attached along with the Annual Account 2020-21</b> . This should match with <b>closing balance shown in R&amp;P and Schedule 7 Current Asset</b> . The same should be sent separately by speed post also.



