



केन्द्रीयविद्यालयसंगठन (मु.)/
Kendriya Vidyalaya Sangathan (HQ)
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Date:- 26.11.2021

The Deputy Commissioner/Director,
Kendriya Vidyalaya Sangathan,
All Regional Offices/ZIETs

Subject:- Rationalization of financial transactions –reg.

Madam/Sir,

With reference to the subject cited above, it is stated that as per the existing procedure, the payment towards Gratuity, Commutation money, Leave Encashment, Employees Welfare Scheme, DLIS, Provident Fund, Advance/ withdrawal from Provident Fund etc. are being made to the concerned employee through the respective Vidyalayas/units. It was observed that there is a requirement to rationalise these financial transactions mainly due to the following reasons:-

- (i) As per the existing procedure, aforesaid payments are done through concerned units, which some time causes delay in receipt of amount by the employees.
- (ii) In the existing procedure, these transactions are recorded in the books of the concerned KVs/units as well as in the books of the Regional Offices. In the new procedure, since the payments would not be required to be entered in the books of accounts of KVs, it will decrease the work load significantly at Vidyalaya level. Further, Maintenance of cash book and subsidiary records would be easier because good number of transactions would not be required to be entered in Cash Book of KV.
- (iii) Since the amount towards aforesaid payments would not be received by the Vidyalaya, possibilities of mis-classification of entries/ utilization of funds for other purpose would not be there.
- (iv) Accumulation of liabilities can be avoided as the payment released even in the month of March would not form part of liabilities.

- (v) The commutation of pension is effective from the date of receipt of the commutation money by the pensioner. The new procedure will reduce the grievances from the pensioner to this extent.
- (vi) Utilization of funds/grants would be optimal as no funds would be available in transit (KV level) at the close of financial year.
- (vii) In the existing procedure, the payment relating to GPF/CPF withdrawal is released through the concerned KV/unit which some time causes delay in receipt of amount by the employee concerned. Late receipts of amount cause loss of interest to the employees. In the new procedure, the payment would be made directly to the employee concerned. Hence, question of loss of interest would not be there.

In view of the above, the existing procedure relating to these financial transactions was reviewed and further discussed in detail during the Virtual DC conference on financial matters, held on 22.10.2021. Now, it has been decided that **all Regional Offices/ KVS (HQ) shall make the aforesaid payments except Gratuity directly to the employee/retired employee/ nominee concerned without routing these transactions through the respective Vidyalaya/ RO Unit / Cash Section of KVS (HQ) w.e.f 01.12.2021 on trial basis.**

In this regard detailed guidelines are given in Annexure-1. All the Deputy Commissioners are requested to go through the guidelines carefully and ensure the compliance without fail.

This issues with the approval of Commissioner, KVS.

Hindi version follows

(Sanjay Kumar)
Deputy Commissioner (Fin)

Copy to :-

- ✓ 1. Deputy Commissioner (EDP), KVS(HQ) with a request to upload this letter on the website of KVS.

Deputy Commissioner (Fin)

Detailed Guidelines

Existing procedure	New procedure
<p><u>Pension</u></p> <p>On receipt of the required documents from the concerned Kendriya Vidyalaya/RO, the pension is sanctioned by the Regional Office /HQ as per the codal provisions. The funds for disbursement of pension are released by KVS (HQ) to State Bank of India, Parliament Street. State Bank of India disburses the pension to all the pensioners of KVS. The pension expenditure is booked in the books of Accounts of KVS (HQ).</p>	<p>No change</p>
<p><u>Gratuity and Commutation money</u></p> <p>(i) On receipt of the required documents from the concerned Kendriya Vidyalaya/RO/ZIET, the amount of Gratuity and commutation money is sanctioned by the Regional Office /HQ as per the codal provisions. The funds for payment of Gratuity and Commutation money are released to Regional offices by KVS (HQ) on receipt of the requisition from the Regional offices.</p>	<p>(i) no change</p>
<p>(ii) After getting funds from KVS (HQ), Regional Offices release the funds through TSA to the concerned Vidyalayas (from where the employee is retired) as per the sanction orders and book this release as expenditure in their books of Accounts accordingly.</p>	<p>(ii) Commutation money shall be paid directly through TSA to the concerned retired employee. The sanction order issued by the concerned unit must have the bank account details of the concerned employee. One copy of payment</p>




	<p>advice/covering letter shall also be endorsed to concerned KV/unit for information and record purpose. For Gratuity, existing procedure will continue.</p>
<p>(iii) On receipt of funds from Regional Office concerned, KV books the receipt of funds in their books of accounts as current liability – under the head “Liabilities towards retiral benefit”. The concerned KV makes the payment to the retired employees after making the adjustment towards recovery, if any and debit the same head i.e. “Liabilities towards retiral benefit”. If the payment is not made to the retired employee by 31st March, then the current liability of the KV will increase by the same amount and form part of consolidated Accounts of KVS</p>	<p>(iii) Since the payment is to be made directly to the retired employee/ nominee, question of book entry in the accounts of KV does not arise. For Gratuity, existing procedure will continue.</p>
<p><u>Leave encashment, Employees welfare scheme (EWS), DLIS.</u></p> <p>(i) On receipt of the required documents from the concerned Kendriya Vidyalaya/RO/ZIET, the above said benefits are sanctioned by the Regional Office /ZIETs/ HQ as per the extant provisions. The funds for Leave Encashment and DLIS are released by KVS (HQ) to ROs/ZIETs out of Grants and funds for EWS are released out of EWS Fund on receipt of requisitions from ROs/ZIETs.</p>	<p>(i) No change</p>
<p>(ii) After getting funds for Leave encashment and DLIS from KVS (HQ), Regional Offices release the funds to the concerned Vidyalaya through TSA and book this release as expenditure in their books of Accounts. On receipt of EWS funds from HQ, Regional Offices /ZIETs credit it in the</p>	<p>(ii) Payments are to be made directly by concerned RO/unit through TSA to the retired employee/nominee after ensuring the adjustment from leave encashment amount towards recovery, if any, as per rules. Before payment, Regional</p>

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<p>EWS Fund Account. Based on the sanction orders, RO releases the funds out of EWS Fund accounts to the concerned KV and book the release as expenditure in EWS Account.</p>	<p>Office/unit concerned shall get the details of recoveries/ no dues certificate from the concerned KV/unit without fail. The sanction order issued by the concerned unit must have the bank account details of the concerned employee. One copy of payment advice/covering letter should also be endorsed to the concerned KV/unit for information and official record purpose .</p>
<p>(iii) On receipt of funds (Leave encashment, DLIS, EWS) from Regional Office, concerned KV books the receipt of funds in their books of accounts as current liability – under the head “Liabilities towards retiral benefit”. The concerned KV makes the payment to the retired employees after making the adjustment as per rules towards recovery, if any and debit the same head i.e. “. Liabilities towards retiral benefit”. If the payment is not made to the retired employee by the concerned KV by 31st March, then the current liability of the KV will increase by the same amount and form part of consolidated Accounts of KVS</p>	<p>(iii) Since the payments are to be made directly to the retired employee/nominee, question of book entry in the accounts of KV does not arise.</p>
<p><u>GPF/CPF final payment, Advance/ withdrawal.</u> (i) GPF/CPF ledgers are maintained in ROs/ZIETs/ HQ. Accordingly, final payment of GPF/CPF and advances & withdrawal are also sanctioned by ROs/ZIETs/ HQ for the employees working under their jurisdiction. Based on the sanctions orders, ROs / ZIETs submit their requisition to KVS (HQ) for release of funds. KVS (HQ) releases the funds to ROs/ZIETs out of GPF account maintained at HQ.</p>	<p>No change</p>

Signature

<p>(ii) After receipt of funds from KVS (HQ), the Regional Offices credit the funds in its GPF accounts and release the same to the concerned Vidyalayas through RTGS/NEFT and book this release in its GPF Accounts under the head "Payments to Subscribers"</p>	<p>(ii) Payments are to be made directly by concerned RO/unit to the retired employee/nominee/serving employee. The sanction order issued by the concerned unit must have the bank account details of the concerned employee. One copy of payment advice must be endorsed to concerned KV/unit for information and necessary action. For advances sanctioned out of GPF/CPF, concerned KV/unit has to ensure the recovery of Advances as per the sanction order/payment advice.</p>
<p>(iii) On receipt of amount from Regional Office, concerned KV books the receipt of funds in their books of accounts as current liability – under the head "Liabilities towards retiral benefit"/ "Liabilities towards other remittances". The concerned KV makes the payment to the retired employees/serving employees and debits the same head i.e. "Liabilities towards retiral benefit"/ "Liabilities towards other remittances". If the payment is not made to the retired employee/serving employees by 31st March, then the current liability of the KV will increase by the same amount and form part of consolidated Accounts of KVS.</p>	<p>(iii) Since the payments are to be made directly to the retired employee/nominee/serving employee, question of book entry in the accounts of KV does not arise.</p>


 (Sanjay Kumar)
 Deputy Commissioner (Fin)