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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 428 Press
~~Mis.~~

Dated 25 - 8. 1860

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PB/m 73-74

Not to be folded or roughly handled

31/83

Proceedings of the Madras Government, Financial Department,
25th August 1860.

No. 73. Read the following Proceedings of Government, in the Military Department, dated 10th August 1860, No. 2,894.

Communicating the Order passed on certain letters from the Accountant General relative to the system of Banking ordered by Government for the Commissariat Department. (Vide Proceedings, Military Department, dated 10th August 1860, Nos. 224—226.)

No. 74. ORDER THEREON, 25th August 1860, No. 428.

To be recorded.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. S. T. Augustin.

MILITARY DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following papers:—

From the Acting Accountant General, Fort Saint George, 4th July 1860, *No.* 98; *to the Secretary to Government, Military Department.*

With reference to the order of Government No. 1305, dated 3rd April last, ordering a system of Banking for the Commissariat Department, I have the honor to forward, for the information of Government, copies of my Circular No. 421, dated 22nd ultimo, to the Sub-Treasurer, Commissioner of Mysore, and Collectors of Bellari, Trichinopoli North Arcot, Malabar, and the Kristna District, and of my letters to the Commissary General, Nos. 422 and 509, dated 22nd ultimo and 2nd instant.

Circular from the Acting Accountant General, Fort Saint George, 22nd June 1860, *No.* 421.

Under the orders of Government in the Military Department, No. 1305, dated 3rd April last, I have the honor to forward the accompanying "Rules for the Banking system ordered by Government for the Commissariat Department," which are to come into effect from the 1st proximo.

2. Letters of Credit upon you in favor of Executive Commissariat Officers will still continue to be granted by this Office, and I request that you will endorse on the letter of Credit, previous to despatching it to this Office, with your accounts, the Number date, amount, and date of discharge of the several drafts that the Commissariat Officer may draw upon you under his letter of Credit.

3. A monthly Account Current, in the form of the present Account Current with Paymasters, signed by you and the Commissariat Officer, should be submitted to this Office with your Treasury accounts as prescribed in Rule 7. As no advices will be granted by the Commissariat Officer, the Account Current will contain only actual payments. As all money received by the Commissariat Officer on account of sale proceeds of Stores &c., will be remitted to you under Rule 8, the amount of such receipts should also appear in the Account Current. This Account Current should be prepared, as soon after the close of the month as possible, and forwarded without delay with all the discharged drafts referred to in it, to the Commissariat Officer who will return it to you with the drafts.

4. The amount of payments made will be debited to "Military Books" minor head "Commissariat Officer of——", and all receipts credited to the same major and minor heads.

5. I request that you will instruct the Officers under you, who may have to discharge the drafts of the Commissariat Officer, to be careful that no delay occurs in making payments.

RULES FOR THE BANKING SYSTEM ORDERED BY GOVERNMENT FOR THE COMMISSARIAT DEPARTMENT.

1. Commissariat Officers are required to manage their Cash transactions in future, whenever possible, by Banking with the Government Treasuries, in preference to keeping Treasure Chests and Treasure Guards. This system will be adopted from 1st July 1860, by the Officers in charge of the Commissariat Department at the Stations named below, viz:—

Madras.	Cocanada.
Trichinopoli.	Vellore.
Bellari	and
Bangalore.	Cannanore.

2. From and after the above date, Commissariat Officers will not, as a general rule, keep more than 200 Rupees in Cash.

3. All payments of sums of Rupees 20 and upwards, will be made by means of Cheques, upon the Collector's Treasury, in favor of the parties entitled. These Cheques will be made payable to the Contractors in the body of the draft and not by endorsement of the draft, and all such Cheques should pass from the hands of a Commissioned Officer to the Contractor or supplier, without the intervention of any Member of the Establishment of the Executive Commissariat.

The Commissariat Officer will also draw Cheques upon the Collector's Treasury from time to time, for such small sums not exceeding 200 Rupees, as he requires to meet small payments and contingencies.

4. All Cheques drawn on the Collector must show the number and date of the Letter of Credit against which they are drawn.

5. On a Cheque being presented for payment, the Collector's Accountant to whom it will be first taken, will enter the particulars in his Register of payments, and also in an Account Current Book to be kept with the Officer drawing, and will put his initials to the word entered on the face of the Cheque.

6. The Cheque, which must be duly receipted by the party taking the money, will be retained by the Treasurer as his voucher for the payment. No separate receipt of any kind will be demanded.

7. An Account Current will be prepared by the Collector, in accordance with the directions, in the accompanying letter, and after being verified by the Commissariat Officer, will be submitted with the monthly Treasury account as a voucher.

8. All moneys received by Commissariat Officers on account of sale proceeds of Stores &c. will be remitted to the nearest Civil Treasury and lodged there in full without any deduction for charges of any kind.

(Signed) F. LUSHINGTON,
Acting Accountant General.

From the Acting Accountant General, Fort Saint George, 22nd June 1860, *No.* 422; *to the Commissary General, Madras.*

With reference to your letter No. 621, dated 8th instant, I have the honor to forward a Circular *addressed by me this day to Collectors and the Sub-Treasurer, with the "Rules for the Banking System ordered by Government for the Commissariat Department," for communication to the Commissariat Officers concerned.

*30 *Copies are sent.*

2. From this Circular, you will observe, that advices from the Drawing Officer, of the Cheques issued will not be required. I request that you will instruct the Executive Officers of your Department affected by these rules, not to give credit to "General Books" in their accounts for the amount of the drafts that they may issue, as they do at present. On issue of drafts, the amount should be credited to "Deposits," and on receipt of the Account Current from the Collector or Sub-Treasurer referred to at para. 3 of the Circular accompanying, the amount paid by the Collector or Sub-Treasurer should be adjusted in the Commissariat Officer's account, to the debit of "Deposits" and credit of "General Books",—should any draft remain unpaid for more than three months, the Commissariat Officer will immediately institute the necessary inquires to ascertain the cause of non-presentation.

3. With reference to Rule 8, I request that you instruct the Executive Officers to remit to the nearest Civil Treasury, the sale proceeds of Stores &c., and to debit the amount in their accounts to "Miscellaneous advances." On receipt of the acknowledgement from the remittee, the amount should be adjusted to the credit of "Miscellaneous Advances" and debit of "General Books." The receipts of the Civil Officers should be transmitted to this Office with the accounts of the Auditor of Commissariat Accounts.

From the Acting Accountant General, Fort Saint George, 2nd July 1860, *No.* 509; *to the Commissary General, North Beach.*

In reply to your letter No. 1039, dated 29th ultimo, (received this day) I have the honor to enclose Form of the Cheque to be used under the system of Banking now to be introduced. It will be well to have Cheque Books containing 50 Cheques with Cheque margins, similar to the Cheque Books issued by the Local Banks, distributed to Executive Commissariat Officers.

2. The Vignette might with advantage be composed of an upright scroll containing the word Commissariat, crossed with the name of the Station where the Cheque is drawn, thus

Commissariat.

I have no doubt that Mr. Morgan, of the Fort Saint George Press, will be able to manage this for you.

From the Acting Accountant General, Fort Saint George, 26th July 1860, *No.* 123; *to the Secretary to Government, Military Department.*

With reference to para. 3 of the order of Government No. 2185, dated 14th (and received on 27th) ultimo, in which the Government direct that the sale proceeds of surplus Cattle should "not be carried to the credit of Government in the Departmental Accounts," but "paid in Cash into the Treasury," and that a similar course should be observed in Military Departments generally in future, and "all Incidental and Departmental Receipts" paid without deduction direct into the Treasury, instead of being brought to credit in aid of Departmental expenditure as heretofore, I have the honor to observe that with my letter to you No. 98, dated 4th instant, I forwarded copies of my letter to the Commissary General and to certain Collectors inaugurating a system of Banking for the Commissariat Department, from Rule 8 of the Rules therewith circulated, it will be seen that the Commissariat Officers of Madras, Trichinopoli, Bellari, Bangalore, Cocanada, Vellore and Cannanore were instructed by me to remit to the nearest Civil Treasury all moneys received by them on account of sale proceeds of Stores &c., to be there lodged in full without any deduction for charges of any kind,—I have therefore merely extended the operation of this rule to the other Commissariat Officers and to the Agent for Remounts at Oossoor, instructed Collectors to receive such moneys and grant receipts in duplicate, and requested the Accountants General to the Governments of India and Bombay, and the Accountants to the Governments of Bengal and North West Provinces, to authorise the Treasury Officers subordinate to them to receive such remittances and grant receipts in duplicate.

2. Ordnance Officers, Medical Store-keepers, and the Agent for Army Clothing, at present remit all moneys paid to them for Stores sold, to the Paymasters. There seems no necessity therefore that any instructions should be now issued to them in furtherance of the order of Government under notice.

3. I am in doubt whether it is the intention of Government to apply this rule to Paymasters, and so require them to remit to Civil Treasuries all sums remitted to them by Ordnance and Medical Officers, or recovered by them on account of the Military, Medical, Band, and Mess Funds, or received by them for remittance to England or in exchange for Accountant General's Bills and Cash Receipts. A Paymaster, is equally with a Collector, a Treasury Officer, it appears to me that it is not the intention of Government to bring Paymasters under the operation of this rule. On this point therefore I request to be favored with the orders of Government.

4. I beg also to point out that under the present system of accounting, whereby the "*Military Books*" are kept distinct from the "*General Books,*" it will be impossible to carry out the order of Government that the sale proceeds of Stores should "*not be carried to the credit of Government in the Departmental Accounts.*" But this is a matter of minor importance, so far as the object of Government is concerned, *i e.* that such money should not be appropriated to meet the expenditure of the Department, in which account the credit is afforded, as money can be remitted by a Commissariat Officer for instance, to a Civil Treasury, and credit given in the Commissariat accounts, through the intermediate adjustment of a debit to "General Books" in the Commissariat accounts, and credit to "Military Books" in the Collector's accounts.

ORDER, No. 2894, 10*th August* 1860.

The Governor in Council approves of the Circular letter and instructions issued by the Accountant General, alluded to in his letter of the 4th July, as well as the proceedings reported in para. 1 of his communication, dated 26th idem.

2. His Honor concurs with the Accountant General, in considering it unnecessary that any instructions should now be issued, to alter the system reported (in para. 2 of the letter of 26th July) to be at present observed by Ordnance Officers, Medical Store-keepers, and the Agent for Army Clothing, viz. that of remitting moneys paid to them for Stores, sold to the nearest Paymaster.

3. The object of Government in para. 3 of the Order dated 14th June 1860, No. 2185, was, that Officers of supply should not have at their disposal, to be operated upon, any Funds incidentally derived by the sale of Stock or Stores, and beyond what are provided for by their Departmental Estimates of expenditure; but that such Funds should be deposited in the *nearest* Treasury. This object would be attained by the transfer of the Funds in question either to the Treasury of a Collector, or that of a Paymaster.

4. Paymasters being themselves Treasury Officers, equally with Collectors, it is not intended that they should be brought under the operation of the rule contained in para. 3 of the Order of Government above alluded to.

5. The question of the continuance or otherwise of a separate Treasury by the Paymaster at the Presidency, however, will be considered, when disposing of the communication from the Accountant General, dated 10th July 1860, No. 108, which is at present under reference to the Military Auditor General.

6. Adverting to the observations made in the 3rd paragraph of the present Order, the Governor in Council approves of the mode of accounting for the sale proceeds of Stores, reported in the 4th para. of the Accountant General's letter of the 26th July.

(True Extract.)

By Secretary to Government.

To the Accountant General.
" Military Auditor General.
" Commissary General.
" Financial Department. With 2 spare Copies.
" Auditor of Commissariat Accounts.
" Inspector General of Ordnance.
" Principal Inspector General Medical Department.
" Clothing Department.
" Military Finance Commission.

Exd. J. Cashart.

Rs. ..... As. .....

18

COMMISSARIAT

Rs. ..... Pay Peyhees ..... As. .....

Madras, ... 18

Sub Treasurer, Fort Saint George.

Pay ..... or order

Dy. Asst. Commy. General.

Encl 1860 Dept.

Prov: of Govt in the
Militia Dt. No. 2094

Dft. 18th
Mf. 21st Augt 1860.

3 pages Copies

No 424.

Copy the order
passed on certain letters
from the Accts General
relative to the system
of Banking ordered by
Govt for the Commissa-
riat Dept.

No 428 — 25 Augt 1860.
To be recorded