[F. B. 4]

300—20-8-98.

Entered in Budget Register.

Date.

1899 A-3. 11/10/1899

A-2. 11-10 1899.

B. 12/10/ 1899.

Financial (1899) Department.

ORDINARY PRINTED.

G.O., Nos 1103, 1104

DATED 9-10-99

INDEXED.

12/12

[Despatch Abstract.]

Remittance Transfer Receipts relating to Provident Funds.

Requesting the G of I that the —— may be exempted from the payment of any premium.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
4079/99							

Government {1899} of Madras.

FINANCIAL.

Recd. } 1899. *Enclosures*

Regd. } *Spare copies*

G.O., No. 1103, 9th October 1899.

OCTOBER.

Remittance Transfer Receipts relating to Provident Funds.

Requesting the Government of India that the — may be exempted from the payment of any premium.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

Read—the following paper :—

From J. TWIGG, Esq., President, District Board, Tanjore, to the Secretary to Government, Local and Municipal Department, dated Camp, Vallam, 24th July 1899, Cur. No. 1192 D.B.

Ever since 1891 no premium has been charged for remittance transfer receipts issued for the purpose of investments made by the District Board in favour of the Provident Fund Institution in the joint names of the President and Vice-President. The Accountant-General has, however, now raised an objection contending that, under article 143 (17) of the Civil Account Code, premium should be paid for the remittance of amounts by remittance transfer receipts on this account. The article quoted enjoins that premium at the prescribed rates is to be paid on remittance transfer receipts issued on behalf of funds held in trust. But I beg to submit that the funds in favour of the Provident Fund Institution are not to be treated as those held in trust. They form part of the General Incorporated Local Funds. And all remittances for purposes of Incorporated Local Funds should be regarded as for *bonâ fide* public purpose and consequently remittance transfer receipts are to be issued at *par* under article 143 I (*a*) (1).

2. I have therefore the honour to submit copy of the Accountant-General's letter, No. T. 27-Taj.—3044, dated 21st June 1899, for orders of Government.

Enclosure.

From G. C. RAY, Esq., Deputy Accountant-General, to the President, District Board, Tanjore, dated Fort St. George, 21st June 1899, No. T. 27-Taj.—3044.

With reference to your letter, No. 52, dated the 9th instant, I have the honour to observe that, under rule 9 of the Provident Fund rules, money belonging to the Provident Institution is *deposited* in the Government treasury, but it does not belong either to Government or the Local Fund. Its balance does not form part of the Local Fund balance. It is held in trust for the benefit of the employés of the Local Board, and must be treated as a Trust fund for the purpose of determining whether premium on remittance transfer receipts should be charged or not.

No. 853.

Transferred to the Financial Department.

(Signed) A. EDGINGTON,
Acting Assistant Secretary.

18*th August* 1899.

Order—No. 1103, Financial, dated 9th October 1899.

The Government of India will be addressed.

[Here enter letter, No. 1104, Financial, dated 9th October 1899.]

(True Extract.)

G. STOKES,
Chief Secretary.

To the Local and Municipal Department.
„ Accountant-General.

Exd. P. Seetharam.

NOTES CONNECTED WITH G.O., Nos. 1103, 1104, FINANCIAL, DATED 9th OCTOBER 1899.

[Subject.—*Remittance transfer receipts in connection with Provident funds of local boards.*]

From the President, District Board, Tanjore, dated 24th July 1899, *Cur. No.* 1192-*D.B.*

„ *Local and Municipal Department, dated 18th August* 1899, *No.* 853.

Rule 9 of the rules of Local Fund Provident Institution lays down that the funds of the Provident Institution shall be deposited in the Government treasury to the credit of the District Board, and that any sum not required for the current expenses of the year shall be invested in Government or certain other recognised securities.

Appendix C to the Local Fund Code.

2. The question arises as to how such amounts as are not required for current expenses should be forwarded, say to the Accountant-General, for investment. The practice has been for the District Treasury Officer to give a remittance receipt at par for sums so invested.

3. The Accountant-General is of opinion that though money belonging to a Provident fund is deposited in a Government treasury under the rules framed by the Government, yet such money does not belong either to Government or to Local fund.

Letter No. T. 27/3044, dated 21st June 1899.

The balance of the Provident fund is, he points out, not included in the Local Fund balance, and it is merely held in trust for the benefit of the employés of the Local Board. He therefore considers that it must be treated as a trust fund and that premiums should be charged on remittance transfer receipts under article 143 I (17) of the Civil Account Code.

4. The President, District Board, Tanjore, on the other hand, contends—

(1) that since 1891 no premium has been charged on remittance transfer receipts issued for moneys remitted for investment ;

(2) that the funds of a P ident Institution should not be treated as Trust funds ;

(3) that they form part o the General Incorporated Local Funds, and as such, all remittances should be treated as for *bonâ fide* public purposes and remittance transfer receipts issued at par under article 143 I (1), Civil Account Code.

5. The facts of the case are as follows :—

Local Fund servants, with some exceptions, are compelled to subscribe to the Provident fund ; the District Board budgets for receipts and charges on account of the fund ; its accounts are included in the Local Fund accounts ; its balance is merged in the balance of Local funds. But neither Government nor the Local Board has the power to divert funds belonging to a Provident Institution to any other use.

They are held in trust on behalf of Local Fund servants to be eventually disbursed to them in the shape of bonuses. It is to be noted, however, that any bonuses forfeited are credited to the head "Miscellaneous" in the accounts of the Provident fund and after meeting therefrom charges on account of the Provident fund establishment and reserving a sum equal to the probable amount of such debits for the next three years the balance lapses to the Board.

Rule 17 of the Provident Fund rules. Page 7 of Appendices to the Local Fund Code.

6. Article 143 I (1) of the Civil Account Code permits the grant of remittance transfer receipts at par for *bonâ fide* public purposes, and remittances for purposes of Incorporated Local Funds fall under this category. But remittances for investment of moneys belonging to a Local Fund Provident Institution are not, it is submitted, for *public* purposes in the same sense as the ordinary transactions of a Local Fund.

7. It is submitted that the Accountant-General is technically right in holding the opinion that premium should be paid on remittances of moneys belonging to the Provident fund. It is, however, submitted that in the light of the facts mentioned in paragraph 5 *supra* remittances for investment of moneys belonging to the Provident fund might, in this respect, be placed on the same footing as remittances for purposes of the Incorporated Local Funds. If the Accountant-General refuses to continue issuing remittance transfer receipts at par, Local and Municipal might address India in view of these remittances being specially treated.

T.H.R.—16-9-99.

C. M. Schmidt—17-9-99.

H. M. and H. E. the Governor—

I think there is some confusion about this matter. A premium is charged on remittance transfer receipts, because they involve the actual remittance and payment of money out of the treasury. Here there is nothing of the sort and the remittance transfer receipt is merely a voucher. There is no ground as it seems to me to demand a premium. To do so is objectionable or undesirable on other grounds. All the technical argument of the Accountant-General seems to me beside the point. I think Government should direct the existing practice to continue.

It may be necessary to go to India in this matter.

G. Stokes—18-9-99.

I think we had better address India on the matter and ask, if the technical rules justify the request of the Accountant-General, that the remittance transfer receipts relating to the Provincial funds be exempted from charge. It is, of course, true, as the Chief Secretary points out, that there is no actual remittance of money, except in so far as the general movements of specie include it.

A. T. A[rundel]—19-9-99.
A. E. H[avelock]—29-9-99.

Chief Secretary.

Draft submitted for approval.

C.M.S.—5-10-99.

Issue.

G.S.—6-10-99.

[G.O., Nos. 1103, 1104, Financial, dated 9th October 1899.]

Government {1899} of Madras.

FINANCIAL.

Recd. }
} 1899.
Regd. }

Enclosures

Spare copies

Letter, No. 1104, 9th October 1899.

OCTOBER.

Remittance Transfer Receipts relating to Provident Funds.

Requesting that the — may be exempted from the payment of any premium.

FINANCIAL DEPARTMENT.

Letter—from

The CHIEF SECRETARY to the GOVERNMENT of FORT ST. GEORGE,

To

The SECRETARY to the GOVERNMENT of INDIA,
Finance and Commerce Department.

Sir,

Rule 9 of the rules regulating Local Fund Provident Institution in this Presidency directs that the funds of such institutions shall be deposited in the Government treasury to the credit of the District Board and that any sum not required for the current expenses of the year shall, at the beginning of the year following, be invested in Government or other recognised securities. It has been the practice for several years for the District Treasury officer to grant a remittance transfer receipt at *par* for sums so invested.

2. The Accountant-General is now of opinion that although moneys belonging to these Provident funds are deposited in a treasury, such moneys do not belong either to Government or to the Local fund but are merely held in trust for the benefit of the employés of the Local Board who are compelled to subscribe to the fund. He considers that the Provident funds must be treated as Trust funds and that premium should be charged on remittance transfer receipts under article 143 I (17) of the Civil Account Code.

Vide copy of his letter, No. T. 27-Taj.—3044, dated 21st June 1899, enclosed.

3. The Accountant-General's opinion may be technically correct, but it is to be observed that a premium is charged on remittance transfer receipts usually because such receipts involve the actual remittance and payment of money. There is no such transaction in the investment of the funds of these Provident institutions and the remittance transfer receipt in these cases is merely a voucher.

4. I am therefore to recommend that remittance transfer receipts relating to Provident funds may be exempted from the payment of any premium.

I have the honour to be,
Sir,
Your most obedient servant,

G. STOKES,
Chief Secretary.

Ootacamund,
9th October 1899.

[Annexure.

Exd. A. F. Eccleston.

ANNEXURE.

From G. C. RAY, Esq., Deputy Accountant-General, to the President, District Board, Tanjore, dated Fort St. George, 21st June 1899, No. T 27-Taj.—3044.

With reference to your letter, No. 52, dated the 9th instant, I have the honour to observe that, under rule 9 of the Provident Fund rules, money belonging to the Provident Institution is *deposited* in the Government treasury, but it does not belong either to Government or the Local Fund. Its balance does not form part of the Local Fund balance. It is held in trust for the benefit of the employés of the Local Board, and must be treated as a Trust fund for the purpose of determining whether premium on remittance transfer receipts should be charged or not.

Financial

Local & Munl. (1899) Department.

CURRENT No. ~~2136 L~~ 2932

CURRENT No. 2932

From The President
District Board
Tuticorin

~~Order~~ No 853 dated 18-8-99

Current No. 1192 D.R. of 1899

Transferred to the Financial Department.

Dated 24th July 1899.

Received 28 JUL 1899

Registered

Enclosures One

Spare copies

a Registrar
Ag Assistant Secretary

8/e 14/8/99

× as the question is one affecting Provincial Funds.

CHIEF SECRETARIAT, 19 AUG. 1899, OOTACAMUND.

Ans 19/8/99
Rly 22/8/99
Funds 1.

SUBJECT.

Submitting for orders the Accountant G's account as stating that premiums under Article 143 (17) of the Civil Account Code should be paid for R. T. Rs issued in favour of Provident

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

C19-E99 C21-E99
R20-9-E9 R2-10-E9

Notes connected with Go No. 1103-4 dt 8/9-10-99

(2) 19

Financial Department.

C.No.2952.

Note

See appendix C to the Local Fund Code.

H.m.
H.S. Mr Ewart

Draft. 1/10/99

PA
2. 10-99

3/10

Letter No.T 27/3044,d/21-6-99

n the current.

Rule 9 of the Rules of the Local Fund Provident Institution lays down that the funds of the Provident Institution shall be deposited in the Govt. treasury to the credit of the District Board and that any sum not required for the current expenses of the year shall be invested in Govt.or certain other recognised securities.

2. The question arises as to how such amounts as are not required for current expenses should be forwarded, say to the Acctt.Genl.,for investment. The practice has been for the District Treasury Officer to give a remittance receipt at par for sums so invested.

3. The Acctt.Genl. is of opinion that though money belonging to a Provident fund is deposited in a Govt. treasury under the rules framed by the Govt.,yet such money does not belong either to Govt.or to Local Fund.

The balance of the Provident Fund is,he points out,not included in the Local Fund balance and it is merely held in trust for the benefit of the employees of the Local Board. He therefore considers that it must be

treated

treated as a trust fund and that premiums should be charged on remittance transfer receipts under article 143 I(7) of the Civil Account Code.

4. The President, District Board, Tanjore, on the other hand, contends

(1) that since 1891 no premium has been charged on remittance transfer receipts issued for moneys remitted for investment,

(2) that the funds of a Provident institution should not be treated as trust funds;

(3) that they form part of the General Incorporated Local Funds, and as such, all remittances should be treated as for bonâ fide public purposes and remittance trandfer receipts issued at par under article 143 I(1) Civil Account Code.

5. The facts of the case are as follows.-

Local fund servants, with some exceptions, are compelled to subscribe to the Provident fund; the District Board budgets for receipts and charges on account of the fund; its accounts are included in the Local Fund Accounts; and its balance is merged in the balance of Local Funds. But neither Govt. nor the Local Board has the power to divert funds belonging to a provident institution to any other use;

They

Rule 17 of the Provident Fund Rules. Page 7 of Appendices to the Local Fund Code.

They are held in trust on behalf of Local Fund servants to be eventually disbursed to them in the shape of bonuses. It is to be noted, however, that any bonuses forfeited are credited to the head "Miscellaneous" in the accounts of the Provident Fund and after meeting therefrom charges on account of the Provident Fund Establishment and reserving a sum equal to the probable amount of such debits for the next 5 years the balance lapses to the Board.

6. Article 143 I(1) of the Civil Account Code permits the grant of remittance transfer receipts at par for bonâ fide public purposes, and remittances for purposes of Incorporated Local Funds fall under this category. But remittances for investment of moneys belonging to a Local Fund Provident institution are not, it is submitted, for public purposes in the same sense as the ordinary transactions of a Local Fund.

7. It is submitted that the Acctt. General is technically right in holding the opinion that premium should be paid on remittances of moneys belonging to the provident fund. It is, however, submitted that in the light of the facts mentioned in para 5 supra remittances for investment of moneys belonging to the Provident Fund might in this respect be placed on the same footing as remittances for purposes of the Incorporated Local

Funds. If the Accountant-General is ~~requested~~ to continue issuing remittance transfer receipts at par, I think we might address India in view of these remittances being specially treated

MR 16/9/99

Cw.S. 18.9.99

I think there is some confusion about this matter: A premium is charged on Remittance Transfer Receipts because they involve the actual remittance & payment of money out of the Treasury. Here the crediting of the Fund and the Remittance Transfer Receipt is merely a voucher. There is no ground in it therefore to charge premium. To do so is objectionable or undesirable on other grounds. All the technical arguments of the Acy. Genl. seem beside the point. I think Govt. should direct the existing practice to continue.

[signature]

(5)

H M & H E the Governor

Issue [illegible] 8-10-99

I think we had better address India on the matter and ask, if the technical rules justify the request of the Acct. Genl. that the Remittance Transfer Receipts relating to the Prov.t funds be exempted from charge. It is of course true as the C.S. points out that there is no actual remittance of money, except in so far as the general movements of specie include it.

[initials] 19.9.99

A.E.H. 29.9.99

Note. It may be necessary to [illegible] Govt. India in this matter.

[signature]

[G / 24]
500—17-10-9..

Financial DEPARTMENT.

G.O. No. 1103-4
9-10-99

W2 18/xi/99

Read again G.O. 1103-4 Finl. d/ 9th Oct. 1899

G. No.	From the	, No.	, dated	189 .
"	" "	, "	, "	189 .
"	" "	, "	, "	189 .
"	" "	, "	, "	189 .

Cancel the no. & return file to Refce.
[initials] 20/xi/99

Letter
R

[initials] 19/xi/99 Rsv. 1600 20.11.99

To,

The Secretary to the Govt. I.
Fin: & Com: Dept.

Sir,

I am directed to invite attention to my letter No. 1104 Finl dated 9th Oct. 1899 regarding the exemption from the payment of premium of remittance transfer receipts relating to Provident Funds and to request the favour of an early reply thereto.

Cwd 19/xi/99

[signature]

Ref. [illegible] in C.W.B.

[G/24]

500—3-8-99.

(6) ..... Financial ..... DEPARTMENT.

C. No. 2932 From the { President, Dt Board, Sanjore No 1192 dated 24th July 1899 / Accountant General Local Department, No. T 297 Taj / 3044 053 dated 18th July / 18th August 1899 } A

" " " " " " " 189 .

" " " " " " " 189 .

" " " " " " " 189 .

Cl.

ORDER:- No. ~~1103~~ 879-10-99.

P.S.

1103 4P

The Government of India will be addressed.

To

The Local and Municipal Dept.

" Accountant-General.

Dispd 31-x-99

Cons 6th x 99

Issue in one book

LETTER:- No. 1104 879-10-99.

To

The Secretary to the Govt. of India

Fin. and Com. Dept.

Sir,

Rule 9 of the rules regulating Local Fund Provident institution in the Presidency ~~Towns~~ Districts that the funds of such institutions shall be deposited in the Government treasury to the credit of the District Board and that any sum not required for the current expenses of the year shall (at the beginning of the year following) be invested in Govt. or other

Issue

5P Type P+G+ Rector Consd Mysore

recognized securities. It has been the practice for several years for the Dt. Treasury Officer to grant a remittance transfer receipt at par for sums so invested. Vide copy of letter No 1192 dated 24th July 1899 from the Collector Tanjore enclosed. (M)

2. The Accountant-General is now of opinion that though moneys belonging to the Provident funds are deposited in a treasury, such moneys do not belong either to Govt. or to Local fund but are merely held in trust for the benefit of the employes of the Local Board who are compelled to subscribe to the fund. He considers that the Provident Funds must be treated as trust funds and that premium should be charged on remittance transfer receipts under art. 143 I (17) of the Civil Account Code.

3 The Accountant-General's opinion is technically correct, but it is observed that a premium is charged on remittance transfer receipts because such receipts involve the actual remittance and payment of money. There is no such transaction in the investment of the funds of these Provident institutions and the remittance transfer receipts in these cases are merely a voucher.

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For approval

5/6/06

NOTES CONNECTED WITH G.O., Nos. 1103, 1104, FINANCIAL, DATED 9TH OCTOBER 1899.

[SUBJECT.—*Remittance transfer receipts relating to Provident funds*]

From the President, District Board, Tanjore, dated 24th July 1899, *Cur., No.* 1192-*D.B.*
„ *Local and Municipal Department, dated 18th August* 1899, *No.* 853.

FINANCIAL DEPARTMENT.

Rule 9 of the rules of Local Fund Provident Institution lays down that the funds of the Provident Institution shall be deposited in the Government treasury to the credit of the District Board, and that any sum not required for the current expenses of the year shall be invested in Government or certain other recognised securities.

Appendix C to the Local Fund Code.

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Letter No. T. 27/3044, dated 21st June 1899.

The balance of the Provident fund is, he points out, not included in the Local Fund balance, and it is merely held in trust for the benefit of the employés of the Local Board. He therefore considers that it must be treated as a trust fund and that premiums should be charged on remittance transfer receipts under article 143 I (17) of the Civil Account Code.

4. The President, District Board, Tanjore, on the other hand, contends—

(1) that since 1891 no premium has been charged on remittance transfer receipts issued for moneys remitted for investment;

(2) that the funds of a Provident Institution should not be treated as Trust funds;

(3) that they form part of the General Incorporated Local Funds, and as such, all remittances should be treated as for *bonâ fide* public purposes and remittance transfer receipts issued at par under article 143 I (1), Civil Account Code.

5. The facts of the case are as follows:—

Local Fund servants, with some exceptions, are compelled to subscribe to the Provident fund; the District Board budgets for receipts and charges on account of the fund; its accounts are included in the Local Fund accounts; its balance is merged in the balance of Local funds. But neither Government nor the Local Board has the power to divert funds belonging to a Provident Institution to any other use.

They are held in trust on behalf of Local Fund servants to be eventually disbursed to them in the shape of bonuses. It is to be noted, however, that any bonuses forfeited are credited to the head "Miscellaneous" in the accounts of the Provident fund and after meeting therefrom charges on account of the Provident fund establishment and reserving a sum equal to the probable amount of such debits for the next three years the balance lapses to the Board.

Rule 17 of the Provident Fund rules. Page 7 of Appendices to the Local Fund Code.

6. Article 143 I (1) of the Civil Account Code permits the grant of remittance transfer receipts at par for *bonâ fide* public purposes, and remittances for purposes of Incorporated Local Funds fall under this category. But remittances for investment of moneys belonging to a Local Fund Provident Institution are not, it is submitted, for *public* purposes in the same sense as the ordinary transactions of a Local Fund.

7. It is submitted that the Accountant-General is technically right in holding the opinion that premium should be paid on remittances of moneys belonging to the Provident fund. It is, however, submitted that in the light of the facts mentioned in paragraph 5 *supra* remittances for investment of moneys belonging to the Provident fund might, in this respect, be placed on the same footing as remittances for purposes of the Incorporated Local Funds. If the Accountant-General refuses to continue issuing remittance transfer receipts at par, Local and Municipal might address India in view of these remittances being specially treated.

T.H.R.—16-9-99.
C. M. SCHMIDT—17-9-99.

Final 1103-1104

Read with Final Nos 1437/23-1099

24/10/22

First copy sent to Press.

Returned for signature.

Despatched in print.

Number of copies required.

Order complete. 35

Letter only. 25

Order complete with Letter.

Read again G.O., No. 189 , Dated

Current No. 2932 to be marked

Enclosures to O. No.

Order of Government " " "

Letter of Government.

Statement with ditto.

Papers not filed up, being meant for despatch in original.

N.B.—

A = Print in full.
B = Not to be printed.
P = Print abstract only.
Q = Print heading only.