

**F. No.1-24/2016-PBI
Government of India
Ministry of Communications
Department of Posts
(PBI Division)**

**Dak Bhawan, New Delhi
Date: 05 /09/2018**

To,
All CPMGs/ PMGs / DPS
CGM (BD& MD) / CGM (PLI)
Sr. DDGs / DDGs
All GMs (F) / DAPs
Director, RAKNPA &
All Directors, PTCs

Sub: -Revised Accounting Procedure for Cash Management Arrangement between DoP and IPPB

Please find enclosed copy of the revised Accounting Procedure for Cash Management Arrangement between DoP and IPPB

2. This may be circulated to all Post Offices and ensure that the accounting procedure is adopted as per the enclosure.
3. GM, CEPT, Mysore is requested to make necessary provisions in Meghdoot software for non CSI offices, and necessary reports for Post Offices, DAP and Nodal Office according to this accounting procedure.

Enclosures: As Above


**(Abhishek Jain)
ADG (PBI)**

Copy to:-

1. CFO, IPPB, Speed Post Centre Building, Bhai Veer Sing Marg, New Delhi-110001 for information.

F. No. 3-1/2015-16 PA (TECH-II)/D-1810-1812
Government of India
Ministry of Communication
Department of Posts
(Postal Accounts Wing)
Dak Bhawan: Sansad Marg
New Delhi-110001

Dated: 31.08.2018.

Sub: Revised Accounting Procedure for Cash Management Arrangement between Department of Posts (DoP) and India Post Payments Bank (IPPB).

In continuation of this office letter of even number D-189 to 191 dated 08.03.2018 on the above mentioned subject, whereby Accounting Procedure for Cash Management Arrangement between Department of Posts (DoP) and India Post Payments Bank (IPPB) was forwarded for further necessary action. In this connection, it is intimated the above referred Accounting Procedure has been revised.

A copy of the Revised Accounting Procedure for Cash Management Arrangement between Department of Posts (DoP) and India Post Payments Bank (IPPB) is enclosed herewith, with the request to circulate the same to all concerned under their control.

Encl:-As above

31/8/2018
Asstt. Director General
(Accounts)

ADG (PBI)

No.3-1/2015-16/PA (Tech-II)
Postal Accounts Wing
Dak Bhavan, Sansad Marg,
New Delhi-110001

Revised Accounting Procedure

Subject: - Cash Management Arrangement between Department of Posts (DoP) and India Post Payments Bank (IPPB).

On the basis of Standard Operating Procedure, other records relating thereto and clarifications on the observations received from PBI Division on Cash Management Arrangement between Department of Posts (DoP) and India Post Payments Bank and approval/ concurrence for opening of Major and Minor Head of Account from O/o the CGA, the following Heads of Accounts / Accounting Procedure, has opened /formulated in the books of the Department of Posts for classification of transactions between DoP and IPPB:

This is issued in supersession of the Accounting Procedure already communicated vide this office letter of even no: dated

(1) Heads of Account: Since IPPB is a separate Public Sector Undertaking, a **separate Major Head** has been allotted /opened to classify all the transactions /settlement in respect of IPPB. Accordingly, the following Heads of Accounts has been opened in the Books of Department for classification of Receipts and Payments for Cash Management between DoP and IPPB:

Major Head- 8455 -Settlement Account with IPPB

Sub Major Head- 00-Settlement Account with IPPB

Minor Head- 101-Transactions with IPPB

Sub Head 01-Initial deposit received from IPPB

Sub Head 02- Transaction with IPPB customers

Detailed Heads-01- Deposit (Receipt) from the IPPB customers

-02- Withdrawals (Payments) to the IPPB customers

-03 -Settlement with IPPB for Net Deposits (Payments)

-04- Settlement with IPPB for Net Withdrawals (Receipts)

(At the end of the day, after the adjustment, the balance under **MH-8455-00-101-02** would be zero.)

(2) Accounting Procedure: Role of different units of the Department relating to the Cash Management Arrangement between DoP and IPPB as far as Accounting Procedure is concerned, is furnished below:

(3) Role of Head Post Office/Post Offices dealing IPPB transactions:

All HPOs/SOs and BOs: All deposit/ withdrawal of IPPB customers may be classified as Gross Deposits from IPPB customers under MH 8455.00.101.02.01.00 and Gross withdrawals by IPPB customers under MH 8455.00.101.02.02.00. Under CSI, it is an automated process and the file generated by the IPPB system in this regard has got it uploaded in CSI system as per the prescribed classification. All HPOs /SOs/ BOs have to verify that the MIS report of IPPB tallies with the CSI classification of Gross Deposits and Gross Withdrawals at the back end of F&A module.

If there is any discrepancy it has to be reported invariably to Circle PAO/ DDG (PBI) for further action. It is the sole responsibility of all the Post Masters that the MIS report of IPPB transactions has to tally with the CSI report of Classification.

For non CSI, Post Offices, they have to clearly indicate the gross deposits from IPPB customers /gross payments to IPPB customers separately in the Cash book and get it tallied with the MIS report of IPPB. CEPT

Mysuru may design in Meghdoot software that these Gross receipts/ Gross payments may be captured separately and the consolidated position at Pan India level may be made available to Nodal PAO, Delhi for carrying out the daily reconciliation.

(4) Role of Postal Accounts Office:

All PAOs has to see the **total Gross receipts and Gross payments** of its Circle which have been classified under Head of Account, MH 8455-00-101-02-01.00 and MH 8455-00-101-02-02.00 of its Circle in CSI and get it tallied with the MIS report of IPPB. All the PAOs have already been given view rights of IPPB for seeing the daily MIS reports of their respective Circle in order to reconcile the booking made under CSI under these heads.

It has to see the total Gross receipts /Gross Payments on the above mentioned heads and the Net Receipts or /Net Payments on daily basis which have been shown as under:

MH 8455.00.101.02.03.00 (Net Receipts)

MH 8455.00.101.02.04.00 (Net Payments)

This net figure has to be reconciled with the MIS report of IPPB of its Circle.

Under Non-CSI environment,

For non CSI, Post Offices, they have to clearly indicate the gross deposits from IPPB Customers/gross payments to IPPB Customers separately in the Cash book and get it tallied with the MIS report of IPPB. CEPT Mysuru may design in Meghdoot software that these Gross receipts/ Gross payments may be captured separately and the consolidated position at Circle level/ Pan India level may be made available on daily basis to Circle PAO/Nodal PAO, Delhi for carrying out the daily reconciliation.

Each PAO is expected to send the consolidated position of Net receipts/net withdrawals in respect of its Circle (Both CSI and non CSI) after tallying the MIS report of IPPB to Nodal PAO Delhi through email on daily basis as per the given format:

Name of the PAO/Date of transaction/ Gross Receipts/Gross Payments/Net Receipts/Net Payments

Reconciliation :

Nodal PAO has to consolidate the Circle wise position of the Net Deposits or Net withdrawals shown through emails received from the PAOs and get it reconciled with the consolidated position of Net receipts/Net Payments of PAN India figure in CSI system and the Meghdoot system (intimated through CEPT Mysuru)

This pan India figure has to be reconciled with the MIS report of IPPB for all the Post Offices at PAN India on daily basis.

It may be ensured that the Pan India MIS report of Net Receipts/Net Payments under MH 8455.00.101.02.03.00/ MH 8455.00.101.02.04.00 may be made available to PAO Delhi on Daily basis by CSI.

(a) Role of Nodal Office: PAO Delhi

For the Initial deposit from IPPB to DoP (remitted to bank account of Nodal PAO, Delhi

Dr.

8677- Remittance into Bank

00-102-Postal

01-00 Remittance into Bank (Initial Deposit received from IPPB)

To

8455- Settlement Account with IPPB Bank

00-101- Transactions with IPPB

01- Initial Deposit received from IPPB

(Cr)

(MH 8455.00.101.01.00.00)

(b) Settlement with IPPB

(i) At the end of the day, as per the transactions carried out throughout the country, if the net of Transactions is deposit,

Dr

8455-Settlement account with IPPB
00-101-Transactions with IPPB
02-Transactions with IPPB customers
03-Settlement with IPPB for net Deposit
(MH 8455.00.101.02.03.00)

To

8670-Cheques and Bills
00-107-Postal Cheques
01- Drawing from Banks **(Cr)**
(MH 8670.00.107.01.00.00)

(ii) As per the transactions carried out throughout the country and if the net of transaction is withdrawal

Dr.

8677-Remittance into Bank
00-102-Postal
01- Remittance into Banks
(MH 8677.00.102.01.00.00)

To

8455-Settlement Account with IPPB
00-101-Transactions with IPPB
02-Transactions with IPPB customers
04-Settlement with IPPB for net Withdrawal **(Cr)**
(MH 8455.00.101.02.04.00)

Under CSI environment,

On the basis of excel sheet generated in the IPPB Server, the gross receipts and the Gross payments has been automatically classified as MH 8455.00.101.01.02.01 (Gross receipts) MH 8455.00.101.01.02.02 (Gross Payments) in each Post Office, under CSI System through F&A module at back end.

Dedicated Counters of IPPB at CSI rolled out Offices:

It is learnt that so many dedicated counters of IPPB have been opened in most of the CSI rolled out offices. But these dedicated counters are not being operated through POS system of CSI. If it is so, then the net receipts/net payments of these dedicated counters will not get accounted into CSI system and to that extent, the variation in deriving the amount for Net receipts/Net payments. **Hence it is requested to issue separate instructions to all the Post Masters to have the dedicated counters operated through POS system of CSI and necessary downloading POS of CSI may be carried out. PBI division is asked to issue necessary instructions in this regard to all the circles in this regard.**

Till now, the transactions carried out in these dedicated counters may be accounted by passing a journal entry regarding the total receipts/ total payments of these counters into the CSI system.

Settlement:

The settlement on cash arrangement may be done by the Nodal PAO on daily basis with IPPB **on the basis of MIS report of IPPB on total Net receipts/Total Net Payments.**

Reconciliation of the MIS report of IPPB may be carried out as follow:

Nodal PAO has to verify the Net Deposits or Net withdrawals of all the circles from the emails received from the all the PAOs and get it reconciled with the Pan India MIS report of IPPB.


Above settlement may be carried out on daily basis. If it is not possible on daily basis, it may be carried out on weekly basis so that any discrepancy arises in this regard may be attempted immediately and settled with IPPB.

It may be ensured that under CSI, the Pan India MIS report of Net Receipts/ Net Payments under MH 8455.00.101.02.03.00/ MH 8455.00.101.02.04.00 may be made available to PAO Delhi on Daily basis for the reconciliation of Cash settlement process with IPPB.

(2) It is stated that the IPPB transactions throughout the country are to be closed by 4.00PM (1600Hrs) so that the MIS report on Net receipts/Net Payments of all the offices may be made available before 5.30PM on daily basis. These MIS reports may be reconciled with the MIS reports of CSI for Net receipts/Net Payments and the net receipts/net payments of non-CSI.

The Post masters of non-CSI units may be asked to show the gross receipts from IPPB Customers / gross payments to IPPB customers separately in their Cash Book. CEPT Mysuru may be asked to provide the information about the Gross receipts/Gross payments of IPPB on daily basis for Circle/ Pan India Level. This will help the Nodal PAO to verify the MIS report of IPPB with the consolidated figure of Gross Receipts/Gross payments of both CSI (from system) and non-CSI through CEPT Mysuru.

Nodal PAO has to be given the **view rights of the MIS report on total deposits and total withdrawals of IPPB transactions carried out throughout the country and CSI has to ensure that that the Pan India Report on the booking of Net Receipts or Net Payments under the above mentioned heads for CSI units and CEPT Mysuru has to give a Pan India Report of Net receipts/Net payments in respect of non-CSI units on daily basis in order to have smooth reconciliation process.**

for

Accounts Officer
(Tech/BPR)