



KENDRIYA VIDYALAYA SANGATHAN (HQ)
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F. No. 110116/2014-15/AA(i)/KVS/Acctts

Dated 22.12.2015

Speed Post/E-mail

The Deputy Commissioner,
Kendriya Vidyalaya Sangathan,
All Regional Offices

Sub: New Format of Annual Accounts for the financial year 2015-16.

Madam/Sir,

I am to invite a reference to the subject cited above and to state that the Ministry of Human Resource Development vide their letter no. F. No. -9/2012-UT-2 dated 27th April 2015 and 18th May 2015 directed the KVS to implement the revised Formats of Accounts (hereinafter called New Format) for preparation and presentation of the Accounts from the year 2015-16 onwards. Accordingly, KVS examined the said Format forwarded by the MHRD, and accordingly devised the New Format of Accounts for KVS (HQ), Regional Offices/ZIETs and Kendriya Vidyalayas.

2) It may be noted that although the existing Format has been modified, the basic Accounting principles, Policies remain similar to one as was followed in the previous year except the few changes. The salient features of the New format are as under:-

- A. To maintain the same Schedule no. as is given in the format forwarded by MHRD, total 24 Schedules are kept in the Format, however the Schedule no.5 -"Investment from Earmarked/ Endowment Funds", Schedule no.6 - "Investment Others" and Schedule no. 11- "Income from Investments", are not applicable at KV and Regional Office level. Similarly, Schedule no.20- "Finance Costs" and Schedule no. 21- "Other Expenses" are mentioned in the index annexed with the format. Since the amount required to be shown under the Accounts Heads which are required to be classified under these schedules are not material at Regional office/KV level, these Accounts Heads are classified under the Schedule no.17- "Administrative and General Expenses" as indicated in the index of the Format.
- B. For project KV, Grants received from the Project sponsoring agencies are treated as "Restricted Fund" and the same Accounting treatment may be carried out as was done in the previous year except some minor changes.
- C. Un-utilized Plan-Grants and Specific Plan grants are to be treated as "Current Liability" and the same has to be depicted in the Schedule no. 3(A) -"Un-utilized Grants From Government of India" and Schedule no. 3- "Current Liabilities and Provisions" as exhibited in the Format.

- D. Schedule no.14- "Prior period income" and Schedule no. 22- "Prior Period Expenses" have been inserted which are meant for the items of incomes and expenses which pertain to the previous Financial Year(s) and could not be booked in the Books of Accounts/Annual Accounts of that concerned financial year due to some reason(s). While recognizing such Expenditures/Incomes in the current financial year, these are required to be shown separately under the relevant Accounts Heads in the Schedule no. 14 and 22 as the case may be. It is pertinent to mention here that as per the Principles of "Accrual Basis of Accounting" all expenses and incomes which pertain to a particular financial year are to be recognized in that financial year subject to the fulfillment of criterion as envisaged in the concerned Accounting Standards.
- E. Accounting treatment as suggested by this office vide letter dated 08.12.2015 regarding Recovery and Remittance of EWS contribution in respect of Project KVs may be followed invariably and proper accounting as suggested, needs to be made in the books of Accounts/Annual Accounts of a Project KV accordingly.
- F. Schedule no. 4 is meant for depicting of "Fixed Assets" duly supported by Schedule no. 4 (A), 4(B),4(C),4(D) ,4(E) 4(F) and 4(G) which pertain to Fund wise Fixed Assets as exhibited in the Format. It is expected that the Vidyalayas have been maintaining the Fund wise Fixed Assets Registers properly. However, if the Fixed Assets Registers are not completed/ prepared so far, immediate action is required to get the said registers completed at Vidyalaya level.
- G. Schedule no. 18 - "Transportation Expenses" has been inserted for depicting the expenditure separately for Vehicle Running, Vehicle Hire charges, Vehicle insurance expenses etc. Although the amounts under these Accounts Heads are negligible at KV level yet the Schedule is kept for KV format also in order to have the uniformity in Schedule nos. Since the amounts under these accounts are material at Regional Office level, timely action for the bifurcation of "Vehicle Running Expenses" in to the above said heads are required to be taken at the earliest in order to have proper accounting in RO Accounts.
- H. Suitable changes/modifications are made in format of "Receipt and Payment Accounts" where ever required. However, it is further clarified that Annual Accounts needs to be prepared on the basis of the ledger and Trial Balance which are very crucial documents. It may be noted that the amount depicted in the Annual Accounts must be tallied with the amount shown in the ledger.
- I. Fixed Assets created out of Plan Grants/Specific Plan Grants/Designated Funds/Projects Funds will be appeared as addition to "Capital Fund" (Schedule no.-1) as well as "Additions to Fixed Assets during the year" in the concerned schedules.
- J. While certifying/Auditing the Annual Accounts of KVS for the year 2014-15, the Deptt. of C & AG suggested that amount deposited with Construction Agency" should be classified in the Balance Sheet under the Schedule no.8- "Loans/Advances/Deposits". Accordingly, the Accounts Head-"Deposit With Construction Agencies" has now been inserted under the Schedule no.8- "Loans/Advances/Deposits". Hence forth, after deposit the amount with construction agency, the amount will be accounted for under the said head "Deposit With Construction Agencies". After receipt of Progress Report from the Construction Agency, the amount will be transferred immediately from the

Accounts head "Deposit With Construction Agencies" to the Accounts head- "Capital Work in Progress" mentioned under the concerned Schedules of "Fixed Assets". On completion of the work by the agency and receipt of the final expenditure statement from the Construction Agency, the amount will be transferred immediately from the head "Capital Work In Progress" to the "Building Account". It may be noted that Depreciation will be provided from the financial year in which the Building is put to use. In any case, no Depreciation will be provided on the amounts which are lying under the head "Capital Work In Progress".

3)The Formats devised by KVS (HQ) and guidance note issued by MHRD are being sent in soft copy which may be circulated to all the concerned units under the jurisdictions of the Regional Office for preparation of Annual Accounts for the year 2015-16 onwards. This may be treated as most urgent and detailed guidelines as suggested in this letter may also be circulated to all concerned under intimation to this office for timely preparation of Accounts.

Yours faithfully,

(M. Arumugam)
Joint Commissioner (Fin.)

Copy to:-

1. The Deputy Commissioner (Acad.)/EDP, KVS, (Hq.) with the request to get this letter uploaded in KVS website under the "Announcement".
2. The Director, all ZIETs of KVS for similar action in respect of their units.
3. The Assistant Commissioner (Fin) P&I, KVS,(Hq.) for information and necessary action in respect of their units. The copy of the New format of GPF,CPF and NPS is also enclosed for preparation of Accounts in the said Formats by the respective Sections.
4. The Assistant Commissioner (Fin) (Budget/Accounts) KVS,(Hq.) for information and necessary action in respect of their units.
5. Finance Officer, all Regional Office for information and necessary action.
6. Principal, KV Moscow, Kathmandu, Tehran for similar action in respect of their KVs.


Joint Commissioner (Fin.)