

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
NEW DELHI-110001

CHECK POINTS FOR PREPARATION OF ANNUAL ACCOUNTS 2014-15

1. All accepted closing balance of previous year should be tallied with the Opening balances of current year, wherever applicable.
2. Closing Bank Balances should tally with closing balances shown in the R&P Account, schedule 7. The break-up of such closing balance should be given properly in Annexure G (Old format).
3. Grants received and refunded as shown in Schedule 9A should tally with grants received and refunded shown in R&P Account.
4. Figures of Work in Progress as given in R&P Account new format should tally with figures in Schedule 5 Work in Progress during the year.
5. It may be ensured that the sum figures of each schedule matches with the ones shown in Income and Expenditure account and the balance sheet - Assets and Liabilities.
6. The amount utilized towards Capital Expenditure as shown in Sch. 9, 9A and 9B should match with the ones shown in R&P A/c (New format) against the head – “Expenditure on Fixed Assets and Capital Work-in-Progress”. Further, the same amount should be capitalized in Schedule I – Capital Fund.
7. Likewise the Establishment, Administrative and Research and Miscellaneous expenditure in Receipt & Payments Account should also tally with Revenue Expenditure as shown in Schedule 9A & 9B.
8. The book value reduced from fixed assets should be equal to the cash realized on sale of assets plus/minus, loss/profit on sale.
9. Unutilized Plan, Non Plan, AP Cess fund in Sch. 9-A should tally with Sch. 4 under current liabilities. On the contrary if the grants under Plan, Non-Plan, A.P.Cess fund are utilized in excess of remittance, the same may be shown in Sch.7-B under current assets (claim receivable).
10. The recoverable amount of loan and advances as shown in Schedule 7 B should also be shown in Schedule 4 as the same is refundable to the Council.

11. Recovery of accrued Interest on Loans and Advances, if any, will not be taken as Revenue in Income and Expenditure Account but will be reduced from accumulated accrued Interest figure of last year in Balance Sheet. The current year figure will be worked out by taking opening balance of accrued interest + accrued interest during the year -Recovery of accrued interest during the year. However, the interest recovered during current year pertaining to loans and advances disbursed during the year will be shown as interest on loans and advances directly in the income schedule of Income & Exp. Account.
12. Progeny of livestock will be valued for the expenditure for their upkeep & feed and are shown as asset. It should be shown as Capital Expenditure in Capital Reserve in Sch.2 and simultaneously in Sch.5 of Balance Sheet.
13. If there are outstanding expenses like outstanding salaries etc. related with the current financial year but not paid during the year, the same may be added under the relevant schedule of expenditure in Income & Expenditure Account and the same will be shown as current liabilities in Sch.4 of the Balance Sheet. Accordingly, past liabilities which have been liquidated in current year will get reduced from Schedule 4 and only unsettled liabilities will be carried forward in next year's accounts. Similarly, if there is accrued income like accrued interest on Loans & Advances, the same may be added under the relevant schedule of income in Income & Expenditure Account and the same would be shown in Current Assets in Sch. 7 of the Balance Sheet.
14. The funds utilized towards Loans & Advances must be shown in Schedule 9B.
15. The expenditure out of Internal Resources Generation and ICAR Hqr's share should be clubbed and shown in Schedule 16, 17, 18 and 20 of Income & Expenditure Account.
16. The advances given for purchases/works, T.A./L.T.C. etc. should be deducted from the relevant head of expenditure schedule under Income & Expenditure Account and the same figure should be shown in Sch.7 under Current Assets. Accordingly, the past advances which have been adjusted in the current year will get reduced from Schedule 7 and only unsettled advances will be carried forward in next year accounts.
17. Prepaid expenses should be deducted from the relevant head of expenditure under Income & Exp. Account and the same figure should be shown in Sch. 7 under Current Assets.

18. Detailed break up of Institute Plan and Plan Scheme expenditure and releases made out of Plan Schemes to ICAR Units/SAUs may be attached in prescribed format (Annexure to Sch.9 (A-1).
19. Detailed break up of Institute Non-Plan and Non Plan Scheme expenditure may be attached in prescribed format (Annexure to Sch.9 (A-2).
20. Status of Advances given out of Government Grant during 2014-15 and which are unsettled till 31.3.2015 may be furnished in Annexure to Schedule 7. It may be noted that ONLY advances given out of GOVERNMENT GRANTS alone during 2014-15 and the ones remaining unsettled out of such advances should be included in this annexure. THIS FIGURE WOULD NOT TALLY WITH THE ONES SHOWN IN SCHEDULE 7B unless your institute was established during 2014-15.
21. Schedule 22 and Schedule 23 related to Significant Accounting Policy and Notes to Accounts must invariably be attached with the Annual Accounts.

22. Adjustment from Capital Fund:

1. The adjustment permitted from Capital Fund from the Council is to the extent of ['Revenue Resource Generated at Unit' (-) 'Revenue utilized towards Revenue Expenditure' (-) 'Recovery of Loans & Advances'].

2. The assets acquired/donated out of Sponsored Projects fund has been discontinued therefore closing balances for the year 2013-14 of Capital Reserve in Schedule 2 would be shown as additions to the Capital Fund in Schedule 1. Details of such adjustments would have be disclosed in Schedule 23-Notes to Accounts.

Any other adjustment made out of Capital Fund may be explicitly disclosed in Schedule 23 – Notes to Accounts. IT MAY BE NOTED THAT NO BALANCING FIGURE ADJUSTMENT WOULD BE PERMITTED in CAPITAL FUND.

23. In Schedule 23, Notes to Accounts full disclosures relating to Capital Contracts remaining to be executed, Contingent Liabilities i.e. claims against the entity not acknowledged as debts, court cases / disputed liabilities which have not been admitted and being contested, Outstanding Letter of Credit opened by the bank on behalf of ICAR and pending, disputed demands of statutory dues etc disclosed in Notes to Accounts and appended with Annual Accounts.

24. The funds being capitalized out of funds received from externally funded / Sponsored Projects/ Schemes i.e. Funds utilized for Capital Expenditure may be shown in Capital Fund for which a new line has been added in Schedule 1. However, the closing balance 2013-14 of Schedule 2-Capital Reserve being transferred to Schedule i-Capital Fund should be shown against the head 'Less/Add: Adjustments to/from Capital Fund'.
25. From financial year 2014-15, the units of ICAR would now shift the balances pertaining to sponsored projects/schemes from Schedule 3 to Schedule 4-Current Liabilities & Provisions-A. Current Liabilities-7. Other Schedule 3 Current Liabilities-(C) Receipts against ongoing sponsored/ consultancy/ projects (Net) from the financial year 2014-15 onwards. The units will also require to support this figure with a Sub-schedule giving details of such sponsored projects/schemes, i.e.sub-Schedule-4. With this modification, Schedule-3 would contain only Earmarked and Endowment Funds for which the details of such funds will be provided by units in Sub-Schedule-3.
26. A sub-schedule to Schedule 3 introduced earlier has been modified for providing details about Earmarked and Endowment funds exclusively in each category. *(Pls refer instruction for preparation of AA 2014-15 -Annexure-II)*
27. A sub-schedule to Schedule 4 has been introduced for providing details about Sponsored Projects (R-Deposit schemes). This should match with the balances shown in Annexure-G (Deposit Schemes). *((Pls refer instruction for preparation of AA 2014-15 -Annexure-III)*
28. The closing balance of Sponsored Projects are to be shown as described in Para 30 above.
29. Interest on FDR/TDR may be accounted for on accrual basis. However, interest on Savings Bank Account may be accounted for on cash basis, wherever the banker is unable to provide such details of accrued interest.
30. Since, Schedule 2 has been merged with Schedule-I, entire depreciation reflected in Schedule 5 would be charged to Income & Expenditure Account.
31. Please furnish project/scheme wise list of funds released to State Agricultural Universities /other agencies outside ICAR and status of provisional UCs in the prescribed format, i.e. Annexure to Sch.19. Annual Accounts must invariably carry the information sought in the table below Schedule-19 and also in Annexure-19.

*(Break-up of releases made in 3 heads i.e. Grant in aid Capital, Grant in aid Salaries and Grant in aid General **MUST** be indicated in the Annexure-19 as desired by Financial Advisor ,ICAR)*

32. A copy of BRS for the month of March 2015 of all bank accounts operational in the unit must be attached along with Annual Account 2014-15.