

F & A CORPORATE ACCOUNTS DIVN.

CIRCULAR

F&A/CA/2016-17/1

July 6, 2016.

Sub: Issue and classification of TMs.

As per extant practice Inter branch/Inter Division accounting transactions are accounted for by the respective branch/accounting units through transfer memos.

In this connection, it has been noticed that while issuing TMs the original supporting documents are not attached along with the TMs. The receiving branch / accounting unit also classify the TMs without original supporting documents. In some of the cases TMs are issued after a long period resulting in the undue delay in classification/recognition of the transaction by the concerned branch/accounting unit. This has been viewed seriously by auditors and has invited Audit queries.

In order to streamline proper accounting for inter branch transactions the following procedure be followed w.e.f. 01.04.2016:-

1. TMs must be issued by the concerned branch/accounting unit on timely basis i.e. within 3 days of effecting the payment/receipt/adjustment etc.
2. TMs must be accompanied with the complete set of original documents & calculations etc.
3. TMs without complete set of original documents must not be accepted and classified by the receiving branch.
4. TMs issued in fax / email mode in case of urgency must be followed by hard copy along with complete set of original documents within 3 days.
5. Receiving branch/accounting unit must ascertain & collect the requisite documents required pertaining to the TMs for classification the transaction and convince the auditor in this regard. There should not be any query from the auditor subsequently for insufficient documents/explanation for such transaction.
6. Issuing branch/accounting unit will however retain photocopies of supporting documents along with office copy of TM for record purposes.

The compliance of above guidelines be ensured by respective Head of Finance.


(C.S. KARKI) 6/7/16
JGM-F

ALL CONCERNED