



75
Azadi Ka
Amrit Mahotsav



केन्द्रीय भण्डारण निगम
(भारत सरकार का उपक्रम)

CENTRAL WAREHOUSING CORPORATION
(A Govt. of India Undertaking)

जन-जन के लिए भण्डारण/Warehousing for Everyone



भूमि हस्तगत
FOR EARTH - ONE FAMILY - ONE FUTURE



No. CWC/FD-CA/Accounts Circular/21-22/

Dated: 10-08-2023

ACCOUNTING CIRCULAR # 80

Subject: SOP for accounting of accrued Income and creation of liability/ provision for expenses ...reg

- Ref: (i) Accounts circular 66 dated 09.11.2022 Preparation & submission of Monthly Financial Results after considering all provisions (Income /Expense)
(ii) Guidelines for Finalization of Annual Accounts for the FY 2022-23 dated 06.01.2023
(iii) GST circular-64 dated 17.03.2023 Accounting of Liabilities/Provision during Annual Closing of accounts.

As per above referred instruction for Monthly/Annual closing of accounts, all regional offices shall ensure that all Income and expenses pertaining to the relevant accounting period (monthly/annually) have been booked within the target date.

2. In order to account for accurate Accrued Income and liability/provisions for expenses on monthly basis, following process shall be followed:

- i. Accrued Income:** Warehousing Charges, MF Charges, PCS Incomes and any other charges such as reimbursements against the services provided but not billed up to the month/ year end shall be booked as accrued income in books of accounts. Accrued income shall be accounted as per procedure below:

Activity	Cutoff date
Concerned Warehouse Manager shall compute the accrued income and shall submit the signed statement to Business head of the Regional office through e-Office. For Accrued PCS Income separate statement shall be submitted by PCS incharge of warehouse/ warehouse manager to Technical Head of Regional office through e-office.	On last day of the Month
Business head/ Technical head shall verify the accuracy of the accrued income provided by Warehouse Manager and forward to Accounts incharge for necessary accounting	By second day of Succeeding month
On receipt of file from Business/Technical head and Regional Accounts incharge shall book the accrued income.	By second day of Succeeding month

Since the accrued income have the impact on the Turnover, profitability as well as tax liability of the Corporation, Warehouse Manager, Business head/Technical head and Accounts head of the region shall be jointly accountable and responsible for accurate and timely booking of Accrued Income.

- ii. **Liability/Provision for expenses:** The details of expenses pertaining to the respective month for which bills have been received and for which bills are yet to be received shall be submitted by warehouse managers for proper accounting as per following procedure:

Activity	Cutoff date
<p>a) Liability for expenses against bill: All the sectional heads shall ensure that the bills against the goods or services received up to the closing of accounts are received and statement of such bills are prepared by sectional head containing the details of Expense amount and GST.</p> <p>b) Liability for expenses without bill: Similarly, a separate statement shall be prepared for goods or services received upto the closing date but for which bills not received from vendors.</p> <p>c) Provision for expenses: In case an amount is payable against any goods/services has been received but bills for the same are not due as per billing cycle a separate statement shall be prepared.</p> <p>(For e.g. Statement for Liability/provision for H&T Expenses, property tax etc. shall be prepared by Business head, for security, outsource manpower, mobile bills etc. shall be prepared by Establishment head, for chemical expenses, PCS Expense etc. shall be prepared by Technical Head).</p>	<p>On first day of the Succeeding Month/Year</p>
<p>Sectional heads after preparation and verification of the above statement of Liability/ Provision for expenses will put-up to the Regional manager for approval in E-office.</p>	<p>By First day of Succeeding month/year</p>
<p>On receipt of file from Sectional head, Regional Manager will approve and send the file to Accounts head for necessary accounting.</p>	<p>By second day of Succeeding month</p>
<p>After approval of Regional Manager, Regional Accounts head shall book the Liability/Provision for expenses.</p>	<p>By third day of Succeeding month/year</p>

Since the Liability/Provision for expense have the impact on profitability and other tax compliances of the Corporation, Business head/Technical head and Accounts head of the region shall be jointly accountable and responsible for accurate and timely booking of Accrued Expenses.

3. All Regional Managers are requested to ensure compliance of above guidelines so that correct income and expenses are accounted on monthly basis.

(RR Aggarwal)
GGM (Fin.)

Distribution to:

1. All Regional Managers of CWC.
2. All DGMs/AGMs/Managers/ (Sr.) Asstt. Managers in-charge of the Finance, Accounts & Internal Audit Wings of all ROs.

Copy for information to:

1. All GM/DGM/AGMs/Managers/(Sr.) Asstt. Managers/Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi.
2. Dir. (Fin.), CWC, CO, New Delhi.
3. MD, CWC, CO, New Delhi
4. GGM (Systems), CWC, CO, New Delhi to place this