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COMMAND AND STAFF TRAINING INSTITUTE BANGLADESH AIR FORCE



Individual Staff Studies Programme (ISSP)

PROFESSIONAL SUBJECT-1 : FINANCE PHASE-8 : PART-I

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PROFESSIONAL SUBJECT-1 : FINANCE
PHASE-8 : PART-I

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CONDUCT OF THE PHASE

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Ser No	Topic		Pd Distr	Total Pd
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Total period: 80

INTRODUCTION TO THE PHASE

Scope of the Phase

1. Phase-8 Note (Part-I, ISS) is a self-contained précis. It contains part of the following subjects:
 - a. Public Fund Accts and Non Public Funds of BAF
 - b. Pay & Allowance : BAF Pers
 - c. Income Tax and Vat
 - d. Equipment Accounting, BAF
 - e. Audit
 - f. Pension
2. The syllabus has been so designed that you would be able to co-relate and implement (most cases) your knowledge in the profession field.

TOPIC -1

PUBLIC FUND ACCTS AND NON PUBLIC FUNDS OF BAF

COMPILATION AND MAINTENANCE OF PUBLIC FUND ACCOUNTS

Maintenance of Public Fund

1. a. The cash account maintain by a unit to record disbursement of public funds and the receipt of money due to Government is known as the public fund Account and this description is to be used in all correspondence and communication. In all ordinary circumstances a bank account or treasury account will be opened. The title to be given to this bank account will be Air Force in Bangladesh public fund account with the addition of the name of the locality district or place the unit is located. Cash and bank balances must be restricted to the minimum required to meet current payments. Where it is considered essential to hold unusually large supplies of cash adequate precautions such as armed guards must be taken top safeguard the fund.
- b. The term “Public Fund Account” will be used in respect of whether the account is maintained by an officer of the Finance branch or by an officer of another branch and the designation “Imprest Holder” is only to be used to indicate that the officer keeping the public account is an Accountant Officer. The tern “Imprest Account “is only to be applied to special individual imprest of fixed amounts which may be authorized for some specific purpose, and which are closed. Submitted for audit and the Balance returned to the public fund account as soon as purpose for which the imprest was advanced has been completed. A register will be maintained by the Account officer/Imprest Holder Recording imprest issued and the balances surrendered when the imprest are closed.
- c. Only one public fund account will be maintained by a unit and all transactions affecting the receipt and disbursement of public money must pass through this one account. Subsidiary public accounts will also be maintained where authorized, such as for “Welfare Grants” etc. Subsidiary accounts are in every sense of the tern “Public” accounts that is to say, they are subject to audit by FC (Air).

Maintenance of Cash Book (BAF A-125)

2. a. All public fund transactions are to be recorded daily as they occur in a cash book (BAF125) with both bank and cash column. The cash book will be ruled off and balanced on the occasions of check of public funds as per AFI. Each item whether receipts or payment, will be entered daily in the cash book by the Accountant Officer/ Imprest Holder himself, in its actual order of occurrence so that by striking a balance at any time the amount in hand may be ascertained. In Accountant officer/Imprest Holder will check the cash in hand against the balance shown in the cash book at the close of each day transactions, and will keep a record of daily balancing. The closing bank and cash balances at the end of accounting period will automatically become opening balances for the following month accounts. Total in the cash books must be carried forward, from folio, and balances must be shown separately.

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- b. The senior Accountant officer will operate the public fund account. If subsidiary cash book is in use by a junior Accountant Officer, the entries are to be copied daily in to the main cash book.
- c. The cash book will show all daily receipts and payments. Receipts being on the left hand side and payments, on the right hand side. A withdrawal of cash from the bank /treasurer a payment of cash book, viz, a withdrawal of cash from the book/treasury must be shown as a payment in the bank column and marked 'C' in red ink (as contra entry).
- d. Each entry in the cash account except for "Contra" entries, whether payment or receipt, must be supported by a voucher which will be lettered or numbered, according to whether it is a payment or receipt, and the same latter or number must appear against the item in the cash book. The method of lettering and numbering vouchers will be strictly in accordance with the list laid down in AFI. All vouchers for payments or receipts must contain full information relating to the transaction, and authority whether general or special invariably quoted. All payment vouchers must be stamped or endorsed in writing "Paid" together with payment.
- e. The cash book will be maintained in ink personally by the AO/IH. No erasures are to be permitted. Alterations are to be entry with one horizontal line, leaving the entry legible and initialing the alterations. Except for making a copy of the cash book, airmen will not be permitted to have access to it, not will any officer not specially authorized. The cash book will always remain in the AO/IH custody except when it is being copies. The cash book will be produced to the commanding officer whenever he requires it for the purpose laid down in regulations. The copy of the month's transactions in the cash book will be an exact copy of all entries in the cash book, including the cash / bank balance statement and records checks.

Check of Public Fund

3. When public money is to be checked by the commanding officer the cash book will be balanced and ruled off. The AO/IH will prepare at the end of his cash book a detailed cash balance statement showing the denomination of cash in hand, bank / treasury balance, money deposited for safe custody and any casual or other payments he has not been able to post the cash book. The accountant officer / Imprest holder will also complete a bank reconciliation statement, detailing all cheques not presented for payment and any other proved transactions which may not have been included by the bank in the statement. The balance due on all other account with which the Accountant officer / Imprest holder may be entrusted will also be entered in the statement of cash balances. Such entries will be kept distinct from the balance of the main public fund account.

Responsibility of Accountant Officer

4. The accountant officer /imprest holder without delay will give credit in his accounts for every sum received by him. All cheques on receipt will be crossed at once by him to the bank / treasury at which he keeps the public fund account and will be paid at the earliest possible date. The source of all money received by the public fund account will be clearly shown and in case where these money are received direct by the bank / treasury. The accountant officer/ Imprest holder will arrange with the bank / treasury for the immediate notification to him of such receipts, on receiving notification the Accountant officer / Imprest holder will make the necessary entry in his cash book.

Reference : AFI 42/57, 30/60 & corr 17/61.

FINANCIAL POWER OF COAS/PSO/DIRECTORS

1. The COAS has the full authority to sanction expenditure within taka and foreign exchange allocation and has the authority to re-appropriate funds. He may delegate the financial power to the sub-ordinate commanders for the efficient running of the administration.

a. Sanction may expenditure under rule 18 FR part -I and 16/58.

COAS BAF.....TK. Full.

b. "Sanction contingency expenditure and labour in excess of fixed scale" under FR Part-1, rule-20, AFI-16/58

Financial Authority	Revised Fin Power by MOF
COAS	Full
PSO (A)	4,00,000.00

c. Write off losses including deterioration of stores under rule -73 FR part -I, AFI 16/58.

Financial Authority	Revised Fin Power by MOF	
	Not due to theft	Due to theft
COAS	Full	Full
PSO (A)	1,00,000.00	15,000.00

d. Write off of losses of cash.

Financial Authority	Revised Fin Power by MOF	
	Not due to theft	Due to theft
COAS	60,000.00	20,000.00
PSO (A)	30,000.00	10,000.00

Write off of losses only for Aircraft and spare parts of Aircraft under rule -77, FR part-1, AFI -16/58 and MOD ltr no Ba-1/92/D-7/85 dt 10-02-2011.

Financial Authority	Revised Fin Power by MOF	
	Not due to theft	Due to theft
PSO (O&T)	3,00,000.00	50,000.00

e. Local purchase under FR Part-1, rule-82, JSI-5/69 and AFI-16/58.

Financial Authority	Revised Fin Power by MOF
COAS	Full
PSOs, Air HQ	7,50,000.00
D Air Trg	1,20,000.00
D Supply	6,00,000.00
DMS (Air)	40,000.00

f. Raising of Indents. COAS BAF.....TK. Full.

FINANCIAL POWER OF BASE COMMANDER/OC

1. The financial power of Base commander/OCs Unit are appended bellow and those will suppressed all existing orders in this behalf wef 11-3-86.

a. Sanction expenditure under rule 20 FR pt I & AFI 16/58 such as contingent expenditure, labour in excess of fixed scales etc.

Financial Authority	Revised Fin Power by MOF
OC MU	24,000.00
AOC/Base Cdr	20,000.00
OC, Air HQ (U)	5,000.00
OC, Unit	4,000.00
Commandant (101 SFU)	2,000.00

b. Write off of losses including deterioration of stores under F. R. par-1 rule -73, AFI -16/58.

Financial Authority	Revised Fin Power by MOF	
	Not due to theft	Due to theft
AOC/Base Cdr	37,500.00	12,500.00
OC MU	12,500.00	5,000.00
OC, Air HQ (U)	10,000.00	-
OC, Unit	2,250.00	1,000.00
Commandant (101 SFU)	10,000.00	-

c. Write off of losses of cash under rule -77, F. R. Part 1, AFI -16/58.

Financial Authority	Revised Fin Power by MOF	
	Not due to theft	Due to theft
AOC/Base Cdr	15,000.00	3,000.00
OC, Air HQ (U)	10,000.00	-
OC, Unit	2,500.00	1,500.00
Commandant (101 SFU)	10,000.00	-

d. Local purchase under FR Part-1, rule-82, JSI-5/69 and AFI-16/58.

Financial Authority	Revised Fin Power by MOF
AOC/Base Cdr	40,000.00
OC, MU	80,000.00
OC, Air HQ (U)	16,000.00
OC, Unit	4,000.00
Commandant (101 SFU)	4,000.00

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- e. Purchase of any one item or any number of similar items at one time without calling tender FR Part-1, rule 82 and AFI-16/58, Para –5.

Financial Authority	Revised Fin Power by MOF
AOC/Base Cdr/Commandant/OC, Air HQ (U)/OC, Unit	4,000.00
OC, MU	8,000.00

- f. Powers to pay workmen's compensation under FR part 1 and AFI 16/58.

Financial Authority	Revised Fin Power by MOF
AOC/Base Cdr	40,000.00
OC, Unit	4,000.00
OC, Air HQ (U)	4,000.00
Commandant (101 SFU)	4,000.00

- g. Local purchase of medical store by Medical officer on extreme emergency (to be covered by ex-post facto sanction of DMS (Air) vide para 17 & 18 of M.E.S & S-1951/3, FR part 1.

Financial Authority	Revised Fin Power by MOF
SMO	4,000.00

- h. Compensation expenditure in respect of loss of life or injury or damage to private property caused by members of Bangladesh Military (Army, Navy and Air Force) FR part 1, AFI 16/58.

Financial Authority	Revised Fin Power by MOF
AOC/Base Cdr	30,000.00
OC, Air HQ (U)	2,000.00
OC, Unit	1,000.00

- j. Minor Works (Damage, New build & Repair), Govt. of Bangladesh and Bangladesh Air Force MES Rule 1964 (Table A & B).

Financial Authority	Revised Fin Power by MOF
AOC/Base Cdr	1,50,000.00
OC, Air HQ (U)	75,000.00
OC, Unit	50,000.00

Ref: Min of Def letter No Ba-1/92/D-7/361/ dt: 12/10/2008 & MOD ltr no Ba-1/92/D-7/85 dt 10-02-2011.

CASH REQUISITION: FORM 10005

Supply Funds

1. FC(Air) will be responsible for the supply of funds to all self accounting Base /units required for disbursement. Base / Unit Accountant officer / Imprest holder will submit fortnightly requisitions to FC(Air) direct . They must ensure that requisition are dispatched by registered post to FC(Air) on 1st and 15th of each month ie. a fortnight in advance e.g. cash requisition for the period from 1st to 15th must be made on 15th of the previous month and sent to FC(Air) with the request that funds may be made available at the bank by 27th of the month at the latest. Cash requisitions are to be followed immediately after dispatch to FC(Air) by a routine signal stating the serial No, date of requisition, amount required and date by which required.

Requisitioning and Accounting

2. a. Cash requisitions are to be submitted on form 10005 which is prepared in duplicate. A register is to be maintained incorporating the essential particulars contained in the requisition viz, serial number of each requisition, date of submission, the period covered, amount required and total cash and balances in hand on the date of submission. The commanding officer is to initial the register when he has approved and signed the cash requisition. Requisitions are to be numbered serially commencing a new series on 1st of July each year.

b. When compiling the requisition the Accountant officer /Imprest holders will ruled off and total, but not balance the cash account. The serial number of the requisition will be entered in the "RECEIPTS ON THE WHAT ACCOUNT" column not in the cash/bank column of the cash book.

c. On receipt of cash requisition, FC (Air) will issue a cheque to the bank with which the public fund account of the base /unit concerned is mentioned. A notification with that effect will be sent by FC(Air) to the base /Unit concerned who will bring the amount on charge in bank column of his cash account. A notification to the effect that cheque has been received from FC (Air) will also be sent by the bank to the Base/ Unit concerned.

d. The accumulation of large balances in the bank or as cash in hand is to be discovered. Accountant officers/Imprest holders are to ensure that the balance on the last day of a fortnight does not exceed the estimated requirement for the following fortnight plus a small reserve, as specified from time to time by Air Headquarter according to the size and requirements of a unit, to meet any unforeseen expenditure. While submitting cash requisitions estimate for each fortnight are to be worked out on the basis of expenditure in correspondence fortnightly periods of the past 3 to 4 months. If, at any time, cash is required in excess of the normal requirement, particulars of the additional requirement are to be given in detail on the cash requisition. In cases of emergency, additional demands may be made on supplementary cash requisition with an explanation justifying such demands.

Bank of Public Fund

3. Base / Units Account officer and imprest holder will open and maintain the necessary public fund account with a branch of the Bank of Bangladesh. Where a branch of Sonali Bank of Bangladesh does not exist, the account will be opened with the local treasury. It should be noted that civil treasury are required to maintain current accounts of public funds when no branch of the Sonali Bank is available in the locality of the unit. At BAF Base /Units where the branch of Sonali Bank is not located funds may be deposited with a branch of the Agrani Bank of where such banking facilities do not exist, in any civil treasury (AFO 177-20 refers).

Drawl of Advance on Emergency Cash Requisition

4. When cash requisition is not received in time, advances may be drawn from local branch of Bangladesh Bank/ Government Treasury on the authority of emergency cash requisition(Defence service) Bangladesh Army Form 205, obtainable in books from stationary depot. It is stated on the emergency cash requisition that adjustable by FC(Air). The number of the books, and serial numbers of the first and last forms contained there in are to be notified to the local branch of the Bangladesh Bank or treasury officer on receipt of the book from stationery depot. Three specimen signatures of base commander are to be forwarded to the FC(Air) for attestation and dispatch in treasury officer or bank for record . If a change of Base commander takes place after in attested signature of out going Base commander have been forwarded to bank or treasury, three specimen signatures of new Base commander are to be sent direct to bank or treasury under signature of outgoing Base commander . Detailed rules contained in rule 150-156. 478-482 of treasury rule volume 1 and rule 112 financial regulations part -1.

5. The resort of emergency cash requisition is to be made only on cases of the CO (AFO 177-129 refers).

Reference AFI 42/57 AFI 30/60 AFL 177-20 and AFO 177-129.

DAILY VOUCHER TRANSFER LIST (FORM 10041)

Purpose

1. To dispatch all accounting documents such as F 1513, F A-38, F 900(Original copies) completed pay books (F 64 M pt -II) etc to FC(Air).

Preparation

2.
 - a. It will be prepared in duplicate and allotted serial number from the respective file.
 - b. New series of Nos will commence on the 1st of January every year.
 - c. Last serial no of the DVTL will be given in red ink on the top right hand corner of the DVTL when raised on the 1st of January of the following year.
 - d. When the final DVTL is raise on closing of public fund, it will be marked on the top in red ink as "FINAL LIST".

Disposal

3.
 - a. Original to FC (Air) alongwith payment vouchers and completed documents within 24 hours of payment under registered cover.
 - b. Duplicate is kept in the respective file for record and to await for acknowledgement portion.

Acknowledgement

4.
 - a. To ensure the acknowledgement of DVTL from FC(Air) is the responsibility of Accountant officer.
 - b. Acknowledgement must be received within 14 days of the dispatch.
 - c. Hastening action will be taken when acknowledgement is not received within 14 days of the dispatch of DVTL.

Reference : AFI 42/57 as amended from time to time.

SAFE GUARD OF PUBLIC FUNDS & CHEQUES

Safe Guard of Public Funds

1. a. Public funds are not in any circumstances to be merged with private money or money belonging to unit non-public funds nor they to be lent or used for exchanging private cheques. Public funds are not to be applied to any purpose not authorized by rule or regulations nor are advances to be made except when authorized by the competent financial authority. Cash is not to be held in excess of immediate requirements and any cash surplus to those requirements is to be banked at the earliest opportunity.
- b. Officers having custody of public fund are to take all necessary measures to safe guard those funds including if necessary, the provision of armed guard and escorts, when circumstances warrant such precautions. If it is considered that safe or building in which the cash is lodged provided inadequate security, the facts are to be reported to commanding officer in writing for remedial action.
- c. All possible precautions are to be taken against loss of cash according to differing circumstances at unit. These should include the provision where practicable of bricked in fire proof safe at formations or units.

Safe Guard of Cheques and Drafts

2. Accountant officer and imprest holder are to take all proper precautions to safe guard cheque books and applicable forms held in their custody, particularly the following precautions are to be observed:
 - a. When books of cheque / Drafts are taken over, the serial number, are to be checked to ensure that none is missing.
 - b. Cheque books and forms are to be held in the custody of an officer, who is to keep them under lock and keys when not in use.
 - c. Cheque books and loose drafts are not to be left on desk, in the unlock drawers of a desk or in any place where unauthorized persons may obtain access to them.
 - d. when payments by cheque or drafts are entered in the cash book the last three figures of the cheque or draft number, are to be written against the entry.
 - e. When cash book is balanced date the end of the days transactions the cheque book in current use is to be scrutinized by the Accountant officer to sure that all cheque issued and un-issued are accounted for .

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f. If a cheque drawn by an accountant officer /imprest holder on public fund account and made payable on another officer or service unit is lost. Immediate steps will be taken to stop payment of the cheque. When the bank's written acceptance of the "stop" has been received a new cheque may be issued.

g. If a cheque drawn in favour of a contractor or other person not directly connected with the service is lost, immediate action will be taken to stop payment as directed in sub para f. above. If the creditor has agreed directly or indirectly (eg. by the previous acceptance of payment by cheque) on accept payment service , a certificate of indemnity to make good any sum payable by the public in consequence of the loss of the original cheque shall be demanded from the creditor before a new cheque is issued. If the creditor refuses to give a certificate of indemnity, a second cheque will not be issued until the period of validity of the first cheque (three months) expires.

h. In all cases where the pay admits having received a cheque which he has subsequently lost, a certificate of indemnity will be obtained before a new cheque is issued. This will not apply to cheque issued to accountant officer, Imprest holder in respect of airmen's pay or for the purpose of reimbursing public fund account.

j. All cheque will be crossed a/c payee only.

k. If and when it is found that a bank or treasury has made incorrect charge in the public fund account, immediate action will be taken in writing to repudiate three charges and report the facts to the higher authority.

l. For safeguard of cheque, the orders laid down in AFO 177-88 are also to be kept in view.

Special Imprest Advance: Accounting procedure

3. A simple cash account is to be maintained as per appendix to AFO 177-28, Bank charges or exchange commission for accounting of special imprest advance will be borne out of contingencies of the base. Any imprest advance received from Bangladesh Embassies etc/abroad must be declared by the recipient immediately on return and proper account of expenditure together with supporting vouchers furnished to Accountant officer. Further details on the subject are laid in that AFO.

Reference:

AFI 42/57, AFO 177-28 & AFI 177-88.

CUSTODY OF SAFE KEYS AND CASH DEPOSITED FOR SAFE CUSTODY

Custody of Safe Keys

1. a. The keys of the safe containing public funds must never in any circumstances leave the possession of the accountant officer or imprest holder responsible for these funds.
- b. The duplicate key is to be lodged with the bank or treasury for safe custody in the name of commanding officer and accountant officer of the unit for the time being, and the key only withdrawn on the signature of both the officers. The key should be sealed in a stout envelope on which should be written the full particulars of the safe including number etc. the bank or treasury receipt for package containing the key will be held by commanding officer and as to the location of the receipt will be made in the accountant officer records. Any reasonable charge which a bank may make for this service can be met from public fund.
- c. Should a bank refuse to accept the key for custody it should be deposited in a treasury. If no bank or treasury is available or willing to undertake the custody of the duplicate key it should be lodged with the Air Headquarters in a similar manner to that adopted for deposit with a bank or treasury. Air Headquarters will maintain a key deposit register, which will be signed on transfer of responsibility.

Cash Deposited for Safe Custody

2. a. With the authority of commanding officer, cash belonging to non-public funds may be deposited with the accountant officer or imprest holder for safe custody.
- b. Accountant officer and imprest holders will prepare a safe custody book to record the amount deposited, the date of depositor, similar details will be recorded for withdrawals. The depositor will sign the pay book both on depositing and withdrawing the cash and be furnished with a receipt which is to be surrendered by him when withdrawn the deposit. The safe custody book and the cash deposited will be produced to the commanding officer for check and inspection on each of the occasion on which a check of funds is carried out. The commanding officer will sign and date the book below the last entry on each inspection.
- c. Cash deposited for safe custody is to be kept apart from public money. Whenever a cash balance statement of public fund is prepared the amount held for safe custody will be entered separately on the statement as "Cash deposited for safe custody" and will be included in the total of public fund balances.

Reference AFI 42/57.

CENTRAL NON PUBLIC FUNDS BAF

General

1. Central Non-public fund, BAF is operated to receive and control such non-public moneys as are received from all sources including non-public fund accounts of Bases and units from time to time. It also takes of all non-public funds which may become surplus as a result of closing down of Bases or units. The fund also acts as the custodian and disturbing agent of non-public fund moneys accrued to the BAF from outside sources.

Composition

2. The central non-public fund, BAF comprises the following main funds:
 - a. Central Messes and Institutes Fund.
 - b. Central Welfare Fund.
3. In addition, it acts as a banker for the following subsidiary funds:
 - a. Officers' Benevolent Fund.
 - b. Airmens' Benevolent Fund.
 - c. Central Benevolent Fund.
 - d. Central S ports Fund.
 - e. BAFWWA
 - f. ARD
 - g. BAF Shaheen School
 - h. BAF Family welfare scheme.
 - j. Such other funds as may be created and entrusted to central non-public fund from time to time.

Administration

4. The central non-public fund is to be administered by Assistant chief of Air staff (Admin). Loans/Grants are to be approved by him in consultation with followings:
 - a. Director of Finance
 - b. Director of Personnel.
 - c. Director of Medical services (For loan /grants for child welfare centers only).
 - d. Director of Education (For Loans /grants to school to and mosques only).
 - e. Deputy Director of Finance .

Accounting and Audit

5. The accounts of central non-public fund, BAF as adopted in Bangladesh are to be maintained on "Double" entry system. Deputy Director of Finance is to be responsible for the operation and maintenance of this account. Director of finance is to ensure that books of accounts of the fund are closed annually on 31st December and audited by an audit board composed of service officers.

Central Mess/ Institutes Funds/CDRS

6. **Central.** This fund can be treated as parallel fund to general Mess fund and service Institute fund maintained by Messes and institutes as Base and unit level.

7. **Objects.** The objects of the fund are as under:

a. To assist new messes and institutes by providing initial grants for the purchase of amenities not provided from public fund and issue loans working capital.

b. To make loans to base and unit messes to cover up -paid mess bills of officers and airmen who are deceased, messing or prisoners of war. Such loans are to be converted in whole or part into grants at the discretion of Air Hqs if there are insufficient funds to meet the mess bills in the estate of deceased personnel and in the local non-public funds.

8. **Subscriptions.** Strength for the purpose of calculating subscriptions is to be average monthly number of personnel for the previous six months excluding attachments but including detachments. Messes and institutes opening during the last three months of any half yearly period for and at the end of which the subscriptions fall due is not to be required to pay the subscriptions due at the first complete half year after the opening. subscriptions are to be paid by messes and institutes on 30th June and 31st December direct, to Air Hqs by crossed cheque in favour of "Central Non-public fund ,BAF". Then letter forwarding the cheque representing the units subscriptions to the fund is to show separately the total number of each rank for whom subscriptions are forwarded and is to state the total amounts forwarded in respect of officers Mess, Sgts' Mess and service Institutes.

9. **Surrendered Funds** Messes and Institutes closing down are to surrender their funds for credit to central non-public fund, BAF. Remittance is to be made in the same manner as laid down in para -8, above where mobile squadrons nor unit are operating their own messes and institutes, the funds of these messes and institutes are also to be surrendered in the same manner if such a squadron or unit ceases to be mobile and is located permanently at Base or unit where messes or institutes are already in existence. Where such location is to be for short duration, Air Hqs may at its discretion, free the funds of the squadrons or unit for reissue when it again becomes mobile. Where one mess or institute is absorbed by another the funds, of the former are not normally to be transferred to the latter, but are to be surrendered to Air HQs.

10. **Disposal of Assets** On the closing of a mess or institute, its assets are to be disposed off under instructions of Air HQ who are to be notified of the details of assets. Such assets are to be included investments, stocks, property, cinema and welfare equipment, plates and trophies, etc. Subject to the instructions of Air HQ, stocks are normally to be disposed off by sale to other BAF Base, failing which they are to be sold in the market. Plates and trophies are however to be sent to Air HQ.

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11. **Grants.** Respective BAF Bases/Units will submit their demands for fund to estb new mess (Offrs' Mess/Airmen's Mess/ Sgts' Mess etc) with duly signed by AOC/Base Cdr to Air HQs. Appropriate auth at Air HQs may grant fund from CNPF to respective Bases/Units.

Ref: AFO 176-9

Loans

12. The loans that are to be made to new messes and institutes to provide working capital are not ordinarily to exceed double the amount of entitlement to grants under this order. If however, in any particular case a justification exists for doing so, Air HQs, at its discretion is to exceed the limits. Repayment of these loans is to commence within six months of the date of payment of loans and is to be completed within two years. Air HQs may, however, relax this condition if in its opinion the condition of the mess or institute merits such relaxation. Loans are to be shown separately in the balance sheet.

13. Procedure for loans/grants application for grants and loans are to be made on the standard form as per specimen attached as an appendix to this order is to be signed by the commanding officer.

14. Application for assistance not exceeding the total amount of unpaid mess bills in the categories mentioned in sub-para 7.b. of this order duly signed by the commanding officer are to be forwarded to Air HQs supported by a certified list of the individual amounts involved under the respective categories, is deceased, mission or prisoner of war. Loans are to be made in the case of current mess bills only and care is to be taken when application is made that not overdue amounts are included.

General Welfare Fund

15. **General.** This fund has been created for the general benefits of the personnel collectively.

16. **Objects.** The objects of the General welfare fund are as follows:-

a. To adopt permanent measures for benefit of serving personnel the provisions of which is not the responsibility of the Government ie the measures that would help in the well being and morale of the officers and airmen and improve their conditions in general.

b. To give loans /grants in the name of the BAF to charitable, philanthropic, benevolent and welfare organizations or agencies which provide assistance to serving or retired Air Force personnel.

17. **Income.** The income of this fund is made up as follows:-

- a. Donations.
- b. Monthly rent of BISS/Shahen Foundation.
- c. 70% Income from Falcon Hall.
- d. Income from investments.
- e. Any other income.

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18. **Investments**. 75% of general welfare fund is to be held in investments at all times to earn regular income for the fund.

19. **Procedure for Loans/Grants**. Applications for loans /grants with full justification are to be submitted to Air Hqs along with the following information:-

- a. Purpose of which assistance required.
- b. Total cost of the proposed project /scheme.
- c. Amount of funds locally available.
- d. Amount of grant needed, if any. along with justification.
- e. Amount of loan needed from Air HQ
- f. Monthly /Quarterly installments for repayment of loans.
- g. A copy of the latest monthly balance sheet.

Subsidiary Funds

20. The subsidiary funds for which the central non-public fund BAF acts as banker are governed for their aims and objects by the relevant Air Force orders as indicated below :-

- a. Officers' Benevolent Fund- AFO 176-8.
- b. Airmens' Benevolent Fund- AFO 176-5.
- c. Central Sports Fund- AFO 176-1.

Reference : AFO 176-9.

CIVILIANS WELFARE FUND : BAF CIVILIANS

1. Civilians' welfare fund and commanding officer's welfare fund for BAF civilians have been established at Air HQ and at Bases/Air Units(U) respectively to extend immediate monetary assistance to the serving civilian personnel and their widows/dependants of the deceased as well as to the medically boarded out civilians personnel (officers and staff). The scopes operation and sum of the fund, which are applicable to all the civilian employee of the BAF are laid down in the subsequent paragraphs.

Aim of the fund.

2. The aim of the fund is to extend immediate financial assistance to the following:

a. **The central welfare fund (Civilians)**

- (1) Widows of the deceased married civilians.
- (2) Parents/dependants of deceased un-married civilians.
- (3) Parents/legal guardian for marriage of the daughter.
- (4) Civilians medically boarded out.
- (5) School going children of deceased civilians.

b. The CO's welfare fund (Civilians) for the civilians employees of the Bases/Air HQs(U).

- (1) To provide relief to civilians by means of grant/loan to cover unforeseen expenditure.
- (2) To provide loan/grant to cover medical expenses of no-entitled members of the family.
- (3) To provide grant/loan to civilian employees for abnormal losses due to fire, flood or other calamities.

3. **Source of Income.** The fund shall consist of :

a. The transfer of the entire balance of the civilian welfare fund now being maintained at Air HQ (ADP Civ) and 60% of the balance of the fund maintained at Bases to the Central welfare Fund (Civs).

b. **Monthly Subscription as follows :**

(1)	Officers	-	Class I	Tk 30.00 per month
(2)	Officers	-	Class II	Tk 20.00 per month
(3)	Staff	-	Class III	Tk 12.00 per month
(4)	Staff	-	Class IV	Tk 7.00 per month

c. Lump sum amounts as may be transferred from other heads of central no-public fund of BAF civilian welfare fund from time to time.

d. Any other source.

4. **Method of Recovery.** Recoveries of subscription from officers and staff are to be made by PSI monthly through paying officers or by any other suitable means by 10 each month. Out of the total collections 40% is to be retained by PSI under CO's welfare fund (Civilians) and 60% is to be remitted to central no-public fund BAF by 20 of the following month along with a summary of each category of personnel from whom the amount is recovered.

5. **Extent of Financial Assistances.** The following financial assistance will be extended from this fund :-

a. Lump sum grant to the widow/next of kin or parents/dependents of deceased in case of death.

(1)	Officers	-	Class I	Tk 20,000.00
(2)	Officers	-	Class II	Tk 12,700.00
(3)	Staff	-	Class III	Tk 8,500.00
(4)	Staff	-	Class IV	Tk 6,800.00

b. The individual officer/staff will receive the same benefit as mentioned in para 5(a) in case of permanent incapacitation/disablement.

c. **Children education grant.** Children education grant will be paid to the children of deceased/disabled civilians at a flat rate of Tk 50.00 pm for maximum Of two children for officers and staff up to the age of twenty yrs for attending school, college and university or equivalent institution. The grant will be discontinued as soon as a child ceases to be a student or gets married or employed or dies or attends 20 yrs of age.

d. If a pensioner dies within 5 yrs of his retirement a lump sum grant up-to a maximum of Tk 4,000.00 may be paid to his widow or children education grant in case of death of pensioner during the period of mentioned above will also be paid at the rates mentioned in para 5(c) above.

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e. Lum sum grant to the staff and widow /dependants of the deceased civilian personnel may be countersign the central welfare committee in special circumstances as state under sub para(1) to (iv) below. The extent of assistances will however be determined by ACAS(admin)on the merit of each case and on the recommendation of the Central Welfare committee :-

- (1) Unforeseen expenditure or abnormal losses due to fire ,flood, or other natural calamities or any other circumstances which is beyond the control of individual.
- (2) Marriage of daughter, specially, when it is to be arranged by a widow or by a permanently disabled/incapacitated person.
- (3) Severs illness of non-entitled members of the family or of the widow or their children where hospitalization in essential.
- (4) Any other special circumstances.

6. **Procedure for payment.** The following procedure will be followed for payment of the financial Assistances:-

a. To the staff and widow/dependants.

- (1) Claims in contingent bill duly supported by office order & death certificate for lump sum grant to the staff or widow/dependents as mentioned in para 5(a) and 5(b) are to be raised by the parent units immediately after death/disablement, is to be sent to DD Finance Air Headquarters for payment.
- (2) Claims in contingent bill for permanently invalided/incapacitated civilian personnel are to be forwarded to Air Headquarters, duly supported by office order, immediately after approval of the medical board so that the remittance from central non-public fund can be made to the individuals without delay.
- (3) Application for special financial assistance are to be forwarded to the D Pers, who is to put up the case with his recommendation to the ACAS(A) through Dte of W&C and Dte of Fin for consideration.

7. **Maintenance of Account.** The Civilian welfare Fund shall be maintained under Central Non-Public Fund and the CO's Civilian Welfare Fund shall be maintained under service institute fund and the audit will be carried out in the normal manner.

Ref :- AFO 176-19

Air HQ/28537/Fin/(Non-Pub)/V-05/68A dt 10 Apr 2006

BAFWWA

Introduction

1. In order to organize social, economic educational and cultural activities for the welfare for the families of BAF personnel, it has been decided to form an association of the ladies in BAF wel 20th may 1978. It shall be called BAFWWA. The head office will be at the Air Hqs and regional office at each BAF Base.

Aims

2. The aims and objects of the BAFWWA will be as under:-
- a. To foster amity and respect amongst the families of BAF Personnel.
 - b. To organize women's industrial home and arrange vocational training for family members of BAF personnel.
 - c. To find out job opportunities for the family members of the BAF personnel so that they are able to make contribution for betterment of their own economic life thereby of the nation.
 - d. To provide recreational and educational facilities for the families of BAF Personnel.
 - e. To make the family members of BAF personnel conscious of their responsibilities towards themselves, their children and the society as a whole.
 - f. To popularizes family planning and take steps for good health nutrition and child welfare.
 - g. To Provide relief to distressed people affected by natural calamities within service and to those outside service

Membership

3. Generally wives of all officers, female officers and wives of the airmen at Air Hqs and Bases/Units are eligible to become members. The membership will be of two categories I. e. general body membership and executive body membership. All members at the Air HQs/Bases/Units will constitute the general body of the BAFWWA at that place. The executive body members will be elected by the general body members except for its president and vice president who will hold office by appointment. There will be two executive bodies in BAFWWA Central Committee and Regional Committee. The secretary and Treasurer of the committees will also be appointed.

- a. **Central Committee.** The central committee will be formed at the Air Hqs. It will have jurisdiction over activities of BAFWWA in entire BAF. The composition of this committee will be as under :-

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Chief Patron	-	Chief of Air Staff, BAF
President	-	Wife of COAS BAF
Vice President	-	Wife of Senior most ACAS
Secretary	-	Wife of an offrs to be elected
Liaison offrs		An offr from Air HQ to be elected
Treasurer	-	AD Finance
Members	-	Wife of Base Cdr and three to be elected from Air HQs offrs wives
Co-opted Member	-	Senior most lady doctor at Dhaka area

b. **Regional committee.** Regional Committees are to be formed at BAF Bases. These committees will function as the local executive body charged with the task of conducting sanity's activities within its own area of responsibility. The composition of these committee will be as under :-

Patron	-	Base Cdr
President	-	Wife of Base Cdr
Vice President	-	Wife of Senior OC Wg
Secretary and liaison offrs	-	Base Edn/Welfare offrs
Treasurer	-	An Accounts Offr
Secretary (cultural)	-	Wife of an offrs to be elected
Member-(3xOffrs wife)	-	To be elected out of offrs wives
Member-(3xWO/SNCOs wife)	-	To be elected out of WOs& SNCOS wives
Co-opted Member	-	Senior most lady doctor of the Base area

Note :-In case of BAF Base BSR the Vice-President will be wife of OC Air HQs(U).Tenure of the office of Central/Regional Committees.

4. The terms of the elected members of the central/regional committees will be one year. The elections of the committees will be completed between 10th and 15th December, every years so that the new office bearers start work by 1st January. An elected committee member shall not hold office for more than two consecutive terms.

5. The responsibilities of the central/regional committees office bearers are as under :-

a. **President.** President of each committee will be also the executive head. She will preside over all meetings of the committee and give decision wherever necessary on a subject under dispute.

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- b. **Vice-president.** In the absence of the president, the Vice-president will discharge the functions of the president.
- c. Secretary come liaison officer will write to minutes of every meeting and will be responsible for official correspondence. He will issue notice for all meetings on behalf of the president.
- d. **Treasure.** He will be responsible to maintain accounts of BAFWWA and get it audited yearly by appropriate authorities from the Air Force, for accounts purpose a financial year will begin on 1st July and end on 30th June of the following year. To meet petty expenses, treasure may keep a cash upto Tk.500.00.
- e. **Secretary(Cultural).** He is responsible for organizing Varity shows, functioning, mina bazaar, and other cultural activities for the benefit of the families of BAF personnel besides establishing educational facilities for the children of low paid civilian employees.

Functions of the Committees

6. The functions of the central and regional committees will be as follows:

a. **Central Committee:**

- (1) It will issue directives on all matters relating to proper functioning of regional committees as and when required.
- (2) It will admit, affiliate, support assist and supervise the plans and activities of all regional committees of the BAFWWA.
- (3) It will co-operate and co-operate with other welfare organizations/ associations of the country and will act as representative for all the families of BAF personnel.
- (4) It shall meet at least once in three months.

b. **Regional Committee:**

- (1) They will responsible for taking day-to-day decision in implementing the aims and object as directed by the Central Committee.
- (2) They will be responsible for collecting donation and grants for BAFWWA fund and will approve funds for the authorizes expenses.
- (3) They will ensure that proper accounts of the BAFWWA funds are maintained in accordance with rules for Non-public funds.
- (4) They will be responsible for scrutinizing yearly balance sheet of the BAFWWA fund before it is placed for approval by the general body of the BAFWWA and is submitted to the central committee. They will also prepare the yearly budget for placement before the General body meeting of the BAFWWA.

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- (5) Any matter needs to be placed before the general body meeting, be discussed by the executive committee prior to its consideration.
- (6) They will be responsible for hiring people and fixing their pay for employment in the office of the BAFWWA , if required and have the authority to terminate their services where necessary.
- (7) They will meet at least once in a month.

Meeting

7. Central Committee Meeting of BAFWWA offices shall be held once in a year and election of office bearers will be held in such meetings. Notices of such meeting with agenda, time and place shall be given to all members at least 15 days before the meeting $\frac{1}{3}$ members shall be from the quorum of the general meeting .The business transaction in the general meeting shall be in the following orders:

- a. Selection of a president of the meeting in case the president and vice-president are absent.
 - b. Confirmation of the minutes of the last meeting and consider the business arising out of it.
 - c. To review and adopt the Annual Report from the Secretary.
 - d. To receive and pass accounts.
 - e. To approved the budget for the ensuing financial year.
8. A central/regional committee meeting may be held with three days notice and $\frac{1}{3}$ rd of the members shall from the quorum.
9. 24 hours notice will suffice for any emergency meeting.
10. Each BAFWWA office shall have its own funds which will grow through :
- a. Subscription by members at the rate as decided by Central Committee.
 - b. Donation from public and philanthropic organizations.
 - c. Grants received from the Government.
 - d. Collection through staging of cultural shows/Meena Bazar etc. as per AFO176-13.
 - e. Sales proceeds from products of Industrial Home and Vocational Training Centers.
 - f. Any other possible legal sources.

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11. The funds shall be kept in a bank approved by the Central Committee/Regional Committees. The accounts shall be joint operated by the President and the Central Committee/Regional Committees.

12. The funds of BAFWWA shall be audited by an officer detailed for the purpose at the end of each financial year.

Withdrawal of Central/Regional Committee Member

13. During the tenure of the office if any member of the Central/Regional Committees want to be relieved of the responsibilities for personnel/service reasons, the President of the Central/Regional Committees in consultation with the members may agree to such a request. The president will then nominate a member in her place.

Reference : AFO No. 166-2.

FINANCIAL PROPOSAL, PROJECT PROPOSAL

1. Any exp from Base/Unit NPF Financial Proposal should fwd to Air HQ (Directorate of Welfare Ceremony) for CFA approval with the recom of Base/Unit Cdr.
2. Project Proposal (NPF) should fwd to Air HQ (Directorate of Welfare Ceremony) for CFA approval with the recom of Base/Unit Cdr. But Project Proposal of School/Colleges are to be fwd to Air HQ(Directorate of Education) instead of Air HQ (Directorate of Welfare Ceremony).

FINANCIAL PROPOSAL

1. Name of the Institute & Fund :
2. Details of the Subject/Proposal :
(Supporting papers may be enclosed)
3. Details of Financial Involvement, if nay :
4. Miscellaneous points, if any :
5. Remarks and Recommendation of Initiating Officer :
6. Remarks and Recommendation of OC(Admin) Wg/Unit :
7. Remarks and Recommendation of AOC/Base Commander:
8. Remarks ACAS(Admin)/CFA :

PROJECT PROPOSAL (NPF)

1. Project Title/Name of the Project :
2. Sponsoring Base/Unit :
3. Executing Agency (PSI/BAFWWA/Mess/Sec.....) :
4. Objective of the project :
5. Location of the project :
(Location of map, where necessary)
6. Estimated coat of the project :
Cost Breakdown to be attached where applicable)
7. a. Source of Funding PPC of last balance sheet to be attached):
 - (i) Self financing
 - (ii) Loan
 - (iii) Grant
- b. Latest Fund Position
 - (i) Cash in hand
 - (ii) Cash at bank
 - (iii) FDR
 - (iv) Total Liabilities
8. Project implementation period
 - a. Date of commencement
 - b. Date of completion
9. Financial Target Plan
10. Operative Life
11. Working Capital
12. Project Personnel(As per Project creature)
 - a. Temporary
 - b. Permanent
13. Project Viability/Feasibility
14. Collateral Ratio

$$\frac{\text{Value of tangible assets}}{\text{Long term loan}}$$
15. Cash flow forecast
(Liquidity position throughout the project period of operation)
16. Net pay back period

$$\frac{\text{Capital investment (Excluding net working capital)}}{\text{Average net profit}}$$
17. Risk factors
18. Means of recovery in case of loss
19. Miscellaneous
20. Recommendation of OC(Admin) Wg/Unit etc
21. Recommendation of AOC/Base Commander
22. Remarks of ACAS(Admin)/CFA, Air HQ

TOPIC-2

PAY & ALLOWANCE : BAF PERS

Principles Of Pay Accounting

- 1 The principles of pay accounting are as follows:-
 - a. Pay accounting work is to be distinct from equipment accounting work system.
 - b. Pay accounting procedure is to be followed rigidly.
 - c. Every payment is to be supported by appropriate authority and PORs.
 - d. Every payment is to be actioned in the appropriate records without delay.
 - e. All actions are to be completed in conformity with the spirit of regulations.
 - f. In no case public money are to be misused.
 - g. No over payment is to be made to the individual nor one should be deprived of his entitlement.
 - h. All records of payment are to be kept up-to-date in all respects.

2. **Publication Used In Pay Accounting**

- a. Pay and Allowances Regulations. It is a publication issued by the Defence ministry of the Government of Bangladesh dealing with the pay and allowances of all personnel serving with the Bangladesh Air Force.
- b. Financial Regulation (Provisional) part-I & II These are publications issued by the ministry of Defence Government of Bangladesh containing regulations for disbursement and accounting of funds allotted to the defence service .
- c. Passage Regulations (Provisional). It is a publications issued by the ministry of defence Government of Bangladesh authorising the class of accommodation and the various allowances admissible to the personnel while traveling on duty/leave.
- d. Air Force Instructions. These are issued by the Government of Bangladesh involving financial implications and issue approved with the concurrence of the financial authorities for the personnel serving with the Bangladesh Air Force
- e. Air Force Orders. These are issued by the COAS BAF giving detailed instructions for all sorts of administrative and accounting matters concerning BAF.
- f. Dte of Fin Instructions. These are issued by the Dte of Fin Air HQ Which give detailed procedures for Accounting of public or Non-public fund.

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PAY FIXATION OF BAF OFFR/AIRMAN/MODC/&CIV AS PER JSI

বিমান বাহিনী ঘাঁটি/ইউনিট-----

বেতন নির্ধারণী ছক : বিমানসেনা/ এমওডিসি

জাতীয় বেতনস্কেল-২০০৯, জেএসআই ০২/২০১০

১।	চাকুরীর বিবরণ :				
	ক। পদবী-----	নাম-----	বিডি-----	ট্রেড-----	
	খ। চাকুরীতে ভর্তির তারিখ -----	গ। বর্তমান পদবীতে পদোন্নতির তারিখ-----			
২।	বর্তমান বেতন (জেএসআই ২/২০০৫ অনুযায়ী)				
	ক। বর্তমান বেতন স্কেল (প্রযোজ্য ক্ষেত্রে টাইমস্কেল) -----				
	খ। বর্তমান মূল বেতন (৩০-০৬-২০০৯ তারিখে আহরিত)			টাকা-----	
	গ। বর্তমান বেতন স্কেলের প্রারম্ভিক ধাপ			টাকা-----	
	ঘ। পার্থক্য (২খ বিয়োগ ২গ)			টাকা-----	
৩।	০১-০৭-২০০৯ তারিখে বেতন নির্ধারণ (জেএসআই ০২/২০১০ অনুযায়ী)				
	ক। ০১-০৭-২০০৯ তারিখে প্রাপ্ত জাতীয় বেতনস্কেল -----				
	খ। ০১-০৭-২০০৯ তারিখে নতুন বেতনস্কেলের প্রারম্ভিক ধাপ			টাকা -----	
	গ। + পার্থক্য (২ঘ)			টাকা -----	
	ঘ। মোট (৩খ + ৩গ)			টাকা-----	
	ঙ। ০১-০৭-২০০৯ তারিখে নির্ধারিত মূল বেতন			টাকা -----	
	(অনুচ্ছেদ ৩ঘ এর মোট টাকায় অনুরূপ স্কেলের ধাপ/ পরবর্তী ধাপ)				
৪।	উপরোক্ত অনুচ্ছেদ ৩ঙ অনুযায়ী ০১-০৭-২০০৯ তারিখে নির্ধারিত বেতন বৃদ্ধির পরিমাণ ২,০০০/- টাকার কম হইলে:				
	ক। ০১-০৭-২০০৯ তারিখে নির্ধারিত মূল বেতন (৩ঙ)			টাকা -----	
	খ। ৩০-০৬-২০০৯ তারিখে আহরিত মূল বেতন (২খ)			টাকা -----	
	গ। বেতন বৃদ্ধির পরিমাণ (৪ক বিয়োগ ৪খ)			টাকা -----	
	ঘ। জেএসআই ০২/২০১০ অনুযায়ী ন্যূনতম বেতন বৃদ্ধির পরিমাণ			টাকা -----	
	ঙ। পার্থক্য (৪ঘ বিয়োগ ৪গ)			টাকা -----	
	চ। সংশ্লিষ্ট বেতনক্রমে বার্ষিক বর্ধিত বেতনের হার			টাকা -----	
	ছ। অনুচ্ছেদ ৪ঙ এর পার্থক্য বার্ষিক বর্ধিত বেতনের হার অনুযায়ী সমন্বয় করিয়া(যদি প্রযোজ্য হয়)			টাকা -----	
	অবশিষ্টাংশ/ সমন্বয়ের প্রয়োজন না হইলে সরাসরি ব্যক্তিগত বেতন হিসাবে প্রাপ্য, যা পরবর্তী নির্দেশ না দেওয়া পর্যন্ত পাইতে থাকিবে।				
	জ। ০১-০৭-২০০৯ তারিখে নির্ধারিত বেতন		টাকা -----	পিপি -----	
৫।	পরবর্তী বার্ষিক বর্ধিত বেতনের তারিখ -----				

স্বাক্ষর-----

প্রস্তুতকারী : বিডি/নং----- স্বাক্ষর-----

ঘাঁটি/ইউনিট হিসাব রক্ষণ কর্মকর্তা

নিরীক্ষাকারী: বিডি/নং ----- স্বাক্ষর -----

এস এফ সি (এয়ার) কার্যালয়ের ব্যবহারের জন্য

উক্ত বেতন নির্ধারণী ছক পরীক্ষা করা হইল। ০১-০৭-২০০৯ তারিখে জেএসআই ০২/২০১০ অনুযায়ী বেতনস্কেল -----

----- এ মূল বেতন-----টাকা এবং ব্যক্তিগত বেতন-----টাকা নিরীক্ষায় গ্রহণ করা হইল।

অডিটর

অধীক্ষক

কর্মকর্তা

এসএফসি (এয়ার) কার্যালয়

HOUSE BUILDING ADVANCE : BAF OFFICERS

Aim

1. In order to facilitate the Government employees to have a house of their own at a city in the country; the Government has decided to extend financial assistance In a form of House Building Advance.

Amount Admissible

2. Advance equivalent to 36 month pay but not exceeding Tk. 1,20,000.00 may be individual officer as house building advance.

Purpose

3. The amount of advance may be utilized for the following purposes :-
- a. Purchase of house.
 - b. Construction of house.
 - c. Purchase of land and constructions of house for residential purposes at the serving station.

Recovery Procedure

4. Advance is to be recovered from pay of the officer in installments not exceeding 120 to begin from the 12th issue of pay after the 1st installment is drawn.

Advance for Repair of House

5. Advance for repair of existing house equivalent to 18 months pay but not exceeding Tk. 60,00.00 or anticipated cost of the repair which ever is lower may be allowed.

Recovery Procedure

6. Advance drawn in connection with reconstruction of the existing house is to be recovered in 60 equal installments. Recovery to start wef 1st issue of pay after drawl of 1st installment of advance.

Conditions

7. Officers who have crossed 45 years of age or have completed 20 years of service may be allowed for the advance for construction of house at the place where they propose to settle after retirement.

8. Advance may also be allowed to an officer who have rendered more than 5 years continues service on submission of surely bond from two bonafied officers.

9. No officer may be allowed a second advance while any portion to the previous advance with interest accrued there on is out standing.

10. The rate of interest will be 10% annum to be charged on the total amount and recovered from officers pay.

Processing of Applications

11. Applications completed in all respects, are to be forwarded in duplicate along with the following additional documents through the respective OC to Air Headquarters for onward submission to the Ministry of Defence and FC (Air) for approval and payment action to the officer concerned.

For House Building Advance

12. a. Indemnity Bond.
b. Allotment of plot in DIT/DOHS/CDA etc (Letter in original).
c. Undertaking certificate.
d. Declaration certificate.
e. Purchase deed
f. Agreement Form.
g. Mortgage Bond.
h. Verification form.
j. Surety bond.

For purchase of Residential Plot

13. a. Agreement Form
b. Mortgage bond
c. Surety bond
d. Certificate from the chairman, Pourashava and Government pleader about the correct ownership who intends to sell the plot.
f. Registration of Bainanama from the court
g. Certificate from DIT/CDA that the plot is plan free.

Pay Reckonable for Calculation of Airmen

14. a. Basic Pay
- b. Command/Staff/Charge/Instructional Pay
- c. Qualification pay
- d. Flying Pay
- e. Disturbance Pay.

Un-recovered Amount of Advance

15. In case of any portion of the amount remains un-recovered during the service due to unforeseen reason, the un-recovered balance will constitute the first change on the pension of the individual being recovered there from in such installments as will ensure its liquidation by the time it would have been liquidate had the officer remained of the active list.

Penalties

16. Officers who fail to get the mortgage bond registered within 4 month of the date of execution and those who had to utilize the amount towards construction within three months of drawl of an installment, are required to refund the whole amount in lump sum together with interest due. In case they fail to do so their pay will be stopped by the FC (Air) until the dues are fully recovered.

House Building Advance of Civilian Government Servants (Class – I to IV)

17. The amount of advance, conditions, procedure for submission/disposal of applications payment of 1st and subsequent installments mortgage, recovery of installments etc, will be the same as applicable to BAF Officers ammerated in the succeeding paragraphs (in addition AFO 177-125 may referred for advances to the civilians)

House Completion Certificate

18. Government servants taking a house building advance should complete his house and shift to it within a period of 12 months from the drawl of 1st installment for construction as distinct from the installments for development charges and render house completion certificates to Air Headquarters and FC (Air) as laid down in JSI 37/61.

Reference :MF/BD/III/3A-69/72/5699 dt 29-12-72

ADVANCE FOR MOTOR CAR/MOTOR CYCLE

Advance and Recovery for Purchase of Motor Car

1. An amount of Tk.60, 000.00 or 12 months pay which over is less can be drawn by BAF Officers as an advance to wards the purchase of Motor Car. It will be recoverable in 60 equal installments. Advance is paid to such officers as stated below:

- a. To individuals to when a Motor Car is essential to enable them to carry out their duties.
- b. To individuals to whom a Motor car though not essential but is of assistance in carrying out their duties.

Sanctioning Authority

2. The following are the sanctioning authorities:
 - a. Government of Bangladesh for BAF Officers who draw advance outside Bangladesh or within Bangladesh.

Application

3. Application for advance is made to the sanctioning authorities on BAF from z-2160 in duplicate through proper channel. The term pay will include command/Staff/Charge pay/flying pay/qualification pay and disturbance pay.
4.
 - a. On getting sanction letters from Main of Def FC will make the payment on a contingent bill submitted by the officer through his unit
 - b. Recovery of installments will be made by FC through IRLA after the advance has been paid.

Advance for Purchase of Motor Cycle and Recovery.

5. An advance of amount Tk.35,000.00 Maximum as decided by Air Headquarters can be drawn by officers for purchase of Motor Cycle. It will be recovered in 60 equal installments. Procedure for grant of advance and method of recovery is laid down in AFI 102/54 and AFI 36/56 as amended from time to time.

Note : Officers may be allowed to draw advance up to a period of 3 months after the date of purchase of a conveyance in accordance with JSI 3/62.

6. The application form is to accompany the following documents:
 - a. Indemnity Bond.
 - b. Form of Agreement.
 - c. Mortgage Bond.

Reference AFI 102/54 & 39/56 & JSI 3/62.

DEFENCE SERVICE OFFICERS PROVIDENT FUND**Rate**

1. Wef 1st January 1990 DSOPF contributions are compulsory for the officers (including Non-regular). Minimum rates are given below:

a.	Air Marshal	Tk. 3,000.00 PM
b.	Air Vice Marshal.....	Tk. 2,000.00 PM
c.	Air Cdre.....	Tk. 2,000.00 PM
d.	Gp Captain.....	Tk. 1,800.00 PM
e.	Wing Commander.....	Tk. 1,600.00 PM
f.	Squadron Leader.....	Tk. 1,400.00 PM
g.	Flight Lieutenant.....	Tk. 1,400.00 PM
h.	Flying officer.....	Tk. 1,000.00 PM
j.	Pilot officer.....	Tk. 1,000.00 PM

Authority. MOD Ltr no MISC -7/85 /D-19/ part-1/242 dt. 08 Dec 10.

Reservists

2. Reservists called up for service who remain or likely to remain in service for not less than 12 months would be included as compulsory subscribers but those who come up for training of one months in a year would be excluded.

Procedure of Recovery

3. The recovery procedure is as follows :

a. On being granted permanent commission an officer will be made compulsory subscriber towards DSOPF, the amount of subscription being the minimum as appropriate to his rank. The officer will be required to complete form of application and nomination which will be forwarded to FC(Air) who after scrutiny will open account for officer and notify the officer of the acceptance and rate of subscription, date of commencement and account number etc. Effective date of subscription will be given from the first of a month and no broken period is taken into account.

b. FC(Air) will record the necessary particulars in the DSOPF register. The rate of subscription together with authority will be noted on the IRLA of the officers to effect monthly recovery. The recovery will also be reflected in form 10025 of the officer monthly. At the end of may every year a statement of subscription towards DSOP fund will be furnished to each subscriber by FC (Air) interest on subscription at appropriate rates is credited in the account annually by FC(Air) and shown in the statement form 10025 .

Conditions and Limit of Advance

4.
 - a. Officers should not apply on flimsy grounds.
 - b. Officers should not apply too casually.
 - c. Officers often apply feeling that money subscribed by them is theirs, whereas it is Government money.
 - d. Advance is sanctioned by COAS and it is on his entire discretion to grant the advance or not.
 - e. Advances are given on real compassionate grounds to meet unforeseen and unavoidable expenditure.
 - f. The grant of advance from DSOP fund is a concession and cannot be claimed as right.
 - g. An advance shall consist of a sum of whole Taka and should not normally exceed 6 months pay or 50% of the amount held as credit balance in the name of subscriber which is less. Relaxation under special circumstances be allowed for the grant of an advance upto 80% will be given only for construction of a house by the subscriber. More than 80% is not admissible.
5. Normally one advance is allowed at a time and second advance can be granted only after at least 12 months have elapsed from the date of payment of the last installment of previous advance. Relaxation of this restriction will be allowed in every exceptional case.

Recoveries of the Advance

6.
 - a. Recovery of the advances will be effected from the officers pay is not less than 12 installments and not more than 48 installments as the sectioning authority may prescribe Relaxation however, be allowed . Where the advance is high
 - b. Recoveries for the advances granted from DSOPF for house building be made as per rule applicable from time to time.
 - c. Recoveries made from the officers will be credited into their fund
7. The following procedure will be adopted from submitting of applications for advances from DSOP fund :-
 - a. Individual officer desire for advance from DSOP fund will put application in duplicate to their Officer Commanding. After the application is approved by the officer commanding the officer I/C account squadron will raise the contingent bill in duplicate for the amount applied by the officer. The contingent bill will be pre-receipted by the officer over Tk.5.00 revenue stamp. The name of the officers Banker will be mentioned on the contingent bill.

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b. Base/ Unit account officer will fill in the certificate provided in the application and than forwarded both the copies of contingent bill as well as the application to Air headquarters for approval.

c. The sanction authority will scrutinize the application and accord sanction, if agreed, subject to any amendment made in the amount, number of installment for recovery etc as considered necessary and forward original copy of the application along with contingent bill duly approved by FC(Air), who would further action to effect payment and inform the Base /Unit concerned for information of the officer. In case of non approved application by Air Headquarters, the same will be returned direct to the Base/ Unit where the officer serving.

8. The officer can change the rate of subscription once in a year i.e. in the month of may which will be effected from the pay of June. The change can not be bellowing the compulsory rate of the rank.

9. Officers are allowed to revise the rate of subscription to their DSOPF as they are detailed on a course /temporary duty in foreign countries provided that:

a. The decreased amount does not fall bellow the minimum subscription laid down in para-1 above.

b. The period of course / T/duty is not less than one month.

Auth: MOD ltr No... Misc-2/82/D-19/part-1/234 dt 27-11-89.

RECREATION ALLOWANCE: BAF OFFICERS

Admissibility

1. Wef 1-7-81 BAF officers in lieu of leave traveling concessions may draw recreation allowance equivalent to one months pay elements subjects to the conditions mentioned below:

a. The officers may draw this allowance once in every 3 years provided that he takes leave for rest and recreation for a period not less than 15 days and that he is to completed service for 3 years or more on 1-7-81 and forgo the free leave traveling concessions for a period of 3 years before 1-7-81.

b. Those who elect to draw this recreation allowance in one cycle shall have the option to avail free leave traveling concession in the next cycle and so on

c. The period of leave for rest and recreation shall be treated as duty like casual leave and shall not be debited to leave account

2. Officers who have not completed 3 years of service or who may be appointed after 1st of July 1981 shall be entitled to draw recreation allowance on completion of 3 years service.

3. The officer who cannot be granted leave for rest and recreation in the exigencies of service and can not avail of recreation allowance at the time he applied for the same, he shall be granted such allowance when he applies for such leave. He shall be granted such allowance for the next cycle after an interval of 3 years from the date he had first applied for such leave.

4. For the admissibility of recreation allowance a 3 years cycle will be as under:

From the 1 st July 1981 to 30th June 1984.

From the 1 st July 1984 to 30th June 1987 and so on.

Ref: JSI-8/80

RELEASE DISCHARGE PROCEDURE : BAF AIRMEN

1. With a view to ensure speedy finalization of accounts and settlement of pension, service gratuity and DSP fund claims the following procedure will be followed:

a. **Discharges warning orders.** BAF record office will normally issue discharge warning orders of airmen 6 months in advance of the commencement of retirement/discharge leave.

b. **Final discharge orders.** BAF record office will issue final discharge /release orders 45 days in advance to date of release / discharge leave. On receipt of discharge orders, the individual will invariably report on posting to BAF record office by the stipulated date for final clearance action from Air force. There is no separate posting order. Those occupying married accommodation at the time of posting to BAF record office are to be allowed to retain their accommodations during the periods they remain posted to BAF record office and on leave pending retirement /discharge.

c. **Action by unit.** On receipt of discharge warning orders the following actions are to be taken by unit.

(1) Unit copy of sheet roll is to be brought up to date incorporating all outstanding entries from PORs including leave records. In case original copy of sheet roll is not available, a statement regarding entitlement of leave is to be obtained from BAF record office Dhaka by fastest means along with statement of leave within 7 days of receipt of discharge warning orders.

(2) Within one week of receipt of warning orders for release / discharge , an up to date statement showing , DSP fund balance is to be obtained from unit accounts. All old GCI cards & pay books are to be closed and a temporary GCI card and a pay book are to be raised on receipt of discharge warning. Then the closed GCI cards and closed pay books are to be dispatched to BAF record office.

(3) All service debits are to be cleared when recovery of public dues can not be made. FC(Air) is to be informed by fastest means and confirmation obtained for recovery through IRLA. All queries regarding debit / credit balance are to be settled through correspondence with FC(Air) Dhaka within three months of receipt of discharge warning.

(4) **Action on receipt of final discharge order.** The airmen is to be cleared in all respect before proceeding to Air Headquarters (Unit) sheet roll be completed and assessments on discharge are to be recorded on page 11 of the sheet roll and page 4 and page 10 are to be signed by or for officer commanding page 8 of the sheet roll is also to be certified as No entry "or" No further entry.

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(5) Temporary pay book, GCI card and pay clearance certificate together with declaration form are to be dispatched to BAF record office through unit orderly room.

(6) All the documents except those mentioned in sub para (5) above, are to be brought to BAF record office by hand by the airmen in a sealed cover.

d. **Actions by BAF record office** . On reporting of airmen for final clearance and handing over the documents the following actions are to be taken:

(1) POR action for discharge is to be taken and the documents completed

(2) Discharge certificate is to be completed.

(3) All other discharge actions are to be completed in liaison with directorate of personnel (Records), and the individual finally be paid and cleared from Air force.

(4) Pension /Gratuity claims are settled by FC(Air) after expire of LPR/ discharge leave.

REVISED PAYMENT SYSTEM : BAF AIRMEN /CIVILIANS & MODC

Purpose

1. To save man hours, it is decided to discontinue the payment system of witnessed pay parade as contained in AFI (P) 107/57. Revised payment system is applicable to all airmen, civilians, class IV servants and MODCs will continue to be paid as usual after working hours.

Detailed Procedure

2. a. all lodger units/sections will forward nominal roll of all airmen /class III civilians to Accounts Squadron well in advance.
- b. Accounts squadron will prepare F-1513 and A-38 will maintain their GCI cards, etc in numerical order "Section/ Unit "wise.
- c. Unit commanders will detail officers /warrant officers as paying officer for airmen, civilians and MODCs.
- d. Paying officers will collect cash and acquaintance rolls from Accountant officer at the time and the date promulgated in BROs.
- e. Paying officer will get signatures of airmen/civilians on F 1513 and A-38 at the tables. They will make entry of date, place of payment & the amount in the appropriate columns of pay book of airmen. The entry in pay books will be signed by them. They will obtain the signatures of civilians on revenue stamp as applicable and also sign the certificate as to their proper identifications/ deployments.
- f. Names of the absentees will be crossed out and such deletions will be initiated by them. F-1513 and A-38 duly completed and signed by them as paying officers will be returned Accountant officers on the same day along with any unpaid amount. Absentees will be paid by Accountant officers on the day of casual parades as promulgated in BROs after justifying the cause of absentee from the pay parade.
- g. It is emphasized that airmen are not to be collected in one place for payment but are to be paid on their benches.

Recoveries

4. a. Recoveries on account of loan/grants from airmen will be made the paying officers and amounts deposited with OC Admin on the same day.
- b. Recoveries relating to public fund will also be made by paying officers and the amounts deposited with the Accountant officer on the same day.

ADMISSIBILITY OF TA & CALCULATION FOR DIFFERENT CLASS OF JOURNEY

Entitlement

1. The individuals of the first three grades as per rule 114 of PR(P) will be entitled to traveling allowance as follows :

a. **On temporary duty :**

(1) **By Road.** Daily allowance for his grade at the rates given in rule 153 amended by JSI 14/59 which can be exchanged for mileage allowance under the rule 135 and 136 in section 3 of PR(P). If mileage allowance is drawn, one mileage allowance at the rates given rule 153 is admissible.

(2) **By Railway.** Daily allowance for his grade at the rate in JSI 14/59 which can be exchanged for mileage allowance under rule 135 and 136 of PR(P). Mileage allowance when drawn in $1\frac{4}{5}$ of the fare of 1st class and below less F "E" under rule 125 (1). For air-conditioned class, the entitlement is $1\frac{1}{2}$ ACC fare less F "E".

(3) **By River.** For river journey mileage allowance will be admissible $1\frac{3}{5}$ ie. fare exclusive of diet at the lowest rate of the class in which an individual is entitled to accommodation under rule 126 of PR(P).

(4) **For sea journey.** For journey mileage allowance shall be admissible at $1\frac{1}{4}$ fares of the class in which the individual is entitled to accommodation under the rule 36 of PR(P) (see also rule 139).

(5) **By Air.** Officers authorised to travel by air on temporary duty are entitled to one Air fare on the actual cost of return air tickets are available plus 20% incidental charge of actual airfare irrespective of time limit of journey . Individual who is not authorised to travel by air but who performs a journey by air on temporary duty can draw only traveling allowance so drawn shall, in no case, exceed that admissible to him had he been authorised to travel by air (Rules 178 of PR(P) refers.

b. **On permanent posting**

(1) **By Road**

(a) Two mileage allowance at the rate to which his grade entitles to him.

(b). One additional mileage allowance if two members of his family accompany him and a second if more than two members accompany him.

(2) **BY Rail**

(a). Three fares of the class to which his grade entitles him, subject, however, to any deductions which has to be made under rule 125 ie. of F "E" etc.

(b). One extra fare for each adult member of his family accompanies him and for whom a full fare is actually paid and half fare for each child for whom such fares actually paid.

(c). In the case of an individual of 3rd grade the fare will be calculated with due regard to sub-para (a) II above.

(3) For river journeys mileage allowance shall be three fares (i.e. fares exclusive of diet) at the lowest rate of the class on which individual is entitled to accommodation. In addition, one fare (i.e. fare exclusive of diet) for each adult number of his family and one half fare for each child at the rate of the class in which entitled to travel and for whom the fare is actually paid. Rule 126 of PR (P) refers.

(4) **By sea.** See rule 139 of PR(P).

(5) **By Air.** PR (P) Rule 170 refers.

(a) An individual authorized to travel by air on permanent transfer is entitled to draw the traveling allowance which would have been admissible and the journey or journeys been performed by rail and /or steamer and in addition the difference between rail and steamer fares of the class of accommodation to which he is actually entitled and the air passage fare actually paid for himself and the members of his family.

(b) An individual who is not authorized to travel by air but who performs the journey or journeys by air on transfer may draw only the traveling allowance to which he would have been entitled. if he had traveled by rail and /or steamer provided that the traveling allowance so drawn shall, in no case exceed that admissible to him had he been authorized to travel by air.

(c) An individual whether authorized or not to travel by air on transfer between places connected only by road is entitled to draw the traveling allowance which would have been admissible had the journey or journeys been performed by road.

(6) **By service Aircraft.** If the officer and baggage traveled by service aircraft no TA will be admissible, for the period of journey. If one member of the family traveled by train, the officer will get 2 first class fares entitled to normal TA. If all members of family traveled by service aircraft and only baggage and servants by train, then the actual expenses will be admissible.

2. **Families**

- a. Families are not entitled to TA on temporary duty or on attachment. Free conveyance as admissible to them is only in case of permanent posting. For this purpose the officer will be entitled to cash TA in respect of the each member of family from the old duty base to the new base or to the home railway base in case the family of an officer has to move to his home due to non-availability of the family quarters at the new base.
- b. Families can move 6 months ahead or after the officer actually moves. In case the family moves head of the officer and his posting orders are cancelled before he has actually commenced his journey, he will not be entitled to TA for the family.

3. **Transportation of Personal Effects**

- a. **Temporary duty.** In case of Journey by road, Railway or river nothing is admissible in addition to this account.
- b. **On permanent posting.** Within the limits prescribed PR(P) rule 82 and the PR(P) rule 169 para (b) (e) 1-7 will be applicable on the merits of the case.

4. **Special rules regarding civilians of the fourth Grade PR(P) Rule-174.** A civilian of the fourth grade who is not required to travel on warrant may:

a. **For Journey on temporary duty.**

- (1) **By Rail.** Draw as mileage allowance on fare of the lowest class in addition daily allowance.
- (2) **By Road.** Exchange daily allowance for mileage if journey exceeds 20 miles.
- (3) **By River.** Draw single fare (i.e. fare exclusive of diet) lowest class in addition to daily allowance under PR(P) rule 126 (ii)
- (4) For journey by sea. Rule 139 of PR(P) refers.

b. **Journey on permanent postings**

- (1) **By Rail or Road.** When the journey is not required to be performed on warrant under the Rule will be granted traveling allowance on the transfer in accordance with the normal rules applicable to other Government Servants except that there will be allowed only one extra for journeys performed by Rail/ Steamer (AFI 123/53 & 6/54 refers.)
- (2) Draw single fare (i.e. fare exclusive of diet) of the lowest class in addition to daily allowance under rule 126 (ii of PR(P). **Reference.** PR(P)

RATES OF MILEAGE ALLOWANCE FOR JOURNEY BY ROAD

5. **Mileage Allowance** Mileage allowance for journey by road shall be as follows for each KM traveled.

- a. To Government servants of the 1st grade Tk.1.25 Per KM.
- b. “ “ “ 2nd grade Tk.1.00 per KM.
- c. “ “ “ “ “ 3rd grade Tk. 0.75 per KM.
- d. “ “ “ “ “ 4th grade Tk. 0.50 per KM.

Certificate

6. In case of road mileage allowance is called at the higher rates laid down in para 1 above for journey by road otherwise the on permanent transfer when a Government servant takes a single seat in taxi, motor omnibus or motor lorry plying for hire, a certificate in the following manner will be demanded and attached to the claims.

“Certify that I did not perform the road journey (s) for which mileage allowance has been claimed at the higher rate prescribed in para PR(P) rule 153 supplementary rule 46 by taking a single seat in a taxi motor omnibus, motor lorry engaging whole taxi plying for hire .

I also certify that I had to engage a whole taxi because a seat in taxi, motor omnibus or motor lorry plying for hire on single seat basis on the route traveled by me was not available “.

Note. 1 “ In cases where the buses, whether privately owned or operated by Government, charges fare at the rates higher than the mileage allowance prescribed in para 1 above the individuals performing the journey by road otherwise than on transfer by taking a single seat in a motor lorry plying for hire will be entitled to actual bus fares,

Note . 2 “ An individual traveling by taxi, motor omnibus or motor lorry plying for hire by taking more than a single seat will be entitled to road mileage allowance at the rates prescribed in para -1 above , and not at the higher rates irrespective of the facts whether he takes one seat or more seats . However , in the case of taxis plying for hire , individuals can claim higher road mileage allowance admissible in para -1 above where taxis don't take passengers on single seat basis and consequently a whole taxi has to be engaged “.

Reference : PR(P) rule 153 and AFI 9/54 & MF(FD) Regs 2/TA/DA-12/85/94 dt. 24-5-87.

FLYING RISK INSURANCE**Introduction.**

1. The Flying Risk Insurance introduced in Armed Forces wef 01.07.77 vide JSI 5 & 6/77 to extend monetary compensation in case of flying accident to personnel of Armed Forces.

2. Limit of Indemnity

a.	Death by accident within twelve calendar months of the date of the accident.	100% of the capital sum insured.
b.	Permanent total loss of sight of Two eyes or loss of two limbs, or permanent total loss of sight of one eye and loss of one limb by accident within twelve calendar months of the date of the accident.	100% of the capital sum insured.
c.	Permanent total loss of sight of one eye or loss of one limb, by accident within twelve calendar months of the date of the accident.	100% of the capital sum insured.
d.	Permanent total disablement.	100% of the capital sum insured.
e.	Temporary total disablement by accident so long as the disablement continues but not exceeding 52 weeks in respect to any one accident.	0.50% of capital sum insured.

3. Conditions.

- a. Payment of these compensation is made only in case of death or disablement by flying accident.
- b. The limited capital sum insured as para 50 & 52 are payable.
- c. This policy cover the insured person at all times any where in the wide world including all flying as a pilot , crew member or passenger.

4. Exclusions

The corporation shall not be liable for the death or disablement on insured person:

- a. Consequent on war, invasion or civil war.
- b. By suicide or attempted suicide whether felonious or not.
- c. Whilst in the state of intoxication or insanity or under the influence of intoxication liquor or of any drug.

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- d. Caused or contributed to by intentional self-injury.
- e. Directly or indirectly resulting from disease or natural caused or from medical or surgical treatment (except where such treatment is rendered necessary by bodily injury caused by accident within the scope of this policy).

5. **Insured Amount (Wef 23-06-2011)**

Insured amount against flying accidents are as under : As per JSI-3/2010 & JSI-04/2010 & MOD Ltr No. Pay-9/91/D-19/Part-4/81A dt.22-06-2011

a.	Aircrew Officers	Tk.	12,00,000.00
b.	Other Officers (Passenger) <i>Max 10 in each flight</i>	Tk.	8,00,000.00
c.	Flight Cadets	Tk.	6,00,000.00
d.	Aircrew Airmen	Tk.	8,00,000.00
e.	Passenger – JCOs and below <i>Max 30 in each flight</i>	Tk.	4,00,000.00

6. **Payment of Premium.**

- a. Payment of premium are to be made at Public expenses.
- b. Payment of Premium for the insured persons is made in one installment covering the whole of it. However, subsequent payment of premium can be made to cover the cases of new entrants who join service after their commissioning.
- c. Payment of premium to the respective Insurance Company is to be made in the month of January each year.
- d. The Air HQ(U) Accts will pay the premium for Insurance each year and as & when required as per instruction of Dte of Fin from Public Fund.

7. **Period.** January to December each year.

8. The Air Headquarters, Dte of Finance will complete all necessary official formalities with the approved Govt sponsored organization under intimation to MOD. Contract agreement between Bima Company and Air HQ will remain under custody of Dte of Finance.

9. The Air HQ, Dte of Finance will maintain a Register with full particulars of all aircrew officers (Collected from Air Secy Br) and all Aircrew Airmen (Collected from Record Office).

RESTRICTED

10. The Air HQ will furnish the number of officers and Airmen only to the Insurance Company under intimation to MOD time to time. No individual name and other particulars will, however, are mentioned for the sake of security as per instruction of MOD.

11. **Payment Procedure of Amount of Benefits.** The cheque of insured amount will be collected by Air HQ (Dte of Fin) from the Insurance Company on production of Death/Disablement Certificates provided by medical authority in favour of Public Fund A/C, Air HQ(U). The Air HQ(U) will raise contingent bill and issue cheque to legal heirs (in case of death) or insured person (in case of disablement) and payment made the Committee of Adjustment/Board of Officers.

12. The claims shall be payable in local currency.

Ref : MOD letter No 12/8/77D-VII/411 dated 28 Sep 77 & JSI 7 & 8/91, 3/81, JSI-03/2010 and JSI-04/2010

Note : This may be treated as classified information.

TOPIC-3

INCOME TAX AND VAT

Introduction To Income Tax

1. The importance of taxes can be judged from the fact that when one is born one has to pay taxes; when one lives one has to pay taxes and God forbid when one dies taxes are after him. Every person interested in the economic affairs of a country must at least know its taxation structure. Moreover, any person who has taxable income is liable to pay tax should also to know the major aspect of income tax. There are some tax payers who are not interested to know the IT returns as because they feel that it is very complicated. As a result it is difficult for them to identify and accumulate their income in the return properly as per income tax law. If any body is capable to fill up the form at his/her own it would be very easier for them to put right income information and pay right amount of income tax. An attempt has, therefore, been made in the forthcoming paragraphs to explain the salient aspects of the Income Tax Structure (specially for defence personnel) so that the tax payers can fill up the IT Form at their own and pay right amount of tax in the right time.

A Brief History of Income Tax Law in Bangladesh

2. Bangladesh inherited a system of taxation from its past British and Pakistani regimes. The system, however, developed on the basis of generally accepted canons and there had been efforts towards rationalizing the tax administration for optimizing revenue collection, reducing tax evasion and preventing revenue leakage through system loss. In the Indian Subcontinent, first Income Tax Act has been introduced in 1860 by the English rulers following the Income Tax Act of England. After five years of its introduction, it has been dissolved and withdrawn in 1867 due to the rapid changes in the political and socio-economic culture of the state. In 1868, the name of the Act has been changed as “The Certificate Act, 1868” featuring certain provisions like reduced tax rates, Tax exemption up to a certain limit of total income, tax relief for agricultural income etc.

3. India and Pakistan both the countries accepted “The Income Tax Act-1922; Act XI of 1922” as their income tax law after their independence from British rule in 1947. Then in India “The Income Tax Act -1961” has been introduced incorporating necessary changes in the earlier Act of 1922. But, Pakistan had been following the old “The Income Tax Act XI of 1922” incorporating some amendments in the following years like Tax Holiday Scheme of 1959, Self-assessment system of 1965 etc.

4. After the independence of Bangladesh in 1971, it has also inherited the “The Income Tax Act – 1922” which has been followed in Pakistan and adopted it with necessary changes made from time to time. In order to modify necessary changes of the old act to cope with the demand of time, a “Taxation Enquiry Commission” has been formed in 1967. As per their guidelines and recommendations, “Income Tax Ordinance, 1984 has been introduced dissolving “The Income Tax Act – 1922”. The Income Tax Ordinance, 1984 came into force on 1st July, 1984 as Income Tax Manual. It has 23 Chapters, 187 sections, numerous sub-sections and seven schedules containing provisions regarding assessment, penalty, appeal etc. This ordinance is supported by “Income Tax Rules, 1984” known as Income Tax Manual II and various Statutory Rules and Orders (SROs). The National Board of Revenue (NBR) under the Internal Resources Division of the Ministry of Finance is responsible for the collection of all these taxes including income tax. NBR has been empowered with the right to do any kind of changes in the Income Tax Laws subject to the approval of the Parliament and relevant authorities. Generally every year in the month of June some changes are declared through Annual Budget, which come to an effect with specified date and known as Finance Act for that year.

THE SCHEME OF INCOME TAX LAW: AN OVERVIEW

5. Every person who has taxable income is liable to pay tax. The Income Tax Act envisages the determination of tax liability in respect of the income received or accrued in the income year which precedes the assessment year. The special features of the Bangladesh income tax law are enumerated below:

a. Income tax is payable by a person such as an individual, firms, association of persons, a Hindu undivided family, a local authority, a company and any other artificial judicial persons.

Taxable income arises from many sources which are grouped under nine heads named salaries, interest on securities, income from house property, agricultural income, income from business or profession, income from partnership firm, income of husband/wife or minor children, capital gains and income from other sources. The Ordinance has various provisions to assess income under all these heads.

c. While assessing income under different heads, some losses of one head can be set-off against positive incomes under other heads, subject to some limitations prescribed in the ordinance. It has also provided a guideline to consider whether a particular receipt is income or not.

d. There are many provisions in the ordinance which enable an aggrieved assessed to go in appeal to the higher authorities or courts for justice. It has also imposed of interest, penalties and fines for the violation of any provisions under these act and rules. Wide powers have also been given to the taxing authority to deal with all types of situations.

e. Taxpayers can submit tax return under ‘self-assessment’ or ‘universal self-assessment’ with some conditions mentioned in the Ordinance or ‘normal’ scheme. Tax rates and scope of taxable income may differ on the basis of residential status of an assessee (resident or non-resident). Income tax is payable at the rates prescribed by the Finance Act enacted at the beginning of the assessment year.

BASIC PRINCIPLES OF INCOME TAX

1. Where an act of parliament provides that income tax shall be charged for any assessment year at any rate or rates, income tax at the relevant rate or rate shall, subject to the provisions of that act, be charged, levied, paid and collected in accordance with the provision of the income to ordinance in respect of the total income of the income year or years, as the case may be, of every person (section 16). The following principles emerge from an analysis of section 16 :

- a. Income- tax is to be charged at the rate or rates fixed for the year by the annual finance act or ordinance;
- b. The charge is to be every person ;
- c. The income-tax is that of the income year, not assessment year.
- d. The levy is to be on the total income of the assessable entity computed in accordance with and subject to the provision of the ordinance.

2. Income Tax Is A Tax On Income

Income tax, according to lord Macnaghton, is a tax on income. It does not mean a tax on anything else.

What Is Income?

3. Income has not exhaustively been defined in the ordinance. What is taxed, as so often has been pointed out under the income tax law, is nothing that is real; it is the statutory income measured in a particular way.

4. The object of the ordinance is to tax “income’. The term is expanded in sacs. 28 and 31 into income, profits and gains; but the expansion is more a mater of words than of substance. The word “income” is and expression of elastic ambit and the courts when describing income have almost always qualified their description by saying that it is not exhaustive.

5. Income is a more general term than profits or gains. The words income, profits and gains are used in a distinctive sense and the word :income: is not limited but the word : profits of gains. Profits or gains mean something which is in the nature of interest or fruit, as opposed to principal or tree. “Gains” is really equivalent to :profits:. The profit of a trade or business is the surplus by which the receipts from the trade or business exceed the expenditure necessary for the purpose of earning these receipts.

6. The tax is upon: income profits and gains. It is not a tax on gross receipts. The expression: profits and gains: is not limited to business only but is used in the ordinance with reference to other sources of income as well.

7. Section 2 (34) of the income tax ordinance, 1984 gives an inclusive definition of income as under

“Income “ Includes-

- a. An income, profits and gains from whatever sources derived, chargeable to tax under any provision of the ordinance under any head specified in section 20 ;
- b. Any loss of such income, profits and gains'
- c. The profits and gains.

CHARACTERISTICS OF INCOME

1. Income tax is charged on; income; But the term ; income; cannot be precisely or exhaustively defined; Income connotes a periodical monetary return : coming in: with some sort of regularly or expected regularly from definite source; The source is not necessarily one. Which is expected to be continuously productive, but it must be one whose nature is the production of a definite return excluding anything in the nature of windfall; However, the law treats some item specifically as income although they are not income in the true sense, there are winning from lotteries , crossword puzzles etc.
2. The ordinance dose not define income. It only widens the earning of the term, It prescribes that income includes—
 - a. Any income, profits or gains from whatever source derived, chargeable to tax under any provision of the ordinance under any head specified in section 20 ;
 - b. Any loss of such income, profits or gains;
 - c. The profits and gains of nay business carried on by a mutual insurance association with paragraph 8 of the forth schedule and
 - d. Any some deemed to be income accrue or arising or be received in Bangladesh under any provision of the ordinance.
3. But does not include, in the case of a shareholder of a Bangladeshi company, the amount representing the face value of any bonus shares or the amount of any bonus declare, issued or aid by the company to its shareholders with a view to increasing its paid-up share capital.
4. The definition as given above is inclusive and not exhaustive. It does not attempt to define the concept but simply enumerates the various sources of income, which are taxable in addition to what is liable under the commonly understood import of the term income”.

CAPITAL AND REVENUE INCOME

1. Difference between capital and revenue is vital importance. Income tax is levied on income and not on capital receipts. While ascertaining the profits of profession, the revenue expenditure and not the capital expenditure is deductible from the trading receipts Courts have often observed that it is not possible to lay down any satisfactory tests by which it may conclusively be judged that a particular receipt is a capital or a revenue receipt Decided cases merely illustrate and not all are perfect guides.
2. The distinction between capital and revenue receipts is much more difficult than between capital and revenue expenditure. There are no hard ad fast rules, which may help in determining whether particular receipt is a capital or a revenue receipt.
3. Whether a particular receipt is incurred solely to earn profit or whether it is capital expenditure depends in each case on the nature of business, commercial practice, the nature of the expenditure and other relative circumstances. No rigid rules can be laid in this connection.

4. **Capital and revenue income (difference).**

- a. A receipt against trading asset i.e. stock-in-trade is a revenue receipt. A receipt on the disposal of a capital asset is a capital receipt. Whether an asset is a capital asset or a trading asset must be determined on the facts of each case (Addl CITVs poddar auto dealers (1975) 101 ITR 15) . Ordinary, capital asset is retained in business in order to earn profits, e.g. plant, machinery, building, etc,. On the other hand, trading assets circulate in the business and the income earned.
- b. Receipt in substitution of a source of income is of capital nature while the receipt that substitutes the income itself is of revenue nature. Compensation for loss of an agency is a capital receipt (though taxable) whereas the amount received for breach of a business contract shall be a revenue receipt.
- c. Sale proceeds of securities held as investments will be capital receipt, but on the other hand, where these securities are held as stock-in-trade, the receipts will be of revenue nature.
- d. Where a sum is received for the surrender of certain rights under agreements, it is a capital receipt because a capital asset is given up. However, where the sum is in the nature of compensation for loss of future profits, it is a revenue receipt.

5. **Capital expenditure** : All expenditure incurred in acquisition of an asset of a permanent nature which is held for the purpose of carrying on business , such as land, building, plants, furniture, etc, is called capital expenditure, Such expenditure maintains permanent value of the business except for the wear and tear, which the assets undergo on account of their use. If an amount is expended on an existing asset, its value is increased. It will be regarded as capital expenditure. Expenditure incurred in obtaining a license to secure an agency will be a capital one though the agency might not have become secure. Any expenditure incurred for the following purposes will be capital expenditure:

- a. For acquiring fixed assets, e.g. land, building, machinery, furniture, etc held for use in the business. The cost of a fixed asset will include all expenses incurred up to the time the asset becomes ready for use, e.g. legal charges, broker's , freight , import duty,
- b. For retaining capital assets;
- c. For improvement and extension of fixed assets, cost of making additions to [building, machinery, plant and furniture, etc, and other improvements of assets.
- d. For increasing in any way the profit-earning capacity of a business, e.g. the cost of shifting the business to better and more suitable premises;
- e. For raising moneys for capital purposes, e.g, brokerage and commission paid for procuring loan;
- f. Cost of constructing a factory or installing a machinery ;

- g. Cost of equipment and apparatus;
- h. Cost of machinery, plant and furniture ;
- j. Expenses incurred in connection with the erection of buildings and plants;
- k. Amount spent on the construction of reservoir;
- l. Expenditure incurred on improvements to property, as distinguished from more repairs;
- m. Expenditure incurred in respect of reconstruction of business premises or converting the same from one type to another;
- n. Price paid for the purchases of copyright or patent rights;
- p. Financial help rendered by a manufacturer to its raw material suppliers in order to ensure a continuous supply of the material.

6. **Revenue Expenditure.** All expenditure incurred in buying goods or resale or converting raw materials to manufactured articles, or incidental to the conduct and financing of the business, is treated as revenue expenditure. Cost of goods purchased for the business in which person deals, sums paid as rent, salaries and wages, repairs, etc are instances of revenue expenditure. Expenditure incurred for any of the following purposes will be regarded as revenue expenditure:

- a. For purchasing assets with a view to re-selling them at profit or manufacturing them in a saleable condition, e.g. goods, raw materials and stores.
- b. For maintaining capital assets in good working order, e.g repairs and renewals of buildings.
- c. For meeting day-to-day expenses of carrying on a business, e.g salaries, wages, rents, etc.
- d. Tests for determining whether an expenditure is capital or revenue.
- e. If the money comes from circulating capitals, it will be revenue expenditure; if it emanates from fixed capital, it will be capital expenditure.
- f. If the answer to any of the following questions is in the affirmative, it is a capital expenditure; otherwise, it is a revenue expenditure.
 - (1) Does the expenditure result in acquisition or retention of capital assets ?
 - (2) Is there an addition or improvement to fixed assets?
 - (3) Has it in any way improved income- producing capacity of the business?
 - (4) Has it been incurred to raise any capital sum for business?

7. The following expenses which, prima facie, are of the revenue nature, become capital under certain circumstances as under;

- a. Raw materials and stores when utilized in making fixed assets
- b. Wages and salaries when paid in connection with the installation or construction of fixed assets. Thus when a company manufactures a machine for its own use, the wages and salaries of person employed on the work will be capital expenditure.
- c. Carriage and freight expenses incurred in connection with the acquisition of fixed assets.
- d. Cost of repairs incurred in putting a second-hand into a proper operating state.
- e. Legal charges incurred in connection with the acquisition of fixed assets, e.g. building, machinery, plant etc, and expenses incurred in clearing encumbrances thereon.
- f. A particular item of expenditure may proportionately be of the both capital and revenue, e.g. the combined cost of repairs, renewals etc, The amount should be apportioned after deciding how much of the total expenditure represents cost of improvement or additions, etc and how much of it is the nature of pure repairs.

8. The following types of expenditure have been held to be capital expenditure;

- a. Preliminary expenses incurred for floating or acquiring a business.
- b. Expenses incurred for raising of capital
- c. Expenses incurred for raising of capital
- d. Cost of shifting of business from one place to another with a view to increasing its revenue earning capacity.
- e. Lump sum payments made to retiring directors of a company in order to restrain them for life from entering into competition with the business of the company.

TAX HOLIDAY FOR INDUSTRIAL UNDERTAKING (SECTION 45)

1. Tax holiday can be defined as the exemption of tax on income of newly established industries for a particular period. Eligibility conditions for tax holiday.

2. Specified industrial undertaking is eligible for tax-holiday, subject to fulfillment of the following conditions:-

- a. That the industrial undertaking must be set up between the first day of July, 1985 (both days inclusive).
- b. The undertaking set up between the first day of July, 1974 and the thirteenth day of June, 1985 (both days inclusive) are also eligible for tax-holiday upon fulfillment and subject to the conditions as set forth in sections 45(1) & (2).
- c. That it is owned and managed by a company formed and registered under the companies Act, 1913 or a body corporate formed under an act of parliament, having its registered office in Bangladesh and a subscribed and paid-up capital of not less than one lac taka on the date of commencement of commercial production.
- d. That it must apply in the prescribed form to the board within 180 days of the date on which the commercial production starts, for its approval for tax-holiday.
- e. The board may, however, waive the time-limit if it is satisfied that there was sufficient cause for not making the application within the said period of 180 days.
- f. In pursuance to the sub-section (2c) inserted during 1990, the Board shall give its decision on an application within six months from the date it receives the application, failing which the undertaking shall be deemed to have been approved for tax-holiday.
- g. In view of the time limit set for disposal of an application, care should be taken to file the application in the prescribed form complete in all respects and duly verified.
- h. That the industrial undertaking shall invest at least 20% of the exempted income in the purchase of bond or security issued by the government.
- j. Periods of exemption for industrial undertakings set up in the different areas are shown below:
 - (1) For specified "Special Economic Zone" - 12 years.
 - (2) For specified "Least Developed Areas: - 09 years.
 - (3) For specified "Least Developed Areas: - 07 years.
 - (4) For the city of Dhaka, Chittagong or Khulna or the Municipality of Narayanganj or within 10 miles from the outer limits thereof - 05 years.
 - (5) Procedure of computation of income, profits, or gains of tax holiday concerns:

3. Income, profits or gains of an industrial undertaking which enjoys tax holiday shall be computed in the following manner:

- a. Income, profits or gains shall be computed separately from other income, profits or gains of the assessee, if any.
- b. Loss sustained by a tax holiday unit cannot be set off against the profits of the taxable unit and such loss cannot be carried forward beyond the tax holiday period.
- c. Only moral and extra depreciation allowance, if any, shall be allowed.
- d. Capital gains of tax holiday unit which is chargeable under sections 31 and 32 of the ordinance shall not be exempt from tax.
- e. Any dividend distributed by the tax holiday company to its shareholders out of its profit shall not be exempt from tax.
- f. It is important to note here that exemptions once granted to an industrial undertaking may be cancelled by the Deputy Commissioner of Taxes if he finds that any of the conditions stipulated under the law for the purpose of granting exemption under the tax holiday scheme has not been fulfilled.
- g. Exemption once granted may also be withdrawn on an application made not later than six months from the date of approval to this effect by the assessee.
- h. The various cases of industries specified by the National Board of Revenue for the purpose of exemption under tax holiday scheme (S. R. O. Nos. 340-L/75 dated 30th September, 1975, 48-L/77 dated 7th February, 1977 and 279-L/79 dated 8th October, 1979 are as follows:
 - (1) Chemicals, drugs and pharmaceuticals (basic manufacturers).
 - (2) Insecticides and pesticides (basic manufacturers).
 - (3) Petro-chemicals.
 - (4) Wires and cables.
 - (5) Agricultural machineries.
 - (6) Boilers and compressors;
 - (7) Tractors;
 - (8) Machine tools and manufacture of other capital equipments.
 - (9) Manufacture of trucks, cars, scooters, auto-rickshaws and bicycles.
 - (10) Shipbuilding and repair.
 - (11) Diesel Engines and I C Engines.
 - (12) Textile machineries including manufacture of looms and spindles.
 - (13) Ceramic and sanitary wares.

- (14) Livestock food;
- (15) Gas and electric appliances.
- (16) Components of above.
- (17) Surgical instruments.
- (18) Sports goods.
- (19) Cutlery.
- (20) Carpets.
- (21) Other industries which export at least 30% of their production.
- (22) Poultry and dairy farming.
- (23) Any other industry using wholly or mainly raw materials produced in Bangladesh.
- (24) Any industry involving a manufacturing process.
- (25) Any other industry as may be prescribed by the National Board of Revenue in consultation with the Ministry of Industries.

4. Tax holiday scheme has also been expended to an expansion of an existing industrial undertaking, subject to the condition that it is an identifiable unit for production of similar or other goods or a similar unit for the carrying out of an identifiable industrial process and that such identifiable or similar unit fulfils all the conditions detailed herein above.

INCOME TAX AUTHORITIES

1. As Section 3 of the income Tax ordinance 1984, the income Tax Authorities comprises the following:-

- a. The national board of Revenue.
- b. Senior commissioner of Taxes.
- c. Directors of Inspection (Taxes).
- d. Commissioners of Taxes (Appeals).
- e. Commissioners of Taxes;
- f. Additional commissioner of Taxes who may be either:
 - (1) Appellate Additional commissioner of Taxes, or
 - (2) Inspecting Additional commissioner of Taxes;
- g. Joint Commissioner of Taxes who may be either:
 - (1) Appellate joint commissioner of Taxes, or
 - (2) Inspecting joint commissioner of Taxes;
- h. Deputy Commissioner of Taxes.
- j. Tax Recovery officers.
- k. Assistant commissioners of Taxes.
- l. Extra Assistant commissioners of Taxes.
- m. Inspectors of Taxes.

2. From the view point of exercise of there functions, income Tax Authorities are divided into two classes, Executive and judicial. A chart showing the position is presented below:

INCOME TAX AUTHORITIES

Executive	Judicial
<u>(Exercises administrative function of the ordinance) National Board of Revenue</u>	<u>(Exercises judicial function of the ordinance)</u>
a. Senior Commissioner of Taxes b. Directors of Inspection and revisional c. Commissioners of Taxes Commissioners of d. Tax Recovery officers e. Assistant Commissioners of Taxes f. Extra Assistant Commissioners of Taxes g. Inspectors of Taxes	a. Appellate Tribunal b. Commissioners of Taxes (Appeals) c. Commissioners of Taxes (revisional Powers) d. Appellate Additional Commissioners of Taxes. e. Appellate joint commissioners of Taxes

Appointment And Functions of Some of The Income Tax Authorities**National Board of Revenue**

3. The National Board of Revenue (NBR) is the highest executive authority constituted by the National Board of Revenue Act, 1924. It is attached to the ministry of Finance, Government of Bangladesh. Its powers of administration and control extend over the whole department. It has power make rules and to issue orders, instructions and directions to all officers employed in the administration of income – tax law. Such orders instructions and directions are binding on all officers and persons employed in the execution of the ordinance.

Directions of Inspection

4. The Government may appoint as many Directors of Inspection as it may think fit and they have to perform such functions of any other income – tax authority as may be assigned to them subject to the control of the National Board of Revenue. They shall be sub-ordinate to the Board and perform such functions as may be assigned to them by the board.

Commissioner of Taxes (Appeals)

5. This new post has been created to hear appeals against the orders of the Deputy Commissioner of Taxes and the inspecting joint commissioner of taxes in respect of appeals preferred by a company.

Commissioners of Taxes

6. Commissioners of Taxes are appointed by the National Board of Revenue. A Commissioner is appointed to head the income Tax Administration of a specified area. A Commissioner may also be appointed (central or investigation) without any territorial jurisdiction to deal with any case or class of cases assigned to him by the National Board of Revenue. The result is that there may be two Commissioners functioning in the same place.

7. The powers and functions of the Commissioners of Taxes are laid down in ordinance. The inspecting joint Commissioner of taxes, the Assistant Commissioner of Taxes and the recovery officer are subordinate to, and under control of, the Commissioner of Taxes. The important powers of the Commissioner of Taxes are:-

- a. To revise any order prejudicial to an assessee passed by an authority subordinate to him.
- b. To ask for reference to the High Court from an order of the Income Tax Appellate Tribunal.

8. At present the following are the Commissioners of taxes in Bangladesh:

- a. Commissioner of Taxes, Dhaka (North) Zone, Dhaka.
- b. Commissioner of Taxes, Dhaka (South) Zone, Dhaka.
- c. Commissioner of Taxes, Dhaka (East) Zone, Dhaka.
- d. Commissioner of Taxes, Dhaka (West) Zone, Dhaka.
- e. Commissioner of Taxes, Chittagong (South) Zone, Chittagong.
- f. Commissioner of Taxes, Chittagong (North) Zone, Chittagong.
- g. Commissioner of Taxes, Khulna Zone, Khulna.
- h. Commissioner of Taxes, Rajshahi Zone, Rajshahi.
- j. Commissioner of Taxes, Intelligence & Investigation Zone, Dhaka.

ASSESSMENT

1. The word assessment sometimes means the computation of income, sometimes as the determination of the amount of tax payable and sometimes the procedures laid down in the income tax law for imposing liability upon the taxpayer. Where a notice has been given to submit a return within the time specified, the process of assessment also begins. Since there is no provision in the law for issuing a general notice calling for the submission of return of income, the assessment proceeding commences when a return is filed by the assessee voluntarily or in response to the notice of tax authority whichever is earlier.

2. The general principle is that there must be the existence of an assessee for and assessment. Thus, the assessment made on a company after it was struck off the register companies was not valid case where it appears to the tax authority that certain income has been received or accrued during an income year but it is not clear who has received it or to whom the same has accrued, it is open to the tax authority to initiate assessment proceeding on all the suspected persons.

Provisional assessment (Section-81)

3. The Deputy Commissioner of taxes may make a provisional assessment in the summary manner of the tax payable by an assessee on the basis of the return filed by him and the accounts and documents, if any, accompanying the return. The provisional assessment can also be made on the basis of last assessment where the assessee has filed no return.

4. In making provisional assessment, the deputy commissioner of taxes shall rectify any arithmetical errors in the return, accounts and documents and allow such allowances as are admissible under the third schedule carry forward and set off losses shall also be allowed, any tax paid or deemed to have been paid in respect of any income provisionally assessed shall be deemed to have been paid towards the provision assessment.

5. Provisional assessment is merely a provisional and does not affect the regular assessment to be made in due course. In the case of provisional assessment, the assessee will not have any right to appeal until the regular assessment is complete.

ASSESSMENT ON CORRECT RETURN WITHOUT HEARING

General

6. In the cases where the assesses on or before the date specified in section 75 have filed the returns or revised returns and the amount of tax payable have been paid, the Deputy Commissioner of Taxes shall made the assessment without requiring the presence of the assesses of production of evidences, if he is satisfied that the return are correct and complete. The assessment orders under these cases should be communicated to the assesses within 30 days next following.

Company

7. In the cases of company not less than 50% of whose paid up capital is owned by the persons other than the Bangladeshi or a public limited company or a body corporate established by or under any law for the time being in force or any nationalized banking insurance or other financial institutions, the return filed shall be deemed to be correct and complete if the return is accompanied by a certified copy of the accounts audited by a chartered accountant and a certificate as to the correctness of the total income of the assesses signed and issued by the chartered accountant himself in the prescribed form.

Sample checking

8. However, the NBR or any authority subordinate to the NBR if so authorized may selected a portion not exceeding 10% of the returns filed under the first proviso in sub section (1) of section 82 showing loss or lesser income than the last assessed income or assessment, on the basis of which refund results, and refer those to the deputy commissioner of taxes for the purpose of audit who shall thereupon proceed to make the assessment under section 83 or 84 as the case may be.

Assessment after hearing (section 83)

9. Where a return or revised return submitted by an Assessee is not accepted as correct and complete, the deputy commissioner of taxes will serve a notice of hearing to that Assessee. On receipt of such notice the Assessee should appear before the deputy commissioner of taxes on the days specified in the notice to produce or cause to be produced before him or at his office, the evidences in support of the return. The deputy commissioner of taxes will complete the assessment after the final hearing and will pass within 30 days an order in writing assessing the total income and the sum payable by the Assessee. The assessment order so passed should be communicated to the Assessee within 30 days next following.

Self assessment (Section 83 A and rule 38)

10. Section 83A provides that return of income year may be submitted in accordance with the rules for self assessment made by the NBR for that year or any instructions or orders issued there under, The deputy commissioner of taxes shall receive such return by himself or cause to be received by any other official authorized by him. The receipt issued for such return shall be deemed to be an order of assessment under section 82 for the assessment year for which the return is filed. However, the NBR or any authorized authority subordinate to the NBR may select a portion, not exceeding 20% of the returns submitted and refer the returns so selected to the deputy commissioner of taxes for the purpose of audit. The deputy commissioner of taxes shall thereafter proceed, if so required, to make the assessment under section 83 or 84, as the case may be.

11. It may be noted in this connection that deputy commissioner of taxes shall not proceed to make any audit in respect of a return, where such return shows at least 15% higher income than the income of last assessed, even if the return is selected for audit. The provisions with regard to self assessment as per rule 38 are as under :

- a. Every person other than the following are eligible to file return under self assessment scheme :

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(1) A limited company registered under the companies act 1913 or 1994;
and

(2) A director holding shares exceeding 10% of the paid up capital of a limited company.

b. A person being a new Assesses having income form business or profession with capital investment up to taka 2,00,000.00 may also file return under the self assessment scheme provided the income shown n the return is not less than one fourth of the capital invested. The person should furnish a bank certificate from a schedule bank confirming maintenance of an account either in the name of the Assessee or in the name of business or profession. The return of his total income with the description" self assessment super scribed on the top of the return form should be submitted on or before the date as specified in section 75.

TOPIC-4

EQUIPMENT ACCOUNTING BAF

PRINCIPLES & PURPOSE OF EQUIPMENT ACCOUNTING AND AP-830

1. The principles of equipment accounting are as follows:
 - a. Equipment Accounting work is to be distinct from physical store work.
 - b. Equipment Accounting procedure is to be followed rigidly.
 - c. All equipment is to be accounted for by an equipment accounting unit.
 - d. Every transaction is to be supported by an appropriate voucher.
 - e. Every issue of equipment is to be recorded in the accounting records with dates and vouchers number etc.
 - f. Distinction is to be made on SRC's between recurring and non-recurring issues. Recurring issues are to be made on SRC in Black ink and non-recurring in Red ink.
 - g. All class "A" equipment when issued for internal use is to be accounted for in Articles -in -use ledger or in subsidiary accounting records, eg. F464, clothing cards, etc.
 - h. No item is to appear on charge in more than one place in accounting documents.
 - j. All vouchers are to be completed in conformity with the spirit of regulations.
 - k. Voucher are to be allotted voucher number from registers.
 - l. Accounting records are to be kept up-to date in all respects.
2. The following are the purpose served by Equipment Accounts:
 - a. To show the quantity of equipment available on a Base/ Units and its correct location.
 - b. To allocate responsibility for each item of Equipment.
 - c. To record transactions as they occur and from the records of such transactions make provisions necessary for future requirements.

INSTRUCTION TO AP 830 (B.D) VOL - I

1. AP 830 (B.D). Vol 1 has been published in leaflet form and obtains four parts. each dealing with various aspects of equipment procedure as under :

- a. Part 1 : Equipment Organization, Principles of accounting and general procedures.
- b. Part 11 : Consumer Unit Procedures.
- c. Part 111 : Bulk Provisioning Procedures.
- d. Part 4 : Bulk Provisioning Procedures.

2. Leaflets contained in each part AP has been allotted identification letters as follows :

- a. Part - 1 "A"
- b. Part - 2 "B"
- c. Part - 3 "C"
- d. Part - 4 "D"

3. The various as parts of equipment procedure have been divided in to main headings and each main headings had been allotted a serial number. The various detailed regulations will be issued as separate leaflets; /sub numbered under the main headings. In addition each leaflet will be allotted an "Issue Number" which will be amended progressively when new superseding leaflets are issued.

4. Amendments too small to warrant the issue of a complete leaflet but too large to be written in on existing leaflets will be effected by issue of new pages to replace those affected by the amended portions being indicated by vertical lines in the margin of the new pages. The issue number of leaflets will not be amended when new pages or amendment to be entered in manuscript.

5. Leaflets will be issued when ready for publishing and not necessarily consecutively. Table of contents and alphabetic indexes for each part will be issued when wanted.

6. New leaflets and amendments to leaflets already issued will be distributed under cover of amendment lists to be part of the volume, affected.

7. Certain of the leaflets and publications refereed to in the leaflets issued have been issued so far pending their availability, the relevant procedures as prescribed in other current publications, AFI and AFOs etc are to be followed.

RESPONSIBILITIES OF FLIGHT COMMANDERS/INVENTORY HOLDERS

1. Responsibilities of flight Commander/Inventory Holders are as follows:
 - a. Holders are at all times responsible for the careful use custody and maintenance of equipment of their charge.
 - b. Form 668 to be kept up-to-date.
 - c. Difficulties if any in maintenance of equipment are to be referred to the commanding officer.
 - d. Holders are responsible for the loss or misuse of equipment held on their charge.
2. All changes of responsibilities will be promulgated in BROs. The CO is responsible for appointment of inventory holder on change of responsibilities.

RESPONSIBILITIES OF COMMANDERS TOWARDS EQUIPMENT ACCOUNTING

1. The responsibilities of commanders in respect of equipment administrations are:
 - a. Supervision of all transactions concerning public equipment, supplies and stores which occurs in his command.
 - b. Immediate investigation of any irregularity deference which may to disclosed by in connection or initiation of suitable action
 - c. Delegation of authority.
 - d. Air Force Equipment is not used for any purpose except it is account for.
 - e. ledgers, account books and other accounting documents are being kept in accordance with the regulations.
 - f. All A-in-U are kept specifically on the charge of an inventory Holders. (Further instructions for detailing of inventory holders are laid down in AFO 177-132).

Reference

AP 830 VOL -I part -I Leaflet A-1/3.

**RESPONSIBILITIES OF THE ACCOUNTS BRANCH TOWARDS EQUIPMENT
ACCOUNTING**

Deputy Director of Finance

1. He is responsible to Chief of Air Staff and responsible to him through Assistance chief of Air staff (Admin) for the following:
 - a. Formulation of equipment accounting policy matters. Brining to the notice of the Chief of Air staff any matters in which improvements in equipment accounting control are, in his opinion, desirable.
 - b. Maintaining a record of all self accounting units.
 - c. Opening and closing of new /old units.
 - d. Advising the chief of Air staff on accounting matters and loss statements. Giving concurrence to equipment staff instructions so far as they relate to equipment Accounting.
 - e. General supervision and efficient working of the personnel employed on equipment accounting.
 - f. The scrutiny of the general monthly statement of accounts/ review revised from the FC(Air) and brining to the notice of branches or section concerned such items as are of serious nature of remain un-cleared for over three months.
 - g. Advising the Base/formations on equipment accounting matters.

Responsibilities of Base/Unit /Depot Accountant Officers

2.
 - a. He is adviser to Base commander on equipment accounting matters being custodian of equipment accounting records.
 - b. Maintaining the subsidiary accounting records.
 - c. Equipment is put to the right and proper use.
 - d. All equipment received is accounted for without delay.
 - e. Maintenance of registers.
 - f. MT and Aircraft are properly accounted for.
 - g. To ensure replies of audit objections in due time.
 - h. Maintenance of F33 records.

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j. All requirements of the equipment are to be priced when necessary according to the regulations.

k. Loan ledger clearance.

NB. In addition to the above responsibilities, AO is responsible for necessary advice on the other financial matters.

VOUCHERS AND REGISTERS

1. Vouchers are to be prepared for every transaction made on equipment accounting records in accordance with regulations, All transaction are normally to be recorded on BAF Forms, but those between Army and Air Force are to be recorded on Army forms. However, BAF Form-594(DR) is to be used in all cases of discrepancy. For issue out of the BAF full description as shown in the vocabulary of Air Force equipment (AP 1086) or schedule of spare parts are to be shown on the vouchers. When using Army forms section, reference number nomenclature and denomination of quantity are to be inserted on the voucher and Air force reference number also to be entered within brackets against each item. When using F 594 with Army units, the army section and reference number nomenclature are to enter on the form and the Air Force section/reference number etc entered in brackets.

2. Vouchers in respect of NIV number bear the full description of the item. Voucher relating to items bearing serial number are to be annotated with serial number. Entries on vouchers and voucher registers are to be made in indelible pencil, ink, or typescripts, black lead pencil is not to be used, vouchers are not to be ticked in colored ink or colored pencil on the forms. Correspondence explaining or authorizing a transaction may be attached to vouchers. The signature of CFA authorities write off F34 is to be entered in ink together with date. No erasure over writing is to be made on the vouchers or in any other accounting documents. Alterations and deletions are to be made in such manner that the original entries are legible and are to be signed by responsible officer and must be noted by all concerned. In case of internal voucher viz . form 6, 674, 675, and 673 alterations are to be made in red ink an endorsement with signature of equipment officer (and witnessing officer where applicable on the original, and the signature of inventory holder on the duplicate copy. When applicable the inventory holder is to ensure that the triplicate copies of F 673, 674, 675 are amended to agree with duplicate.

3. In the case of external vouchers alterations are to be made in red ink and signed on all copies by issuing or receiving officer. Vouchers are to be numbered under one or the other of the under mentioned series separately, the number are to be obtained from the voucher registers listed in para 25 below:

- a. Internal issue voucher (at consumer units only).
- b. Internal receipt voucher (at consumer units only).
- c. Conversion and exchange vouchers.
- d. External Issue Voucher.
- e. External Receipt voucher (separate series of receipt voucher number may be used at ED. for vouchers concerning equipment received from different sources of supply).
- f. External AOG issue voucher (at EDs only).
- g. Stock sheets.

4. The vouchers in each series are to be numbered consecutively throughout the accounting year ie. from 1st July to 30th June .At consumer units, external vouchers are to be prefixed with the letters "X" in front of any other identification. Stock or other accounting record entries are not to be made from vouchers incorrect in any respect until the irregularities have been investigated and vouchers corrected. The consolidation of internal vouchers is permissible when clerical labour will there by be saved, provided that the total of each item in each sub-voucher can be traced individually into the consolidated voucher. Postings are to be made from the consolidated sub-vouchers annotated with the registered number of the consolidated vouchers, and the later is to bear the annotation of the registered number of its sub-vouchers.

5. The CO is to ensure that duplicate copies of all forms 673, 674 and 675 are duly completed by the inventory holders and forwarded without delay to the EAS at fixed time daily. Duplicate copies of vouchers are to be forwarded by the inventory holder to the EAS within 24 hours of the transaction. The equipment officer is to ensure that completed vouchers are passed to the EAS daily, which ordinarily should be on the day following the transaction. All vouchers received in EAS are to be checked and on completion of all accounting action, are to be filed in numerical sequence by series and appropriate voucher register completed. The completed records are to be kept in EAS for audit by LAO (AF).

6. While canceling a voucher, the word "Canceled" together with the reason for cancellation is to be written in red ink and signed on all copies of the voucher by the officer authorizing cancellation. Canceled vouchers are to be filed in sequence with other vouchers of the same series and the voucher register suitably annotated. A canceled voucher number is not to be re -allotted to another voucher.

7. Vouchers and voucher registers are to be kept for three years after completion of audit for such longer period as may be necessary to settle any items which are under query. Therefore, they may be destroyed on recommendation of a board of officers assembled by the CO under Air force orders.

Signing of Vouchers

8. Vouchers in respect of charges against individual for equipment lost or damage and those relating to V&A items of barrack and clothing equipment and accouterments required for use by personnel or purpose must be signed by a commissioned officer. Ordinarily, the equipment officer is to sign all vouchers except blue copies, but he may delegate his powers as under :

a. WO (Supp Asstt) and civilian store keepers to sign all vouchers on behalf of the equipment officer excepting:

- (1) F530 (Local purchase order).
- (2) Pre/Repayment vouchers.

b. NCOs(Not bellow the rank of Sgt) of equipment sections and civilian assistant store keepers to sign the following vouchers on behalf of EO or WO. (Supp Asstt) or civilian store keeper:

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- (1) F 10238 Station copy to sign copies as "Receiving Officer".
- (2) F1137 Workshop - Stores available.
- (3) F1138 Workshop- Hastener for stores.
- (4) F674- Internal demand and issue voucher to sign alterations when the quantities issued are altered downwards.

9. An inventory holder is authorized to sign all internal voucher (except payment vouchers) relating to his inventory. NCOs (Not below the rank of Sgt) and civilian Assistant store keeper may be authorized to sign the following forms as indicated:

- a. F673 : Internal exchange voucher- To sign as "Flight or section Commander exchanging".
- b. F674: Internal Demand and Issue Voucher- To sign as "Flight or section Commander demanding" for 'C' class store only.
- c. F675: Internal Return and Receipt Voucher: To sign as "Flight /section commander returning .

10. Ordinary the OIC or WOIC equipment accounts is to sign the vouchers , but he may delegate his power to NCOs (CLK Accts) not below the rank of Sgt to sign as indicated, the under mentioned documents on his behalf :

- a. F10238 -To sign acknowledgment copies as "Receiving Officer".
- b. F-37 Inventory To sign sheet I and the column of each sheet as required under the regulations.

Vouchers Registers

11. The under mentioned voucher registers are to be maintained:

- a. At Consumer Unit

<u>Registers</u>	<u>Forms No</u>	<u>Held in</u>
Advice and inspection note	15A	EAS & Eqpt Sec
Stock Sheet Register	33A	"
External RV register	611B	"
External Iv register	612B	"
Internal RV register	611A	"
Internal IV register	612A	"
Conversion & Exchange voucher register	614A	"

b. **At Equipment Depot**

Stock Sheet registers	33C	EAS & SCO
Advice and inspection		
Note register	A-15	"
RV registers	1785(373-S)	"
IV registers	1776(372-s)	site
Conversion voucher register	3995(674-A)	EAS & SCO
AOG IV registers	10020	SCO & site & Transp sec.

12. Where manifold registers are used, they are to be prepared in accordance with the regulations and registers sheets distributed as under:

a. **At Consumer Unit:** At consumer units the registers sheets are to be prepared in duplicate in the equipment section. The "equipment" copy is to be retained in the equipment section and "Account" copy passed to EAS on the day of preparation. In no circumstances are register sheets to be held back because all lines have not been utilized. Any un-used lines are to be closed by drawing a diagonal line across them.

b. **At Equipment Depots:** The register sheets are to be prepared in section or site responsible for allotting the vouchers number. The section or site copy is to be detained in the section or site and the other copies distributed to the appropriate site and or section as in/sub Para a. above.

13. The officer -in -charge of EAS is to ensure by periodical inspections that all vouchers are correctly accounted for and is to initial and date the page of the register on the occasion of each inspection. Similar action is to be taken by the equipment officer on his copy.

14. Should a number in a series be missed ie. not allotted to any voucher a certificate "Certified not taken up" is to be signed by the equipment officer and the register annotated accordingly.

INTERNAL TRANSACTIONS - GENERAL AND INTERNAL DEMAND ISSUE

1. No issue of equipment is to be made whether free, without charge, on loan, or on payment except under general or specific authority of Govt; of Bangladesh, and no transaction; is to take place without a supporting vouchers.

2. Class 'C' item are generally to be demanded as required for work of the flight or section and details of the job for which the items are required are to be shown on F.674. Where entitlement of scales are laid down. Quantities demanded are not to exceed those authorised. Petty items in constant use which are required in small quantities for individual jobs may be demanded in bulk to meet approximately two weeks requirement. The period of two weeks is laid down only as an approximate guide.

Action by Flight/Section

3. F.674 is to be prepared in triplicate by the inventory holder requiring equipment and is to show :

- a. Serial number of the demand.
- b. Name of the flight/sections.
- c. Vocabulary sections, reference/part number, description, denomination of quantity, and the quantity of each item required.
- d. Purpose for which required and where appropriate the serial number of inventory of machine for which required.
- e. Details of items acceptable in lieu.

4. The demand is to be signed and dated by inventory holder and the original and duplicate copies forwarded to equipment section. The triplicate copy is retained in the book as a register of demand.

Action by Equipment Section

5. The equipment Officer is to ensure that the quantities demanded are not excessive to avoid undue accumulation in flight or section. He will also check that the voucher is prepared correctly giving all necessary information and approved the demand on original copy of F.674.

6. The demand is then to be annotated with details of the further accounting action required, and passed to the stock holder who is to allot and internal issue voucher number to demand which can be met in full or part satisfaction.

7. At the time of issue, quantity issued is to be inserted on the voucher and the signatures of the person drawing the equipment are to be obtained in both the copies.

8. If the demand can not be met even in part, it is to be ruled through on both copies and initialed by stock holder the items available are to be issued and SRC posted from the original copy, which will then be passed to EAS.

9. The duplicate is to be returned to inventory holder who after amending the triplicate copy will forward the duplicate to EAS duly signed. Inventory is to be adjusted, if necessary from the triplicate copy of Form - 674.

10. In EAS original and duplicate copy will be compared and A-in-U ledger or the other record action will be taken from the duplicate. Original and duplicate will then be filled in internal IV series.

INTERNAL DEMANDS AND ISSUES F-674

General

1. Class "A" items are to be demanded within approved scales or in accordance with other authority and a reference to such scales or authority is or be shown in the "Purpose for which required column".

2. Class "C" items are generally to be demanded as required for work of the flight or section and details of the job for which the items are required are to be shown on F. 674. Where entitlement or scales are laid down, quantities demanded are not to exceed those authorised. Petty items in constant use which are required in small quantities for individual jobs may be demanded in bulk to meet approximately two weeks requirement guide.

Action by Flight/Section

3. F.674 is to be prepared in triplicate by the inventory holder requiring equipment and is to show :

- a. Serial number of the demand.
- b. Name of the Flight/Section.
- c. Vocabulary section reference/part number, description, denomination of quantity, and the quantity of each item required.
- d. Purpose for which required and, where appropriate the serial number of inventory or machine for which required.
- e. Details of items acceptable in lieu.

4. The demand is to be signed and dated by inventory holder and the original and duplicate copies forwarded to equipment section. The triplicate copy is retained in the book as a register of demands.

Action by Equipment Section :

5. The equipment officer is to ensure that the quantities demanded are not excessive to avoid undue accumulation in flight or section. He will also check that the voucher is prepared correctly giving all necessary information item and approve the demand on original copy of F.674 .

6. The demand is then to be annotated with details of the further accounting action required, and passed to the stock holder who is to allot an internal issue voucher number to demand which can be met in full or part satisfaction.

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7. At the time of issue, quantity issued is to be inserted on the voucher and the signatures of the person drawing the equipment are to be obtained on both the copies.
8. If the demand can not be met over is part, it is to be ruled through on both copies and initialed by stock holder. The items available are to be issued and SRC posted from the original copy, which will then be passed to EAS.
9. The duplicate is to be returned to the inventory holder who after amending the triplicate copy will forward the duplicate to EAS duly signed. Inventory is to be adjusted, if necessary from the triplicate copy of F. 674.
10. In EAS original and duplicate copies will be compared and A-in-U ledger or the other record action will be taken from the duplicate original and duplicate will then be filled in internal IV series.

Reference: AP 830 vol. 1, Part II, Leaflet B- 8/2.

EXCHANGE OF EQUIPMENT (F-673) PROCEDURE

1. Class "A" items is use, which become - unserviceable in circumstances in which no blame is attributed to individuals and cannot be repaired in a flight or section, may be exchanged at the equipment section for identical serviceable items, F- 673 being used for this purpose. Before F. 673 is prepared, confirmation is to be obtained from the equipment section that serviceable items are available.

Action by Inventory Holder:

2. F. 673 is to be prepared in triplicate by the inventory holder requiring the exchange, and the following information shown:
 - a. Serial number of the form.
 - b. Name of the Flight/section.
 - c. Vocabulary section, reference/part number, description denomination of quantity and total quantity
 - d. Reason for exchange (the inventory holder is to state the exact cause of un-serviceability).
 - e. F. 673 is to be signed and dated by the inventory holder and the original and duplicate copy, together with the unserviceable items, taken to the appropriate examining officer for assessment of the condition of the items . The triplicate copy is to be retained in the book as register of exchange.
3. When items have been conditioned and labeled by the examining officer, he is to enter the quantities by condition, in the appropriate columns of the forms and sign both copies.

Action by EO

4. The returned items are to be examined on receipt in the equipment section for correct labeling and to confirm that the quantities agree with those recorded on the form.
5. If the equipment officer is not satisfied with the downgrading of a scrap, he is to discuss the matter with the examining officer. If after such discussion, he is still not satisfied, he is to consult the CTO or STO who is to decide finally and countersign both copies to certify the assessment. Should the equipment officer considers that the condition of any item is attributable to willful damage or negligence and flight commander is not prepared to take disciplinary action ,against the individual responsible, the circumstances are to be reported to the CO.
6. When queries have been settled both copies of the form approved by the equipment officer, are to be stamped "Recurring " or Non-recurring , and passed to the stock holder who is to allot a conversion voucher number , exchange the items , and post original copy of the voucher to SRC.

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7. On receiving the serviceable items the inventory holders representative is to sign both copies in the space provided. The original copy is then to be passed by the stock holder to EAS.
8. The duplicate copy is to be taken by the individual exchanging to the inventory holder.
9. The following action will be taken by the inventory holder on receipt of serviceable item:
 - a. Satisfy himself that the voucher is correct and countersign it as concurring in the quantities exchanged.
 - b. Complete the triplicate copy to provide a complete record of the exchange.
 - c. Forward the duplicate copy to the EAS.
10. When an item cannot be returned at the time a serviceable item is drawn, it may be drawn on temporary loan, a receipt being obtained on F 108. The unserviceable items, together with F-673 in such instances is to be forwarded to the equipment section with in 24 hours. F 108 is to be attached to the original copy of F 673. If the unserviceable items are not returned within the time stated, the inventory holder is to be instructed to submit F 673 and F 108 is to be attached to the original copy.

Reference

AP 830 Vol-I Part -II Leaflet B-8/3.

INTERNAL RETURN AND RECEIPT PROCEDURE (F 675)

1. Where exchange cannot be made, such items are to be returned to the equipment section on F 675. Class "A" items surplus to requirement and class "C" items in excess of requirements for work actually in hand are also to be returned without delay.

Action by Inventory Holder

2. Form 675 is to be prepared in triplicate copy by the inventory holder returning the items, and is to show the following information:
 - a. Serial number of the form.
 - b. Name of flight or section.
 - c. Vocabulary section, reference, description of quantity and total quantity of items.
 - d. Reasons for return.
 - e. Where necessary, the serial number of the inventory affected by the transaction.

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f. Form 675 is to be signed and dated by the inventory holder and the original and duplicate copy together with the items being returned, taken to the appropriate examining officer for assessment of the condition of the items. Condition of the items will be assessed exactly as required for return on F 675. Both copies of F 675 will be passed to equipment section along with the items to be returned.

g. Retain the triplicate copy in the pad.

Action BY Equipment Section

3. On receipt of original and duplicate copies of F 675, both copies of form approved by EO or his representative, are to be annotated with details of any further accounting action required and passed to the stock holder who is to allot an internal receipt voucher number, receiving the items and past the original copy of the voucher to the SRC.

4. The original copy of the voucher is to be passed by the stock holder to the EAS who were appropriate are to take the A-in -U ledger or other accounting record action. The duplicate copy is to be taken by the individual returning the equipment to the inventory holder.

Action by Inventory Holder

5. The following action will be taken on receipt of duplicate copy:

- a. Satisfy him that the voucher is correct and countersign it as concurring in the quantity recorded as returned.
- b. Complete the triplicate copies to the provided a complete record of the return.
- c. Forward the duplicate copy to EAS.
- d. Where appropriate, amend in pencil the inventory affected by the transaction noting such action in the appropriate block on the triplicate copy and F 675.

Reference : AP 830 Vol-I Part -II Leaflet B-8/4.

CONVERSION AND INTERNAL TRANSACTION (F21)

Purpose

1. F 21 (Conversion voucher) is to be used for the purpose of correcting main stocks and articles in use records to agree with the physical holdings where such corrections is duly authorised.

Preparation

2. For stock record correction, F21 is to be prepared in original copy only, the “strike off” and “Brought On” side being signed by the holders responsible. The form is to be allotted a CV number, approved, signed by EO, posted to the SRC and passed to the EAS.

3. For correction of A-in -U records F21 is to be prepared in duplicate, signed on the “Strike off” and “Brought on” sides by the inventory holder taken to the equipment section where it is to be signed by the EO. After he has ensured that it is correctly prepared and that the proposed conversion is in order. Approved forms are to be allotted a conversion voucher number. Original copy is to be used in the EAS to adjust the A-in-U ledger or other accounting record, and the duplicate copy return to the inventory holder to support the amendment of the inventory.

4. In circumstances where there would be a saving of labor, transfer of “A” class items between flights and sections may be authorized by the EO who is to ensure that the transfer will not result in approved scales being exceeded. In such instances F 21 is to be prepared in triplicate by the inventory holder handing over and signed by him and the inventory holder taking over. The serial number of the inventories affected is also to be shown on the form. All copies of the forms are then to taken to equipment section where , after verification and signature by the EO, a conversion vouchers number is to be allotted and the original copy used in the EAS to adjust the A-in-U ledger or other accounting record. The remaining two copies are to be returned to each of the inventory holders for the purpose of amending their inventories.

Reference: AP 830 Vol-I , Part- II Leaflet B-8/6.

INTERNAL LOANS F668 & F108 PROCEDURE

Form Used

1. a. Form 108 for items required for temporary use for 24 hours or less.
- b. Form 668 for loan to personnel of the items held on inventory charge.

Procedure for Loan F-668

2. a. Loan issues (other than those refereed to in para 3 bellow) to personnel of items held on inventory charge, to be arranged by inventory holder and recorded by him on F- 668.
- b. There is to be separate card for each individual holdings items, who is to sign each entry at the time of issue. When items on loan are returned to the inventory holder the entries on loan card are to be completed. The individual returning is to ensure that loan card action is completed.
- c. Loan cards are to be held by inventory holder but the individuals may inspect their loan cards at any time in the presence of Inventory holder or his representative. Loan cards are to be reviewed by inventory holder at interval not exceeding one month. F668 are to be renewed after every six months and also when there is change of responsibility.

Procedure for Loan F 108

3. a. "A" class equipment required for temporary loan for 24 hours or less may, with approval of inventory holder be issued from flight or section lock up on temporary loan , Receipt for item is to be taken on F 108 and reviewed daily to ensure that items are promptly returned and the record cleared.
- b. Procedure detailed in para 3(a) above will be followed if loan is required from equipment stores. If the item is issued is returned in damaged condition due to neglect or misuse, it is to be drawn by flight section commander on F 674 and returned to store on F 675 in altered condition accompanied by form 664B for cost of depreciation. Temporary loans to individual are to be permitted only in the exceptional circumstances and form 108 are to be kept under lock and key.

Audit Requirements

4. A manuscript loan card register is to be maintained by the flight /section commander issuing equipment on loan F668 and 108 are to be entered separately. These cards are to be produced for audit when demanded.

Reference AP 830 Vol-I Part-II Leaflet B-8/7 and AFO 177-133.

PUBLIC CLOTHING AND ACCOUNTING PROCEDURE

1. The certain items of an airmen's kit annotated in the appropriate scale to be "maintained at public expenses".
2. When such items become unserviceable through FW&T on expiry of life fixed by Air Headquarters, the exchange will be affected by means of F673 raised in triplicate, exchange vouchers will be signed by the flight /section commanders of the airmen concerned. F673 is to bear the number, rank and name of the individual.
3. Great coat may be exchanged only on the authority of Base commander or the OC of an independent unit. The officer authorizing the exchange is to certify on the voucher that the exchange is to certify on the voucher that the exchange is authorised.
4. When the great coat are out worn , the alterations may be made at public expense, provided that economy will be effected by having the alterations carried out instead of issuing a replacement from store.

Replacement Issues due to causes other than FW&T.

5. When public clothing in the possession of an airmen have been lost or rendered U/S by damage, action is to be taken to charge the airmen in the normal manner. Replacement issue of such items is to be made on F 674 which is to bear number, rank and name of the airmen concerned, such F 674 is to be cross referred to F664B of F 34 as applicable.
6. Following items of clothing are graded as public clothing :
 - a. Great coat.
 - b. Cap water proof.
 - c. Short Gym.
 - d. Vest summer.
 - e. Durries.
 - f. Blankets.
 - g. Cap ceremonial.
 - h. Web Belt.

Reference: AP 830 Vol-I Part -II Leaflet B-18/2.

CHARGING AN INDIVIDUAL FOR LOSS AND DAMAGE

General

1. Any loss or damage to BAF equipment is to be reported to the CO immediately when it is discovered. The CO is at once to take appropriate security measure, arrange for investigation to take appropriate security measure, arrange for investigation of facts and such remedy or measures as indicated by the investigation. Financial recovery from individuals is subject to general provisions and limitations laid down in the BAF act 1953.
2. The charges from the individual may be in one of the following to the circumstances of the case:
 - a. By charging an individual.
 - b. By making collective charges within the terms of BAF act.
 - c. By charging an individual for part of value of an articles and the remaining may be charged against the public fund.
3. Commanding officer are responsible that losses and damages are charged for at a just rate. So that if possible, there is no loss to the state, and that all cases of loss or damage are dealt with immediately e.g. Where there permissible against the individual or individual or individual concerned, is in sufficient to recover the loss and unrecoverable balance exceeds the financial power of clothing officers.

Rates of Assessment

4. For the equipment which was serviceable prior to loss full vocabulary rate is to be charged. If there is direct evidence that the equipment has become repairable otherwise than by the fault of the individual prior to the loss or had deteriorated in use through fair, wear, and tear, a depreciated rate of not less than half of the full value is to be charged.
5. The basis of assessing losses which involve recovery from an individual or individuals is as follows:
 - a. Textile Articles: When an item has been lost, the consideration is to be given to the estimated life of the articles and the value it has been in use before the loss occurred, and then charge against the individuals in default, in no case is to be less than 25% of vocab rate of article when new.
 - b. Non Textile Articles : Articles which were serviceable before loss , the full vocabulary rate is to be charged. If there is direct evidence that non-textile articles have become unserviceable before loss, otherwise than by fault of the individual or had deteriorated in use through fair, wear and tear, a depreciated rate of not less than 3/5th of full value is to be charged.

6. In all the above cases departmental charges referred to in appropriate instructions are to be added. For the loss or damage to arms and associated equipment, prices are to be assessed under special rules contained in FR Part -I.

Action by Flight Section commander

7. According to the circumstances of the case when it is decided by the appropriate authority after investigation that the individual is to be charged, the officer IC Flight /Section concerned is to take the following action:

- a. To prepare F 664B in duplicate.
- b. To certify on both copies of voucher his opinion regarding condition of equipment when lost and to give his recommendation as to the proportionate assessment to be charged when full value is not recoverable.
- c. To pass F664B to equipment officer and in case replacement of damaged item is required, F 664B together with F 664B together with F674 will be forwarded to equipment officer.

8. The following action taken by the Equipment officer:

- a. Allot IV number by cross referring it with F 674 where necessary.
- b. Where F675 has been raised F 664B will bear the same RV number as the F 675.
- c. F664B is to be priced by equipment officer and checked and agreed by the Accountant officer by giving consideration to the recommendations of flight /section commander with the following:
 - (1) Stock Book rate list of certainly purchased articles of ASC supply.
 - (2) Price list of ASC items provisioned locally.
 - (3) Price lists notified by Air Headquarters.
 - (4) AP 1086.

Note: Where the a/m price list do not cover the prices, an assessment is to be made by the EO in consultation with the AO. In the case of technical equipment the appropriate technical officer is also to be consulted and his signature obtained on the voucher as agreeing to the assessment and agreed by AO.

- d. F 664B signed by EO and SRC action taken from original.

Further Action by Flight / Section

9. To obtain signature of the individual on original and of CO on original and duplicate both that the charge approved subject to the following :

- a. If the recovery is to be made from an officer, F 664B is to be approved by the unit or section commander ,or OC Admin of wing commander rank if such post has been established.
- b. If the individual is an airman, the charge may be authorised only by commanding officer having full disciplinary powers that is normally commanders. If the amount of charge is not exceeding Tk.13.00 the charge may be approved by airmen's unit commander not bellow the rank of Sqn Ldr.

Action by EAS

10. On receipt of F 664B EAS will take A-in U ledger action on the original and pass both copies to Accountant officer/Imprest holder.

Action by AO

11. Recovery to be effected and certified accordingly and appropriate public fund account reference quoted. Original copy of F664B will then to returned to EAS for filling and triplicate retained to support the cash account. There is exceptional circumstances recovery cannot be effected locally in cash it will be effected through FC(Air) in accordance with existing instructions.

12. Should a deficient articles for which a charge has been made be subsequently recovered a refund of the amount paid be made if to authorised by CO. The refund is to be supported by quoting cash debit reference and accounting vouchers by which the returned articles has been BOC.

Charging an individual for Damage

13. Where, after investigation, in accordance with FR and other regulations, it is decided by appropriate authority that an individual may be permitted to make good the value of damage to AF equipment, F-664B is prepared as given above. The articles is to be returned to store on F-675 to which F-664B in duplicate is to be attached and F-664B will be allotted the same IV number as F-675. The appropriate accounts are to be adjusted from F-675, a copy F-664B being attached there to. The F-664B is to be dealt with as in case of loss.

14. If the return of damage articles of damaged articles to store is not necessary F-664B is to be prepared in the normal manner but no equipment accounting action is necessary. One set of F-664B is not to be used to deal with both loss and damage. Whenever an individual is charged the full value in consequence of the article having been so damaged as to render it unfit use, the articles is to be brought on charge as "Repairable" or given to the individual concerned. When the individual appeals against an assessment, the articles concerned are not to be taken down to render to reduce until the appeal has been decided by the competent authority.

Collective Charge

15. Collective charges can be made in accordance with AF act the procedure detailed above is to be followed showing name of the unit with the name of the individual. The rest of the procedure is the same as for charging as individual for loss or damage.

Reference: AP 830 Vol-I Part -I Leaflet A-14/1.

FORM - 34 : PROCEDURE WRITE OFF AGAINST PUBLIC FUND

Form - 34 Procedure

1. When circumstances of loss or damage are such that recovery is not considered appropriate, the write off action is to be taken against public fund. The EO is to prepare F-34 in duplicate and internal issue voucher number is to be allotted. If a Board of Inquiry has been held the F-34 is to accompany the proceedings to the CFA.
2. F-34 for losses which do not involve recovery are to be proceed according to the conditions of the articles at the time of loss in the following manner.
 - a. Serviceable - Full vocabulary rate.
 - b. Repairable - 50% of full value.
 - c. Unserviceable - 10% of full value.
3. Whenever an amount has been recovered from an officer or Airman for loss or damage to Air Force equipment, the amount recovered is to be stated on the F-34. In the remarks column of F-34 the circumstances of loss and the signature of the Officer investigating the loss are to be included. The following information is also to be inserted and signed by the CFA on the reverse of the F-34.
 - a. His opinion as to the reasons for the loss.
 - b. The steps taken to avoid recurrence of similar loss.
 - c. The individual or individuals if any responsible for the loss.
4. The original copy of F-34 is to be used to adjust the Equip Account records as necessary and there after filed. Two copies of the F-34 are to be passed to the accountant officer who is to record his opinion of the loss on F-34 if the matter is for final decision by the CO record the particulars of the loss in the "Losses register under investigation" on Form-73-S and submit relevant vouchers with his recommendations and the proceedings of Board of Inquiry, if available.
5. When the value of the loss is within the financial powers of CO, the both copies of the forms are to be returned to EAS for filing. When the value of loss necessitate reference to three copies are to be submitted, two to Air Headquarters, for sanction of the CFA accompanied by a statement from the CO giving such information as will assist in completing the reference. Where necessary this information is to be forwarded under confidential cover. If the authority to write off the whole or part of the loss is received, two copies of Form-34 bearing the orders of the CFA will be returned. F-73S is to be completed and both copies of Form-34 are to be filed. In all cases concurrence of LAO(AF) is to be obtained on F-34 as per existing regulations.

6. If the ultimate decision is to charge on individual for the whole or part of the loss or damage, F-664B in duplicate is to be prepared. F-664B is to be given the IV number borne by the F-34 to which it relates, or in the case of damage articles returned to store, the same RV number as the return voucher. All copies of F-664B are to be endorsed "Not for A-in-U ledger action". On return of the original copy of F-664B, certified as to the cash recovery, it is to be filled with the relevant F-34 or return voucher.

Loss of Damage Caused by Civilian Employees

7. The voucher procedure is to be the same for the civilian employees as in the case of service personnel, the cost of damage or loss, or part thereof being recovered from the civilians concerned.

8. Where only part of cost of the damage or loss is recovered authority is to be obtained to write off the uncovered portion as a charge against the public fund. off Class 'A' & 'B' Equipment

9. Class 'A' & 'B' equipment which is totally expended lost or wholly destroyed by fair wear and tear is to be struck-off charge by CIV without being recovered as a formula loss. Targets which are used in connection with air-firing practice, and which are straight the way and unavoidably lost are to be treated as unavoidable. Losses and struck off charge by CIV.

10. Form-34 is to be submitted to CFA for write-off action, in respect of equipment lost through enemy action.

11. Reports are to be made to secure the recovery of these items when dropped from aircraft at out stations and in co-operation practice with Army, with the help of Army Units, losses of these items, are to be dealt with as formal loss and submitted for write off on Form-34 accompanied by copies of any correspondence on the subject. The army unit will return the items to appropriate BAF Unit whenever possible when not possible, the Army unit will return the items to the nearest BAF. Unit which is to ascertain to which Unit the bags or weights originally belonged, BOC the items by CRV and forward a copy of the CRV to that unit requesting covering issue voucher.

Adjustment of Deficiencies of Clothing and other Equipment of Casualties

12. The value of any deficiency in; or damage (other than through fair wear and tear) to public property, entrusted to an officer or Airman who dies, reported missing or is certificate in same is only to be charged to his non-effective account if the deficiency or damage has arisen and there is definite evidence that he had admitted responsibility for it before the casualty occurred, otherwise write-off action is to be taken.

Reference

13. AP 830, Vol. 1, Part - I Leaflet A-14/1.

TOPIC-5

AUDIT

INTRODUCTION TO AUDITING

Definition:

1.
 - a. Audit is an intelligent and critical scrutiny of the books of account with the supporting documents and vouchers.
 - b. Any monetary transaction or transactions of store made against the current accounting procedure are pointed out by Audit authority are named as audit objection.

Types of Audit

2. There are two types of Audit in BAF. They are :
 - a. Local Audit
 - b. Test Audit

Local Audit

3. Any transaction of store recorded on accounting documents appears to be contrary to current rules and regulations during audit of accounts, is objected by SFC (Air) Staff. This Audit classified as under:
 - a. **SLA** : This audit conducted by local staff (Bases/Units) of SFC (Air). It is arranged quarterly.
 - b. **LAO** : This audit conducted by the staff of SFC (Air). It is arranged six Monthly. The reply of audit objection is to be sent to LAO Office within 30 days of received of audit objections.
 - c. **LAO's inspection of cash & review report** : It is conducted by the staff of SFC (Air). It is arranged yearly. He will audit of cash and at the same time also review the objections raised by the LAO. The reply of audit objection is to be sent to LAO Office within 30 days of received of audit objections.
 - d. **SSO Review** : It is conducted by the Senior Staff Officer of SFC (Air). It is arranged yearly. He will audit and also review the objections raised by SLA/LAO. The reply of audit objection is to be sent to SFC (Air) within 30 days of received of audit objections.

Test Audit:

4. The objections are raised by the Director of Audit, Defence Services who carried out a Test Audit of Accounts of the Defence Services through his officers at different places. Test Audit of a Unit/Station will be taken up once a year. The visit of the test audit to a unit will be intimated well in advance by the DADS to enable the unit to keep the auditable documents/records ready for audit.

5. In order to avoid delays in the speedy settlement of Test Audit Report and Draft Paragraphs, the following revised procedure is to follows:

a. **Raising of LTAR :** Test Audit teams before including an objection in the LTAR will discuss with the OC Unit concern in order to settle the objection on the spot, if possible. Objections requiring regularization / verification will only be included in LTAR. There are three parts of test audit (LTAR). These are:

(i) Part-I : Financial irregularities of an important nature.

(ii) Part-II : Observations of lesser importance.

(iii) Part-III : Observations of minor nature whose final disposal would be checked and verified by local test audit teams in subsequent visits.

6. Test Audit authorities will forward three copies of the Test Audit Report to Air Headquarters (Dte of Fin) and one copy to the station/unit/formation concerned. Air Headquarters will retain one copy of the report and send the remaining two copies to the concern Bases/Units.

7. Bases/Units will return one copy of the Test Audit Report to Air Headquarters within fourteen days of its receipt. Air Headquarters will then forward the consolidated replies to DADS for settlement. When an L.T.A.R. is finally settled Air Headquarters will advise the station/unit/formation concerned to file it.

8. There are three types of test audit (LTAR), such as:

a. **General Para:** After raising audit objection by test audit team it treats as 'General Para'. The reply of general para will be sent to DADS with in 30 days of received of audit objection from DADS.

b. **Advance Para:** If the audit department is satisfy with the reply of general para then audit objection is to be settling otherwise the objection will be transferred to Advance para (AP). The reply of Advance para (AP) will be sent to DADS through MOD with in 35 days.

c. **Draft Para:** Draft Paragraphs are prepared by Director of Audit, Defence Services indicating important items which remain un-settled for more than six months for inclusion in the Audit Report of the Comptroller and 'Auditor General of Bangladesh. The Draft paragraph is either accepted by Air Headquarters or if not agreed to, then specific reasons are advanced for it. Draft Paragraphs will be received directly by the Air HQ who will co-ordinate action and will obtain replies from concerned directorates. Air HQ will then submit the reply of Draft Paragraphs with comments to Director of Audit Defence Services through Ministry of Defence for re-audit remarks/settlement by PAC.

9. **Submission of Audit Returns to Air HQ** : A quarterly audit objection/ observation return is to be sent to Air Hqs on 1st April, 1st July, 1st October & 1st January each year as per existing regulations.

Reference: AFO 175 & FR part-II.

PROCEDURE OF AUDIT OBJECTION SETTLEMENT

Stages of Audit Settlement

1. Audit objections/observations raised by Local Audit team is to be settled through following process:
 - a. Primary discussion between Audit team and local Base/Unit Commander for settlement of audit objections/observation on the spot.
 - b. For remaining audit objections/observations respective Base/Unit is to give reply with required justification to SFC (Air)
 - c. Bilateral meeting between LAO/SSO (Review) and local Base/Unit Commander during review audit.
2. Audit objections/observations raised by Test Audit team is to be settled through following process:
 - a. **Primary Discussion.** Before including an objection in the LTAR Audit team is to be discussed with the respective Unit Commander in order to settle the objection on the spot, if possible.
 - b. For remaining audit objections/observations, which could not be settled on the spot is to be settled through reply to DADS:
 - (1). For 1st Part, respective Base/Unit will send audit reply with required justification through Air HQ to DADS. When DADS not agreed with the reply and the objection remain outstanding, and then with the necessary co-ordination of Ministry of Defence a meeting would be held to settle the outstanding/remaining audit objections/observations among BAF, MOD & DADS.
 - (2). For 2nd Part, 1 respective Base/Unit will send audit reply with required justification through Air HQ to DADS. If DADS agree with the reply of respective base/unit then the objection would be settled. When the objection is not settled by DADS on the basis of reply, a bilateral meeting with Base/Unit & DADS would be held to settle the long outstanding issues.

AUDIT OF NON-PUBLIC FUNDS

1. The following instructions will govern the audit of non-public fund accounts maintained at Base/Units.

Composition of Audit Board

2. The accounts of all non-public funds will be audited every six months up to and including 30th June and 31st December by an audit board, to be assembled as soon as possible after those dates.

3. The audit board will be composed of not less than two officers, one of whom should be an officer of the accounts branch. The president of the audit board, whenever possible, should be a senior officer. Where it should be found impracticable for an accountant officer on the strength of the unit to be a member of the audit board, his place will be taken by another officer.

4. The name of the officers constituting the audit board will be promulgated in Base or unit routine orders prior to the end of each six monthly audit period. The routine orders should detail by name all the non-public accounts to be audited.

Responsibilities of Audit Boards

5. The officer appointed as president of the audit board will check the cash balance in hand of all accounts to be audited or detail a member of the audit board to do so on the morning of the first day of the ensuing audit period. Bank statement or certificate of balance should be obtained for each account and the bank balance verified at the same time the cash balance is checked. Although conditions may not always permit this, but where both balances can be checked before the commencement of business on the first day of the ensuing period this should always be done, otherwise whenever the bank certificates become available and the checking officer should at the time also verify the cash balance. The checking officer will personally record, in figures and in words, the bank and cash balance, found at his check, in a signed and dated certificate in the cash book of each non-public fund account.

6. The president and members of the audit board will be collectively responsible to the commanding officer, on whose orders they were appointed, for the examination of all the non-public accounts. In their proceedings the audit board will report any irregularity by the audit or any transactions which in their opinion was of such importance as to require the approval or cognizance of higher authority. The audit board will also bring to notice any items of expenditure which, though legitimately incurred, are considered excessive or un-justified.

7. The board will also satisfy themselves that :

a. The accounts have been maintained in accordance with the prescribed procedure.

b. The accounts are arithmetically correct, balances have been correctly brought forward from the last period and objections and observations by the audit board and Air Headquarters on the accounts of previous audit period have been cleared.

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- c. All receipts and disbursements are sufficiently supported by vouchers and having regard to the authorized objects of each fund expenditure is legitimate and reasonable.
- d. All canteen rabbits, Mess maintenance allowance and other income due to the funds have been credited in full, without any deductions.
- e. All known liabilities are included in the balance sheet including such consignment liabilities as subscriptions due to the BAF central funds etc.
- f. Assets are not over valued and surplus funds are invested in Government securities/savings certificates etc.
- g. Assets have been adequately insured and renewal premiums have been paid upto date.
- h. Cash assets are available to the amounts shown in the balance sheets.
- j. Cash in hand is within the limits laid down by Air headquarters and is banked at frequent intervals. If , owing to local circumstances, difficulties arise in these matters , the arrangements in force should be specified in the board's opinion as to their adequacy.
- k. Mess and institute property is recorded in the appropriate property books and property lists and property held agrees with the records. Independent check of property belonging to all non-public accounts has been carried out by the board of officers detailed for the check.
- l. All welfare property and grants have been properly accounted for.
- m. No loans /Grants have been made by one non-public accounts to another.
- n. Investment certificate titles etc. are held by the bank and have been produced to the audit board.
- p. Routine and surprise checks of each have been carried out by the commanding officer.
- q. periodical contributions to central non-public funds have been correctly worked out and remitted to Air HQs in time .
- r. No subscriptions and contributions other than those authorised under standard accounting instructions or by Air Headquarters are levied on officers and airmen.
- s. At Bases and units where canteens are financed and managed by their PSI proper records are maintained of canteen stocks and physical checks there of carried out every month by an independent checker and at the end of each six monthly period by a board of officers.

RESTRICTED

- t. The balance sheets reflect an accounts position of the accounts. Each balance sheet must show:
- (1) Details of sundry Creditors.
 - (2) Details of sundry debtors, other than mess bills.
 - (3) In the case of outstanding mess bills , the officer mess balance sheet and sergeants mess balance sheet must show:
 - a. Outstanding for the current month.
 - b. Outstanding for the previous month.
 - d. Remaining items, with a brief statement of action taken to clear.
8. The president and members of the audit board, at the conclusion of the audit will;
- a. Notify their objections and observations to respective OIC Non-public fund accounts for furnishing replied.
 - b. The audit board , on receipt will scrutinize the replies given by OIC accounts and verify their correctness , with reference to required, where necessary , Such objections and observations where the board feels satisfied with the replies will be dropped leaving only those to be included in their proceedings for which either the replies given are not satisfactory or they involve irregularities which cannot possibly be rectified locally and which must be brought to the notice of higher authorities.
 - c. Certify on each balance sheet that it has been audited in accordance with the requirements of this order, and that it is correct to the best of their knowledge and brief, subject to any observations of the board recorded in the proceedings. Each balance sheet will be dated at the time of the board's certification.
 - d. Records their proceedings, in triplicate, on BAF F -2.
 - e. Insert a certificate that all the requirements of para 7 of this order have been observed. Where this confirmation can not be given any particulars instance necessary observations must be raised.
 - f. Quote in their proceedings, the cash and bank balance found on each account.
 - g. Make any recommendations regarding the keeping of the accounts or the operation of the funds, which the board may consider desirable .
 - h. Render the certificate required by para 12 of this order in applicable cases.
9. The proceedings of the audit board will be laid before the commanding officer who ordered the assembly of the board. The commanding officer will scrutinize the observation and recommendations of the board and will take the following action:
- a. Add his remarks to the form -2 and state any action taken by him on the observations raised by the audit board and recommendation, if any, made by them.
 - b. Certify that all non-public accounts have been audited and that a balance sheet for each account and certificates of check of property and canteen stock (where applicable) has been included in the audit board's proceedings.

RESTRICTED

- c. Arrange for certified copies of each balance sheet to be exhibited in prominent position in the appropriate messes and institutes.
- d. Ensure that the audit board's proceedings are submitted to Air Headquarters within two months of the close of six monthly audit period should this period be exceeded the commanding officer will provide an explanation of the delay in his remarks under a. above.

Control by Higher Authority.

10. Audit board proceedings and balance sheets will be rendered in duplicate by all units to Air Headquarters. Air Headquarters will scrutinize the audit board proceedings, raise observations, if any and peruse their clearance. On final clearance of observations or if there are no observations to be raised, the proceedings will be approved and form -2 will be completed by Air headquarters. One copy of the proceedings will then be returned to the unit, and the duplicate retained by Air Headquarters.

11. When a Base or Unit operating its non-public fund accounts independently disbands, the accounts will be made up to the date of disbursement and audited in accordance with proceedings paragraph of this order. On the closing of each non-public account, on the disbandment of a unit the officer-in-charge of each account will certify on the final balance sheet that all outstanding liabilities have been discharged and that all claims against the account have been paid.

12. The president of the final audit board will certify on Form -2 that:

a. Specimen signature of the officers operating the non-public fund accounts, during the period of disbandment and until final disbandment, is in possession of the bank and that the bank has acknowledged receipt of the authorities given for the operation of the accounts by these officers.

b. The amount of the cheques drawn for the final balance agrees with the bank statements after making allowance for un-presented cheques and any bank charges.

Limits of Cash in Hand for NPF

13. The following limits have been fixed for holding cash in hand various non-public fund accounts keeping in view the commitments of Bases/Units and their distance from Bases. The limits are not to be exceeding unless cash is required for immediate disbursement:

<u>Bases/Units</u>	<u>Offrs' Mess</u>	<u>Cadets' Mess</u>	<u>Sgts' Mess</u>	<u>PSI</u>
BAF Base BSR	15,000.00 -	No-1	5,000.00	15,000.00
BAF Base KTL	12,000.00 -	No-2	5,000.00	15,000.00
BAF Base ZHR	12,000.00 -		5,000.00	10,000.00
BAF Base MTR	12,000.00	8,000.00	5,000.00	10,000.00
OTS	-	5,000.00	-	-
Air Headquarter (U)				5,000.00
201 MU				3,000.00
C&M Unit L/Hat				10,000.00
C&M Unit S/Nagar				10,000.00
PKP		6,000.00	3,000.00	5,000.00

Reference : AFO 176 -14

TOPIC-6

PENSION

Introduction

1. A person joins the service to earn livelihood and to serve the nation. In today's world the life has become more complicated for which one requires planning for better livelihood after achieving the age of superannuation. During the service one contributes a portion of the earned money for future in the form of provident fund.
2. This is a very important subject that everyone should acquaint with the whole range of financial compensation and benefit that one is entitled. BAF is obliged to ensure well-being of officers and their families, even after they bid farewell to Air Force.
3. The government too intends to ensure better future by granting pension/gratuity to the individual. But this has to be earned by the individual by rendering satisfactory service.
4. Directorate of Finance deals with the settlement of pension for BAF officers. On receipt of the eligible pension case (s), the Directorate takes the initiative in settling the pension formalities at the earliest possible time. The Directorate endeavors all achievable means to process the pension formalities by taking less time so that no one is worried about their legitimate dues.

GENERAL

Pension

5. Pension or gratuity is a privilege given by the Government to the ex-government personnel and it can't be claimed as a right. Pension of BAF officers are governed by the pension regulations, 1940. The same regulations has been amended time to time and compiled in a book namely "Compendium of Military Pension-81" (CMP-81).

6. The pension or gratuity is only admissible if an officer renders satisfactory service. If the service has not been satisfactory, a competent authority may withhold it or make such reduction in the amount as it thinks proper. Therefore, it is obligatory for a retired officer to be faithful and obedient towards the Republic, as the future good conduct shall be an implied condition of every grant of a pension or allowance.

7. When a pensioner becomes a naturalized citizen of a foreign state, the government of Bangladesh will decide, after considering the circumstances of the case, whether the whole or part of individual pension or allowance shall be discontinued.

8. In special circumstances, the Government of Bangladesh will determine the pension (service, disability or family), children allowance or gratuity for an individual under this regulation or any portion of it, may be suspended or withheld. In exceptional cases, payment of part or the whole of the pension, allowance or gratuity suspended may by order of government of Bangladesh be made to the spouse or other dependants of the pensioners.

9. Pension or gratuity may be withheld or reduced to meet any public claim outstanding against the individual for service debt.

10. Service rendered by Armed Forces personnel in Aid of Civil power are to be treated as Military service for the purpose of service, disability and family pensions but in any case where disability results from the hostile action of rioters or other disaffected persons, such disability are to be regarded as having been sustained on field service.

Eligibility

11. An officer retired under rule 24 of Air Force Act Rules, 1957 shall be eligible to get full pension. If an officer is terminated, removed, resigned or retired compulsorily or voluntarily from the service, the amount of his pension or gratuity shall be determined under the pension regulations.

RESTRICTED

12. Service limit/Age limit for officers holding permanent commission under BAF Act Rule 24(1) are as follows:

Rank	GD Branch		Grd Branch		Edn & Legal Br	
	Svc limit	Age limit	Svc limit	Age limit	Svc limit	Age limit
S/L & below	20	44	23	47	25	52
Wg Cdr	22	47	25	50	27	54
Gp Capt	23	50	26	53	28	55
Air Cdre	25	52	28	55		
AVM	26	54	30	57		

Last Pay Drawn (LPD)

13. In the pension process, the “Last Pay Drawn” bears an important role. If an officer gets any increment during the LPR period, it will be also considered for enhancement of pension money. In the LPD, the following elements of pay shall be included:

- a. Basic pay in the present rank.
- b. Command/Staff/Charge/Instructional pay (if applicable).
- c. Disturbance pay for married officer.
- d. Qualification pay (if applicable).
- e. Flying pay (if applicable).
- f. Parachute pay (if applicable).
- g. Commando Pay (if applicable).
- h. Specialist pay (if applicable).
- j. Special pay (if applicable).

Service Qualifying For Pension

14. Service qualifying for pension includes:

- a. All commissioned service on full pay.
- b. Cadet service from the age of 20 years onward full.
- c. All qualifying combatant service including embodied service as JCO or in ranks.
- d. Non-combatant en-rolled service.
- e. All pensionable civil Govt service.

Service Not Qualifying For Pension

15. The following services are not qualifying for pension:
- a. Periods of anti-dated seniority, unless specifically auth to count for pension.
 - b. Service forfeited by a special order or by sentence of courts-martial.
 - c. Any period of service in the Armed Forces rendered before reaching the age of 17 years.
 - d. Any period of service in the Civil Government Departments before reaching the age of 20 years.

Condonation of Deficiency/Interruption in Service

16. The condonation of deficiency/interruption in service is regulated as follows:
- a. A deficiency in service up to or less than 6 months shall be deemed to have been condoned automatically.
 - b. A deficiency of more than 6 months but less than one year in service may be condoned by the CAS of both the conditions mentioned below were satisfied :-
 - (1) The officers dies while in service or retires in circumstances beyond his control such as invalidation or compulsorily retired, services being no longer required, retirement being NOT due to any fault of the officer and but for such an eventuality he would have completed another year of qualifying service.
 - (2) The service rendered by the Officer was satisfactory.
 - c. Deficiency of one full year or more shall not be condoned.
 - d. The Government of Bangladesh may subject to any condition it may think fit to impose, condone interruption in the service of any officer.
 - e. The CAS may, subject to any condition which he may think fit to impose, condone a deficiency of up to three months in rank.

Note :-1.

- a. The term 'qualifying service' with reference to pension is used for the purpose of earning pension/gratuity as well as for determining scale (i.e amount) thereof, both in Rule 13 of this regulation and in Rule 7 of Revision of Pension Rules & Rates, 1966, the terms 'qualifying service' is used in general terms without restricting it to either earning of pension or for determining scale of pension.

b. The pensions for condonation of deficiency in qualifying service in the Service Rules referred to above were made on humanitarian/compassionate consideration. On this pretext such condonation for earning pension/gratuity is more deserving than the one for increase in the scale of pension.

c. The condonation of deficiency in the qualifying service is admissible both for the purpose of earning pension and for determining the scale of pension save in the case of voluntary retirement etc, as provided in the Pension Rules/Codes for the Civilian and Military Government Servants.

2. Rules 13 and 18 a are independent to each other and can therefore be allowed simultaneously.

(1) This bonus will be granted subject to having satisfied by the COAS that the officer is being compulsorily retired from service for service reason only.

(2) The officer has an average or above average service record, excluding isolated adverse reports.

(3) The officer is not being compulsorily retired from service on account of failure to pass the prescribed examination for promotion or in anticipation of any disciplinary action.

(4) The officer is not being compulsorily retired at his own request.

Pension of Officer/Airmen Who Are Dismissed/Removed From Service

17. **Dismissed from service.** Where an officer has qualifying service for pension and dismissed by sentence of Court Martial or otherwise, the grant of pension will be at the discretion of the President. Pension so granted in the nature of ex-gratia award and is/shall not be allowed to be commuted.

18. **Removed from service or called upon to resign.** The case of an officer who is removed from service, or instead of being removed, is called upon to resign his commission may be considered on merits for the grant of ex-gratia pension/gratuity, not exceeding 2/3rds of his earned entitlement.

19. **Compelled to resign/retire from service voluntarily.** The case of an officer compelled to resign or in the alternative allowed to retire from service voluntarily may be considered on merits for grant ex-gratia pension/gratuity not exceeding that otherwise admissible under rule 16.

GRANT OF PENSION TO OFFICERS PERMITTED TO RETIRE VOLUNTARILY (NOT IN ANTICIPATION OF ANY DISCIPLINARY ACTION)

20. An officer permitted to retire voluntarily but not in anticipation of any disciplinary action against him, he will be allowed pension as follows:-

- | | | |
|----|---|--|
| a. | For qualifying service of less than 5 years- | Nil |
| b. | For qualifying service of 5 years or more - but less than 10 years. | 3/4 of gratuity due less than Under rule 19a |
| c. | For qualifying service of 10 years or more - | 3/4 of pension due under rule 19 b. |

a. "Special additional pension at three fourths of the prescribed rates will be admissible only on reaching the prescribed limits of 21 years for the Army, 19 years for the Navy and 18 years for the Air Force (See Rule 21 b (2). For so long as paid acting/temporary rank are permitted, the limit will be 12 years" qualifying commissioned service.

Special Additional Pension (SAP):

21. In addition to monthly earned service pension, SAP is admissible provided an officer has rendered not less than 18 years qualifying service in the BAF. However, for so long as acting/ temporary rank are permitted, the minimum qualifying service for grant of SAP shall be 12 years commissioned service. Maximum SAP to an officer will be as under as per JSI 07/2010:

<u>Rank</u>	<u>Rate per yr of Svc</u>	<u>Max Admissible</u>
Flt Lt & Below	108.00	324.00
Sqn Ldr	166.00	498.00
Wg Cdr	274.00	822.00
Gp Capt	331.00	993.00
Air Cdre	439.00	1,317.00
Air Vice Marshal	595.00	1,785.00
Air Marshal	745.00	2,235.00
Air Chief Marshal	910.00	2,730.00

ASSESSMENT OF PENSION**Assessment of Pension:**

22. The amount of pension is regulated as follows:

- a. For a qualifying service of less than 10 years, a gratuity equivalent to one month's emoluments (basic pay including other pay elements) for each completed year of service shall be payable to the officer or heir in case of death in service.
- b. The following formula is to be applied to calculate the amount of pension, for a qualifying service of not less than 10 years.

$$\frac{8}{10} \times \frac{\text{Last Pay drawn} \times \text{Length of qualifying service}}{\text{Length of service prescribed for the rank}}$$

= The pension earned per month subject to max 35,800/-, but not more than 80% of last pay drawn (variable).

TYPES OF PENSION**Types of Pension**

23. Pension is mainly of three types:

- a. Service Pension.
- b. Disability Pension.
- c. Family Pension.

Service Pension

24. A service pension is granted to an officer retiring after completing qualifying service as per service rules and regulations or after any extension of service approved by the Govt.

Disability Pension

25. A disability pension is awarded to an officer who is permanently unfit for military service with minimum 20% disability, which is attributable to or aggravated by the service conditions. Disability pension consists of the Service Element and Disability Element under the following rates:

a. **Service Elements**

- (1) For service of less than 10 yrs - Service pension as for qualifying service of 10 yrs.
- (2) For service of 10 yrs or more - Earned pension for the pensionable service rendered.

b. **Disability Element**

Category	Disability due to War/ External aggression/ Injury in the declared Operation area	Disability for internal subversion/In aid of civ power & other reason attr to agrav by mil svc.
Cat 'A' (60% - 100%)	19,477.00 yearly	16,694.00 yearly
Cat 'B' (40% - 59%)	10,956.00 yearly	9,391.00 yearly
Cat 'B' (20% - 39%)	6,087.00 yearly	5,880.00 yearly

Family Pension

26. A pension to the widow/widower or other relative of a deceased officer or an allowance to a child cannot be claimed as a right. It shall not be granted when the applicant is shown to be unworthy, nor shall it be granted unless the officer's svc has been such as in the opinion of the Govt of Bangladesh to justify the award.

27. The legal heir of an officer may draw special/ordinary family pension or dependent pension in addition to any previous pension which the officer may be drawing at that time or may become entitled to draw.

28. A family pension may be granted to the widow/widower, parents, brothers or sisters of an officer or a children's allowance to the legitimate children of an officer. Provided that such children's allowance shall be limited to only two children at a time up to 25 years of their age.

29. Family pension includes; Special Family Pension, Special Dependant Pension, Special Children Allowance, Ordinary Family Pension, Ordinary Dependent Pension & Ordinary Children Allowance.

a. **Special Family Pension:** If a married officer dies while in service and the death is attributable to or aggravated by military service conditions, then the spouses of the deceased is entitled for special family pension on the following conditions:

(1) If the service of the deceased is not pensionable the widow/widower will be entitled a monthly pension of 80% LPD of the deceased.

(2) If the service of the deceased is pensionable, the widow/widower will be entitled to commute 50% earned pension of the deceased on the day of death as if the officer had not died. And monthly pension will be 80% LPD of the deceased (max 19,500/-) less commuted amount.

b. **Special Dependent Pension:** If an unmarried officer dies while in service and the death is attributable to or aggravated by military service conditions, then the dependent of the deceased is entitled for Special Dependent pension on the following conditions:

(1) If the service of the deceased is not pensionable the dependent will be entitled a monthly pension of 30% LPD of the deceased.

(2) If the service of the deceased is pensionable, the dependent will be entitled to commute 50% earned pension of the deceased on the day of death as if the officer had not died. And monthly pension will be 30% LPD of the deceased.

c. **Special Children Allowance:** If an officer dies while in service leaving the children and the death is attributable to or aggravated by military service conditions, then the children of the deceased is entitled for special children allowance in addition to special family pension as per the following rates:

Per child	If motherless	If not motherless
(1) Up to 5 yrs	662.00	414.00
(2) After 5 yrs to 15 yrs	1,242.00	745.00
(3) After 5 yrs to 25 yrs	1,656.00	1,036.00

Note: (1) Entitlement for children allowance will limit within 02 children at a time.

(2) If the son/daughter of the deceased is entitled for Spl family Pension, will not entitled for children allowance.