

Webinar on “Accounting for Receipt & Recovery of Overpayment”

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Date: 24/09/2025

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Introduction

- Overpayments may occur due to clerical, accounting, or administrative errors.
- Correct classification of recoveries is essential to ensure accuracy of Government Accounts.
- Para 3.10 of General Direction of List of Major and Minor Head, provides the guidelines on recovery of overpayment.

Key Rule Provision (Para 3.10)

- Recoveries within the same financial year:
 - ☐ Recorded as reduction of expenditure under the concerned Service Head.
- Recoveries pertaining to previous years:
 - ☐ Recorded under 'Deduct – Recoveries of Overpayments (Minor head 911)'.
 - ☐ Does not affect gross expenditure in Appropriation Accounts.

Classification: Same Financial Year

- Example: Overpayment in August 2025, recovered in March 2026.
- Treatment:
 - ☐ Classify recovery as reduction of expenditure under same Head of account from where original payment was made in the same year.
 - ☐ Rationale: Ensures net expenditure correctly shown within the year.

Classification: Previous Years

- Example: Overpayment made in 2023-24, recovered in 2025-26.
- Treatment:
 - ☐ Book under '911 - Deduct: Recoveries of Overpayments'.
 - ☐ No reduction in current year's gross expenditure.
 - ☐ Rationale: Maintains transparency in Appropriation Accounts



Refund of Grants / Contributions

- Refund of unspent balance of grants or contributions during the same year:
 - ☐ Recorded as reduction of expenditure under the respective Grant-in-Aid Head.


Major Issues at present in receipts challans/recovery challans:

1. Incomplete e-documents(particulars) uploaded.
2. Lack of clarity pertaining to year of payment.
3. Lack of '911' recovery details with COs/CCOs creating reconciliation challenges.
4. Misclassification: "Null" Sub-Major head issue.
5. Reimbursement being shown as receipt.
6. Lump Sum Recovery Amount Pertaining to Two or More Years.
7. Incorrect Operation of 8782 & 8443 for revenue receipt
8. Updation of minor heads in eGras master under the Major head 0803,0852,0853 related to royalties
9. Old unclaimed Security Deposit money not deposited under Major Head 0075-Misc General services:
10. Challans of class-III deposit (Deposit work) not reconciled and transferred from M/H 8782-102 to 8443-108-1994:

Missing Details in the e-Document uploaded

- e-Documents uploaded in AGFMIS for Recovery Challans lack critical details such as purpose and period of the original payment and reason for the refund.  e-Doc sample
- In the treasury documents, The receipt schedule also often lacks critical details.  Screenshot (323).png
- Creates major discrepancies during the reconciliation of receipts and expenditures, as the refund (debit) cannot be linked to the original receipt (credit).

Lack of Clarity pertaining to year of payment

- The lack of original challan information (particulars) makes it extremely difficult to determine if the refund pertains to a recovery of the **current financial year** or a **previous financial year**. 
- During validation of challans, it is difficult to ascertain correct classification of the challan due to lack of detailed information.

e-Doc sample

Lack of '911' recovery details with COs/CCOs

- **The Issue:**
- The monthly accounts from the Accountant General (A&E) show a consolidated amount booked under Minor head '911'.
- However, the COs/CCOs often lack the **detailed, transaction-wise breakup** of these refunds from their end.
- The initial lack of detail on the voucher means the information was not properly captured or communicated back to the CO/CCO.
- **The Result:**
- COs/CCOs are unable to reconcile the figures shown under Min. H. '911', leading to **incomplete and pending reconciliation statements**

The Classification Error: 'Null' Sub-Major Head

- It has been observed that several refund vouchers are generated and passed in AGFMIS with a '**NULL**' or **blank Sub-Major Head** even though it should have a valid Sub-Major head as per LMMH.
- The transaction is not classified under the correct government function or sub-function, leading to inaccurate financial reporting.



Screenshot (322).png LMMH

Reimbursement being shown as receipt

- Reimbursement received in form of Grants in Aid from central govt. for the advance payment made from the state exchequer is being shown as receipt in case of CSS scheme(eg. 0235 instead of 2235, 0070 instead of 2015)



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- **Impact:** Inflated amount is shown in the revenue receipt due to accounting error.

Lump Sum Recovery Amount Pertaining to Two or More Years

- Overpayment made in the month of March and April but recovery of the lump sum amount is shown through same head of account in the current year in a single challan.



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- Impact: Due to non operation of Minor head '911' for previous year's (March-25) recovery, the current year's recovery is shown inflated and net-expenditure is decreased.

Incorrect Operation of 8782 & 8443 for revenue receipt

- Departmental revenue receipt amount deposited under 8782 instead of the concerned revenue receipt head.
- Departmental revenue receipt amount deposited under 8443 head instead of the concerned revenue receipt head.
- Impact: Incorrect accounting and under-reporting of revenue receipt of concerned department.



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8443


E-Gras master: Updation thereof

- For better accounting of royalties eGras Master needs to be updated as per the latest directives incorporated in the LMMH under Major Head-0803,0853,0852.
- 0853(Non-ferrous Mining and Metallurgical Industries):-New Minor Heads 108(Major Mineral Royalties) and 109(Minor Mineral Royalties).
- 0803(Coal and Lignite):-New Minor Head 102(Coal Royalties).
- 0852 (Industries):-New Minor Head 106(Iron Ore Royalties) under Sub Major Head 01(Iron and Steel Industries).
- Impact: Actual amount of Royalties for the Major & Minor Minerals can be ascertained once updated in E-Gras Master.

Old unclaimed Security Deposit money not deposited under Major Head 0075(Misc General services)


- As per Finance (Budget) Department, Government of Assam, OM No.BB.100/2011/244 Dated 25th July, 2022 :-


OM


8443
- Old Security Deposit (SD) Money which have already been deposited into the Treasuries and thereafter no repayment done for more than 3 (three) complete accounting years as lapsed and transfer into the Major Head 0075-Misc General Service deposit by debiting the Major Head 8443-00-108 and intimate the AG office with detail statement for further necessary action to be done at their end.

Impact: Govt. Revenue will increase under MH 0075.

Challans of class-III deposit (Deposit work) not reconciled and transferred from M/H 8782-102 to 8443-108-1994:

- As per Finance (Estt-B) Department, Government of Assam, OM No.ECF.292641 dated 30-11-2023:-
 - The balance fund under 8782-Remittance(Deposit work class III)has to be reconciled with Treasury and AG before further payment.
 - Out of total 350 no of Divisions only 27 divisions have reconciled their figure till date and no Treasury has intimated us whether transfer process completed or not for the reconciled Divisions.
 - TO and divisional officers are requested to expedite the process of transfer from 8782-Remittance and make sure that there is no balance under Major Head 8782 as the operation of this head has been discontinued by Govt. of Assam.

Impact: The historical Balance under 8782 is to be cleared as Govt. has discontinued this head.

Proposed Way Forward

- Mandating Detailed Challan with complete information be uploaded in the AGFMIS Portal.
- Particular details should contain the year of the payment for which the recovery is being made.
- Ensuring the Classification in the challans is accurate and as per LMMH.
- Ensuring that the reconciliation of dept. recovery figures is carried out with the Ag figure every quarter.
- Updation of eGras Master as per the latest directives in the List of Major and Minor Head.