

**Revenue Administration Manual  
Gelephu and Samdrup Jongkhar Thromdes**

**Municipal Finance and Management Component  
Bhutan Second Urban Development Project (BUDP-2)**

## Table of Contents

1.	Objectives of Revenue Administration Manual .....	5
2.	The Thromdes.....	5
2.1.	Administration Functions.....	7
2.2.	Regulatory Functions .....	7
2.3.	Financial Functions .....	8
2.4.	Other Functions.....	8
2.5.	Gelephu Thromde .....	8
2.5.1.	Secretariat Services .....	10
2.5.2.	Engineering Division .....	13
2.5.3.	Development Control Division .....	16
2.5.4.	Urban Planning Division.....	17
2.5.5.	Environmental Division .....	19
2.6.	Samdrup Jongkhar Thromde.....	19
2.6.1.	Development Control Division .....	21
2.6.2.	Urban Planning and Design Division.....	22
2.6.3.	Engineering Division .....	24
2.6.4.	Secretariat Services .....	27
3.	Overview of Revenue Administration.....	31
4.	Thromde Revenue Sources.....	33
5.	Important Revenue Administration Concepts .....	37
5.1.	The Revenue Collection office .....	37
5.2.	Responsible Official for Revenue Collection .....	37
5.3.	Responsibilities of the Administration.....	38
5.4.	Interaction with Other Thromde Actors.....	39
5.5.	Security for the Revenue Collection Office.....	39
5.6.	Physical Security Arrangements .....	40
6.	Assessment .....	41
6.1.	Revenue Management System .....	41
6.2.	Other Charges .....	41
7.	Billing Procedures .....	41
8.	Billing Instrument.....	41
9.	When to Bill .....	42
10.	Accounts Receivable System .....	42
11.	Accounts Receivable Aging Analysis .....	42
12.	Follow Up.....	43
13.	Accounting, Internal Controls and Auditing .....	43
14.	Using Accounting Information.....	44
15.	Internal Controls.....	44
15.1.	Purpose of Internal Controls .....	44
15.2.	Basic Principles of Internal Controls .....	45
16.	Roles and Responsibilities.....	46
16.1.	Executive Secretary- Roles and Responsibilities.....	47
16.2.	Chief Administrative Officer- Roles and Responsibilities .....	47
16.3.	Chief Accounts Officer-Roles and Responsibilities .....	47
16.4.	Detailed Role of Revenue Officers pertaining to Revenue Management.....	48
16.5.	Bill Collector.....	49
17.	Process Flows .....	50

17.1. Property Tax Process .....	50
17.1.1. Process Flow Diagram .....	50
17.1.2. Process Description .....	51
17.1.3. Property Tax Administration Policies .....	51
17.1.4. Property Tax Assessment .....	52
17.2. Parking Fees .....	53
17.2.1. Parking Fees Process Flow .....	53
17.2.2. Parking Fee Process Description .....	54
17.2.3. Parking Fee Policy .....	54
17.2.4. Parking Fee Assessment .....	55
17.3. Water Charges .....	55
17.3.1. Water Charges Process Flow .....	55
17.3.2. Water Charges Process Description .....	56
17.3.3. Water Charges Policies .....	57
17.3.4. Water Charges Assessment and Collection .....	58
17.4. Land & Equipment Lease .....	59
17.4.1. Land & Equipment Lease Process Flow .....	59
17.4.2. Land & Equipment Lease Process Description .....	59
17.4.3. Land & Equipment Lease Policies .....	60
17.4.4. Land & Equipment Lease Charge Assessment .....	61
17.5. Service Fees .....	61
17.5.1. Service Fees Process Flow .....	61
17.5.2. Service Fees process Description .....	62
17.5.3. Service Fees Policies .....	63
17.5.4. Service Fees Assessment .....	63
17.6. City Bus .....	65
17.6.1. City Bus Process Flow .....	65
17.6.2. City Bus Process Description .....	65
17.6.3. City Bus Policies .....	65
17.6.4. City Bus Assessment .....	66
17.7. Environment Clearance .....	66
17.7.1. Environment Clearance Process Flow .....	66
17.7.2. Environment Clearance Process Description .....	66
17.7.3. Environment Clearance Policies .....	67
17.7.4. Environment Clearance Assessment .....	67
17.8. Environmental Fines .....	67
17.8.1. Environmental Fines Process Flow .....	67
17.8.2. Environmental Fines Process Description .....	68
17.8.3. Environmental Fines Policies .....	68
17.8.4. Environmental Fines Assessment .....	68
17.9. Stall Rentals .....	68
17.9.1. Stall Rental Process Flow .....	68
17.9.2. Stall Rental Process Description .....	69
17.9.3. Stall Rental Policies .....	69
17.9.4. Stall Rental Assessment .....	70
18. Mode of Collection .....	70
19. Collection, Cancellation & Refunds .....	71
19.1. Collection .....	71
19.2. Cancellation of Revenue Money Receipts .....	72
19.3. Refunds .....	72

20.	Deposit of Revenue, Fines and Penalties Collected .....	73
21.	Accounting and Maintenance of Records for Tax and Non-Tax Revenue .....	73
	21.1. Ledger maintenance and Security .....	73
	21.2. Other Guidelines .....	74
	21.3. Revenue Cash Book .....	74
	21.4. Bank Reconciliation Statement .....	74
22.	Reporting .....	75
	22.1. Daily Procedures .....	75
	22.2. Monthly Procedures .....	75
	22.3. Quarterly Procedures .....	75
	22.4. Annual Procedures .....	75
23.	Monitoring .....	76
	23.1. Management Information System (MIS) .....	76
	23.2. Bases and Coverage .....	76
24.	Revenue Enhancement Strategy .....	76
25.	Annexures .....	82

## **1. Objectives of Revenue Administration Manual**

The Core objectives of the Revenue Administration Manual are:

- a. To provide uniform guidelines and accurate information on the assessment, collection and reporting procedure of municipal (Thromde) revenue;
- b. To collect and compile revenue information in ways that minimizes administrative burden and municipal/government resources; and
- c. To enhance collection efficiency of revenue and expand the overall tax base.

## **2. The Thromdes**

With rapid socio-economic development, the urban centres are becoming economic hubs. This requires provision of increased level of basic amenities such as housing, roads, sewerage, water supply, waste management and others in the urban centres. To ensure proper services and amenities, Thromdes are instituted as provided in the Constitution of the Kingdom of Bhutan, and Local Government Act, 2009. The Thromdes are mandated to facilitate direct participation of people in the development and management of their own social, economic and environmental well-being.

The Thromdes are granted the status of autonomous agencies. The Thromde Rules and Regulation, 2011, classifies Thromdes as Class A or Class B depending on the population, density of population, total area, dependence of the population, revenue generation, and trade and commerce significance.

The primary objective of a Thromde as prescribed in the Thromde Rules and Regulations, 2011, is as listed below:

- a. Give effect to the provisions of the Local Government Act, 2009, in relation to Thromde;
- b. Provide a democratic and accountable government for local urban communities; and
- c. To achieve the best outcomes for the local communities, having regard to the long term and cumulative effects of its decisions.

Regarding public finance, Local Governments are governed by the Public Finance Act, 2007, and subsequent amendments and rules and regulations made there under. Thromde Finance Policy, 2012, formulated as per the provisions in Public Finance Act, 2007, and Local Government Act, 2009, prescribes effective discharge of their responsibilities based on sound financial management principles. The Thromde Finance Policy focuses on the financial mechanism required to make Thromdes sustainable and provide a framework for prudent financial management covering:

- a. Raising of revenue and resource mobilization;
- b. Budget Allocation;
- c. Procurement;
- d. Accounting;
- e. Asset and liability management;
- f. Reporting; and
- g. Auditing.

As per Thromde Finance Policy, one of the Thromde financial resource is the revenue which comprise of taxes, fees, charges, duties, tolls, etc. Some of the important provisions in the Thromde Finance Policy include:

- a. Thromdes shall levy taxes ad duties only in accordance with such procedure and subject to limitations as may be provided for by the Parliament;
- b. For levy of fees and charges, prior approval of the Ministry of Finance shall be obtained;
- c. In addition to the present taxes, fees and charges levied and collected in accordance to the Local Government Act, 2009, Thromdes shall explore other revenue sources
- d. Thromde shall consult the public and create awareness to inform the stakeholders for revision of rates or introduction of new taxes, fees, charges, duties, tolls, etc.;
- e. All planned revision of existing taxes and any new taxes, charges, fees, duties, and tolls shall be evaluated against the criteria of affordability, adequacy, elasticity, equity, economic efficiency, administrative capacity and its suitability; and
- f. The revenue shall be recorded and accounted as per the Thromde Revenue Manual.

### **Legal Aspect of Revenue Administration by Thromdes**

Following legislations, policies, rules and regulation provide legal, administrative and process related jurisdiction to Thromdes:

- a. The constitution of the Kingdom of Bhutan
- b. The Local Government Act, 2009, and subsequent amendments
- c. The Thromde Rules and Regulation, 2011
- d. Thromde Finance Policy, 2012
- e. Internal Audit Manual, 2011, issued by the Ministry of Finance
- f. Financial Rules and Regulations, 2001, and subsequent revisions issues by the Ministry of Finance which comprise of the following manuals:
  - i. Budget Manual
  - ii. Revenue Accounting Manual
  - iii. Financial and Accounting Manual
  - iv. Procurement Manual
  - v. Aid and Debt Management Manual
  - vi. Property Management Manual
- g. Thromde Budget Manual
- h. Thromde Accounting Manual
- i. Thromde Internal Control Guidelines
- j. Thromde IT Control Guidelines
- k. The Revised Taxation Policy, 1992
- l. PAVA Rates

Of the above, the Revised Taxation Policy, 1992, and PAVA Rates have direct impact on the assessment of taxes.

### **General Functions of Thromde**

The functions and powers of the Thromdes as per the Thromde Rules of Kingdom of Bhutan, 2011, the Local Government Act, 2009, and subsequent amendments and other regulatory

instruments are described as administrative functions, regulatory function, and financial functions.

## **2.1. Administration Functions**

Administrative Functions of Thomdes are:

- a. Advocating and promoting planned developments which are in the best interests of the local community;
- b. Planning for and providing services and facilities for the local community;
- c. Providing and maintaining community infrastructure and services in the local area
- d. Undertaking strategic and local area planning for the municipal area;
- e. Preserving and promoting cultural, architectural and aesthetic aspects of the Thomde;
- f. Protecting monuments and sites of cultural and historical interests;
- g. Protecting drinking water sources for its residents through catchment protection programmes which shall be jointly undertaken with the other relevant agencies;
- h. Protecting rivers, streams and the urban environment from deterioration through enhancement programmes;
- i. Providing safe water supply;
- j. Protecting the environment and planting of trees on roadsides and wherever needed;
- k. Prevention and management of disasters;
- l. Registration and control of dogs and impounding of animals;
- m. Registration of births and deaths;
- n. Conducting population survey and registering/recording census of Thomde resident;
- o. Acquiring land for public purposes or for any of the purpose of carrying out any of its functions in accordance with the Land Act and procedures laid down by the Government from time to time;
- p. Providing land substitution for any land that has been acquired in accordance with the law made by the Parliament or as per the procedure laid down by the government from time to time;
- q. Facilitating and approving land subdivision, consolidation and registration of land and property ownership;
- r. Establishing and operating waste collection and disposal including landfill sites and recycling plants and litter control;
- s. Establishing and maintaining sewage network, plants and disposal;
- t. Demolish unsafe and unauthorized structures, buildings or portion of structure that have deviated from the approved building drawings; and
- u. Perform other functions prescribed by law.

## **2.2. Regulatory Functions**

Regulatory functions of Thomdes are:

- a. Enforcing local and national rules for the performance of its functions;
- b. Frame and enforce rules for protecting health, safety, well-being, and maintain and preserve environment;
- c. Regulate Advertisements;

- d. Prepare or amend urban development plan;
- e. Formulate guidelines for entertainment and recreational activities;
- f. Regulate and enforce appropriate land uses;
- g. Control squatter and illegal settlements, and regulate commercial activities; and
- h. Enforce laws and rules relation to urban sector.

### **2.3. Financial Functions**

Financial Functions of the Thromdes are:

- a. Collection of revenue and spending the resources to enable the Thromde to perform its functions;
- b. Review and approve the annual budget to be met from its resources and review and endorse budget proposals for submission to the MoF;
- c. Purchasing, leasing, or acquiring land and property or otherwise disposing it off in the interest of the Thromde in accordance with the policies of the Royal Government;
- d. Serve final notices or warnings to any defaulters; and
- e. Carry out any other function or activity relating to the governance of the municipal area or as may be directed by the Ministry.

### **2.4. Other Functions**

Apart from administrative, regulatory and financial powers, Thromdes also have the mandates for:

- a. Acting as representative government by taking into account the diverse needs of the local community in decision making;
- b. Providing leadership by establishing strategic objectives and monitoring their achievements;
- c. Maintaining the viability of the Thromde by ensuring that resources are managed in a responsible and accountable manner;
- d. Advocating the interests of the local community to other communities and government; and
- e. Fostering community cohesion and encouraging participation in public life.

### **2.5. Gelephu Thromde**

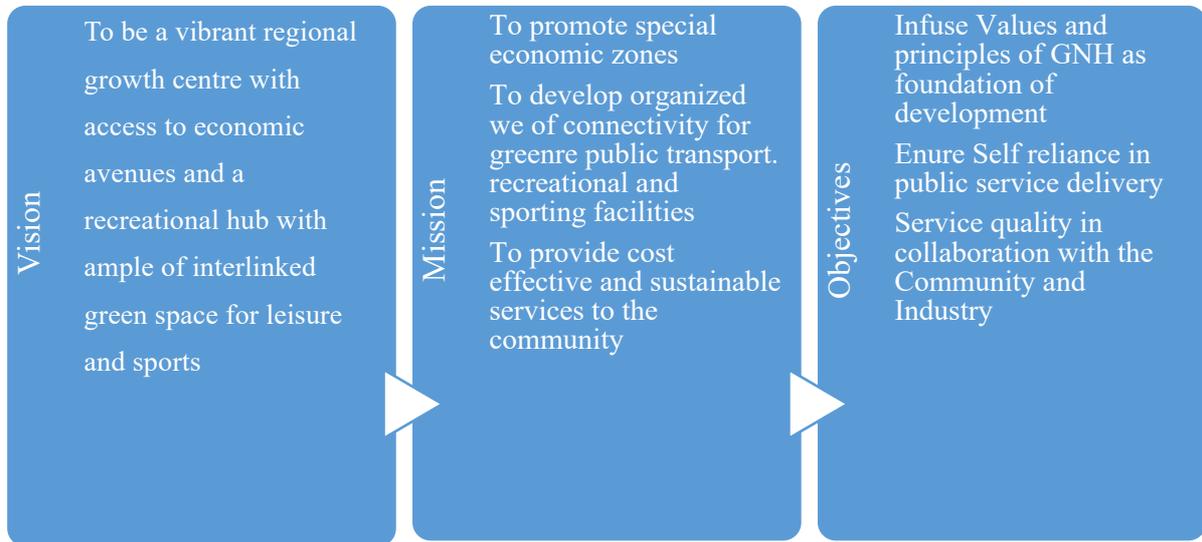
Gelephu Thromde was formed as Class A Thromdes and was established in 2011 before which it was known as Gelephu Municipal Corporation administratively set up under Sarpang Dzongkhag and Gelephu Dungkhag Administration. Gelephu is a town in Sarpang District in Bhutan. It is located on the Indian border, about 30 km to the east of Sarpang, the Dzongkhag (District) headquarters, and has a population of 9,199 as per 2005 PHCB.

Its Core market area is very close to the Indo-Bhutan border. Gelephu Thromde has 11.52 square kilometre planning boundary areas which can be increased further. It has 6 sub zones (Demkhong) listed as:

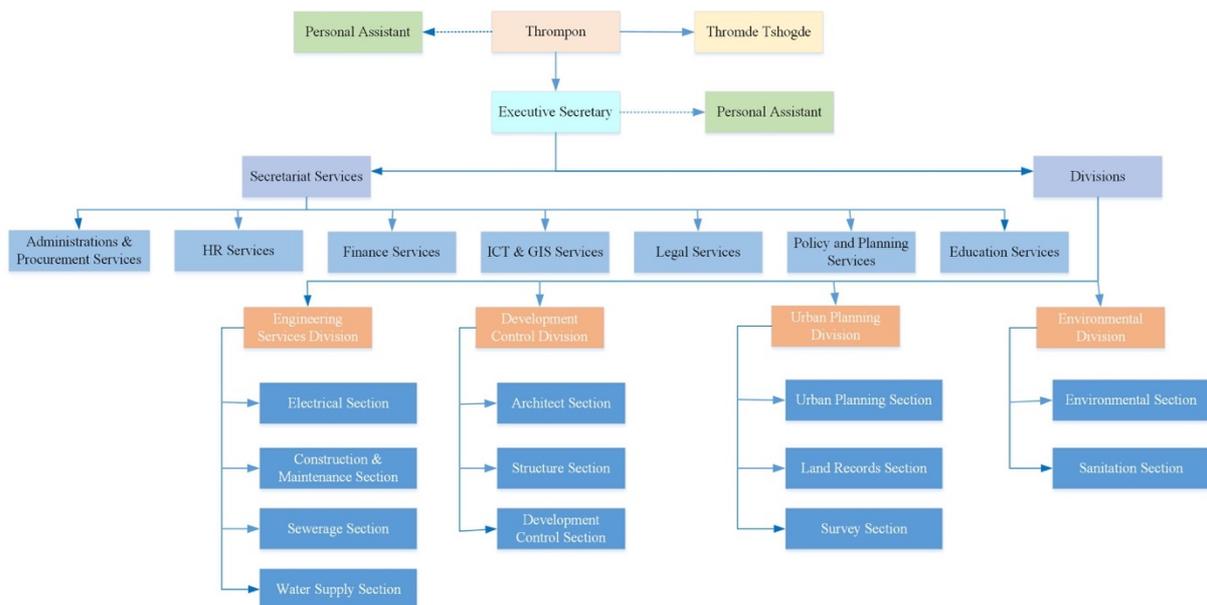
- a. Trashiling;
- b. Namkhaling;
- c. Jampeling;

- d. Rabtengling;
- e. Samdrupling; and
- f. Sonam Gatsel.

The development plan of Gelephu Thromde is based on concrete vision, mission and objectives.



It has a staff strength of 84 which consists of Engineers, Urban Planners, Architects, Accountants, Officers, Inspectors and other support staff headed by Dasho Thrompon (Elected Mayor) and Executive Secretary (Government Appointee). The below chart depicts the complete structure of the Gelephu Thromde enlisting the kind of works handled by the Thromde:



Gelephu Thromde functions with organizational structure as depicted above and the functions of each division and sections as described below.

### **2.5.1. Secretariat Services**

The administration related executed through the sections under secretariat services. Several sections perform the functions of secretariat as follows:

#### **Administration & Procurement Services**

- a. Carry out administration and procurement activities;
- b. Provide services related to advertisement, notification and felicitations in uniform manner to the media;
- c. Assist in maintaining liaison and communications regarding administrative matters within the organization and with other relevant organizations directed by the Head of Administration;
- d. Coordinate meetings of the Thromde Administration and their follow up actions
- e. Manage the Thromde vehicles;
- f. Monitor and ensure the asset declaration of officials;
- g. Quality assurance of supplied or procured goods;
- h. Procure and manage office equipment and other goods including (*chadri* items) as per the prevailing rules and regulations;
- i. Any other ad-hoc activities instructed by the management; and
- j. Coordinate and follow up reports from the relevant Divisions/Sections and submit to the Ministry.

#### **HR Services**

- a. Assist and help implement HR initiatives in the areas of recruitment, organizational development, professional development and performance management;
- b. Maintain and provide up to date information/statistics of available human resource and their employment;
- c. Assist in organizing workshops/seminars/conferences related to human resource planning and employment;
- d. Draft letter/correspondence related to HR activities;
- e. Provide information on human resource and employment when required;
- f. Assist in the counselling of job seekers on employment;
- g. Assist in the recruitment of candidates for employment and trainings;
- h. Review the performance evaluations of the employees and submit the reports to the immediate supervisor for perusal periodically;
- i. Compile and coordinate meeting for annual performance review exercise;
- j. Process recruitment, selection, training and other HR related activities for all civil servants of the organization;
- k. Maintain leave records, encashment and transfer details of employees;
- l. Provide clarification on BCSR to other employees whenever necessary;
- m. Maintain personal files of the officials along with their records and details;
- n. Help in issuing online audit clearance certificate to the officials;
- o. The HRO is the Member Secretary for the Thromde Human Resource Committee
- p. Prepare and compile agenda for the meeting;
- q. Provide timely information to HRC members on HRC meeting and keep minutes of the meeting;

- r. Carry out activities as per provisions of the BCSR 2012 & CSAB 2012. (recruitment, selection, appointment, promotions, transfer, induction, training, leave, review and approve/recommend civil servant opting for ERS);
- s. Prepare, review and recommend organizational structure, staffing pattern and strength, HRD plan in consultation with other division/section heads; and
- t. Coordinate and facilitate the CSIS database as and when required.

### **Finance Services**

- a. Assist the Thromde Administration in budgeting, planning and maintaining proper accounts for the various developmental activities;
- b. Co-ordinate and monitor implementation of financial transaction through proper maintenance of financial records;
- c. Review annual approved budgets periodically;
- d. Ensure that remittances have been deposited into the proper government accounts;
- e. Implement the financial rules and regulations and guide counterparts and assistants in prompt and efficient performance of their tasks;
- f. Verify and compile monthly accounts and other financial reports;
- g. Ensure timely deposit of statutory deductions and loans on behalf of the employees;
- h. Inspect periodically of accounting units to sort out accounting related problems;
- i. Process/recheck Last Pay Certificate and Gratuity cases after thorough review;
- j. Timely payment of suppliers/contractors' invoices;
- k. Timely payments to staff in respect of payroll and PF;
- l. Account other sponsored projects/deposit works;
- m. Recommend procurement process based on availability of the budget;
- n. Verify availability of travel budget on the TA Form prior to actual travel; and
- o. Management of revenue collection, issue of receipts and revenue accounting.

### **ICT & GIS Services**

- a. Design and maintain physical network architecture and infrastructure;
- b. Ensure the stable operation of the in-house computer network – this includes planning, developing, installing, configuring, maintaining, supporting and optimizing all network hardware, software and communication links;
- c. Develop and implement network system and user security requirements;
- d. Analyze network workload, monitoring performance and diagnosing problems;
- e. Manage bandwidth, shape traffic and filter content;
- f. Evaluate the productivity implications of upgraded servers and analyze the computer and information needs of the organization;
- g. Work with application development staff to develop database architectures, coding standards, and quality assurance policies and procedures;
- h. Create models for new database development and/or changes to existing ones;
- i. Monitor database system details within the database, including stored procedures and execution time, and implement efficiency improvements;
- j. Design and implement redundant systems, policies, and procedures for disaster recovery and data archiving to ensure effective protection and integrity of data assets;
- k. Develop, implement, and maintain change control and testing processes for modifications to databases;

- l. Build the operations end of the organization's website and keep them functioning smoothly;
- m. Design, build and implement new web pages and sites;
- n. Coordinate the planning, maintenance and accessibility of the website content in a way that ensures consistency of the website's look and feel;
- o. Perform day-to-day administration of the organization's web;
- p. Upgrade as and when required;
- q. Ensure any system developed for Thromde office is functioning well;
- r. Conduct user training for the relevant staff of the Thromde office to ensure that the systems are used effectively;
- s. Coordinate Geo-ICT activities;
- t. Collect field data using GPS and convert/process/edit into GIS formats;
- u. Reengineer survey data;
- v. Collect socio-economic data for planning purpose;
- w. Build and maintain geo-database;
- x. Interpret aerial and satellite images and geo-position them with existing data;
- y. Develop urban GIS applications and internet GIS for the Thromde;
- z. Process photogrammetric satellite images;
- aa. Construct 3D landscape for data analyses and visualization;
- bb. Generate DTM;
- cc. Map and manage infrastructure mapping; and
- dd. Represent Thromde in national GIS coordination meetings.

### **Legal Services**

- a. Render legal services to the Thromde Administration, Divisions and sections with respect to questions, regulations, practices, or other issues falling within legal domain on the instruction of the Thromde;
- b. Assist the Thromde administration to draft delegated legislations or by-laws;
- c. Advice Thromde administration, Thromde Tshogde and other offices under Thromde offices on legal matters on the instruction of the Dzongkhag;
- d. Disseminate information laws to Thromde to create legal awareness in consultation with or on advice of Thromde Administration or the Office of the Attorney General;
- e. Represent Thromde in courts for prosecution when necessary on behalf of Thromde; and
- f. Be a legal advisor to the investigation team or committee as may be necessary.

### **Policy and Planning Services**

Policy and Planning services is the policy arm of the Gelephu Thromde. It is responsible for assisting the Thromdes in developing policies and plans in the areas of development. It is the focal institution for information and has broad roles and responsibilities as follows:

- a. Policy and Planning section is responsible to deal with agencies of the government including Gross National Happiness Commissions, and Ministry of Works and Human Settlement;
- b. Policy and Planning section is the policy coordination institution for the Thromde;
- c. It assists divisions and section to execute their specific mandates;
- d. Research and publications; and
- e. Performance Reporting.

## **Education Services**

Education Services has wide range of executive responsibilities for managing various administrative and professional functions. The TEO advises Executive Secretary/Thrompon on matters related to the development of education under Thromde and are the representative of the Ministry of Education in the Thromde. Key Functions include:

- a. Provide professional supervision, guidance and support to the teachers/principles in the Thromde;
- b. Organize INSET programmes in the Thromde;
- c. Carry out monitoring of all educational programs and also provide support wherever necessary;
- d. Review the status/quality of the education in the Thromde;
- e. Monitor and evaluate performance of schools/staff, and make recommendation for promotions, training, retirements, etc.;
- f. Prepare the Education Plans for the Thromde;
- g. Implement Educational plans and policies;
- h. Coordinate both national and intra-Thromde Educational Programme for the promotion of Wholesome Education;
- i. Ensure provision for equitable distribution of educational facilities within the Thromde/communities; and
- j. Prepare annual budget for education programs in the Thromde.

### **2.5.2. Engineering Division**

Engineering divisions is entrusted with the following activities:

- a. Coordinate the preparation of bidding documents, evaluation of technical bids and finalize award of works;
- b. Supervise construction works and carry out final inspection of contract works including preparation of final reports;
- c. Maintain quality and cost effectiveness of infrastructures;
- d. Participate in Traffic related issues to facilitate consultation with relevant stakeholders such as RBP (Traffic), RSTA, Department of Roads, Bhutan Post, etc.;
- e. Operate and manage Parking contract;
- f. Operate and maintain water supply system, sewerage system, streetlights, footpaths, school buildings;
- g. Scrutinize water supply, sewerage and electrical drawings for new constructions;
- h. Monitor water billing and recommend for revision of tariff;
- i. Handle general correspondence works of the Division;
- j. Coordinate in-country trainings of sub-ordinate staff; and
- k. Provide necessary support to the donor assisted projects.

The Engineering division executes the mandates through four divisions.

## **Electrical Section**

- a. Execute all installation and maintenance of street lightings and other electrical works;
- b. Provide technical guidance to subordinate staff;
- c. Prepare detail designs, drawings and estimates for street lightings and other electrical works using standards, codes, guidelines, etc.;
- d. Prepare annual work plans, budget and progress reports for the section;
- e. Prepare bidding documents, bid evaluation and floating of tenders in line with Procurement Rules and Regulations;
- f. Process for technical, administrative and financial sanction for the proposed projects;
- g. Carry out and monitor physical implementation to ensure quality and control supervision of the projects;
- h. Process approvals for extra items, deviation and cost escalation in contracts;
- i. Prepare Rate Analysis, Cost Index, etc.;
- j. Review and scrutinize work planning schedules submitted by contractors;
- k. Carry out physical verification of the works to ensure that the construction activities are as per drawings and specifications;
- l. Supervise, monitor construction works and carry out final inspection of contract works including preparation of final reports;
- m. Verify bills and record in measurement books;
- n. Maintain site order book, hindrance register, Materials at site account register, operation of Muster Rolls, etc.;
- o. Assist DCD in scrutinizing electrical drawings for building construction as per standard rules and specifications;
- p. Provide temporary electrical supply to sports ground, social, religious events, etc.;
- q. Coordinate with BPC for connection of electrical service lines at work site;
- r. Inspect and maintenance of control panel boards of water pump house; and
- s. Attend the public complaints related to electrical works.

### **Construction and Maintenance Section**

- a. Execute all civil construction/maintenance works that are not covered under any other sections including school construction activities;
- b. Provide technical guidance to subordinate staff;
- c. Prepare detail designs, drawings and estimates for civil construction and maintenance works including school construction activities using the engineering standards, codes, guidelines, etc.;
- d. Prepare annual work plans, budget and progress reports for the section;
- e. Prepare bidding documents, bid evaluation and floating of tenders in line with Procurement Rules and Regulations;
- f. Process for technical, administrative and financial sanction for the proposed projects;
- g. Carry out and monitor physical implementation to ensure quality and control supervision of the projects;
- h. Process approvals for extra items, deviation and cost escalation in contracts;
- i. Prepare Rate Analysis, Cost Index, etc.;
- j. Review and scrutinize work planning schedules submitted by contractors;
- k. Carry out physical verification of the works to ensure that the construction activities are as per drawings and specifications;

- l. Supervise, monitor construction works and carry out final inspection of contract works including preparation of final reports;
- m. Verify bills and record in measurement books; and
- n. Maintain site order book, hindrance register, Materials at site account register, operation of Muster Rolls, etc.

### **Sewerage Section**

- a. Execute all sewerage works;
- b. Provide technical guidance to subordinate staff;
- c. Prepare detail designs, drawings and estimates for construction and maintenance of works like storm water drains, public toilets, sewerage network, sewerage treatment plant using the engineering standards, codes, guidelines, etc.;
- d. Prepare annual work plans, budget and progress reports for the section;
- e. Prepare bidding documents, bid evaluation and floating of tenders in line with Procurement Rules and Regulations;
- f. Process for technical, administrative and financial sanction for the proposed projects;
- g. Carry out and monitor physical implementation to ensure quality and control supervision of the projects;
- h. Process approvals for extra items, deviation and cost escalation in contracts;
- i. Prepare Rate Analysis, Cost Index, etc.;
- j. Review and scrutinize work planning schedules submitted by contractors;
- k. Carry out physical verification of the works to ensure that the construction activities are as per drawings and specifications;
- l. Supervise, monitor construction works and carry out final inspection of contract works including preparation of final reports;
- m. Verify bills and record in measurement books;
- n. Maintain site order book, hindrance register, Materials at site account register, operation of Muster Rolls, etc.; and
- o. Carry out any other tasks assigned by the Division.

### **Water Supply Section**

- a. Execute all water supply works
- b. Provide new water connections with water meters based on clearance from DCD
- c. Attend water related complains and rectify the problems
- d. Inspect and clean the water source, reservoirs, distribution network, replace defective water meters and rectify any blockages and leakages along the pipeline
- e. Check the chlorination system and carry out the water quality test periodically in coordination with the hospital
- f. Provide technical guidance to subordinate staff
- g. Prepare detail designs, drawings and estimates for construction and maintenance of water supply related works using the engineering standards, codes, guidelines etc.
- h. Prepare annual work plans, budget and progress reports for the section
- i. Prepare bidding documents, bid evaluation and floating of tenders in line with Procurement Rules and Regulations
- j. Process for technical, administrative and financial sanction for the proposed projects

- k. Carry out and monitor physical implementation to ensure quality and control supervision of the projects
- l. Process approvals for extra items, deviation and cost escalation in contracts
- m. Prepare Rate Analysis, Cost Index etc.
- n. Review and scrutinize work planning schedules submitted by contractors
- o. Carry out physical verification of the works to ensure that the construction activities are as per drawings and specifications
- p. Supervise, monitor construction works and carry out final inspection of contract works including preparation of final reports
- q. Verify bills and record in measurement books
- r. Maintain site order book, hindrance register, Materials at site account register, operation of Muster Rolls, etc.

### **2.5.3. Development Control Division**

The Development control division is established to carry out the following functions:

- a. Promote planned development and appropriate land use, control of squatter and illegal settlements and regulation of commercial activities;
- b. Approve building drawings in accordance with codes, standards, laws and rules;
- c. Ensure the urban planning and development are carried out in a manner which is consistent with national development policies;
- d. Issue and renew occupancy at periodic intervals to ensure compliance to safety and other regulations;
- e. Administer DCR including regulation related to minimum plot size within Thromdes;

There are three sections under the division and the overall functions are executed.

#### **Architectural Section**

- a. Scrutinize and approve architectural designs and drawings to ensure proposed ground coverage, FAR, building height, setbacks etc. are as per the provision of the DCR, circular & building rules and any other building bye-laws and standards
- b. Check the proposed designs have incorporated the Traditional Architectural values and features and ensure overall designs does not deteriorate the aesthetic of the town
- c. Verify the architectural designs in terms of standard space requirement, space layout and forward the drawing for scrutiny of technical proposals
- d. Coordinate with structural section and other utility section to compile technical sanctions and process for building permit
- e. Prepare architectural designs & Drawing as per the prevailing rules and regulation for the in-house design projects
- f. Coordinate design consultancy works
- g. Verify and report on change in land use, building use and major deviations
- h. Verify the location of proposed entertainment activities as prescribed in the DCR and coordinate with the technical team for inspection
- i. Verify completed construction activities for issue of occupancy

#### **Structural Section**

- a. Scrutinize and approve structural designs & drawings of the developmental proposals as per the prevailing standards and codes
- b. Examine structures at risk of collapse and advise how to improve their structural integrity and recommend removal or repair of defective parts or rebuild the entire structure.
- c. Carry out structural designs and drawing for in house project and advise on the structural shortcoming to architect on the proposed designs
- d. Advise and recommend on the right kind of construction materials required for the construction considering the material property and strength
- e. Advise building inspectors on the matter of structural rectification, deviations and alteration

### **Development Control Section**

- a. Inspect and monitor construction sites to ensure adherence to safety standards, building codes, and other specifications
- b. Measure dimensions and verify levels, alignment, and elevation of structures and fixtures to ensure compliance to approved development/construction drawings
- c. Issue violation notices, stop-work orders and service disconnection orders to defaulters
- d. Issue approved development/construction permits for construction, relocation, demolition and occupancy upon drawing of necessary undertaking agreement with the builders
- e. Issue work commencement certificate and inspect the position and depth of foundation footings, and other structural members before the concreting and issue work progress certificate
- f. Identify the site for disposal of excess excavated earth from the construction site after consultation with the Environment Section
- g. Coordinate the technical team to inspect the conformity to approved building drawings for issue of occupancy certificate
- h. Oversee and safeguard the government land encroachment brought about by construction of unauthorized structures
- i. Verify and approve minor proposals wherein structural analysis and overall aesthetic alteration is not involved
- j. Inspect the illegal/un-authorized constructions and process for rectification including liability of fees and charges for deviation
- k. Ensure builders and owners have put in place safety measure at construction site and manpower requirements are as per the building rules
- l. Render help to the builders/owners in the understanding the building rules, regulation, acts, etc.
- m. Assist architects, planners, surveyors, engineers in terms of providing factual data of the site
- n. Coordinate pre-site visit to report on the feasibility of the proposed site for construction

### **2.5.4. Urban Planning Division**

The urban planning division executes its functions through the following sections:

### **Urban Planning Section**

- a. Assist in the preparation of UDP
- b. Collection of socio-economic data to be used in outlining of development strategies
- c. Produce Local Area Plans (LAP) based on UDP through planning techniques such as land pooling, land readjustment or guided land development
- d. Prepare Plan with the aid of GIS and other statistical information collected
- e. Prepare UDP, DCR and associated rules
- f. Implement land pooling rules
- g. Prepare action area plans
- h. Public consultation
- i. Issue of site plans to landowners (private, government & others)
- j. Support donor assisted projects
- k. Prepare the Survey and Demarcation plan

### **Land Records Section**

- a. Maintain, archive land records daily and verify the records for every kind of works
- b. Provide necessary land information and preparation of reports for submission to the higher authorities
- c. Liaise with NLCS, Office of Gyalpoi Zimpon, and other agencies
- d. Resolve excess and deficit land issue based on Thram record and cadastral map
- e. Process private land acquisition as per the directives of the government/Thromde Tshogde
- f. Process land conveyance
- g. Process land acquisition, substitute land, compensation, allotment and lease
- h. Issue provisional ownership certificate
- i. Noting of charges and lien against the mortgage land
- j. Correspondence and note sheets preparation regarding land related issues with various government agencies and land/property owners
- k. Verify excess/deficit land cases and submit findings
- l. Site verifications and clarify doubts of land owners while making changes
- m. Verify miscellaneous land cases
- n. Coordinate land acquisition committee as per the Land Act 2007
- o. Facilitate land records information to revenue section
- p. Maintain property register of Thromde

### **Survey Section**

- a. Coordinate and lead a team for any nature of survey.
- b. Conduct detail field planning; planning in respect of map and ground. Reconnaissance for geophysical survey, geodetic, topographic, levelling, model control, cadastral control and survey operations.
- c. Supervise and check the quality and accuracy of work.
- d. Update existing maps and issuance of official site plans.
- e. Resolve technical and ground issues.
- f. Validate and justify the ground truth of excess and deficit land issues in Local Area Plan
- g. Generate accurate topographical map to respective divisions for planning and designing.

- h. Instruct and supervise minor maintenance of survey instruments by proper handling and calibration.
- i. Determine the specifications and placements of permanent stations for the future survey reference.
- j. Provide technical advice related to surveying and mapping
- k. Any other task assigned by the head of division

### **2.5.5.Environmental Division**

- a. Solid waste collection and disposal
- b. Operation and maintenance of Parks
- c. Construction, operation and maintenance of storm water drainages
- d. Maintenance of streets and roads
- e. Control of stray cattle
- f. Control of hawkers
- g. City Beautification
- h. Issuance of Environment Clearances for developmental activities
- i. Plantation and trimming of unwanted trees
- j. Disposal of construction debris

### **2.6. Samdrup Jongkhar Thromde**

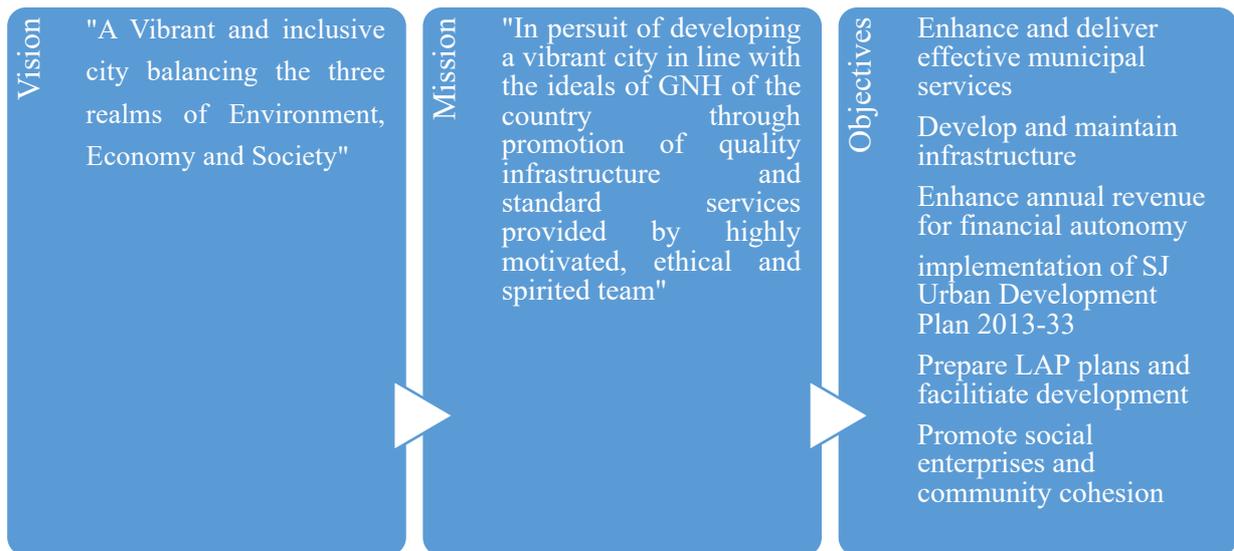
Samdrup Jongkhar Thromde was approved as one of the four Class A Thromdes by the Parliament in August 2010. The Thromde area extends from Samdrup Jongkhar main gate till Dewathang town which is 18 KMS uphill with connecting road in between. Samdrup Jongkhar Thromde comprise six constituencies viz. Toe Demkhong, Bar Demkhong, Maed Demkhong, Kipse Demkhong, Bangtsho Demkhong, and Samdrup Gatshel Demkhong.

Thromde administration is currently staffed by 48 civil servants, 10 ESP, 2 GSP and 4 contract staff under ADB and 1 under environment section and 1 under engineering division.

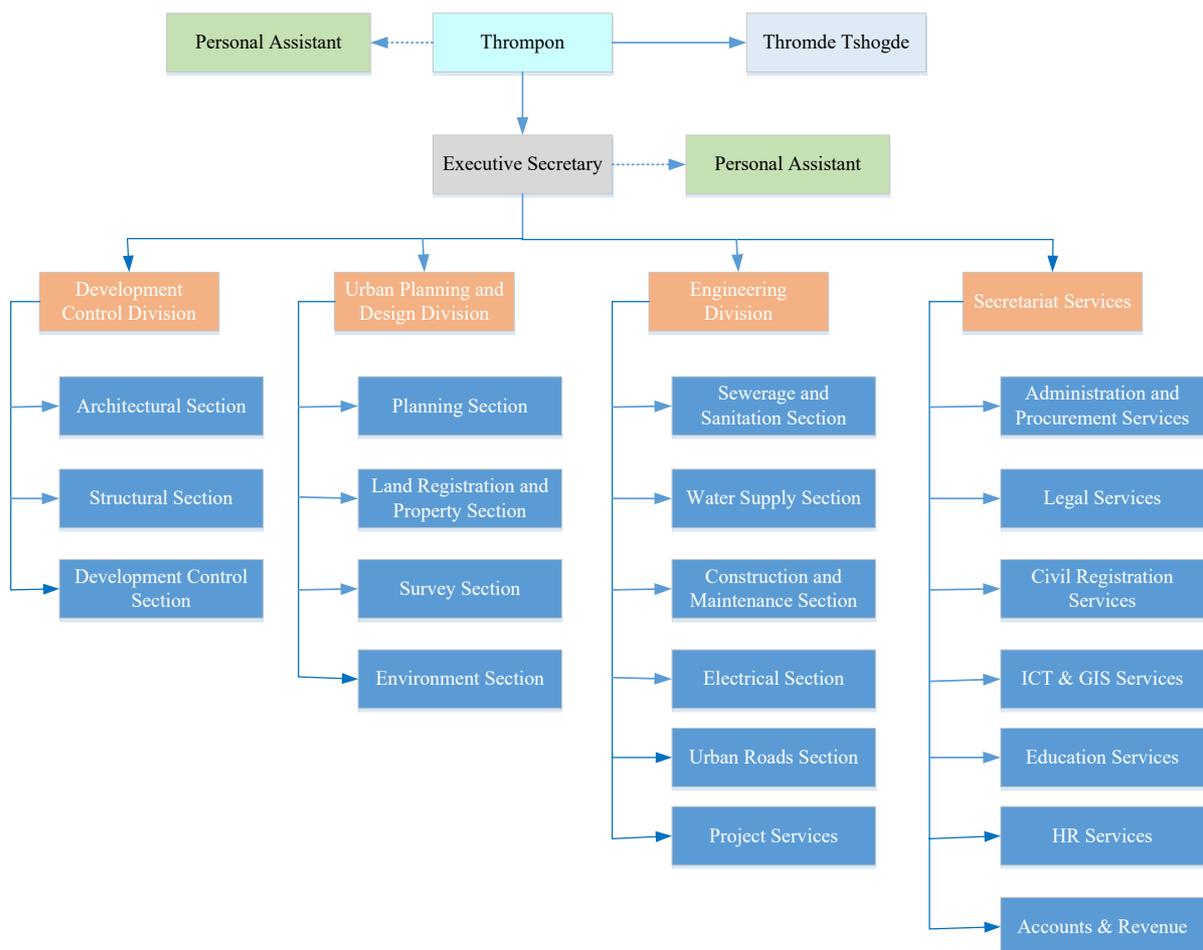
Strategic direction of Samdrup Jongkhar Thromde:

***“In keeping with the Eleventh Plan objective of self-reliance and inclusive Green Socio-Economic Development, Samdrup Jongkhar Thromde will aim to develop an economically vibrant, ecological sustainable and energy efficient town a ‘Clean, Green and Livable Town.’”***

The vision, mission and objectives of Samdrup Jongkhar Thromde administration is as follows:



Samdrup Jongkhar Thromde operation is supported with functional structure as depicted below.



Samdrup Jongkhar Thromde provides services to the city residents through the organization structure depicted above and the functional divisions and section explained below.

### **2.6.1. Development Control Division**

The objectives of Development Control Division is to ensure all the development activities within the Thromde Jurisdiction to comply with the requirement of Structure Plan, Building rules and regulations, guidelines, and circulars notifications for provision of safe and comfortable living environment without compromising on traditional architectural values.

DCD executes the functions through the following sections:

#### **Architectural Section**

The function of the architectural section shall include but not limited to following activities:

- a. Scrutinize and approve architectural designs and drawings to ensure proposed ground coverage, FAR, building height, setbacks etc. are as per the provision of the DCR, circular & building rules and any other building bye-laws and standards
- b. Check the proposed designs have incorporated the Traditional Architectural values and features and ensure overall designs does not deteriorate the aesthetic of the town
- c. Verify the architectural designs in terms of standard space requirement, space layout and forward the drawing for scrutiny of technical proposals
- d. Coordinate with structural section and other utility section to compile technical sanctions and process for building permit
- e. Prepare architectural designs & Drawing as per the prevailing rules and regulation for the in-house design projects
- f. Coordinate design consultancy works
- g. Verify and report on change in land use, building use and major deviations
- h. Verify the location of proposed entertainment activities as prescribed in the DCR and coordinate with the technical team for inspection
- i. Verify completed construction activities for issue of occupancy

#### **Structural section**

The function of the structural section shall include but not limited to following activities:

- a. Scrutinize and approve structural designs & drawings of the developmental proposals as per the prevailing standards and codes
- b. Examine structures at risk of collapse and advise how to improve their structural integrity and recommend removal or repair of defective parts or rebuild the entire structure
- c. Carry out structural designs and drawing for in house project and advise on the structural shortcoming to architect on the proposed designs
- d. Advise and recommend on the right kind of construction materials required for the construction considering the material property and strength
- e. Advise building inspectors on the matter of structural rectification, deviations and alteration

## **Development Control Section**

The Development control section is required to carry out but not limited to following activities:

- a. Inspect and monitor construction sites to ensure adherence to safety standards, building codes, and other specifications.
- b. Measure dimensions and verify levels, alignment, and elevation of structures and fixtures to ensure compliance to approved development/construction drawings.
- c. Issue violation notices, stop-work orders and service disconnection orders to defaulters.
- d. Issue approved development/construction permits for construction, relocation, demolition and occupancy upon drawing of necessary undertaking agreement with the builders.
- e. Issue work commencement certificate and inspect the position and depth of foundation footings, and other structural members before the concreting and issue work progress certificate.
- f. Identify the site for disposal of excess excavated earth from the construction site after consultation with the Environment Section.
- g. Coordinate the technical team to inspect the conformity to approved building drawings for issue of occupancy certificate.
- h. Oversee and safeguard the government land encroachment brought about by construction of unauthorized structures.
- i. Verify and approve minor proposals wherein structural analysis and overall aesthetic alteration is not involved.
- j. Inspect the illegal/un-authorized constructions and process for rectification including liability of fees and charges for deviation.
- k. Ensure builders and owners have put in place safety measure at construction site and manpower requirements are as per the building rules.
- l. Render help to the builders/owners in the understanding the building rules, regulation, acts, etc.
- m. Assist architects, planners, surveyors, engineers in terms of providing factual data of the site.
- n. Coordinate pre-site visit to report on the feasibility of the proposed site for construction.

### **2.6.2. Urban Planning and Design Division**

The purpose of UPDD is:

- a. Formulate local area plans and priorities in respect of the Dzongkhag Thromde and submit to the Thromde Tshogde for approval
- b. Promote planned development and appropriate land use, control of squatter and illegal settlements and regulations of commercial activities
- c. Ensure that urban planning and development are carried out in a manner which is consistent with the national urban development policies
- d. Carry out preparation of structure plans including land use plans within the Thromde areas and recommend their approval to the Ministry for urban development
- e. Carry out land pooling scheme or any other appropriate planning techniques and prepare local area plan within the jurisdiction of the Thromde;

UPDD implements the activities through the following sections:

### **Planning Section**

- a. Assist in the preparation of UDP
- b. Collection of socio-economic data to be used in outlining of development strategies
- c. Produce Local Area Plans (LAP) based on UDP through planning techniques such as land pooling, land readjustment or guided land development
- d. Prepare Plan with the aid of GIS and other statistical information collected
- e. Prepare UDP, DCR and associated rules
- f. Implement land pooling rules
- g. Prepare action area plans
- h. Public consultation
- i. Issue of site plans to landowners (private, government & others)
- j. Support donor assisted projects.
- k. Prepare the Survey and Demarcation plan.

### **Land Administration and Property Section**

- a. Maintain, archive land records daily and verify the records for every kind of works
- b. Provide necessary land information and preparation of reports for submission to the higher authorities
- c. Liaise with NLCS, Office of Gyalpoi Zimpon, and other agencies
- d. Resolve excess and deficit land issue based on Thram record and cadastral map
- e. Process private land acquisition as per the directives of the government/Thromde Tshogde
- f. Process land conveyance
- g. Process land acquisition, substitute land, compensation, allotment and lease
- h. Issue provisional ownership certificate
- i. Noting of charges and lien against the mortgage land
- j. Correspondence and note sheets preparation regarding land related issues with various government agencies and land/property owners
- k. Verify excess/deficit land cases and submit findings
- l. Site verifications and clarify doubts of land owners while making changes
- m. Verify miscellaneous land cases
- n. Coordinate land acquisition committee as per the land act 2007
- o. Facilitate land records information to revenue section
- p. Maintain property register of Thromde

### **Survey Section**

- a. Coordinate and lead a team for any nature of survey
- b. Conduct detail field planning; planning in respect of map and ground. Reconnaissance for geophysical survey, geodetic, topographic, levelling, model control, cadastral control and survey operations
- c. Supervise and check the quality and accuracy of work
- d. Update existing maps and issuance of official site plans
- e. Resolve technical and ground issues

- f. Validate and justify the ground truth of excess and deficit land issues in Local Area Plan
- g. Generate accurate topographical map to respective divisions for planning and designing
- h. Instruct and supervise minor maintenance of survey instruments by proper handling and calibration
- i. Determine the specifications and placements of permanent stations for the future survey reference
- j. Provide technical advice related to surveying and mapping

### **Environment Section**

- a. Solid waste collection and disposal
- b. Operation and maintenance of Parks
- c. Construction, operation and maintenance of storm water drainages
- d. Maintenance of streets and roads
- e. Control of stray cattle
- f. Control of hawkers
- g. City Beautification
- h. Issuance of Environment Clearances for developmental activities
- i. Plantation and trimming of unwanted trees
- j. Disposal of construction debris

### **2.6.3. Engineering Division**

The purpose of engineering/infrastructure division is to fulfill the obligations as laid down in the Local Government Act of Bhutan – 2009 under Section 273 – Clause b, d, e, f, j, k and m is required to carry out urban infrastructure development for betterment of the urban residents considering the situation of rapid urbanization. The Division is primarily responsible for construction and maintenance of all urban infrastructures in line with the approved structure plan and local area plans within the Thromde jurisdiction.

Engineering division executes the mandated function through the following sections:

### **Sewerage and Sanitation Section**

- a. Execute all sewerage works
- b. Provide technical guidance to subordinate staff
- c. Prepare detail designs, drawings and estimates for construction and maintenance of works like storm water drains, public toilets, sewerage network, sewerage treatment plant using the engineering standards, codes, guidelines, etc.
- d. Prepare annual work plans, budget and progress reports for the section
- e. Prepare bidding documents, bid evaluation and floating of tenders in line with Procurement Rules and Regulations
- f. Process for technical, administrative and financial sanction for the proposed projects
- g. Carry out and monitor physical implementation to ensure quality and control supervision of the projects
- h. Process approvals for extra items, deviation and cost escalation in contracts
- i. Prepare Rate Analysis, Cost Index, etc.

- j. Review and scrutinize work planning schedules submitted by contractors
- k. Carry out physical verification of the works to ensure that the construction activities are as per drawings and specifications
- l. Supervise, monitor construction works and carry out final inspection of contract works including preparation of final reports
- m. Verify bills and record in measurement books
- n. Maintain site order book, hindrance register, Materials at site account register, operation of Muster Rolls, etc.

### **Water Supply Section**

- a. Execute all water supply works
- b. Provide new water connections with water meters based on clearance from DCD
- c. Attend water related complains and rectify the problems
- d. Inspect and clean the water source, reservoirs, distribution network, replace defective water meters and rectify any blockages and leakages along the pipeline
- e. Check the chlorination system and carry out the water quality test periodically in coordination with the hospital
- f. Provide technical guidance to subordinate staff
- g. Prepare detail designs, drawings and estimates for construction and maintenance of water supply related works using the engineering standards, codes, guidelines etc.
- h. Prepare annual work plans, budget and progress reports for the section
- i. Prepare bidding documents, bid evaluation and floating of tenders in line with Procurement Rules and Regulations
- j. Process for technical, administrative and financial sanction for the proposed projects.
- k. Carry out and monitor physical implementation to ensure quality and control supervision of the projects
- l. Process approvals for extra items, deviation and cost escalation in contracts
- m. Prepare Rate Analysis, Cost Index, etc.
- n. Review and scrutinize work planning schedules submitted by contractors
- o. Carry out physical verification of the works to ensure that the construction activities are as per drawings and specifications
- p. Supervise, monitor construction works and carry out final inspection of contract works including preparation of final reports
- q. Verify bills and record in measurement books
- r. Maintain site order book, hindrance register, Materials at site account register, operation of Muster Rolls etc.

### **Construction and Maintenance**

- a. Execute all civil construction/maintenance works that are not covered under any other sections including school construction activities
- b. Provide technical guidance to subordinate staff
- c. Prepare detail designs, drawings and estimates for civil construction and maintenance works including school construction activities using the engineering standards, codes, guidelines, etc.
- d. Prepare annual work plans, budget and progress reports for the section

- e. Prepare bidding documents, bid evaluation and floating of tenders in line with Procurement Rules and Regulations
- f. Process for technical, administrative and financial sanction for the proposed projects
- g. Carry out and monitor physical implementation to ensure quality and control supervision of the projects
- h. Process approvals for extra items, deviation and cost escalation in contracts
- i. Prepare Rate Analysis, Cost Index etc.
- j. Review and scrutinize work planning schedules submitted by contractors
- k. Carry out physical verification of the works to ensure that the construction activities are as per drawings and specifications
- l. Supervise, monitor construction works and carry out final inspection of contract works including preparation of final reports
- m. Verify bills and record in measurement books
- n. Maintain site order book, hindrance register, Materials at site account register, operation of Muster Rolls, etc.

### **Electrical Section**

- a. Execute all installation and maintenance of street lightings and other electrical works.
- b. Provide technical guidance to subordinate staff
- c. Prepare detail designs, drawings and estimates for street lightings and other electrical works using standards, codes, guidelines, etc.
- d. Prepare annual work plans, budget and progress reports for the section
- e. Prepare bidding documents, bid evaluation and floating of tenders in line with Procurement Rules and Regulations
- f. Process for technical, administrative and financial sanction for the proposed projects
- g. Carry out and monitor physical implementation to ensure quality and control supervision of the projects
- h. Process approvals for extra items, deviation and cost escalation in contracts
- i. Prepare Rate Analysis, Cost Index, etc.
- j. Review and scrutinize work planning schedules submitted by contractors.
- k. Carry out physical verification of the works to ensure that the construction activities are as per drawings and specifications
- l. Supervise, monitor construction works and carry out final inspection of contract works including preparation of final reports
- m. Verify bills and record in measurement books
- n. Maintain site order book, hindrance register, Materials at site account register, operation of Muster Rolls, etc.
- o. Assist DCD in scrutinizing electrical drawings for building construction as per standard rules and specifications
- p. Provide temporary electrical supply to sports ground, social, religious events, etc.
- q. Coordinate with BPC for connection of electrical service lines at work site
- r. Inspect and maintenance of control panel boards of water pump house
- s. Attend the public complaints related to electrical works

### **Urban Roads**

- a. Execute the construction/maintenance of urban roads
- b. Provide technical guidance to subordinate staff
- c. Prepare detail designs, drawings and estimates for urban roads using standards, codes, guidelines, etc.
- d. Prepare annual work plans, budget and progress reports for the section
- e. Prepare bidding documents, bid evaluation and floating of tenders in line with Procurement Rules and Regulations
- f. Process for technical, administrative and financial sanction for the proposed projects
- g. Carry out and monitor physical implementation to ensure quality and control supervision of the projects
- h. Process approvals for extra items, deviation and cost escalation in contracts
- i. Prepare Rate Analysis, Cost Index, etc.
- j. Review and scrutinize work planning schedules submitted by contractors
- k. Carry out physical verification of the works to ensure that the construction activities are as per drawings and specifications
- l. Supervise, monitor construction works and carry out final inspection of contract works including preparation of final reports
- m. Verify bills and making entry into measurement books
- n. Maintain site order book, hindrance register, Materials at site account register, operation of Muster Rolls, etc.
- o. Mobilize machinery in the case of natural disasters and other damages inflicted to roads and structures

### **Project Services**

- a. Execute water supply distribution network under the Asian Development Bank (ADB): Water Supply Rehabilitation Project BHU-2816
- b. Carry out day-to-day operations of project construction and management of the project
- c. Prepare detailed design and contract documentation
- d. Call tenders and award contracts
- e. Prepare budgets to ensure necessary funds are available on time to meet contractual requirements
- f. Supervise and monitor contracts
- g. Certify the progress claims and payment of contractors
- h. Ensure quality control of works
- i. Prepare progress reports for the PMU and contract administration
- j. Liaise and coordinate with other officials from outside the organization viz: MoWHS, PMU, Donor Agencies, Consulting firm etc. and provide necessary support for the interest of the project

### **2.6.4. Secretariat Services**

The secretariat services comprise of offices for general administration of the Thromde with the following service sections:

#### **Administration and Procurement Services**

- a. Carry out administration and procurement activities.

- b. Provide services related to advertisement, notification and felicitations in uniform manner to the media.
- c. Assist in maintaining liaison and communications regarding administrative matters within the organization and with other relevant organizations directed by the Head of Administration.
- d. Coordinate meetings of the Thromde Administration and their follow up actions.
- e. Manage the Thromde vehicles.
- f. Monitor and ensure the asset declaration of officials.
- g. Quality assurance of supplied or procured goods.
- h. Procure and manage office equipment and other goods including (chadi items) as per the prevailing rules and regulations.
- i. Any other ad-hoc activities instructed by the management.
- j. Coordinate and follow up reports from the relevant Divisions/Sections and submit to the Ministry.
- k. Office cleanliness and security
- l. Function as the Member Secretary of the Thromde Management Committee.

### **Legal Services**

- a. Render legal services to the Thromde Administration, Divisions and sections with respect to questions, regulations, practices, or other issues falling within legal domain on the instruction of the Thromde
- b. Assist the Thromde administration to draft delegated legislations or by-laws
- c. Advice Thromde administration, Thromde Tshogde and other offices under Thromde offices on legal matters on the instruction of the Dzongkhag
- d. Disseminate information laws to Thromde to create legal awareness in consultation with or on advice of Thromde Administration or the Office of the Attorney General
- e. Represent Thromde in courts for prosecution when necessary on behalf of Thromde
- f. Be a legal advisor to the investigation team or committee as may be necessary

### **Civil Registration Services**

- a. Recording of birth and deaths
- b. Issuance of documents related to citizenships records
- c. Liaise with Department of Civil Registration and Census, Ministry of Home and Cultural Affairs for activities related to civil registrations and census
- d. Conducting population survey and registering/recording census of Thromde residents

### **ICT & GIS Services**

- a. Design and maintain physical network architecture and infrastructure
- b. Ensure the stable operation of the in-house computer network. This includes planning, developing, installing, configuring, maintaining, supporting and optimizing all network hardware, software and communication links.
- c. Develop and implement network system and user security requirements
- d. Analyze network workload, monitoring performance and diagnosing problems
- e. Manage bandwidth, shape traffic and filter content
- f. Evaluate the productivity implications of upgraded servers and analyze the computer and information needs of the organization

- g. Work with application development staff to develop database architectures, coding standards, and quality assurance policies and procedures
- h. Create models for new database development and/or changes to existing ones
- i. Monitor database system details within the database, including stored procedures and execution time, and implement efficiency improvements
- j. Design and implement redundant systems, policies, and procedures for disaster recovery and data archiving to ensure effective protection and integrity of data assets
- k. Develop, implement, and maintain change control and testing processes for modifications to databases
- l. Build the operations end of the organization's website and keep them functioning smoothly
- m. Design, build and implement new web pages and sites
- n. Coordinate the planning, maintenance and accessibility of the website content in a way that ensures consistency of the website's look and feel
- o. Perform day-to-day administration of the organization's web
- p. Upgrade as and when required
- q. Ensure any system developed for Thromde office is functioning well
- r. Conduct user training for the relevant staff of the Thromde office to ensure that the systems are used effectively
- s. Coordinate Geo-ICT activities
- t. Collect field data using GPS and convert/process/edit into GIS formats
- u. Reengineer survey data
- v. Collect socio-economic data for planning purpose
- w. Build and maintain geo-database
- x. Interpret aerial and satellite images and geo-position them with existing data
- y. Develop urban GIS applications and internet GIS for the Thromde
- z. Process photogrammetric satellite images
- aa. Construct 3D landscape for data analyses and visualization
- bb. Generate DTM
- cc. Map and manage infrastructure mapping
- dd. Represent Thromde in national GIS coordination meetings.

### **Education Services**

Education Services has wide range of executive responsibilities for managing various administrative and professional functions. The TEO advises Executive Secretary/Thrompon on matters related to the development of education under Thromde and are the representative of the Ministry of Education in the Thromde. Key Functions include:

- a. Provide professional supervision, guidance and support to the teachers/principles in the Thromde
- b. Organize INSET programmes in the Thromde
- c. Carry out monitoring of all educational programs and also provide support wherever necessary
- d. Review the status/quality of the education in the Thromde
- e. Monitor and evaluate performance of schools/staff, and make recommendation for promotions, training, retirements, etc.
- f. Prepare the Education Plans for the Thromde
- g. Implement Educational plans and policies

- h. Coordinate both national and intra-Thromde Educational Programme for the promotion of Wholesome Education
- i. Ensure provision for equitable distribution of educational facilities within the Thromde/communities
- j. Prepare annual budget for education programs in the Thromde

### **HR Services**

- a. Assist and help implement HR initiatives in the areas of recruitment, organizational development, professional development and performance management
- b. Maintain and provide up to date information/statistics of available human resource and their employment
- c. Assist in organizing workshops/seminars/conferences related to human resource planning and employment
- d. Draft letter/correspondence related to HR activities
- e. Provide information on human resource and employment when required
- f. Assist in the counseling of job seekers on employment
- g. Assist in the recruitment of candidates for employment and trainings
- h. Review the performance evaluations of the employees and submit the reports to the immediate supervisor for perusal periodically
- i. Compile and coordinate meeting for annual performance review exercise
- j. Process recruitment, selection, training and other HR related activities for all civil servants of the organization
- k. Maintain leave records, encashment and transfer details of employees
- l. Provide clarification on BCSR to other employees whenever necessary
- m. Maintain personal files of the officials along with their records and details
- n. Help in issuing online audit clearance certificate to the officials
- o. The HRO is the Member Secretary for the Thromde Human Resource Committee
- p. Prepare and compile agenda for the meeting
- q. Provide timely information to HRC members on HRC meeting and keep minutes of the meeting
- r. Carry out activities as per provisions of the BCSR 2012 & CSAB 2012. (recruitment, selection, appointment, promotions, transfer, induction, training, leave, review and approve/recommend civil servant opting for ERS)
- s. Prepare, review and recommend organizational structure, staffing pattern and strength, HRD plan in consultation with other division/section heads
- t. Coordinate and facilitate the CSIS database as and when required

### **Account and Revenue Services**

- a. Assist the Thromde Administration in budgeting, planning and maintaining proper accounts for the various developmental activities
- b. Co-ordinate and monitor implementation of financial transaction through proper maintenance of financial records
- c. Review annual approved budgets periodically
- d. Ensure that remittances have been deposited into the proper government accounts
- e. Implement the financial rules and regulations and guide counterparts and assistants in prompt and efficient performance of their tasks
- f. Verify and compile monthly accounts and other financial reports
- g. Ensure timely deposit of statutory deductions and loans on behalf of the employees

- h. Inspect periodically of accounting units to sort out accounting related problems
- i. Process/recheck Last Pay Certificate and Gratuity cases after thorough review
- j. Timely payment of suppliers/contractors' invoices
- k. Timely payments to staff in respect of payroll and PF
- l. Account other sponsored projects/deposit works
- m. Recommend procurement process based on availability of the budget.
- n. Verify availability of travel budget on the TA Form prior to actual travel
- o. Any other task assigned by superiors
- p. Collect revenues, fees and charges from all relevant sources on time
- q. Collect and updates land tax, urban house tax and service charges and submit a copy to land record section
- r. Compute and collect the revenues based on data provided by the relevant divisions or sections
- s. Prepare revenue report for the fiscal year and submit to the higher authorities
- t. Prepare revenue forecast and reports
- u. Monitor collection of taxes, fees and issue demand notice to the taxpayers/defaulters.

### **3. Overview of Revenue Administration**

The major goal of any local government's revenue administration operation is to assess and collect what is owed. Improving the assessment and collection of taxes and other revenues, increasing the amount of fund available for investment by speeding collection. These goals and objectives, generally achieved through improvements in the efficiency of the collection process, are commonly sought after by local governments.

The benefits of efficient revenue administration include:

- a. An improved revenue flow,
- b. Improved cash management and more accurate cash forecasting ability,
- c. Consistent and equal treatment of taxpayers
- d. Greater budgetary control and ability to complete projects in timely fashion
- e. Improved creditworthiness
- f. Increased compliance with tax and revenue laws

The complexity of revenue administration is evident from the number of stakeholders involved and the number of processes involved in assessment and collection of revenue. Typical stakeholders include the revenue collection office, accounting office, other departments and divisions, banks, revenue collection centres/agents, and taxpayers. The revenue administration process will entail interaction with several stakeholders.

Revenue administration includes processes:

- a. Assessment of taxes, fees, and charges;
- b. Billing of taxes, fees and charges;
- c. Collection of revenues;
- d. Deposit of revenues;
- e. Compliance auditing;
- f. Evaluation of revenue administration procedures;
- g. Litigation involving delinquent revenues due;

- h. Accounting for revenue collection
- i. Information management

### Current Status and Challenges

With increasing urban population and rapid development of Thromdes as urban hubs, it has become necessary to devise ways towards achieving sustainable development of the Thromdes. While Thromdes get grants from the government, Thromdes are also required to explore opportunities to increase revenue and finance development activities. Current revenue administration is based on manual processes including manual record keeping. Some of the challenges faced by the Thromdes currently are:

- a. Lack of appropriate guidelines, reporting by the different revenue generating divisions and sections are not consolidated
- b. The Thromdes are not aware of the revenue performance as financial details are not complete and comparable
- c. Due to lack of coordination, reconciliation of revenue through different sources could not be done properly as was invariably delayed
- d. Collection Duration – October – December mostly, tax collection in advance is not practiced
- e. Delayed Payment -- have option to delay tax payment for three years with penalty. Need other incentives to ensure timely collection of taxes
- f. Other Practices – requirement to clear bushes and grass and obtain certificates from Tshogpa. While good for protection but sometimes lead to delay in tax payment.
- g. No time line for payment of fees for services like construction approval, people delay payment of the fees.

Other common problems of revenue administration include:

Revenue administration by the local governments is confronted by some fundamental problems as stated below:

- a. Slow Processing of revenue receipts – The manual approach to processing of revenue receipts has impact on the ability of a local government to deposit revenues quickly. In some cases, tax payers are required to visit multiple offices to make payment.
- b. Slow deposit of receipts – Local Governments lack proper procedures and strategy for prompt deposits of revenues failing to maximize interest earnings. Mostly the revenue is deposited in CD account.
- c. Slow Billing – Accounts receivables problems begin when a local government fails to send a timely bill after a service has been delivered. This is often due to failure to assign high priority to billing. In certain cases, there are no procedures to ensure early payment like construction approval.
- d. Lack of incentive to pursue collections – Mostly collections are made when taxpayers come and make the payment. Only practice to ensure compliance is through penalty imposition. Delinquent accounts are not aggressively pursued for payment.
- e. Determining what is owned – Due to lack of proper record keeping it is difficult to assess the taxes leading to incorrect assessment, insufficient penalties resulting in

- increased level of delinquencies. Transaction records are not updated on timely manner in the revenue records leading to missed opportunity to collect revenue.
- f. Staff Training – A staff that is not adequately trained in collection, processing of deposits, and proper enforcement techniques may lead to an inefficient and ineffective revenue administration operation. Lack of clearly defined collection responsibilities is also component of this problem.
  - g. Lack of Internal Controls – The lack of internal controls can result in revenue losses due to irregularities committed internally as well as externally.
  - h. Poor Records management – Inadequate record keeping can make it difficult to follow up on delinquent accounts and increases revenue administration costs.

#### 4. Thromde Revenue Sources

Under Article 24 of the Constitution of Kingdom of Bhutan and Section 64 of the Local Government Act of Bhutan, 2009 (LGA), Thromdes are entitled to levy and collect appropriate taxes, fees, tolls, duties, fines etc. and ensure that the charges are not excessive, oppressive, not contrary to law, and not higher than the cost of providing the most efficient services subject to limitations as may be provided for by the law/Parliament. As per the Thromde Finance Policy 2012 (TFP) prior approval of the MoF is required for levy of fees and charges. Thromdes shall explore other revenue sources in their effort to meet the broad objectives of TFP. The list herewith provides an overview of taxes and non-tax revenues such as fees, charges, fines etc. for which Thromdes shall have the power to levy and collect in the areas of their jurisdictions.

Revenue structure	Major components	Description
1. Tax revenue:	Land tax	Annual Land Tax is annual tax paid on the value of the net area of land possessed. The Land rates applicable are calculated on the basis of Town Group, Land type. Land pooling rate is another factor that is taken in to account while calculating the net payable tax.
	Urban House tax	Urban House Tax is a local tax on buildings, along with appurtenant land, and imposed on owners. The House Tax rate applicable is determined on the basis of the land type, building category, class with the information taken from the occupancy certificate. This tax is clubbed with Land Tax.
	Property transfer tax	Whenever two parties engage in a Property transfer transaction, tax is imposed @ 5% of the assessed value of the land. The Assessed value of the Land concerned is the highest of the following: <ul style="list-style-type: none"> <li>• Government prescribed rate value</li> <li>• Market Value</li> </ul>
	Vacant Land Tax/Under Development Fee	The purpose of the vacant/underdevelopment tax is to encourage owners to develop their land or sell it in the market. This annual tax is imposed if the land is lying vacant, i.e. no construction is carried out on it. The fee imposed is 25 % of prevailing land tax on the vacant land.

<b>Revenue structure</b>	<b>Major components</b>	<b>Description</b>
2. Non-tax revenue: Fees	Land development and sub division	During the Property Ownership Transfer, if the subdivision of concerned plot of land is involved, From the Lag thram, the subdivided area is multiplied with the prevailing rate. This one-time fee is clubbed with Property Ownership Transfer Tax.
	Land demarcation	The land demarcation fee covers a specific service provided by the administration. It shall cover the administrative costs for the service and the pegs used for the demarcation.
	Land registration	This is a one-time fixed fee of 1000 Nu. Applicable during the registration of land.
	Site plan, Building Permit and deviation approval fees	This is another fee charged by Building and Planning department for the site plan. The rates were determined in the 89th City Commission.
	Parking of vehicles	The purpose of the parking fee is to regulate the circulation of vehicles in the urban area and finance the establishment and maintenance of parking areas. The collection of the parking fees is contracted out to a private company. The Municipality is responsible for setting the fees size.
	Vegetable Market Fee	This fee is charged to the Handicrafts Vendors and Clothes Vendors in the Handicraft Market and covers expenditures like electricity, light, water, salaries of inspectors and other staff, cleaning, solid waste management and maintenance of the buildings. The rate is fixed based on size of stall during the Town committee meeting. The area is verified on a one-time basis, and the area is updated in a "stall-rent booklet (maintained by vendors)" on a monthly basis. The fee is calculated and paid on a monthly basis.
	Advertisements	This fee is collected from citizens wanting to advertise at designated locations
	Land leasing	Land Lease fee is calculated on an annual basis on the land leases to any private or commercial entity in a short term (less than 3 years) or long-term basis. Various categories of land plots are classified in the Land lease manual. Thromde land committee meeting decides on the rate (per sq. ft.) based on the tables in the manual. Calculation of the fee is done on Area, Rate, lease Term. Annual Land Lease fee is recalculated and agreement is renewed whenever there is a revision of rates.
	Ground Rent	Land assets of the TCC (e.g. clock tower) are leased out for various occasions to commercial

<b>Revenue structure</b>	<b>Major components</b>	<b>Description</b>
		entities. The calculation for Ground Rent is made on the basis of number of days multiplied by the predetermined rates.
	Excess land Fee	This one-time fee is applied when any excess land, i.e. deviation from the already registered units is to be legalized. Once NLCS approves the proposed extension, the prevailing PAVA rates are applied to calculate the Excess land fee.
	Other fees	Other fees, consistent with Section 65 of the LGA
	Service Charges – Street Lights and Solid Waste	This charge is collected on behalf of the electrical department for maintenance of Street Lights. The charge for collection of solid waste is set to cover the cost of the service including disposal of the waste. The rate of Service charge is fixed, as taken from Municipal Taxation Policy Manual 1992. The Charge is calculated in the basis of the number units used, unit category (as given the Building Assessment report).
3. Non-tax revenue: Charges	Water Charges	The charges shall be set to cover current expenditure for the municipal water delivery. Water meters shall be installed and users shall pay according to their consumption. Fees shall be set to discourage high water consumption. The Charge is calculated as per the average consumption units.
	Sewage	The sewage charge is collected with the water fee. It covers the cost of the sewage and is set as 50 per cent of the water charge as TCC and PCC do presently.
	Connection charges	The connection fee (and reconnection fee) is set to cover the average cost of the service (salary, transportation and materials).
	Sceptic Cleaning Charges	This fee is being collected on need basis when the citizen makes an application for cleaning of septic tank.
	Sale of Dustbin	This fee is collected on the sale of Dustbins to the citizens.
	Environmental Clearance	The Thromde environment division is responsible to assess the environmental impact and issue environmental clearance upon payment of fees
4. Non-tax revenue: Fines and Penalties	Delayed payment etc.	Interest Penalty at the rate of 24% pa on per day basis from the day the amount became due up till the date of payment is levied on all types of municipal dues from the citizen
	Environmental Fines	Environmental fines are levied to defaulters of environmental laws.

TFP has mentioned that the revision of existing taxes and levy of any new taxes, charges, fees, duties, tolls etc. need to be evaluated against the criteria of affordability, adequacy, elasticity, equity, economic efficiency, administrative capacity and its suitability. Thromdes shall consult the public and create awareness to inform the stakeholders for revision of rates or introduction of new taxes, fees, charges, duties, tolls, etc.

It further stated that a Thromde shall give public notice for fees and charges, not less than one month before any increase comes into effect, and the revenue generated from taxes, fees and charges shall be spent for the development and maintenance of Thromde infrastructure and services (clause 143 & 144 of TRR, 2011).

In addition to revenue from own resources, Under Section 218 of the Constitution of Bhutan, LGA and TFP, 2012, Thromdes shall receive adequate financial resources from the RGoB in the form of annual grants for undertaking plan activities and maintaining existing infrastructure services. These grants shall be in the form of current and capital grants and to be utilized for carrying out “*own services*”. For any “*agency services*”, the Thromdes shall receive grants from the respective agencies. “*Own services*” shall include those services that the Thromdes are primarily responsible for operation and development in the areas of their jurisdiction, whereas “*Agency services*” shall include those services, which will be implemented by Thromdes on behalf of central agencies.

To finance the major infrastructure projects, sometimes Thromdes would be requiring external borrowings/loans from the financial institutions. All borrowings shall be then in accordance with relevant provisions of the PFA 2007 and amendments thereto. For any borrowing raised by the MoF, the Thromdes would be entering a subsidiary loan agreement between the MoF and the Thromdes. The subsidiary loan agreement shall outline the obligations of the central government and the Thromdes regarding the use of the loan proceed and debt servicing.

It is reported that both the Thromdes are heavily dependent on the government grants and subsidies even to meet their expenditure requirements. However, such dependence on Intergovernmental Fiscal Transfers will not be tenable in the long run, given that the RGoB is contemplating of phasing out the grants and subsidies gradually particularly for the recurrent expenditure needs of the Thromdes.

Therefore, it is necessary for the Thromdes to enhance their revenue generation capabilities by implementing an effective and efficient revenue administration system. Following are some basic requirements in the regard:

- a. Thromdes should be aware of their major sources of revenue
- b. They should be aware of the economic base for each of their major revenues
- c. Select revenue projection models such as expert judgment, trend analysis, econometric modelling etc.
- d. They should be aware of population growth, inflation trends/rate, income levels of their population etc. to make the best estimates possible
- e. The tax yield should be adequate to meet local needs, increase over time as expenditures increase, and be relatively stable and predictable
- f. The tax base should be visible to ensure accountability
- g. Taxpayers should perceive the tax to be reasonably fair
- h. The tax should be relatively easy to administer

- i. To improve the revenue collection, administration and enforcement system, there is a need to implement MIS system
- j. Responsibility for all collections, processing, depositing of revenues in banks should be centralized in one office. The goal of office should be to maximize revenue collection by maintaining internal controls-safeguard money and collecting revenues as efficiently as possible

Due to lack of cost recovery, the deficit of the Thromdes is supported by grants which may lead to local governments to only consider those services whose benefits are most likely to be retained at the local level. Therefore, a mix of taxes and non-tax would give Thromdes more flexibility to respond to local conditions such as changes in the economy, evolving demographics and expenditure needs, changes in the political climate, and other factors. Whatever tax or non -taxes are chosen at the local level, local governments (Thromdes) need to be able to set their own tax rates. International experience shows that the most responsible and accountable local governments are those who raise their own revenues and set their own tax rates. Unless local governments are empowered to levy or revise their tax rates, fee, charges etc. they will not achieve local autonomy or accountability. Moreover, the empowerment for local tax rate setting provides predictability for municipal governments and gives them the flexibility to change rates in response to different circumstances.

## **5. Important Revenue Administration Concepts**

### **5.1. The Revenue Collection office**

The revenue collections office is an essential component of the financial management system in local government and it the focal point of the revenue administration system. Responsibility for collecting, processing and depositing revenue should be centralized within this office, with all collections sent there for processing. The benefits of centralization of collection function include:

- a. Timely and consistent collection of revenues;
- b. Consistent and equal treatment of taxpayers;
- c. Increased operational efficiency;
- d. Improved taxpayer relations;
- e. Elimination of duplicate collection efforts; and
- f. Enhanced compliance with requirement of financial management rules and regulations.

### **5.2. Responsible Official for Revenue Collection**

Depending on the size and structure of the Thromde, the official responsible for the revenue collection function is designated. For the size of Gelephu and Samdrup Jongkhar Thromdes, revenue assistant under finance officer can be made responsible for the collection. Assessment of revenue will be the responsibility of service providing division.

Staff assigned to work in the collection office must possess certain basic skills and knowledge of the collection function. In particular, it is important that collection staff:

- a. Understand Thromde's tax and revenue ordinances and be familiar with rules and regulations concerning collections;

- b. Possess basic bookkeeping and accounting skills and the ability to perform mathematical computations and work with various business tools like spreadsheets, calculators, etc.;
- c. Possess effective public relations skills; and
- d. Understand internal control guidelines.

### **5.3. Responsibilities of the Administration**

The major responsibility of the administration is to ensure efficient revenue administration including the following:

- a. Development of written policies and procedures covering all aspects of revenue administration;
- b. Training of staff;
- c. Public relations; and
- d. Prudent handling of the revenue.

Currently, revenue administration is based on the following policies in both Gelephu and Samdrup Jongkhar Thromdes:

- a. Revised Taxation Policy, 1992; and
- b. Service delivery standards of respective Thromdes.

The policies and procedures should cover all aspects of revenue administration like assessment of taxes/fees/charges, issue of demand notice/invoices, handling of cash and cheques, issue of receipts, handling of deposits, methods of documenting transactions, and reporting of transactions to administration. The policies also should contain procedures to enforce tax and revenue laws. These policies and procedures guide daily operations and produce timely information to ensure the efficient operation of the revenue collection office. They need to be coordinated with Thromde Accounting Manual, Thromde Budget Manual, Internal Control guidelines, business process re-engineering report and this revenue administration manual.

The policies should also encompass adoption to technology for revenue administration. All redivisions should be maintained so that interpretation is consistent, and all taxpayers are treated consistently.

Staff training must cover the policies and procedures and extend to public relations skills. If staff are not properly trained, the processing of receipts may be slowed, or errors made. Staff training should be conducted regularly to ensure staff are aware of modifications and revisions and also new staff and properly oriented with the policies and procedures.

The Administration must be aware of the highly visible role that revenue collection office plays in the community and the need for good public relations. Any negative event would quickly diminish the public's perception of the revenue collection office and the of the management of the local government.

The administration and the revenue collectors have a fiduciary responsibility to the taxpayers. As custodians of public funds, they are expected to act in a prudent manner when handling the funds. This is in order to maintain the public's trust and confidence in the local government

and to protect the public's asset. Staff of the revenue collection office may be also be personally liable for the fund n their custody.

#### **5.4. Interaction with Other Thromde Actors**

The revenue collection office must interact closely with several other actors in the Thromde, who are extremely important in helping to get the revenue collection job done. This dispersion of duties can lead to coordination problems and result in a lack of timely reporting especially where separate systems for recording transactions are maintained by each of these actors. Among the other actors are the following:

- a. Land Records Office – the custodian of land property transactions responsible for producing up-to-date records on which land tax is based;
- b. Development Control Regulation Division – The custodian of building related data on which urban house tax is based;
- c. Water supply Section – The office responsible for water related services on which water connection related fees and charges and water tariff is based;
- d. Sewerage section – The office responsible for sewerage related services on which sewerage charges is based;
- e. Environment Division – The office responsible for solid waste and environmental norms violation related services on which solid waste charges are based;
- f. Electrical section – The office responsible for street lighting services on which electrical services charges are based;
- g. The Accounting office, which is responsible for recording revenue receipts, updating accounts receivable records;
- h. The Internal Audit Office, which is responsible to ensure proper implementation of internal control guidelines;
- i. The finance and budget officers, who are responsible to develop financial plans for the use of Thromde resources;
- j. The legal officer, who is responsible to pursue delinquent taxpayers for legal actions;
- k. The PAVA office, which is responsible to revise the land compensation rates and the land compensation rates are used to determine the land transaction fee; and
- l. The Thromde Council, which is responsible to make decision for investing the revenue that are collected.

#### **5.5. Security for the Revenue Collection Office**

The revenue collection office must be secure from outside and internal threats. This requires the development of security and loss prevention policies and procedures. The policies and procedures should cover personal safety, security of the revenue collected, security of records and security of equipment deployed at the collection office. The procedures should cover different emergency situations like robbery, disasters (fire, flood, etc.) and evacuation procedures during emergency situations. Revenue office staff should be trained on security and disaster handling procedures on regular basis to ensure that all staff are familiar with the procedures.

Revenue Office security requirement is specified in the Internal Control Guidelines. It is recommended that the security requirement mentioned in Internal Control Guidelines are strictly complied.

While developing the security procedures, it is important to make sure that the physical safety of collections staff is given the highest priority.

Procedures regarding the internal handling of cash and cheques by collection staff should be adopted to ensure that cash handlers will be responsible and accountable for the receipts that they handle. For example, cash and cheques should never be left unattended but should be locked up, preferably in safe, whenever the cash handler responsible for the funds has to leave the collection area.

While the probability of encountering counterfeit currency is low, the chances of accepting counterfeit currency are considerably lower if proper training is provided to collection staff. Identification of forged currency can eliminate charge-backs and bank charges.

## **5.6. Physical Security Arrangements**

Revenue collection office physical security arrangements should cater to the following aspects:

**Safes and Vaults** – If cash is stored in the revenue office overnight then Thromdes should have fireproofed and waterproofed safes or vaults to store cash, cheque and other valuables. If deposits happened within a day of collection, then filing cabinets or desk drawers with key locks can be used to store cash and cheques. Safes and vaults are only temporary storage because all cash and checks should be deposited and/or invested in a daily basis.

Knowledge of safe combinations should be restricted to as few as one or two individuals and combinations changed whenever a staff member leaves the revenue collection office or when combinations become known to others. It is also wise to change safe combinations at-least once in 6 months.

**Tamperproof Deposit Bags** – Tamperproof and waterproofed deposit bags should be used to ensure that no one other than the cash handler and bank personnel have access to the contents. The use of ‘lock bags’ and/or tear resistant disposable bags can be considered.

**Cashier Windows** – The design of cashier windows has a direct impact on the security of the collection operation. This is the most likely place where robberies will occur. Cashier windows may be either open faced, glass enclosed, or have a scrolled metal type protector. Depending on revenue collections office and the likelihood of a robbery, cashiers may have access to silent alarms that can be set off by a finger control button or a foot device.

**Locked Door** – All doors leading into the collections area should be locked from the inside to prevent unauthorized access. These doors can be controlled by key or an electrical device.

The security arrangements for protecting cash, cheques and other valuables must extend to receipt forms and other records deemed essential to the collection function. The loss of receipt books, for example, could result in the perpetration of frauds and the loss of funds.

Completed receipt forms with specific fund and account information must be secured internally; this is known as fund security. The transfer of these records from department to department for record keeping purpose is as important as the cash received, for their loss or alteration could affect the financial condition of the various Thromde funds.

It is also important to secure access to computer files and other taxpayer records to prevent unauthorized individuals from tampering with their contents. This can be done through use of security passwords that limit access to taxpayer database to authorized personnel. These passwords should be changed when staff members leave for other positions. Access to other taxpayer records should be similarly restricted.

Access to the collections area should be restricted to authorized personnel only. On those occasions when it is necessary to allow others into the collections area, they should be escorted by collection staff.

## **6. Assessment**

The amount of taxes and other revenues owed by taxpayers is determined primarily in one of two ways. The first involves the assessment of taxes, fees, or charges by the local governments or a third party established as per revenue laws, the second is self-assessment by the taxpayers of their liability to the government.

In Bhutan, assessment is the function undertaken by the Thromdes.

### **6.1. Revenue Management System**

The assessment roll and tax roll are produced by the Revenue Management system through demand generation process. Whenever taxpayer visit the Thromde office to pay taxes, search function is used to fetch tax liability. System generates demand notice with information about the property, taxpayer information and the tax liability.

### **6.2. Other Charges**

Utility charges represent another type of revenue that is collected by the Thromdes following an assessment of the user's liability. These charges are ordinarily for water, sewer, storm water, municipal electric, and solid waste. Water charge is based on consumption while sewer charge is levied as 50 % of the water charge. Gelephu has started levying solid waste as component of water charge. Other Thromdes levy solid waste charge as component of property tax. Electrical charge is also levied as component of property tax.

## **7. Billing Procedures**

Standard set of procedures should be used for all revenue that are collected as the result of a billing process. These procedures should improve the efficiency of the billing process and result in an increase in cash that is available for the investment by the Thromdes. The Thromdes should also be in position to efficiently forecast the revenue.

Revenue collected through billing include property taxes, utility payments and payments for services provided by the Thromdes. It is also important to review billing procedures regularly to ensure that billings are current and actively monitored by collection staff.

## **8. Billing Instrument**

The billing instrument should contain the following information clearly spelled out:

- a. Name of person or organization billed, the correct address, type of service provided, quantity of service provided, cost of service and amount due, whom to make the cheque (if check is to be used for payment) and telephone number to call for assistance;
- b. Instructions on where to send payments or location of the collection office;
- c. Due date clearly indicated, where possible, payments should be due upon receipt or, if there are some rules that specify due dates; and
- d. Penalties and interest charges that would apply to overdue payments.

If remittance processors are used to process payments, the billing instrument (an invoice or remittance advice) should also be a turnaround document, that is, one that can be used with remittance processing equipment to enable rapid payment processing and ensure the rapid deposit of funds.

## **9. When to Bill**

The timing of billing directly affects when Thromdes can expect to receive revenue during the fiscal year, which in turn governs not only the activities of the revenue collection office but also spending, borrowing and investment decision of the Thromdes as a whole.

Property tax and utility billings follow a pattern. Property tax is collected on yearly basis. Water bills collected on monthly basis. Sewer charges collected along with water bill. Solid waste charges collected in Gelephu Thromde with water charges whereas in Samdrup Jongkhar Thromde solid waste charges collected with property tax.

Billing for other types of service delivery, however, may occur before service delivery, upon service delivery or after service delivery. Standards needs to be developed for such billings. Normally such standards involve billing within a certain period following service provision e.g. one to two weeks. Once automated mechanisms for billing are in place, it will be possible to bill within a much shorter time frame.

## **10. Accounts Receivable System**

A connection should be established between billing for taxes, other revenues and services and the accounts receivable system. Ideally a computerized system should be implemented for accounts receivable. Information from Revenue Management System should be transferred to the Accounts Receivables Module of the Thromde Enterprise Accounting System.

The Revenue Management System should be used to track the payment and delinquent accounts. When the revenues are received in the collection office it is equally important that the taxpayer accounts receivable are brought up to date in the Revenue Management System and subsequently in the Accounts Receivable Module of the Thromde Accounting System.

## **11. Accounts Receivable Aging Analysis**

The accounts receivable system (the revenue management system) should be able to generate and accounts receivable aging analysis that indicates how much revenue is owed to the local government and how long it has been owed. This type of analysis is useful in identifying problem accounts and can be used in making decisions about which accounts to write off.

Accounts receivable should be tracked from the date that a service was provided, or a tax or revenue bill became due and delinquent.

## **12. Follow Up**

The accounts receivable system must contain mechanism for following up on overdue bills, and taxpayers that have not paid their bills by the due date should be notified immediately of their delinquency. Collection procedures must be established to control aging receivables. Follow up of accounts receivables must be accompanied by the will and ability to take aggressive enforcement actions and must have the support of elected officials.

## **13. Accounting, Internal Controls and Auditing**

Accounting Systems must be in place to gather and maintain information related to the activities of the revenue collection office. The Revenue Management System is to be used to maintain records related to revenue administration.

There are three principal accounting systems applications of relevance to the revenue administration functions: billing, cash receipts, and receivables. Two other applications – payables and investment tracking are of importance to the financial management function. Ideally, these applications are expected to be linked as a part of a comprehensive accounting software package. However, a comprehensive revenue management package with manual data transfer to accounting package can be used initially.

**Billings** – The revenue management system must ensure that individuals and organizations are billed on timely basis for taxes, fees and services. The billing component should have provision to update accounts receivable system, either automatically or through manual intervention, so that the records of bills generated are updated to accounts receivables system. The billing responsibility will be as per the transactions updated in the revenue management system.

**Cash Receipts** – The collection of cash receipts should be recorded as and when happens in the revenue management system. Information on revenue collection should be transferred to the accounting office and accounting office should update the general ledger of the accounting system on daily basis.

The Accounts receivable records should enable Thomdes to track the outstanding accounts and follow up on them if they become delinquent. It should be able to provide information on the amount and type of receivables outstanding, on the breakdown of receivables by type of taxpayer, and on actions taken by the Thomde to collect the receivables.

The account receivable aging analysis, a listing of accounts receivables in chronological order, is useful in identifying accounts that should be targeted for enforcement efforts and in determining which accounts should be in legal follow up or declared uncollectable or written off. Such reports should be generated by the revenue office as the office will be operating the revenue management system.

**Other Accounting Applications** – The accounts payable system should provide information on amounts and dates of future payments to employees and vendors and an estimate of encumbered obligations. This system, along with the accounts receivable system provides

information essential to the preparation of accurate cashflow forecasts and investment planning.

#### **14. Using Accounting Information**

The accounting system should produce detailed and summary information on receipts, disbursements and cash balances by fund and account heads. The system is also required to generate information necessary to fulfil statutory requirements. In addition, the accounting system should provide information that can be used in performing various reconciliations and in the development of information crucial to the ongoing analysis of the Thomde's financial position.

Reconciliations – Cash receipts information produced by the accounting system must be reconciled with the information in the revenue management system. This is to ensure that amounts have been properly recorded in the appropriate fund and account. This type of reconciliation must be completed on a regular basis – at least monthly – and will require the ongoing cooperation of the accounting and revenue collection office. Accounting system information pertaining to the deposit of cash receipts in commercial banks should also be reconciled with the bank statements. This type of reconciliation should be recorded in the Revenue Management System and should be shared with the Accounts Officers periodically. Accounting information is also useful in developing cash forecast and investment planning, although collection reports generated from the Revenue Management System may be better source of information for making short term investment decisions because of time lags in the accounting system. Information produced by the accounting system is also used in fiscal and budgetary planning and decision making.

#### **15. Internal Controls**

Internal controls should be established in revenue administration and accounting systems to control the risks inherent in the collection of taxes and other revenues. A good system of internal control protects the revenue collection staff because they may be held personally liable for the money that their offices handle if negligence occurs. Good internal controls can also be equated with good public relations, since irregularities are less likely to occur when internal controls are strong.

##### **15.1. Purpose of Internal Controls**

While the configuration of an internal control environment may vary, internal controls are established to meet the following objectives:

- a. To provide reliable and accurate data for management's use;
- b. To check the accuracy and reliability of information in journals, ledgers, and other records and reduce the opportunities for fraud;
- c. To safeguard assets and records;
- d. To establish accountability for assets, with timely verification and appropriate follow-up;
- e. To promote operational efficiency and effectiveness, reduce unnecessary duplication of effort, and deter inefficient use of Thomde resources; and

- f. To assure that transactions are recorded to permit preparation of financial statements in conformity with the Thromde Accounting Manual, Thromde Budget Manual, and other national financial management rules and regulations.

## **15.2. Basic Principles of Internal Controls**

The basic principles of internal control that apply to the collection of revenues: proper authorization of transactions, segregation of duties, proper design of documents, security for records, use of sound procedures, sound employee performance, and employment of qualified personnel.

**Proper Authorization of Transactions** – All transactions and activities related to the revenue collection function should be properly authorized by appropriate authority of the revenue collection office. It should be established that the demand generated by the Revenue Management System is authorized transaction.

**Segregation of Duties** – The segregation of duties is one of the most powerful aspects of internal control, although it is sometimes difficult to achieve in small governments. The basic tenet of this control is that no one person should ever be placed in a situation where it is possible to carry out or conceal an error or irregularity without timely detection by others in the normal course of their duties. Typical examples of separation of duties are:

- a. Collecting revenues;
- b. Preparing the bank deposits;
- c. Approving the bank deposits;
- d. Making cash entries to the accounting system's journals and ledgers;
- e. Reconciling bank statements with internal records; and
- f. Preparation of the monthly report on collections.

If any staff is assigned with multiple tasks, then At least three people are need for a good division of duties and the establishment of proper checks and balances within the revenue collection office. If division of duty is not possible, then following actions can be taken:

- a. Adequate responsibility should be defined along with accountability clause on all the tasks executed by the staff;
- b. No one person should handle related transactions;
- c. Make extra efforts to ensure that all staff are well trained;
- d. Cross-train employees in the various duties and responsibilities
- e. Rotate duties periodically among all employees;
- f. Supervise employees closely;
- g. Perform quarterly or semi-annual cash audits;
- h. Require that everyone who handles money take at least a week of vacation each year; and
- i. Have more internal auditing done in the revenue office, especially surprise audits.

It is important to for cash drawers and/or register to be separated. All cashiers should have their own cash drawers and/or register on order to establish their accountability for the money. Cash drawers and register should be locked, with cashiers retaining the key, when cashiers are temporarily away from their assigned collection station. Back-up keys for cash drawers and registers should be kept in a secure place with limited access.

Proper Design of Documents – Documents and records used in revenue collection activities must be properly designed to ensure prompt and accurate recording of transactions. All transaction should be recorded in the Revenue Management System with proper audit trail. Demand notice/tax invoice should be generated from the Revenue Management System.

Security of Records – It is important that access to and use of the assets and records of the revenue administration should be restricted. This means that the revenue collection office should be made secure from external and internal threats and that access to computer and other data files be limited to authorized personnel only.

Sound Procedures – A strong internal control environment depends on the existence of sound procedures for authorizing, recording, and reporting transactions. This means that the procedures meet the following criteria:

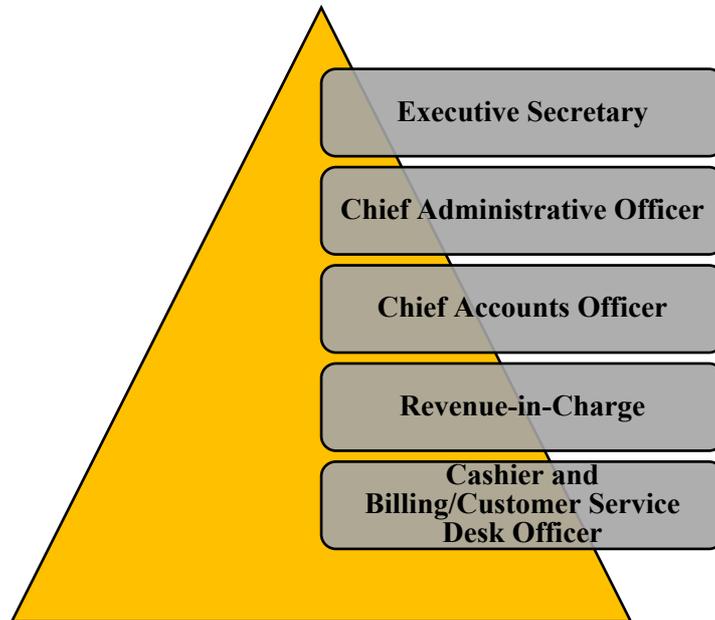
- a. They are clearly defined and leave no room for doubt as to what must be done, how it is to be done, who is to do it, what paperwork goes where, who is to check the work, and where to go for help;
- b. They are well documented, in written form, such as a procedures manual;
- c. They are communicated clearly and thoroughly to employees; and
- d. They are followed.

Sound Performance – Once the internal control environment has been established and employees trained in the procedures developed to ensure strong internal control, the Thromde administration should ensure that the procedures are in fact being followed. This means independent checks on employee performance and accurate recording of transaction information, clerical checks, reconciliation of recorded information with other sources of that information, management review of reports that summarize account balance details, and user review of computer-generated reports, among other things.

## **16. Roles and Responsibilities**

This section broadly outlines the roles and responsibilities of collections and deposits of municipal revenues. Based on these, subsequent section in the manual provides in detail the revenue accounting process and procedures.

The hierarchy and the reporting responsibilities of the Revenue department are illustrated in the following diagram:



**16.1. Executive Secretary- Roles and Responsibilities**

- a. The ES is the reporting officer of the Chief Administrative Officer;
- b. He shall ensure that the revenue activities are being performed effectively and efficiently;
- c. Distribute directives of the Thrompon to the Chief Admin. Officer; and
- d. Monitoring overall collection of revenue and subsequently utilization of the collected revenue.

**16.2. Chief Administrative Officer- Roles and Responsibilities**

- a. Monitoring day to day activities relating collection and deposit of revenue;
- b. Ensure account heads are updated through periodic review;
- c. Ensure information compiled on local revenue is accurate and complete;
- d. Ensure a uniform accounting system for revenue collections, deposits and accounting is implemented; and
- e. Facilitating and approving land sub-division, consolidation and registration of land and property ownership.

**16.3. Chief Accounts Officer-Roles and Responsibilities**

- a. Ensure accuracy in the classification of account heads for receipts and deposit accounts;
- b. Update Account Heads through periodic review for proper accounting and collection of revenue heads;
- c. Responsible for the overall monitoring of collection and deposits of source wise-tax and non - tax revenues; and
- d. Responsible for consolidating and reporting on the revenue collections and forecasting as follows:
  - i. Compile accurate and complete information on local revenues;

- ii. Implement a uniform accounting system for revenue collections, deposits and accounting;
- iii. Provide quality information on revenue performance for policy and planning purpose;
- iv. Make estimates and forecast of local revenues as and when required;
- v. Ensure an efficient and effective monitoring system of revenue collection and accounting and provide early warning on potential revenue shortfall for remedial action; and
- vi. Monitor and follow-up on outstanding revenues.

#### **16.4. Detailed Role of Revenue Officers pertaining to Revenue Management**

- a. The Revenue Officer is responsible for the management of the revenue of the Thromde which includes both revenue collections and deposits. The officer must take all the reasonable steps to ensure that:
  - i. The Thromde has effective revenue collection systems consistent with Revenue management rules and in line with municipal finance policy.
  - ii. Revenue due to the Thromde is calculated on a routine basis;
  - iii. The water billing details from AMR devices is being updated and billing and other information is being updated in RMS on timely basis.
  - iv. Accounts for municipal tax and charges for municipal services are prepared on a routine basis;
  - v. All money received is promptly deposited in accordance with the Act and Rules in force, into the designated bank accounts from all the collection centers of the Thromde;
  - vi. Accounting and other information is maintained so that they are readily available for reference and audit;
  - vii. The Thromde has and maintains a system of internal control in respect of debtors and revenue;
  - viii. All revenue received by the Thromde, including revenue received by any collecting agent/online payments by the tax payers on its behalf, is reconciled on a regular basis; and
  - ix. Reviewing the exception report for SMS/Email notifications sent to tax payers /Thromde staff.
- b. Exercise all such functions and powers assigned by all the Acts, Rules and regulations;
- c. The municipal revenue officer must:
  - i. Implement and enforce the Thromdes credit control and debt collection policy;
  - ii. Establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the Thromde;
  - iii. Report thereon to the councils of Thromde and management; and
  - iv. Maintenance of all registers prescribed for revenue section.
- d. Should ensure that no money be accepted unless a receipt from the RMS can be issued immediately for cash collection in counter;

- e. Review exception report for online payment collection of taxes to verify that RMR for all online collection of taxes is being generated by the system/issued manually and shared with the tax payers within 1 working day;
- f. He is responsible for initiating timely action on assessment of all new buildings and additions to the buildings to impose house/building tax by submitting a list, every month;
- g. To ensure the preparation and issue of demand notices/bills of all taxes and non-taxes including water/sewage charges as per stipulated time;
- h. To verify Register of Bills Issued as stipulated in the rules/instructions in force
- i. To ensure that necessary corrections are made in land/house or building tax demand registers on account of transfer of title of properties;
- j. To attest the corrections in the supplementary bills or reductions in the amounts of the original bills as per the orders passed on the complaint petitions;
- k. To test check the bill receipts, demand notices, memoranda and to append a certificate to that effect as prescribed in the rules;
- l. To ensure:
  - i. Proper maintenance of cash book (See Annex 7 for sample format), pass book and cheque book and their safe custody;
  - ii. He has to ensure the closure of the cash book every month by 10th day of succeeding month;
  - iii. He has to ensure reconciliation of each cash book with bank remittances, subsidiary registers and such other remittances;
  - iv. He has to ensure proper maintenance and safe custody of vouchers to enable, to produce them before audit;
  - v. He has to ensure the proper maintenance of all subsidiary registers; and
  - vi. To ensure prompt adjustment of assigned revenues, non-plan grants, plan grants etc. to the Thromde funds.
- m. To supervise the work of Revenue/tax Inspectors and Bill Collectors, and Revenue assistants in the revenue section;
- n. Must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, financial management, review and other duties as delegated by the Executive Secretary/competent authority; and
- o. To ensure that all SMS and Email notifications are being sent to the designated Mobile Number/Email ID of the tax payers/Thromde staff.

### **16.5. Bill Collector**

Bill Collector plays an important role in assessment and collection of taxes and non-taxes in their assigned Ward. The major responsibilities of bill collector shall be as follows:

- a. He shall undertake outdoor work daily to attend to the responsibilities entrusted to him;
- b. He is responsible for proper service of bills for collection of taxes and non-taxes within the stipulated time;
- c. He is responsible for collecting/ensuring collection of 100% of land/house/building tax and water/sewage charges by visiting door to door and maintains a record of such visits;

- d. He would ensure billing details being collected from the AMR devices for water billing;
- e. He shall make spot entry in the memoranda immediately after the collection from the tax payer;
- f. He shall make entries of the daily collections in the Daily Collection Book (Hand Book) as per the memoranda and make necessary entries in the Challan Register/etc. in the office. The entries in the Challan/Register be got verified by the concerned Revenue Inspector;
- g. He shall remit the collections as entered in the Challan Register into the Thromde treasury on that day itself;
- h. He shall report the new constructions, additions to the existing buildings etc. to the Tax Inspector every month through monthly lists;
- i. Service of occupier notices and other notices to the occupants and obtain their acknowledgement;
- j. Service of special notices and to obtain acknowledgement;
- k. Responsible for submission of lists of arrears relating to all taxes pertaining to the ward every month to the Revenue Inspector/Revenue Officer; and
- l. Perform any responsibility entrusted by the competent authority/supervisory authority.

#### Revenue Collection Office

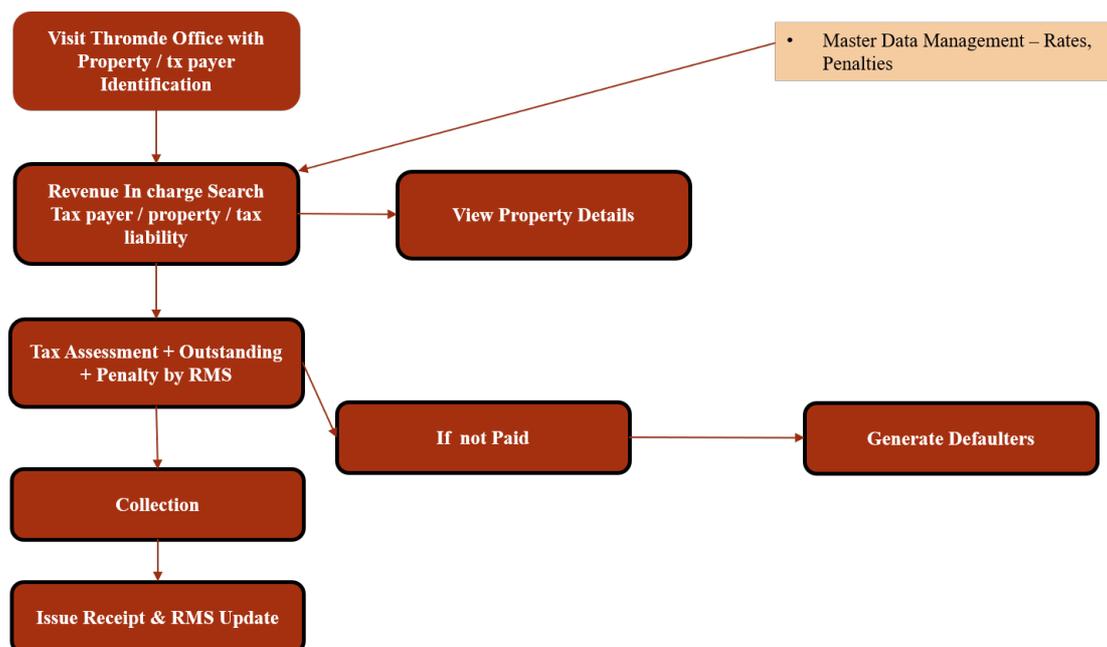
- a. Collection and issue of cash on account of various Tax and Non tax receipts, Receipts from government and other parties;
- b. Preparing Deposit challans and depositing the cash with the bank on daily basis;
- c. Maintenance of Daily Cash book and Ledgers and safe custody of cash received. In case of cancelled cheques, necessary entries shall be passed in the cash book as well as the register maintained for dishonoured cheques;
- d. Reconciliation of accounts (cashbook) with bank statements and reporting thereof on monthly basis to the head office;
- e. Closing and countersigning of cash book by Cashier, the Accounts Section Head on daily basis; and
- f. The concerned department shall ensure timely deposits of the cash collected in the respective bank account. Normally the cash should be deposited on the next working day except where an exception is made.

## 17. Process Flows

### 17.1. Property Tax Process

Process flow for assessment and collection of property tax is depicted below. This process is implemented in the revenue management system.

#### 17.1.1. Process Flow Diagram



### 17.1.2. Process Description

The Process description for assessment and collection of property tax as described below. The frequency of property tax is any time annually. Outstanding property tax is levied penalty of 24 % per annum on the outstanding tax liability.

- a. The taxpayers shall visit the Thromde tax collection office/customer service division/revenue section with property identification information (Thram No., Plot No.) or taxpayer identification information (TTIN, CID, Name);
- b. The revenue collection staff will search the taxpayer/property using the information provided by the taxpayer. Property ownership of the taxpayer is searched and provided by the Revenue Management System;
- c. Taxpayer can indicate for which properties, he/she intends to make the payment. Revenue staff shall select the indicated properties and continue to generate the tax demand;
- d. System does the assessment of tax for the current tax year, checks the outstanding and calculates penalty if applicable. Tax demand is provided;
- e. Revenue Staff can print the tax demand and issue to the taxpayer if required;
- f. Revenue Staff records the collection information in the Revenue Management System. Information regarding payment instruments (Cash, Cheque) is captured; and
- g. Revenue staff generates the receipt, prints and issues to the taxpayer.

#### Other Activities

- a. Whenever there are changes to be made in tax rates, other master data, administrative user is required update the required data in the system using master data modules of the Revenue Management System; and
- b. Revenue staff can generate defaulters list for further action to be taken.

### 17.1.3. Property Tax Administration Policies

- a. The revenue management system should always be updated in terms of property (land and building) data. Details required for assessment of tax is mandatory;
- b. The revenue management system should be kept up-to-date in terms of taxpayer information. Important information required are CID, Name, and contact information (mobile no., email);
- c. The revenue staff should be authorized and training to do the following in the revenue management system:
  - i. Creation/modification of taxpayer information;
  - ii. Information update should be supported by relevant documentations and authorizations; and
  - iii. The database of Revenue Management System should be maintained.
- d. Property transactions should be updated upon completion of the transaction;
- e. Building information should be updated in the revenue management system once occupancy certificate is issued;
- f. Tax payment status should be checked prior initiating any property transaction. If taxes are not cleared for the previous year then tax should be cleared before initiating transaction;
- g. Multiple payment channels should be enabled for taxpayers like online payment, mobile payment and cash payment at the revenue office; and
- h. Penalty is calculated as on day of payment. If demand is generated in advance, the penalty on outstanding recomputed on the day of payment.

Data update in the revenue management system should audited and reviewed for completeness as well as data updates are authorized data.

#### Tax Rates and Demand Notice/Invoice Generation

- a. Approved Tax rates should be used. Currently used tax rates are based on the Taxation Policy 1992;
- b. Any changes in the tax rates should be as per the provisions in the Local Government Act 2009 and Thromde Finance Policy 2012;
- c. The revenue management system should be used to generate demand using updated taxpayer and property details; and
- d. Innovative channels like email, SMS and online self-service shall be used to distribute tax demand along with the mass communication for tax collection. Self-service can be used by the citizens to assess the tax and use any of the channel to make payment.

#### **17.1.4. Property Tax Assessment**

##### **Land Tax**

Current Year Land Tax Liability =  $(Area * Ownership Percentage * Rate)$

Rate is based on precinct or Local Area Plan. Each precinct is categorized as either commercial or residential and rates are applied accordingly.

Land Tax Payable = *(Current Year Land Tax Liability + Previous Year Outstanding + Penalty on the Outstanding)*

A penalty of 24 % is levied for delayed payment of property tax.

### **Building Tax**

Current Year Building Tax =  $\sum$  (No. Of units \* Unit Rate)

Number of units is determined for the following different types of units:

- a. Commercial Units
- b. Residential Units
- c. Institutional Units
- d. Industrial Units

Rates can be different for each unit type. Currently rate for residential and institution units is same and rates for commercial and industrial units is same.

*Building Tax Payable = Current Year Building Tax + Outstanding Tax + Penalty on Outstanding*

*Total Property Tax Payable = Land Tax Payable + Building Tax Payable*

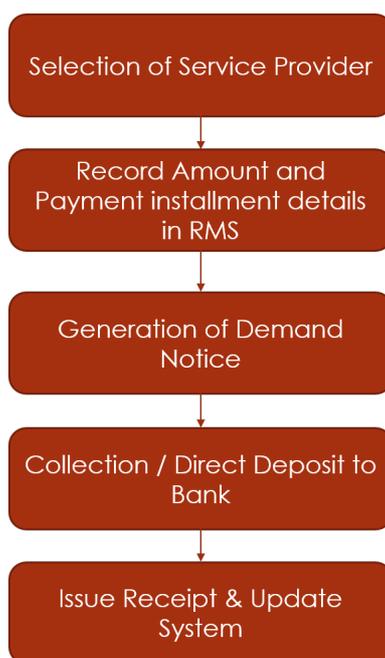
Fixation of Rate and Issue of Demand Notice is as follows:

- a. The existing rates are derived from the Taxation Policy 1992
- b. Any changes in rate to be passed by the Parliament
- c. The demand notices are generated by Revenue Management System and communicated to the taxpayers in Email and SMS

## **17.2. Parking Fees**

The Thromdes are not directly involved in assessment and collection of parking fees. The collection of parking fees is outsourced to services provider on a contractual basis. The service provider deposits the collection of the pre-agreed installment amount.

### **17.2.1. Parking Fees Process Flow**



### 17.2.2. Parking Fee Process Description

Sl. No.	Process Step	Process Description
1	Selection of Service Provider	Tendering process for selection of service provider – floatation of tender, assessment of service provider proposals, and selection of service provider.
2	Record Amount and Payment installment details in RMS	Once the service provider is selected contract is drawn between the Thromde and the selected service provider, information about the service provider is recorded in the Revenue Management System. Also, details of the contract amount and installments are also recorded in the Revenue Management System.
3	Generation of Demand Notice	When the service provider visits Thromde office to deposit the collection, designated Thromde official (Revenue collection staff) generates the demand for relevant installment. The Demand notice is printed and provided to the service provider represented.
4	Collection/Direct Deposit to Bank	The service provider representative will make payment at the revenue counter. Service provider can deposit the amount in the bank and provide the bank deposit slip to the revenue counter. Revenue staff records the collection information in the Revenue Management System.
5	Issue Receipt	Upon receipt of money/bank deposit slip, receipt is generated from RMS, printed and issued to the service provider.

### 17.2.3. Parking Fee Policy

- a. The service provider should be selected on the basis of the highest bid for the collection of parking fees based in designated areas
- b. Contract should be made for a fixed period of time and the contract amount shall be fixed by the relevant division with due considerations of different factors and also consultation with relevant stakeholders if required
- c. Assessment of revenue (amount to be paid by the service provider) and issue of demand notice should be decided during contract negotiation time. The steps could be relevant division is required to generate the demand and payment to be made at revenue counter or service provider can directly visit revenue counter to make payment.
- d. Payment schedule should be defined in the contract agreement
- e. Option to deposit directly to bank and production of deposit slip at revenue counter should be acceptable
- f. Any revisions in amount (due unexpected circumstances) should be updated in the Revenue Management System on timely manner to enable direct deposit at revenue counter
- g. If contract terminations are done information should be updated in the revenue management system
- h. In case of obstruction caused in parking spaces (under reasonable and just circumstances) in designated areas the Thromde may decide to compensate the service provider or adjust from the contract amount
- i. The rates to be charged by the service provider shall be standard and predetermined and shall be notified to the general public by the Thromde.

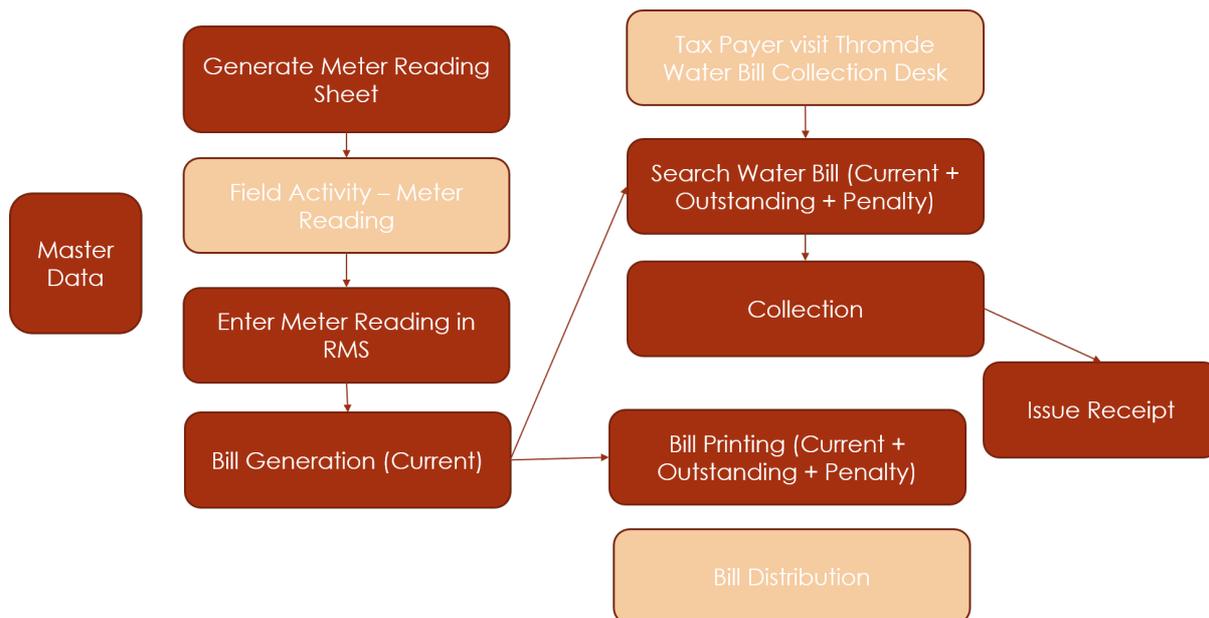
#### **17.2.4. Parking Fee Assessment**

- a. Parking Assessment is based on the bid amount submitted by the potential service provider
- b. Any revisions (due to unexpected circumstances like Pedestrian Day, Events and Festivals, etc.) should be documented adequately and recorded in the Revenue Management System

### **17.3. Water Charges**

The Water Section under Infrastructure Development Division is responsible for planning, designing and development of water supply network for Thromde. Complaints registration and service delivery related to water is handled by the Customer Service. Sewerage charges and solid waste charges are collection along with water charges.

#### **17.3.1. Water Charges Process Flow**



### 17.3.2. Water Charges Process Description

Sl. No.	Process Step	Process Description
1	Reading Sheet Generation	Reading sheet is generated in the Revenue Management System by designated person. Water meter readers can generate reading sheet for their own Zones. The reading sheet provides information on the connection and the previous reading information. Reading sheet is printed and used in the field activity (meter reading collection) If mobile app is to be used the user will access the app and search for water connection using Meter No.
2	Meter Reading	If meter reading is done using paper reading sheets then meter readers conduct field activity to collect water meter reading.
3	Meter reading entry to RMS	Meter readers will enter the meter reading collected on the meter reading sheets into the Revenue Management System. If mobile app is used, then the meter reading is updated when user enters the reading for selected meter no.
4	Bill Generation	After recording the meter reading bill is generated in the Revenue Management System. If meter reading is entered from meter reading sheets then user will have to do bill generation for selected month in the system. If mobile app is used then bill is generated instantly after successful submission of the reading.
5	Bill Printing and Distribution	Once the bill is generated, bill can be printed and distributed to the consumers. Those readings entered directly into the RMS, bill printing is done from the RMS and those entered using mobile app, spot bill printing can be enabled and issued on site.

6	Bill Collection/Payment	Consumers visit Thromde revenue counter to pay the water charges along with bill or bill number. Revenue staff will search the water bill amount using search parameters like bill no., water meter no., water account no., etc. Consumers all will have option make payment using online payment channel or banking apps like mBOB and mPAY. If payments are made using online channel and banking apps, the revenue management system should be integrated with the relevant channels and data exchange should happen between the systems to update the transactions.
7	Issue Receipt	Once the payment is made, revenue staff will generate, print and issue receipt. For payment made online, duplicate receipts can be generated, printed and issued on demand basis.

### 17.3.3. Water Charges Policies

The Revenue Management System should have functional features to manage all master data related to the water tariff. All water connections and sewerage connection details should be maintained in the RMS. Following are the responsibilities of the water section with regard to management of data required for assessment and collection of water tariff:

- a. Ensure authorized creation/modification of water connection data
- b. Ensure modifications are based on supporting documents (new application forms, changes in addresses forms, etc.)
- c. Modification/Updation of data should be done at regular intervals

Water charges rates may be revised in accordance with relevant laws. Some of the factors that play role in water tariff changes are inflation, Thromde Tshogde should review the rates and submit to Ministry of Finance for final review and approval.

The water bill shall comprise of the following components:

- a. Water tariff based on consumption
- b. Sewerage charges which is 50 % of the water tariff
- c. Solid waste charges derived based on 1992 taxation policy
- d. Street Light charges

Revision of any of water bill component will result in revision of water bill. Every revision should be updated in the Revenue Management System through change in master data and/or modification of assessment algorithm.

The follow up for non-payment of dues is to be done by water section/billing unit of the water section or customer service section. If the consumer has not paid (generated as defaulters report from RMS) the bill for a period of 3 months then Thromde should send a notice. If the consumer fails to pay even after notification then the line should be disconnected.

Defective Meters are to be dealt as follows:

- a. The calculation shall be made on the basis of average of previous 3 months reading in the system
- b. A letter with form for replacement of meter shall be generated and sent to the consumer. The consumer shall fill up the form and pay for a new meter
- c. Subsequently, a receipt shall be issued for the payment made by the consumer

### **Septic Tank Cleaning Charges**

Case 1: The citizen has a water connection and is paying the bills – One free cleaning is provided to the consumer. Subsequent cleaning is chargeable.

Case 2: The citizen does not have a water connection – No free cleaning service is provided.

G2C system has the records of Vacuum Tanker Services. The system should be able to generate service delivery register report.

Penalty is assessment using the number of days payment is delayed. Hence, penalty during bill generation for outstanding and penalty during payment data may be different.

- a. Revenue Management System should be adequately configured to detect maximum reading for a meter and reset reading for accurate determination of consumption.
- b. Revenue Management System should be adequately configured to detect constant meter reading for three times and use standard consumption/average of most recent 3 different reading as consumption.

### **17.3.4. Water Charges Assessment and Collection**

When designated Revenue Management System user generate water bill after completion of water meter reading entry into the system, RMS does the assessment of water bill using consumption calculated after the meter reading entry.

- a. All meter reading should be entered into the Revenue Management System either using Web Interface of the RMS or Mobile App or AMR devices
- b. The Revenue Management System shall calculate the amount for the month along with outstanding bill (if any) and penalty (if any)
- c. The if in case of same meter reading for 3 consecutive instances will generate non-functioning meter report
- d. Thereafter, a bill shall be generated (by the Revenue Management System) and issued to the consumer
- e. SMS/email notification can be sent to the tax payers on the registered Mobile No./Email ID
- f. Bill should be paid within 30 days of bill issue.

Assessment of water tariff is as follows:

$$\text{Consumption per Unit} = \frac{\text{Current Meter Reading} - \text{Previous Meter Reading}}{\text{Number of Units}}$$

$$\text{Tariff per Unit} = (20 * \text{Rate1}) + (20 * \text{Rate2}) + (\text{Consumption per Unit} - 40) * \text{Rate 3}$$

Total Current Month Water Tariff = *Tariff per Unit \* Number of Units*

Total Water Bill = *Total Current Month Tariff + Previous Outstanding (if Any) + Penalty (if any) + Sewerage Charge + Solid Waste Charge + Street Light Charge*

Solid Waste Charge = *50 % of Total Current Month Water Tariff*

For Institutions/Offices Units:

- a. Solid waste charge = *Nu. 1000 per month*

For other Units refer tariff rates annexure.

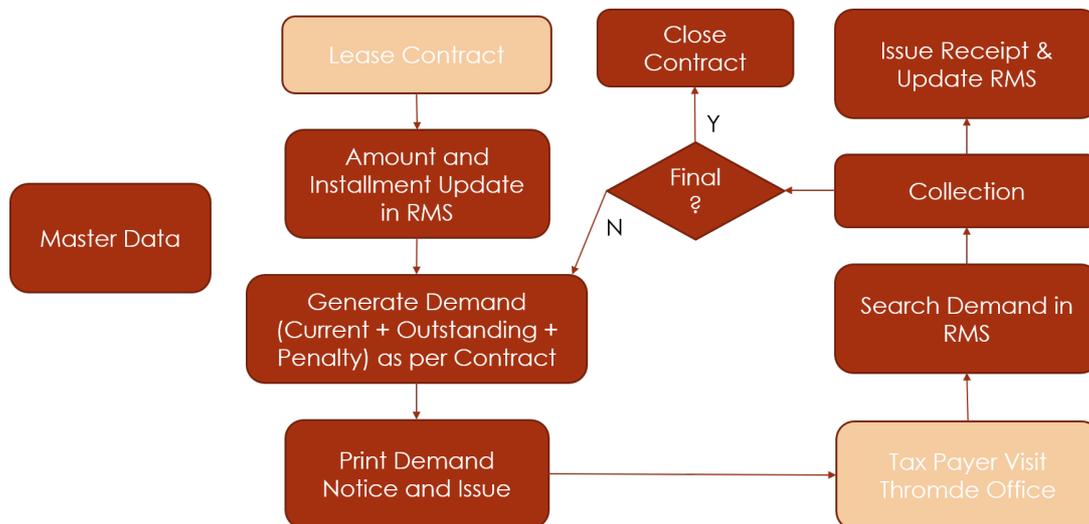
Rate 1, Rate 2 and Rate 3 are applied based on consumption and are different for the following connection types:

- a. Residential
- b. Commercial
- c. Institutional
- d. Hotels
- e. Industrial

It should be noted that penalty is assessed on real-time basis during the bill generation as well as during payment time. Penalty can be different during bill generation and bill payment.

#### 17.4. Land & Equipment Lease

##### 17.4.1. Land & Equipment Lease Process Flow



##### 17.4.2. Land & Equipment Lease Process Description

Sl. No.	Process Step	Process Description
1	Lease Contract	Lease contract includes activities like submission of proposal/lease application to Thromde, assessment of

		the application and drawing up of contract between the Thromde and the applicant/proponent.
2	Amount and Installment Update In RMS	Once the contract is finalized the applicant information is recorded in the revenue management system along with contract amount and the installment information. This information is used by the RMS to generate demand against the applicant/the entity that has signed the lease agreement.
3	Generate Demand	When it is time to deposit the installment, demand generation happens in the RMS as per the installment details. Demand generation will be done by the authorized user in the RMS.
4	Print Demand Notice & Issue	The Demand notice can be printed and issued to the person/entity that has signed lease agreement with the Thromde.
5	Tax Payer Visit Revenue Counter	Taxpayer (person/entity that signed lease agreement with Thromde) shall visit the revenue counter to deposit the installment.
6	Search Demand in RMS	Revenue staff shall search the demand notice using demand notice no. or any other parameters. Demand details will be displayed.
7	Collection	Revenue staff shall enter the collection information like payment instrument, and required data for different payment modes.
8	Check if it is the final installment	Once the collection is done, system checks if it is the final installment. If it is the final installment then contract must be closed to ensure that closed contracts are not considered in revenue forecasting.
9	Issue Receipt and Update RMS	Receipt is generated from the RMS, printed and issued to the taxpayer.
10	Close Contract	When the expiry of the contract matches the records in RMS, contract is considered closed. Demand cannot be generated for closed contracts.

### 17.4.3. Land & Equipment Lease Policies

- a. Thromde can only lease asset owned by the Thromde
- b. The rent shall be charged and will be fixed by the Thromde Management as per existing policies
- c. Application and approval processes shall be followed for land lease (short term and long term), open space lease and equipment (machineries and vehicles) will be followed as prescribed by respective competent authorities like National Land Commission for land lease, Department of National Properties, MoF for vehicle lease, etc.
- d. All requirement documentations shall be maintained as required in the lease rules and regulations of assets
- e. Payment will be processed as agreed in the lease agreement. It could be different for different applicant.
- f. Payment shall be deposited at the revenue counter as per the lease agreement

- g. Short terms lease will require advance payment of rental charges
- h. Delayed deposits shall be levied with penalties.
- i. Grace period of 5 days is provided before levying penalty in case of land lease
- j. Lease charge deposit schedule can be Monthly, Quarterly, Semi-Annually, and Annually.

Master data shall be maintained in the Revenue Management System that comprises of type of leases, purpose of lease, rates for assessment of lease charges.

#### **17.4.4. Land & Equipment Lease Charge Assessment**

- a. Lease charge assessment will be as per the rules of respective competent agencies. For instance, the rates for land lease are fixed by the National Land Commission.
- b. Assessed charges shall be included in the lease agreement along instalments, rental deposits schedule and other payment related information.

#### **Land Lease**

Land Lease Rates are applied based on the type of activities to be executed in the leased land as follows:

- a. Social Activities
- b. Residential
- c. Industrial
- d. Commercial
- e. Recreation

If there is no shed in the leased land then,

Lease Charge = *Area of leased land \* Lease Rate*

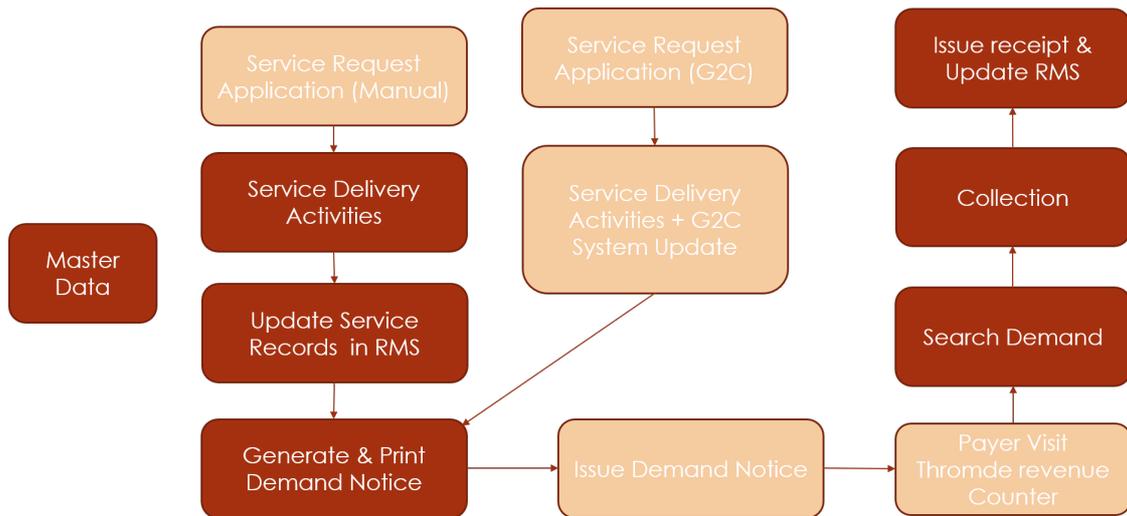
If there is shed in the leased land then,

Lease Charge = *(leased land area \* lease rate) + (shed area \* shed lease rate)*

A penalty of 24 % p.a. is charged for late payment.

#### **17.5. Service Fees**

##### **17.5.1. Service Fees Process Flow**



### 17.5.2. Service Fees process Description

Sl. No.	Process Step	Process Description
1	Service Request Application	Service request application is submitted to Thromde either at Customer Service Section or respective office responsible for the services. Some of the services that have revenue implications are: <ul style="list-style-type: none"> <li>• Water connection related services – new connection, shifting, replacement</li> <li>• Sewer connection related services</li> <li>• Build construction approval, deviation, upgradation, revalidation, and major renovations</li> <li>• Building valuation</li> <li>• Occupancy certificate</li> <li>• Plot demarcation</li> <li>• Official site plan</li> <li>• Property (land and building) transactions</li> <li>• Thram and plot corrections</li> </ul>
2	Service Delivery Activities	Relevant offices in Thromde coordinate to provide the services. Service delivery activities may include review of documents, site visits and consultation.
3	Service Records in RMS	Once the activities are complete, records are inserted into the Revenue Management System. Information required for assessment of service fees is mandatory.
4	Generate and Print Demand Notice	Once the service delivery is complete or at stage to collect service charges, demand is generated using information captured in previous step.
5	Issue Demand Notice	Generated demand can be printed and issued as demand notice to the applicant.
6	Payer Visit Revenue Center	Once the demand notice is issued, the applicant shall visit the Thromde revenue counter to pay the fees.

7	Search Demand	Revenue staff shall search the demand using appropriate search parameter values. Details of the demand is provided to the revenue staff.
8	Collection	Revenue staff shall receive the payment and record the collection details in the RMS.
9	Issue Receipt	Upon update of collection details, receipt is generated which is printed and issued to the taxpayer.

### 17.5.3. Service Fees Policies

- a. For all services, application fee may be charged which is non-refundable shall be submitted to Customer service section or designated service office under the Thromde
- b. The service request application shall be processed as per the process and turnaround time prescribed in the service delivery standards
- c. Respective sections will provide the services and generate demand at appropriate stage of the service delivery cycle and ensure that payment is complete before completion of service delivery
- d. Required data shall be entered in the Revenue Management System and assessment of fees/charges is done by the RMS
- e. Collection shall be done against the demand generated in RMS
- f. Revenue generated through service processes in G2C service system should be recorded in the RMS either manually or by the way of system integration

Master data shall be maintained in the revenue management system about all the services, tax components for each service, rates and rate slab and other information that is used for assessment service fees. Any modification in the master data should have capability to preserve history of master itself and the transactions related to the masters.

### 17.5.4. Service Fees Assessment

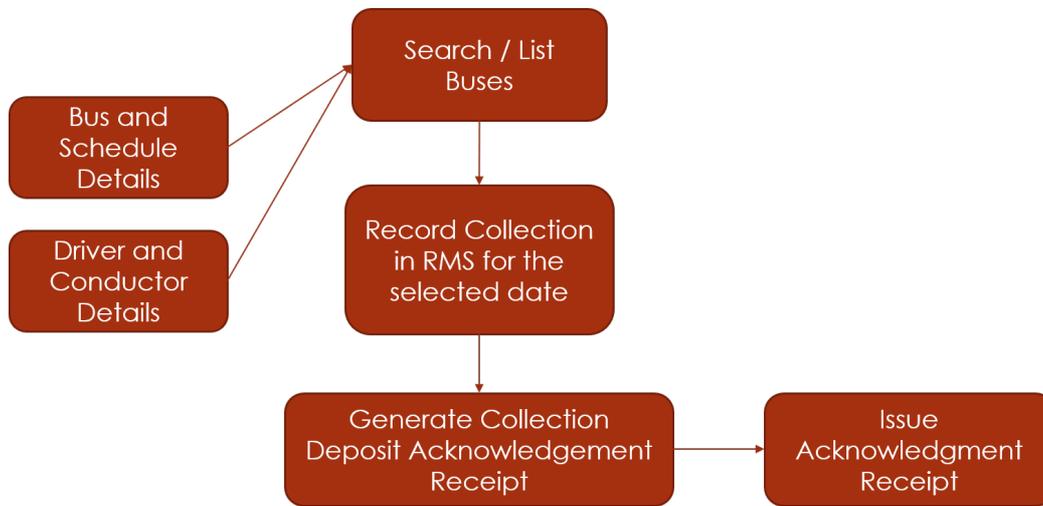
Service Fees Assessment for revenue generating services is depicted as follows.

Service	Assessment Details
Property Transfer	<p>Fees = 5 % * (<i>Higher of Property Value or Sale Deed Value</i>)</p> <p>Property Value = <i>Land Value + Building Value</i>  Land Value is calculated using Land Compensation Rates (PAVA)  Building Value is calculated using BSR Quick Cost Guide 2018  Sale Deed Value is entered as per the sale deed.  Components in Property Transfer Fees are:  For Partial Transfer</p> <ul style="list-style-type: none"> <li>• Fees</li> <li>• Sub-division charge</li> <li>• Demarcation Fees</li> <li>• Lagthram Charge</li> </ul> <p>For Full Transfer</p> <ul style="list-style-type: none"> <li>• Fees</li> <li>• Site Plan Survey</li> </ul>

	<ul style="list-style-type: none"> <li>• Building Plan Survey</li> <li>• Lagthram Charge</li> </ul>
Building Plan Processing	<p>Building Plan Processing Fees components are:</p> <ul style="list-style-type: none"> <li>• Scrutiny Fee</li> <li>• Service and Amenities Fees</li> </ul> <p>Scrutiny Fees = <math>Rate * Builtup Area</math>  Service and Amenities = <math>Rate * Builtup Area</math>  For Service and Amenities Rate is fixed for:</p> <ul style="list-style-type: none"> <li>• Commercial Use</li> <li>• Residential Use</li> </ul> <p>Built-up Area for Service and Amenities is computed for commercial and residential use in the building is to be constructed.</p>
Occupancy Fee	Lumpsum fee – Occupancy Fee
Building Deviation	<p>Components of Building Deviation fees:</p> <ul style="list-style-type: none"> <li>• Regularization Fee</li> <li>• Penalty</li> <li>• Scrutiny Fees</li> </ul> <p>Penalty = 5 % of <i>Additional Building Value</i>  Scrutiny Fee = <math>(New Builtup Area - Old Builtup Area) * Rate</math></p>
Plot Sub-Division	<p>Plot Sub Division charge components:</p> <ul style="list-style-type: none"> <li>• Land Demarcation Fee</li> <li>• Site Plan Survey</li> <li>• Lagthram Fees (if new lag thram is processed)</li> </ul>
Official Site Plan	Lumpsum Fee – Official Site Plan
Land Registration	<p>Land Registration Fee components:</p> <ul style="list-style-type: none"> <li>• Site Plan Survey</li> <li>• Building Plan Survey</li> <li>• Land Registration Fee</li> <li>• Lagthram Fees</li> </ul> <p>Land Registration Fee = <math>Rate * Area</math></p>
Excess Land	Excess land = $(New Area - Old Area) * Rate$
Sewerage Connection	Lumpsum – Sewerage connection charge
Water Connection	<p>Water Connection Charge includes:</p> <ul style="list-style-type: none"> <li>• Connection Charge</li> <li>• Security Deposit/meter cost based on meter type/maximum reading</li> <li>• Cost of fitting</li> <li>• Cost of chamber</li> <li>• Handling charge</li> <li>• Cost of Application form</li> </ul>
Connection Shifting	Lumpsum – shifting charge
Meter Replacement	Security Deposit/meter cost based on meter type/maximum reading
Water Reconnection	Lumpsum – reconnection charge

## 17.6. City Bus

### 17.6.1. City Bus Process Flow



### 17.6.2. City Bus Process Description

Sl. No.	Process Step	Process Description
1	Bus and Schedule Details	Details of bus and schedule for each bus can shall be recorded in the Revenue Management System.
2	Driver and Conductor Details	Drivers and conductor information shall be maintained in the Revenue Management System
3	Search/List Buses	To record the collection, revenue staff shall search/list the buses. Details of schedules is displayed.
4	Record Collection in RMS	Record the collection for each bus, driver and conductor combination. Collection records can be daily, monthly or yearly.
5	Generate Collection Deposit Acknowledgment Receipt	Once the collection information is recorded, collection deposit acknowledgment receipt shall be generated by the RMS.
6	Issue Acknowledgment Receipt	Collection deposit acknowledgment receipt is printed and issued to the depositor.

### 17.6.3. City Bus Policies

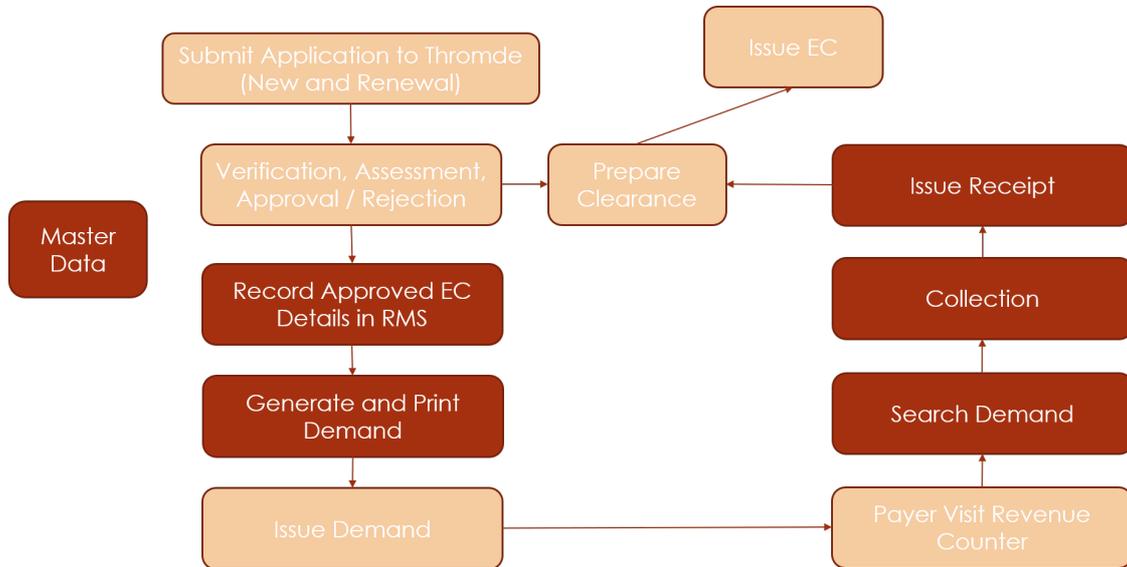
- a. Records of tickets books issued to the bus conductor should be maintained properly to enable verification of revenue collection
- b. Rates should be reviewed and revised periodically after proper analysis of the service costing information
- c. Conductor is required to ensure that ticket is issued to all the passengers and correct fare is collected
- d. Bus driver and conductor shall maintain daily cash collection register which shall be reviewed by the revenue staff while accepting the collection deposit

#### 17.6.4. City Bus Assessment

The revenue deposit is based on the actual cash collection.

### 17.7. Environment Clearance

#### 17.7.1. Environment Clearance Process Flow



#### 17.7.2. Environment Clearance Process Description

Sl. No.	Process Step	Process Description
1	Submit Application (New and Renewal) to Thromde	Parties aspiring to conduct activities that require environmental clearance shall submit the application to Thromde either at the Customer Service or Environment Division.
2	Verification, Assessment, Approval/Rejection	Environment Division coordinates assessment and approval/rejection activities with other relevant divisions (if any) and communicates the decision to the applicant.
3	Prepare EC	For approved application, environment division initiates the preparation of environment clearance.
4	Record Approved EC Details in RMS	Approved EC applications shall be recorded in the Revenue Management System with required details like applicant information, type of activities, etc.
5	Generate and Print Demand	Based on the information recorded, demand for the approved application is generated in RMS. Demand Notice can be printed and issued to the applicant.
6	Payer Visit Revenue Counter	The applicant shall visit the revenue counter with the demand notice or other details like CID/license, etc.
7	Search Demand	Revenue staff shall search the demand in RMS to view the demand details.

8	Collection	Revenue staff shall record the collection information like payment mode (cash or cheque) and mode related information.
9	Issue Receipt	Upon updating of collection information, RMS generated receipt which is printed and issued to the taxpayer.
10	Issue EC	The applicant approaches the Environment Division along with the payment receipt. Environment division issues the environment clearance.

**17.7.3. Environment Clearance Policies**

- a. Information on all issued environment clearances should be maintained in the Revenue Management with validity information
- b. Renewal of environment clearances should be maintained in the system
- c. Environment clearance shall be issued with a validity and fees shall be charged as per the regulations of National Environment Commission
- d. Payment should be made before issue of environment clearance
- e. Master data on purpose of environment clearance, rates for each type of clearance, renewal fees, application fees, etc. should be maintained in the Revenue Management System.
- f. Provision to modify master data with capability to preserve the history of transactions should be available in the system
- g. Fees schedule should be updated in the Revenue Management System as and when revision is published by the competent authority.

**17.7.4. Environment Clearance Assessment**

Environment Clearance charge assessment is as per fee schedule published by the National Environment Commission.

**17.8. Environmental Fines**

**17.8.1. Environmental Fines Process Flow**



### 17.8.2. Environmental Fines Process Description

Sl. No.	Process Step	Process Description
1	Issue Infringement Notice	Environment officials issue infringement notices to the violators on the spot whenever the instances are detected.
2	Offender Visit Environment Office	Offenders shall visit Environment Office with the Infringement Notice.
3	Record & Generate Demand	Environment officer shall record the violation details in the Revenue Management System. Alternatively, environment officer can record the violation details using the office copy of the infringement notice.
4	Print and Issue Demand	Once the violation notice details is entered in the system, system shall determine the fines amount. The demand can be printed and issued to the offender.
5	Payer Visit Revenue Counter	Taxpayer visit the revenue counter either with the demand notice or with details required to search the demand.
6	Search Demand	Revenue Staff shall search the demand using parameter values like CID, Name, Demand Notice No. Demand details is provided.
7	Collection and Update RMS	Revenue staff shall update the collection information like mode and mode details.
8	Print and Issue Receipt	Upon updating the collection details, receipt is generated which can be printed and issued to the tax payer.

### 17.8.3. Environmental Fines Policies

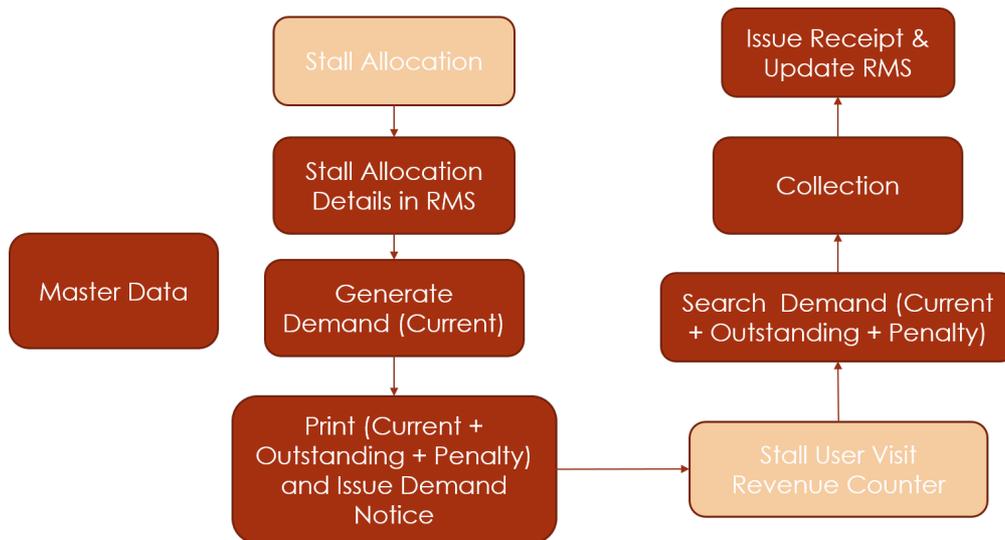
- a. Information on all environmental fines and penalties should be maintained in the Revenue Management
- b. Master data on violations and infringement, rates for each type of violations, etc. should be maintained in the Revenue Management System.
- c. Provision to modify master data with capability to preserve the history of transactions should be available in the system
- d. Fine/Penalty schedule should be updated in the Revenue Management System as and when revision is published by the competent authority.

### 17.8.4. Environmental Fines Assessment

Environmental Fines Assessment is as per the schedule published by the National Environment Commission.

## 17.9. Stall Rentals

### 17.9.1. Stall Rental Process Flow



### 17.9.2. Stall Rental Process Description

Sl. No.	Process Step	Process Description
1	Stall Allocation	Stall allocation shall be done by the responsible office of the Thromde. If any contractual agreement needs to be signed then contractual process should be complete.
2	Stall Allocation Details in RMS	Stall allocation details shall be updated in the Revenue Management system along with the information of taxpayer. Payment schedule shall also be recorded in the system so that system can generate the demand as per the schedule.
3	Generate Demand (Current)	Based on the schedule demand generated for the current installment.
4	Print Demand	Print the demand and issue to the taxpayer. During printing outstanding demand and penalty for outstanding is generated and added to current demand.
5	Visit Revenue Counter	Tax payer shall visit the revenue counter to make the payment with required information to search the demand.
6	Search Demand	Revenue staff shall search the demand in the system and view the demand details. In the demand details penalty component may be different than during print demand if there is delay in payment.
7	Collection	Revenue staff shall record the collection details in the system like mode and mode details.
8	Issue Receipt	Upon entering the collection details, receipt is generated which can be printed and issued.

### 17.9.3. Stall Rental Policies

- a. Thromde can only lease sheds owned by the Thromde on rental basis
- b. The rent shall be charged and will be fixed by the Thromde Management as per existing policies
- c. All requirement documentations shall be maintained as required in the rental rules and regulations of assets
- d. Payment will be processed as agreed in the rental agreement
- e. Payment shall be deposited at the revenue counter as per the lease agreement
- f. Delayed deposits shall be levied with penalties. Penalty assessment shall be based on number of delayed days
- g. Rental charge deposit schedule can be Monthly, Quarterly, Semi-Annually, and Annually.

Master data shall be maintained in the Revenue Management System that comprises of type of sheds and rates for assessment of lease charges.

#### **17.9.4. Stall Rental Assessment**

Rental assessment is as follows:

Rental Amount = *Shed Area \* Rate*

A penalty of 24 % p.a. is levied for late payment.

#### **18. Mode of Collection**

Thromdes accept Cash, Cheques (Saving/Deposits & Current Account Deposit Cheques), Demand Drafts and Bank Transfers and Card Payments in settlement of all kinds of government revenue.

For Collection received in Cash it must be ensured that only specific persons should have access and authority to receive cash. All collections should be immediately recorded and a receipt must be generated from the RMS and payer must be given the receipt at the time of payment.

For collection received in cheques, the Collecting Officer/Cashier shall ensure the completeness and correctness of all such cheques and under no circumstance shall the following cheques be accepted:

- a. Cheques drawn and payable in the name of the Head of Agency or any of its employees;
- b. Endorsed Cheques;
- c. Post-dated Cheques;
- d. Stale Cheques; and
- e. Ex-territorial cheques issued by private individuals, except those, which are drawn by Government Agencies

All cheques collected should be recorded in a separate Register including details of the citizen for future correspondence should be maintained and a declaration from the citizen should be obtained at the counter.

When the bank for any reason does not accept a cheque drawn in favour of the Revenue Agency, the payer shall continue to be liable for the amount due and all fines and penalties resulting from the delayed payments thereof.

For collection from online Payments it must be ensured that for all online payments, the RMR is being generated from the system for the collection and is being shared with the tax payers as per the mode selected by the tax payer.

Alternatively, Thromdes can consider Mobile Governance through which all the e services provided by the Thromdes can also be accessed through Mobile Phones. This would include payment of taxes, request status, tracking complaints and grievances, regular updates, etc.

## **19. Collection, Cancellation & Refunds**

### **19.1. Collection**

The collection shall be recorded duly in the revenue system i.e. the revenue management system

- a. Each of the departments of the Thromde shall issue the prescribed RMR generated from RMS to the depositor(s) directly on receipt of cash, cheque, bank draft and Card Payment as the case may be. The nature of recovery viz. the Head of Account (the account on which it is received) should be clearly indicated in the RMR generated from RMS.
- b. One copy (1st copy) of the RMR should be handed over to the concerned depositor(s) under the dated signature of the authorized official with distinct office seal affixed on it.
- c. Another copy (2nd copy) of the RMR shall be attached with the Daily/Monthly Schedule of Collection and Deposit Account, which shall be stored in hard copy by the Thromdes and made available for record and verification purposes and also for audit purposes. Also, the same should be entered into the ERP system under different accounting codes.
- d. If in case receipt or collection is made in cash, the word 'CASH' shall be mentioned clearly in the column provided in the RMR and if receipts are made by way of Cheque/Cash Warrant/Demand Draft/Card payment, the cheque/draft/cash/card warrant number with the respective date should be recorded clearly in the column provided in the RMR.
- e. The particulars of head of accounts for all collection shall be recorded distinctly in the column provided in RMR as per standard heads of accounts. The amount collected shall be deposited in the bank at the earliest on the very next day. The deposit slip shall be submitted to the Accounts department.
- f. Reconciliation shall be done with the deposit slips and bank statements. Any deviation shall be clarified with the bank.

## 19.2. Cancellation of Revenue Money Receipts

- a. In the event of a RMR being cancelled before issuing due to any reasons such as, incorrect particulars, account heads, overwriting, etc., then all copies of the RMRs shall be retained in the Hard copy and filed with the daily report clearly identified by marking in bold letters word 'CANCELLED' on each copy under dated signature of the Revenue Officer with a distinct office seal.
- b. The Officer shall accordingly modify the entry made in the revenue system.
- c. If in case the RMR has been already issued and subsequently cancelled due to reasons stated above or bounced cheque, etc. then all the copies of the RMR shall be obtained back from the depositor and retained. Further, cancellation shall also require the depositor or the taxpayer to surrender the original RMR to the issuing Revenue Agency. It shall be the responsibility of the concerned Thromde to recover the RMRs and the same should be produced during Revenue Audit inspection.
- d. In the event, the depositor is unable to return the original RMR then the Thromde shall ensure that the bounced cheque returned by the bank is retained along with the Copies of the RMR until the original receipt is obtained for audit purpose.
- e. If in case the bounced cheque is the only deposit featuring in a Challan, then the dealing official can follow the option to cancel the Challan along with the Receipt and accordingly make the necessary entries in the Cashbook and Ledger.
- f. If however a Deposit Challan features other cheques, then the above option cannot be carried out. Instead receipt cancellation shall be made for the particular cheque with necessary adjustments and entries in the Cashbook and Ledger.
- g. While carrying out the above adjustments in the Cashbook and Ledger, it should be noted that adjustments should be done from the progressive total of the current day and not from the day the collection and deposit was made in the bank to avoid distortion of the Cashbook and Ledger totals.
- h. It must be ensured by the Thromdes that the new receipt number is mentioned on the face of the old cancelled receipt.

## 19.3. Refunds

The Thromdes might sometime collect or deposit revenue, which are exempt or deposited erroneously or paid in excess by taxpayers and revenue agencies. In such situations, the department is required to refund all such deposits made into the revenue account. The following are the guidelines to follow for making such refunds:

Guidelines on Refund:

- a. All refunds must be routed through the concerned department through RMS with the original RMR.
- b. On receiving a refund claim, the respective section under the RRCO shall verify the claim applied for and confirm the deposit with the relevant bank statement.

- c. Bank Charges related to cheque reissued by the Thromde on account of lost cheque by the claimant, shall be borne by the refund claimant and not by the Thromde.
- d. No refunds shall be made in Cash
- e. All refunds above Nu 100,000 shall be processed only after approval of the Director, DRC.
- f. A register for refunds shall be maintained

## **20. Deposit of Revenue, Fines and Penalties Collected**

All collections of revenue whether received directly by the Thromdes or through its subordinate units shall be deposited into the designated Bank Account of the Thromdes, the following day or the next working day. Delay in depositing government revenue is a serious revenue offence and shall be dealt with as per rules on Fines and Penalties.

Revenue collected shall be deposited as follows:

- a. Under no circumstance, shall revenue collected be utilized for departmental or individual's purposes, nor, encashing private cheques, paying claims or accommodating chits and values be entertained by any collecting agencies from government revenue.
- b. Deposits in the allotted RGR/Bank Account Number must be made through the use of prescribed Depositing Challan, clearly indicating:
  - i. The date of deposits.
  - ii. The allotted RGR Account Number.
  - iii. Full particulars of the depositor with distinct office seal and signature of the responsible officer.
- c. The Thromde shall invariably record the full head-wise particulars of the deposits on the reverse side of the Depositing Challan (as per the list of Standard Revenue Deposit Heads).
- d. The Thromde while depositing the amount shall present the above prepared challans to the concerned bank. The banks shall then retain the original (1st copy) and duplicate (2nd copy) of the Depositing Challan and the Triplicate copy (3rd copy) shall be retained in the Challan Book and returned to the concerned agency for record, verification and audit purposes.
- e. The officer concerned of the Thromde shall ensure at the time of deposit that the banks cashier endorses the triplicate copy of the Depositing Challan retained in the book with proper seal as proof of the deposit having taken place.
- f. In case where Government dues are collected but not deposited into the allotted RGR Account or with the concerned RRCO within due date, then a late fine @ 24% per annum or fraction thereof of the amount will be imposed and recovered from the dealing Officer of the Thromde concerned.

## **21. Accounting and Maintenance of Records for Tax and Non-Tax Revenue**

### **21.1. Ledger Maintenance and Security**

- a. The Collections and Deposits from the Revenue Cash Book shall be posted (head-wise) in the ledgers on a daily basis

- b. All RMRs used shall be recorded chronologically detailing the particulars and date of receipt.
- c. The Challan Nos. through which the deposit is made should also be recorded
- d. Separate Ledgers for every account head shall be maintained on a monthly basis
- e. Separate Ledgers are to be maintained for Collection and Deposit for all receipts and deposits
- f. The monthly as well as progressive totals for each head of collection and deposit shall be shown clearly in the Ledger

## **21.2. Other Guidelines**

- a. Creation and alteration access shall be restricted to the authorized persons.
- b. Upon creation/modification of ledger account and code, the changes made shall be reviewed by Accountant
- c. The ledger account creation and modification Form shall be signed off by all the persons/authorities involved as an evidence for creation and verification.

## **21.3. Revenue Cash Book**

- a. Thromdes using the RMS (Mini RAS or the Agency level RAS) shall be required to maintain a Revenue Cash Book
- b. Thromdes maintaining manual accounts shall maintain a standard cash book
- c. Head-wise postings of collections made should be posted from the Revenue Money Receipts and Depositing Challan in chronological order on the Receipt and Deposit sides of the Revenue Cash Books
- d. Entries in the Revenue Cash Book shall be made immediately on completion of the transaction or at the end of the day without fail
- e. Each entry made in the Cash Book (on the print out copies from the system) shall be signed by the authorized Collecting Officer, Supervisor and Cashier
- f. For manual cash books authorized signatures are mandatory as above
- g. The Collecting Officer shall ensure that Cashbook is closed daily and the Closing Balance (cash and cheques etc.) of the day is carried forward as opening balance on the next working day. For system users, this will be carried forward automatically.
- h. Any RMR if cancelled, shall be entered serially in the Revenue Cash Book as 'CANCELLED' along with the reasons for cancellation

## **21.4. Bank Reconciliation Statement**

BRS is a statement showing the differences between the cashbook balance and the bank statement balance and it is prepared for reconciliation of the same. The differences between the two occur sometime due to entries, which have been recorded in the cashbook but not in the bank statement or vice-versa. In order to reconcile such differences, guidelines are provided as follows:

- a. BRS shall begin with the balance shown as per the cashbook. The balance shown should be the progressive balance as on the last day of the month
- b. Subtract the Cheques that were deposited (Challans) but not reflected in the Bank Statement

- c. Add the deposit in the bank statement but not entered in the cashbook. These challans could be sometimes the ones that were deposited in the previous financial year or challans for other Agencies wrongly credited in the account
- d. The amount after the above two adjustments are carried out, must be equal to the balance as per bank statement in order to correctly reconcile the accounts. It is important to note that the balance as per statement must be computed on progressive basis (cumulative starting July to June every year)
- e. The details of the Cheques deposited but not reflected in the Bank Statement and the Deposit in the Bank Statement but not entered in the cashbook must be shown separately.

## **22. Reporting**

- a. This section describes the procedures to be followed by a Thromde to facilitate preparation of periodical accounts. Each Thromde would prepare periodical accounts at quarterly or such other shorter period as may be defined and this shall be in addition to the annual accounts.
- b. It is recommended that certain reconciliations and other accounting procedures be carried out on a daily and monthly basis so that the recording of transactions is up to date. These would be in addition to quarterly and annual procedures.

### **22.1. Daily Procedures**

- a. Closing of Cash Book
- b. Physical verification of cash balance
- c. Deposit of collections (both cash and cheque) in the bank
- d. Checking ledger accounts with the books of original entries, i.e., Cash Book and Journal Book
- e. Verification of number of receipts issued as reported by the collection office with the Collection Register
- f. Updation of Subsidiary Ledgers
- g. Other daily procedures pertaining to accounting has been covered in the Accounting Manual in detail

### **22.2. Monthly Procedures**

- a. Bank Reconciliation
- b. Closing of ledger accounts

### **22.3. Quarterly Procedures**

- a. Reconciliation of deposits, advances, receivables and incomes
- b. Passing of adjustment entries
- c. Closing of ledger accounts

### **22.4. Annual Procedures**

- a. Confirmation of all categories of advances

## **23. Monitoring**

### **23.1. Management Information System (MIS)**

Management Information System reports are necessary in Thromdes for measuring its activities in a more meaningful and transparent manner. MIS not only provides information on accounting & financial aspects but also covers non-financial aspects/information in an integrated mode. The object of development of MIS reports is to provide the performance details/statistical data of the activities of the Thromdes in various forms. MIS reports serve as critical inputs for any decision making on any of the conducts of the ULBs.

### **23.2. Bases and Coverage**

MIS reports are prepared from the accounting and other records maintained for the conduct of the Thromde activities. These basic data are to be maintained properly in order that the MIS reports prepared based on the records are correct and accurate. Therefore, maintenance of proper accounting & other records is the key for effective MIS reports.

MIS reports prepared in Thromde shall cover the following key areas:

- b. Financial Performance (Balance Sheet, Income and Expenditure, Cash Flow Statements, etc.)
- c. Departmental Performance (Departmental collection summary, etc.)
- d. Key Performance Indicators (Financial ratio analysis, etc.)

Thromdes may also specify additional MIS reports, which are appropriate and necessary for their functioning and monitoring. The recommendations made in this chapter are general and minimal requirements and the Thromdes on its own shall add any other reports or forms, as they consider necessary and suitable.

## **24. Revenue Enhancement Strategy**

Thromdes have been diagnosed to have significant challenges in revenue collection and there is significant amount of money owed to the Thromdes by its clients. The amount has accumulated over a period due to lack of effective internal controls in the revenue collection. Revenue collection problem does not only start when the client has defaulted but early on the revenue and receivables cycle when the consumers apply for services, when there are no proper controls in processing of bills and many other reasons within the process.

Upon analysing the situations in the Thromdes, challenges have been identified around the following areas:

- a. Small Tax base
- b. Poor Documentation
- c. Incomplete tax coverage
- d. Difficulties with tax assessment:
  - i. The assessment procedures are not based on a standard or objective yardstick
  - ii. The system depends on the judgment of tax officers
  - iii. Taxpayers are treated inconsistently

- e. Collection inefficiency
- f. Problems related to the payment procedures
- g. Lack of enforcement mechanisms
- h. Lack of human resource in revenue administration
- i. Wrong revenue estimation at the first stage (absence of proper tax valuation and assessment methodology)
- j. Lack of awareness of taxpayers
- k. Outdated tariff rates that have served for more than 30 years
- l. Lack of service charge rate computation methodology
- m. Applications by citizens for services to be rendered by the Thromdes
- n. Service Delivery
- o. Maintenance of ageing income generating infrastructure
- p. Indigent register/systems
- q. Lack of coordination between the service delivery divisions and the revenue collection office
- r. Issues with measuring consumption accurately, regularly, and timely distribution of statements to correct customer addresses/emails/cell phones.
- s. Data integrity (billing information & customer information)
- t. Unreliable baseline information as a result of poor data integrity
- u. Unrealistic revenue estimates during the budgeting process
- v. Use of taxation policy developed two decades ago
- w. Receiving and Recording of receipts, fragmented business processes
- x. Customer care, lack of effective communication
- y. Non-monitoring of service providers contracted for revenue generating activities like parking fees, public toilets, etc.

What needs to be done in summary?

- a. Broaden tax base
- b. Increase tax coverage
- c. Consider tax rate and ratio
- d. Valuate and assess taxes
- e. Maximize collection ratio
- f. Evaluate payment procedure
- g. Implement appropriate enforcement mechanism
- h. Develop human resources and capacities
- i. Improve data integrity in the transaction processing environment
- j. Effectively implement legislation, policies and procedures (Compliance and good practices)
- k. Confirm completeness of revenue
- l. Implement targeted approach to collection
- m. Improve customer relationship management
- n. Protect and grow the revenue base

### **The Revenue Equation**

The elements of revenue enhancement can be summed up in a simple equation:

$$\text{Revenue} = \text{Tax Base} * \text{Tax Coverage Ration} * \text{Valuation Ratio} * \text{Collection Ratio}$$

Using the above model to calculate revenue makes it possible to estimate the potential revenue yield from an improved administration. Researches have proved that holding tax base and tax rate constant, it should be possible to almost double the tax merely through administrative improvements to expand the coverage, valuation, and collection ratios. This clearly indicates that the revenue potential from administrative efficiency is significant.

Leaving the base and the rate constant and working on collection, coverage and valuation brings an increase in revenue yield.

**Broaden Tax Base** – the tax base refers to the overall value of the economic unit (including individuals, enterprises, etc.) under tax consideration. Like most other developing countries, Bhutan is challenged with widening its tax base largely because of low income level of its citizens.

**Increase Tax Coverage** – the coverage ratio measures the extent and number of tax rolls that exist at a relevant revenue collection office. In general, a comprehensive list and an efficiently organized database are essential for optimizing tax collection.

**Consider Tax rate and ratio** – the tax ratio is the weighted average of specific tax rates usually determined by legislative decree. Together with the Revenue and Accounts, the Thromde administration should closely and regularly monitor the appropriateness of tax rates considering economic reality. Thromde administration should assess the rates or tariffs for each service at least every two years and propose of revision to the competent authority. The assessment should include an economic situation analysis (considering the inflation rate, buying power, etc.) and survey of taxpayers to measure the taxpayer capacity.

**Valuate and Assess taxes** – the valuation ratio identifies the extent to which taxable units has assessed its market value. Value based taxation of properties is one example where taxes can be levied. Tax rates also can be determined based on the state of economic activities. Thromde administration must compare on an on-going basis the economic unit with its market value. This implies that Thromdes have a good estimation of annual expenditure and income of taxpayers to assess the taxpayers periodically.

**Maximize collection ratio** – the collection ratio is the percentage of due taxes, fees, or charges actually collected. Arrears are all unpaid taxes to the Local Government. In order to increase is to summarize the recent arrears.

- a. Large, medium, small, and individuals that are estimated to significantly contribute to the revenue and are known for having difficulties in paying their taxes should be closely observed. A reminder letter should be sent to them to allow them to contact the revenue office for information on their tax liability;
- b. Identify the basic reasons for non-compliance by taxpayers with the regulations;
- c. Understand that many cases of non-compliance are related to unawareness. Therefore, a strong and continuous awareness campaign with a clear and simple tax explanation (who has to pay what? when and to whom?) and usage (how is my money being used thereafter to my own and/or my community's benefit?) is fundamental to increase tax compliance;
- d. Abolish small, inefficient taxes with high cost of administration and collection;

- e. Evaluate both uniform and timely cases of arrears. A long period of non-payment usually also means the money is less likely to be paid in the future. Practice shows that higher level of active enforcement through use of fines leads to an overall increased compliance;
- f. Compile accurate, timely and comprehensive information; and
- g. Allocate sufficient professional resources for revenue collection.

Evaluate payment Procedures – payment procedures can be designed and implemented more efficiently by:

- a. Shortening payment procedures – Heavy bureaucratic payment procedures are very time consuming for most taxpayers; therefore, Thromde administrations should devise means to shorten payment procedures;
- b. Establishing different means of payment – Payment through different banks, online payment, cheque payment, mobile payment options, etc.; and
- c. Organize payment schedule – Thromde administrations could establish a payment schedule to avoid long waiting times and overburdened revenue staff.

Implement Appropriate enforcement mechanisms – arrears management and enforcement requires serious attentions as follows:

- a. Clearly communicate the enforceable legal codes in place;
- b. Introduce and put in place a clear uniform appeal process;
- c. Conduct regular information forums for taxpayers;
- d. Design, print and distribute explanatory leaflets where taxes are explained and also the consequences of not paying them;
- e. User of other media channels to inform and create awareness at the taxpayer level on the consequences of tax non-compliance;
- f. Provide timely information and data on defaulters from the collection office to legal services to enable legal follow-up;
- g. Take appropriate actions on the tax defaulters; and
- h. Carefully review fines. Fines should be designed to punish but not so large as to financially prohibit payments.

Develop human resource and capacities – the first step in enhancing the capacities of the revenue office is to acknowledge the importance and responsibilities of it. Many problems stem from inadequately prepared revenue officials. Better trained staff will directly improve coverage, valuation and collection ratios for many revenue sources.

Table below summarizes recommendations for improving revenue administration efficiency:

Sl. No.	Recommendations	Concrete measure to be taken
1	Setup better communication between various agencies for better tax coverage	<ul style="list-style-type: none"> <li>• Thromde office is required to identify if taxpayers have met their tax obligations before providing services</li> <li>• Provide information to revenue office about the new taxpayers at the time of service delivery</li> </ul>

		<ul style="list-style-type: none"> <li>Organize regular evaluation forums to strengthen cooperation</li> </ul>
2	Give rewards for those who successfully discharge their responsibility in paying their tax liabilities and encourage exemplary staff	<ul style="list-style-type: none"> <li>Give media coverage for good taxpayers (e.g. those taxpayers that pay before the deadline could be complimented on the media)</li> <li>Recognize staff's achievement in improving the efficiency of the revenue system</li> </ul>
3	Compare and adjust the number of registered taxpayers with that of other relevant offices such as offices Department of Revenue and Customs	<ul style="list-style-type: none"> <li>Collect a list of names and basic information to taxpayers from government offices and NGOs</li> <li>Establish good relations with the licensing agencies and chamber of commerce in order to get more information about taxpayers</li> <li>Compare and update taxpayers' registration based on lists and information received from other relevant offices</li> <li>Maintain the taxpayers' registration documents both in multiple formats</li> <li>Use this updated taxpayer list as a basis for assessment, determination and collection of taxes and fees</li> </ul>
4	Use Tax Identification Number (TPIN) to identify taxpayers	<ul style="list-style-type: none"> <li>Register all taxpayers and collect relevant information to prepare TPIN for each taxpayer</li> <li>Develop format and prepare TPIN</li> <li>Provide TPIN to taxpayers</li> </ul>
5	List the registered tax, user charges and fee payers from existing documents according to their Divisions/Sections	<ul style="list-style-type: none"> <li>Prepare format by which all necessary information is collected by the Divisions/Sections</li> <li>Inform Divisions/Sections about the importance of the information and their responsibilities</li> </ul>
6	Analyze the collected data of potential taxpayers and include the new taxpayers in the tax net	<ul style="list-style-type: none"> <li>Analyze taxpayer data from different Demkhongs to check of there are unregistered taxpayers</li> <li>Design and plan how these new taxpayers should come under the tax net</li> </ul>
7	Perform continuous inspections to enlist liable taxpayers within regular intervals	<ul style="list-style-type: none"> <li>Exchange data and information with other stakeholders for follow-up</li> <li>Explain the responsibilities for all stakeholders for submitting complete and clear data to revenue office</li> <li>Conduct random verifications of data received</li> </ul>
8	Compare the status of coverage (taxpayers) of each tax item with other items	<ul style="list-style-type: none"> <li>Prepare tax coverage ratio first for lucrative revenue items</li> <li>Compare the ratio of one revenue item to another revenue item (e.g. someone who</li> </ul>

		<p>pays a land lease is likely to have a house and is therefore subject to property tax)</p> <ul style="list-style-type: none"><li>• If the comparison shows a large difference, identify the possible reason for difference in revenue coverage</li><li>• Develop a strategy to narrow the gap</li></ul>
--	--	---

## 25. Annexures

### Annexure 25.1 – Sources of Revenue-Rates, Assessment, Demand Notice

#	Source of Revenue	Fixation of Rate	Assessment	Demand Notice	Rates as on 31 <sup>st</sup> August 2014
1	<b>Land Tax</b>	Taxation Policy 1992	Revenue section	Revenue Section	Residential – Nu 25 per sq. ft Commercial – Nu 50 per sq. ft
2	<b>Urban House Tax</b>	Taxation Policy 1992	Revenue section	Revenue Section	See Annex- 2(a)
3	<b>Service Charge (street light and Solid waste)</b>	Taxation Policy 1992	Revenue section	Revenue Section	See Annex- 2(b)
4	<b>Underdevelopment fees</b>	Taxation Policy 1992	Revenue section	Revenue Section	PAVA Rates
5	<b>Fines and Penalties:</b> a. Environment b. Cattle Impounding c. Delay in payment of bill d. Cheque bounce penalty	a. Rate is derived from <b>Waste Management Regulations 2012</b> by NEC which is an autonomous body. It implements the fine b. Thromde management c. Central Government d. Negotiable Instrument Act	a. Environment Division as per prescribed format b. Thromde management c. Revenue Section d. Revenue Section	a. Environment Division b. Area officer c. Revenue Section d. Revenue Section	a. See Annex-4 b. Nu 300 per day. c. 24% per annum d. Nu 1000/- per offence.
6	<b>Excess Land</b>	Rates are fixed as per PAVA by Ministry of Finance	Land Management Division	Land Management Division	PAVA Rates
7	<b>Ground Rent</b> a. Land Lease b. Ground rent (temporary nature) e.g. Clock tower	a. Land Commission rates are considered b. Rate is fixed by Thromde management	a. Land Management Division b. Environment Division	a. Land Management Division b. Environment Division	a. See Annex 6 b. As per location
8	<b>Documents and fees</b>	Rates are fixed by the respective departments. There is no concept of assessment and demand notice			
9	<b>Library Membership Fees</b>	Rate on a monthly basis.			

#	Source of Revenue	Fixation of Rate	Assessment	Demand Notice	Rates as on 31 <sup>st</sup> August 2014
10	<b>Parking Fees</b>	Engineering Division	Engineering Division	Engineering Division	As per assessment
11	<b>Property Transfer fees</b>	Taxation Policy 1992	Land Management Division	Land Management Division	5% of the assessed value.
12	<b>Land Demarcation fees</b>	Urban Planning Division	Urban Planning Division	Urban Planning Division	Rate based on area in sq. ft.
13	<b>Building plan process fee</b>	Thromde Management	Development Control Division	Development Control Division	Rate based on area in sq. ft.
14	<b>Site plan fee</b>	Thromde management	Survey Division	Survey Division	Rate based on area in sq. ft.
15	<b>Vegetable Bazar fees</b>	Rate is pre-fixed by Thromde management	Onetime assessment as per the size of the allocated stall	Not Applicable	Nu 42 per sq. feet
16	<b>Water Connection Bill/Charges</b>	The Customer Service Division (CSD) proposes the revision of tariff taking into account the rate of inflation and other relevant factors and is sent to the Thromde management. The proposal is then sent to the Municipal Council for approval. It is then sent to the MoF for further approval	CSD	CSD	See Annex 5(a)
17	<b>Sewerage Connection Charges/Bill</b>	Same as water connection/bill	Same as water connection/bill	Same as water connection/bill	50% of water connection charges
18	<b>Septic Tank cleaning charges</b>	The Customer Service Division (CSD) proposes the tariff taking into account the inflation, operating cost	CSD	Not Applicable	Case 1: Citizen has a water connection One free cleaning is provided to the consumer.

#	Source of Revenue	Fixation of Rate	Assessment	Demand Notice	Rates as on 31 <sup>st</sup> August 2014
		of truck, wage of driver and other relevant factors and is sent to the Thromde management. The proposal is then sent to the Municipal Council for approval.			Subsequent cleaning is chargeable at the rate of Nu 1000 Case 2: Citizen does not have a water connection Nu 1000 per cleaning

## Annex 25.2(a) – Urban House Tax on Buildings and Houses

<b>Buildings</b>		
<b>Type of Town</b>	<b>Class</b>	<b>Rate (Nu/Unit/Annum) w.e.f. 2011 as on 31 August 2014</b>
A	1	100
	2	75
	3	30
	4	20
B	1	75
	2	50
	3	25
	4	15
C	1	50
	2	40
	3	20
	4	10
D	1	25
	2	20
	3	10
	4	05
<b>Houses</b>		
All	I	500
	II	300
	III	200
	IV	100

**Source: Thromde**

It is significant to note that the contribution from the house tax in the total own sources of revenues of Thimphu Thromde for which data is available is even less than 1% during both the years under reference (2011- 12 and 2012-13). However, there was a marginal increase of 2.43% was noticed during the above reference period in the actual collections from house tax as it has gone up from Nu 399 thousand in 2011-12 to Nu 496 thousand in 2012-13. Since data is not available on the growth of houses and buildings as also on collection efficiency under the various heads of revenue income of TT during the above period, it will be not possible to comment on the reasons of improvement in the house tax collections in 2012-13.

The present tax rates for the Urban House tax are being effective since 1993 and have not been revised since. The tax rate is not calculated based on the actual plinth area of the building rather on the unit basis. The units are classified based on a range of plinth area.

## Annex 25.2(b) – Service Charges on Buildings and Houses

### I) Residential Units

	<b>Garbage Collection Charges (Nu/unit/annum) as on 31<sup>st</sup> Aug 2014</b>	<b>Street Light Charges (Nu/unit/month) as on 31<sup>st</sup> Aug 2014</b>
<b>Buildings</b>		
Class I	10	05
Class II	08	04
Class III	06	03
Class IV	04	02
<b>Houses</b>		
Class I	40	20
Class II	30	15
Class III	20	10
Class IV	10	05

### II) Commercial/Industrial Units

<b>Commercial unit</b>	<b>Rate in Nu per unit per month</b>
<b>Standard Shops and restaurants</b>	60
<b>Hotels:</b>	
1. 1 <sup>st</sup> class Single room- (Nu. 200/- and above per night)	15 per room
2. 2 <sup>nd</sup> Class- (Nu. 101-Nu 199 per night)	10 per room
3. Economy (Nu. 100 and below per night)	7 per room

**Source: Taxation Policy 1992 and Thromde officials**

### Annex 25.3 – Criteria for the Classification of Buildings and Houses

Class of Accommodation	Buildings (as on 31 <sup>st</sup> Aug 2014)		Houses (as on 31 <sup>st</sup> Aug 2014)	
	Min. Size Apartment (sq. feet)	Min. Space Apartment	Min. Size House (sq. feet)	Detached/Demi-detached Independent Houses
Class I	Above 1260	Sitting/dinning	Above 1500	Sitting/dinning
		3 bed rooms		3 bed rooms
		2 toilets/baths		2 toilets/baths
		Kitchen/store		Kitchen/store
				Garage/servants quarter
Class II	875-1259	Sitting/dinning	1200-1499	Sitting/dinning
		2 bed rooms		2 bed rooms
		2 toilets/baths		2 toilets/baths
		Kitchen/store		Kitchen/store
Class III	508-874	Sitting/dinning	874-1199	Sitting/dinning
		1 bed room		1 bed room
		1 toilet/bath		1 toilet/bath
		Kitchen		Kitchen
Class IV	362-507	1 room	500-873	1 room
		Kitchen		Kitchen
		Toilet/bath		Toilet/bath

Source: Thromdes and LGF Component Report on Strengthening Public Management, RGoB, 2012

Note: The term house includes bungalow, duplex house or dwelling units and cottage of permanent or semi-permanent structure.

A class I apartments, for example, includes all buildings having the plinth area more than 1260 sq. feet (120 sq. meter) as a one unit. Similarly, class II building with the plinth area between 875 to 1259 sq., feet will be considered as a single unit for tax assessment purpose. Hence all apartments within the above classified range are being charged the same tax irrespective of their plinth area.

It has been reported that building section of TT is responsible for the assessment of house tax for new buildings, they prepares the initial estimate of the tax to be paid and the same is collected on a yearly basis by the revenue division. The assessment sheet prepared by the building section for

the new buildings is filed by the revenue sections and entry for the tax collected is made in the revenue register. The same amount is applied for the subsequent years. Hence it becomes essential for the tax payer to submit the previous year's receipt as reference.

**Annexure 25.4 – Fine Schedule for Offences related to Environment under Waste Prevention and Management Regulation 2012**

<b>Section-150</b>	<b>Offence (acts of non-compliance)</b>	<b>Fine Amount (Nu. Per instance) (as on 31<sup>st</sup> Aug 2014)</b>
150.1	Littering at any public places	100.00
150.2	Dumping of waste in places other than approved sites	500.00
150.3	Operating business establishments without providing waste bins for customer usage	1,000.00
150.4	Any nature of waste being found within a boundary of a household or business unit	500.00
150.5	Urinating and defecating in a public place	100.00
150.6	Sale of goods or services on the streets and pedestrian walkways without approval	1,000.00
150.7	Dumping of waste into streams, rivers, drainage systems or other water bodies	1,000.00
150.8	Dumping of industrial waste in areas other than designated location or facility approved	20,000.00
150.9	Collection of waste without permit from relevant authority	100.00
150.10	Dumping of construction waste including excavated materials and structural demolition waste in places other than designated sites	9,000 per truck load
150.11	Upon completion of construction work, failure to clean up the remnants of the construction materials in and around a construction area, streets, roads or pedestrian pathways	10,000.00
150.12	Placing or storing of goods including commercial and construction materials, on the streets, roads and pedestrian pathways without permission of the relevant authority	2,000.00
150.13	Failure to provide common waste bins by house owner	500.00
150.14	Failure to segregate solid waste when segregating facilities are available or provided with	500.00
150.15	Failure record details information on accident, non-compliance or other detail in particular to medical, industrial or any hazardous waste as required to be included in a report	20,000.00
150.16	Dumpling or releasing of waste into the prohibited areas by this regulation	20,000.00
150.17	Dumping or releasing of industrial, medical or other hazardous waste including spillage during transportation in any places other than designated or approved facility	20,000.00
150.18	Giving false or distorted information or report	5,000.00

**Source: Waste Prevention and Management Regulation 2012**

**Annexure 25.5(a) – Water Service Tariff- (Figure in Nu/CbM)**

Category	0-20 Cbm	21-40 Cbm	41 Cbm and above
Domestic	2.90	3.50	4.35
Industry	2.90	5.80	11.60
Institutional	2.90	5.80	11.60
Hotel	2.90	5.80	11.60
Commercial	2.90	5.80	11.60

**Note: 1.** Sewerage: 50% of Water Service Tariff

**Annexure 25.5(b) – Other Charges relating to Water Connection**

Sr. No.	Charge	Amount (Nu) (as on 31 <sup>st</sup> Aug 2014)
1	New Connection	300.00
2	Re-connection/meter shifting charge	500.00

**Annexure 25.5(c) – Cost of New Meter**

Sr. No.	Category	Amount (Nu) (as on 31 <sup>st</sup> Aug 2014)
1	15mm	1,470.00
2	20mm	2,285.00
3	25mm	5,145.00
4	32mm	7,455.00

## **Annexure 6.6 – Lease Rates**

1. Residential (includes area given for accommodation of construction workers and store for building construction) = Nu. 5 per square feet per Annum
2. Commercial (business-oriented activities = Nu. 20 per square feet per Annum
3. Social (Govt. offices, schools, hospitals, civil societies, organizations) = Nu. 1 per square feet per annum
4. Industrial (warehouse/open dump ward) = Nu. 4 per square feet per annum

**CASH BOOK**

<b><u>Receipt</u></b>								<b><u>Payment</u></b>							
<b>Sr No</b>	<b>Date</b>	<b>Receipt voucher no.</b>	<b>Code of Account</b>	<b>Particulars of Receipt</b>	<b>L/F</b>	<b>Cash Amount (Nu)</b>	<b>Bank Account amount (Nu)</b>	<b>Sr No</b>	<b>Date</b>	<b>Pymt. Voucher No.</b>	<b>Code of Account</b>	<b>Particulars of payment</b>	<b>L/F</b>	<b>Cash Amount (Nu)</b>	<b>Bank Account Amount (Nu)</b>

**Function-wise Income Ledger**

Date	Ref No	Particulars	Total Amount	Income			
				Grants	Fees and Penalties	Land Tax	...
		<b>Total for the Month</b>					
		<b>Cumulative total at the beginning of the month</b>					
		<b>Cumulative total at the end of the month</b>					

Summary of major head-wise Income

Sl. No.	Function Code	Functions Head	Total Income	Major Heads of Income			
				Grants	Fees and Penalties	Land Tax	....
<b>Total for the major heads of income</b>							

**Demand Notice of \_\_\_ for the period \_\_\_.**

No. \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Serial No. in Demand Register \_\_\_\_\_

The incomes shown below amounting to Nu \_\_\_\_\_ are due from you in respect of \_\_\_\_\_ and you are requested to pay the same within \_\_\_ days of presentation of this bill.

Particulars	Arrears (Nu)					Current Demand (Nu)	Total (Nu)
	Year (Others)	Year (-3)	Year (-2)	Year (-1)	Current Year's Bill		
1	2	3	4	5	6	7	8
Land Taxes							
Urban House Tax							
Penalties and Fines							
Other Fees							
Total Bills raised							
Less: Advance Adj.							
Balance Payable							
Amount in Words:							
	Prepared By:		Examined and entered				
	Checked By:		Accountant/Auth. Officer				
	Date:		Date:				

#The aforementioned demand notice is in standard format. The Thromde may issue demand notices in different formats

## Annexure 25.11

\_\_\_\_\_ THROMDE

Demand Register of \_\_\_\_\_ for the Year 20\_\_ to 20\_\_.

\_\_\_\_\_ Department

Sr No	Date	Bill No,	Name of the Person from whom the amount is due	Particulars	Demand	Collection	Remission	Balance	Remarks
1	2	3	4	5	6	7	8	9	10
				Arrears					
				Year (Others)					
				Year (-3)					
				Year (-2)					
				Year (-1)					
				Current Year					
				Bill**					

\*\* Entries shall be separately made for each bill raised. Entry shall be made only for the current demand raised.

Summary Statement of Bills for the period

Date:

Particulars (Revenue Head wise)	Arrears (Nu)				Current Demand (Nu)	Total (Nu)
	Year (Others)	Year (-3)	Year (-2)	Year (-1)		
<b>1</b>	<b>2</b>				<b>3</b>	<b>4</b>
Land Taxes						
Urban House Tax						
Parking fees						
Penalties and Fines						
Other Fees						
<b>Total Bills Raised</b>						
<b>Revenue collected in advance</b>						
<b>Total</b>						
<b>Amount in Words:</b>						
<b>Prepared By:</b>	<b>Examined and entered</b>					
<b>Checked By:</b>	<b>Accountant/Auth. Officer</b>					
<b>Date:</b>	<b>Date:</b>					

**Register of Refunds and Cancellations**

Sr No	Date	Name and Address of the Person/Party	Particulars (Refund/Cancellation)	Year in which granted	Order no. and Date	Under Section	Name and designation of the sanctioning authority	Amount	Date of Payment & Voucher no. (In case of Refunds)	Remarks
1	2	3	4	5	6	7	8	9	10	
				<u>Arrears</u>						
				Year (Others)						
				Year (-3)						
				Year (-2)						
				Year (-1)						
				<u>Current Year</u>						
				Bill**						

## Annexure 25.14

### List of reports generated by the Revenue System

The following table illustrates the list\*\* of reports generated by the Revenue System:

#	Particulars
1	Taxes a. Taxwise Defaulters b. Taxwise % Compliance c. Tax % in Total Revenue d. Taxwise % In Tax Revenue e. Tax Payer for Each Tax f. TP – With no Tax Liability g. TP – With no Due
2	Fees & Charges a. Fees % in Total Revenue b. Fee-wise % in Fees Revenue
3	Defaulters for Various Periods
4	Monthly demand Collection
5	Yearly demand collection
6	Pending demand Transaction type Count
7	Total Amount Collected
8	Yearly Financial Report
9	DCB of Individual
10	Month on Month trend change for Demand Collection
11	Year on year trend change for DCB
12	Year on year trend change for Demand Collection
13	Month on Month trend change for DCB
14	Unadjusted Advances
15	Taxes and Fees and Charges

**Annexure 25.15**

**Masters Data to be Maintained in the Revenue System**

#	Head	Sub-Heads
1	Account Head	-----
2	Tax Related	a. Tax Type Name b. Rates c. Schedule
3	Office Related	a. Thromde b. Division c. Section d. Unit e. Designation f. Occupation
4	Location	a. Dzongkhag b. Dungkhang c. Gewog d. Village e. Zone
5	Land	a. Land Type b. Property Type c. Ownership Type
6	Water	a. Water Status b. Water Connection Status c. Water Connection Type d. Water line Type e. Water Meter type
7	PAVA Master	a. Land use Category b. Land use Sub category c. PAVA Rate Master
8	Bank Details	a. Bank Master b. Bank Branch

9	User and Roles	a. Roles b. User
---	----------------	---------------------

**Annexure 25.16**

**Receipt Register for Cheque Collection**

The Thromde has been suffering from loss revenue due to cheques being dishonoured by banks. To negate this loss the Thromde shall maintain a receipt register and the same shall contain the details of all the tax payers by mode of cheque.

#	Particulars
1	Name of the Person/Party
2	Address of the Person/Party
3	Phone Number pf the Person/party
4	Amount in Nu
5	Amount in Words
6	Cheque no.
7	Drawn on
8	Alternate contact details

**Annexure 25.17 – Revenue Chart of Account**

<b>Major Accounts Classification</b>	<b>Group</b>	<b>Subgroup</b>	<b>Ledger</b>	<b>Account Code</b>
<b>Revenue</b>				(1)
	<b>Fees and Charges</b>			(130)
		<b>Development Charges</b>		(13025)
			<i>Betterment Charges</i>	(1302503)
			<i>Demolition Charges</i>	(1302504)
			<i>Development Charges-Construction Approval</i>	(1302501)
			<i>Development Charges-Occupancy Certificate</i>	(1302502)
			<i>Development Charges-Others</i>	(1302505)
		<b>Entry Fees</b>		(13070)
			<i>Other Thromde Amenities</i>	(1307003)
			<i>Parks and Facilities</i>	(1307002)
			<i>Sports Facilities</i>	(1307001)
		<b>Fees and Charges Remission and Refund</b>		(13090)
			<i>Development Charges</i>	(1309031)
			<i>Other Fees and Charges</i>	(1309061)
			<i>Sewerage Charges</i>	(1309021)
			<i>User Charges</i>	(1309041)
			<i>Water Charges</i>	(1309001)
		<b>Fees for Certificate Or Extract</b>		(13060)
			<i>Birth and Death Registration Fees</i>	(1306002)
			<i>Fees for Certificate of Extract-Others</i>	(1306004)
			<i>Fees from Copies of Plan</i>	(1306001)
			<i>Lagthram Fees</i>	(1306003)
		<b>Fees for Grant of Permit</b>		(13020)

	<i>Advertising Fees</i>	(1302003)
	<i>Building Permits</i>	(1302001)
	<i>Fees for Grant of Permits-Others</i>	(1302004)
	<i>Planning Permit</i>	(1302002)
<b>Mutation Charges</b>		(13045)
	<i>Land Registration</i>	(1304503)
	<i>Mutation Charges-Others</i>	(1304504)
	<i>Property Subdivision</i>	(1304502)
	<i>Property Transfer Fee</i>	(1304501)
<b>Other Fees</b>		(13075)
	<i>Application Fees</i>	(1307506)
	<i>Cattle Pounding Fees</i>	(1307505)
	<i>Education Fees</i>	(1307501)
	<i>Fees-Others</i>	(1307508)
	<i>Miscellaneous Fees</i>	(1307507)
	<i>Notice Fees</i>	(1307503)
	<i>Sports Fees</i>	(1307504)
	<i>Warrant Fees</i>	(1307502)
<b>Penalties and Fines</b>		(13065)
	<i>Environmental Fees</i>	(1306505)
	<i>Fees and Charges</i>	(1306502)
	<i>Penalties and Fines-Others</i>	(1306506)
	<i>Penalty Imposed by Courts</i>	(1306504)
	<i>Property Taxes</i>	(1306501)
	<i>Rental</i>	(1306503)
<b>Regularization Fees</b>		(13030)
	<i>Building Regularization</i>	(1303002)
	<i>Excess Land Regularization</i>	(1303001)
	<i>Regularization Fees-Others</i>	(1303003)
<b>Service/Administrative Charges</b>		(13050)

	<i>Building Plan Survey</i>	(1305003)
	<i>Charges as a Percentage on Deposit Works</i>	(1305005)
	<i>Construction Assessment</i>	(1305004)
	<i>Land Demarcation</i>	(1305001)
	<i>Recovery Charges for Damages of Roads</i>	(1305006)
	<i>Service/Administration Charges-Others</i>	(1305007)
	<i>Site Plan Survey</i>	(1305002)
<b>Sewerage Charges</b>		(13010)
	<i>Sewerage Charges-Commercial</i>	(1301002)
	<i>Sewerage Charges-Non-Commercial</i>	(1301003)
	<i>Sewerage Charges-Others</i>	(1301007)
	<i>Sewerage Charges-Residential</i>	(1301001)
	<i>Sewerage Cleaning Fees</i>	(1301006)
	<i>Sewerage Connection Charges-Permanent</i>	(1301005)
	<i>Sewerage Connection Charges-Temporary</i>	(1301004)
<b>User Charges</b>		(13035)
	<i>Charges for Supply of Water by Tankers</i>	(1303509)
	<i>Drain Connection Fees</i>	(1303508)
	<i>Garbage Collection Charges</i>	(1303501)
	<i>Litters and Debris Collection Charges</i>	(1303502)
	<i>Mining Royalty</i>	(1303510)
	<i>Parking Fees</i>	(1303505)
	<i>Pay and Use Toilets</i>	(1303504)
	<i>Road Cutting Charges</i>	(1303511)
	<i>Septic Tank Cleaning</i>	(1303503)
	<i>User Charges-Others</i>	(1303512)
	<i>Vacuum Tanker</i>	(1303506)
	<i>Water Line and Chamber Shifting</i>	(1303507)
<b>Water Charges</b>		(13001)
	<i>Bulk Supply-Industries</i>	(1300109)

		<i>Bulk Supply-Non-Commercial Institutions</i>	(1300110)
		<i>Bulk Supply-Others</i>	(1300111)
		<i>Metered Water Supply-Commercial</i>	(1300106)
		<i>Metered Water Supply-Domestic</i>	(1300105)
		<i>Metered Water Supply-Industrial</i>	(1300108)
		<i>Metered Water Supply-Non-Commercial Institutions</i>	(1300107)
		<i>Rent Water Meter-Commercial</i>	(1300114)
		<i>Rent Water Meter-Domestic</i>	(1300113)
		<i>Rent Water Meter-Industrial</i>	(1300115)
		<i>Rent Water Meter-Non-Commercial Institutions</i>	(1300116)
		<i>Stand Post Supplies</i>	(1300112)
		<i>Unmetered Water Supply-Domestic</i>	(1300101)
		<i>Unmetered Water Supply-Commercial</i>	(1300102)
		<i>Unmetered Water Supply-Industrial</i>	(1300104)
		<i>Unmetered Water Supply-Non-Commercial Institutions</i>	(1300103)
		<i>Water Charges- Others</i>	(1300119)
		<i>Water Connection Charges-Permanent</i>	(1300118)
		<i>Water Connection Charges-Temporary</i>	(1300117)
	<b>Income from Investments</b>		(160)
		<b>Interest</b>	(16010)
		<i>Bank Fixed Deposits</i>	(1601001)
		<b>Others</b>	(16090)
		<i>Gain from Exchange Rate Fluctuations</i>	(1609001)
	<b>Other Income</b>		(180)
		<b>Deposits Forfeited</b>	(18010)
		<i>Income-Deposits Forfeited</i>	(1801001)
		<b>Insurance Claim Recovery</b>	(18020)
		<i>Income-Insurance Recoveries</i>	(1802001)

	<b>Lapsed Deposits</b>		(18011)
		<i>Contractors and Suppliers</i>	(1801101)
		<i>Lapsed Deposits-Others</i>	(1801103)
		<i>Rent</i>	(1801102)
	<b>Miscellaneous Income</b>		(18080)
		<i>Miscellaneous Income</i>	(1808001)
	<b>Profit on Disposal of Fixed Assets</b>		(18030)
		<i>Income-Disposal of Fixed Assets</i>	(1803001)
	<b>Unclaimed Refund Payable/Liabilities Written Back</b>		(18050)
		<i>Lapsed/Stale Cheques</i>	(1805001)
		<i>Others</i>	(1805002)
<b>Prior Period</b>			(185)
	<b>Income</b>		(18500)
		<i>Consolidated Prior Period Income</i>	(1850000)
	<b>Other Revenues</b>		(18520)
		<i>Fees and Charges-Prior Period</i>	(1852001)
	<b>Rates and Taxes</b>		(18510)
		<i>Property and Other Taxes</i>	(1851001)
<b>Property Taxes</b>			(110)
	<b>Land Taxes</b>		(11010)
		<i>Land Tax-Commercial</i>	(1101003)
		<i>Land Taxes-Others</i>	(1101004)
		<i>Land Taxes-Residential</i>	(1101001)
		<i>Land Tax-Semi Commercial</i>	(1101002)
	<b>Property Taxes Remission and Refunds</b>		(11090)
		<i>Land Taxes</i>	(1109001)
		<i>Urban Building Taxes</i>	(1109011)
		<i>Urban Property Development Tax</i>	(1109021)

	<b>Property Underdevelopment Taxes</b>		(11030)
		<i>Underdevelopment Tax- Commercial</i>	(1103003)
		<i>Underdevelopment Tax-Others</i>	(1103004)
		<i>Underdevelopment Tax-Residential</i>	(1103001)
		<i>Underdevelopment Tax-Semi Commercial</i>	(1103002)
	<b>Urban Building Taxes</b>		(11020)
		<i>Urban Building Taxes-Hotels</i>	(1102003)
		<i>Urban Building Taxes-Industrial</i>	(1102004)
		<i>Urban Building Taxes-Others</i>	(1102005)
		<i>Urban Building Taxes-Residential</i>	(1102001)
		<i>Urban Building Taxes-Shops and Restaurants</i>	(1102002)
<b>Rental Income from Municipal Properties</b>			(120)
	<b>Rent from Civic Amenities</b>		(12010)
		<i>Rent-Community Halls</i>	(1201003)
		<i>Rent from Other Civic Amenities</i>	(1201005)
		<i>Rent-Markets</i>	(1201001)
		<i>Rent-Shopping Complexes</i>	(1201002)
		<i>Rent-Stadium and Sporting Facilities</i>	(1201004)
	<b>Rent from Lease of Lands</b>		(12030)
		<i>Rent from Lease of Land-Commercial</i>	(1203001)
		<i>Rent from Lease of Land-Others</i>	(1203004)
		<i>Rent from Lease of Land-Semi Commercial</i>	(1203002)
	<b>Rent from Lease of Other Properties</b>		(12040)
		<i>Lease of Buildings</i>	(1204001)
		<i>Lease of Equipment and Machinery</i>	(1204003)
		<i>Lease of Parking Lots</i>	(1204002)
		<i>Lease of Properties and Assets-Others</i>	(1204005)
		<i>Lease of Vehicles</i>	(1204004)

	<b>Rent from Office Buildings and Guest Houses</b>		(12020)
		<i>Rent-Guest Houses</i>	(1202002)
		<i>Rent-Office Buildings</i>	(1202001)
		<i>Rent-Others</i>	(1202004)
		<i>Rent-Staff Quarters</i>	(1202003)
	<b>Rent Remissions and Refunds</b>		(12090)
		<i>Rent from Civic Amenities</i>	(1209001)
		<i>Rent from Lease of Land</i>	(1209021)
		<i>Rent from Lease of Properties and Assets</i>	(1209031)
		<i>Rent from Office Buildings and Guest Houses</i>	(1209011)
<b>Revenue Grants, Contribution and Subsidies</b>			(150)
	<b>Revenue Grants</b>		(15010)
		<i>From Royal Government of Bhutan</i>	(1501001)
<b>Sale and Hire Charges</b>			(140)
	<b>Hire Charges for Vehicles</b>		(14050)
		<i>Hire Charges for Vehicles</i>	(1405001)
	<b>Hire Charges on Equipment, Plants and Machinery</b>		(14060)
		<i>Hire Charges on Equipment, Plant and Machineries</i>	(1406001)
	<b>Sale of Forms and Publications</b>		(14020)
		<i>Sale of Forms</i>	(1402002)
		<i>Sale of Publications and Others</i>	(1402003)
		<i>Sale of Tender Papers</i>	(1402001)
	<b>Sale of Others</b>		(14040)
		<i>Sale of Old Newspapers</i>	(1404001)
		<i>Sale of Others</i>	(1404002)
	<b>Sale of Products</b>		(14010)

		<i>Demarcation Pegs</i>	(1401008)
		<i>Rubbish Bins</i>	(1401007)
		<i>Sale of Flowers</i>	(1401006)
		<i>Sale of Fruits</i>	(1401003)
		<i>Sale of Garbage and Rubbish</i>	(1401001)
		<i>Sale of Grass</i>	(1401004)
		<i>Sale of Nursery Plants</i>	(1401005)
		<i>Sale of Products-Others</i>	(1401009)
		<i>Sale of Trees</i>	(1401002)
		<b>Sale of Stores and Scrap</b>	(14030)
		<i>Obsolete Assets</i>	(1403002)
		<i>Obsolete Stores</i>	(1403001)
	<b>Transfer into Thromde Fund</b>		(191)
		<b>Development Zone</b>	(19110)
		<i>Consolidated Transfer into Thromde Fund</i>	(1911000)