

CHARITABLE ENDOWMENTS (CENTRAL)RULES, 1942

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CHARITABLE ENDOWMENTS (CENTRAL)RULES, 1942

In exercise of the powers conferred by S.13 of the Charitable Endowments Act, 1890 and in supersession of the late Home Department Notification No. 1569- judicial, dated the 24th October, 1890, the Central Government is pleased to make the following rules and forms:

1. Short title :-

(1) These rules may be called the Charitable Endowments (Central) Rules, 1942.

(2) They shall apply to charitable endowments the objects of which extend beyond a single State or are objects, to which the executive authority of the Central Government extends.

2. Interpretation :-

In these rules-

(a) "the Charitable Endowments Act, 1890 ;

(b) "Treasurer" means the Treasurer of Charitable Endowments for India for the time being, appointed under sub-section (1) of section 3 of the Act, and includes such other officer as the Treasurer may appoint to discharge any of the functions assigned to him under these rules;

(c) "Form" means a form appended to these rules.

3. Previous publication of vesting orders and schemes :-

In cases in which private persons apply for a vesting order or a scheme or modification of a scheme, and in all cases in which it is proposed to depart in any respect from the ascertained wishes or presumable intentions of the founder of an endowment, there shall ordinarily, and unless the Central Government otherwise directs, be previous publication of the proposed vesting order or scheme or modification.

4. Mode of previous publications :-

(1) Unless the Central Government is of opinion that a proposed vesting order or proposed scheme or modification of a scheme may be made or settled without previous publication, it shall publish a draft of the proposed order, scheme or modification or a sufficient abstract thereof, for the informations of persons likely to be affected thereby.

(2) The publication shall be made in the Official Gazette and in such other manner as the Central Government may direct.

(3) There shall be published, with the draft or abstract a notice specifying a date on or after which the proposed order, scheme or modification will be taken into consideration by the Central Government.

(4) The Central Government shall consider any objections or suggestion which it may receive from any person with respect to the proposed order, scheme or modification thereof before the date specified in the notice under sub-rule (3).

5. Costs :-

The cost of the previous publication under rule 4 of any proposed order, scheme or modification of a scheme, and any other costs incurred or which may be incurred in the making of the orders or in the settlement of a scheme or modification of a scheme, shall be paid by the applicant for the order, scheme, or modification, as the

case may be, and, if the Central Government so directs, may be paid by him out of any money in his possession pertaining to the trust to which his application relates.

6. Securities which may vest In the Treasury :-

No securities for money except the securities mentioned in clauses (a), (b), (bb), ¹ [(c), (d) and (ee)] of S.20 of the Indian Trusts Act, 1882, shall be vested in the Treasurer.

1. Substituted for "(c) and (0)" by the Charitable Endowment (Central) (Amendment) Rules, 1981, w.e.f. 21-8-1981.

7. Accounts of trusts consisting of Immoveable property :-

In the case of property vested in the Treasurer other than securities for money, the person in the administration of the trust and having, under sub-section (3) of section 8 of the Act, the possession, management, and control of the property and the application of the income thereof, shall, in books to be kept by him, regularly enter or cause to be entered full and true accounts of all moneys received and paid respectively on account of the trust, and shall, on the demand of the Central Government, submit annually to such public servant as the Central Government may appoint in this behalf, in such form and at such time as the Central Government may prescribe, an abstract of those accounts and such returns as to other matters relating to the administration of the trust as the Central Government may from time to time see fit to require.

8. Fees :-

(1) The following are prescribed as the fees to be paid to the Central Government in respect of any property vested under the Act in the Treasurer:

(i) In the case of property other than securities for money; the actual charges incurred by the Treasurer in the discharge of his functions in respect of the property;

(ii) In the case of securities for money, at the rate of one naya paisa for every rupee of interest collected. The fee shall be charged on interest by rounding off the amount to the nearest rupee, fractions of a rupee below fifty naya paisa being disregarded and fifty naya paisa or more being reckoned as one rupee.

(2) The Treasurer may deduct any fees payable to the Central Government under this rule on account of any endowment from any

money in his hands on account of such endowment. If he holds no such moneys the amount shall be claimed from the administrators of the endowment.

9. Vesting orders how filed :-

All copies of vesting orders received by the Treasurer shall be filed together and shall be numbered in consecutive order of their receipt; when a sufficient number have been received, they shall be bound in volumes. A note shall be made on each vesting order of any entries in the registers prescribed under these rules relating to the property vesting in the Treasurer under the order.

10. Registers of securities :-

On receipt of any securities for money, or on their purchase by himself, the Treasurer shall record their receipt in a register in Form 1. He shall also keep a separate account for each endowment in Form 2, in which he shall record all receipts including any amounts sent for investment, and all disbursements. In the case account in Part II of Form 2 the Treasurer shall record only his own transactions (such as the payment of the money to the administrators), and not the transactions of the administrators of the endowment fund.

11. Stock disposal register :-

The Treasurer shall enter all securities returned or sold by him in register in Form 3. Returns shall also be entered in Form 2, where the amount returned will be deducted from the capital of the endowment concerned.

12. Custody of securities :-

On the issue of a vesting order under section 4 of the Act in respect of any securities for money, the person authorised under section 6 of the Act to make the application for such vesting order shall, as soon as practicable, forward to the Treasurer the said securities. The Treasurer shall, after recording the receipt of the said securities in the registers kept under rule 10 take steps, as soon as practicable, to have them converted into stock and keep the stock certificate in his custody. After conversion entries shall be made in the Treasurer's Stock Register in Form 7. A consolidated register showing the securities (e.g. promissory notes and the stock certificates) in the custody of the Treasurer shall also be maintained in Form 8.

13. Accounting of interest :-

The Treasurer, on receipt of any interest on securities, shall pass it through his General Trust Interest Account under a special sub-head "Interests on Charitable Endowments under Act, 1890". The interest will then be distributed to the various ledger accounts in the register in Form 2, in which the gross amounts shall be shown, any deductions for fees, etc., being shown as a charge, and the payment of the balance to the administrators being shown as a disbursement. The Treasurer shall maintain personal ledger account in the Reserve Bank and shall make payment to the administrators by cheques. The entries in the ledger of interest received shall be taken out and agreed annually with the total amount of the interest drawn.

14. Balance-sheet :-

The register in Form I shall show all securities vested in the Treasurer as such. In order to prove the balance actually held by the Treasurer in his own hands, a balance-sheet in Form 4 shall be made out annually and agreed with the actual securities in the Treasurer's possession. Such agreement shall be certified on the balance-sheet.

15. Publication of accounts :-

A list of all properties vested in the Treasurer and an abstract of the accounts of the interest and the annual agreement of balance shall be published in the Official Gazette on the 15th June of each year.

16. Register of property other than securities :-

The Treasurer shall enter in a register in Form 5 any property other than securities which becomes vested in him, and shall record in the same register against the original entry a note of any property of which he is divested.

17. Form of publication of list and abstract :-

The list of properties vested in the Treasurer to be published annually under rule 15 shall be in Form 6. Part I will relate to properties other than securities : Part II will relate to securities and will also contain the abstract of accounts required by the Act to be published. The Treasurer shall demand and receive acknowledgements of the correctness of the balances when so published, from the administrators of endowment funds or from any one or more of their body who may have been authorised by the administrators to give such acknowledgements and such acknowledgements shall be furnished within 3 months from the

date of publication of accounts in the Official Gazette failing which the balances published by the Treasurer shall be presumed to be correct.

18. Audit :-

Arrangements for the annual audit of the Treasurer's accounts shall be made by the Comptroller and Auditor-General.