



# JEEVIKA

An Initiative of Government of Bihar for Poverty Alleviation

## Bihar Rural Livelihoods Promotion Society State Rural Livelihoods Mission, Bihar



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### Office Order

In view of the financial year coming to close shortly, the state as well as the district finance teams need to be more attentive to ensure inclusion of all financial transactions, adjustment of advances lying outstanding with staff, BPIUs and CBOs, reconciliation with banks, state and inter district transactions and finally, submission of the financial reports on time with due accuracy. The Ministry of Rural Development, Government of India has also expressed its cause of concern for submission of consolidated reimbursement claim based on expenditure reports for the year in time. It is absolutely necessary that the expenditure reporting system is effectively streamlined to ensure submission of year end IUFR for the current financial year 2014-15 as quickly as possible. For this purpose, all the project functionaries and the finance teams need to work together and comply with following instruction diligently:

- (a) **Submission of periodical IUFR for the 4<sup>th</sup> Quarter of FY 2014-15:** As per the instruction of Ministry of Rural Development, GoI, consolidated IUFR for the financial year is to be submitted by 25<sup>th</sup> April 2015. All DPMs and the DFMs shall ensure submission of IUFR for the above period to SPMU positively by 15<sup>th</sup> April' 2015. While preparing the IUFR, utmost care shall be taken for incorporating post reconciliation/ adjustments book entries, however delay in submission on this account should be avoided.
- (b) **Reconciliation with SPMU A/c for funds transfer and inter-district transactions:** The state and the district finance team shall ensure sending / receiving Debit / Credit Notes in respect of all funds transfers / book transfer of expenditure / receipts from SPMU and all inter-district transactions. While issuing such inter district notes, full details of the transactions shall be given to facilitate taking corresponding entries by respective districts through SPMU A/c.
- (c) **Reconciliation of all bank A/cs at all level :** Each Bank Accounts of all projects at DPCUs / BPIUs level in any project should be got reconciled and updated Up to March 2015. Effects of post reconciliation book entries / adjustments / transfers must be reflected in the books of accounts before IUFRs is prepared.

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- (d) **Adjustment of outstanding advances and recovery of unutilized money** : Adjustment processes of outstanding advances with staff / suppliers / contractors / other service providers needs to be accelerated to convert the advances into actual expenditure. The DPMs will ensure submission of SoE and relevant documents in respect of all such advance lying outstanding for more than three months. Notice to concerned persons / parties be issued for submission of the documents within 15 days and in case of non-compliance within the stipulated time, action should be initiated for recovery of the amount.

Adjustment of advances paid to BPIUs / BPMs should also be taken up seriously . All DPMs shall review the status of advances lying outstanding with BPIUs / BPMs / Contractors / Suppliers/ Service Providers and ensure adjustment of all advances are properly accounted for in the books before 31<sup>st</sup> March 2015. In case of advance taken but not utilized fully or partially, the same should be recovered also. The documents submitted in DPCU for adjustment purposes should be scrutinized and processed on priority basis.

- (e) It is also imperative to ensure opening of bank accounts for all BPIUs to facilitate disbursement of imperest advances through credit transfer in the bank account through electronic mode. Payment of advance in cash or in the personal bank account of BPM should be strictly avoided. All such advances paid in cash or in personal bank account should be closely monitored and got adjusted within the financial year. Advances disbursed but not utilized should also be recovered before 31<sup>st</sup> March 2015.

- (f) **Collection of Utilization Certificate / SoE and adjustment of advances paid to CBOs**: The utilization certificates received in BPIUs / DPCUs also needs to be scrutinized properly for adjustment against the advance made to CBOs. The DPCUs are supposed to take effective action to put a system in place for regular collection of UCs / scrutinizing the same and taking adjustment entries in the books of accounts. All pending UCs should be collected and adjusted by end of the financial year. The BPMs / Block Accountants should be held responsible for non-compliance.

- (g) **Year end Closing processes of financial transaction** : As mentioned above, we need to take sincere efforts to achieve the targets set out in the budget and simultaneously to ensure reporting of financial expenditure in the current financial year itself.

For this purpose, each DPCU should chalk out strategies with plan of disbursements due in the current year, accounting of the same and finally closure of the books after

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incorporating all adjustments / settlement of the claims/ rectifications / transfers entries and allowing error free opening balance to be carried forward in the next financial year. For this purpose, following schedule should be adhered to :

- (i) All outstanding claims in respect of community cadre payment should be settled by 20<sup>th</sup> March 2015;
- (ii) All pending adjustments proposals should be taken up and final entries be taken in the books of accounts before 31<sup>st</sup> March 2015;
- (iii) All adjustment entries required to be taken after reconciliation with SPMU / inter unit transactions shall be taken up before 31<sup>st</sup> March 2015;
- (iv) All BPMs / Service providers / Suppliers / staff be instructed to submit complete documents in respect of outstanding advance lying in their name or the claims for re-imburements positively by 21<sup>st</sup> of this month at DPCU and the finance team will be responsible to settle the claims / adjustment processes including approval / sanction of competent authority, for taking accounting entries in the books of accounts before its closure and submitting the year end IUFR.
- (v) Internal Audit of the books of accounts for the 4<sup>th</sup> quarter shall be taken up from 15<sup>th</sup> of the April 2015 and the DPMs / DFMs shall be responsible for compliance of all pending audit observation.

(h) **Technical Support from SPMU Finance Team** : SPMU Finance Team will closely monitor the progresses of year end closing procedure in DPCUs / BPIUs and also provide necessary technical support to DPCUs where considered necessary and update weekly progresses to Chief Executive Officer.

**All DPMs / DFMs shall be responsible for compliance of this order.**

Sd/-

( Dr. N. Vijaya Lakshmi)  
Chief Executive Officer

Copy forwarded for Information and necessary action to :

- (i) Officer on Special Duty/ Director/ Administrative Officer;
- (ii) CFO(I/c) / FO/ SFMs / AFMs
- (iii) All District Project Manager / District Finance Managers

 20/3/15  
( Dr. N. Vijaya Lakshmi)  
Chief Executive Officer