



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

(Strategies to streamline the Capitalization Process for Community Institutions)


BRLPS (Jeevika) envisages timely capitalization to the Community Institutions (SHGs and their higher level federations) in order to spurt the element of decision making at the level of community institutions and facilitate diversification of livelihood opportunities at the individual household level. The capitalization from the project through **Revolving Fund** also **aids leveraging of resources from mainstream financial institutions as it contributes to the corpus of the SHGs.** In order to facilitate better efficiency to the whole process of capitalization from the project, following strategies are important for incorporation in implementation:

- a) It has been brought to the notice of the project that some of the banks are not in position to provide timely passbook to the SHGs or VOs. Different BPIUs and related DPCUs are advised to get **the account statement from the bank or get the details of SHGs/ VOs printed (on A4 size paper or other sized paper) as it is printed on passbook.** The availability of above mentioned documents will complement the non availability of the passbook as document to ratify the veracity of amount provided to any specific SHG or VO. Related **BPMs and DPMs are directed to write letter to respective Branches and Banks** in order to bring the matter to the notice of concerned officials. Nonetheless, the work needs to continue with respect to providing RF and ICF to community institutions taking above aspects into cognizance. **There is a need to ensure that respective document is ratified by related Branch Manager with signature and stamp.**
- b) In order to be proactive, any district facing problem in getting print (because printer is out of order with bank or project) are advised to liason with related branch and bank (at regional level) and **utilize the availability of printer and stationery items from BRLPS for the above mentioned purpose.** All DPCUs can make an expenditure up

to an amount of Rs 15000/ (Rs. Fifteen Thousand Only) towards purchase of relevant printer if required.

- c) It has also been brought into the notice of SPMU that **passbooks provided to SHGs bear the option of operation as single rather than joint/others.** It needs to be understood that work of Community can't be put to hold for reasons beyond their control. All such **BPMs are required to take a letter from related branch** that the printed option in pass book will not have any adverse impact as regards the principle of joint operability of the SHG account. **Based on the same, the flow of RF and ICF to related community institutions need to be facilitated even if the print on passbook is mentioned as single.** This also needs to be borne in mind that all the **application forms related to SHGs for savings account opening very explicitly mention about the joint operability by its leaders/ office bearers** and thus any deviation in operation from the form filled makes branch/ bank also liable. All the **DPMs and BPMs** are directed to write letter to related **regional offices and branch offices** respectively to bring the matter to the cognizance of respective authorities for further improvement and clarification.
- d) Project is making all effort to ensure availability of the Books of Records for the SHGs. However, it may be possible that due to process of procurement in place, the availability or roll out may not have taken place in different SHG. **There is a need to consider the same and make the Minute Book as complementary evidence for meeting and status of fund with SHG.** For all practical purposes, such SHGs needs to be considered eligible for receiving Revolving Fund. **This aspect is permitted till 31st March 2018 as project is making effort to facilitate availability of Books to the SHGs on priority.** At the same time, all DPMs are directed to ensure availability of Books (either hard bound or 30 pager LDP and 30 pager Ledger as already in circulation) on priority. **Ensuring availability of 30 pager Book will be responsibility of DPM.** This needs to be done with help of Manager-Procurement, Manager-Finance, Manager-Communication and MF/CF Manager.



- e) It has also been brought to the notice of SPMU that applications given by SHGs are returned on premise that signature of one of the leaders is missing. There is a need to appreciate that absence of one member is possible due to various reasons. Considering the similar premise only, even the account of SHGs has been permitted to be operated with 2 people (all 3 signatories are not required to operate the account) by banks. **There is a need to appreciate the fact that applications given by SHGs are further ratified by related project staffs and thus veracity of the application gets strengthened.** There is a felt need to consider such applications for release of RF amount to related SHGs in the present circumstances. For all future cases of this nature where signature of one office bearer is missing, the application can be supplemented with minutes of the last meeting of SHG for release of RF.
- f) **It is directed to the DPCUs that all release of fund (of any kind) to community institutions need to be informed to the BPIUs with proper communication.** It shall be the **responsibility of the Finance Manager** to ensure that advises given to banks are timely shared with BPIUs. This helps in better reconciliation and avoidance in forwarding applications for the 2nd time. **Providing timely communication about the fund flow to the BPIUs is a non-negotiable as regards the prudence of Finance Management.** Non-compliance to the mentioned practice may lead to disciplinary action against the related person. At the same time, all **BPMs are further required to share the information to the community institutions about the flow of fund** by putting suitable system in place. **DPMs are directed to ensure its implementation on priority both at DPCU and BPIU.**
- g) It has been brought to the notice of the SPMU that applications of Community Institutions rejected at DPCU level is not returned to the BPIUs for further improvement or information leading to confusion at the level of BPIUs. DPCUs are directed to ensure **return of the rejected applications of community institutions to the BPIUs** on priority through **Block Mentors**. It shall be responsibility of the Block
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Mentor to return any kind of application rejected at the level of DPCU to related BPIUs. **This needs to be ensured at the level of Block Mentors. Related DPMs need to lay down the system in place for its proper implementation.**

- h) In order to facilitate better coordination and integration of the effort, **it is mandatory that** file related to any block for further processing of release of project fund is done by **Block Mentors**. It shall be responsibility of the Block Mentor to lend a helping hand in the overall process for release of the fund to the block where one is a mentor. **DPMs need to ensure its adherence on priority.** It is left to DPM and DPCU to implement it with immediate effect or from 1st April 2018 (to avoid any midway confusion). **However, it has to be implemented latest by 1st April 2018.**
- i) All such BPIUs with potential are permitted to provide RF/ICF to related community institutions even though it exceeds the numbers mentioned in Annual Action Plan (AAP). **Strong disciplinary action will be taken in case there is double or repeat financing done to any of the community institutions.**
- j) All related BPMs, Block Mentors, Finance Managers and DPMs are directed to put suitable mechanisms in place to ensure **that repeat or double financing is not done** to any of the community institutions.
- k) Considering the need to achieve different indicators on both qualitative and quantitative terms, **all the BPIUs are allowed to use vehicle up to 15 days in the month of March 2018.** No procedural hurdle should come in the way to serve the interest of the community institutions in case availability of vehicle helps the cause. The vehicles need to be utilized judiciously for bringing efficiency in the whole process of quality nurturing of SHGs, Capitalization, leveraging of resources from Banks, promotion of livelihood activities, facilitating resolution of NPAs with banks and serving the needs of health and sanitation activities.



- 1) It shall be the responsibility of **DPMs to provide direction to related BPMs, All Managers, All Accountants, All YPs to act in the light of the office order.** The direction given needs to be copied to **mukesh@brlp.in and rajeev@brlp.in**

All DPMs are directed to act in the light of above mentioned aspects with immediate effect in letter and spirit.

Sincerely


(Balamurugan D)

Chief Executive Officer, BRLPS

Copy to:

1. Director/OSD/CFO/PCs/PS/SPMs/SFMs/AFMs/PMs
2. All DPMs/All Managers/All YPs/All BPMs
3. IT Section
4. Concern file