



Ref : BRLPS/ACCTS/260/11/1233

Date : 4/7/2012

## OFFICE ORDER

In view of the imminent expansion of the activities of the Project to all the 534 blocks of the State, need for decentralization of accounting was felt. Accordingly, District Accounting Centre was piloted in Khagaria district with effect from 01.11.2011. After the successful pilot of District Accounting Centre in Khagaria, it was decided to roll out District Accounting Centres from 01.04.2012 in all the 9 districts where activities of JEEVIKA are in operation. On the basis of feedback received from DPCU teams during monthly meeting, guidelines for District Accounting Centre have been revised.

Revised operational guidelines for operation of District Accounting Centre at district level are annexed herewith as **Annexure- 'A'**.

Business process for accounting at DPCU and BPIU levels have also been revised and are being annexed herewith as **Annexure- 'B'**.

Revised format for recommendation of CIF from BPIU to DPCU is annexed herewith as **Annexure- 'C'** and format for Sanction Order of CIF to be issued by DPCU is annexed herewith as **Annexure -'D'**.

All the DPMs /FMs/BPMs are directed to go through all the annexures and ensure due adherence to the instructions.

  
(Arvind Kumar Chaudhary)  
Chief Executive Officer

### Copy to:-

1. OSD/CFO/AO/FO/PS
2. All SPMs/PMs
3. All DPMs/TMs/TOs/All Managers
4. All BPMs
5. IT Section.

## Annexure-‘A’

### **Guidelines for District Accounting Centre.**

After piloting, activities of JEEVIKA were initiated in October 2007 in 18 blocks of 6 districts and in October, 2009 in its second phase, 24 more blocks from the same 6 districts of 1<sup>st</sup> phase and one block each from Madhepura and Supaul districts in Kosi region came to its fold. Now BRLPS has been entrusted with the task of rolling out NRLM in all districts and blocks of Bihar.

Proper upkeep and maintenance of accounts and financial status is backbone of any organization and with multiple sources of financing (GoB, GoI, multiple credits from World Bank and other departments and agencies) the financial reporting obligations are bound to increase.

The earlier structure for financial accounting included blocks as accounting centers and SPMU taking responsibility for consolidation of financial reports etc. With the rolling out of NRLM, the number of blocks will increase to 534.

For better financial management, it has been decided to decentralize responsibility and consolidate accounts at the district (DPCU) level. In this regard, separate accounting centers have been established at DPCU level having the responsibility of (i) managing funds relating to all blocks within the district; (ii) ensuring timely and up- to- date upkeep of accounts with BPIU operating on imprest basis. This will reduce the number of accounting centers (from 534 blocks to 38 districts) which will facilitate timely accounting, financial reporting and consolidation.

#### **Fund Flow Arrangements:**

- Fund from SPMU will be routed through DPCU on the basis of approved action plan of DPCU and BPIUs with due approval of the Chief Executive officer, BRLPS. SPMU will transfer fund to DPCU for one quarter for CID and CIF in the light of requisition of all BPIUs submitted by DPCU.
- SPMU will ensure that DPCUs always have fund at least for one month available in their account.
- DPCU will transfer fund to BPIUs on imprest basis towards meeting (i) operating costs and training / capacity building, community honorarium (wherever paid by the BPIU), local exposure expenses etc.
- DPCU will directly pay the salary and other employee related expenditures and transfer CIF/ CID to CBOs.



### **Operation of BPIU Imprest:**

- DPCU will ensure that fund for required expenditure amounting at least ₹ 1,00,000/ (One Lakh) is available in each BPIU at any point of time.
- BPIU will ensure submission of payment vouchers with original bills through forwarding letter to DPCU at the interval of 15 days or after expenditure of ₹ 50,000/- (Fifty Thousand) whichever is earlier, for the release of next tranche of imprest. On receipt of expenditure statement with original bills, this amount will be released immediately by the DPCU.
- After transferring the requisitioned amount to BPIU, DPCU will ensure verification of vouchers against expenditure in the light of devolution of power. If any discrepancy is found, the amount involved in discrepancy will be accounted as advance to the concerned staff till justification for the same is provided and/or the same is approved by the competent authority.
- BPIU will ensure timely submission of indent for fund for payment to new cadre, as and when required.
- BPIU will ensure payment of new cadre upto a maximum of three months through Account payee cheque only.
- BPIU will ensure that CBOs (SHG/VO/CLF) have been informed in writing (in Hindi medium ) with regard to fund transfer to the accounts of concerned CBOs so that COBs could track the fund and disburse the same among members at the earliest and timely accounting with proper head and timely submission of UCs are ensured.
- BPIU will ensure regular and timely payment of fixed costs.

- **Role of Office Assistant of BPIU**

In BPIUs, where Accountant is not placed, Office Assistants placed there will perform all works related to accounting including maintenance of Cash Book, Cheque Register and other documents relating to financial transaction.

- **Role of DPCU after creation of Accounting centers at DPCU level :**

1. DPCU will consolidate financial reports received from all BPIUs at District level and will submit consolidated report to SPMU.
2. DPCU will ensure payment to the concerned BPIUs as per procedure mentioned below:-

### **CID related Expenditures and Payments to be made by DPCUs:**

- a) Staff entitlement i.e. salary /TA/DA/self learning /performance incentive /FLTA etc. will be transferred electronically to the bank accounts of concerned staff and payment to service providers on regular basis through cheque on the basis of



- recommendation of BPM with original bills (pertaining to Rent/Generator/Vehicle agency/Hotels etc/ outsourced staff etc.).
- b) Statutory payments after receipt of detailed information from BPIUs to be ensured.
  - c) Payment of Community Honorarium on the basis of recommendation from concerned BPIUs (wherever VO is not functional and hence payments are made by BPIU).
  - d) DPCU will ensure fund transfer to CBOs account for CID purpose (in the light of approval of CEO or as per approved guidelines).
  - e) DPCU will ensure fund transfer to CBOs for Community Cadres for three months on the basis of list of cadres with profile duly recommended by BPM. Transfer of 2<sup>nd</sup> tranche will be made only after receipt of UCs/receipt and payment of fund transferred earlier.
  - f) DPCU will ensure payment of community cadre honorarium on priority basis through fund available at DPCU level.

**DPCU will transfer fund to BPIU on imprest basis for meeting the following:**

- a. Training expenses – subject to training organized within the block by the respective BPIU.
- b. Meeting / Review meeting (relating to project and community as per approved action plan) expenses.
- c. Office Expenses (as per approved budget and unit rate such as printing, Photocopy, books and periodicals, etc.)
- d. Honorarium to new Community cadres only for three months on the basis of indent received from BPM.
- e. Exposure expenses etc.
- f. TA/DA advance as per approved tour plan (up to one month salary).
- g. Other office Expenses.

**Disbursement of CIF to CBOs:**

- CIF to CBOs will be disbursed directly from DPCU to CBOs account on the basis of recommendations of BPM and appraisal by BPIU team.
- MPs will be appraised at BPIU level by Loan Committee Members consisting of one Manager from DPCU level.
- MPs will be appraised at BPIU level and submitted to DPCU fortnightly for the release of CIF to CBOs.
- BPIU will ensure that all Micro plans are available at BPIU level.
- DPCU will ensure that CIF register has been updated before the release of CIF to CBOs account and original applications have been stamped: 'Paid and cancelled'.
- DPCU will ensure that MoUs are available at DPCU level before the release of fund to CBOs account.



- MPs will be in duplicate: Original at BPIU level for appraisal and tracking of Fund utilization and submission of UCs from CBOs, Duplicate at VO/SHG level for loan disbursement and record purpose.
- BPIU will ensure recommendation and approval of CIF to CBOs in the light of approved guidelines of CIF.
- DPCU will ensure that below mentioned documents are available before the release of CIF.
  - In case of CIF/ICF---
    - Original copy of application(from MP)
    - Photo copy of LCM (duly signed by all members with full signature and designation).
    - Photocopy of bank Pass Book/certified copy issued by Bank managers with bank account number.
    - BPM recommendation for the release of CIF to CBOs in prescribed format.
- In case of HRF---
  - Application for HRF from VOs.
  - Photocopy of LCM
  - Photocopy of passbook.
  - Recommendation of BPM in prescribed format.
- In case of Food Security—
  - Application for Food security Fund
  - Photocopy of LCM
  - Original consolidated demand sheet prepared by VO.
  - Photocopy of pass book.

DPCU will ensure that information in writing regarding fund transfer to CBOs account have been sent to CBOs the same day after the issuance of cheque. Information will include the purpose of expenditure/Head of expenditure alongwith copy of the letter to BPIU. This will help tracking of fund in bank, entry in Books of records and also timely submission of UCs by CBOs.

### **Operation of Bank Accounts:**

Besides CIF purposes, DPCU can operate a maximum of two bank accounts for CID / PM purposes

- Account will be operated by two signatories. DPM + Finance Manager/Manager Microfinance (any of the two) after approval.



- For easy fund transfer to the accounts of CBOs, more than one CIF account may be operated at DPCU level based on CBOs account in concerned bank. It has been provided keeping in view transaction time of payment through draft of commercial bank in noncore branch or through RRB account.
- BPIU will operate only one bank account for imprest money.
- BPIU will close all CIF accounts at BPIU level.
- No CIF will be released from BPIU to CBOs.
- DPCU will ensure opening of bank account exploring minimum transaction time for fund transfer to community account.

### **Accounting Arrangement:**

#### **District:**

- DPCU will ensure accounting arrangement of all financial transactions at DPCU level with supporting vouchers duly approved by competent authorities.
- DPCU will ensure accounting entries immediately after financial transaction in tally and manual cash book.
- DPCU will maintain updated reconciled accounting entries of SPMU and BPIU.
- DPCU will ensure advance adjustment of all BPIUs on fortnightly basis with accounting entries in tally and manual cash book with supporting vouchers in original, duly approved by competent authorities.
- DPCU will ensure confirmation of advance from BPIUs and deposit from Bank on quarterly basis.
- DPCU will ensure maintenance of up-to-date cash book /cheque Book /Fixed Assets Register/stock Register/age wise advance statement /CIF register.
- DPCU will ensure maintenance of UCs /Receipt and payment against CIF release to CBOs.
- DPCU will ensure IUFRR with BRS and submission to SPMU on monthly and quarterly basis.
- DPCU will ensure monthly cash verification report with denomination of coin. Report should be signed jointly by DPM and FM.
- DPCU will ensure CBO-wise accounting entries in tally with up-to-date entries in CIF register.
- DPCU will ensure accounting entries of all statutory deductions of DPCU and BPIUs and their timely deposit.
- DPCU will ensure timely submission of TDS statement to SPMU on monthly basis.
- DPCU will ensure quarterly verification of fixed assets/stocks at DPCU and BPIU levels and also maintenance of fixed asset and stock registers at concerned levels.
- DPCU will ensure timely intimation to SPMU regarding procurement of new assets at DPCU and BPIUs levels for the purpose of property insurance.



- DPCU will ensure maintenance of documents (offer letter/acceptance letter/date of joining with joining application/absentee of training period etc) of employees before the release of 1st salary.
- DPCU will ensure maintenance of profile of newly joined staff/left staff in ECR format. (Electronic Challan Report)

**Blocks:**

- BPIU will maintain cash Book /cheque Book, fixed assets register, Stock Register, advance register for all financial transaction at BPIU level.
- BPIU will maintain MP register for tracking all MPs and UCs related to the same.
- BPIU having tally software will continue accounting in tally and manual both.
- BPIU will ensure monthly cash verification with denomination of coin. Report should be signed by BPM.
- BPIU will ensure quarterly confirmation of deposit in bank.

**NON NEGOTIABLE ACTION.**

- ❖ No Bearer cheque will be issued at BPIU or at DPCU level.
- ❖ There should be no pre-signed cheque either at BPIU or DPCU level.



Annexure-'B'

**Business process for Implementation of Accounting Centre at DPCU level.**

DPCU and BPIU will ensure submission of report as mentioned below.

| S. No. | Task to be done   | BPIU   | DPCU   |
|--------|---|--|--|
| 1.     | Absentee of project Staff with FLTA.  | 1 <sup>st</sup> of the following month.                      | Disbursement of salary by 3 <sup>rd</sup> of the month.                |
| 2.     | Submission of all claims (Monthly Rent, Vehicles, Generators Bills, Service Proveders Bill (Hotels, Tent etc.) Community Honorarium Claims etc. with recommendations)                                 | 1 <sup>st</sup> of the month.                                | Reimbursement of claims till 3 <sup>rd</sup> of the month.             |
| 3.     | Fund Requisition for 2 months.  | By 3 <sup>rd</sup> of the month.                             | Transfer of fund in BPIU account by 6 <sup>th</sup> of the month.      |
| 4.     | Submission of 1 <sup>st</sup> CIF recommendations with photocopy of minutes of LCM meeting, photo copy of pass book. Original copy of application and forwarding letter of recommendations in format. | 7 <sup>th</sup> of the month.                                | Approval, sanction and disbursement by 14 <sup>th</sup> of the month.  |
| 5.     | Submission of all bills with recommendations, report etc for adjustment.  | 15 <sup>th</sup> of the month.                               | Adjustment within 7 days.  |
| 6.     | 2 <sup>nd</sup> Recommendation of CIF.  | By 22 <sup>nd</sup> of the month.                            | 29 <sup>th</sup> of the month.   |
| 7.     | Submission of Bills for adjustment.   | 30 <sup>th</sup> of the month.                               | Adjustment of expenditure till 5 <sup>th</sup> of the following month. |
| 8.     | Monthly consolidated IUFR to SPMU.  | N/A  | By 12 <sup>th</sup> of the following month.                            |
| 9.     | Quarterly consolidated IUFR to SPMU.  | N/A  | 15 <sup>th</sup> of the following quarter.                             |
| 10.    | TDS statement with photocopy of challans to SPMU.   | 8 <sup>th</sup> of the month to DPCU and SPMU if applicable. | 8 <sup>th</sup> of the month.  |
| 11.    | Submission of FLTA and TA bill  | 1 <sup>st</sup> week of the following month.                 | Reimbursement / payment within a week.                                 |
| 12.    | Comments of thematic manager at DPCU level.   |  | Within three working days of receipt of concerned files.               |





Annexure-'C'

From,

Block Project Manager,  
-----

To,

District project Manager  
-----

Sub :-Disbursement of CIF to CBOs

Dear Sir,

PI find list of SHG/VO for disbursement of CIF /Food Security /HRF as per decision of loan committee and recommendation of Loan Committee Meeting at BPIU level with due verification of all MPs and its appraisal in the light of CIF guidelines. Photocopy of decision taken by LCM with CIF application from CBOs, and recommendation of BPM on recommendation of LCM is attached for approval and disbursement of CIF in Account of CBOs, as mentioned in below table..

| Sl.no. | Name and Address Of SHG/VO | Bank name and Account number/RTGSNo/IFSC code. | Amount Recommended by BPM . |
|--------|----------------------------|--|-----------------------------|
| 1.     | X SHG                      |  |                             |
| 2.     | Y SHG                      |  |                             |
| 3.     | Z SHG                      |  |                             |
| 4.     | A SHG                      |  |                             |

We certify that all MPs have been scrutinized thoroughly in the light of approved triggers (as per IB CB and MF ) for the release of CIF to CBOs.

Yours Faithfully,

Block Project Manager

Enclosure –

1. Photocopy of LCM duly recommended by BPM and LCM.
2. Photocopy of Passbook.
3. Original Copy of Application. For CIF./HRF/Food Security.



Annexure-'D'

District Project Coordination UNIT

SANCTION ORDER

File no.:

Dated:-.....

Note Sheet No:-

**Sub. Disbursement of CIF to CBOs.**

**Ref –Office order-----on annual budget for 2012-13.**

\*\*\*

ORDER:

Under the power vested with the DPM and in terms of the budget approval accorded vide reference as mentioned above, approval and sanction is hereby accorded for the disbursement of CIF in the light of decision taken by Loan Committee Meeting and recommendation of concerned BPM, with due verification of documents required for the release of CIF in the light of relevant CIF guidelines(ICF/HRF/FSS/LH/TSC etc.) and its triggers.

Amount of CIF /HRF/Food Security /Livelihood is approved and sanctioned as mentioned below.

| Sl.no. | Name and Address Of SHG/VO | BanknameAccountnumber/RTGSNo/IFSC code. | Amount Sanctioned |
|--------|----------------------------|---|-------------------|
| 1.     | X SHG                      |   |                   |
| 2.     | Y SHG                      |   |                   |
| 3.     | Z SHG                      |   |                   |
| 4.     | A SHG                      |   |                   |

The expenditure is debit to the following budget line:-

- 1.Location : BPIU/DPCU  
2.Budget Line : -----  
3.Component. : -----  
4.Subcomponent : -----  
5.Head. : -----

The accountant is requested to make the payment through an account payee cheque in CBOs account as mentioned above.

Prepared by

Accountant

Finance Manager

DPM

Copy - BPM

