



Ref : BRLPS/ACCHS/260/11/1729

Date : 27/10/2011

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 has been felt. Accordingly, District Accounting Centre in Khagaria district is being piloted with effect from 01.11.2011.

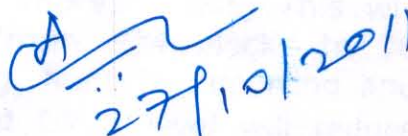
Operational guidelines for operating accounting center at district level is annexed herewith as **Annexure – 'A'**.

Business processes for the accounting center at DPCU and BPIU levels have also been envisaged and are being annexed herewith as **Annexure- 'B'**.

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'**.

Initially district accounting center would be made functional at DPCU Khagaria and based on feedback and experiences of Pilot phase, it shall be rolled out in other districts.

DPM, Khagaria and BPMs of Khagaria, Alouli and Chautham are directed to go through the annexures, ensure required arrangements and make the District Accounting Centre operational w.e.f. 01.11.2011.


(Arvind Kumar Chaudhary)
Chief Executive Officer

CC:-

1. DPM/TM/TOs/All Managers, Khagaria DPCU,
2. BPM-Alauli, Khagaria and Chautham,
3. OSD/CFO/AO/FO,
4. All SPMs/PMs,
5. PS/PO and
6. IT Section.

Annexure-'A'

Guidelines for District Accounting Centre.

After piloting, activities of JEEViKA were initiated in October 2007 in 18 blocks in 6 districts and in October, 2009 in its second phase, 24 more blocks from the same 6 districts in 1st 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 also increasing.

The existing structure for financial accounting includes blocks as accounting centers (i.e 55 blocks) with SPMU taking responsibility for consolidation of financial reports etc. With the roll out of NRLM, the number of blocks will increase to 534. Despite all efforts, with the increase in no. of blocks, the project is facing issues such as

1. Delays on financial reporting,
2. Delay in compliance with statutory requirement and
3. Issues with inter-unit transfer and reconciliations.

To address this it is proposed to concurrently decentralize responsibility and consolidate accounts at the district (DPCU) level. To this effect it is necessary that separate accounting centers should be established at DPCU, whose responsibility will be to (i) manage funds relating to all blocks within the district; (ii) ensure timely and upto 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. Creation of accounting centre at DPCU level will reduce transaction time in financial reporting and BPMs will get more time for Project related other activities. BPIU accountant will support to DPCU team and devote more time on financial capacity building of CBO's.

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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 at least one month's fund available in their account.
- DPCU will transfer fund to BPIU on imprest basis to wards meeting (i) operating costs and training / capacity building, community honorarium where these are paid by the BPIU, local exposure expenses etc.
- DPCU will directly pay the salary and other employee related costs and transfer CIF/ CID to CBOs.

Operation of BPIU Imprest:

- DPCU will ensure that fund for expenditure of one month is available in each BPIU.
- BPIU will ensure submission of Payment vouchers with original Bills to DPCU at the interval of 15 days for the release of next imprest. This will be released immediately on receipt of expenditure statements with original bills. BPIU will ensure submission of all vouchers with forwarding letter within 15 days of expenditure so that fund could be arranged accordingly. DPCU will ensure verification of vouchers against expenditure in the light of devolution of power. If any discrepancy is found the excess amount will be accounted as advance to concerned staff till justification and its approval.

Role of DPCU after creation of Accounting centres at DPCU level.

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

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CID related Expenditures and Payments to be made by DPCUs:


- a) Staff entitlement i.e. salary /TA/DA/self learning /performance benefits/FLTA etc. will be transferred electronically to staff bank accounts and payment of service providers on regular basis by cheque on the basis of recommendation of BPM with original Bills.(Rent/Generator/Vehicle agency/Hotels etc/ outsourced staff.)
- b) Statutory payments after receipt of detailed information from BPIUs.
- c) Payment of Community Honorarium on the basis of recommendation from concerned BPIUs, where these are paid by BPIU.
- d) DPCU will ensure fund transfer in CBOs account for CID purpose as per approval of CEO or approved guidelines.

DPCU will transfer fund to BPIU on imprest basis to cover the following.

- a. Training expenses.(only non residential)
- b. Meeting and Review Expenses (project and community meeting as per approved action plan)
- c. Office Expenses (As per approved budget and its unit rate such as printing, Photocopy, books and periodicals)
- d. Community Honorarium only for three month of new cadres.
- 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 DPCU team.
- DPCU will ensure that all Micro plans are available at DPCU level and CIF register has been updated before the release of CIF in CBOs account. MP will be in triplicate .original at DPCU level for evidence of payment, duplicate at BPIU level for monitoring and tracking of Fund utilization and its submission, triplicate at VO/SHG level for loan disbursement and record purpose.
- MP will be appraised by DPCU team as per guideline issued by SPMU.


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Operation of Bank Accounts.

- DPCU will operate one additional account CIF at District level for CIF disbursement to CBOs.
- Account will be operated by two signatories'. DPM+Finance manager/manager Microfinance (any of two after approval).
- More than one CIF account may be operated at DPCU level based on CBOs account in concerned bank for easy fund transfer in CBOs account keeping in view transaction time of payment through draft of commercial bank in noncore branch or through RRB account .
- BPIU will close all CIF account at BPIU level with transfer of existing balance in DPCU CIF account on 31st October 2011.
- No CIF will be released from BPIU to CBOs.

Accounting Arrangement.

District: With the date accounting centre comes into effect SPMU will transfer all accounts in the name of DPCU with making all reconcilled entries at SPMU level and will ensure sending ledger of all BPIU to concerned DPCU for reconciliation of accounts at DPCU level. BPIU will also make closing entries at BPIU level accordingly.

Blocks: BPIUs will not be required to be maintained on TALLY, but only a petty cashbook for imprest the help of existing accountant or assistant for audit purpose. Existing CID account will be in operation for fund transfer from DPCU for the purpose of imprest money. All vouchers will be maintained at DPCU level after settlement of imprest money.

Handwritten signature and date:
27/10/2011

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	1 st of the following month.	Disbursement of salary by 3 rd 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 st of the month.	Reimbursement of claims till 3 rd of the month.
3.	Fund Requisition for 2 months.	By 3 rd of the month.	Transfer of fund in BPIU account by 6 th of the month.
4.	Submission of 1 st CIF recommendations with all MPS, minutes of LCM meeting.	7 th of the month.	Review, sanction and disbursement by 14 th of the month.
5.	Submission of all bills with recommendations, report etc for adjustment.	15 th of the month.	Adjustment within 7 days.
6.	2 nd Recommendation of CIF.	By 22 nd of the month.	29 th of the month.
7.	Submission of Bills for adjustment.	30 th of the month.	Adjustment of expenditure till 5 th of the following month.
8.	Monthly consolidated IUFRR to SPMU.	N/A	By 12 th of the following month.
9.	Quarterly consolidated IUFRR to SPMU.	N/A	15 th of the following quarter.
10.	TDS statement with photocopy of challans to SPMU.	8 th of the month to DPCU and SPMU if applicable.	8 th of the month.

1. BPM will ensure maintenance of petty cash book and cheque register for maintenance of operational day to day expenditure, Advance register for tracking advance, MPs register for tracking CIF disbursement and its UCs with the support of office assistance.

2. DPCU will ensure deputation of two additional accountants at DPCU from concerned BPIUs for smooth functioning of DPCU.

3. DPCU and BPIU will ensure submission of report as mentioned above.

4. DPCU will ensure office infrastructure at DPCU level if required with due approval of CEO.


27/10/2011

Annexure-'C'

From,

Block Project Manager,
Khagaria

To,

District project Manager
Khagaria

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 BPM 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 MP and approval of BPM is attached for approval and disbursement of CIF in Account of CBOS as mentioned in below.


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

Yours Faithfully

Block project manager
Khagaria

Enclosure –

1. Photocopy of LCM
2. Sanction Letter
3. Original Copy of MP.


27/10/2011

Annexure-'D'

District Project Coordination UNIT

SANCTION ORDER

File no.:

Dated:-.....

Note Sheet No:-

Sub. Disbursement of CIF to CBOs.

Ref –Office order BRLPS/Acct/173/09-11/726 dated 2.7.11 on annual budget for 2011-12.

ORDER:

Under the power vested with the DPM and in terms of the budget approval accorded vide reference 1 as mentioned above, sanction is hereby accorded for the disbursement of CIF in the light of recommendation of CC/AC on Microplan and recommendation of Loan Committee member, concerned BPM and appraisal by DPCU team with due verification of Microplan in the light of relevant CIF guidelines (ICF/HRF/FSS/LH/TSCetc) and its triggers.

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

Sl.no.	Name and Address Of SHG/VO	Bank nameAccount number/RTGSNo/IFSC code.	Amount Sanctioned
1.	X SHG		
2.	Y SHG		
3.	Z SHG		
4.	A SHG		

The expenditure is debitable 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

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27/10/2011