



**AtalBihari Vajpayee**  
**Institute of Good Governance and Policy Analysis**  
(An Autonomous Institution of the Government of Madhya Pradesh)

**General Financial and Administrative Rules**

(Ver. 1.0)

An ISO 9001: 2008 Organization  
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# General Financial and Administrative Rules

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## CHAPTER-I: INTRODUCTION

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### 1.1 Short title and commencement:

- (i) These rules shall be called the General Financial and Administrative Rules of Atal Bihari Vajpayee Institute of Good Governance and Policy Analysis.
- (ii) The Executive Body of the institute has approved these rules in exercise of powers as provided under section 25 and 30 of the regulations of the institute.
- (iii) These rules shall come into force from the date of approval by the Executive Body.

### 1.2 Definitions:

Unless there is anything repugnant in the subject or context, the terms defined below have been used in these rules in the sense herein explained.

- (i) "Governing Body" means the Governing Body of the institute as defined in chapter-3, clause -7 of the regulations of the institute.
- (ii) "Executive Body" means the Executive Body of the institute as defined in chapter-6, clause -26 of the regulations of the institute.
- (iii) "Finance and Audit Committee" means the Finance and Audit Committee of the institute as defined in chapter-XII, clause -12.1 (ii)(a) of the General Financial and Administrative Rules of the institute.
- (iv) "Director General" means the Director General of the institute as provided under regulations 32 of the institute.
- (v) "Manager (Administration)" means an officer responsible for managing the administration of the institute.
- (vi) "Manager (Finance)" means an officer as provided under regulations 34 of the institute, who is responsible for managing finance of the institute.
- (vii) "Bank" means any public sector bank or banks in which funds of the institute may be kept in current, savings or fixed deposit accounts, with the approval of the competent authority.
- (viii) "Competent Authority" means a body or an officer empowered by the Governing Body or the Executive Body or the Director General of the institute or through delegations of powers to a body or an officer to exercise specified powers in respect of specified matters.
- (ix) "Controlling Officer" means officer of the institute who is entrusted with the responsibility of controlling of expenditure and/or the collection of revenues of the institute.
- (x) "Disbursing Officer" means an officer who has been authorized to pass the bills and make payment on behalf of the institute.
- (xi) "Finance Division" means the section, which has been authorized by the Director General to look after the revenue and receipts of the institute.
- (xii) "Drawing Officer" means an officer who has been authorized by the competent authority to draw bills on behalf of the institute.
- (xiii) "Financial Year" means the year beginning on the 1<sup>st</sup> April and ending on the 31<sup>st</sup> of March of the following calendar year.
- (xiv) "Head of Office" means an officer declared as such under any general or special orders of the competent authority.

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- (xv) "Budget" means the statement of the estimated receipts and expenditure of the institute for any financial year as approved by the competent authority.
- (xvi) "Head of Account" means the main heads of accounts provided in the budget with the object of classifying the receipts and expenditure of the institute.
- (xvii) "Sub Head" means head subordinate to the Head of Account.
- (xviii) "Appropriation" means the allotment of a particular sum of money to meet expenditure on a specified object included in a heads of appropriation.
- (xix) "Re-appropriation" means the transfer by a competent authority of a particular sum of money from one unit of appropriation to another to meet specified expenditure.
- (xx) "Revised Estimates" are estimates of probable revenue or expenditure of a financial year under the various Heads, Sub-heads and Primary Units of appropriation framed in the course of the year on the basis of actual transactions till then recorded, and in the light of any facts which may be known as regards the remainder of the year. Additional appropriation/supplementary grant are obtained, where necessary, on the basis of Revised Estimates.
- (xxi) "Recurring Expenditure" means the expenditure that is incurred at periodic intervals.
- (xxii) "Recurring Charge" means a charge, which involves a liability beyond the accounts year in which it is originally sanctioned.
- (xxiii) "Institute" means the Atal Bihari Vajpayee Institute of Good Governance and Policy Analysis.
- (xxiv) "Institute Funds" mean the funds of the institute comprised of all the revenues, grants, contributions, bequests, donations, endowments, etc. received by the institute, the amounts borrowed by the institute and all money received by the institute in repayment of loans.
- (xxv) The term "Works" when used by itself in a comprehensive sense applies not only to work of constructions and repairs but also to other individual objects of expenditure connected with the supply, repairs and carriage of tools and plants and other objects.
- (xxvi) "GFAR" means the General Financial and Administrative Rules of the institute.
- (xxvii) "Officers" of the institute mean all the full time officers including the Director General, other than the ministerial staff.
- (xxviii) "Core staff" means staff engaged on deputation or tenure basis.

### 1.3 Removal of doubts:

Whenever a doubt arises as to the interpretation of any of the provisions of these rules, the matter shall be referred to the Director General and the interpretation as given by the Director General will be final and binding on all. If considered necessary, the Director General may refer the matter to the Finance and Audit Committee or the Executive Body, for a decision, which will be final and binding on all.

### 1.4 Approval of Executive Body:

Amendment in these rules shall be subjected to prior approval of the Executive Body.

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## CHAPTER- II: SYSTEM OF FINANCIAL MANAGEMENT

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### 2.1 Sources of funds:

The Following are the main sources of the Fund:

- (i) The Government of India/Government of Madhya Pradesh grants.
- (ii) Maintenance grants.
- (iii) Plan grants.
- (iv) Other special grants or grants for specific purpose, grants from other sources i.e. trusts, bequests, donations, endowments, contributions and income from investments.
- (v) Receipts from consultancies.
- (vi) Receipts from guesthouse, buildings etc. and other miscellaneous receipts.
- (vii) Receipts for earmarked (special) funds.
- (viii) Receipts under debt and advances repayable.
- (ix) Receipts from capacity building.
- (x) Any other receipts of the institute shall form the part of the fund. The moneys payable to the institute shall be collected in the manner specified in the GFAR.

### 2.2 Receipt of money:

- (i) The sums received on behalf of the institute shall forthwith be paid into the bank in full and appropriations towards expenditure shall be prohibited.
- (ii) The receipt books will be supplied with foils in triplicate. No duplicate copy of a receipt granted for money received, or of a bill or other document for the money already paid, shall be issued on any ground. If necessity arises, a certificate may be given that on a specified day a certain sum on a certain account was received from or paid to a certain person.

### 2.3 Expenditure of money:

- (i) No authority may incur any expenditure or enter into any liability involving expenditure or transfer of money for investment or deposit from institute funds unless such expenditure or transfer has been sanctioned by general or special order of competent authority, to which the powers have been delegated under these rules.
- (ii) No expenditure should be made unless sufficient funds are available to meet the existing liabilities.
- (iii) No authority or officer of the institute, to whom the powers of sanction, including financial delegation have been vested, shall exceed those powers.
- (iv) All sanctions shall indicate the details of budget head provisions and shall come into force from the date of issue, unless any other date is specified for.
- (v) No money shall be drawn from the bank unless it is required for immediate disbursement.

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- (vi) Every claim received in the institute shall be checked before payment in accordance with the relevant provisions in the rules. The payment order shall specify the amount both in words and figures.
- (vii) Time barred claims will not be entertained, without a special sanction of the competent authority.
- (viii) Money indisputably payable should not be left unpaid and money paid should under no circumstances be kept out of accounts a day longer than is absolutely necessary.

### 2.4 Maintenance of accounts:

- (i) The books of accounts of the institute shall be maintained as specified in the regulations and these Rules.
- (ii) All accounts should be so kept and the details so fully recorded, as to afford the requisite means for satisfying any enquiry that may be made in the particulars of any case.
- (iii) It is further essential that the records of payment, measurements and transactions in general must be so clear, explicit and self contained as to be citable as satisfactory and convincing evidence of facts, if so required, in a court of law.
- (iv) Every correction or alteration in accounts, stock register, etc. shall be made neatly in red ink (a single line being drawn through the original entry to be corrected and attested by the dated initials of the authorized officer). The officer concerned shall attest all corrections and alterations in bills, vouchers and pay orders.
- (v) The Annual Accounts of the institute shall be prepared by the Manager (Finance) latest by 15<sup>th</sup> May following and shall be submitted for audit.
- (vi) The audited accounts together with the Auditor's report and observation shall be submitted latest by 31<sup>st</sup> October following to the Finance and Audit Committee and the Executive Body; thereafter it will be placed before the following meeting of the Governing Body.
- (vii) A copy of the accounts together with the auditor's report shall also be submitted to the registrar of societies.

### 2.5 Audit of accounts of the institute:

- (i) The accounts of the institute shall, once at least a year and at intervals of not more than 15 months, be audited by a chartered accountant authorized for this purpose by the Executive Body as per the provision of the Madhya Pradesh Society Registrarian Adhiniyam 1973.
- (ii) (a) The chartered accountant will be selected every year, by the Executive Body, from a panel of chartered accountants firms, applying for the same through an open offer called for this purpose every year.  
(b) However the Executive Body can authorize a chartered accountant firm to audit the accounts of the institute for more than a year in continuation. But chartered accountant must be changed after every three years.
- (iii) The Manager (Finance) shall bring to the notice of the Director General any unauthorized expenditure or other financial irregularities and suggest appropriate action against the person at fault.



**2.6 Annual Report:**

The Annual Report of the institute, reviewing its activities and achievements is prepared under the directions of the Director General for placement before the Executive Body and the Governing Body.

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## CHAPTER- III: GENERAL PRINCIPLES OF FINANCIAL MANAGEMENT AND CONTROL

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### 3.1 General:

The principles of financial management and control in this chapter are for general guidance.

- (i) The financial administration of the institute is designed for achieving the aims and objectives as defined in section 5 of the regulations of the institute. This purpose should throughout be borne in mind, and duplication and delays avoided.
- (ii) Efficient financial administration of the institute calls for a coordinated working of all its component units.
- (iii) An officer required by regulations/bylaws/rules, or any other person approved by the Governing Body/ Executive Body /Director General or any other competent authority to act for it, is responsible for the proper collection and expenditure of funds at his/ her disposal. In exercising this responsibility, all the employees of the institute must keep in mind the provisions of these Rules intended to ensure optimal use of the resources of the institute and to safeguard institute's funds against injudicious spending, wastage, misuse, misappropriation, etc.
- (iv) All the transactions involving the taking and giving of cash, stores, other properties, rights, privileges and concessions, which have monetary value, should be brought to account at once under the proper head. Every officer in the institute is personally responsible for the money, which passes through his hands, and for the proper record of receipts and payments in the prescribed accounts as well as for the correctness of the accounts in every respect.
- (v) The financial records and accounts of the institute shall be maintained separately for each accounting year.
- (vi) All the financial records and accounts of the institute shall be maintained in the prescribed forms and registers.
- (vii) No addition to, alterations in or modification of any register or form prescribed in the GFAR or introduction of any new form shall be made without the prior approval of the Director General.
- (viii) All financial records and books of accounts and registers shall be properly bound. No records or accounts shall be prepared on loose sheets or in loosely bound volumes.
- (ix) The pages of all financial records, account books, stock registers and such other registers shall be serially numbered. A certificate of the number of pages contained in a register shall be recorded on each book, before its use.
- (x) Computerized records/accounts in loose sheets shall be secured properly at the earliest, except where they are required to be kept in an otherwise manner.

### 3.2 Contract:

#### 3.2.1 Elements of contract:

- (a) An offer and its acceptance.

- (b) The intention to create legal relationship.
- (c) The parties should be capable of entering the contract and their consent should be real and free.
- (d) The contract should be for an object permitted by law.
- (e) The agreement should be supported by consideration.
- (f) The agreement should be capable of being performed.

**3.2.2 Types of contract:**

- (a) Contract between the institute and its employees.
- (b) Contract for consultancy and professional services.
- (c) Deputation contract.
- (d) Contract for supply of goods.
- (e) Contract for construction.
- (f) Contract for other services.

**3.2.3 General principles:**

- (a) The terms should be precise, definite and there should be no ambiguity or misconstruction.
- (b) Any contract, which if made between private persons is required by law to be registered, will be registered.
- (c) Standard forms should be used for entering into contract; the forms for specific purpose should be adopted after consultation with the legal advisor of the institute, if necessary.
- (d) In selecting the tender to be accepted, the financial status of the individuals and the firms tendering must be taken into consideration in addition to all other relevant factors.
- (e) Provisions must be made in the contracts to safeguard the interests of the institute.
- (f) All contracts should have a provision for recovery of liquidated damages for defaults on the part of the contractor.
- (g) The contract for purchases should invariably include a warranty clause, mentioning clearly that the additional costs on rejected goods will not be borne by the institute.
- (h) It should be very clear that, if the payments regarding any sales tax, purchase tax, VAT, other local taxes are to be paid, they will be paid by which party.
- (i) No work would be done under any agreement/contract beyond the expiry of its tenure. If the work has to continue beyond the date of expiry of the tenure, timely action should be taken for renewing it for the further period required, after a suitable review of the situation to see whether any modification is required.
- (j) The terms of the contract once entered into should not be materially deviated without the prior approval of the competent authority.

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- (k) No payments to contractors by way of compensation or otherwise, beyond the terms of the contract or in excess of the contract rates may be authorized without the prior approval of the competent authority.
- (l) No contract or agreement shall be made by any Officer who is not authorized by the Executive Body or the Director General to do so.
- (m) All contracts shall be kept in the safe custody of the authorized officer.
- (n) All contracts should be entered in a register, showing all the necessary details of all the contracts.

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## CHAPTER- IV: INSTITUTE ESTABLISHMENT

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### 4.1 Sanctioned staff strength:

- (i) The staff shall be recruited as per the setup approved by the Executive Body.
- (ii) The Executive Body will review the setup of the institute every year and suitable changes could be advised by the same, for maintaining efficiency in the functioning of the institute. The staff strength as approved by the Executive Body shall be reported in the Annual Reports of the institute. The Manager (Administration) of the institute shall maintain a register showing the sanctioned strength of the institute and appointments made against such sanctions. The register shall be completed in accordance with the establishment orders issued from time to time and shall be kept up-to-date.

### 4.2 Alterations in establishment:

Whenever any change is proposed in the setup of the institute, the Manager (Administration) of the institute shall submit a memorandum explaining the proposals and the conditions, which necessitate the change. The memorandum shall show:

- (i) The existing strength and the cost of the whole unit/section as the case may be, of the establishment affected.
- (ii) The details of the pay of post or posts with numbers which are proposed for addition or modification.
- (iii) The strength and expenditure after revision.
- (iv) The date from which the proposed change is to take effect.
- (v) In cases of general revision of the setup the memorandum shall be accompanied by a statement showing clearly the financial implications of the proposed changes. Such proposals shall be submitted to the Executive Body, after being examined by the Finance and Audit Committee.

### 4.3 Service conditions of the employees of the institute:

Save as otherwise provided in any contract, all the staff and employees of the institute shall be governed by the terms and conditions of the service as defined in Chapter 7 of the regulations of the institute, accordingly:

- (i) The service conditions of the officers and other staff of the All India Services/Autonomous Institutions of the Government of India working on deputation in the institute shall be governed by Classification, Control and Appeal Rules, Fundamental and Supplementary rules like Medical Reimbursement Rules, Leave Rules, etc. of the Government of India. Similarly, the service conditions of the officers and other staff of State Government/Autonomous Institutions of the State Government working on deputation in the institute shall be governed by Classification, Control and Appeal Rules, Fundamental and Supplementary rules like Medical Reimbursement Rules, Leave Rules, etc. of the State Government/Autonomous Institutions of the State Government.
- (ii) However, in the interest of the institute, the Executive Body will have the powers to sanction special pay scale/allowances or other facilities to the officers/employees on deputation,

during the tenure of their deputation in the institute. All such sanctions shall be effective from the date of sanction by the Executive Body.

**4.4 Tenure services:**

- (i) Every tenure employee of the institute shall be appointed on a written contract.
- (ii) The contract should be executed within 30 days of his/ her joining duty. He/She should also sign a similar contract of service before or within 30 days of his renewal of contract.
- (iii) The contracts shall be kept in the safe custody of the Manager (Administration) of the institute and a copy thereof shall be furnished to the employee concerned.

**4.5 Medical certificate:**

The person who is newly appointed in the institute shall produce a medical fitness certificate as prescribed by the institute.

**4.6 Date of birth:**

Every person newly appointed to a post before appointment declares the date of his/ her birth by Christian era and produce confirmatory documentary evidence. The documentary evidence shall be matriculation, school final or higher secondary examination certificates in the case of persons who have passed any of these examinations. In other cases, municipal birth certificate or a certificate from the head of the institution in which the person was last taught must be produced. The date of birth shall be recorded in the service book and once recorded it cannot be altered, except in case of a bona fide clerical error, without the orders of the Executive body. The appropriate authority shall attest the alteration in the service book, in the case of genuine clerical error, after proper verification.

**4.7 Service Record:**

- (i) For every tenure employee of the institute (and if required for deputationist), a service record shall be maintained by the Manager (Administration) in the prescribed form in which the name of the person, his educational qualifications, date of birth, father's name, permanent address, etc., shall be recorded after proper verification. The date of appointment, post held and initial pay and scale of pay and other necessary particulars should also be recorded therein. All important events of a person's service career e.g. leave of every description other than causal leave enjoyed by the employee, increment of pay, suspension, punishment, etc., shall be noted in the service book over the signature of an officer not below the rank of Manager (Administration).
- (ii) It shall be the duty of every employee to see that his own service book is properly written up-to-date and attested. He shall sign the service book periodically at least once in every year.
- (iii) The service books of employees should be taken up for verification in June every year by the Manager (Administration) who after satisfying himself that the services of the employee concerned are correctly recorded in the service book, record therein a certificate over his signature to the effect that the services have been verified up-to-date from pay bills, acquaintance rolls and similar record.

**4.8 Leave account:**

The Manager (Administration) shall also maintain a leave account for each employee of the institute in the service book. The amount of leave earned, leave taken and the balance of credit in respect of the different kinds of leave admissible shall be entered in the leave account. On each occasion leave is applied for, an admissibility certificate shall be submitted with the leave application for orders of the sanctioning authority. Before the leave salary of an employee on leave is drawn, the drawing officer should see that the competent authority has sanctioned the leave.

The Manager (Administration) shall endorse a copy of the leave sanction to the Manager (Finance) invariably in all cases. If no leave sanction in respect of an absentee reported to be on leave in the absentee statement is received in the finance division within a reasonable period, the finance division may withhold payment of salary of the absentee for the period of absence.

**4.9 Personal file:**

There shall be a personal file for every employee in which shall be placed all papers, records and other documents relating to his service in the institute except those required to be kept separately in safe custody.

**4.10 Transfer of charge:**

- (i) Whenever a change takes place, either temporarily or permanently, in the personnel of any office of the institute, a certificate of transfer of charge shall be given both by the relieved and relieving officers.
- (ii) In case in which the transfer of charge involves assumption of responsibility for cash, stores, etc., the following instructions should be observed:
  - (a) The cash book or imprest account should be closed on the date of transfer and a note recorded in it over the signature of both the relieved and the relieving officers showing the cash and imprest balance and the number of unused cheques, if any, made over and received by them, respectively.
  - (b) The certificate regarding the amount of imprest taken over may be sent simultaneously to the finance division.
- (iii) The relieving officer in reporting that the transfer has been completed should bring to notice anything irregular or objectionable to the Director General immediately after resuming the charge.

**4.11 Performance appraisal:**

The performance of employees of the institute shall be appraised at the end of each financial year in the manner and form prescribed by the Director General.

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## CHAPTER- V: BUDGET AND CONTROL OVER EXPENDITURE

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### 5.1 Annual financial statement:

An annual financial statement also known, as the `Budget' showing the estimated receipts and expenditure of the institute in respect of a financial year shall be prepared, before the commencement of that year.

### 5.2 Components of budget:

The budget shall contain the following: -

- (i) Estimates of all revenue expected to be raised during the financial year to which the budget relates.
- (ii) Estimates of all expenditure for each program and project in that year.
- (iii) Estimates of all interest and debt servicing charges and any repayments of loans in that financial year.
- (iv) Any other relevant information.

### 5.3 Estimates of receipt:

The detailed estimates of receipts shall be prepared by the estimating authorities separately for each Head of account in the prescribed form. For each Head, the estimating authority will give the breakup of the Subhead wise estimate along with actuals of the past three years. Wherever necessary, item wise break up should also be furnished so as to highlight individual items of significance. Any major variation in estimates with reference to past actual or/and budget estimates will be supported by cogent reasons.

### 5.4 Expenditure estimates:

The expenditure estimates shall show separately the sums required to meet the expenditure in the financial year. The estimates shall also distinguish provisions for expenditure on revenue account from that for other expenditure including expenditure on capital account, on loans by the Government and for repayment of loans. The detailed estimates of expenditure will be prepared for each unit of appropriation under the prescribed Heads and Sub Heads of accounts. Estimates should include suitable provision for liabilities of the previous years left unpaid during the relevant year.

### 5.5 Control of expenditure against budget:

- (i) The expenditure of the institute during the financial year shall be in conformity with the annual budget approved by the Executive Body.
- (ii) An expenditure register shall be maintained for all the allotments under each Head, Sub Head.
- (iii) On each bill of expenditure, the complete accounts classifications of Head and Sub Head of account shall be given. When a single bill includes charges falling under two or more object heads, the charges shall be distributed accurately over the respective heads.
- (iv) On each bill of expenditure, the progressive total of expenditure up-to-date for the relevant



heads of accounts shall be given.

**5.6 Control of expenditure against grant/appropriation and ultimate responsibility of the authority administering it:**

The Manager (Finance) should report to the Director General immediately on the first appearance of any disproportionate expenditure, particularly in respect of recurring items of expenditure under any grant or appropriation. However, the authority administering a grant/appropriation is ultimately responsible for the control of expenditure against the grant/appropriation and not the Manager (Finance).

**5.7 Re-appropriation of funds:**

Re-appropriation of funds from one primary unit of appropriation to another such unit within a grant or appropriation, may be sanctioned by the Director General for an amount up to Rs. 10 lakhs and by the Finance and Audit Committee for an amount exceeding Rs. 10 lakhs at any time before the close of the financial year to which such grant or appropriation relates. Re-appropriation of funds shall be made only when it is known or anticipated that the appropriation for the unit from which funds are to be transferred will not be utilized in full or that savings can be affected in the appropriation for the said unit. Funds shall not be re-appropriated from a unit with the intention of restoring the diverted appropriation to that unit when savings become available under other units later in the year.

**5.8 Contingency fund:**

- (i) There shall be a contingency fund, amounting to Rs. 10 lakhs (Rupees ten lakhs only) with the institute. When a need arises to incur unforeseen expenditure in excess of the sanctioned grant or appropriation or on a new service and there is not sufficient time, under extraordinary circumstances, payment can be made from contingency fund, by the Director General.
- (ii) Actual expenditure incurred from the contingency fund shall be recorded in the account in the same details, as it would have been shown if it had been paid out of the regular budget.
- (iii) All the expenditure sanctioned from the contingency fund to meet the demand in excess of the provision for the service included in an appropriation shall be resumed to the contingency fund as soon as the fresh grants/funds are received.

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## CHAPTER- VI: INSTITUTE REVENUE

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### 6.1 General:

- (i) Following are the sources of revenue of the institute-
  - (a) Yearly block grant from the Government of Madhya Pradesh.
  - (b) Government of India grants, grants from various National/International organizations.
  - (c) Donations and other voluntary contribution from members, non-members, individuals and organizations.
  - (d) Other special grants or grants for specific purpose, grants from the other sources for specific purpose trusts, bequests, donations, endowments, contributions and income from investments.
  - (e) Receipts from consultancies.
  - (f) Receipts from guesthouse, buildings etc. and other miscellaneous receipts.
  - (g) Receipts for earmarked (special) funds.
  - (h) Receipts under debt and advances repayable.
  - (i) Receipts from capacity building.
  - (i) Any other receipts of the institute shall be a part of the institute funds. The moneys payable to the institute shall be collected in the manner specified in the GFAR.
- (ii) Detailed rules and procedure regarding assessments, collection etc. of the revenue of the institute are mentioned in the respective Chapters of these Rules.
- (iii) (a) Subject to the provisions in other Chapters of these rules, it is the duty of the Manager (Finance) to see that the dues of the institute are promptly and correctly assessed, collected and duly credited to the bank account. For this purpose, the finance division shall maintain demand and collection registers. The accounts shall be reconciled periodically as may be prescribed.
  - (b) The finance division must also satisfy that the system of control over the charging of sales and services rendered and the subsequent payment thereof is adequate. The charges for service rendered should in no case be waived without the sanction of competent authority.
- (iv) Amount due to the institute shall not be left outstanding without sufficient reasons. Where such amounts appear to be irrecoverable, the orders of the competent authority shall be obtained for their adjustment.
- (v) No sums shall be credited as revenue by debit to a suspense head the credit must follow and not precede actual realizations.
- (vi) The officer responsible for the collection of revenue shall keep the finance division fully informed of the progress of collection of revenue under his control and of all-important variations in such collections as compared with the budget estimates.

**6.2 Special rules for particular classes of receipts:**

(i) Fines:

- (a) Every authority having the power to impose and/or realize a fine shall ensure that the money is realized, duly checked and deposited into the accounts.
- (b) Every authority having the power to refund fines shall ensure that the refunds are checked and no double refund of amounts of fines collected or refunds of fines not actually paid into the institute accounts are made.

(ii) Miscellaneous demands:

Finance division shall watch the realization of miscellaneous demands of the institute, such as contributions from outside bodies for various activities to meet the objectives of the institute.

**6.3 Remissions of and abandonment of claims to revenue:**

- (i) A claim to revenue shall not be remitted or abandoned save with the sanction of the competent authority. The Manager (Finance) shall be consulted in all such cases.
- (ii) The authorities competent to sanction remissions of revenue and abandonment of claims to revenue, shall submit annually on the 1<sup>st</sup> of June to the finance division a statement showing the remissions of revenue and abandonment of claims to revenue sanctioned classified broadly with reference to the grounds on which they were sanctioned during the preceding year in exercise of the discretionary powers vested in them.

On recommendations of the Finance and Audit Committee, the Executive Body may make rules defining remissions and abandonment of revenue for the purpose of Rule 6.3(i) above.

**6.4 Ways and means position:**

(i) The Manager Finance shall

- (a) Keep a constant watch on the cash and bank balances and investments;
- (b) Watch the progress of collection of revenue and advise on the methods of collection employed.

(ii) The above provision envisages that

- (a) The receipts on account of the institute are realized timely;
- (b) The flow of the institute expenditure is maintained even;
- (c) The institute finances shall be managed in such a way that the funds are available to meet anticipated commitments at any time. Under clause 12(c) of Chapter 4 of regulation of the institute, the institute has powers to borrow money for the purpose of the institute only with the approval of the State Government whether on the security of the property of the institute or otherwise.

**6.5 Cash budget/cash flow analysis:**

- (i) The monthly cash budget for the ensuing financial year shall be compiled, with reference to proceeding, after the proposed financial estimates are ready.

- (ii) After compiling the cash budget, the net cash inflow or outflow at the end of each month shall be worked out.
- (iii) Steps shall be taken for obtaining grants and other resources in time and phasing the expenditure according to availability of funds.
- (iv) The attempt should be to regulate the cash flow under the optimum cash balance concept according to which while there should be cash available to the extent needed, it should not be very much in excess of the requirements.

**6.6 Periodical cash balance reports:**

During the course of the financial year, information about the balances standing to the credit of the different bank accounts shall be called for at the end of each month or such other intervals as may be prescribed and a review done of the ways and means position.

**6.7 Monthly/Quarterly review:**

- (i) For a continuous review in more detail, a critical review of the actual receipts and expenditure together with a cash flow projection shall be prepared by the Manager (Finance). The review shall be submitted monthly to the Director General and at periodical intervals to the Finance and Audit Committee. It shall highlight important features regarding the flow of receipts and expenditure and cash flow projection and give possible suggestions, where necessary, for the consideration of the Finance and Audit Committee.
- (ii) In its review the Finance and Audit Committee shall take into account cash receipts from all sources during the period of projection. Similarly it shall make a projection of payments anticipated during the same period on all counts. The committee shall take special care to see whether the inflow of cash is such that there is a cash balance to the extent needed at all points of time during the projected time. It needs no emphasis that the reviews should be imaginative and judicious.

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## CHAPTER- VII: PAYMENTS

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### 7.1 Introduction:

This Chapter contains provisions for presentation and payment of bills from institute funds.

### 7.2 Presentation of Bills:

- (i) The bills that are required to be presented in the finance division shall be classified as under:
  - (a) Bills of establishment for pay and allowances.
  - (b) T.A. Bills.
  - (c) Bills for advances.
  - (d) Stores and supplies.
  - (e) Works bills.
  - (f) Contingent and miscellaneous bills.
  - (g) Bills for payments to consultants, visitors and fellows.
- (ii) Preparation and forms of the bills: The following general instructions shall be observed for preparation and form of bills
  - (a) Printed forms of the bills shall be adopted.
  - (b) All vouchers/Sub vouchers must be filled in and signed.
  - (c) The authorized person shall record the prescribed certificate on the sub vouchers.
  - (d) The amount on sub voucher shall be written in words as well as figures. Care shall be taken to leave no space for interpolations.
  - (e) The payees should note the date of payment in the acknowledgement.
  - (f) The person signing the voucher shall attest all corrections and alterations in the total of vouchers, with full signatures and date.
  - (g) A note to the effect that the amount of the bills is below a specified amount expressed in whole rupees, which is slightly in excess of the total amount of the bill, should be recorded in the body of the bill.
  - (h) An abstract shall be prepared on the bill, showing the amount of allotment, previous expenditure, amount of the bill, total up to date and balance of allotment.

### 7.3 Rounding of the transactions involving fraction of Rupees:

- (i) The Institute transactions involving receipts/payments are to be rounded off to nearest rupees.
- (ii) Traveling allowances claims are to be rounded off at the last stage.
- (ii) Amount converted into Indian currency from other foreign currencies shall be in whole rupees.

**7.4 Drawls of bills for pay and allowances:**

- (i) The payment of salary shall be due on the last working day of the month to which it relates. If the last working day is Saturday or Sunday, the salary can be paid one day before the last working day. The salary of March shall be paid on the first working day of April.
- (ii) When any institute employee finally quits the services a separate bill may be prepared for the pay and allowances due for part of a month and paid before the end of the month provided the usual "No Demand" certificates are obtained.
- (iii) The number of persons in each category for whom pay is drawn should not exceed the number of posts actually sanctioned.
- (iv) In the case of person(s) whose name(s) appear(s) for the first time in the bill, a proper order of appointment should exist.
- (v) In the case of a person appointed by transfer/deputation, a proper Last Pay Certificate from his previous office has been received.
- (vi) In case of appointments, the period of sanction is noted against the name of the employee and that the pay beyond the period of sanction is not drawn in any case.
- (vii) Any change in rate of emoluments should be supported by a proper sanction.
- (viii) An increment of pay is allowed only on receiving a periodical increment order, duly issued by the competent authority.
- (ix) The installments of recovery, if any, outstanding against an employee shall be adjusted/recovered against the net amount payable.
- (x) The deduction and payment of Income Tax must be ensured from salary bills.

**7.4.1 Traveling allowances bills:**

- (a) The T.A. Bills shall be prepared in accordance with the rules of the institute and shall be supported by all the necessary certificates prescribed for this purpose.
- (b) The competent authority must have authorized the journey and the period of halt.
- (c) The amount drawn in the bills shall be in accordance with the prescribed rates and general conditions.
- (d) Advance for traveling allowance shall be adjusted in the bills.
- (e) It shall be verified that no bill for the same journey has been submitted before.
- (f) A record of each T.A. Bill shall be kept in the T.A. Bill register.
- (g) The officer/officers authorized by the Director General shall countersign the bill.

**7.4.2 Advance bills:**

The bills for advances shall be drawn only if supported by sanction of competent authority.

**7.4.3 Bills for stores and supplies:**

- (a) The person, who is entitled to receive the payment, shall sign the bills for stores and supplies.

- (b) All the sub vouchers shall be attached with the bill.
- (c) The total of the bills is expressed in words and figures.
- (d) The budget allotment is not exceeded.
- (e) The expenditure shall be supported by a proper sanction and is not beyond the powers of the sanctioning authority.
- (f) In respect of the supplies and services rendered, the bill shall be accompanied by the following certificates:
  - (I) The articles detailed in the bills have actually been received and their quantities are correct, the quality is good and according to specification.
  - (II) The rates and other conditions of supplies or services are in accordance with the terms agreed upon.
  - (III) Suitable notes of payments have been made in the indent and invoices concerned to prevent double payment.
  - (IV) The supplies have been recorded in the relevant stock registers.

**7.4.4 Works bills:**

The provisions in Chapter XVII of these rules shall guide the bills for payment of works expenditure.

**7.4.5 Bills for contingent charges:**

It shall be ensured that:

- (a) The bills are drawn on prescribed forms and rules for preparation of bills are observed.
- (b) The sub vouchers support the different items included in the bills and are in order.
- (c) Every bill is supported by sanction of the competent authority.
- (d) The expenditure is within the available budget allotment, and the prescribed certificates have been recorded.
- (e) The expenditure on miscellaneous items is drawn only after obtaining proper sanction from the competent authority.

**7.4.6 Bills for payments to consultants, visitors and fellows:**

- (a) The competent authority shall authorize the payments to experts, consultants, visitors and fellows. However the Executive Body shall approve the rates for each category.
- (b) The competent authority's prior approval is required to pay the travelling expenses of consultants, visitors and fellows.

**7.5 Checking of expenditure:**

The following general points should be observed in checking of expenditure

- (i) The claims are made in accordance with the rules and in proper form.

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- (ii) The expenditure sanctioned for a limited period is not admitted beyond that period without further sanction.
- (iii) The claimant payee is the proper person to receive the payment.
- (iv) The proper acknowledgement has been obtained.
- (v) That the payment has been so recorded that second claim against the same account is impossible.
- (vi) The charges are in accordance with the approved scales/norms.
- (vii) Any advance outstanding against the claimant has been deducted from the claim amount.
- (viii) The vouchers are in order and there are no erasures/corrections without proper attestation.
- (ix) All bills and vouchers including sub- vouchers shall be stamped "PAID and CANCELLED" after the payment, so as to prevent misuse.

### 7.6 Mode of payment:

- (i) The payment shall be arranged by Cheques, Drafts, and Money/Postal orders or by e-clearing from the bank.
- (ii) As far as possible, the payment of salary and all other personal claims of the staff shall be made by crediting into their saving bank accounts.

#### 7.6.1 Drawal of Cheques:

- (a) The officer authorized by the Director General shall always draw the cheques.
- (b) The cheque-book shall be kept under lock and key of the Manager (Finance).
- (c) On receipt of cheque-book from bank the number of cheque leaves shall be counted and a certificate endorsed on the back cover of the cheque-book by Manager (Finance).
- (d) There shall be a cheque register for entering the receipt of cheque-book from bank.
- (e) All third party cheques shall be crossed and marked "Account Payees Only".
- (f) There shall be a register of cheque drawn to enter the amount of each bill for which cheque is prepared.
- (g) In case of payments through cheques, the payment will be recorded in the cash book with reference to the date on which the cheque is drawn. In the case of payments in cash, while the self-cheque is drawn for the purpose, the payments will be accounted for in the cash-book on the same day, payments will be recorded on the date of actual disbursement.
- (h) Cheques in payments of service charges like electricity, telephone, rental, municipal taxes, Government dues etc. should be disposed off immediately.
- (i) If a cheque is reported to be lost, intimation should be sent to the bank to stop payment immediately and inform the institute authorities for further decision.



**7.7 Cash payment:**

- (i) There shall be an imprest for making payments in cash. The Director shall fix the amount of imprest. The person nominated by the Manager (Finance) shall be responsible for physical custody of the imprest, making payments from the imprest and keeping imprest accounts.
- (ii) All payments made out of imprest should be recorded chronologically. The imprest amount should be got replenished at frequent intervals. Last bill for replenishment of the imprest should be submitted on or before 25<sup>th</sup> March every year.
- (iii) While making cash payments, the person authorized shall ensure:
  - (a) The voucher is duly passed.
  - (b) The payee's identity is established.
  - (c) A receipt must be obtained, depicting amount received both in figures and in words.
  - (d) After payments all the vouchers shall be cancelled by enfacing a seal "Paid and Cancelled" on them so with dated signatures, as to prevent misuse at a later date.
  - (e) All the vouchers shall be properly filed and kept in safe custody under proper lock and key.

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## CHAPTER- VIII: CONTINGENT CHARGES AND MISCELLANEOUS EXPENDITURE

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### 8.1 Introduction:

"Contingent Expenditure" means all incidental and other expenditure including expenditure on stores which is incurred for the management of the institute, office expenses and the like, but does not include any expenditure which has been specially classified as falling under some other head of expenditure such as "Work", "Tools and Plant" etc.

### 8.2 Classification of contingent charges:

Contingent charges incurred in the institute are divided into the following classes; the classification adopted shall be determined in consultation with the Manager (Finance).

- (i) Norm- regulated contingencies- to comprise such contingent charges as may be regulated by norms laid down by competent authority, e.g. expenditure on engaging Consultants/ Advisors/ Fellows etc. for a specific period with measurable targets, payments in connection with conduct of consultancy services and supply of liveries to staff etc.
- (ii) Special contingencies- to include such contingent charges, whether recurring or non-recurring, as cannot be incurred without the previous sanction of competent authority.
- (iii) Countersigned contingencies- to include such contingent charges as may require approval of some controlling authority before they can be admitted as legitimate expenditure of the institute.

### 8.3 Powers of sanction:

The financial powers of different officers to sanction contingent expenditure are regulated by the delegation orders embodied in Appendix of these rules. Contingent expenditure of an unusual character or involving departure from any general or special rule or order made by the Executive Body should not, however, be incurred nor should any liability be undertaken in connection therewith without the previous sanction of the Director General.

### 8.4 General rules:

- (i) In incurring expenditure the general principles indicated in Chapter III shall be observed.
- (ii) The purchases of stores, etc. shall be subject to the rules in Chapter X.
- (iii) In cases where the Executive Body has prescribed any norms/scales with regard to contingent charges, those norms/scales should be strictly adhered to.
- (iv) All charges actually incurred must be paid and drawn at once and under no circumstances they be allowed to be held over to be paid from the grant of another year.
- (v) No money shall be drawn from the institute funds unless it is required for immediate disbursement.
- (vi) No pay of any kind and no additions to pay may be drawn on bills for contingent expenditure.
- (vii) In case of bills for purchase of materials whether consumable or non-consumable, stationery and other stores, a certificate about quality and quantity is furnished and the

item number and page number of the stock register is mentioned on the voucher/sub-voucher itself.

- (viii) Contingent bills which include charges on account of expenditure on repairs, hire of private buildings, payment of Sales Tax on purchase of goods, expenditure on entertainment charges, scale regulated contingent expenditure, etc. shall be supported by appropriate document and signed by the officer drawing the contingent bill.
- (ix) All contingent charges which are of a recurring nature or payable at fixed intervals such as payment of rent for land and buildings, Municipal taxes. Newspapers and periodicals, etc. shall be noted in a register of periodical charges.

#### **8.4.1 Cancellation and destruction of sub-vouchers:**

The following rules shall be observed by all officers, for the prevention of the fraudulent use of sub-vouchers.

- (a) Unless in any case it is distinctly provided otherwise by any rule or order, no sub-vouchers may be destroyed until after a lapse of three years.
- (b) Every sub-voucher must be duly cancelled by means of a rubber stamp or by an endorsement in red ink across the voucher, the cancellation being initialed and dated by the officer authorized to draw the contingent bills of the office. Signing the voucher actually should make the cancellation. If the amount of the sub-voucher exceeds the permanent advance, the cancellation should be made as soon as the payment is made and entered in the contingent register.
- (c) The controlling officer should duly cancel all sub-vouchers submitted by him.

#### **8.5 Special rules relating to particular kinds of contingent charges:**

##### **8.5.1 Contingencies regulated by scales:**

The authority competent to sanction norm-regulated contingent expenditure, e.g. liveries to Group 'D' staff, shall prescribe the conditions precedent to the application of the norm, the certificate to be furnished with the bill and whether such bill will be countersigned.

##### **8.5.2 Imprests and departmental advances:**

- (a) Officers of the institute may have to make payments for petty contingent expenditure or other items of expenditure. For this purpose imprest or permanent advance may be sanctioned with the approval of the Manager (Finance). Such advance will be subject to recoupment on presentation of contingent bills. Imprests and advances shall be regulated as follows:-
  - (I) As the advances involve the permanent retention of money outside the general cash balance of the institute, these must not be larger than what is absolutely necessary.
  - (II) Application for the grant or revision of an imprest must be made to the Manager (Finance) accompanied by a statement showing month by month, the amount of contingent expenditure incurred in cash in the previous year. The amount of imprest granted should ordinarily be restricted to the average monthly contingent expenditure of the previous year, excluding heavy and unusual items of expenditure, which can be paid by presenting bills in favor of suppliers.

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- (III) (i) All expenses incurred and met from the imprest shall be accounted for by the imprest holder in the imprest account register.
- (ii) An imprest holder shall obtain recoupment of imprest twice a month or as often as required during every month. The imprest shall be invariably got recouped before the close of the financial.
- (IV) (i) The holder of an imprest is responsible for the safe custody of the money placed in his hands and he must at all times be ready to account for the total amount of the money.
- (ii) The amount of imprest/advance shall not be mixed up with the general cash of the office or with his private cash.
- (V) Save and except in very special circumstances, the imprest shall not be utilized for a purpose other than meeting petty contingent expenditure or other items of expenditure specifically authorized to be paid out of imprest. In all other cases, sanction of the competent authority shall be obtained for payment out of imprest.
- (VI) The imprest shall not be multiplied unnecessarily. An officer's imprest should be sufficient to meet the needs of every section of the office he is looking after.
- (VII) Each holder of a permanent advance shall on first receiving it and thereafter on the 1<sup>st</sup> of April every year, furnish to the Manager (Finance) an acknowledgement in the following form-

"I acknowledge having in my possession a permanent advance of Rs. ....which sum is due from and is to be accounted for by me."

On transfer of charge of an office, a similar acknowledgement for the full amount signed by the relieving officer and countersigned by the relieved officer, shall be furnished by the relieving officer to the Manager (Finance).
- (b) Imprest advances should be reviewed periodically in order to see that the amount held by various officers is not in excess of their monthly requirements.

### 8.5.3 Emergent departmental advances:

- (a) Advances for urgent departmental purpose may be sanctioned by the Manager (Finance) or Director or Director General as the case may be, depending on the amount involved, to the officers of the institute-
  - (I) Meeting petty and emergent expenses debitable to a contingent grant received by the institute from the Government or any other agency.
  - (II) Meeting the expenses on projects, fieldwork, seminar, etc.
  - (III) Obtaining clearance of a parcel or consignment from(1) Railways/Airlines (2) A transport agency.
  - (IV) Obtaining release of dispatch documents relating to a consignment from a Bank when the agreement with the supplier has specific provision in this behalf.

- (V) Remitting payment for supplies in advance to suppliers in accordance with the agreed and approved terms.

The advance shall be classified and charged to the concerned head of account.

- (b) The advances shall be subject to the following conditions:

- (I) The application for advances in the prescribed requisition form shall clearly indicate (a) the purpose or work for which the advance is required, (b) the dates on which the purpose or work is likely to begin and get completed, (c) amount of budget provision under the head of account, (d) expenditure already incurred under the head of account, (e) the information as regards previous advance/advances issued but remaining outstanding (if no advance is outstanding 'nil' information is to be given) and (f) date on which the amount is required and whether in cash or by cheque.
- (II) The amount of the advance shall be utilized specifically for the purpose or work for which it is sanctioned.
- (III) Statement of expenditure shall be submitted in the prescribed proforma duly completed in all respects and supported with all the vouchers, bills or cash memos, within seven days from the date of completion of purpose or work for which advance was obtained.
- (IV) No second advance or subsequent advances will be granted unless the first advance is fully cleared, without justifiable reasons.
- (V) All advances should, as far as possible, be settled before the end of the financial year, i.e. before the 31<sup>st</sup> March of every year.
- (VI) In case of advance remaining unadjusted on 31<sup>st</sup> March, the officer holding the advance shall send an acknowledgement for each advance to the finance division latest by 7<sup>th</sup> of April every year.

- (c) Adjustment or recovery of advances shall be monitored closely by the finance division through the register of advances in the manner described.

#### **8.6 Record of contingent expenditure:**

Record of contingent expenditure shall be kept in the contingent register/imprest account register and register of expenses met from departmental advances, in accordance with the provisions in these rules.

#### **8.7 Postage/Courier service accounts:**

- (i) The account of the postage stamps /courier service used in the dispatch of letters, telegrams, packets etc. shall be kept on the columns provided for this purpose in the dispatch register. The clerk in-charge of the dispatch section shall check carefully the courier service Charges, stamps on each cover, telegram or parcel, and in token of this check initial the last entry of each day in the dispatch register.
- (ii) A register of postage stamps and the courier service charges shall be maintained in which the receipt and total daily value of the courier service charges, stamps issued as per dispatch register shall be recorded. At the close of each day or early next day, the entries in this register shall be checked and initialed by the In-charge dispatch section and the Deputy

Manager (HR and Stores), who in token of verification of the entries shall also initial the daily total value of the courier service charges and the stamps consumed in the dispatch register.

The Deputy Manager (HR and Stores) shall also verify the actual balance of stamps in hand at the time of each fresh receipt or purchase of stamps and at the close of each month. For this purpose, a statement showing the details of the actual balance with values of the stamps of various denominations in hand shall be prepared and recorded in the register.

The dispatch section shall also maintain a separate register for courier charges. The dispatcher in the register shall record daily totals. The Deputy Manager (HR and Stores), in token of verification of the entries shall also initial the daily total.

**8.8 Responsibility of officers incurring expenditure:**

The officer incurring the expenditure is responsible for seeing:

- (i) That the rules regarding the preparation of bills are observed.
- (ii) That an order or bill is not split up so as to avoid the sanction of a higher authority.
- (iii) That vouchers are obtained showing the full description of the services rendered or purchases made, quantity, rate and amount charged and that the vouchers are authentic.
- (iv) That the material is checked and found to be in order and is recorded in the relevant stock register and a certificate to that effect is recorded on the voucher.
- (v) That the money drawn is either required for immediate disbursement or has already been paid from the imprest or advance.
- (vi) That the expenditure is within the available grants.
- (viii) That before incurring the expenditure all steps have been taken with a view to obtain an additional grant, if the original grant has been or is likely to be exceeded.
- (viii) That a record of contingent expenditure is kept in accordance with the provisions in these rules.

**8.9 Responsibility of countersigning authority:**

The countersigning officer shall be responsible for seeing:

- (i) That the items of expenditure included in a contingent bill are of obvious necessity and are at fair and reasonable rates.
- (ii) That the charges incurred are in accordance with the prescribed scales, if any, and the conditions, which govern them.
- (iii) That previous sanction for any item requiring it is attached.
- (iv) That the requisite vouchers are all received and are in order.
- (v) That the calculations are correct.
- (vi) That the expenditure is within the available grants.
- (vii) That before incurring the expenditure all steps have been taken with a view to obtain an additional grant, if the original grant has been or is likely to be exceeded.

- (viii) That a record of contingent expenditure is kept in accordance with the provisions in these rules.

**8.10 Responsibility of controlling authority:**

The controlling authority shall be responsible for seeing:

- (i) That the items of expenditure included in a contingent bill are of obvious necessity and are at fair and reasonable rates.
- (ii) That the charges incurred are in accordance with the prescribed scales, if any, and the conditions, which govern them.
- (iii) That previous sanction for any item requiring it is attached.
- (iv) That the requisite vouchers are all received and are in order.
- (v) That the calculations are correct.
- (vi) That the grants have not been exceeded nor are they likely to be exceeded and that the Manager (Finance) has been informed either by a note on the bill or otherwise of the reason for any excess over the monthly proportion of the appropriation. If the expenditure were progressing too rapidly, he shall communicate with the officer responsible and impress on him the need for its being kept in check.

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## CHAPTER IX: SANCTIONS

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### 9.1 General:

- (i) Chapter 6(30) of the Regulations provides that the Executive Body shall exercise all the financial and administrative powers to control and regulate the activities of the institute. The Executive Body has thus the power to manage and regulate the finances, accounts, investments, property of the institute and all other affairs of the institute and to delegate these powers as may be considered fit. The financial powers of the institute that have not been delegated to a subordinate authority, shall vest in the Executive Body.
- (ii) Unless otherwise provided by any special rule or order of the Executive Body, it shall be within the competence of an authority to exercise the financial powers delegated to another authority subordinate to it.

### 9.2 Powers of sanction of subordinate authorities:

- (i) Subject to the provisions of bylaws and Regulation, the financial delegations made in the institute by the Executive Body are given in Appendix to these rules. It must be clearly understood that the powers delegated are subject to the availability of funds and observance of any special directions issued by the competent authority in each case.
- (ii) The powers delegated to an authority/officer cannot be further re-delegated without the sanction of the competent authority.

### 9.3 Powers in regard to certain special matters:

#### 9.3.1 Report of loss of cash:

- (a) (I) Every case of loss of cash shall be reported to the competent authority.  
(II) Writing off of overpayments made to employees and remission of disallowance by Audit.
- (b) In accordance with the power delegated to him, the Director General may waive the recovery of an amount found to have been overpaid to an Institute employee, subject to the following conditions namely:-
  - (I) The amount has been drawn by the employee concerned under a reasonable belief that he was entitled to it, and;
  - (II) If, in the opinion of the aforesaid authority
    1. Recovery will cause undue hardship, or
    2. Recovery is impossible.

The Director General shall not waive recovery in the following cases: (i) of emoluments of nature of pay where the over drawl has been occasioned by delay in notifying promotion or reversion, or where such over drawl has been found after one year of the date of payment. (ii) Where the recovery relates to an employee to a Group-A and Group-B employee of the institute; or (iii) Where the amount involved does not exceed two months pay of the employee concerned.



**Note:**

- (i) Recovery of overpayments made to employees should not be waived merely on the ground that the overpayment was made in good faith and that recovery would cause hardship. The policy of the institute will be to enforce recovery in all cases where it is possible and where the employee concerned is not entitled to the money in question, even after it has been drawn in good faith. It is not, however, intended that the extreme criterion of physical impossibility to recover the dues should be enforced, where such recovery might cause, in the opinion of the competent authority, undue hardship or distress in genuine cases.
- (ii) In cases where an amount due from a person has to be written off on the ground that he/she is no longer in service and no recovery is, therefore, possible the orders sanctioning write off should invariably contain a clause that any sums which are subsequently found due to the person concerned will be adjusted against the amounts written off.
- (iii) Once a particular payment, which is of a recurring nature, is considered inadmissible by audit, continuance of the payment pending a decision by the competent authority involves the risk of increasing the amount of recoverable overpayments. The audit point of view should, therefore, ordinarily be provisionally accepted by the administrative authorities and further payments on that account should not normally be made till a final decision is obtained from the competent authority.

**9.4 Communication of sanctions:**

- (i) As a general rule a copy of every sanction shall be endorsed to the Manager (Finance).
- (ii) The following further points shall be observed in communicating sanctions.
  - (a) All orders conveying sanctions to expenditure of a definite amount or up to a specific limit should express the amount of expenditure sanctioned both in words and figures.
  - (b) All financial sanctions should be signed by the authorized officers in ink. There is, however, no objection to the making out of extra copies of sanctions including signatures by scanning or photocopying.
  - (c) An authority competent to sanction the payments finally, should communicate all financial sanctions and orders for provisional payments. The period for which payments should be made provisionally should be indicated.
  - (d) A copy attested in each page of sanction containing formal agreements, contracts, schedules of rates and charges, itemized specifications etc., should be supplied to the Manager (Finance). All orders covering sanctions to the grant of additions to pay, such as special pay or allowance, should contain a brief but clear summary of the reasons for the grant of the addition so as to ensure that it is correctly classified as special pay or allowance, as the case may be. In cases in which an official record in an open letter is considered undesirable, the reasons for the grant of such additions to pay should be communicated confidentially to the Manager (Finance). A similar procedure should also be followed in all other cases in which the rules require that the reasons for the grant of special concessions or allowances should be recorded.

**9.5 Indication of the budget details in sanctions to expenditure:**

All sanctions to expenditure shall indicate the budget head of account from which the expenditure is to be met.

**9.6 Date of effect of sanction:**

- (i) Unless otherwise specifically stated therein all rules, sanctions or orders of the Governing Body/ Executive Body take effect from the date of the resolution and sanctions of the other authorities subordinate to these bodies, take effect from the date of issue of the communication conveying the sanction unless there is any special stipulation in the communication as to the date of effect.
- (ii) Tenure of a temporary post, the creation of which is sanctioned for a limited period, is calculated from the date on which the post is actually filled up and not from the date of sanction unless it is specifically mentioned otherwise.

**9.7 Retrospective sanction:**

- (i) Retrospective effect shall not be given to sanction relating to revision of pay or grant of concessions to employees, except in very special circumstances, without the previous consent of the competent authority.
- (ii) A sanction for any fresh charge shall, unless specifically renewed, lapse if no payment in whole or part has been made during a period of twelve months from the date of issue of the sanction, provided that-
  - (a) When the period of currency is specified in the sanction itself, it shall lapse on the expiry of such period.
  - (b) When there is a specific provision in a sanction that the expenditure would be met from the budget provision of a specified financial year, it shall lapse at the close of the financial year.
- (iii) The provisions of above rule do not, however, apply to cases where pay and allowances sanctioned for an appointment for a class or employees have not been drawn by a particular incumbent of the appointment or by a set of employees, nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by the proper authority. In such cases, fresh sanction will not be necessary for payment of the amount in the subsequent year provided the expenditure can be met from the budget grant for the year.
- (iv) An order or a sanction accorded by any competent authority shall in the absence of any indication to the contrary in the order or sanction itself, lapse unless it is superseded by an order or sanction of a later date issued by the same authority.
- (v) Provision made in the budget of a year for different items of expenditure can be carried forward and unspent balance of a year may be added to the budget provision of the next year for the same item of expenditure.

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## CHAPTER X: STORES

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### 10.1 General:

- (i) The term stores used in this chapter applies generally to all articles and materials purchased or otherwise acquired for the use of the institute, including consumables and dead stock.
- (ii) The Director General, will constitute a purchase committee which will include Manager (Administration), Manager (Finance) and any other officer or experts nominated by the Director General. The tenure of the committee should ordinarily be one year.
- (iii) All purchases must be made in the most economical manner and in accordance with the definite requirements. Care shall be taken not to purchase stores in large quantities and much in advance of actual requirement.
- (iv) Indents/Purchase order shall not be split up to avoid the necessity for obtaining the sanction of appropriate authority.
- (v) The Deputy Manager (HR and Stores) shall be nominated, in- charge of the stores, however one of the employee shall be designated as the storekeeper who will be the physical custodian of the stores. He shall be responsible for custody and maintenance and upkeep of the stock registers.
- (vi) At the time of receipt of the store, the responsibility for ensuring correct quantity, as per approved specification/quality lies with the storekeeper who will record a certificate to this effect on the bill/invoice as follows.

“Certified that the stores mentioned in the bill have been inspected and found to be in accordance with the supply order and are in good condition. The entries have been made in the stock register at page no.---- and serial no.-----.”

- (vii) Every entry in the stock register shall be initialed as a token of the check by in charge of the stores.
- (ix) Before making the payment of a bill from imprest or otherwise, it shall be ensured that the articles included therein have been actually received and entered in the appropriate stock register and that a reference to the entry in the register is quoted on the relevant vouchers. Consumable stores shall not be held in excess of the requirements for a period of six months.
- (x) A stock register for movable property of the Institute shall be separately maintained. When any movable property is finally disposed off, the particulars of disposal shall be entered in the register.
- (xi) In the stock register a separate page or pages shall be set apart for different kinds of articles in alphabetical order. Separate volumes may be opened if the number of articles stocked is large.

### 10.2 Issue of stores:

- (i) When materials are actually issued from stock, a written acknowledgement should be obtained from the person to whom they are issued.

- (ii) After the issue, the indents shall be serially numbered, consolidated and necessary entries made in the relevant stock register chronologically. The indents shall be suitably filed and preserved till yearly stock verification.
- (iii) In case of transfer of charge of stores, every register shall be completed in all respect. The relieving and relieved person shall record taking over of the stock. A list of shortages with reasons shall be prepared.

**10.3 Stock verification:**

- (i) A physical verification of all stores shall be made at least once in every financial year.
- (ii) The report of stock verification shall be placed before the Director before the end of July each year.

**10.4 Writing off of losses of stores and disposal of surplus:**

- (i) Prior sanction of competent authority shall be taken before writing off of all losses, deficiencies or depreciation in the value of stores.
- (ii) Stores that are obsolete, surplus or unserviceable may be declared as such and orders to dispose off shall be taken from the competent authority.
- (iii) The stores shall be disposed off in such a manner so as to get the maximum possible return after fixing a reserve price in each case.
- (iv) The time lag between the declaration of the store as surplus, obsolete or unserviceable and actual disposal shall be minimized.
- (v) Sale of surplus stock to members of the staff, if any, shall be made with prior permission of the Director General.
- (vi) At least 25% of accepted bid shall be recovered from the successful bidder on the spot and rest of the amount shall be recovered before the articles are released to him.

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## CHAPTER XI: ACCOUNTS

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### 11.1 General:

(i) Under the provisions of the Regulations of the institute, the power to manage and regulate the finances, accounts, investments and property of the institute vests in the Executive Body. There shall be a Finance and Audit Committee to assist the Executive Body for the regulation and maintenance of the finances of the institute.

(ii) (a) **The Finance and Audit Committee** shall comprise the following namely :-

- |   |   |                   |
|---|---|-------------------|
| (I) Director General  | - | Chairperson       |
| (II) Director of the institute  | - | Member            |
| (III) An officer of the Public Service Management Department, of the Government of Madhya Pradesh not below the rank of a Deputy Secretary, | - | Member            |
| (IV) One Principal Advisor of the institute, nominated by the Director General,   | - | Member            |
| (V) One Member nominated by the Director General from amongst officer dealing with finance in any Central Institute located at Bhopal.      | - | Member            |
| (VI) One Member nominated by the Director General from amongst the nominated members of the Executive Body.                                 | - | Member            |
| (VII) The Manager (Administration) of the institute.  | - | Member            |
| (VIII) The Manager (Finance)of the institute,   | - | Member-secretary. |

(b) The powers and functions of the Finance and Audit Committee shall be as under:

- (I) The Finance and Audit Committee shall meet at least thrice per year to transact its business including examination of accounts and scrutiny of expenditure.
- (II) The Finance and Audit Committee shall examine, all proposals relating to revision of grades, up gradation of the scales and those items, which are not included in the budget, before they are placed for consideration of the Executive Body.
- (III) The annual accounts and the financial estimates of the institute prepared by the Manager (Finance) shall be laid before the Finance and Audit Committee for consideration and comments, and thereafter submitted to the Executive Body within the overall ceiling fixed by the committee.

## General Financial & Administrative Rules

- (IV) The Finance and Audit Committee shall recommend to the Executive Body the total recurring and non-recurring expenditure for the year, based on income and resources of the institute, and the institute in excess of the limits so fixed shall incur no expenditure without the prior approval of Executive Body.
  - (c) The Finance and Audit Committee shall also examine any proposals for creation of new posts for the institute before they are placed before the Executive Body for its consideration.
- (iii) **The Manager Finance:**
- (a) Under the provisions of Chapter 7, Para 34 of the Regulations, the Manager (Finance) shall exercise-
    - (I) General supervision of the funds of the institute and render advice with regards to its financial policies;
    - (II) Perform such other financial functions as may be assigned to him by the Director General.
  - (b) Subject to the control of the Director General, the Manager (Finance) shall:
    - (I) Hold and manage the properties and investments of the institute, including trust and immovable properties for fulfilling any of the objects of the institute;
    - (II) Ensure that the limits fixed by the Finance and Audit Committee for recurring and non-recurring expenditure for any year are not exceeded and the money is expended or spent for the purposes for which it was granted or allotted;
    - (III) Be responsible for the preparation of the annual accounts and the budget of the institute and for their presentation to the Finance and Audit Committee/ Executive/Governing Body.
    - (IV) Keep a constant watch on the cash and bank balances and investments in scheduled banks.
    - (V) Watch the progress of collection of revenue and advise on the methods of collection employed.
    - (VI) Ensure that the registers of properties of the Institute are maintained properly and that stock checking is conducted of equipments and other materials in the institute.
    - (VII) Bring to the notice of the Director General any unauthorized expenditure or any other financial irregularities and suggest corrective measures and appropriate actions against persons at fault.

### 11.2 Financial information and accounting systems:

- (i) The institute shall develop a responsive information system, to meet its complex financial information needs. The basic objectives of the institute's financial information and accounting systems are to:
  - (a) Compile and generate fund accounts, which exhibit a true and fair view of the institute affairs;

## General Financial & Administrative Rules

- (b) Generate monthly account of receipts and payments with progressive figures up to the month as also consolidated accounts at the end of the year in the pre-determined format;
  - (c) Provide reports necessary for proper fund utilization and ensure efficient financial management and control.
- (ii) The institute shall introduce computerization of accounts from the stage of compilation direct from the source such as cash receipts, payment vouchers, transfers, journals, Bank statement/scrolls and other input data like pay roll accounting system. It will be a prelude to an over-all computerization covering receipts, payments and stores accounting.
  - (iii) The accounts of the institute shall be maintained on cash basis, which is more suitable for recording its transactions as well as for presenting the true state of affairs of the institute.

### 11.3 Form of accounts and general classification:

- (i) **Book of accounts:** The institute shall maintain books of accounts as specified in the GFAR and other instructions issued by the Executive/Governing Body.
- (ii) **Form of accounts:** The accounts and registers shall be maintained in such form and according to such general principles, as may be prescribe by law.
- (iii) **Main divisions and structure of accounts:** The accounts shall be exhibited in the same headings as in the Budget for facilitating financial and accounting control. The accounts for the institute shall, therefore, be maintained in four parts, which are further sub-divided into Heads and Sub Heads of accounts.
- (iv) **Heads and Sub Heads of account:** The Heads and Sub Heads of account shall be decided by the institute keeping in view the codification required for computerization of accounts. These shall follow the pattern in the Budget from time to time.
- (v) **Purpose of heads of accounts:** The Heads and Sub Heads of account are so fixed as to facilitate financial control and accounting and to make available statistical information required by the Institute. The names of the Heads of accounts are so chosen as to indicate clearly and briefly the purpose of the expenditure and receipt.
- (vi) **Recording of classification:** The drawing officers shall record classification on bills.

### 11.4 Classification of expenditure as Revenue and Capital:

- (i) **Capital expenditure:** Expenditure of a capital nature may broadly be defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character or of extinguishing or reducing recurring liabilities.
- (ii) **Principles for allocation of expenditure between Capital and Revenue:** The following are the main principles governing the allocations of expenditure between Capital and Revenue in the budget estimates and accounts:
  - (a) Capital should bear all charges for the construction and equipment of a project as well as charges for intermediate maintenance of the work while not yet open for service and bear also charges for further additions and alteration as may be sanctioned by the competent authority.

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- (b) Subject to Clause (c) below, revenue should bear all subsequent charges for maintenance and all working expenses. These embrace all expenditure on the working and upkeep of the project and also renewals and replacements and such additions, improvements or extensions as may be sanctioned.
  - (c) In the case of works of renewal and replacement, which partake both of a capital and revenue nature, the allocation of expenditure should be regulated by the broad principle that revenue should pay or provide a fund for the adequate replacement of all wastage or depreciation of property originally provided out of capital grants and that only the cost of genuine improvements may be debited to capital. Expenditure on account of reparation or damage caused by extraordinary calamities, such as fire, etc. should be charged to Capital or to Revenue in such a way as may determine by the sanctioning authority.
- (iii) (a) As a general principle, lands, buildings, vehicles, machinery, tools and appliances, apparatus, non-consumable stores, all books, journals, office equipments, scientific apparatus, furniture and fixture purchased whether from maintenance grant or from development grants should be capitalized and shown as assets in the balance sheet.
  - (b) Recurring expenditure (such as the expenditure on staff required for processing the books and servicing of equipment within certain limits of percentage) met out of non-recurring grants should be classified as Revenue expenditure.
  - (c) Expenditure like customs duty, clearing charges, transport and freight charges, loading and unloading charges, installation charges paid on imported equipment and books may be treated as Capital expenditure and added to the cost of equipment and books.
- (iv) **Capital receipts** in so far as they relate to expenditure previously debited to Capital, accruing during the process of construction of project should be utilized in reduction of capital expenditure. Thereafter their treatment in the accounts will depend on circumstances, but they should never be credited to the ordinary revenue account.

### 11.5 Classification of advances:

- (i) Advance payments are made, e. g. for taking delivery of certain material for which cash has been paid in advance or for payment of customs duty or payments are also made in advance to firms for importing equipment from abroad. Advance payments are also made towards cost of steel, cement, and other building materials. These advances shall be charged as final payments.
- (ii) The amount of advances outstanding as on the 31st March of a year should be reviewed. The amount of advances where supplies have not been received or services have not been rendered should be withdrawn from the final head of account and shown as "Advances Recoverable" both in the receipts and payment account as also statement of assets and liabilities.

### 11.6 Monthly and annual accounts:

- (i) The annual accounts comprising receipts and payments account, income and expenditure account and balance sheet shall be prepared in the prescribed form.



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- (ii) The income and expenditure accounts and balance sheet referred above shall be prepared on cash basis. Accrued receipts and accrued liabilities may be reflected by suitable footnotes where the amounts involved are substantial.
- (iii) The annual accounts shall be prepared scrupulously in due time, as per the prescribed schedule, for submission to Audit. The audited accounts will then be presented to the Finance and Audit Committee, the Executive Body and the Governing Body in the stipulated timeframe.
- (iv) The Manager (Finance) shall prepare a comparative statement containing actual receipts and payments during the preceding year, approved Budget for that year and proposed budget estimate for the next year.

### 11.7 Arrangement for maintenance of accounts:

The arrangements for the maintenance of initial accounts will be as under:

- (i) The receipts and payments of the institute will be handled centrally, either by the finance division directly or through the Bank (s). The financial records and accounts prescribed in the GFAR will be kept in the finance division except those indicated below:
- (ii) The accounts to be maintained in other /Centres will comprise:
  - (a) Accounts of imprest and advances to Centres
  - (b) Store accounts

### 11.8 Internal check of financial transactions and accounts:

The Manager (Finance) will make appropriate arrangements for such effective internal checks, as are necessary to:

- (i) Ensure maintenance of correct accounts;
- (ii) Prevent and detect errors and irregularities of fraud; and
- (iii) Guard against waste, loss or leakage of institute money, stores or property.

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## CHAPTER XII: Knowledge And Information Repository (KAIR)

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### 12.1 General:

- (i) **KAIR:** In order to meet the objectives of the Institute it is essential to develop and maintain a **Knowledge And Information Repository (KAIR)** under the centre for Knowledge Management of the institute with following facilities and activities in the areas of governance and public policy-
- (a) (I) On-line and physical access to reading/learning material in audio, video and print form such as books and journals.
  - (II) Repository of best practices and innovations.
  - (III) Data bank of vital statistics, GIS data and comparative national and international data etc.
  - (IV) Data of experts and resource persons.
- (b) Interactive portal for posting and exchanging ideas and problems.
- (c) Dissemination of knowledge and information through publication of newsletter, journals, books, articles, research papers, Annual Report of the institute etc.
- (d) Tracking national/international reports, articles, lectures etc.
- (ii) **KAIR Advisory Committee:** For the purposes of advising the institute regarding the development and maintenance of the KAIR, there shall be a KAIR Advisory Committee appointed by the Director General of the institute. The composition of the KAIR Committee would be as under.
- (a) Director of the Institute - Chairperson
  - (b) Principal Advisor (Centre for Knowledge Management) - Member
  - (c) One Principal Advisor (Nominated by DG) - Member
  - (d) One Expert in Information Science (Nominated by DG) - Member
  - (e) Manager (Finance) - Member
  - (f) Advisor (Centre for Knowledge Management) - Member Secretary

Ordinarily the KAIR Committee shall meet at least quarterly.

- (iii) **Functions of KAIR Advisory Committee:** The KAIR Advisory Committee shall have *inter alia* the following duties and functions-
- (a) To advise on general policies in terms of which the KAIR may achieve its objectives and to make recommendations in regard to its management to the Director General and the rules to be framed for the purpose.

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- (b) To make recommendations for general policies and rules for the approval of the Director General.
- (c) To make recommendations for connectivity with other knowledge and information resources.
- (d) To advise with regard to development of necessary Information and Communication Technologies (ICT) including hardware and software for automation, development and maintenance of repository, storage and processing of books, manuscripts and other knowledge and information resource materials.
- (e) To advise with regard to the matter of stock verification of books, equipment, software and other KAIR acquisitions. The committee shall also advise with regard to the disposal of such materials, etc., as in the opinion of the committee, are either unserviceable or otherwise out of date.
- (f) To consider reports from KAIR concerning its needs and requirements for more effective use and development of the knowledge and information resources thereof.
- (g) To advise with respect to the arrangement for periodic internal inspection of the KAIR, including safeguards against termite, humidity control, hardware and software protection etc.

### 12.2 Library rules:

- (i) The Principal Advisor (Centre for Knowledge Management) shall frame rules regarding the use of the Library and implement them with the consultation of Deputy Advisor, Knowledge Management (I/c of Library), subject to the approval of the Director General. The Rules shall *inter alia* cover membership, number of books and other reference material to be allowed on loan, conditions of loan, inter-library loan, penalty for damage to the Library property, safeguarding the Library materials etc., and other items of furniture and equipment, and clearance certificate for return of materials.
- (ii) Manuscripts, rare books and back volumes of journals and other A/V materials, thesis, etc., may not ordinarily be loaned for home use.
- (iii) Library material lost or damaged must be paid for or replaced to the satisfaction of the Deputy Advisor, Knowledge Management (I/c of Library). In case of payment for lost or damaged books and other materials, a member shall pay the net current published price plus a percentage for additional charges (such as handling, etc.) as may be fixed by the Library from time to time, for currently useful items, i. e., those which have not lost their academic value. In case the lost or damaged material forms a part of the set, the complete set shall have to be replaced or paid for.
- (iv) The members shall be required to obtain a No Dues Certificate, before final payment of their dues is made to them by the institute.

### 12.3 Procedures for acquisition of Library materials:

Library materials will consist of study and reference material in print, multimedia or electronic media or through any other means of knowledge resource dissemination like links to consortiums of knowledge resource materials etc.

**12.3.1 Selection and approval of materials for acquisition:**

Selection of material for acquisitions shall be made on receipt of request from the Core Staff and submitted to the competent authority for the approval by the Deputy Advisor, Knowledge Management (I/c of Library)

**12.3.2 Procedure for placing orders for acquisition:**

The process of acquisition of material as approved under clause 12.3.1 above for different categories of sources of supply is given below.

- (a) **From government sources:** Government Departments or Consortiums, National level Government funded Institutions/Organizations like IIPA, Central Universities, Institute of Economic Growth, IIMs, IITs, IIITs, INFLIBNET Centre, INDEST, IGNOU, international U.N organizations, World Bank, ADB etc by placing direct orders to the source on terms and conditions specified by them.
- (b) **Online Purchase:** Procurement of books should preferably be made from reputed online E-Business portals. The procedure for online purchase will be as outlined in Appendix– I Procurement of Goods (Para 1.9)
- (c) **From Book Fairs/ Exhibitions:** Books could also be selected and ordered by the Core Staff authorized by the Director General at Stalls of Book Fairs/Exhibitions. The percentage of discount can be ascertained by enquires at the fair/exhibitions and while placing order, percentage discount offered by the book sellers should be mentioned in the order. Payment shall be made only after delivery of the selected books at the institute in Bhopal.
- (d) **By Tender:** The bulk purchase can be made by inviting tenders through institute's website/News papers.
  - (I) Printed and Electronic material up to the value of Rs.50000/- only on each occasion may be made without inviting quotations or bids, after ensuring standard discounts available.
  - (II) Printed and Electronic material up to the value of Rs.5000/- only on each occasion may be purchased directly from a store or from a reputed e-business portal by a member of the core staff after ascertaining the non-availability of the book/s in the library. He shall however be required to submit the concerned bill to the Deputy Advisor, Knowledge Management (I/c Library) for reimbursement.
  - (III) Printed and Electronic material above Rs.50000/- and up to Rs. 5.0 lakhs can be purchased by inviting quotations in the prescribed form (Title wise/Publishers wise) from at least 5 vendors directly and through the website of the institute, after giving 15 days time for submission of quotations. Order can be placed to the Vendors/Publishers/Authorized dealers who quote the lowest amount for the assignment.
  - (IV) Printed and Electronic material above Rs.5.0 lakhs shall be purchased by inviting tenders (Title wise/Publishers wise) floated through institute's website and through advertisement in News paper giving three week's time. Order can be placed to the Vendors/Publishers/Authorized dealers who quote the lowest amount for the assignment.

- (V) Procurement of multimedia, electronic media, e-books and e-Journals shall be made after due recommendation by the KAIR Advisory Committee.

**12.3.3 Payment procedures for Library material:**

- (a) Only printed bills having registered name and TIN number of the vendor will be entertained. However, in the case of online purchases, computer generated bill will be acceptable.
- (b) After completing the procedure of stock entry and assigning accession number, the bills will be processed for releasing the payment. The Deputy Advisor, in-charge of library will be the authorized person to initiate process for payment of the bills.
- (c) Bills will only be processed for payment as long as the complete set of materials as mentioned in the supply order is received. In case of dispute in the supply of ordered materials, the decision of the Director will be final and binding to the supplier.
- (d) In case of Printed and Electronic material priced in foreign currency, the vendor will be required to submit bills at the bank conversion rates, i.e. (Reserve Bank of India) applicable on the date of billing of printed and electronic material, along with the proof of conversion rate. However, in case the vendors request for payment in foreign currency, then the transaction value of the currency on the day of supply will be charged.
- (e) Rates for subscription of journals/periodicals:
  - (I) Rates for subscription of journals/periodicals will be as per the publisher's invoice, submitted by the vendor. The invoice will include date of commencement of supply of journal with number and year of issue and period of supply. No handling charges will be paid on any subscription.
  - (II) Special lower prices, if any offered by the publisher for developing countries would be charged by the vendor.
- (f) Additional requirements for procurement of journals/periodicals:
  - (I) It shall be ensured by the vendor that the subscription is paid in the name of Atal Bihari Vajpayee Institute of Good Governance and Policy Analysis, Bhopal for the specified period.
  - (II) Vendor shall take full responsibility for ensuring the delivery of all the issues of the journals subscribed through their agency. A grace period of 30 days can be allowed from the due date of journals/periodicals if the reason for delay is beyond the control of the vendor.
  - (III) In cases where any issue of journal/periodicals is not supplied to the institute, vendor will be required to make proportionate refund for missing issues of journals.

**12.4 Purchase of materials and equipments and other requirements of KAIR:**

- (i) Suggestions for acquiring reference and study materials like books and journals (including e-journals), A/V materials etc by the institute shall be normally processed through the Deputy Advisor, Knowledge Management (I/c library) and submitted to the competent authority for approval.

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- (ii) Wherever possible, arrangements should be made for closer collaboration with other knowledge resources for sharing of materials under mutual agreement.
- (iii) The Deputy Advisor, Knowledge Management (I/c library) shall obtain approval from the competent authority regarding standing vendors and other suppliers and terms and conditions for acquisition of materials for the library. The following points shall be kept in view.
  - (a) Simplicity of procedure for fast acquisition of materials.
  - (b) Stable and uniform terms for supply of materials.
- (iv) Purchase orders related to the library materials shall be issued by the Deputy Advisor, Knowledge Management (I/c library)
- (v) Verification of bills, etc.: The Deputy Advisor, Knowledge Management (I/c library) shall verify and check the bills of knowledge resource materials and other articles purchased for the library and after making necessary entries in the prescribed register shall certify the same on the bill.
- (vi) In the case of subscription to the journals both in print and e-versions paid in advance, the Deputy Advisor, Knowledge Management (I/c library) shall take a review every quarter and report to the Principal Advisor the list of such items as have not been received, mentioning the reasons thereof, the efforts made to procure them and the total cost of such issues as have not been received. The Deputy Advisor, Knowledge Management (I/c library) shall watch personally the adjustment of advances before the end of the period for which advance was paid.
- (vii) The list of knowledge resource materials for the library shall be circulated periodically and put on the website of the institute. The Deputy Advisor, Knowledge Management (I/c library) shall also certify that these items have been processed and properly arranged on the shelves.

### **12.5 Record Keeping:**

- (i) The following records shall be maintained by the Deputy Advisor, Knowledge Management (I/c library) as far as possible in a soft form in the library software:
  - (a) Accession registers.
  - (b) Circulation record
  - (c) Withdrawal register.
- (ii) Accession registers shall be maintained by the Deputy Advisor, Knowledge Management (I/c library) for entering the resource material purchased and for such documents as are being kept in the library on more or less permanent basis. Items shall be entered in these registers in the serial order in which these are added to or withdrawn from the collection, as the case may be. The following accession registers shall be maintained.
  - (a) Books and other knowledge resource material purchased.
  - (b) Gifts of Books and other knowledge resource material.
  - (c) Journals.

(d) Art objects and manuscripts, etc.

Note 1: Reprints, pamphlets and other ephemera, which are only of a transient value, may not be accessioned. They are to be entered in a separate acquisition record for Ephemeral Literature giving the location, disposal of the documents, cost and the agency, which supplied it.

Note 2: Unsolicited gifts shall be accessioned only if they are of abiding interest to the library. Gifts specially requested and publications received in exchange (if worthwhile) shall also be accessioned.

Note 3: Journals to be kept as sets shall be bound on the completion of the volume and will be accessioned in the usual way.

- (iii) For books purchased, the entries in the Accession Register shall be made from the bills presented by the vendor and title, pages of the books, simultaneously giving the accession number of the books, which will also be noted on the bills against the particular books.
- (iv) For other items, like Audio/Video Cassettes, microfilms, micro cards, etc. acquisition numbers shall be reproduced in indelible form where they can be clearly seen.
- (v) There shall be one Withdrawal Register giving the information about the materials withdrawn from the stock either because of loss, mutilation or unfitness for use. The withdrawal number shall be shown in the Accession Register.
- (vi) The records of other library materials, equipments and non-consumable articles shall be kept separately.

**12.6 Safeguards for preservation, safe custody of materials in library:**

- (i) The Deputy Advisor, Knowledge Management (I/c library) shall be responsible to make arrangements for the safe custody and preservation of books and other articles in his charge. He should take such steps as may be necessary to safeguard against any misuse, theft, and damage. e.g. by termite/humidity, or otherwise tampering with the books, journals, manuscripts, non-consumable and other articles in his possession. Rare manuscripts, art objects, and other valuable acquisitions, should receive his special attention.
- (ii) The Deputy Advisor, Knowledge Management (I/c library) shall review from time to time the arrangements made for safe-custody, including the amount of deposit, fine, etc., and preservation of library collections and submit his proposals to the KAIR Committee.

**12.7 Physical Verification of library materials:**

- (i) (a) The physical verification for the current financial year of knowledge resource material stocked in the library shall be undertaken by 30 April of the subsequent year.
- (b) If having regard to the size of the library, the time, the cost and the personnel involved, etc., it is not possible to have physical verification done annually, random sample check of material shall be carried out in various sections so as to cover the entire library stock at least once in every three years.
- (c) If it is not feasible to entrust the work of verification to officers not connected with the library, the work may be entrusted to those members of the staff of the library who are not connected with the custody of knowledge resource material of the particular section

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taken up for physical verification. In the latter case, the verification should always be subject to surprise test check by some independent officer.

- (ii) In the case of manuscripts, art collections, etc., a complete physical verification shall be done by a senior officer personally every year.
- (iii) The following shall be the procedure for writing off of losses of knowledge resource material of the library.
  - (a) While the Deputy Advisor, Knowledge Management (I/c library) must take all precautions for safeguarding of knowledge resource material, a loss up to 0.3% of items issued/consulted in a year may be taken as reasonable provided such a loss cannot be attributed to dishonesty or negligence on the part of library staff. Loss of material of the value exceeding Rs. 1000 (Rupees one thousand) and the material of special nature and rarity shall invariably be investigated and consequential action taken. All losses will be written off by the competent authority on recommendation of the KAIR Committee. The library officials shall not ordinarily be held responsible for such a loss.
  - (b) The proposal for writing off of books and journals will be made by the Deputy Advisor, Knowledge Management (I/c library).
- (iv) The Deputy Advisor, Knowledge Management (I/c library) shall place the report of missing materials, together with the action taken, before the Principal Advisor, Centre for Knowledge Management.
- (v) The Deputy Advisor, Knowledge Management (I/c library) shall obtain approval as regards the disposal of such materials as are found to be, unserviceable, duplicate or otherwise out of date.
- (vi) The report of physical verification, along with the report of missing and damaged articles, shall be submitted to the Director.

### 12.8 Miscellaneous:

- (i) Classification and indexing of the knowledge resource material in the library should, as far as possible, conform to the standard classifications scheme.
- (ii) The rules in this chapter have taken into account the normal procedures, which are being followed or may be followed for the efficient functioning of the library. However, because of development in information technology, use of computer and other automation devices may be introduced to facilitate easy access. KAIR Committee may amend or modify the procedures, record keeping and design of forms, from time to time after the approval of the Director General.

### 12.9 Annual Report:

The Principal Advisor, Centre for Knowledge Management in consultation with other Centres of the Institute shall prepare the Annual Report of the institute for submission to the prescribed authorities and publish the report.

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## CHAPTER XIII: EXPERTS FOR CONSULTANCIES/ PROJECTS AND OTHER SERVICES

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### 13.1 General:

- (i) As per Chapter-2, Section 5 of the Regulations of the institute, main activities of the institute are "to analyze Government policies, to provide consultancy services towards improving the prevailing administrative system and required restructuring, besides providing advisory services to Local Bodies. The activities also involve identification of problem areas through various studies, research work etc., developing action plan and suggesting implementation plans, change management and administrative reforms".
- (ii) In pursuance of the above, Section 30 (f) of the Regulations provides for association of the following categories of experts/consultants/practitioners/institutions:
  - (a) **Distinguished Fellows** who may have excelled in any of the areas relevant to the objectives of the institute.
  - (b) **Fellows, Consultants and Research Associates.**
  - (c) **National/International institutions** with similar or allied objectives as members of a global network of institutions.
- (iii) After identifying special tasks to be performed with a work plan and time frame, appointments of Fellows, Consultants and Research Associates shall be made by the Director General.
- (iv) Appointments of Distinguished Fellows shall be made subject to the approval of the Executive Body and shall not be for a period exceeding three years.
- (v) Appointments of all the above categories shall be made on the basis of internal search by the institute. No advertisement may be necessary for the purpose since these requirements are for short term and project based.
- (vi) Appointments of Fellows, Consultants and Research Associates would be made for the duration of the project period or for a specific purpose for a duration not exceeding one year.
- (vii) Distinguished Fellows will be generally appointed on honorary basis with an honorarium of Rs. 3000/- per sitting. Those staying in Bhopal will be provided a conveyance allowance of Rs. 500/- per visit, which will not exceed 6 visits in a month. Those staying outside Bhopal would be paid travel expenses limited to Economy Class for Air travel/ AC- First Class for Train travel/actual expense for road travel besides local hospitality, which would also be provided to them by the institute.
- (viii)(a) Depending on the qualifications and experience, the remuneration to the Fellows, Consultants and Research Associates shall be as follows:-
  1. Fellow- Rs. 1,00,000 per month.
  2. Consultant- Rs. 60,000 per month
  3. Research Associate- Rs. 40,000 per month

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- (b) In case temporary accommodation is not provided by the institute to these experts relocating from outside Bhopal, house rent allowance at 10% of the monthly remuneration would be payable. No transport allowance for commuting to office will be permissible.
  - (c) Fellows and Consultants located outside Bhopal would receive the remuneration as above. They would however not be entitled for HRA. As and when they are required to visit the institute they shall be paid travel expenses limited to Economy Class Air travel/AC First Class Train travel for Fellows and AC second class Train travel for Consultants.
  - (d) Travelling and Daily Allowance entitlements for project work will be equivalent to those of the corresponding tenure employees of the institute.
- (ix) **Qualification and Experience:**
- (a) Fellows should be at least a Post-Graduate with uniformly good academic record and a minimum Research/Field Experience of 10 years in an area relevant to the expected work.
  - (b) Consultant should be at least a Post-Graduate with uniformly good academic record and a minimum Research/Field Experience of 6 years in an area relevant to the expected work.
  - (c) Research Associate should be at least a Graduate with uniformly good academic record and preferably experience in an area relevant to the expected work.
- (x) The appointments made under 13.1(ii) can be terminated by the institute/appointee after giving 15 days prior notice to this effect. For reasons of misconduct appointment can be terminated at any time. However, in other cases when the appointee desires to leave the assignment before the notice period of 15 days he/she shall have to deposit 15 days remuneration in advance to the institute.
- (xi) Experts/Scholars invited by the institute for its work/projects would receive an honorarium up to Rs. 3000 per day to be decided by the Director General. Hospitality and travel expenses if required would be permissible on the basis of equivalent stature but not beyond that of Distinguish Fellow.

### 13.2 Research Projects:

- (i) On the basis of interactions with different stake holders and functionaries of the Government or otherwise, the institute shall identify projects, plans, issues and problems which need to be examined, studied and analysed which may be financed by the institute or the concerned organization.
- (ii) The institute should take up sponsored Research Projects/ Studies /Peer Reviews etc. with financial support from the sponsoring Government Departments/other Organizations from within the country and abroad.
- (iii) Joint Research Projects relevant to the objectives of the institute should also be undertaken.
- (iv) In the case of sponsored projects of the State Government or its organizations, total actual cost of the project with at least 15% of it as overheads will be normally payable to the institute. Overheads for the Institute would cover compensation for infrastructural

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facilities of the institute namely- administrative services, general services including use of space of the institute, electricity, telephone, furniture, software/hardware facilities etc. In special cases this percentage could vary depending on the nature of the project. Such variation in the percentage of overheads would be decided by the Director General.

- (v) Special care has to be taken to maintain time schedules decided for each project. For this, a regular review with a comprehensive midterm review of the progress of work on the project shall be carried out and reported to the Director and the Director General. Corrective measures, if required, shall be taken promptly.
- (vi) Any project proposal shall contain the following details-
  - (a) Technical personnel/Field staff, (b) Supporting personnel, (c) Working expenses, (d) Equipment needed, (e) Travel costs, etc and (f) Total financial requirements including overheads.

The proposal should categorically mention a tight time frame and action plan, if needed, for successful completion of the project work.

- (viii) Manpower approved for a sponsored project would not require any further approvals and appointments could be made by following the procedure for appointment as laid down in these rules.
- (ix) On acceptance of a project proposal, a copy of the sanction shall be sent to the finance division. Neither any expenditure should be incurred nor any personnel be appointed until the schemes has been approved. The formal agreement to accept the Project shall be signed on behalf of the institute by the Manager (Administration) or any other official nominated by the Director General.
- (x) Cash flow is of vital importance to the institute. It is essential, therefore, that the claims for research grants are presented expeditiously as and when these become due, after sending periodical reports of progress of expenditure to the sponsors. A claim register shall be maintained to watch the receipt of grants and a close watch should be kept in getting the grants by reminding the sponsors.

### 13.3 International exchanges:

- (i) One of the objectives of the institute provides for national and international level collaboration, sharing of resources and networking, capacity building etc. with institutions of similar interest. For the above purpose, the Director General is authorized to depute up to a maximum of three members of the Core Staff per year to undertake such international visits. Out of these, one international visit per year could be undertaken by the Director General with the concurrence of the Chairman of the Governing Body.
- (ii) International scholars/experts visiting the institute for mutual projects/ work while visiting India would have to incur travel expenses to the port of entry in India. Thereafter, travel and hospitality will be borne by the institute. Necessary government clearances for such visit will be facilitated by the institute.

**13.4 Consultancy or expert advisory services:** Consultancy or advisory work for a national or international organization may be undertaken by the institute. The terms and conditions for such work shall be finalized by the Director General.

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## CHAPTER XIV : ESTATES

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### 14.1 Administration of Estates:

The Manager (Administration) shall be in charge of the management of landed properties, buildings and residential houses belonging to the Institute and shall be responsible for collecting rents and dues, the payments of taxes and other public charges, the granting of Leases or License, if any, and doing all other acts necessary for the maintenance, protection and preservation of such properties and the collection of their income. The Manager (Administration) shall also deal with the legal business connected with the institute properties under the direction of the institute authorities.

### 14.2 Estates and immovable property register:

- (i) Immovable property register: The Manager (Administration) shall maintain a register of immovable properties of the institute, in which details of all immovable property shall be entered in chronological order (date of possession/completion) indicating area and cost of the property. The register shall also show whether the property is held under direct management or has been given on lease or is charged with any payment.
- (ii) Register of Deeds: The Manager (Administration) shall maintain a register of title and other deeds relating to all immovable properties of the institute, where executed. The deeds shall remain in the custody of the Manager (Administration) in a secured safe and be verified with the register of deeds annually by an independent officer selected by the Director General.

### 14.3 Special records for Revenue and Expenditure:

- (i) The Manager (Administration) shall arrange to keep accounts of the income and expenditure of the estates and properties held by the institute. Such accounts shall show separately the properties held by the institute for general purposes and the properties charged for special purposes.
- (ii) Renting/Sale Procedure: All lands and built up space shall be let out on rent on a principle to be decided by the Executive Body. All trees, fruits, grass etc., where the sale proceeds are estimated to exceed Rs. 25000/- shall be sold by public auction. The auction shall be held in the presence of the Manager (Administration) after giving widest possible publicity by advertisement, notice etc.
- (iii) Register of Suits: For the purpose of keeping of all suits in which the institute is a party, a register of suits shall be maintained in two volumes, one for suits in which the institute is the plaintiff and the other for suits in which the Institute is the defendant. The particulars of each case shall be entered in the register of suits as soon as the institute institutes a suit or a notice of the institution of a suit against the institute is received by it, and further action taken thereon recorded from time to time. The appeals shall be entered on separate pages allotted for the purpose in the register and cross-reference quoted. The register should periodically be checked and laid before the Director General once every half year for his review.

**14.4 Periodical Review and Verification:**

- (i) Defaulter's Quarterly List: The Manager (Administration) shall prepare a list of defaulters at the end of each quarter in July, October, January and April every year and submit it to the Director General for review. The Manager (Administration) shall take suitable action for recovery of all outstanding dues.
- (ii) No remission of revenue in respect of the institute campus shall be authorized unless sanctioned by the Executive Body or by the Director General as per delegation of powers in deserving cases.
- (iii) Annual consolidated statement of demands, collection and arrears: At the close of each financial year, a consolidated statement of demands, collection and arrears in respect of each property shall be prepared by the Manager (Administration) and laid before the Director General with a brief note explaining chief points of variation in the demand, collection and arrears.
- (iv) Annual review and certificate of verification in case of Estates and Immovable Property
  - (a) The Manager (Administration) shall be personally responsible for the proper maintenance and use of all the properties and he shall take all the steps to safeguard against misuse, encroachments, damages, etc. to the property.
  - (b) The Manager (Administration) shall prepare an annual review and certificate of verification in case of Estates, movable and Immovable Property for submission to the Director General in June of the following year.

**14.5 Allotment of residential quarters to the institute staff:**

- (i) Subject to the availability, allotment of residential accommodation will be done by the Manager (Administration) on approval of Director General.
- (ii) An employee who has been allotted a house by the institute shall be required to furnish a declaration that no member of his/her family staying in the house with him/her is receiving house rent allowance from the institute or from any other government or semi-government organization for the same house.
- (iii) Residential quarters allotted to core staff shall not be sublet. In case it is found that quarter is sublet, the allotment will be liable for cancellation.
- (iv) Recovery of rent shall be made as per rates applicable in government of M.P. Such rates may be modified by the Executive Body.
- (iv) When a tenant proposes to vacate his quarter, he should give the authorities fifteen days' notice of the date on which he will vacate the premises. The electrician shall arrange to examine and take charge of the fittings of the house and report if they are in order. A tenant who vacates without giving such notice shall be liable for the full rent of the house till the end of the month in which he vacates the premises and for all electric and water charges etc. payable in respect of the house up to the date on which the authorities are able to take over possession.
- (v) Where a institute employee vacates after such notice before the last day of the month owing to his departure on transfer, leave, resignation or retirement, the demand for rent

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and other charges for the period of his occupation shall be made at once so that the amount due may be recovered before his departure.

- (vi) (a) The Manager (Administration) shall send a list of deductions to be made on account of rent and any other charges (e.g. water, electricity, garden, maintenance charges) payable at the occupancy of quarters (changes, if any, to be communicated in the subsequent month) to the finance division who shall deduct the dues from the salary bills of such employees.
- (b) The recoveries made from the salaries shall be communicated by the finance division to the Manager (Administration) by the end of the second week of the month following that in which the recovery is affected. The Manager (Administration) shall then credit the amount to the accounts of the tenants in the appropriate register.

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## CHAPTER XV: AUXILIARY SERVICES

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### 15.1 General:

This Chapter contains rules and mentions the financial records as are special to the activities of institute auxiliary services.

### 15.2 Institute Guest House:

- (i) The allotment of accommodation in the guest house and recovery of rental charges thereof shall be made in accordance with the rules framed by the Director General. The rules will *inter alia* cover the recovery of rental charges from person invited/visiting the institute for or in connection with the institute work and other officials and non-officials not visiting in connection with the institute work.
- (ii) An officer of the institute shall oversee maintenance of a guest register. Every guest shall settle the bill regarding his stay before his departure from the guest house. No credit facility shall be provided.
- (iii) The use of guest house telephone/fax/e-mail and other similar facilities will be regulated by the rules approved by the Director General.

### 15.3 Vehicles for institute:

There will be four categories of vehicles to be used at the institute viz. (1) Vehicles owned by the institute and allotted to specific officers (2) Vehicles owned by the institute and used as Pool Vehicles (3) Vehicles hired by the institute and (4) Vehicles owned by officers of the institute and used for official purpose. The use of these vehicles will be governed by the following general conditions:

- (i) For each institute/hired vehicle there shall be a controlling officer nominated for the purpose.
- (ii) The controlling officer shall be responsible for ensuring the proper use of the vehicle and for regulating journeys in accordance with the prescribed rules.
- (iii) The requisition for use of vehicle for official use should be in the prescribed form.
- (iv) Vehicle on hire should be engaged only for specific purpose with the approval of the Director, if no vehicle owned by the institute is available to meet the requirement. The Manager (Administration) will identify agencies on the basis of quotation/prevalent rates for hiring of vehicles on ad-hoc basis. For engaging vehicles on monthly basis, procedure outlined in Appendix-III– Outsourcing of Non-Academic Services shall be applicable.

**15.3.1 Vehicles owned by officers associated with Centres:** Officials associated with Projects will have option to use their own vehicle or official vehicle for local government work. If officials opt for using their own vehicle, then they will be entitled for fixed monthly vehicle allowance of Rs.3000/- in the case of a 4 wheeler. This allowance is in addition to the transport allowance sanctioned to them. The option can be exercised once in a financial year with the approval of the Director.

**15.3.2 Vehicles owned by the institute:** The controlling officer shall also be responsible for supervising its care and maintenance as follows:

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- (I) The driver of vehicle should maintain the vehicle in good condition. He should ensure particularly that the milometer is in working condition and that the tyre pressure, coolant, engine oil, brake oil, gear oil, battery water level etc are maintained as per norms.
- (II) A log book shall be maintained by the Driver in which entries shall be made regarding the journeys performed, POL consumption, purchase of tyre-tubes, batteries, etc. and brief details of maintenance undertaken. The entry should include date and invoice number wherever applicable.
- (III) Drivers of the Pool Vehicles would be responsible to ensure that the entries are made correctly and signature of the persons using the vehicle is obtained immediately after the journey. The entries in the logbook made by the driver shall be attested by the controlling officer of the vehicle.
- (IV) Drivers of allotted vehicles shall mention local journey rather than details of journeys performed in HQ. However when the vehicle is deployed for journey outside the HQ, details of the journey would be recorded.
- (V) A record/register of repairs and replacements will be maintained by the Deputy Manager (HR & Stores) indicating the date, invoice number, details of work carried, amount and details of spare parts replaced, etc.
- (VI) A file shall be maintained by Deputy Manager (HR & Stores) in which the following will be recorded chronologically (i) the date of purchase, (ii) the particular type and model of the vehicle, (iii) the purchase value, (iv) registration number, (v) number of insurance policy, (vi) annual premium, (viii) accident met, if any. The file shall be reviewed annually by the Manager (Administration) to ensure that it is being maintained properly, and that there is timely renewal of registration and insurance.
- (VII) The controlling officer shall examine and ensure that the consumption of fuel, maintenance etc. is within the prescribed limit.
- (VIII) When the vehicle is not being used, steps should be taken to utilize the services of the driver usefully in the office.
- (IX) The use of institute vehicle and bicycles provided for Dak/Security work etc. shall be regulated in accordance with the instructions issued by the Manager (Administration) in this regard.

**15.3.3 Condemnation of the official vehicle:** A vehicle owned by the institute can be condemned and auctioned as per procedure laid down by the Director General. For such disposal, following norms are prescribed:-

	Condemnation	Tyre	Battery
Light vehicle (Indica, Swift, equivalent)	1,50,000 KM	25,000 KM	18 months



Other light vehicle (Indigo, Ciaz, Innova, Bolero equivalent)	1,80,000 KM	25,000 KM	18 months
Heavy vehicle	2,00,000 KM	40,000 KM	18 months

**15.4 Nursery, Parks and Gardens:**

- (i) The Deputy Manager (Estates) shall be responsible for the maintenance of the nursery, parks and gardens of the institute.
- (ii) Consumables (manures, sand and soil, insecticides, fungicides, plant hormones etc.) equipment (largely in the nature of tools) and pots and plants, etc. shall be purchased in accordance with the general financial rules of the institute and as per the delegation made in this behalf.
- (iii) The following registers shall be maintained by the Deputy Manager (Estates):
  - (a) Equipment (Tools) register.
  - (b) Register of other stocks like those of plant material, pesticides, fungicides, pots, etc.
  - (c) Register of trees and other garden product.

**15.5 Electricity and water supply services:**

**15.5.1 Electric supply:** The institute takes electric energy in bulk and distributes it to the different units of the Institute campus. Following shall be maintained by the Deputy Manager (Estates).

- (a) Detailed accounts of the receipt, distribution and consumption of the electric energy and expenses incurred on the purchase and maintenance of the plants and equipments, their depreciation, running and working expenses shall be maintained.
- (b) The records mentioned below shall, be maintained to show the distribution and consumption of the electricity and realization of its dues-
  - (I) Register to record the reading of incoming energy and the energy outgoing to the feeders.
  - (II) House/Building connection register. This register shall show the particulars of the premises, name of the occupant/office, purpose of supply, dates of connection and disconnection.
  - (III) Meter reading book.
  - (IV) Bill book.
  - (V) Statement of monthly demand of electricity charges from the institute employees and consumers showing the amount payable by them.
  - (VI) Consumer's ledger.
- (c) Meter reading book: The meter-reading book is the primary record on which the accounts of consumption of electricity are based and provides columns for

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recording the last and present month's readings. The difference shall give the energy consumed during the month. A card in the same form shall be attached to each meter. At the time of entering the meter readings in the meter book, the meter reader in the presence of the consumer shall simultaneously make entries in the meter card for reference.

- (d) Demand statement: An electric demand shall be prepared (from the office copies of the bills) showing the names of the employees and amounts due from them. The administration division shall ensure recovery of the amount due from the salary.
- (e) The amount due from outside agencies consuming electricity of the Institute shall be recovered through a bill raised against the concerned agency.
- (f) Consumer's ledger: The consumer's ledger shall be posted in respect of demand from the electricity demand register. Realization of the demand shall be noted from the statement of collections made in cash and the demand statements returned by the finance division with the recoveries noted therein.
- (g) Statement of arrears of electric and water supply services shall be prepared from the consumer's ledger and put up before the Manager (Administration). No arrears shall be allowed to accumulate, and in case of default the Institute shall have power to disconnect the electricity and water connection after giving a fortnight's notice to the consumer. The connection shall be restored only after payment of the arrears and the prescribed re-connection fee.
- (h) The depreciation on plants and machinery shall be calculated as per schedule given in the electricity supply Act as amended from time to time.

**15.5.2 Water supply:**

- (a) A scale map showing the layout of the water line connections to residences and other placed as well as the locations of fire hydrants, sluice valves, etc. shall be maintained in the water supply section.
- (b) Charges on account of water supply to residential accommodation shall begin to accrue from the date the residence is occupied. As soon as a residence is allotted to a tenant, necessary entries in the demand register should be made which shall be common both for electricity and water supply.
- (c) Water charges shall be made at the rates fixed by the Municipal Corporation and shall be realized from the salary of the employee along with the bill of electric consumption.

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## CHAPTER XVI: WORKS

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### 16.1 Introduction:

- (i) **Definitions:** In this Chapter the following special terms and expressions, unless the contrary intention appears, shall have the meaning hereby assigned to them:
- (a) "Advance payment" means a payment made on a running account to a contractor in respect of work done or supplies made by him and duly measured.
  - (b) "On account payment" means a payment made on a running account to a contractor in respect of work done or supplies made by him and duly measured.
  - (c) "Administrative approval" denotes formal acceptance and is in effect an order of the competent authority to the institute to execute a certain work at a stated sum based on rough cost estimate with preliminary plans prepared by him.
  - (d) "Contract work" is in the form of a written agreement and contains a stipulation as to the quantity and rates of items of work to be done and the time within which it is to be completed. It is generally for completed items of work i.e., both for material and labour.
  - (e) "Final payment" is the last payment on a running account made to a contractor on the completion or determination of his contract and in full settlement of the account.
  - (f) "Issue rate" denotes the cost per unit fixed, in respect of an article borne on the stocks at a valuation, for the purpose of calculating the amount creditable to the sub-head, concerned (i.e., the sub-head under which the article is classified) of the stock account by charge to the account or service concerned, when any quantity of that article is issued from Stock: "handling charges" and "storage charges" will be included in the "issue rate" by adding a suitable percentage based on the carriage and other incidental charges of the previous year, and storage charges as reviewed and fixed at the beginning of a year.
  - (g) "Secured advance" is an advance made, on the security of materials brought to site of work by a contractor whose contract is for completed items of work (i.e. for both labour and materials).
  - (h) "Technical sanction" is an order of the competent authority sanctioning a properly detailed estimate of cost of work of construction or repair, proposed to be carried out. It shall not ordinarily exceed the administrative approval by more than 5%.
  - (i) "Work contingencies" term indicates the incidental expenses of a miscellaneous character that cannot be classified appropriately under any distinct sub-head of work in the estimate yet pertain to the work as a whole.
- (ii) **Administration:** There shall be a Building and Works Committee. The composition and functions of the Buildings and Works Committee are given below:
- (1) Director General or the Director of the Institute - Chairperson
  - (2) Two Technical experts nominated by the Director General of the Institute. - Members

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| (3) | Manager (Finance) of the Institute        | - | Member              |
| (4) | Manager (Administration) of the Institute | - | Member<br>Secretary |

The Committee shall *inter alia* perform the following functions:

- (a) It shall consider plans for the overall development of the institute campus for each work costing more than Rs.10 lakhs.
  - (b) It shall recommend to the Executive Body a programme of works to be executed in the ensuing year. This program will separately specify:
    - (I) Repairs and Maintenance work:
    - (II) Original works
  - (c) It shall recommend estimates in the case of works, costing more than Rs. 10 lakhs.
  - (d) It shall be responsible for making technical scrutiny as may be considered necessary for according Technical Sanction by the competent authority in the case of works costing more than Rs. 10 lakhs.
  - (e) For non-deposit work, it shall recommend tenders for approval of the competent authority in the case of works costing more than Rs. 10 lakhs.
  - (f) It shall make recommendations as regards rates not covered in a particular work order and disputes with the contractors.
- (iii) For detailed technical instructions regarding various matters connected with works of the institute, the Public Works Department Code/Manual of the State Government may be referred to, if necessary.

### 16.2 Categories of works and general rules:

- (i) Works are divided primarily into two categories, viz., "original works" and "repairs and maintenance".
- (ii) The term, "original works" indicates construction, of entirely new works as also repairs to newly purchased, acquired or previously abandoned properties required to be brought into commission again.

The term, "repairs and maintenance" primarily indicates operations undertaken to maintain in proper conditions, buildings and works in ordinary use.

- (iii) When a portion of an existing structure or work is to be replaced or remodeled and the cost of the change represents a genuine increase in the value of the property, the work of replacement or remodeling shall be classified as "original work", the cost (which should be estimated if not known) of the portion replaced or remodeled being credited to the estimate for "original work" and debited to repairs.

In all other cases the whole cost of the new work should be charged to repairs.

- (iv) No original work shall be commenced or liability incurred in connection with it until the approval/sanctions referred below have been obtained:

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- (a) Administrative approval i.e., formal acceptance has been obtained from the competent authority. An application for the administrative approval should be accompanied by preliminary report, approximate estimates, information regarding the fund or source from which the expenditure will be met, general drawing and such other information as may be necessary to indicate roughly what the proposals are.
- (b) A properly detailed design and estimate called "technical sanction" has been approved. Technical sanctions to the detailed plans and estimates consisting of a report on the proposed work, details of quantity and specifications and rates for each items working up to the estimated figure, would imply that the proposals are structurally sound and estimates are based on adequate data and accurately calculated.
- (c) Sanction to incur expenditure has been obtained from the competent authority.
- (d) Funds to cover the charge during the year have been provided by the competent authority.
- (v) Splitting up of estimates: For purposes of approval and sanctions, a group of works which forms one project should be considered as one work and the necessity for obtaining the approval or sanction of higher authority to a project which consists of such a group of works is not avoided by the fact that the cost of each particular work in the project is within the powers of approval or sanction of any subordinate authority.
- (vi) In case an urgent work is carried out in anticipation of these formalities, prior orders of the Director General shall be obtained in writing
- (vii) (a) The sanction to an estimate must on all occasions be looked upon as strictly limited to the precise objects for which the estimate was intended.  
(b) Any anticipated or actual savings on a sanctioned estimate for a definite work shall not, without special authority, be applied to carry out additional works not contemplated in the original estimate or fairly contingent on its actual execution.
- (viii) Alterations and deviations during construction:
  - (a) In the case of urgency and when it is not advisable to wait, petty and minor deviations not involving material changes in the design may be made under the written order of the Director General.
  - (b) A revised or supplementary estimate may be required to be submitted for technical or expenditure sanction, when additional expense on account of alterations and deviations is likely to be in excess of 10 percent over the amount of the sanctioned estimate.
- (ix) Annual repairs are generally divided into three kinds:
  - (a) Periodical repairs which are carried out as a matter of routine or rotation and usually involve the same quantity, from time to time.
  - (b) Repairs, which are not carried out periodically as per norms, but which are convenient to carry out, as far as may be necessary, at the time of periodical repairs.
  - (c) Occasional or petty repairs which may have to be carried out between the time of periodical repairs.

- (x) Special repairs are those where the renewal of floors and roofs or other special repairs and replacements becoming necessary at long intervals are undertaken.
- (xi) The works shall be executed in accordance with the prescribed procedure i.e. with prior administrative approval and technical and expenditure sanction of the competent authority.

**16.3 Programming, budgeting and sanctions:**

- (i) A register of projects shall be maintained by the Manager (Administration) in which all the proposals for new works shall be entered. All the proposals in the register shall be placed before the Director General. Before according administrative sanction to any project, the approximate cost of the entire project shall be considered with regard to its utility, urgency and the means available to finance the project. Any project beyond the means of the Institute to finance shall not be undertaken.
- (ii) In financing any work, the Director General shall consider whether it is possible to provide the full requisite amount during the year. If the full requisite amount cannot be provided in one year, the Director General may fix schedule as to the items to be carried out every year.
- (iii) Repairs shall ordinarily be given precedence over the original works. Adequate provision shall be made for the due completion of works in progress at the close of the previous year.
- (iv) The sanction accorded for periodical repair estimates shall lapse at the end of the year, but the sanction accorded to special repairs or original works shall hold good till the repairs or works are completed.
- (v) The sanction accorded for the allotment of funds in the budget estimates shall continue in force till the end of the year to which it pertains. In the case of original works and special repairs, however, the Competent Authority may, after calling for a statement of incomplete works at the end of the year and the probable amount required for completion, sanction a re-allotment of that amount so that the works may be proceeded within the next year.

**16.4 Preparation of estimates:**

- (i) In preparing the detailed plans and estimates, the Schedule of Rates of the State PWD and guidelines provided in the in the Public Works Department Code shall be observed, as far as possible.
- (ii) Detailed plans and estimates for original works shall be prepared only after in principle approval for the work has been accorded by the Director General. The letter number of the in principle approval shall always be quoted in the estimate.
- (iii) The estimates shall be prepared generally in the forms used in the State Public Works Department. The institute Engineer may, however, make additions or alterations in the headings on the face sheet according to requirements.
- (iv) The report accompanying a detailed estimate shall be comprehensively drawn up under specific heads. Necessity and urgency of work, as well as expected time of its completion, etc. are invariably to be included in the report.

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- (v) The estimates shall provide for the complete work and not piece-meal work. The cost of the work shall generally be calculated at the rates given in the Schedule of Rates and if for any reason those rates are not considered adequate and higher rates entered in the estimates are arrived at shall be appended to the estimate.
- (vi) All incidental expenditure, which can be foreseen, shall be provided for in the estimates. Provision for contingent expenditure on the works may be made to the extent of 10% of the total charges. The provision for contingencies shall not be diverted to any new item, not provided for in the estimates, without the sanction of the authority, which sanctioned the original estimate.
- (vii) When the original estimate is likely to exceed for any reason by more than 10 percent, a revised estimate shall be prepared as soon as the necessity arises and before the completion of the work.
- (viii) Minor deviations within the sanctioned estimate, which do not necessitate the preparation of revised estimate, may be carried out with the sanction of the competent authority in accordance with the powers delegated for this purpose.
- (ix) If a work is abandoned after partial execution and is proposed to be taken up again, a fresh estimate shall be prepared before the work is restarted.
- (x) The annual repairs estimates for buildings shall be on the basis of a norm and an approximate amount based on the plinth area or other such parameter pertaining to such building.

### 16.5 Execution of works:

- (i) Works shall be executed through contracts.
- (ii) The contract can be either as item rate or percentage rate above/below the rates given in the notified schedule or lump sum for the entire work. The system as is decided by the Buildings and Works Committee shall be followed keeping in view the procedure followed by the Public Works Department and the stipulation, if any, made by the grant giving authority.
- (iii) In the case of works to be given out on contract, the institute shall prepare the following "contract document" so that there may be no ambiguity which might subsequently give rise to complications or go to the extent of vitiating the contract.
  - (a) A complete set of drawing showing the dimensions of the proposed work and details of the various parts.
  - (b) Complete specifications of the various items of work and the materials to be used.
  - (c) A schedule of the quantities of the various items of work.
  - (d) A list of material to be issued by the Institute giving the rates and place of issue.
  - (e) Rates of items of work.
  - (f) A set of "conditions of contract" to be complied with by the person whose tender is accepted. Opinion of the Legal Adviser shall be obtained, when necessary.
- (iv) Invitation of quotations and tenders (limited or open): In case estimated cost exceeds Rs. 50,000/- but does not exceed Rs. 10lakhs, quotations may be invited from the contractors

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on the panel of State PWD, in addition to displaying on notice board of the institute/website, etc. Open tenders shall be invited in all cases of estimates exceeding Rs. 10lakhs.

- (v) (a) Normally, for buildings composite tenders, including electrical works and special power wiring, should be invited and a clause to the following effect should be included in the works contract.
- "That the general building contractor should get the electrical works executed through a licensed electrical contractor having good experience".
- (b) If for any reason it is considered necessary to invite separate tenders for the electrical and power wiring, then limited tenders from at least six contractors with a record of excellent work in wiring should be invited and the work entrusted normally to the lowest tenderer.
- (c) The electrical contractor should be required to provide detailed drawings as a part of the contract.
- (vi) The following particulars shall invariably be furnished in the tender notice:
- (a) Name of work with the amount of the estimate.
  - (b) The time that would be allowed for the completion of work.
  - (c) The class of contractors from whom tenders are invited.
  - (d) When and where the tender forms with schedules of quantities and specifications will be supplied and at what price.
  - (e) When and where the tenders should be submitted.
  - (f) When and where and by when the tenders will be opened.
  - (g) The amount of earnest money to accompany the tender.
  - (h) The amount and nature of security required in case the tender is accepted.
  - (i) With whom the acceptance of tender will rest.
  - (j) Power to reject any or all the tenders so received shall always be reserved, without assigning any reason therefore.
- (vii) The time for receipt of tenders shall normally be allowed as under:
- (a) For works costing above Rs. 50,000 but below Rs. 10 lakhs- 2 weeks
  - (b) For works costing above Rs. 10 lakhs -3 weeks
- (viii) The contractor shall invariably date and initial corrections in the schedule of quantities, schedule of materials to be issued and specifications and other essential parts of tender documents before submission.
- (ix) An ambiguous tender shall be liable to rejection.
- (x) (a) At the advertised time and place all tenders received for the same contract should be opened by the authorized committee/officer in person, in the presence of such of the intending contractors or their agents as may choose to attend. A statement listing the



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names of tenderers or their representatives who have been present should be drawn up and got signed by them at the time of opening the tenders. No tender should be accepted from any person directly or indirectly connected with the service of institute.

- (b) All tenders received shall be initialed by the authorized officer and immediately entered, with the final amounts indicated in the tenders, in the tender register in the presence of the tenderers or their representatives who are present and signed by the authority opening the tenders.
- (xi) In every case in which more than one tender is received for a work, a comparative statement shall be prepared and on this statement recommendations to and the final orders of the accepting authority shall be recorded.
- (xii) Normally no condition shall be accepted and it shall be rejected outright. However, where the conditions mentioned in the tender have no financial implications or where the tender remains the lowest even after accounting for the financial implications of the conditions, the tender may not be rejected but may be considered on merits.
- (xiii) Usually the lowest tender should be accepted, unless there is some objection to the capability of the contractor, the security offered by him, or his execution of former work. In such cases reasons for rejecting the lowest tender should be recorded confidentially on the comparative statement. The contractor shall, however, have no right to question why his tender has been rejected. In selecting the tender to be accepted, the financial status of the individuals and firms tendering should be taken into consideration in addition to all other relevant factors.
- (xiv) The earnest money deposit applies to all tenderers without which the tenders will be considered defective and rejected. The security deposit applies only to those contractors whose tenders have been accepted and who are entrusted with the work.

Note: The Director General may exempt such Public Undertakings as are accorded general exemption by Government from depositing earnest money.

- (xv) The rates for earnest money deposit and security deposit shall be as under:

<b>Estimated cost of the work</b>	<b>Percentage of earnest money deposit</b>	<b>Estimated cost of the work</b>	<b>Percentage of security deposit</b>
Up to Rs. 2 lakhs	2.5 %	Up to Rs 2 lakhs.	8%
Above Rs. 2 lakhs	2% with a maximum of Rs.1.0 lakhs	More than Rs. 2.0lakhs.	First Rs. 2 lakhs 8%, Above Rs 2 lakhs 7%

- (xvi) The earnest money deposit should be paid either in cash or by bank draft made out in the name of the institute as may be notified in the tender. Cheques or bank guarantee or securities will not be accepted in lieu of earnest money deposit.
- (xvii) Security deposit should be taken in all cases for the due fulfillment of a contract. This security may be:
- (a) A deposit by cheque/bank draft amounting to a minimum of 50% of the security required for the work inclusive of earnest money accompanying the tender.

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- (b) In case full security deposit is not made by cheque/bank draft, remaining amount of security deposit shall be recovered by deduction of maximum of 50% of the amount of running bills.
- (c) Full security deposit can also be taken in the form of Government Securities/bank guarantees.
- (xviii) No work shall be performed unless a 'work order' has been issued by the competent authority on acceptance of the tender and the conditions to be fulfilled are reduced to writing and signed by the contractor.
- (xix)(a) (I) As soon as a tender is accepted, a work order shall be issued and the contractor shall within 10 days make good the deficiency of the security deposit under the notice of tender before an agreement is entered into.
  - (II) In the case of works costing up to Rs. 50,000 a formal agreement may not be necessary. However, all the relevant conditions shall be incorporated in the 'work order', which should be acknowledged and agreed by the contractor.
- (b) The agreement shall be executed on a stamp paper in proper form, which shall be carefully prepared. All pages shall be numbered and all corrections attested by the executants and witnessed. No abbreviations shall be used and the form already approved by the institute shall be used in the agreement.
- (c) Every page of agreement shall be signed at its bottom by the executants. Interlineations, blanks, interpolations, corrections, alternations and erasures shall be avoided but when considered absolutely necessary they shall invariably be made in ink and attested by the executants, attestations of every sort shall be so made as to leave the original words legible.
- (d) All references to specified sums of money, terms of years and so on shall invariably be expressed in words and in figures.
- (e) In framing an agreement, the two main objects to achieve are:
  - (I) Nothing material must be omitted.
  - (II) All that is expressed must be unequivocally worded beyond any possibility of ambiguity and convey clearly what is desired to be conveyed. In laying down specifications, generalities are to be avoided, as they are just the contractor's opportunity.
- (f) The "Fair wage clause" shall invariably be inserted in the agreement.
- (g) Delays in the execution or renewal of agreements are most objectionable and sometime result in loss to institute. As far as possible, they shall be executed whether by way of renewal or otherwise, as the case may be, prior to the dates from which they come into force.
- (h) (i) Time for commencement and completion of the work shall be mentioned in the agreement and power shall be reserved therein for cancellation of the contract and for getting the work done by any other agency at the cost of the contractor in case of the failure on his part to commence the work in time or to keep it in progress with due diligence.

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- (ii) Work shall be executed strictly in accordance with specifications given in the approved estimates. The terms of every agreement shall be strictly enforced and nothing shall be allowed to be done that would tend to nullify or vitiate the agreement.
- (iii) A contractor shall not be given verbal promise of being allowed higher rates than those agreed upon, in consideration of any peculiar or unforeseen circumstances. If in any case higher rates are considered necessary, specific orders of the competent authority shall be obtained.
- (xx) If any item of work, which is not included in the original estimates, is required to be included subsequently, a separate estimate for the extra item should be prepared and got approved by the competent authority. A statement giving complete analysis showing how the rate has been worked out should accompany the estimate.
- (xxi) (a) Where, during the course of execution of a work, the need for additional work arises, it may be entrusted to the contractor who is executing the main work, provided that the cost of total work does not exceed the amount indicated in the administrative approval by 10%,  
  
(b) Where the proposal for additional work comes up after the virtual completion of the main work, then it is to be treated as a separate work and the normal procedure applicable to such works should be followed, provided that in special cases where an exception is called for in the interest of the Institute, such cases should be brought up before the Director General for approval.
- (xxii) (a) When any delay in the completion of a original work is anticipated, the question should be brought up for consideration and this should normally happen before the expiry of the completion period as first agreed to and consideration thereof should appropriately be on an application of extension of time by the contractor for the work.  
  
(b) When placing the matter of extension of time before the Director General for consideration, the causes for the delay should be carefully analyzed and the periods of delay attributable to each cause should be assessed and indicated as precisely as possible.
- (xxiii) After a contractor has submitted a completion report and the work has been measured and inspected, a completion certificate shall be prepared and signed by the institute Engineer.
- (xxiv) Security deposit may be refunded after the prescribed period after the completion of the work and final payment, on obtaining a certificate from the institute Engineer that no defects have appeared in the work, necessitating its forfeiture in whole or in part.
- (xxv) The appointment of the architect shall be as per procedure prescribed in Appendix III (Outsourcing of non academic services)
- (xxvi) In the case of original works entrusted to Architects, the institute's engineer shall exercise day-to-day supervision over the work. The contractor's bills for the work done shall be paid on the basis of the certificates given by the Architects. The institute's engineer will draw the attention of the Director General, if, at any time, it is found that the work is not progressing according to the fixed schedule of specifications or if there

are material deviations from the quantities of the individual items of work shown in the original estimates. The bills of the contractors received through the Architects shall be routed through the institute's Engineer so as to enable him to keep a watch over the progress of the work as well as expenditure for exercising budgetary control.

(xxvii) The conditions, if any, governing the grants sanctioned by Government for works shall be observed strictly.

**16.6 Bills and Payments:**

(i) Preparation of bills of contractors and supplies: Bills for payment to contractors and suppliers for work done or material supplied shall be prepared on the basis of entries in the measurement book. Full rates, as per agreement, etc, shall be allowed only if the quality of work done is up to the stipulated specification.

(ii) Payment to contractors:

(a) Under no circumstances shall an advance be made to a contractor for starting a work.

(b) No payment shall be made to a contractor in respect of any work, unless the same has been measured and accounted for in the measurement book. Exceptions are, however, permissible in the cases referred in sub-rule (iv) below.

(c) (I) Running bills of contractors shall, normally be paid once in a month.

(II) Running payments shall not, however, be made to a contractor unless the work is estimated to cost more than Rs 50,000/-.

(d) Reduced rates can be paid to the contractor in running bills, depending on conditions of work. It shall not be necessary to make any analysis for such reduction in rates. However, if any reduced rate is paid in a final bill, an Engineer identified by the institutes for the same shall approve an analysis.

Final payment shall be authorized after the work has been completed to the satisfaction of the Engineer so identified.

(iii) The advance to contractors (for work done but not measured) shall be admissible on the following conditions:

(a) In very exceptional cases, an advance for an amount not exceeding 75% of a running bill may be granted to a contractor with the sanction of the Director General when checking of the running account bill by the institute Engineer is likely to involve considerable delay causing hardship to the contractor. The institute Engineer, while recommending an advance under this rule, should record the reason for such delay and also furnish a certificate in the form given below:

"Certified that the advance recommended against the bill is less than the amount billed for after deduction of the recoverable dues and that the amount of advance bill be adjusted against the bill which is now under checking".

(b) The percentage shall be calculated on the net amount of the running account bill after deduction of the security deposit, value of materials supplied, secured advance etc.

(c) No second advance shall be admissible to a contractor if a similar advance is outstanding against him on account of the same work.

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Note: As a general rule, payments for supplies are not permissible until the stores have been received or surveyed. If payment is permitted on the production of railway receipt, the payment is treated as an advance payment against final settlement on receipt of stores.

- (iv) In cases in which a contractor whose contract is for finished work, requires an advance on the security of materials brought to site, the Institute Engineer may recommend an advance up to an amount not exceeding 75% of the value of such materials as assessed by him provided that:
  - (a) They are of an imperishable nature.
  - (b) The institute Engineer certifies that the materials have actually been brought to site.
  - (c) The materials are all required by the contractor for use on items of work under the contract. Recoveries of a secured advance shall be made from the contractor's bills for work done, as the materials are used, if not earlier. Payment of such advances shall be allowed only in very exceptional cases. The officer granting the certificates shall be responsible for any over payment, which may occur in consequence.
  - (d) The contractor has not previously received any advance on their security.
- (v) (a) In certain exceptional circumstances, it may become necessary in the interest of work to engage laborers or contractors or incur other liabilities on behalf of the contractor concerned, with a view to complete the work which he has neglected or failed to complete. In such a case, it is permissible to spend institute funds on behalf of the contractor in accordance with the terms of his agreement. With a view to avoid subsequent disputes with the contractor, suitable intimation should be sent to him (i) as soon as action is taken under this rule and (ii) subsequently, as charges are incurred on his account.
- (b) No advance or recoverable payment should be made to or on behalf of a contractor nor should any financial aid be given to him in any form, except in accordance with these rules.

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# APPENDICES

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## APPENDIX I – PROCUREMENT OF GOODS

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### 1.1 General:

This chapter contains the general rules applicable to all divisions/centre of the institute, regarding procurement of goods required for use in the institute.

- 1.2 The term 'goods' used in this chapter includes all articles, stationery, material, furniture, fixtures, electronic equipments, computer software, garden plants, spares, instruments, machinery, equipment, industrial plant etc. purchased or otherwise acquired for the use of the institute but excludes books, publications, periodicals, library software etc. for the library.
- 1.3 The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the institute. The specifications so worked out should meet the basic needs of the institute without including superfluous and non-essential features, which may result in unwarranted expenditure..
- 1.4 Offers should be invited following a fair, transparent and reasonable procedure.
- 1.5 The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects.
- 1.6 The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.
- 1.7 Procurement of goods can be done by directly placing indent with a Central/State Government agency, the Central Purchase Organization DGS&D, Madhya Pradesh Laghu Udyog Nigam (M.P.L.U.N.), Central/ State Consumer Federation Ltd. with the approval of the competent authority.
- 1.8 Purchase of goods up to the value of Rs. 50,000/- (Rupees thirty Thousand) only on each occasion may be made without inviting quotations or bids.
- 1.9 Purchase of goods costing above Rs.50,000/-(Rupees thirty Thousand) and up to Rs. 1,00,000 (Rupees One lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee, which will physically survey the market or survey through Internet before recommending purchase.

Internet purchases through e-business portals like Flipkart, Amazon, E-bay etc. may be made on cash-on-delivery basis as well as through advance payment by net Banking.

On receipt of purchases made through e-business portals, necessary stock entry and physical verification shall be done by Deputy Manager (HR and Stores) and the concerned bill and other documents forwarded to the finance division for necessary action within three days.

In case the goods are purchased on cash-on-delivery basis through e-business portal, payment will be made after matching the order ID/product code with the order ID/product code mentioned in the bill received with the consignment. Thereafter the necessary physical verification shall be done and stock entry made by Deputy Manager (HR and Stores).

In case of any discrepancy between the ordered and received goods through e-business portals, reference shall be made within two working days by the officer who made the order for such purchases to the concerned vendor for replacement/ necessary refund.



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- 1.10** In case the institute directly procures goods through Central Purchase Organization (DGS&D, M.P.L.U.N., State Consumer Federation Ltd.) rate contracted goods from suppliers, the prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of the purchase should be in line with those specified in the rate contract. The institute shall make its own arrangement for inspection and testing of such goods where required.
- 1.11** A demand for goods should not be divided into small quantities to make piece meal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.
- 1.12** Except in cases covered under **clauses 1. 7, 1.8, and 1.9**, the institute shall procure goods by following the standard method of obtaining bids through
- (i) Advertised tender enquiry;
  - (ii) Limited tender enquiry;
  - (iii) Single tender enquiry
- 1.13** Subject to exceptions incorporated under **clauses 1.7 to 1.9**, invitations to tenders by advertisement should be used for procurement of goods of estimated value of more than Rs. 25 lakhs (Rupees Twenty Five Lac). Advertisement in such case should be given in one leading national and two state newspapers (one in English and one in Hindi) and one e-paper (other than national and state daily newspapers having e-editions) along with hosting the advertisement on the institute's website. In addition, concerned government agencies dealing with the product may also be informed regarding the tender enquiry.
- 1.14** The institute shall give its web site address in all advertisements. The tender document should be downloadable from the institute's website. If such a downloaded bidding document is priced, there should be clear instructions for the bidder to pay the amount by demand draft etc. along with the bid.
- 1.15** Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later.
- 1.16 Limited tender enquiry:**
- This method may be adopted when estimated value of the goods to be procured is above Rs. 1.0 lakh and up to Rupees Twenty-five lakhs. A database/register of suppliers of different commodities normally procured by the institute shall be developed and maintained for the purpose of limited tender enquiry. Copies of the bidding document should be sent directly by speed post/registered post/courier/e-mail to firms, which are in the database. The number of supplier firms in limited tender enquiry should be more than three. Further, web based publicity should be given for limited tenders. Efforts should be made to identify a higher number of suppliers to obtain more responsive bids on competitive basis. Purchase through limited tender enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five Lakhs, in the following circumstances.
- (i) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.

- (ii) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.

**1.17 Two bid system:**

For purchasing high value equipments etc. of a complex and technical nature, bids may be obtained in two parts as under:-

- (i) Technical bid consisting of all technical details along with commercial terms and conditions;
- (ii) Financial bid indicating item-wise price for the items mentioned in the technical bid. The bidder should seal the technical bid and the financial bid in separate covers duly super scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super scribed. The technical bids are to be opened by the purchasing division/centre at the first instance and evaluated by a competent committee or authority. At the second stage financial bids of only the technically acceptable offers should be opened for further evaluation and ranking before awarding the contract.

**1.18 Late bids:**

In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) shall not be considered.

**1.19 Single tender enquiry:**

Procurement from a single source may be resorted to in the following circumstances:

- (i) It is in the knowledge of the Institute that only a particular firm is the manufacturer of the required goods.
- (ii) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
- (iii) For standardization of machinery, spare parts, software to be compatible to the existing sets of equipment and software (approved by the competent authority), the required item is to be purchased only from a selected firm.

**1.20 Contents of bidding document:**

All the terms, conditions, stipulations and information to be incorporated in the bidding document are to be shown in the appropriate chapters as below: -

Chapter - 1: Instructions to bidders.

Chapter - 2: Conditions of contract.

Chapter - 3: Schedule of requirements.

Chapter - 4: Specifications and allied technical details.

Chapter - 5: Price schedule (to be utilized by the bidders for quoting their prices).

Chapter - 6: Contract form.

Chapter- 7: Other standard forms, if any, to be utilized by the purchaser and the bidders.

**1.21 Maintenance contract:**

Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contract(s) of suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery. It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the contract terms may provide and the paid maintenance should commence only thereafter. The procedure and financial limit for procuring maintenance services shall be the same as mentioned for procurement of goods.

**1.22 Bid security:**

- (i) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, bid security (also known as earnest money) is to be obtained from the bidders except those who are registered with the Central Purchase Organization (DGS&D) or M.P.L.U.N. The bidders should be asked to furnish bid security along with their bids. Amount of bid security should ordinarily range between two percent to five percent of the estimated value of the goods to be procured. The exact amount of bid security should be determined accordingly by the competent authority and in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.
- (ii) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before 30 days after the award of the contract.

**1.23 Performance security:**

- (i) To ensure due performance of the contract, performance security is to be obtained from the successful bidder awarded the contract.
- (ii) Performance security is to be obtained from every successful bidder irrespective of its registration status etc. Performance security should be for an amount of five to ten per cent of the value of the contract. Performance security may be furnished in the form of an account payee demand draft, fixed deposit receipt from a Commercial bank, Bank Guarantee from a Commercial bank in an acceptable form safeguarding the purchaser's interest in all respects.
- (iii) Performance security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.
- (iv) Bid security should be refunded to the successful bidder on receipt of performance Security.

**1.24 Advance payment to supplier:**

- (i) Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in the following types of cases: -

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- (a) Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment, etc.
  - (b) Advance payment demanded by firms against fabrication contracts, turnkey contracts etc.
  - (c) Advance payment in the case of purchases from e-business portals through the institute's account specifically opened for online purchases. This account will be operated by the Manager (Finance). To begin with, this account will be limited to Rs. 1.0 lakh, which is the limit set for cheque drawls by the Manager (Finance).
- (ii) Such advance payments should not exceed the following limits except in the case of State/Central government agencies and online purchases where full advance payment may be made:
- (a) Thirty per cent of the contract value to private firms;
  - (c) Or in case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.
- (iii) In consultation with Manager (Finance), the ceilings (including percentage laid down for advance payment for private firms) may be relaxed.

### 1.25 Part payment to suppliers:

Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

### 1.26 Transparency, competition, fairness and elimination of arbitrariness in the procurement process:

All purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. The text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The bidding document should contain, *inter alia*;

- (i) The criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc.
- (ii) Eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc which may require to be met by the successful bidder; the procedure as well as date, time and place for sending the bids.
- (iii) Date, time and place of opening of the bid.
- (iv) Terms of delivery; special terms affecting performance, if any.
- (v) Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/ or rejection of its bid.
- (vi) Suitable provision for settlement of disputes, if any, emanating from the resultant contract should be kept in the bidding document.

- (vii) The bidding document should indicate clearly that the resultant contract would be interpreted under Indian laws.
- (viii) The bidders should be given reasonable time to send their bids.
- (ix) The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening.
- (x) In order to attract sufficient number of bidders, the specification should be broad based to the extent feasible. Efforts should also be made to use standard specifications, which are widely known to the industry.

**1.27 Pre bid conferences:**

In case of turn-key contract(s) or contract(s) of special nature for procurement of sophisticated and costly equipment, a suitable provision is to be kept in the bidding documents for a pre-bid conference for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery projected in the bidding document. The date, time and place of pre-bid conference should be indicated in the bidding document. This date should be sufficiently ahead of bid opening date.

**1.28 Criteria for determining responsiveness of bids:**

- (i) Criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the responsive lowest bidder should be clearly indicated in the bidding documents.
- (ii) Bids received should be evaluated in terms of the conditions already incorporated in the bidding documents; no new condition which was not incorporated in the bidding documents should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.
- (iii) Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.
- (iv) Negotiation with bidders after bid opening must be severely discouraged. However, in exceptional circumstances where price negotiation against an ad-hoc procurement is necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder.
- (v) In the rate contract system, where a number of firms are brought on rate contract for the same item, negotiation as well as counter offering of rates is permitted with the bidders in view.
- (vi) Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document. However, where the lowest acceptable bidder is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive bidder at the rates offered by the lowest responsive bidder.

**1.29 Buy-back offer:**

When it is decided with the approval of the competent authority to replace an existing old item(s) with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

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## APPENDIX II - PROCUREMENT OF SERVICES FOR ACADEMIC WORK

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### 2.1 General:

The institute may hire external consultants (this term includes consultancy firm) for a specific job, which is well defined in terms of content and time frame for its completion by way of quotation/tender process.

2.2 Services not exceeding a value of Rs.50,000/- may be procured directly without quotation with the approval of the competent authority.

### 2.3 Preparation of scope of the required work/service:

The requirement, objectives and the scope of the assignment shall be prepared in simple and concise language. The eligibility and pre-qualification criteria to be met by the consultants should also be clearly identified at this stage.

### 2.4 Estimating reasonable expenditure:

The estimate of expenditure for the required work/services shall be ascertained on the basis of prevalent market prices which may be discovered by consulting other organizations/consultants engaged in similar activities.

### 2.5 Identification of possible sources:

(i) Where the estimated cost of the work or service is up to Rupees twenty-five lakhs, preparation of a list of potential consultants may be made on the basis of formal or informal enquiries from organizations involved in similar activities, chambers of commerce and industry, association of consultancy firms etc.

Depending upon the nature and scope of work, the procedure as outlined in 2.6 to 2.11 may be adopted for selection from the list of potential consultants/consultancy firms.

(ii) Where the estimated cost of the work or service is above Rupees twenty-five lakhs, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants may be made by publishing in one leading national and one state newspaper and one e-paper (other than national and state daily newspapers having e-editions) along with hosting the advertisement on the institute's website. The web site address should also be given in the advertisements. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the institute and the consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting responses from interested consultants. Such responses may be sent by the consultants through email to the institute.

### 2.6 Preparation of Terms of Reference (TOR):

The TOR should include-

- (i) Precise statement of objectives.
- (ii) Outline of the tasks to be carried out.

- (iii) Schedule for completion of tasks.
- (iv) The support or inputs to be provided by the institute to facilitate the consultancy;
- (v) The final outputs that will be required of the consultants.

**2.7 Preparation and issue of Request For Proposal (RFP):**

RFP is the document to be used by the Institute for obtaining offers from the consultants for the required work/service. The RFP should be issued to the short listed consultants to seek their technical and financial proposals. The RFP should contain:

- (i) A letter of invitation.
- (ii) Information to consultants regarding the procedure for submission of proposal.
- (iii) Terms of Reference (TOR).
- (iv) Eligibility and pre-qualification criteria in case the same has not been ascertained through enquiry for Expression of Interest.
- (v) List of key positions whose CV and experience would be evaluated.
- (vi) Bid evaluation criteria and selection procedure.
- (vii) Standard formats for technical and financial proposal.
- (viii) Proposed contract terms.
- (ix) Procedure proposed to be followed for midterm review of the progress of the work and review of the final draft report.
- (x) Bid security/ performance security as applicable in the case of procurement of goods (refer 1.21 and 1.22). This may be relaxed by the Director General in the case of government/quasi- government institutions.

**2.8 Receipt and opening of proposals:**

Proposals should ordinarily be asked for from consultants in 'Two-bid' system with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in a bigger envelop duly sealed and submit the same to the institute by the specified date and time at the specified place. On receipt, the technical proposals should be opened first at the specified date, time and place.

**2.9 Late bids:**

Late bids i.e. bids received after the specified date and time of receipt shall not be considered.

**2.10 Evaluation of technical bids:**

Technical bids should be analyzed and evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Director General. The CEC shall record in detail the reasons for acceptance or rejection of the technical proposals analyzed and evaluated by it.



**2.11 Evaluation of financial bids of the technically qualified bidders:**

The financial bids of only those bidders who have been declared technically qualified by the Consultancy Evaluation Committee as per 2.10 above shall be opened for further analysis or evaluation, ranking and selecting the successful bidder for the consultancy contract.

**2.12 Consultancy by nomination:**

In case of eminent Government institutions and institutes like IIMs, IITs, Institute of Economic Growth, NIPFP, ASCI etc. required consultancies or services of experts can be hired directly without going through tender procedure.

Under some special circumstances, it may become necessary to select particular consultants/consultancy firms where adequate justification is available for such single-source selection in the context of the overall interest of the institute. Full justification for single source selection should be recorded in the file and approval of the Director General shall be obtained before resorting to such single-source selection. Value of such consultancy shall not exceed Rs.25 lakhs (Rupees twenty five lakhs).

**2.13 Monitoring the contract:**

The Institute should be involved throughout in the conduct of consultancy, preferably by taking a task force approach and continuously monitoring the performance of the professional(s) so that the output of the consultancy is in line with the institute's objectives.

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## APPENDIX III - OUTSOURCING OF NON ACADEMIC SERVICES

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### 3.1 General:

The institute may outsource certain services like gardening, security, housekeeping, transport, canteen etc. in the interest of economy and efficiency and it may prescribe detailed instructions and procedures for this purpose without, however, contravening the following basic guidelines.

### 3.2 Identification of likely contractors:

The institute should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other departments and organizations involved in similar activities, scrutiny of 'yellow pages', and trade journals, if available, web sites etc.

### 3.3 Preparation of tender enquiry:

The institute should prepare a tender enquiry containing, *inter alia*:

- (i) The details of the work or service to be performed by the contractor;
- (ii) The facilities and the inputs which will be provided to the contractor by the institute;
- (iii) Eligibility and qualification criteria to be met by the contractor for performing the required work/service;
- (iv) The statutory and contractual obligations to be complied with by the contractor.

### 3.4 Invitation of bids:

- (i) For estimated value of the work or service up to Rupees ten lakhs or less, the institute should scrutinize the preliminary list of likely contractors as identified as per 3.2 above, decide the prima facie eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice mentioned in the Chapter on "Procurement of Goods".
- (ii) For estimated value of the work or service above Rupees ten lakhs, the institute should issue advertised tender enquiry asking for the offers by a specified date and time etc. in at least two popular largely circulated newspapers and web site of the institute.

### 3.5 Late bids:

Late bids i.e. bids received after the specified date and time of receipt shall not be considered.

### 3.6 Evaluation of bids received:

The institute should evaluate, segregate, rank the responsive bids and select the successful bidder for the contract.

### 3.7 Outsourcing of services by nomination:

In case of Government agencies services can be outsourced from them directly, without following the tender procedures.

Under special circumstances, it may become necessary to select a particular agency where adequate justification is available for such single-source selection in the context of the overall interest of the Institute. Full justification for single source selection should be

recorded in the file and approval of the Director General shall be obtained before resorting to such single-source selection. Value of such services shall not exceed Rs.10 lakhs (Rupees ten lakhs).

**3.8 Monitoring the contract:**

The institute should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.

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## APPENDIX IV - INVENTORY MANAGEMENT

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**4.1 This chapter contains the basic rules applicable to inventory management.**

**4.2 Receipt of goods and materials from private suppliers:**

While receiving goods and materials from a supplier, the officer-in-charge of stores should refer to the relevant contract terms and follow the prescribed procedure for receiving the materials.

**4.3 Counting and verification:**

All materials shall be counted, measured or weighed and subjected to visual inspection at the time of receipt to ensure that the quantities are correct, the quality is according to the required specifications and there is no damage or deficiency in the materials. Technical inspection where required should be carried out at this stage by technical inspector or agency approved for the purpose. An appropriate receipt, in terms of the relevant contract provisions may also be given to the supplier on receiving the materials.

**4.4 Stock entry:**

Details of the material so received should thereafter be entered in the appropriate stock register. The officer-in-charge of stores should certify that he has actually received the material and recorded it in the appropriate stock registers.

**4.5 Custody of goods and materials:**

The officer-in-charge of stores having custody of goods and materials, especially valuable and/or combustible articles, shall take appropriate steps for arranging their safe custody, proper storage accommodation, including arrangements for maintaining required temperature, dust free environment etc.

**4.6 Lists and accounts:**

The officer-in-charge of stores shall maintain suitable item-wise lists and accounts and prepare accurate returns in respect of the goods and materials in his charge making it possible at any point of time to check the actual balances with the book balances. The form of the stock accounts mentioned above shall be determined with reference to the nature of the goods and materials, the frequency of the transactions and the special requirements. Separate accounts shall be kept for fixed assets such as plant, machinery, equipment, computers, furniture, fixtures etc. and for consumables such as office stationery, chemicals and maintenance spare parts etc.

**4.7 Hiring out of fixed assets:**

When a fixed asset (excluding building) is rented to contractors or others, proper record should be kept of the assets and the hire and other charges as determined under rules prescribed by the competent authority, should be recovered regularly. Calculation of the charges to be recovered from the contractors and others as above should be based on the historical cost.

**4.8 Physical verification of fixed assets:**

The inventory for fixed assets shall ordinarily be maintained at site. Fixed assets should be

verified by a team of officials of the institute at least once in a financial year, in the month of April for inventory held as on 31<sup>st</sup> March of the same year and the outcome of the verification recorded in the corresponding register. Discrepancies, if any, shall be promptly investigated and brought to account.

**4.9 Verification of consumables:**

A physical verification of all the consumable goods and materials should be undertaken at least once in a financial year, in the month of April for inventory held as on 31<sup>st</sup> March of the same year and discrepancies, if any, should be recorded in the stock register for appropriate action by the competent authority.

**4.10 Procedure for verification:**

The verification shall always be made in the presence of the officer, responsible for the custody of the inventory being verified. A certificate of verification along with the findings shall be recorded in the stock register. Discrepancies, including shortages, damages and unserviceable goods, if any, identified during verification, shall immediately be brought to the notice of the Director General for taking appropriate action.

**4.11 Buffer stock:**

Depending on the frequency of requirement and quantity thereof as well as the pattern of supply of a consumable material, optimum buffer stock should be determined by the Director.

Note: As the inventory carrying cost is an expenditure that does not add value to the material being stocked, a material remaining in stock for over a year shall generally be considered surplus, unless adequate reasons to treat it otherwise exist.

**4.12 Transfer of charge of goods, materials etc.:**

In case of transfer of officer-in-charge of the goods, materials etc., the transferred officer shall see that the goods or material are made over correctly to his successor. A statement giving all relevant details of the goods, materials etc., in question shall be prepared and signed with date by the relieving officer and the relieved officer. Each of these officers will retain a copy of the signed statement.

**4.13 Disposal of goods:**

An item may be declared surplus or obsolete or unserviceable if the same is of no use to the institute. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item. The Director General may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable. The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case where it is not possible to work out the book value, the original purchase price of the goods in question may be utilized. A report of stores for disposal shall be prepared.

In case an item becomes unserviceable due to negligence, fraud or mischief on the part of an institute employee, responsibility for the same should be fixed.

**4.14 Modes of disposal:**

Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two lakhs should be disposed off by obtaining bids through advertised tender/public auction. For

surplus or obsolete or unserviceable goods with residual value less than Rupees Two lakhs, the Director General will determine the mode of disposal, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed off.

(i) **Disposal through advertised tender:** The broad steps to be adopted for this purpose are as follows:

- (a) Preparation of bidding documents;
- (b) Invitation of tender for the surplus goods to be sold;
- (c) Opening of bids;
- (d) Analysis and evaluation of bids received;
- (e) Selection of highest responsive bidder;
- (f) Collection of sale value from the selected bidder;
- (g) Issue of sale release order to the selected bidder;
- (h) Release of the sold surplus goods to the selected bidder;
- (i) Return of bid security to the unsuccessful bidders.

The important aspects to be kept in view while disposing the goods through advertised tender are as under:-

The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the goods to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document. The bidding document should also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding. The bidders should be asked to furnish bid security along with their bids. The amount of bid security should ordinarily be ten per cent of the assessed or reserved price of the goods. The exact bid security amount should be indicated in the bidding document. The bid of the highest acceptable responsive bidder should normally be accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held only with that bidder. In case such negotiation does not provide the desired result, the reasonable or acceptable price may be counter-offered to the next highest responsive bidder(s). In case the total quantity to be disposed off cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next highest bidder(s) at the price offered by the highest acceptable bidder. Full payment, i.e. the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the goods. In case the selected bidder does not show interest in lifting the goods, the bid security should be forfeited and other actions initiated including re-sale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice, if necessary.

Late bids i.e. bids received after the specified date and time of receipt shall not to be considered

(ii) **Disposal through auction:** The institute may undertake auction of goods to be disposed

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off either directly or through approved auctioneers. The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender. While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), should be announced again for the benefit of the assembled bidders. During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the institute. The goods should be handed over to the successful bidder only after receiving the balance payment.

The competent authority will decide the composition of the auction team. The team should however include Manager (Finance).

- (iii) **Disposal by sale to employees of the institute:** Obsolete, unserviceable or items with scrap value may be disposed off to the employees of the institute on a value not less than the residual value to be decided by the Director General.
- (iv) **Disposal at scrap value or by other modes:** If the institute is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose off the same at its scrap value with the approval of the Director General in consultation with Manager (Finance). In case the institute is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner.

**4.15** A sale account should be prepared for goods disposed off duly signed by the officer who supervised the sale or auction.

### **4.16 Powers to write off:**

All profits and losses due to revaluation, stock taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the competent authority shall be obtained in respect of losses, even though no formal correction or adjustment in accounts is involved. Powers to write off losses are available under the delegation of financial powers.

### **4.17 Losses due to depreciation:**

Losses due to depreciation shall be analyzed, and recorded under following heads, as applicable: -

- (i) Abnormal fluctuation of market prices.
- (ii) Abnormal wear and tear.
- (iii) Lack of foresight in regulating purchases.
- (iv) Negligence after purchase.

### **4.18 Losses not due to depreciation:**

Losses not due to depreciation shall be grouped under the following heads:-

- (i) Losses due to theft or fraud;
- (ii) Losses due to neglect;
- (iii) Anticipated losses on account of obsolescence of stores or of purchases in excess of requirements;
- (iv) Losses due to damage
- (v) Losses due to extra ordinary situations under 'Force majeure ' conditions like fire, flood, enemy action, etc.

**4.19 Sale of petty items:**

Accumulation of petty item of value less than Rs.500/-, which become unusable often create difficulty in storage. Therefore, a committee consisting of Manager (Administration) and Manager (Finance) will get them disposed off and any amount received shall be credited to the account of the Institute. This will also apply to Newspapers and general magazines. However, this will not be applicable to research journals etc.

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## APPENDIX V – DELEGATION OF ADMINISTRATIVE AND FINANCIAL POWERS

### 5.1 Administrative Powers:

S.No	Nature of power	Authority to whom the powers delegated	Extent of delegation
AP-1	Creation of posts	Director General	Full powers on approval of EB
AP-2	Fixation of qualifications for various post	Director General	Full powers for Manager/Advisor and above posts on approval of Executive Body
		Director General	Full powers in respect of other posts.
AP-3	To make appointment of Manager/Advisor and above posts	Director General	Full powers subject to the availability of posts
AP-4	To make appointments of post below the Manager/Advisor	Director	Full powers subject to availability of posts in the set up
AP-5	To issue appointment letter	Manager (Administration)	Full powers subject to approval of Appointing authority
AP-6	To issue appointment letter in case of Manager (Administration)	Director	Full powers subject to approval of Appointing authority
AP-7	To order AIGGPA employees to hold additional charge/duty of another post	Director General	Full powers for Director, Principal Advisors
		Director	Full powers for the post of Advisor/Manager, Deputy Advisor/Deputy Manager
		Manager (Administration)	Full powers for other office staff
AP-8	To extend joining time in certain conditions	Director General	Full power for Director and Principal Advisor
		Director	Full powers for the post of Advisor/Manager, Deputy Advisor/Deputy Manager
		Manager (Administration)	Full powers for other office staff
AP-9	To sanction annual increments	Director General	Full power for the post of Director
		Director	Full powers for the Post of Deputy Manager/Deputy Advisor and above

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		Manager (Administration)	Full powers for other office staff
AP-10	Sanction Casual Leave	Director General	Full powers for self and for the post of Director
		Director	Full powers for the post of Principal Advisor/Manager
		Principal Advisor	Advisor/Deputy Advisor
		Manager (Administration)	Full powers for the post of Deputy Manager and other office staff
AP-11	Sanction Earned Leave/Maternity leave/ Paternity Leave/Medical Leave	Chairman GB	Full powers for the post of Director General
		Director General	Full powers for the post of Director
		Director	Full powers for the Post of Principal Advisor/Advisor/ Manager/Deputy Advisor
		Manager (Administration)	Full powers for the other office staff
AP-12	To sanction Extra ordinary Leave(Leave Without Pay)	Chairman GB	Full powers for the post of Director General
		Director General	Full powers for the post of Director
		Director	Full powers in respect of others
AP-13	To approve tour program of Core Staff	Director General	Full power for self and Director. Full power for all staff outside country
		Director	Full powers for the Post of Principal Advisor/Advisor/Manager/Deputy Advisor within country and for other staff outside state
		Manager (Administration)	Full power for office staff within State only
AP-14	To approve tour program of Distinguished Fellow/ Fellow/Consultant/ Research Associates and field staff	Director General	Full powers in case of Distinguished Fellow
		Director	Full Powers in case of others
AP-15	Nomination of Project Coordinator for a project/study	Director	Full powers
AP-16	Selection of Team Members in the Project	Project Coordinator	Full powers subject to approval by Director

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		mentioned in AP-15 above	
AP-17	Engagement of temporary Field workers /Surveyors/ other staff for project work	Director General	Full powers
		Principal Advisor	Up to maximum 6 Months (As per the approved Project proposal by the competent authority)
AP-18	Engagement of temporary workers/labor on collector rate as per need	Director General	Up to 09 months
		Director	Up to 03 months
AP-19	Power to impose minor penalty of withholding increment/Censure/CR warning for officers and employees on deputation	Director General	Full power for the Post of Director/Principal Advisor/Advisor/Manager
		Director	Full powers for other staff
AP-20	Powers to order summary enquiry against the officers and employees on tenure for Censure/ Financial penalties/ removal from services	Director General	Full power for the Post of Director/Principal Advisor/Advisor/Manager
		Director	Full powers for other staff
AP-21	Power to impose penalties- Censure/financial penalties up to one month's salary/removal from service for officers and employees appointed on tenure basis	Director General	Full power for the Post of Director/Principal Advisor/Advisor/Manager
		Director	Full powers for other staff
AP-22	Recovery from pay whole or part of any loss caused to AIGGPA by negligence or breach of trust	Director General	Full power for the Post of Director/Principal Advisor/Advisor/ Manager
		Director	Full powers for other staff

### 5.2 Financial Powers:

S. No	Nature of power	Authority to whom the Powers delegated	Extend of Delegation
FP-1	To draw salary, wages and other allowance	Manager (Administration)	Full power as per service conditions
FP-2	Pay fixation/increments	Manager (Administration)	Full powers with approval of Competent authority
FP-3	To sanction Tour Advance	Director General	Full power for self and Director.

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			Full power for all staff outside Country
		Director	Full powers for the Post of Principal Advisor/Advisor/Manager/Deputy Advisor within country and for other staff outside state
		Manager(Administration)	Full power for office staff within State only
FP-4	To sanction tour advance of Distinguished Fellow/ Fellow/Consultant/ Research Associates and field staff	Director General	Full powers in case of Distinguished Fellow
		Director	Full Powers in case of others
FP-5	Sanction of TA Bill	Director General	Full power in case of self, Director and Distinguished Fellow
		Director	Full powers for the Post of Principal Advisor/Advisor/Manager/Deputy Advisor barring relaxation in rules, which shall be referred to Director General
		Manager (Administration)	Full powers for office staff barring relaxation in rules, which shall be referred to Director
FP-6	Authorize an employee to undertake journey by special means of conveyance	Director General	Full powers for Director
		Director	Full power for other staff
FP-7	Hiring of conveyance and travel expenses for project work/conferences/Workshops/ Guests and Dignitaries	Director	Full powers
FP-8	To sanction Medical bills	Manager (Administration)	Full power in respect of AIGGPA staff as per rule
FP-9	Sanction of telephone, mobile, electricity and water charge bills	Manager(Administration)	Full powers as per rules
FP-10	To sanction new telephone or mobile connection	Director	Full powers as per rule
FP-11	Payment of Newspaper and Magazine for Library	Director	Full powers
		Manager(Finance)	Up to Rs. 5000/-
FP-12	Binding of library books and Journals	Principal Advisor (Centre for knowledge)	Full powers

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		Management)	
FP 13	Expenditure on Postage/telegram/ Courier	Manager(Administration)	Full powers
FP-14	Sanction of advertisement charges	Director General	Full powers above Rs. 1,00,000/-
		Director	Up to Rs. 1,00,000/- full powers
FP-15	Hiring of building for offices, garages etc.	Director General	Full powers
		Director	Rent Up to Rs. 25,000/- per month
FP-16	To sanction refund of money wrongly credited in favor of AIGGPA	Director	Full powers
FP 17	Refund/release of EMD	Manager (Finance)	Full powers subject to approval of Director
FP-18	Printing of forms, Annual Reports, documents and stationery articles, photocopying, and binding etc.	Director General	Full Power
		Director	Full power up to Rs. 2.0 lakh in each case.
		Manager(Administration)	Up to Rs.25000/- in each case
FP-19	Engagement of Accounts Auditor for internal annual audit	Director General	Full powers with the approval of EB
FP-20	Purchase of new vehicle	Director General	Full powers
FP-21	Purchase of tyres, tubes and batteries for vehicles	Director	Full powers in case of relaxation
		Manager(Administration)	Full powers as per the time limit/mileage fixed by AIGGPA
FP-22	To sanction expenditure on POL of AIGGPA vehicles	Director	Full powers in case of relaxation
		Manager(Administration)	Full powers up to the limit fixed by AIGGPA
FP-23	To sanction expenditure on repairs of vehicles	Director General	Full powers
		Director	Full powers up to Rs. 25,000/- for a single vehicle per annum
		Manager(Administration)	Full powers up to Rs. 5000/- for a single vehicle per annum
FP-24	To sanction amount for Insurance of AIGGPA vehicles	Manager(Administration)	Full powers
FP-25	To sanction repair and maintenance of office equipments/furniture/ electric fixtures including Annual Maintenance Contract	Director General	Full Powers
		Director	Up to Rs.1,00,000/- in each case
		Manager(Administration)	Up to Rs.15,000/- in each case
FP-26	Institution of legal proceeding and hiring legal experts	Director General	Full powers
		Director	Full powers up to Rs. 25,000/- in each case
FP-27	To sanction advance and expenditure on	Director General	Full powers
		Director	Rs. 1,00,000/- per item, as per

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	miscellaneous/contingent expenditure		rules
		Manager(Administration)	Up to Rs. 15,000/- per item, as per rules
FP-28	Administrative approval of Projects with project budget breakup /approval of Terms of Reference/ Agreements for project	Director General	Full powers
		Director	Rs. 10,00,000 in each case
FP-29	To sanction expenditure on study/seminars/meetings and functions held or sponsored by AIGGPA including lodging, boarding, honorarium, conveyance and food	Director General	Full powers
		Director	Full power for external funded projects. Up to Rs. 2,00,000/- in each case for AIGGPA fund project
		Manager(Administration)	Up to Rs.15,000/- at a time
FP-30	To sanction purchase of immovable property	Director General	Full power with the approval of Governing body
FP-31	To sanction purchase of furniture, machinery, equipment including computer hardware and software, store items, stationary and miscellaneous items	Director General	Full Powers
		Director	Up to Rs2,00,000/-
		Manager(Administration)	Up to Rs25,000/-
FP-32	To accord administrative approval and expenditure sanction on Original Works, Repairs and Maintenance	Director General	Full powers
		Director	Up to 5,00,00/- if works done by Government Agency. Otherwise Rs. 2,00,000 per item as per AIGGPA rules
		Manager(Administration)	Up to Rs. 10,000/- per annum for minor repairs
FP-33	To sanction expenditure on demurrage charge	Director General	Full powers
		Director	Up to Rs. 10,000/-
FP-34	To declare stores as surplus/ unserviceable/obsolete and to fix their reserve/resale price and to prescribe their mode of disposal	Director General	Full powers
		Director	Up to Rs. 25,000/- in each case
FP-35	To sanction write-off of unserviceable stores and store lost by fraud, negligence or theft	Director General	Full powers
		Director	Full powers Up to Rs. 25,000/- in each case
FP-36	Receipt and discharge on behalf of the organization	Manager (Finance)	Full powers
FP-37	Draw and negotiate cheques, letters of credit, etc.	Manager (Finance)	Full powers

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FP-38	To sign various documents viz (a) Bill of lading order for delivery of goods, RR, etc.	Manager (Finance)	Full powers
	(b) To sign vouchers, etc.	Manager (Finance)	Full powers
	(c) To check and attest entries in Cash Books	Manager (Finance)	Full powers
	(d) Sign and execute contracts	Manager (Administration)	Full powers with the approval of DG/Director
FP-39	Powers to sign Cheques and make payments	Manager (Finance)	Up to payments Rs 1,00,000 as per AIGGPA rules
		Joint signature of Manager (Finance)and Manager (Administration)	Upto payments above Rs. 1,00,000 to Rs 5,00,000
		Joint signature of Manager (Finance)and Director	Payments above Rs. 5,00,000
FP-40	Investment of AIGGPA Funds	Director General	Full powers
FP-41	To fix the amount of imprest	Director	Full powers

