पढ़े चलो, बढ़े चलो

RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN

GUIDELINES FOR FINANCIAL MANAGEMENT

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सत्यमेव जयते

Government of India

Ministry of Human Resource Development

Financial Management

1.1 Allocation of Resources as per Approved Plans:-Budget allocation to the States and UTs under the integrated RMSA is made as per the budget allocation for the scheme under Union budget. The budget allocation to States/ UTs is based on the proposals received from the States and UTs. The States Plan are appraised and placed before Project Approval Board for approval of State's target along with the budget for that year. The budget allocation will mainly depend on all these factors:

- Commitment from the State Government with regard to the State Plan ,its institutional pace and financial share;
- Performance of the State in previous years;
- Reports of supervision teams regarding the quality of programme implementation;
- Availability of financial resources in a particular year.
- States/ district with huge gaps to get priority

The approval is in two parts: first fresh approval for the year and secondly spill over budget for the activities to be carried over from previous year (Total Budget= Fresh Budget +Spill Over).

1.2 Proposal and Financial Estimates for AWP&B: The States have to submit the Annual Work Plan and Budget along with the Budget estimate for the year in the format as uploaded as Costing sheet and Overview format for AWP&B on RMSA website. This format provides enough flexibility to budget the activities as per the need of the State. For any activity for which unit cost is not prescribed, detail and justification on cost needs to be included in the plan itself. While budgeting under RMSA, convergence of funds with other schemes/ other sources needs to be looked into and the same also should form part of the plan. Necessary documents to substantiate the proposal on basis of SOR should be part of the plan document.

The plan also needs to indicate the spill over activities of previous year to be carried forward. The formula for working out spill over is Approval of previous year less the expenditure incurred less any activity to be surrendered or cancelled.
Spill over = Approved budget of previous year - Expenditure incurred up-to 31st March of the FY - budget for surrendered activity - any savings

Total Budget approved in a year = Fresh budget + Spill over budget.

Recurring activities approved in a year are approved to be implemented in that year and are not valid for implementation in the next financial year. Hence such activities of recurring nature cannot be spilled over unless approved as special case. On the other hand non-recurring activities mainly civil works and purchase of hardware/ equipment etc are activities which have to be completed even if these have to be carried to next year. Accordingly approval for non recurring activities is carried over to next year.

Before proposing for fresh activities, the State needs to take stock of the carried over activities and assess its capacity to implement in a year. However, for certain activities like training, school grant, excursion trip, science kits etc, unit cost as per the schemes needs to be adopted.

The progress against the approval of previous year is also integral part of planning and appraisal. Hence financial Status has to be indicated in the format given as progress and costing format at website**.**

The formats given here are model format and revised versions will be shared with States by MHRD as and when needed.

Dos/ Don't

- The format for costing should not be the basis for planning
- For certain activities like training, school grant, excursion trip, science kits etc, unit cost as per the schemes needs to be adopted.
- Progress (financial and physical) to be reported in the formats
- Mismatch in the expenditure to be avoided
- Tentative/ Expected Expenditure as on 31st March of the FY to be reported.

1.3 **Sharing Pattern under RMSA (Integrated):** Since 2015-16, the sharing pattern for RMSA, ICT and Vocational Education component (all interventions) would be 75:25 for all non-eastern States/ UTs and 90:10 for north eastern States. Under Girls Hostel Component, funds are shared in the ratio of 90:10 between Central Government and State/UT Government. In case of IEDSS, presently Central Government funds 100 per cent across the States/UTs which has been approved by National Mission to be amended in line with RMSA as 75:25 and 90:10 for NE States. This is subject to approval of cabinet.

1.4 **Flow of funds: S**ince 2014-15 funds from Government of India under the integrated RMSA to the State Implementation Society are being routed through State Government (treasury**).** The State Government has to release the central Share to SIS immediately on receipt and its commensurate State share to the SIS within 1 month of receiving the Central Share. For all the components of RMSA (RMSA, ICT, IEDSS, GH and VE), funds are released in an integrated mode.

Do's /Don'ts

- On receipt of Central share, the funds from treasury should be released immediately to the SIS preferably along with the commensurate State share. However in the event of any delay expected in releases of State share, the Central share should be released to SIS immediately.

- To avoid delay in release of Central Share from Treasury to SIS, it has to be ensured that sufficient budget provision is made in the State budget for the Central share along with the State share provision.

- The fund received from GoI in State treasury should be released as full amount to the Society instead of releasing in parts.

- State should inform the MHRD about the release of State share immediately on receipt of State share in Society's account or at least as part of online QPR.

1.5 Frequency of fund release: The funds under the scheme is and will be released in mainly 2 tranche: 1st instalment after the approval of the annual work plan and Budget of the State and second instalment on request of the State after at least 50% of the fund has been utilised. Funds under recurring and non-recurring heads are released separately.

To expedite the utilisation of fund and timely implementation of scheme, an adhoc release will be made as 25% of expenditure incurred in the last financial year under recurring head generally in the month of April- May pending approvals for that year. This is further subject to adjustment of GOI balance lying with the State under recurring head. The adhoc release is to be treated as partial release of 1st instalment. After the approval of AWP&B for the year, balance of 1st instalment (after adjusting the adhoc release) will be released subject to fulfilling of requirements as laid down by MHRD.

Second instalment is released after 50% of the fund available with the Society has been utilised and the request has been received by MHRD from the State for release of 2nd instalment.

Condition for release of 1st instalment	Condition for release of 1st instalment
● Provision for sufficient State share in State budget ● Release of commensurate State Share against the total Central funds released so far. This must be accompanied with (i) a copy of the order sanctioning the State Share; ● Submission of QPR for preceding financial year. ● Any other condition indicated from time to time.	● Submission of Utilization Certificate along with the latest QPR showing utilisation of at-least 50 per cent of funds available at the time of submission of the proposal for the next instalment. ● Release of commensurate State Share against the total Central funds released so far. This must be accompanied with (i) a copy of the order sanctioning the State Share; ● Submission of QPR up to last quarter ● Any other condition indicated from time to time.

Do's / Don'ts

- The UC in the prescribed format should be for entire fund available with the Society(GOI release and State releases)with the Society
- QPRs / UC should be accurate and sent on time so that Adhoc release and any release can be processed based on the expenditure reported in UC/ QPR

- QPR/ UCs to be signed by authorised signatory of the State
- In case the State share is released after the submission of QPR, MHRD to be informed immediately so that the fund release can be processed, if eligible
- Audit report should be submitted the prescribed time
- State share if released as single tranche for recurring and non-recurring, should be segregated under recurring and non-recurring in proportion to GOI releases.
- Funds released under non-recurring funds are not to be diverted to recurring head and vice versa.

1.6 Expenditure: The fund available under RMSA has to be utilised for the activities approved by the PAB as part of AWP&B. In no case the expenditure incurred under a head can exceed the approved budget for that particular head in that year. Neither can there be any expenditure on any activity which is not approved as part of AWP&B of the State.

The activities approved under recurring head are lapsable after 31st March of the year for which it has been approved. Hence in no case expenditure should be incurred against the approval of previous year after 31st March 2014

1.7 Reporting and Monitoring: Integrated financial and physical progress has to be reported on monthly and annual basis by the State Implementing Societies through dedicated website of RMSA. Executive Director/State Project Director would be responsible to report the project expenditure to Government of India in the form of Integrated Monthly Progress Reports (QPRs), Utilisation certificates (UCs) and Audit Report (if required).

The QPR should be made available to MHRD by 10th of the month following the end of the month. States/ UTs to adopt the online monitoring system developed by MHRD. (detailed handbook available on website http://rmsaindia.org/images/Project_Monitoring_System.pdf)

1.8 Procurement& Disbursement: The fundamental rule of any public buying is to provide the Works/ Goods/ services of the specified quality, at the most competitive prices, in a fair, just and transparent manner. To achieve this end, it is essential to have a uniform and well documented policy guidelines in integrated RMSA scheme which shall be based on latest provisions of GFR (at present GFR- 2005) and as per latest CVC guidelines. The provision of GFR (at present GFR-2005) and CVC guidelines can be referred to at http://finmin.nic.in/the_ministry/dept_expenditure/GFRS/GFR2005.pdf & http://cvc.nic.in/man04.pdf. Under RMSA, for any procurement the limits to be followed for determining the method of procurement are as follows:

Table No. XXV

S.No.	Financial Limit	Procurement Type
1	Up to Rs 15000/-	No Tender or Direct Purchase (Certificate to be furnished as per rule under 145 of GFR 2005)
2	Above Rs 15000/- and up to Rs 1.00 Lakh.	Three member committee (Certificate to be furnished as per rule under 146 of GFR 2005)
3	Above Rs 1.00 Lakh and up to Rs 10.00 Lakh	Limited Tender
4	Above Rs 10.00 Lakh and below Rs 50.00 Lakh	Open Tender
5	Rs 50.00 Lakh or above	Open tender using e-procurement process for Civil works, goods & services. (For details refer to----)
6		Service Contract
6(a)	Up to Rs 1.00 Lakh	Direct Contracting (with three quotations)
6(b)	Above Rs 1.00 Lakh and up to Rs 10.00 Lakh	Limited Tender
6(c)	Above 10.00 Lakh	Open Tender

The financial limit of works to be carried out by the community in State/UTs has been enhanced to **Rs. 30 Lakhs.** However where the tendering is carried out at District/State level financial limits of table XXV would be applicable. These limits may be revised by MHRD and accordingly the revised limit will be applicable. (Details can be referred to in Manual on Financial Management and Procurement)

1.9 Procurement Plan: After the AWP&B of the State is approved every State has to prepare a Procurement plan and upload it on their website under intimation to MHRD/ TSG

- The preparation of annual procurement plan is an essential requirement.
- The procurement plan covering civil works, equipment, goods, vehicles and consultancy services and resource support shall be prepared on a firm basis for each year of the programme.
- Procurement plan shall be prepared every year by the State / UT, within one month of the approval of the AWP&B by the PAB of RMSA & uploaded on State's RMSA website with intimation to MHRD. This will facilitate proper monitoring and execution of the procurement plan.
- The procurement plan/schedule shall be prepared contract wise.

- The limit applicable to the particular procurement method shall be strictly adhered to.
- In case the procurement activity could not be completed in a year as per the plan and the same is to be carried over to the next year, then the procurement activity schedule will be changed and sent to the SE Bureau, GOI stating the reasons for not procuring the items in the particular year. The same should be uploaded in the RMSA state society website. It should also be mentioned to the Bureau that except for the carry forward of the procurement, all other procedures remain unchanged.
- It shall be ensured that the procurement is based on actual requirements. Format of Procurement plan is at Annexure -F1 to F3.

1.10 Procurement of Computer Hardware for ICT in school component: Under Boot Model, the supplier would make available the ICT infrastructure for the duration of the contract period (normally five years) on the basis of a service level agreement and assurance of a periodic payment subject to satisfactory maintenance.

In exceptional cases where such arrangements are difficult to implement, ICT infrastructure can be procured on 'Outright Purchase Basis. The State/UT Govt. shall be free to partner with private organizations or integrate it with other similar schemes for implementation of the 'ICT in schools' scheme including providing for maintenance. The direct procurement of hardware by the State would be last resort. While placing order the minimum specification items &maximum price (all inclusive) must be clearly specified. If procurement is being made through DGS&D rates the service conditions should also be mentioned.

1.11 Procurement of aids and appliance for differently-abled children: To assist the needy disabled persons, sophisticated and scientifically manufactured, modern, standard aids and appliances that can promote their physical, social and psychological rehabilitation, by reducing the effects of disabilities and enhance their economic potential are to be procured. The aids and appliances thus purchased must be ISI certified and from reputed manufacturer and preferably from organisation which are subsidised by the Government like ALIMCO (Artificial Limbs Manufacturing Corporation of India). (Doc. Ref. SCHEME OF ASSISTANCE TO DISABLED PERSONS FOR PURCHASE/FITTING OF AIDS/APPLIANCES (ADIP SCHEME) link http://socialjustice.nic.in/pdf/adipsch.pdf

Before proceeding for procurement of aids & appliances for various types of disabilities, the concerned national level Institutes should be consulted:-

- ***AYJNIHH** (Ali Yavar Jung National Institute for the Hearing Handicapped.*
- ***NIMH** (National Institute for the Mentally Handicapped)*
- ***NIOH** (National Institute for the Orthopedically Handicapped)*
- ***NIVH** (National Institute for the Visually Handicapped)*

- ***DDUIPH** (Pt. Deen Dayal Upadhayay Institute for the Physically Handicapped)*

1.12 Threshold Limit of procurements: Since RMSA (integrated) is an externally funded program, all procurements under the scheme in order to be eligible for reimbursement (from WB) should not give out any individual contracts of the amount of Rs. 54 crore and above with regard to civil works, Rs.2.7 crore and above for goods, Rs. l.62 crore and above for Consulting firms and Rs 54 Lakh & above for any individual consulting services under RMSA from F.Y 2012-13. Year wise complete details of tender (for Works/Goods/Services) in prescribed format (annexure F4) should be provided to MHRD/TSG.

1.13 Separate procurement certificate to be provided along with audit report:-Along with submission of annual audit report by the Auditor, separate procurement certificate should be provided in compliance to adherence of procurement rules & regulations.

The details on Financial Management System and Procurement are available in the Manual on Financial Management and Procurement.

Annexure F1

Procurement Schedule for Goods under RMSA for the year ________

Name of State :

S.No.	Description of Goods	Quantity in numbers	Method of Procurement	Estimated Cost (Rs. in lakhs)	Procurement Actions for the year_____											
					April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March

Method of Procurement

Without tender
Single tender
Open tender
Limited tender
Rate contract
E.procurement

Procurement Actions

1.Preparation of specifications and bids document.
2.Issue of Invitation to bid.
3. Open bids
4. Evaluation
5. Award Contracts
6. Delivery

Annexure F2

Procurement Schedule for Civil Works under RMSA for the year ________

Name of State :

S.No.	**Description of works**	**Quantity in numbers**	**Method of Procurement**	**Estimated Cost (Rs. in lakhs)**	**Procurement Actions for the year______**											
					April	**May**	**June**	**July**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**

Method of Procurement

Community Construction
Open tender

Procurement Actions

1.Preparation of specifications and bids document.
2. Issue of Invitation to bid.
3. Open bids
4. Evaluation of bids
5. Award of contracts
6. Construction 25% complete
7. Construction 50% complete
8. Construction 75% complete
9. Construction 100% complete

Annexure F3

List of Consultancy Services to be hired

Name of State :

S.No.	Name of Consultancy	Estimated man months for each consultancy	No. of consultancy	Total Estimated cost (Rs. in lakhs)	Quarter wise procurement for F.Y _____								Remarks on proposed method of procurement (single source / Short listing
					I		II		III		IV		
					No.	Cost	No.	Cost	No.	Cost	No.	Cost	

Details of contracts awarded during 01/04/2012 to till date:-

F.Y. _	Tender for	Contract ref. No. & Date	Brief description of Procurement eg. Schools, classrom, walls, labs, etc.	Method of Procurement (Whether manual/ paper tender or e-tender)	Estimated cost in Crores	Contract award date	Contract value	Contract completion date		Name of Contractor/consultant	Payment made till date	Remarks.
							in Crores	As per contract	Actual			
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
	Civil Works											
	Goods											
	Services											
	Civil Works											
	Goods											
	Services											
	Civil Works											
	Goods											
	Services											
	Civil Works											
	Goods											
	Services											

* The report compiled at State level should also include all the contracts carried out at district level.

Signature:-_________________________

Name:-____________________________

Designation:-_______________________

Phone No:- ________________________

e-Mail:-____________________________