



JEEVIKA

An Initiative of Government of Bihar for Poverty Alleviation

Bihar Rural Livelihoods Promotion Society State Rural Livelihoods Mission, Bihar



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Office Order

In view of the financial year coming to close shortly, the state as well as the district finance teams need to be more attentive to ensure inclusion of all financial transactions, adjustment of advances lying outstanding with staff, BPIUs and CBOs, reconciliation with banks, state and inter district transactions and finally submission of the financial reports on time with due accuracy. The Ministry of Rural Development, Government of India has also expressed its cause of concern for submission of consolidated reimbursement claim based on expenditure reports of SRLMs for reimbursement by World Bank to Gol within the financial year itself.

As a result of restructuring of financial norms for releases under Community Investment Support (CIF), the level of expenditure under this component has substantially increased in February and same pace is also expected in March 2014. In view of the increased level of expenditure during the last quarter of the financial year, it is absolutely necessary that the system of expenditure reporting is effectively streamlined to ensure submission of reimbursement claim for the expenditure incurred during current quarter of the financial year 2013-14 as quickly as possible. This would enable disbursement processes to take place before 31st March 2014 by World Bank.

For this purpose, all the project functionaries and the finance teams need to work together and comply with following instruction diligently :

- (a) **Submission of periodical IUFR for the 4th Quarter of FY 2013-14:** As per the instruction of Ministry of Rural Development, Gol, consolidated IUFR for the month of February 2014 and for the period from 1st March to 15th March 2014 to be submitted by 10th March and 20th March 2014 respectively. All DPMs and the DFM shall ensure submission of IUFR for the above period to SPMU positively by 5th March & 17th March 2014 respectively. While preparing the IUFR, utmost care shall be taken for incorporating post reconciliation/ adjustments book entries, however delay in submission on this account should be avoided. In case some entries are not taken in to account, the same shall be taken and adjusted in the final year end IUFR.
- (b) **Reconciliation with SPMU A/c for funds transfer and inter-district transactions:** The state and the district finance team shall ensure sending / receiving Debit / Credit Notes in respect of funds transfers from SPMU and all inter-district transactions. While issuing such inter district notes, full details of the transactions shall be given to facilitate taking corresponding entries by respective districts through SPMU A/c.

(c) **Reconciliation of all bank A/cs at all level** : The Bank Accounts at DPCUs / BPIUs level should be got reconciled and updated on regular intervals. All DFMs shall ensure that post reconciliation book entries are taken before IUFRR is prepared.

(d) **Adjustment of outstanding advances and recovery of unutilized money** : Adjustment processes of outstanding advances with staff / suppliers / contractors needs to be accelerated to convert the same into actual expenditure. The DPMs will ensure submission of SoE and relevant documents in respect of all such advance lying outstanding for more than three months. Notice to concerned persons / parties be issued for submission of the documents within 15 days and in case of non-compliance within the stipulated time, the same should be recovered.

Adjustment of advances paid to BPIUs / BPMs should also be taken up seriously . All DPMs shall review the status of advances lying outstanding with BPIUs / BPMs in the monthly review meeting. The documents submitted in DPCU for adjustment purposes should be scrutinized and processed on priority basis. It is also imperative to ensure opening of bank accounts for all BPIUs and disbursement of advances through credit transfer in the bank account. Payment of advance in cash or in the personal bank account should be avoided. All such advances paid in cash or in personal bank account should be closely monitored and got adjusted within the financial year. Advances disbursed but not utilized should be recovered before 31st March 2014

(e) **Collection of Utilization Certificate / SoE and adjustment of advances paid to CBOs:** The utilization certificates received in BPIUs / DPCUs are also needs to be scrutinized properly for adjustment against the advance made to CBOs. The DPCUs are supposed to take effective action to put a system in place for regular collection of UCs / scrutinizing the same and taking adjustment entries in the books of accounts. All pending UCs should be collected and adjusted by end of the financial year. The BPMs / Block Accountants should be held responsible for non-compliance.

(f) **Year end Closing processes of financial transaction** : As mentioned above, we need to take sincere efforts to achieve the targets set out in the budget and simultaneously to ensure reporting of financial expenditure for maximum disbursement in the current financial year. For this purpose, each DPCU should chalk out strategies with plan of disbursements due in the current year, accounting of the same and finally closure of the books after incorporating all adjustments / settlement of the claims/ rectifications / transfers entries and allowing error free opening balance to be carried forward in the next financial year. For this purpose, following schedule should be adhered to :



- (i) All outstanding claims in respect of community cadre payment should be settled by 15th March 2014;
- (ii) All pending adjustments proposals should be taken up and final entries be taken in the books of accounts before 31st March 2014;
- (iii) All adjustment entries required to be taken after reconciliation with SPMU / inter unit transactions shall be taken up before 31st March 2014;
- (iv) Final year end IUFR shall be submitted incorporating all the increase / decrease in expenditure already reported by 10th of April 2014;
- (v) Internal Audit of the books of accounts for the 4th quarter shall be taken up from 15th of the April 2014 and the DPMs / DFMs shall be responsible for compliance of all pending audit observation.

All DPMs / DFMs should make out Action Plan for March 2014 and an Action Taken Report (ATR) should be sent to SPMU by 10th March 2014. Chief Finance Officer SPMU shall monitor the progress and also ensure all technical support to the district finance teams through SPMU finance Team.

Sd/-

**(Arvind Kumar Chaudhary)
Chief Executive Officer**

Copy forwarded for Information and necessary action to :

- (i) **Additional CEO / Director / Officer on Special Duty/ Administrative Officer;**
- (ii) **CFO / FO/ SFMs / AFMs**
- (iii) **All District Project Manager / District Finance Managers**

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**(Arvind Kumar Chaudhary)
Chief Executive Officer**